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ASPEED Technology Inc.
2023 Annual Report

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ASPEED Technology Inc. Website

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I. A Letter to Shareholders

Dear Shareholders,

It is the first time since Aspeed Technology Inc. was founded 19 years ago that we have faced daunting challenges in the macro environment. The strong demand for semiconductors driven by the pandemic gradually slowed down. In addition, the popularity of large language models (LLM) prompted large cloud companies to rush to invest in the construction of AI infrastructure. We have observed that the shipments of AI training servers equipped with high-end GPUs only accounted for 3% of total server shipments; however, as the unit prices of the high-end AI servers were more than 20 times higher than that of traditional general-purpose servers, when the capital expenditure of cloud companies was fixed, the procurement budget of traditional general-purpose servers decreased, resulting in a significant decline in overall server shipments. As a result, the Company's revenue and profits faced recession for the first time in 18 years. The Company's revenue totaled NT$3,130,395 thousand for 2023, down by 39.92% from NT$5,210,128 thousand in 2022. The net profit after tax reached NT$1,006,810 thousand for 2023, down by 52.18% from NT$2,105,614 thousand in 2022. Earnings per share stood at NT$26.66. For 2023, Aspeed Technology's gross margin and operating margin were 64.14% and 34.49%, respectively. Facing changes in the macro environment, we have long been well-prepared and will forge a dual-track strategy for product development. In addition to the stable remote server management chips, our smart audio and video chip lines have witnessed gradual growth. We will flexibly respond to market changes with diverse product lines. Meanwhile, we will continue to strengthen business resilience and undertake digital transformation initiatives. In terms of supply chain management, we will advance to Fabless 2.0, a new supply chain model. In addition to IC designs, we will further work directly with back-end suppliers to master IC packaging and testing processes for more flexible operations, so as to face the great changes in the semiconductor industry. We will create a more solid foundation for operations and maximize shareholders' equity to give back to society.

Technological civilization. Diverse applications

Aspeed Technology firmly believes in the mission and core spirit of "technological civilization". Aspeed Technology aims to develop advanced technologies and products through innovation to solve global problems, continue to make progress in human civilization and improve quality of life, and create a core value of sustainable technological civilization. We focus on the niche market of IC R&D. We integrate products and have developed two major product lines using our strong and proven R&D. The product lines are enterprise cloud solutions and smart AV solutions. The main product of enterprise cloud solutions is board management controller (BMC), a server remote control IC, while the shipments of bridge IC (BIC) and platform firmware resilience (PFR) IC are gradually increasing, and the I/O expanders will be adopted for new server platforms so as to increase the content value per server of Aspeed Technology's IC products, becoming the core growth strategy of this product line. The applications of smart AV solutions range from smart factory remote inspection and auditing, unmanned patrols, smart city construction and management to other smart applications. In terms of smart factories, with the integrated hardware and software solutions provided by Aspeed Technology, clients can integrate real-time information from different production lines and machines into 360° panoramic images which can be presented through an integrated screen solution provided by Aspeed Technology. This achieves the goal of remote immersive management; the immersive management made possible by the smart AV solutions can optimize clients' decision-making process and enhance on-site maintenance. Smart AV solutions create a new form of on-site management model, which not only improves on-site management but also significantly reduces personnel travel costs as well as carbon emissions and energy consumption from on-site visits. It closely aligns with the trend of energy efficiency and accentuates our commitment to combining sustainable development with high value-added product development. In the future, we will continue to provide competitive and innovative IC with niche markets for innovative applications to maintain our business resilience and sustainable development.

A sustainable future.　Low carbon operations

Aspeed Technology's sustainable development strategies are as follows: We will enhance energy efficiency research and development through our core technologies, focus on retaining sustainable technology talents in Taiwan, and develop the Company into an enterprise that prospers while sharing profits with society and having sound and stable corporate governance. We will also foster business resilience and move toward the next stage of sustainable growth. As for green environment, following the voluntary adoption of Task Force on Climate-Related Financial Disclosures (TCFD) recommendations and the initial disclosure of climate-related finances in 2022, we responded to the Science Based Targets initiative (SBTi) in 2023 and set Aspeed Technology's carbon reduction targets and a long-term goal of net zero emissions. Meanwhile, we adopted plans for purchasing renewable energy and to actively conduct carbon reduction management. Moreover, we continued to enhance corporate governance and set up an anonymous whistleblowing system with third-party supervision in 2023. We will improve the company systems to make them more rigorous in the future. As for society, we continue to improve employee salaries and benefits and are committed to retaining and training talents. In 2022, the median salary of all our employees ranked first among TPEx-listed companies and sixth among TWSE-listed companies. Pay raises are not Aspeed Technology's only strategy to improve employee benefits. In the future, we will continue to strive to improve all aspects of employee compensation and benefits, create a diverse and inclusive environment, and provide employees with more complete and comprehensive benefits. Considering the gender imbalance and relatively small female talent pools in the semiconductor technology, we have now launched a sustainable impact program for diverse talents in technology. We work with the National Tsing Hua University and the National Hsinchu Girls' Senior High School to engage in face-to-face discussions, align ourselves with industry-academia issues, share our sustainable values and future development paths, and invest resources in sustainable diversity, inclusion, and the development of female talents in technology.

This year, Aspeed Technology will celebrate our 20th anniversary. We will respond to the changing environment with more proactive and diverse strategies for business growth, continue to improve employee benefits, and accurately develop new products to create a second wave of growth, thereby contributing to sustainability and human civilization on earth. Last but not least, we hereby express our sincerest gratitude to you all for your long-term trust. In the future, we will continue to strive to enhance shareholders' equity and corporate value, so that our shareholders, clients, and employees can share the fruitful results of our business success.

Chairman: Chris Lin

President: Chris Lin

II. Company Profile

1. Date of Incorporation:
   11/15/2004
2. A brief history of the Company

Year	Milestones
2004/11	Founded with NT$45,000 thousand capital and NT$1,000 thousand paid-up capital.
2004/12	Cash capital increased by issuing new shares of NT$11,000 thousand with NT$12,000 thousand paid-up capital after increase in total.
2005/03	Cash capital increased by issuing new shares of NT$14,000 thousand with NT$26,000 thousand paid-up capital after increase in total.
2005/11	Allied with QCI as a software partner.
2005/11	Launched the first generation BMC – AST2000/1000.
2005/11	Allied with AMI as a software partner.
2005/12	Allied with ATEN Technology as a software partner.
2006/03	Cash capital increased by issuing new shares of NT$10,000 thousand with NT$36,000 thousand paid-up capital after increase in total.
2006/06	Allied with Avocent as a software partner.
2006/09	Cash capital increased by issuing new shares of NT$14,000 thousand with NT$50,000 thousand paid-up capital after increase in total.
2007/01	Be certified to ISO 9001-2000.
2007/06	Launched the second generation BMC – AST2100/2050/1100.
2008/08	Employee bonus and surplus capital increased by issuing new shares of NT$29,000 thousand with NT$79,000 thousand paid-up capital after increase in total.
2008/10	Ranked no.37 in revenue growth "Deloitte Technology Fast 500 Asia Pacific 2008" by Deloitte & Touche.
2008/12	Launched the third generation BMC – AST2200/AST2150.
2009/06	AST1500 received the "Best Choice of COMPUTEX TAIPEI 2009 Award".
2009/06	Launched the new product AST1500 PC-Over-LAN Extension Processor.
2009/09	Employee bonus and surplus capital increased by issuing new shares of NT$21,230 thousand with NT$100,230 thousand paid-up capital after increase in total.
2009/11	Employee exercised stock warrants increased of NT$1,750 thousand with NT$101,980 thousand paid-up capital after increase in total.
2010/01	Launched the new product AST1600 PC-Over-GAT5 Extension Processor.
2010/02	Launched virtual desktop processors – AST1150/AST1160/AST1170/AST1180.
2010/07	Launched the fourth generation BMC – AST2300/AST1300.
2010/09	Employee bonus and surplus capital increased by issuing new shares of NT$27,885 thousand with NT$129,865 thousand paid-up capital after increase in total.
2010/10	Cash capital increased by issuing new shares of NT$20,000 thousand with NT$149,865 thousand paid-up capital after increase in total.
2011/01	Employee exercised stock warrants increased of NT$1,275 thousand with NT$151,140 thousand paid-up capital after increase in total.
2011/07	Employee bonus and surplus capital increased by issuing new shares of NT$35,091 thousand with NT$186,231 thousand paid-up capital after increase in total.

Year	Milestones
2011/09	Cash capital increased by issuing new shares of NT$12,000 thousand with NT$198,231 thousand paid-up capital after increase in total.
2011/11	Employee exercised stock warrants increased of NT$2,550 thousand with NT$200,781 thousand paid-up capital after increase in total.
2012/01	Corporation went public.
2012/05	Listed for trading in emerging markets.
2012/09	Employee bonus and capital surplus increased by issuing new shares of NT$10,588 thousand with NT$211,368 thousand paid-up capital after increase in total.
2012/11	Employee exercised stock warrants increased of NT$1,612 thousand with NT$212,980 thousand paid-up capital after increase in total.
2013/04	Listed on Taipei Exchange.
2013/05	Cash capital increased by issuing new shares of NT$20,360 thousand with NT$233,340 thousand paid-up capital after increase in total.
2013/09	Capital surplus increased by issuing new shares of NT$4,667 thousand with NT$238,007 thousand paid-up capital after increase in total.
2013/10	Issued new restricted employee shares increased of NT$610,000 thousand with NT$238,617 thousand paid-up capital after increase in total.
2013/12	Ranked no. 428 in revenue growth "Deloitte Technology Fast 500 Asia Pacific 2013"by Deloitte & Touche.
2014/05	Issued new employee restricted shares increased of NT$450 thousand with NT$239,067 thousand paid-up capital after increase in total.
2014/07	Retired restricted stock awards shares decreased of NT$100 thousand with NT$238,967 thousand paid-up capital after decrease in total.
2014/08	Capital surplus increased by issuing new shares of NT$23,907 thousand with NT$262,874 thousand paid-up capital after increase in total.
2014/11	Rated by Forbes "Asia's 200 Best Under A Billion in 2014".
2014/12	Issued new employee restricted shares increased of NT$220 thousand with NT$263,094 thousand paid-up capital after increase in total.
2014/12	Retired restricted stock awards shares decreased of NT$135,000 thousand with NT$262,959 thousand paid-up capital after decrease in total.
2014/12	Ranked no. 451 in revenue growth "Deloitte Technology Fast 500 Asia Pacific 2014" by Deloitte & Touche.
2015/08	Employee bonus and surplus capital increased by issuing new shares of NT$53,762 thousand with NT$316,720 thousand paid-up capital after increase in total.
2016/05	Acquired the BMC Pilot™ product line from Emulex Corporation, a subsidiary of Broadcom.
2016/06	Established the offshore investment company ASPEED Technology (Samoa) Inc.
2016/07	Established the subsidiary ASPEED Technology (U.S.A.) Inc.
2016/08	Employee bonus increased by issuing new shares of NT$1,160 thousand with NT$317,881 thousand paid-up capital after increase in total.
2016/10	Established the subsidiary ASPEED Technology India Private Limited.
2016/12	Issued new employee restricted shares increased of NT$300 thousand with NT$318,181 thousand paid-up capital after increase in total.
2016/12	Acquired the BMC Pilot™ product line from Emulex Corporation.
2017/01	Issued private placement increased by issuing new shares of NT$20,220 thousand with NT$338,401 thousand paid-up capital after increase in total.

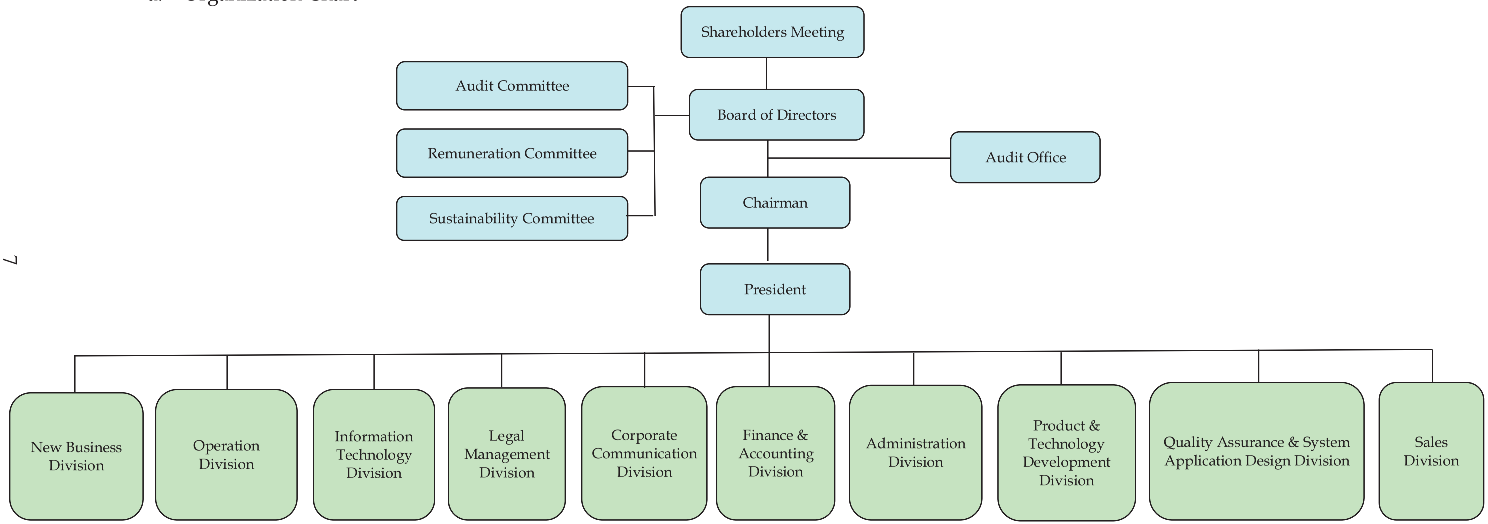
Year	Milestones
2017/06	Retired restricted stock awards shares decreased of NT$40 thousand with NT$338,361 thousand paid-up capital after decrease in total.
2017/06	Employee bonus increased by issuing new shares of NT$1,057 thousand with NT$339,418 thousand paid-up capital after increase in total.
2017/11	Retired restricted stock awards shares decreased of NT$40 thousand with NT$339,378 thousand paid-up capital after decrease in total.
2017/12	Ranked no.486 in revenue growth "Deloitte Technology Fast 500 Asia Pacific 2017" by Deloitte & Touche.
2018/02	Established the subsidiary Cupola Co., Ltd.
2018/02	Issued new employee restricted shares increased of NT$360 thousand with NT$339,738 thousand paid-up capital after increase in total.
2018/05	Debuted All Eyes on Cupola360 the World's First 360-Degree Spherical Image Processor.
2018/08	Ranked no.21 in business performance "2018 TOP 5000" by CRIF TAIWAN.
2018/08	Employee bonus increased by issuing new shares of NT$707 thousand with NT$340,446 thousand paid-up capital after increase in total.
2018/11	Issued new employee restricted shares increased of NT$210 thousand with NT$340,656 thousand paid-up capital after increase in total.
2019/03	Ranked no. 470 in revenue growth "Deloitte Technology Fast 500 Asia Pacific 2018" by Deloitte & Touche.
2019/03	Retired restricted stock awards shares decreased of NT$72 thousand with NT$340,584 thousand paid-up capital after decrease in total.
2019/08	Employee bonus increased by issuing new shares of NT$1,034 thousand with NT$341,618 thousand paid-up capital after increase in total.
2019/08	Retired restricted stock awards shares decreased of NT$50 thousand with NT$341,568 thousand paid-up capital after decrease in total.
2019/09	Issued new employee restricted shares increased of NT$280 thousand with NT$341,848 thousand paid-up capital after increase in total.
2019/11	The head office moved to 4F, No. 1, Sec. 3, Gongdao 5th Rd., East Dist., Hsinchu City 30069, Taiwan.
2020/02	Issued new employee restricted shares increased of NT$310 thousand with NT$342,158 thousand paid-up capital after increase in total.
2020/03	Issued new employee restricted shares increased of NT$90 thousand with NT$342,248 thousand paid-up capital after increase in total.
2020/08	Retired restricted stock awards shares decreased of NT$24 thousand with NT$342,224 thousand paid-up capital after decrease in total.
2020/08	Employee bonus increased by issuing new shares of NT$976 thousand with NT$343,200 thousand paid-up capital after increase in total.
2021/03	Retired restricted stock awards shares decreased of NT$45 thousand with NT$343,155 thousand paid-up capital after decrease in total.
2021/09	Retired restricted stock awards shares decreased of NT$27 thousand with NT$343,128 thousand paid-up capital after decrease in total.
2021/09	Employee bonus increased by issuing new shares of NT$602 thousand with NT$343,730 thousand paid-up capital after increase in total.
2021/11	Retired restricted stock awards shares decreased of NT$36 thousand with NT$343,694 thousand paid-up capital after decrease in total.
2022/03	Retired restricted stock awards shares decreased of NT$143 thousand with NT$343,551 thousand paid-up capital after decrease in total.

Year	Milestones
2022/07	Capital surplus increased by issuing new shares of NT$34,355 thousand with NT$377,906 thousand paid-up capital after increase in total.
2022/08	Issued new employee restricted shares increased of NT$440 thousand with NT$378,346 thousand paid-up capital after increase in total.
2022/08	Employee bonus increased by issuing new shares of NT$525 thousand with NT$378,871 thousand paid-up capital after increase in total.
2022/11	Retired restricted stock awards shares decreased of NT$64 thousand with NT$378,807 thousand paid-up capital after decrease in total.
2022/12	Retired treasury stock shares decreased of NT$600 thousand with NT$378,207 thousand paid-up capital after decrease in total.

III. Corporate Governance

1. Organization

   a. Organization Chart



b. Major Corporate Functions

Department	Functions
President	1. Responsible for the Company's overall business planning and execution. 2. The development and execution of the Company's mid- and long-term business strategies. 3. The establishment, supervision, and management of the organizational operations and systems of each department. 4. Directly accountable to the Board of Directors.
Audit Office	The auditing, evaluation, and formulation of the Company's internal controls, the provision of improvement recommendations, the improvement of sales efficiency, and the effective implementation of internal controls.
New Business Division	1. New business market analysis & product strategy development. 2. Key account engagement & new business development. 3. Corporate operation analysis & continuous improvement. 4. Corporate long-term planning & execution.
Operation Division	1. Responsible for the production planning and management of the company's annual performance targets according to customer orders. 2. Establish and provide a complete operating system with services and high relevant support. 3. Implementation and improvement of production and sales coordination cycle. 4. Best corporate affairs and strategic sourcing, Expense-Based and Cost-Based. 5. Management of outsourced processing factories and suppliers. 6. Warehouse management, transportation and transportation-related systems and procedures.
Information Technology Division	1. Maintain the normal and secure operation of the company's network, software and hardware, and computer database systems. 2. Computer data management, computer system architecture planning, user program development and maintenance. 3. Operation and planning of information systems of various departments, assisting in the development of application software and equipment required by various departments. 4. Guide the company's digital transformation and enhance the company's information application capabilities.
Legal Management Division	1. Compliance and update of relevant laws and regulations for company operations. 2. Establish, manage and implement the company's legal affairs related processes, systems, systems and management rules. 3. The laws and regulations follow the supervision and management of relevant (including new regulations) risk assessments.

Department	Functions
Corporate Communication Division	1. Set the company's overall external communication and marketing. 2. Establishment of corporate brand image.
Finance & Accounting Division	1. Planning and management of accounting and financial affairs. 2. Operations of the Board of Directors. 3. Management of stock affairs.
Administration Division	1. Establish and implement the Company's administrative rules. 2. Talent recruitment, appointment, training, evaluation, and personnel changes. 3. Human resource planning and management. 4. Salary and bonus management, payment, investigation, and adjustment recommendations.
Product & Technology Development Division	1. Circuit design and R&D verification. 2. Complete product development and smooth transition to mass production. 3. Support for customer IC design, and verification and transition to product manufacturing. 4. Define new product specifications and evaluate its feasibility. 5. Analyze and respond to customers' product-related questions.
Quality Assurance & System Application Design Division	1. Quality system planning, supervision and execution, auditing, management, and integration to make the quality system smoother, and improvement of product quality management. 2. Handling customer complaints and improvement of quality issues. 3. Product verification planning, execution and management. 4. Finished product testing and non-conforming product testing and reporting. 5. Customer and internal ISO auditing. 6. Data and file management, and related documents.
Sales Division	1. Expanding marketing channels to serve customers effectively. 2. Effectively reach the annual sales goals. 3. Product competitiveness project planning. 4. New customer development, credit investigation, and lending. 5. The progress of plans related to customer satisfaction and market forecasts, and effective provision of services to customers. 6. Responsible for the product planning process. 7. Proposals and promotion activities for various products. 8. Product life cycle management.

2. Information of Directors and Officials

(1) Directors' Information

a. Information Regarding Board Members

April 01, 2024/Unit: thousand shares

Title	Nationality or Registry	Name	Gender Age	Date appointed	Term (Yrs)	Date first Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Selected education and experience	Concurrent positions at the company and other companies	Remark
							Shares	%	Shares	%	Shares	%	Shares	%			
Chairman	R.O.C.	Chris Lin	Male 63	July 30 2021	3	June 24 2010	356	1.04%	377	1.00%	0	0%	6,435	17.02%	EMBA, National Chiao Tung University Master , Electrical Engineering, National Taiwan University B.S., Electrical Engineering, National Tsing Hua University President, XGI Technology Inc. Vice President, Multimedia Product Division, SiS	President, ASPEED Technology Inc. Director, Linvest Wealth Corp. Director, Linvest Fortune Corp. Director, ASPEED Technology (Samoa) Inc. CEO, ASPEED Technology (U.S.A.) Inc. Chairman, Cuploa360 Inc.	The chairman and president of the company are the same person. ASPEED has 4 independent directors and a majority of the directors are not employees or managers.
Director	R.O.C.	Xian Hua Investment Co., Ltd.	-	July 30 2021	3	June 24 2010	539	1.57%	593	1.57%	0	0%	0	0%	Master, Electrical Engineering, National Tsing Hua University Chairman/Chief Operating Officer, Machvision Inc. Chairman, Ace Motors Inc. Vice President, Stark Technology Inc. Director, Acer Inc.	Director, Machvision Inc. Director, Stark Technology Inc. Independent Director, Cipherlab Co., Ltd.	
	R.O.C.	Representative – Arnold Yu	Male 66				0	0%	148	0.39%	0	0%	0	0%			
Director	R.O.C.	Linvest Wealth Corp.	-	July 30 2021	3	June 24 2010	4,776	13.92%	5,253	13.89%	0	0%	0	0%	EMBA, National Chengchi University B.S., Electrical Engineering, Chinese Culture University Assistant Vice President of Strategy Marketing, SiS	Vice President, ASPEED Technology Inc.	
	R.O.C.	Representative – Luke Chen	Male 59				0	0%	44	0.12%	0	0%	0	0%			
Director	R.O.C.	Ted Tsai	Male 68	July 30 2021	3	May 30 2018	368	1.07%	305	0.81%	122	0.32%	0	0%	Chairman, Maojet Technology Corp. Bachelor's in Electronic Engineering, Chung Yuan Christian University	Chairman, Maojet Technology Corp. Chairman, Symma Technology Co. Ltd.	
Director	R.O.C.	Linvest Fortune Corp.	-	July 30 2021	3	May 26 2017	1,075	3.13%	1,182	3.13%	0	0%	0	0%	Master , Electrical Engineering, National Cheng Kung University Assistant Vice President of R&D, XGI Technology Inc. Senior Manager of R&D, SiS	None	
	R.O.C.	Representative – Hung-Ju Huang	Male 57				0	0%	108	0.29%	0	0%	0	0%			
Independent Director	R.O.C.	Chyan Yang	Male 76	July 30 2021	3	June 14 2012	0	0%	0	0%	0	0%	0	0%	Ph.D. in Computer Science & Engineering, University of Washington Director, Institute of Business and Management, National Chiao Tung University Dean, College of Management, National Chiao Tung University CEO, EMBA, National Chiao Tung University	Honorary Professor, Institute of Business and Management, National Chiao Tung University Independent Director, ACTER Co., Ltd. Director, Chia Chang Co., Ltd. Independent Director, MARS Semiconductor Co. Independent Director, Associated Industries China, Inc.	
Independent Director	R.O.C.	Dyi-Chung Hu	Male 75	July 30 2021	3	June 14 2012	0	0%	0	0%	0	0%	0	0%	Ph.D. in Materials Science and Engineering, Massachusetts Institute of Technology Senior Vice President, Unimicron Technology Corp. Vice President, Hannstar Display Corp. Senior Assistant Vice President, E Ink Holdings Inc.	Chairman, Siplus Technology Co. Director, Raytek Semiconductor, Inc.	

Title	Nationality or Registry	Name	Gender Age	Date appointed	Term (Yrs)	Date first Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Selected education and experience	Concurrent positions at the company and other companies	Remark
							Shares	%	Shares	%	Shares	%	Shares	%			
Independent Director	R.O.C.	Sheng-Lin Chou	Male 66	July 30 2021	3	July 30 2021	0	0%	0	0%	0	0%	0	0%	B.S. , Electrical Engineering, National Tsing Hua University Ph.D. & Master in Computer Science, National Chiao-Tung University EMBA, Thunderbird School of Global Management Deputy GD, ICL/Industrial Technology Research Institute Assistant VP, TECO & GD of TECO Group Research Institute Adjunct Associate Professor, CS Dept., National Chiao-Tung University	Chief Venture Officer (CVO), ICL/ Industrial Technology Research Institute Secretary General, Taiwan Association of Information & Communication Standards (TAICS)	
Independent Director	R.O.C.	John C. Lin	Male 47	July 30 2021	3	July 30 2021	0	0%	0	0%	0	0%	0	0%	Queen Mary, University of London (M.Sc. in Information Technology) Franklin Pierce Law Center (LL.M.) Lecturer, Chinese Culture University Law School	Senior Consultant, Jones Day Taipei	

b. Major shareholders of institutional shareholders

(I) Major shareholders of institutional shareholders

April 01, 2024

Name of institutional shareholder	Major shareholders of institutional shareholders
Linvest Wealth Corp.	Chris Lin (64.94%), Yu-Hua Chang (28.20%)
Xian Hua Investment Co., Ltd.	Jui-Hua Chu (50.51%), Pin Yu (13.28%), Chun-Chi Yu (13.28%), Jui-Li Chu (0.34%), Ming-Chang Yu (22.58%)
Linvest Fortune Corp.	Chris Lin (51.00%), Yu-Hua Chang (47.00%)

c. Professional qualifications and independence analysis of directors

Criteria / Name/Title	Professional Qualification and Experience	Independence Status	Number of Other Taiwanese Public Companies Concurrently Serving as an Independent Director
Chris Lin	For Directors' professional qualification and experience, please refer to "Information Regarding Board Members" of this Annual Report. None of the Directors has been in or is under any circumstances stated in Article 30 of the Company Law. (Note 1)	Not Applicable	None
Arnold Yu- Xian Hua Investment Co., Ltd. Representative			1
Luke Chen- Linvest Wealth Corp.Representative			None
Hung-Ju Huang- Linvest Fortune Corp.Representative			None
Ted Tsai			None
Chyan Yang			3
Dyi-Chung Hu			None
Sheng-Lin Chou			None
John C. Lin			None
All of the following situations apply to each and every of the Independent Directors: 1. Satisfy the requirements of Article 14-2 of "Securities and Exchange Act" and "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" (Note 2) issued by Taiwan's Securities and Futures Bureau 2. Independent Director (or nominee arrangement) as well as his spouse and minor children do not hold any ASPEED shares 3. Received no compensation or benefits for providing commercial, legal, financial, accounting services or consultation to the Company or to any its affiliates within the preceding two years, and the service provided is either an "audit service" or a "non-audit service"			

Note 1: A person shall not act in a management capacity for a company, and if so appointed, must be immediately discharged if they have been:

1. Convicted for a violation of the Statutes for the Prevention of Organizational Crimes and: has not started serving the sentence; has not completed serving the sentence; or five years have not elapsed since completion of serving the sentence, expiration of probation, or pardon;
2. Convicted for fraud, breach of trust or misappropriation, with imprisonment for a term of more than one year, and: has not started serving the sentence; has not completed serving the sentence; or two years have not elapsed since completion of serving the sentence, expiration of probation, or pardon;
3. Convicted for violation of the Anti-Corruption Act, and: has not started serving the sentence; has not completed serving the sentence; or two years have not elapsed since completion of serving the sentence, expiration of probation, or pardon;
4. Adjudicated bankrupt or adjudicated to commence a liquidation process by a court, and having not been reinstated to his or her rights and privileges;
5. Sanctioned for unlawful use of credit instruments, and the term of such sanction has not expired yet;
6. if she/he does not have any or limited legal capacity; or
7. if she/he has been adjudicated to require legal guardianship and such requirement has not been revoked yet.

Note 2: 1. Not a governmental, juridical person or its representative as defined in Article 27 of the Company Law.

2. Not serving concurrently as an independent director on more than three other public companies in total.
3. During the two years before being elected and during the term of office, meet any of the following situations:

(1) Not an employee of the company or any of its affiliates;

(2) Not a director or supervisor of the company or any of its affiliates;

(3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of issued shares of the company or ranks as one of its top ten shareholders;

(4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the officer in the preceding (1) subparagraph, or of any of the above persons in the preceding subparagraphs (2) and (3);
(5) Not a director, supervisor, or employee of a corporate/institutional shareholder that directly holds five percent or more of the total number of issued shares of the company, ranks as of its top five shareholders, or has representative director(s) serving on the company's board based on Article 27 of the Company Law;
(6) Not a director, supervisor, or employee of a company of which the majority of board seats or voting shares is controlled by a company that also controls the same of the company;
(7) Not a director, supervisor, or employee of a company of which the chairman or CEO (or equivalent) themselves or their spouse also serve as the company's chairman or CEO (or equivalent);
(8) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares of a specified company or institution that has a financial or business relationship with the company; and
(9) Other than serving as a compensation committee member of the company, not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides commercial, legal, financial, accounting services or consultation to the company or to any affiliate of the company, or a spouse thereof, and the service provided is an "audit service" or a "non-audit service which total compensation within the recent two years exceeds NT$500,000".

d. Board Diversity and Independence

Our board consists of nine directors, with a total of four independent directors, accounting for 44% of all director positions. The independent directors completed the signing of statements affirming their professional qualifications, independence, and compliance with part-time regulations upon their appointment on July 30, 2021. Both the board of directors and its members comply with the independence requirements stipulated by laws and regulations, without violating the provisions of Article 26-3, paragraphs 3 and 4, of the Securities and Exchange Act.

Our company has established a policy for board member diversity. In accordance with the Corporate Governance Principles, the composition of the board of directors considers diversity. The number of directors who are also corporate executives should not exceed one-third of the total directorships. External director members come from different industries and academia, each possessing professional abilities and work experience in various dimensions such as management, finance and accounting, technology industry, international markets, decision-making and leadership, law, and intellectual property rights. To enhance the diversity of the board of directors, the company also commits to increasing the number of female directors by at least one in the eighth board of directors, with the long-term goal of having a majority of independent directors and female directorships not less than one-third. The implementation status of the board of directors' diversity policy at this stage is as follows:

Implementation of the Diversity / Name and Title	Nationality	Gender	Employed by ASPEED	Age			Independent Director Period-Year				Operational Judgment	Accounting and financial analysis skills	Management ability	Crisis management procedures	Tech. industry knowledge	International market view	Leadship & decision-making	Legal & IP knowledge
				40~50	51~60	61~75	0~3	3~6	6~9	9~12								
Chris Lin	R.O.C.	Male	√			√					√	√	√	√	√	√	√	√
Arnold Yu Xian Hua Investment Co., Ltd. Representative	R.O.C.	Male				√					√	√	√	√	√	√	√	
Luke Chen Linvest Wealth Corp. Representative	R.O.C.	Male	√		√						√	√	√	√	√	√	√	√
Hung-Ju Huang Linvest Fortune Corp. Representative	R.O.C.	Male	√		√						√		√	√	√	√	√	
Ted Tsai	R.O.C.	Male				√					√		√	√	√	√	√	
Chyan Yang	R.O.C.	Male				√				√	√	√	√	√		√	√	
Dyi-Chung Hu	R.O.C.	Male				√				√	√	√	√	√	√	√	√	
Sheng-Lin Chou	R.O.C.	Male				√	√				√		√	√	√	√	√	

John C Lin	R.O.C.	Male		√			√				√	√	√	√	√	√	√	√

(2) Information of Chairman, Vice Presidents and Officers

April 01, 2024/ Unit: thousand shares

Title	Nationality	Name	Gender	Date appointed	Shareholding		Spouse and underage children shareholding		Shareholding under the title of a third party		Experience & Education	Serves concurrently as	Managers who are spouse or second degree relative			Remark
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
President	R.O.C.	Chris Lin	Male	2004.11.15	377	1.00%	0	0%	6,435	17.02%	EMBA, National Chiao Tung University Master, Electrical Engineering, National Taiwan University B.S., Electrical Engineering, National Tsing Hua University President, XGI Technology Inc. Vice President, Multimedia Product Division, SiS	Director, Linvest Wealth Corp. Director, Linvest Fortune Corp. Director, ASPEED Technology (Samoa) Inc. CEO, ASPEED Technology (U.S.A.) Inc. Chairman, Cuploa360 Inc.	None	None	None	ASPEED has 4 independent directors and a majority of the directors are not employees or managers.
COO	R.O.C.	CJ Hsieh	Male	2022.01.11	5	0.01%	0	0%	0	0%	Master, Electrical Engineering, University of Southern California B.S., Electronic, Tamkang University GM, INTEL Innovation VP, Lantiq GM & VP, Spirox AVP , Faraday Technologies Corp.	None	None	None	None	
Vice President	R.O.C.	Luke Chen	Male	2005.10.03	44	0.12%	0	0%	0	0%	EMBA, National Chengchi University B.S., Electrical Engineering, Chinese Culture University Vice President of Marketing, NITS Assistant Vice President of Marketing, SiS	None	None	None	None	
Director	R.O.C.	Paul Huang	Male	2021.10.01	1	0%	0	0%	0	0%	Master, Electrical Engineering, National Tsing Hua University Vice director, Quanta, Advanced Research Cloud Lab BU Head, ITE, MultiMedia Founder & CTO, General Manager, SMedia Corp.	None	None	None	None	
Director	R.O.C.	Charles Kuan	Male	2017.02.02	1	0%	0	0%	0	0%	School of Communication and Information Studies Rutgers University, State University of New Jersey Assistant Vice President of Sales in Asia, Avocent Taiwan Co., Ltd.	None	None	None	None	
Director	R.O.C.	Craig Kuo	Male	2020.05.11	0	0%	0	0%	0	0%	B.S., Electronic Engineering, Oriental Institute of Technology Manager, NXP semiconductors Manager, Pericom Semiconductor Corporation	None	None	None	None	
Director	R.O.C.	Allen Ho	Male	2023.05.08	0	0%	0	0%	0	0%	MBA, National Taiwan University B.S., Mechanical Engineering, National Taiwan University Vice President, Cedar Capital Senior Vice President, SinoPac Securities Assistant Vice President, CDIB	Supervisor, Aresgreen Technology Corp.	None	None	None	
Finance & Accounting Manager	R.O.C.	Tina Chiu	Female	2007.04.09	2	0.01%	0	0%	0	0%	B.S., Accounting ,Feng Chia University Accounting Specialist, Foxconn	None	None	None	None	

(3) Remunerations Paid to Directors, President and Vice President

a. Remunerations Paid to Directors

Unit: NT$ 1,000

Title	Name	Remuneration Paid to Directors								(A+B+ C+ D) as % of Net Income		Compensation Earned as Employee of the Company or of the Company's Affiliates								(A+B+C+D+E+F+G) as % of Net Income		Other Compensation from non-
		Salary (A)		Pension (B)		Remuneration (C) (Note)		Allowance (D)				Salary, Bonus and special etc.(E)		Pension (F)		Employee Compensation (G) (Note)						
																The Company		Consolidated Entities				
		The Company	Consolidated Entities	The Company	Consolidated Entities	The Company	Consolidated Entities	The Company	Consolidated Entities	The Company	Consolidated Entities	The Company	Consolidated Entities	The Company	Consolidated Entities	Cash	Stock	Cash	Stock	The Company	Consolidated Entities	
Chairman	Chris Lin	0	0	0	0	2,394	2,394	60	60	0.24%	0.24%	3,686	3,686	0	0	0	0	0	0	0.61%	0.61%	None
Director	Arnold Yu , Representative of Xian Hua Investment Co., Ltd.	0	0	0	0	2,394	2,394	60	60	0.24%	0.24%	0	0	0	0	0	0	0	0	0.24%	0.24%	None
Director	Luke Chen, Representative of Linvest Wealth Corp.	0	0	0	0	2,395	2,395	60	60	0.24%	0.24%	3,461	3,461	108	108	0	0	0	0	0.60%	0.60%	None
Director	Hung-Ju Huang, Representative of Linvest Fortune Corp.	0	0	0	0	2,394	2,394	60	60	0.24%	0.24%	0	0	0	0	0	0	0	0	0.24%	0.24%	None
Director	Ted Tsai	0	0	0	0	2,394	2,394	60	60	0.24%	0.24%	0	0	0	0	0	0	0	0	0.24%	0.24%	None
Independent Director	Chyan Yang	1,500	1,500	0	0	300	300	60	60	0.18%	0.18%	0	0	0	0	0	0	0	0	0.18%	0.18%	None
Independent Director	Dyi-Chung Hu	1,500	1,500	0	0	300	300	60	60	0.18%	0.18%	0	0	0	0	0	0	0	0	0.18%	0.18%	None
Independent Director	Sheng-Lin Chou	1,500	1,500	0	0	300	300	60	60	0.18%	0.18%	0	0	0	0	0	0	0	0	0.18%	0.18%	None
Independent Director	John C. Lin	1,500	1,500	0	0	300	300	60	60	0.18%	0.18%	0	0	0	0	0	0	0	0	0.18%	0.18%	None

1. Please describe the policy, system, standards and structure for the remuneration of independent directors, and the correlation with the amount of remuneration paid based on the responsibilities, risks, time commitment, etc.:
   The remuneration paid by the Company to its directors consists of directors' salaries,allowances and directors' remuneration. Directors' salaries include compensation for serving as directors and functional committees under the Board of Directors, which is paid monthly with reference to the level of industry and the level of operational participation; horse and carriage expenses are paid with reference to the level of industry and are based on the attendance of the Board of Directors at Board meetings; directors' remuneration is based on the annual operating performance of the Company and is determined in accordance with the Company's Articles of Incorporation; any profit contribution of no more than 3% is the directors' remuneration, which is approved by the Board of Directors and reported to the shareholders' meeting.
   The compensation of directors and employees includes salaries, bonuses and employee compensation, which are determined based on the position held, the responsibilities assumed and the profitability of the Company, with reference to the standard of the same position in the industry.
2. Except as disclosed in the above table, the remuneration received by the directors of the Company for services rendered to all companies included in the financial statements for the most recent year, such as acting as consultants to non-employees.: None.

Remuneration Paid to Directors

Remuneration Ranges	Name of Director			
	Total Remuneration (A+B+C+D)		Total Remuneration (A+B+C+D+E+F+G)	
	The Company	Consolidated Entities	The Company	Consolidated Entities
Less than NT$1 million	None	None	None	None
NT$1 million to NT$2 million	Chyan Yang Dyi-Chung Hu Sheng-Lin Chou John C. Lin	Chyan Yang Dyi-Chung Hu Sheng-Lin Chou John C. Lin	Chyan Yang Dyi-Chung Hu Sheng-Lin Chou John C. Lin	Chyan Yang Dyi-Chung Hu Sheng-Lin Chou John C. Lin
NT$2 million to NT$3.5 million	Xian Hua Investment Co., Ltd. Linvest Wealth Corp. Linvest Fortune Corp. Ted Tsai	Xian Hua Investment Co., Ltd. Linvest Wealth Corp. Linvest Fortune Corp. Ted Tsai	Xian Hua Investment Co., Ltd. Linvest Wealth Corp. Linvest Fortune Corp. Ted Tsai	Xian Hua Investment Co., Ltd. Linvest Wealth Corp. Linvest Fortune Corp. Ted Tsai
NT$3.5 million to NT$5 million	None	None	None	None
NT$5 million to NT$10 million	Chris Lin	Chris Lin	Chris Lin	Chris Lin
NT$10 million to NT$15 million	None	None	None	None
NT$15 million to NT$30 million	None	None	None	None
NT$30 million to NT$50 million	None	None	None	None
NT$50 million to NT$100 million	None	None	None	None
Above NT$100 million	None	None	None	None
Total	9 (including 3 legal persons)	9 (including 3 legal persons)	9 (including 3 legal persons)	9 (including 3 legal persons)

b. Remunerations Paid to President and Vice President

Unit: NT$ 1,000

Title	Name	Salary (A)		Pension (B)		Bonuses and special expenses (C)		Employee Compensation(D) (Note)				(A+B+C+D) as % of Net Income		Other Compensation from non-subsidiary affiliates
		The Company	Consolidated Entities	The Company	Consolidated Entities	The Company	Consolidated Entities	The Company		Consolidated Entities		The Company	Consolidated Entities	
								Cash	Stock	Cash	Stock			
President	Chris Lin	9,394	9,394	216	216	31,229	31,229	0	0	0	0	4.06%	4.06%	None
COO	CJ Hsieh													
Vice President	Luke Chen													

The proposed amount of employee bonuses to be distributed in 2023 is calculated based on the ratio of the actual amount distributed in 2022.

Range of remuneration table

Remuneration Ranges	Name of President and Vice Presidents	
	The Company	Consolidated Entities
Less than NT$1 million	None	None
NT$1 million to NT$2 million	None	None
NT$2 million to NT$3.5 million	None	None
NT$3.5 million to NT$5 million	None	None
NT$5 million to NT$10 million	Chris Lin	Chris Lin
NT$10 million to NT$15 million	CJ Hsieh, Luke Chen	CJ Hsieh, Luke Chen
NT$15 million to NT$30 million	None	None
NT$30 million to NT$50 million	None	None
NT$50 million to NT$100 million	None	None
Above NT$100 million	None	None
Total	3 person	3 person

c. Employees' Profit-Sharing bonus paid to Officers

Unit: NT$ 1,000

	Title	Name	Stock Bonus	Cash Bonus	Total	Ratio of total amount to net after-tax profit of entity financial statement (%)
Managerial Officers	President	Chris Lin	0	5,500	5,500	0.55%
	COO	CJ Hsieh				
	Vice President	Luke Chen				
	Director	Paul Huang				
	Director	Charles Kuan				
	Director	Craig Kuo				
	Director	Allen Ho				
	Finance and Accounting Manager	Tina Chiu				

Note: The proposed amount of employee bonuses to be distributed in 2023 is calculated based on the ratio of the actual amount distributed in 2022.

(4) Analysis of the ratios of the total remuneration of the Company's directors, president and vice president paid over the past two years to the net after-tax profit, explanation of the Company's remuneration policy, standard and combination, establishment of the remuneration procedure, and the correlation with operating performance and future risk:

a. Ratios of total remuneration to the net after-tax profit

Items \ Year	Ratio of Total Remuneration to the net after-tax profit			
	2022		2023	
	The Company	All Consolidated Entities	The Company	All Consolidated Entities
Directors	1.68%	1.68%	1.96%	1.96%
Presidents and Vice Presidents	1.92%	1.92%	4.06%	4.06%

b. The remuneration policy, standard and combination, establishment of the remuneration procedure and correlation with operating performance and future risk:

The 2023 annual remuneration of directors and compensation of employees was decided in accordance with the Company's articles of incorporation. If gained profits within a fiscal year, the Company shall allocate no more than 3% of the profits as directors' remuneration, and allocate no less than 8% of the profits as employees' compensation. The decision for directors' remuneration was based on the board performance evaluation results of such aspects as the participation in the operation, the quality of the board of directors' decision-making alignment of the goals and missions of the Company, awareness of the duties of a director, management of internal relationship and communication, the director's professionalism and continuing education, internal control, etc. The decision for officers' compensation was based on the performance appraisal indicators such as the length of service and position, performance, contribution to the Company's operation, industry benchmark, the Company's profitability, etc.

The directors' remuneration and officers' compensation were proposed to the board of directors after the resolution based on the performance evaluation results, the company's operational performance, and future risk exposure approved by the remuneration committee, and processed after the approval of the board of directors. The directors' remuneration and employees' compensation will also be reported at the shareholders' meeting. The Company's remuneration committee and the board of directors will review the remuneration policies of directors and officers in a timely manner based on the actual operating conditions and relevant laws and regulations, in order to balance the company's sustainable operation and risk control.

3. Corporate Governance Report

(1) Operation of the Board :

A total of 6 meetings of the Board of Directors were held in 2023. The attendance of the directors is as follows:

Title	Name	Attend Attendance	By Proxy	Percentage of Actual Attendance
Chairman	Chris Lin	6	0	100%
Director	Arnold Yu, Corporate Representative of Xian Hua Investment Co., Ltd.	6	0	100%
Director	Luke Chen, Corporate Representative of Linvest Wealth Corp.	6	0	100%
Director	Ted Tsai	6	0	100%
Director	Hung-Ju Huang, Corporate Representative of Linvest Fortune Corp.	6	0	100%
Independent Director	Chyan Yang	6	0	100%
Independent Director	Dyi-Chung Hu	6	0	100%
Independent Director	Sheng-Lin Chou	6	0	100%
Independent Director	John C. Lin	6	0	100%

Other Required Notes for the Board Meetings:

1. If any of the following circumstances occur, the dates of the meetings, sessions, contents of motion, all independent directors' opinions and the company's response should be specified:

(1) Matters referred to Article 14-3 of the Securities and Exchange Act. :

Date of meeting	Meeting	Content of motion	Independent director's opinion	Handles the opinions of independent directors
Mar-06 2023	7th-term 11th	(1) Approval Amendment to "Procedures for Ethical Management and Guidelines for Conduct" (2) Approval of "The Review Procedures for Non-Assurance Services Pre-Approval" (3) Approval of the appointment of CPAs (4)) Approval of 2022 employee bonus and board directors' remuneration (5) Approval of the statement of declaration of internal control	Proposal was approved as proposed	None
May- 08 2023	7th-term 12th	Approval of 2022 manager's salary allocation		

Date of meeting	Meeting	Content of motion	Independent director's opinion	Handles the opinions of independent directors
May- 30 2023	7th-term 13th	Approval of strategic investment to Polytron.AI Pte. Ltd.	Proposal was approved as proposed	None
Aug-07 2023	7th-term 14th	(1)Approval of "Award Rules for 2023 Employee Cash-settled Restricted Stock Units"		
		(2)Approval of the allocation of 2023 board directors' remuneration		
Nov-06 2023	7th-term 15th	(1) Approval of 2023 Employee Cash-settled Restricted Stock Units allocation		
		(2) Approval of "Three-Party Joint Purchase Contact" with Cupola360 Inc.		
		(3)Approval of AST1800 Capex Budget		
		(4) Approval of the independence and competency assessment of the company's CPAs		
Dec-15 2023	7th-term 16th	(1)Approval of loans to Cupola360 Inc.		
		(2)Approval of strategic investment to GRAID Technology Inc.		

(2) Other matters involving objections or expressed reservations by independent directors that were recorded r stated in writing that require a resolution by the board of directors.： None.

2. If there are directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified:

Date of Board of directors	Content of motion	Name of Director	Causes for Avoidance	Voting or Not
May- 08 2023	Approval of 2023 managers' salary allocation	Chris Lin	Manager's salary	Note 1
		Luke Chen	Manager's salary	
Nov-06 2023	Approval of 2023 Employee Cash-settled Restricted Stock Units allocation	Chris Lin	Manager's bonus	Note 2
		Luke Chen	Manager's bonus	

Note 1: All motions were approved by all attending directors as proposed, except for the motion regarding 2023 managers' salary allocation on May 08, 2023, where director Chris Lin and Luke Chen recused themselves to avoid conflicts of interest in accordance with the law.

Note 2: All motions were approved by all attending directors as proposed, except for the motion regarding 2023 Employee Cash-settled Restricted Stock Units allocation on Nov. 06 2023, where director Chris Lin and Luke Chen recused themselves to avoid conflicts of interest in accordance with the law.

3. Listed companies should disclose information on the board of directors' self (or peer) assessment cycle and period, the scope, manner and content of the assessment:

Assessment Cycle	Assessment Period	Assessment Scope	Assessment Method	Assessment Content
Once every three years	2022/11/1-2023/10/31	Performance asseement of the board of directors	Assessment conducted by an external professional independent team of scholars and experts through document review, questionnaire responses, and on-site visits	The appointment of the Taiwan Corporate Governance Association (TCGA) to conduct an overall board performance assessment. This organization, along with the members of the expert team led by Dr. Chen Shengyuan, has no business dealings with our company and possesses impartial independence. They conducted assessments through questionnaires and on-site visits concerning eight major dimensions of the company's board, including composition, guidance, authorization, supervision, communication, internal control and risk management, self-discipline, and others.
Annually	2023/1/1~2023/12/31	Performance assessment of the board of directors, functional committees and their individual members	Internal self-assessment made by the board of directors, functional committees and their individual members	1. The company's items for measuring the performance assessment of the board of directors include the following aspects: (1)Degree of participation in company operations (2)Improve the quality of decision-making of the board of directors (3)Composition and structure of the board of directors (4)Selection and appointment of directors and continuous education (5)Internal control 2. The company's items for measuring the performance assessment of the functional committees include the following aspects: (1)Degree of participation in company operations (2)The awareness of duties of the functional committees (3)Improve the quality of

Assessment Cycle	Assessment Period	Assessment Scope	Assessment Method	Assessment Content
				decision-making of the functional committees (4)Selection and appointment of the functional committees (5)Internal control 3. The company's items for measuring the performance assessment of directors include the following aspects: (1)Understanding of company goals and missions (2)The awareness of their duties and responsibilities (3)Degree of participation in company operations (4)Internal relation maintenance and communications (5)Election of directors and continued knowledge development (6)Internal control

4. Goals of the current and the recent years to improve the functions of board of directors (such as establishing audit committee, improving the information disclosure) and assessment of the implementation:
   (1) Establishment of the Remuneration Committee and Audit Committee: ASPEED established a Compensation Committee on June 12, 2011 and an Audit Committee on June 11, 2018 to enhance the Board's operation.
   (2) In order to improve the function of the board of directors and establish performance goals to strengthen the operation efficiency of the board of directors, the board of directors of ASPEED approved the "Director's Performance Evaluation Method" on May 5, 2020. The internal performance evaluation is implemented at least once a year and finished in the first quarter of the next year. The report to the board of directors is submitted beforehand, and the results of performance evaluation are not only the basis for review and improvement, but also serve as a reference for the selection and nomination of directors.
   (3) Corporate governance operations enhancement: ASPEED's Board approved "Ethical Corporate Management Best Practice Principles", "Corporate Governance Best Practice Principles" and "Corporate Social Responsibility Best Practice Principles".
   (4) Information transparency improvement: ASPEED's Board previously approved "Procedures for Internal Material Information".

(2) Operation of Audit Committee

Audit Committee held 5 sessions in 2023.

The attendance of the Independent Directors is shown in the following table.

Title	Name	Attend Attendance	By Proxy	Percentage of Actual Attendance (%)	Remark
Independent Director	Chyan Yang	5	0	100%	None
Independent Director	Dyi-Chung Hu	5	0	100%	None
Independent Director	Sheng-Lin Chou	5	0	100%	None
Independent Director	John C. Lin	5	0	100%	None

Other Required Notes for the Audit Committee Meeting :

1. The operation of the Audit Committee shall state the date and period of the Board meeting, the content of the motion, the result of the Audit Committee's resolution and the Company's handling of the Audit Committee's opinion, if any of the following circumstances apply:

(1) Matters referred to Article 14-5 of the Securities and Exchange Act.:

Date of meeting	Meeting		Content of motion	Any Independent Director had a Dissenting Opinion or Qualified Opinions
Mar. 07 2023	2nd-term	7th	(1) Approval of the appointment of CPAs (2) Approval of "The Review Procedures for Non-Assurance Services Pre-Approval" (3) Approval of IPs purchase (4) Approval of the statement of declaration of internal control	None
May 08 2023	2nd-term	8th	Approval of 2023 CPAs' compensation	
Aug. 07 2023	2nd-term	9th	Approval of Amendment to "The Approval Athorization Matrix"	
Nov. 06 2023	2nd-term	10th	(1) Approval of the independence and competency assessment of the company's CPAs (2) Approval of "Three-Party Joint Purchase Contact" with Cupola360 Inc. (3) Approval of 2024 Audit Plan	
Dec. 15 2023	2nd-term	11th	Approval of loans to Cupola360 Inc.	

(2) Other resolution which was not approved by the Audit Committee but was approved by two thirds or more of all directors: None.

2. The independent director should state the name of the independent director, the content of the motion, the reasons for the evasion of interest and the circumstances of voting: None.

3. Communications of Independent Directors with internal auditors and CPAs:

(1) Independent Directors and internal auditor regularly communicate with each other among the meetings of Audit Committee and the communication functioned well. Internal auditor presents the

execution and improvement of audit plan among the meetings. Also, they communicate and exchange ideas to assess internal control effectiveness.

(2) Independent Directors and CPAs regularly communicate with each other among the meetings of Audit Committee. CPAs report the Company's financial results and fully discuss with Independent Directors on the issues related to financials, taxes, internal control, etc.

(3) Corporate Governance Implementation as Required by the Taiwan Financial Supervisory Commission

Assessment Item	Implementation Status			Reason for Non-implementation
	Yes	No	Summary Description	
1. Does the company establish and disclose the Corporate Governance Best-Practice Principles based on "Corporate Governance Best-Practice Principles for TWSE/ Listed Companies"?	V		The Company's "Code of Corporate Governance Practice" was submitted to the Board of Directors for implementation on March 14, 2012 in accordance with the Code of Practice for Listed Corporate Governance, and the most recent amendment to the Act was approved by the Board of Directors on March 11, 2024 and disclosed on the Company's website and public information observatory.	None
2. Equity structure and shareholders' equity (1) Does the company establish an internal operating procedure to deal with shareholders' suggestions, doubts, disputes and litigations, and implement based on the procedure?	V		(1) The Company has a spokesperson mechanism to deal with shareholders' suggestions or questions at any time, and has an investor relations area on the Company's website, where shareholders can contact relevant personnel by e-mail to deal with shareholder disputes or disputes through "Contact Us" Litigation and other issues.	None
(2) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares?	V		(2) The Company regularly discloses the list of major shareholders and the ultimate controllers of major shareholders in accordance with relevant laws and regulations, and declares abnormal information in accordance with regulations. In order to ensure the transparency of the company's shareholding structure, it is disclosed on the company's website.	

Assessment Item	Implementation Status			Reason for Non-implementation
	Yes	No	Summary Description	
(3) Does the company establish and execute the risk management and firewall system within its conglomerate structure?	V		(3) The Company has established the "Trading Measures for Group Enterprises, Specific Companies and Related Persons" to regulate the operating procedures and risk control of business and financial transactions with related enterprises, and conduct regular internal audits and report to the Board of Directors.	
(4) Does the company establish internal rules against insiders trading with undisclosed information?	V		(4) The Company has established the "Administrative Measures for the Prevention of Insider Trading" to regulate insiders to perform their business in good faith, and shall not disclose the internal material information they know to others, and prohibit insiders from using undisclosed information in the market to buy and sell negotiable securities in accordance with relevant laws and regulations.	
3. Composition and Responsibilities of the Board of Directors				None
(1) Does the Board develop and implement a diversified policy for the composition of its members?	V		(1) The composition of the board of directors of the Company shall be voted by the shareholders after considering that they have the knowledge, skills and qualities necessary to perform their duties.	
(2) Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?	V		(2) In addition to the establishment of the Remuneration Committee and the Audit Committee in accordance with the law, the Company shall establish a Sustainability Committee approved by the Board of Directors on August 11, 2021 to be responsible for supervising, promoting and implementing the Company's sustainable development affairs. Please refer to the annual report or the company's website for CSR-related information.	

Assessment Item	Implementation Status			Reason for Non-implementation
	Yes	No	Summary Description	
(3) Does the company establish a standard to measure the performance of the Board, and implement it annually?	V		(3) 1. The Company has established the "Board Self-Assessment or Peer Evaluation Method" and its assessment method, and the Board of Directors shall perform the internal performance evaluation of the Board at least once a year. The results of the performance evaluation are carried out by the Company's Finance and accounting division and reported to the Board of Directors and used for reference in the remuneration and nomination of individual directors. 2.Results of the performance evaluation of the Board of Directors in 2023: i. Internal performance evaluation of the board of directors self-evaluation of the operation performance of the board of directors: The performance evaluation indicators of the board of directors include five aspects, a total of 45 indicators, the overall evaluation results are 4.83 points/5 points, and the evaluation results of the five major aspects are as follows; The results of the evaluation show that the Board of Directors has the responsibility to guide and supervise the company's strategy, major business and risk management, and can establish a proper internal control system, and the overall operation is perfect and in line with the requirements of corporate governance.	

<table>
<tr><th rowspan="2">Assessment Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Reason for Non-implementation</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary Description</th></tr>
<tr><td></td><td></td><td></td><td>
<table>
<tr><th>Self-assessment of 5 major aspects</th><th>Appraisal items</th><th>Scoring results</th></tr>
<tr><td>A. Degree of participation in the Company’s operations</td><td>12 items</td><td>4.81 points</td></tr>
<tr><td>B. Improve the quality of decision-making of the board of directors</td><td>12 items</td><td>4.85 points</td></tr>
<tr><td>C. Composition and structure of the Board of Directors</td><td>7 items</td><td>4.87 points</td></tr>
<tr><td>D. Selection and continuing education of directors</td><td>7 items</td><td>4.67 points</td></tr>
<tr><td>E. Internal control</td><td>7 items</td><td>4.94 points</td></tr>
</table>
ii. Self-evaluation of the performance of board members: The performance evaluation indicators of board members include six aspects and a total of 23 indicators, the overall evaluation results are 4.93 points/5 points, and the evaluation results of the six major aspects are as follows; It shows that the directors have positive evaluations of the efficiency and effectiveness of the operation of various indicators.
</td><td></td></tr>
</table>

<table>
<tr><th rowspan="2">Assessment Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Reason for Non-implementation</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary Description</th></tr>
<tr><td></td><td></td><td></td><td>
<table>
<tr><th>Self-assessment of 6 major aspects</th><th>Appraisal items</th><th>Scoring results</th></tr>
<tr><td>A. Mastery of the Company’s objectives and tasks</td><td>3 items</td><td>4.93 points</td></tr>
<tr><td>B. Awareness of the duties of directors</td><td>3 items</td><td>4.96 points</td></tr>
<tr><td>C. Degree of participation in the Company’s operations</td><td>8 items</td><td>4.79 points</td></tr>
<tr><td>D. Internal relationship management and communication</td><td>3 items</td><td>5.00 points</td></tr>
<tr><td>E. Professional and continuous training of directors</td><td>3 items</td><td>4.96 points</td></tr>
<tr><td>F. Internal control</td><td>3 items</td><td>4.93 points</td></tr>
</table>

iii. The results of the performance evaluation of the board of directors in 2023 have been submitted to the board of directors for approval on March 11, 2024, please refer to the annual report or the performance evaluation of the board of directors disclosed on the company’s website.</td><td></td></tr>
</table>

Assessment Item	Implementation Status			Reason for Non-implementation
	Yes	No	Summary Description	
(4) Does the company regularly evaluate the independence of CPAs?	V		(4) The Company's certified accountants belong to the Taiwan member firms of the international Big Four accounting firms, and in addition to regularly assessing the independence of the certified accountants every year, the Company implements the policy of changing accountants every five years. The Company passed the assessment method of the independence and competence of the certified accountant and the assessment report on the independence of the certified accountant after the second audit committee of the sixth term on November 6, 2023, and submitted it to the Board of Directors for approval on November 6, 2023.	
4. Does the company establish an exclusively (or concurrently) corporate governance unit or personnel to be in charge of corporate governance affairs (including but not limited to furnish information required for business execution by directors, handle matters relating to board meetings and shareholders' meetings according to laws, handle corporate registration and amendment registration, produce (or record?) minutes of board meetings and shareholders meetings, etc.?	V		The Company has established a dedicated position to manage corporate governance affairs since May 8th 2023. The scope of authority includes: (1) Organize Board meetings in accordance with the law. (2) Production of Board meeting minutes. (3) Assist with the appointment and continuing education for directors and independent directors. (4) Provide directors and independent directors with the information necessary to carry out their duties. (5) Assist directors and independent directors with compliance. Any other matters set out in the Company articles of incorporation, are those approved a resolution of the Board.	None

Assessment Item	Implementation Status			Reason for Non-implementation
	Yes	No	Summary Description	
5. Does the company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.), as well as handle all the issues they care for in terms of corporate social responsibilities?	V		Under corporate social responsibility section on the Company's website, there is a special area for stakeholders, which discloses the identification and evaluation of stakeholders and the issues of interest to stakeholders, and provides a contact window for appropriate purposes respond to stakeholders.	None
6. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	V		The Company designated a professional shareholder service agency to deal with shareholder affairs.	None
7. Information Disclosure				None
(1) Does the company have a corporate website to disclose both financial standings and the status of corporate governance?	V		(6) The Company discloses financial business information on its website at https://www.aspeedtech.com (in Chinese and English).	
(2) Does the company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)?	V		(7) The Company has designated personnel for information collection and disclosure, and also has a dedicated spokesperson for regularly holding investor conferences. Related materials of investor conferences (presentations and videos) are available on its website for shareholders and the general public.	
(3) Does the company announce and file annual financial report in two months after fiscal year end? And does the company announce and file quarterly financial report and monthly operations earlier than the regulated date?		V	(8) The Company has announced and filed annual financial reports according to regulation of Securities and Exchange Act. And the Company has announced and filed quarterly reports and monthly operations earlier than regulated date as possible.	

Assessment Item	Implementation Status			Reason for Non-implementation
	Yes	No	Summary Description	
8. Is there any other important information to facilitate a better understanding of the company's corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?	V		(1) Employee rights and employee care Employees are the most valuable resource of ASPEED. We have a high-quality labor force that we provide with comprehensive employee welfare benefits. We care for our employees and their households while supporting their lifestyles. By conscientiously heeding employee opinions, we use communication as a bridge for connecting employees' work with the Company vision. Employees build trust with one another, which encourages joint hard work and continued growth. ASPEED's organizational framework has a linear design that supports internal free flow of opinions and open communications channels. Employees share their opinions at the end of each year in Company satisfaction surveys as well as labor management meetings, digital mailboxes, and through the Employee Welfare Committee. These channels make it easy for employees to share their thoughts with the Company, so that the responsible Company unit can offer a timely response, fostering positive interaction and trust between labor and management. Creating a seamless communication culture and an active, enlightened work environment enables us to better guarantee workers' rights and interests. (2) Investor relations The Company interacts with all shareholders based on the principle of being fair, just, and open. Besides notifying all shareholders to attend shareholders' meetings, the Company encourages shareholders to actively participate in directors and supervisors' elections, or propose amendments to the Articles of Incorporation. Material financial transactions, such as the acquisition or disposal	None

Assessment Item	Implementation Status			Reason for Non-implementation
	Yes	No	Summary Description	
			of assets, endorsements, and guarantees, are all reported to the shareholders' meeting. The Company provides ample opportunity for shareholders to ask questions or make proposals, so as to achieve check of balance. Furthermore, to ensure that shareholders achieve check of balance and to protect their rights to know the Company's material information and participate in decisions. The Company discloses information in accordance with the law and has a spokesperson and acting spokesperson to properly handle shareholders' suggestions, questions, and disputes. (3) Rights of Suppliers and Stakeholders and Customer Policy The Company maintains open channels of communication with banks, customers, suppliers, and other stakeholders, and respects and protects their lawful rights and interests: a. The Company provides sufficient information to its partner banks to help them make the best judgment and decisions regarding the Company's operations and finances. b. The Company has dedicated personnel to respond to customers' questions regarding the Company's products. c. The Company has dedicated personnel for dealing with suppliers, does not have any owed or late payments, and has maintained good relationships with suppliers. d. The Company has a designated spokesperson and acting spokesperson to communicate with shareholders. It also has an external communication	

Assessment Item	Implementation Status			Reason for Non-implementation
	Yes	No	Summary Description	
			hotline for external stakeholders to file complaints and reports with the Company. (4) Continuing education of directors: The Company's directors all have a professional background, and the Company occasionally provides them with information on continuing education. Please see Note 1 for details on the continuing education of directors in 2023. (5) Implementation of risk management policies and risk assessment standards: The Company established various internal regulations in accordance with the law, and established proactive risk management mechanisms. Major risks are immediately identified, assessed, responded to, and reported through risk identification and assessment operations. The impact of the risks on current and future operations is also monitored to ensure the Company's sustainability. (6) Implementation of customer policies: The Company has a customer service management unit that provides customers with services related to the Company's products and answers any questions they may have, thereby maintaining smooth channels of communication with customers. (7) Status of purchase of liability insurance by the company for directors: The Company has purchased liability insurance for directors in FY2023.	

9. The improvement status for the result of Corporate Governance Evaluation announced by Taiwan Stock Exchange.

The Company continues to make gradual improvements to its corporate governance based on corporate governance evaluation results, including:

1. The Company has established a dedicated position to manage corporate governance affairs since May 8th 2023.
2. Disclosed the board's diversity policy, specific management objectives, and implementation status on the company's website.
3. Published the 2022 Corporate Social Responsibility Report and the 2022 ESG Summary on the company's website, and disclose greenhouse gas emissions, water consumption and total waste weight in the past two years to implement the green living environment policy.
4. Appointed the Taiwan Corporate Governance Association to conduct an external board performance evaluation. Obtained Aspeed Technology Board Performance Evaluation Report on December 29, 2023, and disclosed it on the company's website.
5. Launched "Aspeed Technology Whistleblower" website, demonstrating the company's emphasis on integrity, honesty, and sustianilibity.

In the future, the Company will maintain an effective corporate governance mechanism in all aspects of its operations, strengthen the structure and operation of the Board of Directors and functional committees, enhance the transparency of information disclosure, and implement corporate social responsibility.

Note 1: Continuing Education/Training of Directors in 2023:

Title	Name	Date	Host by	Training/Speech title	Hours
Chairman	Chris Lin	Nov. 21, 2023	Taiwan Corporate Governance Association	Executives of the listed companies with the understanding of supervision from governmental authority	3 hours
		Sep. 8, 2023	Taiwan Corporate Governance Association	Legacy Project Launched - Employee reward plan and equity inheritance	3 hours
Director	Arnold Yu	Nov. 15, 2023	Securities and Futures Institute	2023 Legal compliance briefing on insider equity transactions	3 hours
		Aug. 17, 2023	Securities and Futures Institute	Advanced Seminar on the Practice of Directors and Supervisors (Including Independent) and Corporate Governance Supervisors - Introduction and case analysis of short-term trading by company insiders	3 hours
Director	Luke Chen	July 18, 2023	Taiwan Corporate Governance Association	Practice of "Sustainability Report" under Corporate Governance 3.0 Policy	3 hours
		Apr. 27, 2023	Taiwan Stock Exchange and TPEx	Sustainable Development Action Plans for TWSE- and TPEx-Listed Companies	3 hours

Title	Name	Date	Host by	Training/Speech title	Hours
Director	Ted Tsai	Oct. 27, 2023	Taiwan Corporate Governance Association	Family Constitution & Family Offices	3 hours
		Oct. 20, 2023	Taiwan Corporate Governance Association	Climate Change: An Undeniable Reality	3 hours
Director	Hung-Ju Huang	Nov. 21, 2023	Taiwan Corporate Governance Association	Executives of the listed companies with the understanding of supervision from governmental authority	3 hours
		Apr. 27, 2023	Taiwan Stock Exchange and TPEx	Sustainable Development Action Plans for TWSE- and TPEx-Listed Companies	3 hours
Independent Director	Chyan Yang	Apr. 28, 2023	Securities and Futures Institute	Advanced Seminar on the Practice of Directors and Supervisors (Including Independent) and Corporate Governance Supervisors - Early Warning and Type Analysis of Corporate Financial Crisis	3 hours
		Apr. 27, 2023	Taiwan Stock Exchange and TPEx	Sustainable Development Action Plans for TWSE- and TPEx-Listed Companies	3 hours
		Apr. 14, 2023	Taiwan Corporate Governance Association	Legal Risks and Responses to Enterprise Investment and Financing - From the Viewpoint of Corporate Directors' Responsibilities	3 hours
		Mar. 10, 2023	Taiwan Corporate Governance Association	Shareholders' Meeting, Proxy Contest and Ownership Strategy	3 hours
Independent Director	Dyi-Chung Hu	Dec. 12, 2023	Taiwan Corporate Governance Association	Corporate Governance Summit XIX- Creating New Sphere of Governance for the Elevating Value of Enterprises	6 hours
Independent Director	Sheng-Lin Chou	Dec. 22, 2023	Taiwan Corporate Governance Association	Introduction to carbon market	3 hours
		Nov. 24, 2023	Independent Director Association Taiwan	Pierce the veil of Facilitator for Corporate Governance – Best Practice for Corporate Governance Personnel	3 hours
Independent Director	John C. Lin	Oct. 31, 2023	Taiwan Corporate Governance Association	Proxy fights, shareholder activism, and voting results: analyzing director responsibilities through global perspectives	3 hours
		Aug. 25, 2023	Taiwan Corporate Governance Association	Financial Statement Fraud and Case Studies	3 hours

(4) Operation of the Company's Remuneration Committee

a. Member of Remuneration Committee:

Criteria / Name/Title	Professional Qualification and Experience	Independence Status	Number of Other Taiwanese Public Companies Concurrently Serving as Remuneration Committee Member
Chyan Yang (Convener)	ASPEED's Compensation Committee is comprised of all 4 independent directors. For members professional qualification and experience, please refer to "Information Regarding Board Members" of this Annual Report.	Note1	3
Dyi-Chung Hu			None
Sheng-Lin Chou			None
John C. Lin			None

Note1
All the Compensation Committee members meet any of the following situations:
1. Satisfy the requirements of Article 14-6 of "Securities and Exchange Act" and the requirements of "Regulations Governing the Appointment and Exercise of Powers by the Compensation Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange" (Note) issued by Taiwan's Securities and Futures Bureau
2. Independent Director (or nominee arrangement) as well as his spouse and minor children do not hold any ASPEED shares
3. Received no compensation or benefits for providing commercial, legal, financial, accounting services or consultation to the Company or to any its affiliates within the preceding two years, and the service provided is either an "audit service" or a "non-audit service"

Note: During the two years before being elected and during the term of office, meet any of the following situations:
(1) Not an employee of the company or any of its affiliates;
(2) Not a director or supervisor of the company or any of its affiliates;
(3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of issued shares of the company or ranks as one of its top ten shareholders;

(4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the officer in the preceding (1) subparagraph, or of any of the above persons in the preceding subparagraphs (2) and (3);

(5) Not a director, supervisor, or employee of a corporate/institutional shareholder that directly holds five percent or more of the total number of issued shares of the company, ranks as of its top five shareholders, or has representative director(s) serving on the company’s board based on Article 27 of the Company Law;

(6) Not a director, supervisor, or employee of a company of which the majority of board seats or voting shares is controlled by a company that also controls the same of the company;

(7) Not a director, supervisor, or employee of a company of which the chairman or CEO (or equivalent) themselves or their spouse also serve as the company’s chairman or CEO (or equivalent);

(8) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares of a specified company or institution that has a financial or business relationship with the company; and

(9) Other than serving as a compensation committee member of the company, not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides commercial, legal, financial, accounting services or consultation to the company or to any affiliate of the company, or a spouse thereof, and the service provided is an “audit service” or a “non-audit service which total compensation within the recent two years exceeds NT$500,000”.

b. Remuneration Committee Meeting Status

Ⅰ. There are 4 members in the Remuneration Committee.

Ⅱ. The terms of this section of Remuneration Committee： August 11, 2021 to July 29, 2024. A total of 3 Remuneration Committee meetings were held in 2023. The attendance record of the Remuneration Committee members was as follows：

Title	Name	Attend in person	By Proxy	Attendance Rate (%)	Note
Convener	Chyan Yang	3	0	100%	None
Member	Dyi-Chung Hu	3	0	100%	None
Member	Sheng-Lin Chou	3	0	100%	None
Member	John C. Lin	3	0	100%	None

Other Required Remarks for Remuneration Committee:

1. In order to improve corporate governance and strengthen the functions of the board of directors, the Remuneration Committee assists directors to implement and evaluate the remuneration of company's directors and managers.
2. In cases the Board doesn't adopt or revise Remuneration Committee's proposals, the Company shall list date/number of the Board meeting, agenda, the Board's resolution and the Company's response to Remuneration Committee's proposal: None.
3. In cases the Remuneration Committee members have dissenting opinions or qualified opinions against the resolution and recorded with notes in paper, the Company shall list date, number of the Remuneration Committee meeting, agenda, all members' opinion and the follow-up of the members' opinion: None.
4. The content of the motion, the result the Remuneration Committee's resolution and the Company's handling of the Remuneration Committee's opinion:

Meeting	Content of motion/Opinion/Handles the opinions of all members
May 8, 2023 5th-term 7th	1. Approval of 2023 managers' salary allocation Approved as proposed and reported to the Board of Directors for resolution.
Aug. 07, 2023 5th-term 8th	1. Approval of 2023 board directors' remuneration allocation Approved as proposed and reported to the Board of Directors for resolution
Nov. 06, 2023 5th-term 9th	1. Approval of 2023 employees' CSU (cash-settled restricted stock unit) plan Approved as proposed and reported to the Board of Directors for resolution

(5) The implementation of the promotion of sustainable development and the differences with the code of practice for sustainable development of listed companies and the reasons for them

Assessment Item	Implementation Status			Reason for Non-implementation
	Yes	No	Summary Description	
1. Does the company establish exclusively (or concurrently) dedicated first-line managers authorized by the board to be in charge of proposing the corporate social responsibility policies and reporting to the board?	V		1. In order to implement the company's sustainable operation and management, the Company established a functional committee under the board of directors, the Sustainability Committee, on August 11, 2021. 2. The Sustainability Committee, with the Vice President of the Sales as the chairman of the committee, convenes and presides over the meeting of the Sustainability Committee, is responsible for supervising and deciding on relevant promotion matters, and reports to the Board of Directors twice a year on the promotion and implementation results of the sustainable work of corporate social responsibility; he lead five working groups on corporate governance, social participation, risk management, environmental sustainability and employee relations, coordinated the operation of each aspect, including collecting relevant issues of stakeholders and promoting various sustainable affairs, meeting once every six months, and each group was responsible for reporting on the implementation of operations and future planning. The executive team is composed of senior executives in different areas within the Company.	None

Assessment Item	Implementation Status			Reason for Non-implementation
	Yes	No	Summary Description	
			3. In addition to regularly monitoring the performance of corporate sustainability-related activities, the Sustainability Committee also incorporates sustainability development into decision-making considerations of corporate operations and important strategies. 4. The Company announced on June 30, 2023 that the 2022 Corporate Social Responsibility Report and the 2022 ESG Summary were published on the Company's website, and the Sustainable Management Committee reported to the Board of Directors on March, 2023 sustainable implementation results and future issues of continued concern 5. On March 6, 2023, the Board of Directors supervised the Sustainability Committee to formulate a sustainable three-year plan for the Company's sustainable development and the issues of continued concern to core values.	
2. Does the company conduct risk assessments of environmental, social and corporate governance issues related to the company's operations considering the materiality principle, and establish relevant risk management policies or strategies?	V		1. Risk management policy In order to cope with the operational impact of changes in the global economic environment and perpetual risks on the internal and external aspects of the enterprise, the Company has formulated a risk management policy and a corporate continuity operation plan to identify the risks that may affect the sustainable development of the enterprise and develop subsequent corresponding strategies through the three aspects of corporate governance, environment and society, and to meet the important	None

Assessment Item	Implementation Status			Reason for Non-implementation
	Yes	No	Summary Description	
			aspects of stakeholder concerns and international trends. 2. Risk management structure and response The Company has established a Risk Management Team under the Sustainability Committee of the Board of Directors. Refer to the requirements of various of corporate continuity standards, and gradually establish an operation continuity management system after internal assessment. Its management structure is mainly responsible for monitoring and analyzing risks and confirming risks, reporting to the management level and activating the response mechanism, while investor relations and media public relations are responsible for communicating with the external at an appropriate time to eliminate the doubts of stakeholders, hoping to effectively play a key role in identifying risks, managing organizational operational risks and formulating countermeasures, and reporting to the board of directors twice a year of implementation of the results. i. Risk Identification: The Risk Management Team under the Sustainability Committee identifies the risk factors associated with the operation of the enterprise ii. Major risk response and management: Assess the impact of risk factors on the operation of enterprises, and formulate improvement countermeasures for major risks affecting operations	

Assessment Item	Implementation Status			Reason for Non-implementation
	Yes	No	Summary Description	
			iii. Internal Control Audit Tracking: Risk control projects are tracked regularly every six months and reported to the Board of Directors 3. Risk identification The Company carries out risk identification, analysis, evaluation, response, and tracking based on the Company's internal organization and core business as well as external environmental conditions. Scope covers corporate governance, environmental, and social aspects and other sustainable development areas. In 2020, five material risk factors we identified were: interest rate & exchange rate fluctuation, research and development and intellectual property protection, supply chain management, information security, and facility management & disaster response. For each risk factor we formulate emergency response management processes to ensure that when a disaster or other event that has a major impact on the business does occur, we can maintain operations at an acceptable level and have a path to recovery. These measures protect the rights and interests of our customers and stakeholders.	

Assessment Item	Implementation Status			Reason for Non-implementation
	Yes	No	Summary Description	
3. Sustainable Environment Development (1) Does the company establish proper environmental management systems based on the characteristics of their industries?	V		(1) Environmental Management Policy ■ Promote ISO 14001:2015 Environmental Management System ■ Establish procedures related to environmental management ■ Improve environmental awareness and implement environmental policies for all employees ■ Solidly document and publicly disclose greenhouse gas, water and waste emissions	None
(2) Does the company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment?	V		(2) The company does not have a manufacturing plant, and the carbon emissions of scope 1 and scope 2 are only 294 metric tons of CO_2e. Therefore, there is no core capability for research and development of energy efficiency or the use of recycled materials with low impact on the environment. As a fabless IC design Company, we focus on "Green Design", "Green Supply" and "Green Lifestyle". Our internal environmental management primarily focuses on general water and electricity use, waste disposal and management, and green product specifications. Externally, the Company focuses on expansion of sustainable supply chain management. ASPEED Technology makes every effort to join suppliers in implementing environmental management.	None

<table>
<tr><th rowspan="2">Assessment Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Reason for Non-implementation</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary Description</th></tr>
<tr><td>(3) Does the company assess the potential risks and opportunities of climate change for the company now and in the future, and take measures to respond to climate-related issues?</td><td>V</td><td></td><td>(3) ASPEED already established the TCFD working task, and held workshop to discuss and evaluated climate change related matters.</td><td>None</td></tr>
<tr><td>(4) Does the company collect statistics in the greenhouse gas emissions, water consumption and total weight of waste in past two years, and formulate policies on energy conservation and carbon reduction, greenhouse gas reduction, water consumption or other waste management?</td><td>V</td><td></td><td>(4) The GHG emissions, water consumptions, electricity consumptions, and total weight of waste are as below:
<table>
<tr><th rowspan="2">Year</th><th colspan="2">GHG emission</th><th colspan="2">Water Use</th></tr>
<tr><th>Emissions (metric tons of CO2e)</th><th>GHG Emission Intensity (metric tons of CO2e/million piece)</th><th>Water Use (metric tons)</th><th>Water Use Intensity (metric tons/million piece)</th></tr>
<tr><td>2020</td><td>271.66</td><td>0.21</td><td>3531</td><td>307.93</td></tr>
<tr><td>2021</td><td>8718</td><td>655.98</td><td>2,572</td><td>193.53</td></tr>
<tr><td>2022</td><td>12197.85</td><td>775.40</td><td>2,673</td><td>169.92</td></tr>
</table></td><td>None</td></tr>
</table>

Assessment Item	Implementation Status			Reason for Non-implementation
	Yes	No	Summary Description	
4. Preserving Public Welfare (1) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	V		(1) Compliance with international human rights standards ASPEED Technology strictly abides by the laws and regulations of the locations of various bases around the world, follows the principles of international human rights conventions, protects the rights and interests of employees in freedom of association, and prevents violations and violations of human rights. Any discrimination in employment is prohibited, and the employee is not discriminated against on the basis of race, age, sex, sexual orientation, disability, pregnancy, politics, religion. All employees have signed labor contracts in accordance with the law, and the rules of work shall not prohibit the freedom of assembly and association of workers, the non-employment of child labor and the prohibition of forced labor, etc., so as to protect the basic human rights of their workers. In the event of special circumstances in Taiwan, if the employee is required to terminate the labor contract, the advance notice of seniority and subsequent related severance payment shall be made in accordance with the Labor Standards Law. In fiscal 2023, there were no cases of child labor or forced labor, nor were there any complaints related to human rights, child labor, or forced labor.	None

Assessment Item	Implementation Status			Reason for Non-implementation
	Yes	No	Summary Description	
(2) Does the company establish and implement reasonable employee benefits measures (including remuneration, vacation and other benefits, etc.), and reflect operating performance or results in employee compensation appropriately?	V		(2) 1. The Company shall establish an Employee Welfare Committee in accordance with government decrees to allocate welfare benefits in accordance with the law, and the labor and management shall jointly supervise the use and custody of the welfare benefits, and follow the "Labor Standards Act", which stipulates the working hour standards and various holiday pay specifications. Holidays such as rest days, regular holidays, national holidays and special holidays regulated by the Labor Standards Law are included in the scope of salary payment and provide market-competitive benefits to motivate employees, in addition to regular assessments, employee remuneration, and sharing surplus results with colleagues. 2. In accordance with the provisions of the Labor Standards Act and the Gender Work Equality Act, the Company lists the assistance and benefits of employees as follows: i. Maternity leave, maternity inspection leave, physiological leave, paternity leave, and family care leave. ii. Application for suspension of pay for the retention of childcare. iii. The Employee Welfare Committee of the Company provides three-holidays gifts, birthday gifts, marriage allowance, maternity allowance, funeral allowance, injuries and illnesses condolence payments, children's education awards, annual staff travel and	None

Assessment Item	Implementation Status			Reason for Non-implementation
	Yes	No	Summary Description	
			quarterly department meal expenses, etc. 3. The Company will appropriately reflect the business performance or results of the employee’s remuneration as follows: 3-1. Establish a Remuneration committee to determine and regularly review policies, systems, standards and settlements for managers’ performance evaluation and remuneration frame. 3-2. Stipulate the performance evaluation method to review the employee's development in the company. ASPEED implements employee performance management system. According to the development of employees at all stages of the company, it is divided into probationary period assessment for new recruits and annual performance assessment for all employees. All employees are required to be evaluated their performance appraisal regardless of sex categories, ages, and job categories. The supervisor and colleagues measure the achievement of past goals and the values and abilities of future career planning together and then develop the reference guideline for personal improvement recommendations and career development plans. 3-3. In order to attract and retain outstanding talents, and to share the company’s operating result with employees, the Company adopts a sound salary structure that includes monthly salary, three bonuses, etc. Every year, the overall market competition in the industry is raised.	

Assessment Item	Implementation Status			Reason for Non-implementation
	Yes	No	Summary Description	
			The salary adjustment budget of the force is then promoted annually according to the performance of the employee rise with salary adjustments. According to Article 28 of the Articles of Association of the Company, it is stipulated that if the company makes a profit in the year, it shall allocate no less than 8% of employee bonus and no more than 3% of directors bonus. However, when the company still has accumulated losses, it should retain the loss in advance. The amount of compensation shall be made in accordance with the proportion of the preceding paragraph toil.	
(3) Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	V		(3) The Company believes that physically and mentally healthy employees can create efficient and high-quality work performance, so committing to creating a friendly workplace safety environment is one of the Company's top priorities, including: A. The company implements the [Occupational Safety and Health Work Rules] and regularly holds training courses to implement safety and health protection. The company has established various measures in-house and formulated various emergency procedures through the concept of risk management. Usually, through occupational safety and health education and training and emergency response drills, colleagues can report and deal with emergency response procedures in accordance with the emergency response procedures when an emergency situation	None

Assessment Item	Implementation Status			Reason for Non-implementation
	Yes	No	Summary Description	
	V		Procedures when an emergency situation occurs. ASPEED vocational disaster education training includes: ・Once a labor safety and health seminar for new employees ・Labor safety and health training is held every three years ・Fire drill twice a year (fire drill in Taifei Building, where the headquarters of ASPEED Hsinchu is located) B. Organize regular health checks for employees every year, and through one-on-one health consultation and health education information of doctors, so that employees can better grasp their own health status and have the knowledge and methods of self-health management. C. By enhancing the office environment and promoting leisure activities, employees can achieve work-life balance. D. With a complete fire safety system, including sirens, fire extinguishers, emergency lights, escape lights, escape lights, escape doors, etc., the building management center cooperates with at least once a year to test and replace various equipment.	

Assessment Item	Implementation Status			Reason for Non-implementation
	Yes	No	Summary Description	
			E. The office is equipped with central air conditioning system, sufficient lighting equipment and regular elevator equipment maintenance. F. The building employs security control personnel to enter and exit to ensure the safety of personnel entering and leaving. The company provides a safe and healthy working environment for employees, including providing necessary health and emergency facilities, and is committed to reducing the hazard factors for employee safety and health to prevent occupational disasters. In addition to insuring each colleague with labor insurance and national health insurance according to government decrees, ASPEED also plans a comprehensive group insurance for each colleague, covering life insurance, critical illness insurance, accident insurance, medical insurance, cancer insurance and occupational disaster insurance. In the event of an unpredictable major illness, colleagues can enjoy perfect medical care, care and financial protection. For overseas business travelers, they will take the initiative to insure them with high-value travel safety insurance to provide more adequate protection for their colleagues.	

Assessment Item	Implementation Status			Reason for Non-implementation
	Yes	No	Summary Description	
			G. In accordance with the spirit of human rights before the law, the Company shall formulate measures and punishment measures for the prevention of sexual harassment, and give appropriate punishment in accordance with the provisions of evidence and employee reward and punishment methods.	
(4) Does the company provide its employees with career development and training sessions?	V		(4) The Company provides internal and external training for different specializations to enrich employees' professional skills. The Company also encourages employees to evaluate their own interests, skills, values and goals, and communicate their intentions with managers to plan their future careers.	None
(5) Does the company establish any consumer protection mechanisms and appealing procedures regarding research development, purchasing, producing, operating and service?	V		(5) The Company established operating procedures for customer complaints to show its concern and immediately handle customer complaints, striving to achieve customer satisfaction.	None
(6) Does the company have formulated a supplier management policy that requires suppliers to comply with relevant norms on issues such as environmental protection, occupational safety and health or labor rights, and their implementation?	V		(6) 1. Supplier management There are two types of ASPEED suppliers: key suppliers and general service suppliers, and the key suppliers are mainly main raw materials and manufacturing test suppliers, considering such suppliers It is critical to ASPEED's core business, so it insists on selecting only world-class Tier 1 manufacturing suppliers and ensuring that suppliers comply with issues such as social responsibility, green environmental protection, occupational safety and health, and labor human	None

Assessment Item	Implementation Status			Reason for Non-implementation
	Yes	No	Summary Description	
			rights, and does comply with the Code of Conduct-Responsible Business Alliance, and gives priority to passing ISO9001, ISO14001 and ISO45001 certified suppliers. In addition, every year, ASPEED requires the issuance of a publicly disclosed sustainability management report for audit and evaluation, and also monitors whether there are any adverse events that damage the image or impose penalties from international customers. 2. Supplier audit i. ASPEED conducts on-site or written audits of suppliers every year, and the evaluation score must reach 75 points to be qualified, and those who fail must apply for review to ASPEED after the improvement period is limited, and if the review is not qualified, the qualification of its suppliers will be cancelled. In addition to quality management, design process management, document records, warehousing and inspection, etc., the evaluation process also includes green product management and environmental, social, governance and other aspects of the evaluation, and if qualified suppliers have serious quality abnormalities in the transaction process, they will increase the sampling ratio according to the "Inspection and Test Management Procedures" and strictly review their quality status until they are completely improved. If the desired results are not achieved after counseling, the qualified	

Assessment Item	Implementation Status			Reason for Non-implementation
	Yes	No	Summary Description	
			supplier qualification will be cancelled. ii. In response to issues such as green commitment, human rights protection and conflict-free minerals, ASPEED publicly stated on the company's website that it will jointly assume social and green environmental protection responsibilities with suppliers, will not accept minerals illegally mined from conflict areas, and requires all suppliers to fulfill their commitments. Since 2020, suppliers are also required to sign a Corporate Social Responsibility Pledge, requiring suppliers to sign and strictly comply with international standards to implement norms related to corporate social responsibility, business ethics and labor human rights, and thoroughly implement labor, health and safety, environmental health, supplier integrity management and ethical standards in accordance with the RBA Code of Conduct.	
5. Does the company prepare CSR reports to disclosure corporate non-financial information with reference to the general international reporting standards or guidelines? Has the CSR report obtained the third-party assurance?	V		The Company has prepared the 2021 Sustainability Report and ESG Summary (based on 2021 SASB & GRI standard) with reference to the internationally accepted guidelines or guidelines for the preparation of reports, which are disclosed on the Company's website and the Public Information Observatory.	None

6.If a company has its own sustainable development code according to the Code of Practice for the Sustainable Development of Listed Companies, please state the differences between its operation and the established code: The Company adopted the Code of Practice for Corporate Social Responsibility by the Board of Directors on March 14, 2012 and amended it with the Approval of the Board of Directors on June 3, 2015 to strengthen the implementation of corporate social responsibility. On March 7, 2022, the Board of Directors approved the amendment and renamed it the "Code of Practice for Sustainable Development of Companies", These Measures are proposed to be submitted to the latest shareholders' meeting for approval. The Company regularly reviews and improves the implementation in accordance with the Code, and there has been no difference in implementation to date.
7. Other important information to facilitate better understanding of the company's corporate social responsibility practices: (1) Implementation status of employee rights and concern for employees: For a description, please refer to "5. Labor-Management Relations" under V. Operational Highlights. (2) Human rights: The Company does not hire child labor, and has established Work Rules in accordance with the Act of Gender Equality in Employment and the Employment Service Act. The Company also established Ethical Corporate Management Best Practice Principles and Procedures for Ethical Management and Guidelines for Conduct. (3) Work-life balance: The Company implements an unpaid parental leave system, and provides family-care leaves, parental leaves, menstrual leaves, travel subsidies, and periodic health exams. (4) The Company has purchased D&O insurance for directors.

Climate-Related Information of TWSE/TPEx Listed Company

1 Implementation of Climate-Related Information

Item	Implemementation status
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities. 2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term). 3. Describe the financial impact of extreme weather events and transformative actions. 4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system. 5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described. 6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks. 7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated. 8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified. 9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan (separately fill out in points 1-1 and 1-2 below).	The Sustainability Development Working Team under ASPEED Technology's Sustainability Committee is responsible for gathering the concerns from various stakeholders and keeping abreast of the development trends of domestic and foreign laws and policies. A meeting is held biannually for each work team to report on their operation. We conduct regular review on ASPEED's sustainability strategies and short-to-medium term plans to make adjustments as needed. A meeting was held in each of the first and second half of 2023, covering: 1. Report on the progress of the Sustainability Development Working Team. 2. In light of the domestic and international regulatory policy trends, a review on the sustainability strategies for 2021 and adjustment on the three-year short-term goals. 3. Final Review of the 2021 Sustainability Report (Second Half Meeting). The Sustainability Committee reports to the Board of Directors once in each of the first and second half of the year. On the board meeting in March and November 2023, the committee presented the sustainability strategies and objectives, performance of annual sustainability projects, results of GHG inventories, implementation of TCFD projects, report on 2022 Sustainability Report and ESG Summary and submission for approval, while at the same time commits to the Board for its continued promotion and implementation of sustainability strategies and objectives.

1-1 Greenhouse Gas Inventory and Assurance Status for the Most Recent 2 Fiscal Years

Scope 1	Emissions (metric tons of CO2e)	Intensity GHG Emission Intensity (metric tons of CO2e/million piece)	Assurance	Assurance status (Note 3)
Company	17.3288	1.1015	SGS ISO 14064-2018	ISO14064-2018
Total	17.3288	1.1015		
Scope 2	Emissions (metric tons of CO2e)	Intensity GHG Emission Intensity (metric tons of CO2e/million piece)	Assurance	Assurance status (Note 3)
Company	277.6634	17.6057	SGS ISO 14064-2018	ISO14064-2018
Total	277.6634	17.6057		
Scope 3	11902.8588 (「Purchased Electricity」、「Purchased goods」and「Upstream transportation」)			

Note 1: Direct emissions (scope 1, i.e., emissions directly from sources owned or controlled by the Company), indirect energy emissions (scope 2, i.e., indirect greenhouse gas emissions from electricity, heat, or steam) and other indirect emissions (scope 3, i.e., emissions from company activities that are not indirect energy emissions, but originate from sources owned or controlled by other companies).
Note 2: The data coverage scope for direct emissions and indirect energy emissions shall comply with the schedule prescribed in the order issued under Article 10, paragraph 2 of the Regulations. Other indirect emissions information may be voluntarily disclosed.
Note 3: Greenhouse gas inventory standards: Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 issued by the International Organization for Standardization (ISO).
Note 4: The intensity of greenhouse gas emissions may be calculated per unit of product/service or revenue, but at least the data calculated in terms of revenue (NT$ 1 million) shall be disclosed.

(6) Ethical Corporate Management

Assessment Item	Implementation Status			Reason for Non-implementation
	Yes	No	Summary Description	
1. Establishment of ethical corporate management policies and programs				None
(1) Does the company declare its ethical corporate management policies and procedures in its guidelines and external documents, as well as the commitment from its board to implement the policies?	V		(1) The Company has established the Code of Ethics and Business Conduct (the "Ethics Code") and Guidelines for Conduct to require that each employee bears a heavy personal responsibility to uphold APSEED's ethics value. The Board of Directors and managers manage the Company based on the principle of integrity.	
(2) Does the Company establish a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within their business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly, which at least covers activities stated in Article 2, Paragraph 7 of the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies?	V		(2) The Company has established the Ethics Code and Guidelines for Conduct and its ethical corporate management policy to prevent the directors, the manager, and employees from engaging in any of actives stated in Article 2, Paragraph 7 of the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies or other operating activities with highly-unethical risk. And the Company has announced them to employees.	

Assessment Item	Implementation Status			Reason for Non-implementation
	Yes	No	Summary Description	
(3) Does the company clearly adopt the operating procedures, guidelines, punishment for violations and appeal system and implement it, and regularly review and revise the plan?	V		(3) In accordance with the Ethics Code and Guidelines for Conduct, the Company is required to evaluate the party's lawfulness, ethical corporate management policy, and whether it has any unethical conduct records before establishing business relationships. The purpose is to ensure that the party does business in a fair and	
2. Fulfill operations integrity policy (1) Does the company evaluate business partners' ethical records and include ethics-related clauses in business contracts?	V		(1) In accordance with the Ethics Code and Guidelines for Conduct, the Company should immediately terminates its business relationship with parties that are found to have engaged in unethical conduct, and blacklists the parties.	None
(2) Does the company establish an exclusively (or concurrently) dedicated unit supervised by the Board to be in charge of corporate integrity on a regular basis (at least once a year)?	V		(2) The Company's General Administration Department is responsible for the promotion and execution of ethical corporate management, which reports unethical conduct, its handling method, and subsequent review of improvement measures to the Board of Directors.	

Assessment Item	Implementation Status			Reason for Non-implementation
	Yes	No	Summary Description	
(3) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	V		(3) If there are any conflicts of interest, the Company's employees can report it to their direct supervisor or directly report it to the supervisors of the General Administration Department.	
(4) Has the company established effective systems for both accounting and internal control to facilitate ethical corporate management, and are they audited by either internal auditors or CPAs on a regular basis?	V		(4) The Company formulate an internal auditing plan; the internal auditor carries out audits according to the auditing plan, and special audits are arranged under special circumstances.	
(5) Does the company regularly hold internal and external educational trainings on operational integrity?	V		(5) The Company informs and helps employees clearly understand its ethical corporate management philosophy and standards during regular and irregular meetings.	
3. Operation of the integrity channel (1) Does the company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up?	V		(1) Employees can report unethical conduct to their direct supervisor or the supervisors of the General Administration Department via telephone, e-mail or in person, and dedicated personnel at the General Administration Department are responsible for handling the report.	None

Assessment Item	Implementation Status			Reason for Non-implementation
	Yes	No	Summary Description	
(2) Does the company establish standard operating procedures for confidential reporting on investigating accusation cases?	V		(2) In order to provide employees with a smooth and confidential communications channel, ASPEED Technology started to create a whistleblower system in 2022 and it is expected to be completed in the first half of 2023.	
(3) Does the company provide proper whistleblower protection?	V		(3) The Company is responsible for maintaining the confidentiality of whistleblowers, and does not take any inappropriate actions against them.	
4. Enhancing information disclosure Does the company disclose its ethical corporate management policies and the results of its implementation on the company's website and MOPS?	V		The Company's the Ethics Code are disclosed on its website and the Market Observation Post System.	None
5. If the company has established the ethical corporate management policies based on "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies", please describe any discrepancy between the policies and their implementation. The Company has established Code of Ethics and Business Conduct and Guidelines for Conduct. There is no discrepancy between the Ethics Code, including its affiliate policies and procedures, and its implementation.				

6. Other important information to facilitate a better understanding of the company’s ethical corporate management policies (e.g., review and amend its policies):

(1) Prohibition of offering or accepting improper benefits.

(2) Public announcement of the ethical corporate management policy.

(3) Explanation of the ethical corporate management policy to business partners.

(7) Corporate governance best-practice principles shall be disclosed.

The Company's Board of Directors approved the Corporate Governance Best Practice Principles, Ethical Corporate Management Best Practice Principles, and Organizational Rules for the Remuneration Committee on March 14, 2012, and disclosed relevant information on the Market Observation Post System and the Company website.

(8) Other Important Corporate Governance Information：None.

(9) Status of the Internal Control System Implementation:

a. Declaration of Internal Control

Statement of Declaration of Internal Control

Date: March 11, 2024

Based on the findings of a self-assessment, ASPEED Technology Inc. (ASPEED) states the following with regard to its internal control system during the year 2023:

1. ASPEED's board of directors and management are responsible for establishing, implementing, and maintaining an adequate internal control system. Our internal control is a process designed to provide reasonable assurance over the effectiveness and efficiency of our operations (including profitability, performance and safeguarding of assets), reliability, timeliness, transparency of our reporting, and compliance with applicable rulings, laws and regulations.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing its stated objectives. Moreover, the effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond our control. Nevertheless, our internal control system contains self-monitoring mechanisms, and ASPEED takes immediate remedial actions in response to any identified deficiencies.
3. ASPEED evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (herein below, the Regulations). The criteria adopted by the Regulations identify five key components of managerial internal control: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring activities. Each criteria further contains several items. For more information on the abovementioned items, please refer to the Regulations.
4. ASPEED has evaluated the design and operating effectiveness of its internal control system according to the aforesaid criteria.
5. Based on the findings of such evaluation, ASPEED believes it can reasonably assure that the design and implementation of its internal control system as of December 31, 2023 (including supervision and management of subsidiaries), including the effectiveness and efficiency in operation, reliability, timeliness and transparency in financial reporting, and compliance with relevant regulatory requirements, have reasonably and efficiently achieved the aforementioned objectives.
6. This statement is an integral part of ASPEED’s annual report for the year 2023 and prospectus, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
7. This Statement was passed by the Board of Directors Meeting of the Company held on March 11, 2024, with none of the 9 attending Directors expressed dissenting opinions, and the remainder all affirming the content of this Statement.

ASPEED Technology Inc.

Chairman: Chris Lin

President: Chris Lin

b. Disclose the Review Report of Independent Auditors if They are Retained for Reviewing the Internal Control System: None.

(10) Reprimand on the Company and its Staff in Violation of Laws, or Reprimand on its Employees in Violation of Internal Control System and Other Internal Regulations, Major Shortcomings and Status of Correction: None.

(11) Important resolutions adopted in shareholders' meetings and Board of Directors meetings in the past year and up to the date of report:

a. Major Resolution of the Shareholders' meeting and Implementation status

The Company's 2023 annual shareholders' meeting was held in Hsinchu on May 30, 2023. The following proposals were approved during the shareholders' meeting:

Major Resolution	Implementation status
Acknowledgement Items (1) Adoption of 2022 business report and Financial statements (2) Adoption of the Proposal for Distribution of 2022 Profits	(1)~(2)Approved.

b. Major Resolution of the Board Meetings

During the 2023 and as of the printing date of this annual report, major resolutions approved at these meetings are summarized below:

Date	Meeting		Major Approvals
Mar. 06 2023	7th-term	11th	(1) Approval of 2022 business report
			(2) Approval of 2022 financial statements
			(3) Approval of the distribution of employee bonuses and Board remuneration in 2022
			(4) Approval of the 2022 cash dividends distribution
			(5) Approval of the 2022 internal control system statement
			(6) Approval of the independence and competency assessment of the company's CPAs
			(7)Approval of the acquisition of intangible assets
			(8) Approval of 2023 General Shareholders Meeting agenda
May 08 2023	7th-term	12th	(1) Approval of 2023Q1 financial statements
			(2) Approval of 2023 banking facilities
			(3)Approval of appointment of company executive
			(4)Launch of "The Whitleblowing Online Platform"
			(5)Approval of 2023 CPAs' compensation
			(6) Approval of 2023 manager's salary allocation

Date	Meeting		Major Approvals
May. 30 2023	7th-term	13th	Approval of strategic investment to Polytron.AI Pte. Ltd.
Aug. 07 2023	7th-term	14th	(1) Approval of 2023Q2 financial statements
			(2) Approval of the appointment of CPAs
			(3) Approval of Amendment to "The Approval Athorization Matrix"
			(4) Approval of "Award Rules for 2023 Employee Cash-settled Restricted Stock Units"
Nov. 06 2023	7th-term	15th	(1) Approval of 2023Q3 financial statements
			(2) Approval of the independence and competency assessment of the company's CPAs
			(3)Approval of AST1800 Capex Budget
			(4)Approval of "Three-party joint purchase contact with Cupola360 Inc."
			(5)Approval of 2023 audit plan
Dec.15 2023	7th-term	16th	(1)Approval of loans to Cupola360 Inc.
			(2) Approval of strategic investment to GRAID Technology Inc.
Mar.11 2024	7th-term	17th	(1) Approval of 2023 business report.
			(2) Approval of 2023 financial statements
			(3) Approval of the distribution of employee bonuses and Board remuneration in 2023
			(4) Approval 2023 cash dividends distribution
			(5)Approval the 2023 internal control system statement
			(6)Approval of appointment of CPAs
			(7)Approval of Amendement to "Corporate Governance Best Practice Principles" and etc…
			(8)Approval of acceptance of the 8th term Board of Directors nomination from shareholders
			(9) Approval of "Removal of Non-Compete Restrictions" for newly-elected board directors
			(10)Approval of 2024 General Shareholders Meeting agenda

(12) Major Issues of Record or Written Statements Made by Any Director Dissenting to Important Resolutions Passed by the Board of Directors: None.

(13) Resignation or Dismissal of Chairman, President, and Heads of Accounting, Finance, Internal Audit, Corporate Governance Officer and R&D during 2023 and as of the Date of this Annual Report: None

4. Information Regarding the Company's Independent Auditors:

(1) Information on Audit Fees:

Unit:NT$ thousands

Accounting Firm	Name of CPA	Audit Period	Audit Fee	Non-audit Fee	Total	Remark
Deloitte & Touche	Ming Yuan Chung	2023/01/01~ 2023/12/31	2,830	525	3,355	Non-audit fee includes tax audit service, employee remuneration to capital increase and annual report review, etc.
	Hsin-Tung Lin					

(2) Replaced the audit firm and the audit fee paid to the new audit firm was less than the payment of previous year: None.

(3) Audit fee reduced more than 10% year over year: None.

(4) Replacement of Independent Auditors in the Last Two Years and in the Subsequent Periods: None.

(5) Evaluation of the External Auditor's Independence: The Company Accounting Division evaluates the independence of auditors once a year and receives Statement of Independence issued by external auditors. After evaluation, the Company's external auditors can meet the Company's independency evaluation standards and be qualified as the Company's external auditors. The Company refers to the Audit Quality Indicators provided by the accounting firm and the Audit Quality Indicators Interpretation Guidelines issued by the regulator, to evaluate the audit quality of the accounting firm and the audit team. Audit Quality Indicators have five dimensions, including professionalism, independence, quality control, supervision, and innovation ability, and thirteen other indicators. After sufficient communication with CPA, the Company did not observe any issue that could impact the independence or qualification of the CPA. The evaluation results were discussed and passed by the Audit Committee on Mar. 11, 2024 and were reported to and passed by the Board of Directors on Mar. 11, 2024.

Evaluation Item	Evaluation Result
1. There is no direct or significant indirect financial interest relationship between the certified accountant and the company.	■Yes □No
2. There is no significant and close business relationship between the certified accountant and the company.	■Yes □No
3. The certified accountant has no potential employment relationship when auditing the company.	■Yes □No
4. The certified accountant has no money loan with our company.	■Yes □No
5. The certified accountant has not received any significant value from the company and its directors, supervisors and managers.	■Yes □No

A gift or gift (the value of which exceeds ordinary social etiquette standards).	
6. The certified accountant has not provided audit services to the company for seven consecutive years.	■Yes □No
7.The certified accountant does not hold shares in the company	■Yes □No
8. The certified accountant himself, his spouse or dependent relatives, and his audit team have not served as directors, supervisors, managers, or positions that have a significant impact on the audit case during the audit period or within the past two years, and they are determined not to hold the aforementioned positions during the future audit period. Related positions.	■Yes □No
9. Whether the certified accountant has complied with the independence standards of Accountant Professional Ethics Bulletin No. 10 and obtained the "Declaration of Independence" issued by the certified accountant	■Yes □No

(6) The Company's Chairman, President or Managers in Charge of Finance or Accounting Who Has Been under the Current Audit Firm or its Affiliates' employment in 2023: None

5. Changes in shareholding of directors, supervisors, officers and major shareholders holding more than 10% shares for the preceding year to the date of printing of this annual report:

(1) Net Changes in Shareholding

Unit: Shares

Title	Name	2023		2024 up to April 01	
		Net Change in Shareholding	Net Change in Shares Pledged	Net Change in Shareholding	Net Change in Shares Pledged
Chairman & President	Chris Lin	2,800	0	0	0
Director	Xian Hua Investment Co., Ltd. Representative– Arnold Yu	0	0	0	0
Director	Linvest Wealth Corp. Representative– Luke Chen	0	0	0	0
Director	Linvest Fortune Corp. Representative– Hung-Ju Huang	0	0	0	0
Director	Ted Tsai	0	0	0	0
Independent Director	Chyan Yang	0	0	0	0
Independent Director	Dyi-Chung Hu	0	0	0	0
Independent Director	Sheng-Lin Chou	0	0	0	0
Independent Director	John C. Lin	0	0	0	0
COO	CJ Hsieh	4,900	0	0	0
Vice President	Luke Chen	(3,000)	0	(2,000)	0
Assistant Vice President	Charles Kuan	(1,930)	0	(2,000)	0
Assistant Vice President	Craig Kuo	0	0	0	0
Assistant Vice President	Paul Huang	1,055	0	0	0
Assistant Vice President	Allen Ho	0	0	0	0
Finance & Accounting Manager	Tina Chiu	0	0	0	0
Manager & Spokesperson	Lili Wu	(924)	0	0	0
Acting Spokesperson	Iris Chueh	(824)	0	0	0
Audit Senior Manager	Ann Lo	0	0	0	0

(2) Trade with Related Party: None

(3) Pledge with Related Party: None.

6. Top 10 Shareholders Who are Related Parties to Each Other:

April 01, 2024; Unit: shares, %

Top 10 Shareholders	Shareholding		Shareholding under Spouse and Minor		Shareholding under 3rd Party		Top 10 Shareholder who are Related Parties to Each Other		Remark
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Linvest Wealth Corp.	5,253,076	13.89%	0	0%	0	0%	None	None	None
Representative – Chris Lin	377,361	1.00%	0	0%	6,435,448	17.02%	Linvest Wealth Corp& Linvest Fortune Corp	Chris Lin is the only director of both companies	None
Cathay Life Insurance Co., Ltd.	1,602,291	4.24%	0	0%	0	0%	None	None	None
Representative – Hong-Tu Tsai	0	0%	0	0%	0	0%	None	None	None
Fuh Hwa Investment Trust mandate of Fubon life Insurance	1,247,000	3.30%	0	0%	0	0%	None	None	None
Linvest Fortune Corp.	1,182,372	3.13%	0	0%	0	0%	None	None	None
Representative – Chris Lin	377,361	1.00%	0	0%	6,435,448	17.02%	Linvest Wealth Corp& Linvest Fortune Corp	Chris Lin is the only director of both companies	None
Labor Pension Fund （The New Fund）	981,248	2.59%	0	0%	0	0%	None	None	None
HSBC in custody of Fidelity Emerging Markets Fund	833,000	2.20%	0	0%	0	0%	None	None	None
Standard Chartered Bank in custody for St. James's Place Emerging Markets Equity Unit Trust - Wasatch Advisors Inc.	831,543	2.20%	0	0%	0	0%	None	None	None
HSBC in custody of Morgan Stanley Fund	605,923	1.60%	0	0%	0	0%	None	None	None
Xian Hua Investment Co., Ltd.	592,508	1.57%	0	0%	0	0%	None	None	None
Representative – Yu Ping	49,875	0.13%	0	0%	0	0%	None	None	None
Labor Pension Fund （The Old Fund）	513,348	1.36%	0	0%	0	0%	None	None	None

7. Long-Term Investment Ownership:

As of December 31, 2023 Unit: 1,000 shares, %

Long-Term Investments	Investments by the Company (1)		Investments Directly or Indirectly Controlled by Directors and Managers of the Company (2)		Total Investment (1)+(2)	
	Shares	%	Shares	%	Shares	%
ASPEED Technology (Samoa) Inc.	1,550	100%	–	0%	1,550	100%
ASPEED Technology (U.S.A.) Inc.	–	0%	1,000	100%	1,000	100%
ASPEED Technology India Private Limited	35	1%	3,465	99%	3,500	100%
Cupola360 Inc.	1,500	100%	–	0%	1,500	100%

Note: The Investees refer to the investments accounted for using the equity method.

IV. Capital and Shares

1. Capital and Shares

(1) Capitalization

Unit: 1,000shares/NT$ 1,000

Year Month	Issue price	Authorized Capital		Paid-in Capital		Remarks		
		Shares	Amount	Shares	Amount	Source of Capital	Issuing shares for assets other than cash	Others
2013.05	10	30,000	300,000	23,334	233,340	Cash addition in the amount of NT$23,360 thousand	None	Note 1
2013.09	10	30,000	300,000	23,800	238,007	Capital surplus in the amount of NT$4,667 thousand	None	Note 2
2013.10	10	30,000	300,000	23,862	238,617	Issuance of restricted stock award in the amount of NT$610 thousand	None	Note 3
2014.05	10	30,000	300,000	23,907	239,067	Issuance of restricted stock award in the amount of NT$450 thousand	None	Note 4
2014.07	10	30,000	300,000	23,897	238,967	Cancellation of restricted stock in the amount of NT$100 thousand	None	Note 5
2014.08	10	30,000	300,000	26,287	262,874	Capital surplus in the amount of NT$23,907 thousand	None	Note 6
2014.12	10	30,000	300,000	26,309	263,094	Issuance of restricted stock award in the amount of NT$220 thousand	None	Note 7
2014.12	10	30,000	300,000	26,296	262,959	Cancellation of restricted stock in the amount of NT$135 thousand	None	Note 8
2015.08	10	50,000	500,000	31,672	316,720	Retained earnings and employee dividends in the amount of NT$53,762 thousand	None	Note 9
2016.08	10	50,000	500,000	31,788	317,881	Employee compensation in the amount of NT$1,161 thousand	None	Note 10
2016.12	10	50,000	500,000	31,818	318,181	Issuance of restricted stock award in the amount of NT$300 thousand 0	None	Note 11
2017.01	10	50,000	500,000	33,840	338,401	Private placement in the amount of NT$20,220 thousand	None	Note 12

Year Month	Issue price	Authorized Capital		Paid-in Capital		Remarks		
		Shares	Amount	Shares	Amount	Source of Capital	Issuing shares for assets other than cash	Others
2017.06	10	50,000	500,000	33,836	338,361	Cancellation of restricted stock in the amount of NT$40 thousand	None	Note 13
2017.06	10	50,000	500,000	33,942	339,418	Employee compensation in the amount of NT$1,057 thousand	None	Note 14
2017.11	10	50,000	500,000	33,938	339,378	Cancellation of restricted stock in the amount of NT$40 thousand	None	Note 15
2018.02	10	50,000	500,000	33,974	339,738	Issuance of restricted stock award in the amount of NT$360 thousand	None	Note 16
2018.08	10	50,000	500,000	34,045	340,446	Employee compensation in the amount of NT$707 thousand	None	Note 17
2018.11	10	50,000	500,000	34,065	340,656	Issuance of restricted stock award in the amount of NT$210 thousand	None	Note 18
2019.03	10	50,000	500,000	34,058	340,584	Cancellation of restricted stock in the amount of NT$72 thousand	None	Note 19
2019.08	10	50,000	500,000	34,161	341,618	Employee compensation in the amount of NT$1,034 thousand	None	Note 20
2019.08	10	50,000	500,000	34,156	341,568	Cancellation of restricted stock in the amount of NT$50 thousand	None	Note 21
2019.09	10	50,000	500,000	34,184	341,848	Issuance of restricted stock award in the amount of NT$280 thousand	None	Note 22
2020.02	10	50,000	500,000	34,215	342,158	Issuance of restricted stock award in the amount of NT$310 thousand	None	Note 23
2020.03	10	50,000	500,000	34,224	342,248	Issuance of restricted stock award in the amount of NT$90 thousand	None	Note 24

Year Month	Issue price	Authorized Capital		Paid-in Capital		Remarks		
		Shares	Amount	Shares	Amount	Source of Capital	Issuing shares for assets other than cash	Others
2020.08	10	50,000	500,000	34,320	343,200	Employee compensation in the amount of NT$976 thousand and cancellation of restricted stock in the amount of NT$24 thousand	None	Note 25
2021.03	10	50,000	500,000	34,316	343,155	Cancellation of restricted stock in the amount of NT$45 thousand	None	Note 26
2021.09	10	50,000	500,000	34,373	343,730	Employee compensation in the amount of NT$602 thousand and cancellation of restricted stock in the amount of NT$27 thousand	None	Note 27
2021.11	10	50,000	500,000	34,369	343,694	Cancellation of restricted stock in the amount of NT$36 thousand	None	Note 28
2022.03	10	50,000	500,000	34,355	343,551	Cancellation of restricted stock in the amount of NT$143 thousand	None	Note 29
2022.07	10	50,000	500,000	37,791	377,906	Capital surplus in the amount of NT$34,355 thousand	None	Note 30
2022.08	10	50,000	500,000	37,887	378,871	Issuance of restricted stock award in the amount of NT$440 thousand and employee compensation in the amount of NT$525 thousand	None	Note 31
2022.11	10	50,000	500,000	37,881	378,807	Cancellation of restricted stock in the amount of NT$64 thousand	None	Note 32
2022.12	10	50,000	500,000	37,821	378,207	Cancellation of treasury stock in the amount of NT$600 thousand	None	Note 33

Note 1: Science Park Administration, approval letter No. 1020013768.
Note 2: Science Park Administration, approval letter No. 1020026873.
Note 3: Science Park Administration, approval letter No. 1020032385.
Note 4: Science Park Administration, approval letter No. 1030013318.

Note 5: Science Park Administration, approval letter No. 1030021928.
Note 6: Science Park Administration, approval letter No. 1030024741.
Note 7: Science Park Administration, approval letter No. 1030035249.
Note 8: Science Park Administration, approval letter No. 1030038803.
Note 9: Science Park Administration, approval letter No. 1040024074.
Note 10: Science Park Administration, approval letter No. 1050023327.
Note 11: Science Park Administration, approval letter No. 1050035128.
Note 12: Science Park Administration, approval letter No. 1060000930.
Note 13: Science Park Administration, approval letter No. 1060015391.
Note 14: Science Park Administration, approval letter No. 1060017298.
Note 15: Science Park Administration, approval letter No. 1060031378.
Note 16: Science Park Administration, approval letter No. 1070005193.
Note 17: Science Park Administration, approval letter No. 1070023699.
Note 18: Science Park Administration, approval letter No. 1070034305.
Note 19: Science Park Administration, approval letter No. 1080007259.
Note 20: Science Park Administration, approval letter No. 1080023054.
Note 21: Science Park Administration, approval letter No. 1080024268.
Note 22: Science Park Administration, approval letter No. 1080027357.
Note 23: Central Region Office, Ministry of Economic Affairs, approval letter No. 10933071290.
Note 24: Central Region Office, Ministry of Economic Affairs, approval letter No. 10933120630.
Note 25: Central Region Office, Ministry of Economic Affairs, approval letter No. 10933473570.
Note 26: Central Region Office, Ministry of Economic Affairs, approval letter No. 11033140200.
Note 27: Central Region Office, Ministry of Economic Affairs, approval letter No. 11033540610.
Note 28: Central Region Office, Ministry of Economic Affairs, approval letter No. 11033716440.
Note 29: Central Region Office, Ministry of Economic Affairs, approval letter No. 11133149120.
Note 30: Central Region Office, Ministry of Economic Affairs, approval letter No. 11133426640.
Note 31: Central Region Office, Ministry of Economic Affairs, approval letter No. 11133530460.
Note 32: Central Region Office, Ministry of Economic Affairs, approval letter No. 11133710320.
Note 33: Central Region Office, Ministry of Economic Affairs, approval letter No. 11133806490.

As of April 01, 2024; Unit: shares

Type of Shares	Authorized capital		
	Outstanding	Un-Issued	Total
Common stock	37,820,679	12,179,321	50,000,000

(2) Composition of Shareholders

As of April 01, 2024; Unit: shares/%

Type of Shareholders	Government Agencies	Financial Institutions	Other Juridical Persons	Foreign Institutions & Persons	Individuals	Total
Number of Shareholders	0	21	134	582	6,832	7,569
Shareholding	0	3,560,104	12,018,710	18,914,900	3,326,965	37,820,679
Holding Percentage	0	9.41%	31.78%	50.01%	8.80%	100.00%

(3) Distribution of Shareholding

a. Distribution of Common Stock:

As of April 01, 2024; Unit: shares/ %

Common Share Shareholder Ownership	Number of Shareholders	Shareholding	Shareholding ratio (%)
1-999	6,417	290,020	0.77%
1,000-5,000	639	1,214,434	3.21%
5,001-10,000	125	912,155	2.41%
10,001-15,000	66	835,255	2.21%
15,001-20,000	53	939,181	2.48%
20,001-30,000	71	1,792,761	4.74%
30,001-40,000	42	1,438,694	3.80%
40,001-50,000	28	1,275,491	3.37%
50,001-100,000	69	4,620,964	12.22%
100,001-200,000	28	4,050,935	10.71%
200,001-400,000	16	4,684,142	12.39%
400,001-600,000	7	3,230,194	8.54%
600,001-800,000	1	605,923	1.60%
800,001-1,000,000	3	2,645,791	7.00%
1,000,001 shares or more	4	9,284,739	24.55%
Total	7,569	37,820,679	100.00%

b. Distribution of Preferred Stock: None.

(4) Major Shareholders

As of April 01, 2024; Unit: shares

Shareholder \ Shareholding	Shareholding	%
Linvest Wealth Corp.	5,253,076	13.89%
Cathay Life Insurance Co., Ltd.	1,602,291	4.24%
Fuh Hwa Investment Trust mandate of Fubon life Insurance	1,247,000	3.30%
Linvest Fortune Corp.	1,182,372	3.13%
Labor Pension Fund（The New Fund）	981,248	2.59%
HSBC in custody of Fidelity Emerging Markets Fund	833,000	2.20%
Standard Chartered Bank in custody for St. James's Place Emerging Markets Equity Unit Trust - Wasatch Advisors Inc.	831,543	2.20%
HSBC in custody of Morgan Stanley Fund	605,923	1.60%
Xian Hua Investment Co., Ltd.	592,508	1.57%
Labor Pension Fund（The Old Fund）	513,348	1.36%

(5) Market Price, Net Worth, Earnings, Dividends per Common Share

Unit: NT$/1,000shares

Item \ Year			2022	2023	2024 up to April 01
Market Price Per Share	Highest		3,675	3,270	3,460
	Lowest		1,445	1,700	2,605
	Average		2,296	2,646	2,959
Book Value Per Share	Before Distribution		118.66	101.38	Note 4
	After Distribution		73.66	81.38	Note 4
Earnings Per Share	Weighted Average Shares		37,792	37,768	Note 4
	Bef. Adj EPS		55.72	26.66	Note 4
	Aft. Adj EPS		—	—	
Dividends Per Share	Cash Dividends		45.00	20	Note 4
	Stock Dividends	—	1	—	Note 4
		—	—	—	Note 4
	Accumulated Undistributed Dividend		—	—	Note 4
Return on Investment	Price/Earnings Ratio (Note 1)		41.21	99.24	Note 4
	Price/Dividend Ratio (Note 2)		51.02	132.29	Note 4
	Cash Dividend Yield (Note 3)		1.96	0.76	Note 4

Note 1: Price/Earnings Ratio = Average Market Price / Earnings Per Share
Note 2: Price/Dividend Ratio = Average Market Price / Cash Dividends Per Share
Note 3: Cash Dividend Yield = Cash Dividends Per Share / Annual Average Market Price
Note 4: Not applicable.

(6) Dividend Policy and Status

1. Dividend Policy:

   Pursuant to Article 28-1 of the Articles of Incorporation, the Company's dividend policy is to allocate no less than 10% of its distributable earnings to shareholders' dividends each year, taking into account current and future development plans, the investment environment, capital requirements, domestic and foreign competition, and shareholders' interests, but no less than 50% of its paid-in capital.

2. Proposal to Distribute 2023 Profits

   The Board approved a proposal for 2023 profit distribution as follows:

   Cash dividends to common shareholders from retained earnings is NT$ 756,413,580, or NT$ 20.00 per share of cash to common shareholders. The approval is subject to report to shareholders at the Annual Shareholders' Meeting and authorize the right to Chairman to determine related matters.

(7) Effect of 2023 Share Dividends to Operating Performance and EPS:None.

(8) Employee profit sharing bonus and Director/Supervisor remuneration

a. The ratios or scope of the employee profit sharing bonus and director's remuneration in the Company's Articles of Incorporation:

   Pursuant to Article 28 of the Articles of Incorporation, if the Company has any annual profit left, it shall allocate no less than 8% of the profit for employee's compensation sharing bonus. Qualification requirements of employees, including the employees of parents or subsidiaries of the company meeting certain specific requirements, entitled to receive shares or cash in accordance with the Board of Directors shall determine. The Board of Directors may allocate no more than 3% of the profit for director remuneration. Employees' compensation and remuneration to directors' distribution reports shall be submitted to the shareholders' meetings. However, the Company's accumulated losses shall have been covered (if any), and then allocate employee compensation and remuneration to director from the balance according to the ratio in the preceding Paragraph.

b. The estimation of the current year's employee profit sharing bonus and directors' remuneration, profit sharing bonus distributed in the form of shares

   The Company estimates employee bonuses and Board remuneration according to the ratio within the range required by the Company's Articles of Incorporation. If there is any difference between the amount resolved by the board of directors and the estimated amount, and the difference is not significant, or if there is any variance between the distributed amount and estimated amount, the difference will be deemed change of accounting estimation and recognized as next year's profit or loss. There was no major deviation of the amount of employee bonuses and Board remuneration approved by the Board of Directors on March 11, 2024 from the amount recognized in 2023 as described below:

Unit: NT$

Item	Board Resolution
Employee Compensation – Cash	105,373,834
Remuneration of Directors– Cash	13,171,729

Note: The number of shares issued for employee bonuses is calculated based on the closing price on the business day preceding the Board meeting.

Distributions of employee shares that amount to less than one full share will be made in cash.

c. Status of board of directors' adoption of employee compensation/ remuneration distribution

(I) The proposed amount of employee compensation and directors remuneration paid in cash was NT$105,373,834 and NT$13,171,729, respectively.

(II) The proposed amount of employee compensation to be paid in cash was NT$105,373,834, which accounts for 9.47% of the sum of after-tax net profit and employee compensation for the current period.

(III) The distribution of the previous year's employee compensation and directors' remuneration. If there is any difference between the distributed amount and the estimated amount, the variance, reason and handling status shall be disclosed: There was no such discrepancy.

d. Distribution of employee compensation and directors remuneration in the previous year:

Unit: NT$

Item	2022			
	Distributed amount	Estimated amount	Difference	Reason and treatment for differences
Employee Compensation	229,900,122	229,900,122	-	N/A
Remuneration of Directors	28,737,515	28,737,515	-	N/A

(9) The Company's Buyback (Repurchase) of Stock: None.

2. Status of Corporate Bonds: None.

3. Status of Preferred Stocks: None.

4. Status of GDR/ADR: None.

5. Status of Employee Stock Option Plan:

(1) Employee stock options that have not matured yet: None.

(2) Names of managerial officers and top ten employees with respect to number of shares subscribable and subscribable amounts reaching NT$30 million, and their subscription of shares up to the annual report publication date: None.

6. Status of New Employee Restricted Stock Issuance

(1) Issuance of New Restricted Employee Share

Types of New Restricted Employee shares	11th time
Date of Effective Registration	Jul. 13 2022
Issue date	Aug.8 2022
Number of New Restricted Employee Shares Issued	44,000 shares
Issue price(NT$)	NT$0
New Restricted Employee Shares as a Percentage of Shares Issued	0.17%
Vesting Conditions of New Restricted Employee Shares	During the period, and any other agreement with the company. The set personal performance evaluation indicators and the company's operating goals; the maximum shareholding ratios that can be acquired on the vesting date of each year are: The upper limit of the proportion of vested shares in 2023 is 35%, the upper limit of the proportion of vested shares in the two years from 2023 to 2024 is 70%, and the upper limit of the proportion of vested shares in the three years from 2023 to 2025 is 100%. Based on the settlement figures in 2021, the performance periods are calculated from the three settlement performance periods of 2022, 2023 and 2024, for a total of three performance periods.. The company's operating target is based on the growth rate of operating profit. The minimum vested share ratio is 1.8%, the target value is 300%, and the target value is 100%.
Restrictions Right of New Restricted Employee Shares	1. After employees are distributed new shares and before the restricted shares meet the vesting conditions, except for being inherited, the new restricted employee shares may not be sold, mortgaged, transferred, pledged, or disposed of using any other methods. 2. The custodian institution attends, makes proposals, speaks, and votes during shareholders' meetings according to the trust agreement.

Types of New Restricted Employee shares	11th time
Custody Status of New Restricted Employee Shares	The shares will be handed over to a trustee during the restricted period specified in the vesting conditions.
Measures to be Taken When Vesting Conditions are not Met	Recalling and cancellation.
Number of New Restricted Employee Shares that have been Redeemed or Bought Back	0 shares
Number of Released New Restricted Employee Shares	15,400 shares
Number of Unreleased New Restricted Shares	28,600 shares
Ratio of Unreleased New Restricted Shares to Total Issued Shares (%)	0.0756%
Impact on possible dilution of shareholdings	Dilution to original shareholders' holding is limited.

(2) List of Executives Receiving New Restricted Employee Shares and the Top Ten Employees with New Restricted Employee Shares

Title	Name	No. of New Restricted Shares	New Restricted Shares as a Percentage of Shares Issued	Released (Note 1)				Unreleased			
				No. of Shares	Issued Price (NT$)	Amount (NT$ thousands)	Released Restricted Shares as a Percentage of Shares Issued	No. of Shares	Strike Price (NT$)	Amount (NT$ thousands)	Unreleased Restricted Shares as a Percentage of Shares Issued
Manager and Employee	Chris Lin	44,000	0.1163%	15,400	0	0	0.0407%	28,600	0	0	0.0756%
	CJ Hsieh										
	Charles Kuan										
	Craig Kuo										
	Paul Huang										

7. Status of News Shares Issuance in Connection with Mergers and Acquisitions: None.

8. Financing Plans and Implementation: Not applicable.

V. Business Overview

1. Business Activities and Strategies

(1) Business Scope

a. The primary business activities of the Company include:
Research, development, design, manufacturing and marketing the following products:
(I) Multimedia IC
(II) Computer Peripheral IC
(III) Advanced Image Processing IC
(IV) Patent and services of the above-mentioned products

b. Revenue Breakdown

Unit: NT$1,000

Year / Category	2022		2023	
	Amount	%	Amount	%
Multimedia IC	4,863,615	93.35%	2,757,121	88.08%
Computer peripherals IC	338,158	6.49%	328,725	10.50%
Other	8,355	0.16%	44,549	1.42%
Total	5,210,128	100.00%	3,130,395	100.00%

c. The Company's current products (services)

Name of main products	Purpose
Multimedia IC	ASPEED Server Management product lines are designed with rich features, including 2D graphic controller, hardware monitoring, iKVM, and security functions. Customer can select and implement from our Graphics & Remote Management Processors to best fit their design needs. The main products within this product line are Baseboard Management Controller (BMC), Bridge IC (BIC), and Platform Firmware Resilience (PFR) IC.
Computer peripheral IC	Our core technology includes display over IP, USB over IP and audio over IP. Applications range from remote personal computer extension products, remote audio-video extension products, remote USB extension products, digital audio-video matrix switch, audio-video extensions, digital video walls, to digital signage, etc.
Advanced image processing IC	Our Cupola360 prcessors with built-in 360 real-time image stitching technology are ideal for Smart Patrolling, and video conference.

d. Plans for the development of new products (services)

ASPEED Technology Inc. continues to deepen its expertise in server management chips, accumulating years of experience in product design and development. Utilizing TSMC's advanced manufacturing process, we have developed the 8th generation server management chip, in close collaboration with our customers, creating the most comprehensive, high-performance, and secure server management chip. The design introduces entirely new features such as: an ARM 64-bit multi-core processor, ARM CM4 processor, DDR5 memory controller, I3C HCI interface controller, DP display control interface, SGMII interface controller, UFS interface controller, USB3.1 interface controller, and PCIe Gen4 RC interface controller. To enhance reliability and security, we add new features, such as hardware Elliptic Curve Digital Signature Algorithm (ECDSA), SHA3, RSA encryption engine, hardware Root of Trust (RoT), cache memory parity check, Platform Firmware Resilience (PFR), a fully trusted secure bus matrix controller, and secure memory management, with full support for the DC-SCM 2.0 architecture. We also strengthen the firmware support, including OpenBMC, UEFI GOP driver, and document integrity, etc.

The Cupola360 panoramic imaging stitching system, driven by an proprietary image stitching chip with innovative technology and multi-lens panoramic cameras, coupled with the independently developed Cupola360$^+$ software suite, including both Cupola360$^+$ Studio and Cupola360$^+$ Smart Patrolling, and camera deployment and management system, can be applied to video conferencing, smart patrolling, environmental monitoring, and immersive experiences. Integrated with various artificial intelligence technologies such as human detection, object recognition, and gesture and motion detection, Cupola360 becomes the core technology and foundational infrastructure for building smart factories and smart cities.

(2) Industry Outlook

a. Industry Status and Trends

(I) Semiconductor Market

Gartner, a technology market research firm, reports that after a year of supply-demand imbalance and widespread chip shortages in 2022, the global semiconductor market experienced a downturn in 2023. Factors such as lower-than-expected demand from the smartphone, personal computer, and server markets, coupled with excess inventory, led to an 11.1% decrease in global semiconductor industry sales, down to $533 billion. The market's performance in 2023 was also affected by a reversal in demand, inventory drawdown, overcapacity, weak order pull-in, on top of inflation, war, and other factors. However, Gartner forecasts overall global semiconductor growth to return to a robust growth trajectory in 2024. Despite varying rates of IC inventory destocking and overall semiconductor inventory levels still being slightly higher than pre-pandemic levels, the market is expected to resume its growth trend at an annual growth rate of 16.8%, driven by the demand for AI compute, the trend towards smarter and electric vehicles, and the broader adoption of AI applications from data centers to personal devices, reaching a market size of $624 billion.

The Industrial Technology Research Institute of Taiwan (ITRI) states that due to the global economic downturn, weakened demand from supply chain imbalances, inflation, war, and other factors, the IC design industry in Taiwan saw a decline in annual output value of approximately 12.9% in 2023. Looking ahead to 2024, the growth momentum for the IC design industry is expected to be driven by emerging fields including AI, automotive applications, and the Internet of Things (IoT). With the growth in application demand driving more needs for AI technology, the Industrial Technology Research Institute forecasts an annual growth rate of 16.4% of the IC design in 2024.

(II) Multimedia IC

In the first half of 2023, the global server market shipments were adjusted downwards for the full year due to customer de-stocking, poor domestic demand in China, pressures of global inflation, and the crowding-out effect of capital expenditure budget of cloud service providers (CSP) as they are on an investment frenzy for AI servers, impacting the shipment of traditional servers. Additionally, rising interest rates led to tightened corporate capital expenditures, resulting in a significant decline in enterprise server demand.

Looking forward to 2024, North American CSPs will continue to purchase AI servers, according to analysis by Digitimes Research. Along with the increasing demand for cloud, high-performance computing (HPC), and edge servers, major CSPs are not only actively building AI infrastructures but will also restart the procurements for traditional servers. The new generation server platforms, Eaglestream and Genoa, offer higher performance, easier management, and enhanced security, so the new platforms are expected to drive replacement demand this year due to decreasing prices. The global 5G data center infrastructure construction will also continue to drive the development of telecom servers. Although enterprise demand remains sluggish, after server shipments bottom out and inventory adjustments conclude in 2023, the overall server market is expected to shift towards moderate and stable growth.

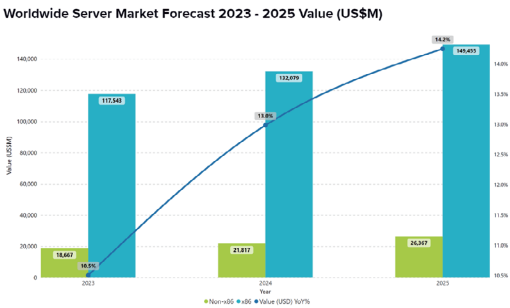
Figure 1: Server Procuement by Top 4 US CSP Procurement in 2022~2023

表、2022~2023年北美四大CSP伺服器採購量年增/減幅度預估

北美四大CSP	2022	2023E (Original)	2023E (Revised)
Meta	19.7%	-0.5%	-3.0%
Microsoft	17.6%	16.9%	13.4%
Google	8.1%	7.5%	5.2%
AWS	13.2%	7.8%	6.2%
Total	15.1%	6.9%	4.4%

Source: TrendForce, Jan.,2023

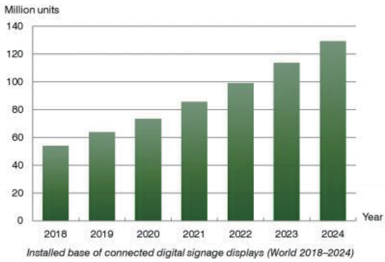
Figure 2: Global Server Market Forecast



(III) Computer Peripheral IC

The global digital signage market is growing at an astonishing rate. According to a survey by Omdia, the global digital signage market is expected to soar to $19.9 billion in 2023. In the post-pandemic era of non-contact technology and maintaining social distancing, digital signage has a wide variety of applications, with the market in a rapid expansion. From kiosks integrating ordering and payment services to drive-thru ordering systems, digital signage is ubiquitous. With lifestyle changes, businesses are strengthening digital communication interfaces to meet the trend. The importance of digital signage in the B2B market is gradually increasing, with more display systems in public areas such as airports, urban stations, government buildings, commercial buildings, retail outlets, shopping plazas, chain pharmacies, supermarkets, and cinemas. The demand in the advertising market continues to be strong, driving the continuous and rapid growth of digital signage.

Figure 3: Global Digital Signage Shipment Estimate



(IV) Advanced Image Processing IC

ASPEED Technology has been developing Advanced Image Processing chips, targeting industrial and commercial applications, including remote Smart Patrolling and business video conferencing.

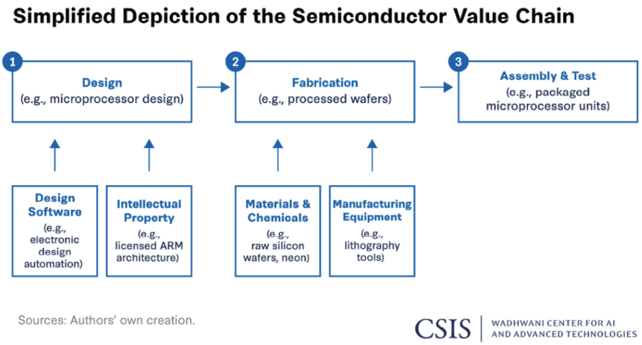
In the wake of the COVID-19 pandemic, significant challenges emerge in business travel and factory management. Many manufacturing enterprises have actively sought more efficient solutions to enhance the management of production facilities, making remote Smart Patrolling an essential infrastructure for upgrades in production management. Smart Patrolling can effectively reduce the requirements for travel, substantially saving time and costs, which is crucial for companies with factories across different countries or regions. Moreover, Smart Patrolling is not just a crucial method for management to improve production management; manufacturing enterprises can share this powerful tool, with adequate authorization, with their customers worldwide. Smart Patrolling can significantly enhance customers' trust as they can keep abreast of latest status of the production.

The pandemic has also made video conferencing an important means of communication for businesses, internally and externally. Even after the pandemic, as many companies encourage employees to return to the office, the market for business video conferencing still holds vast opportunities. Therefore, with the increasing scenarios of multi-party collaboration in meeting rooms, such as meetings between headquarters and branches or communication between working groups and clients, the demand for real-time, high-quality video conferencing equipment becomes more urgent. Traditional video conferencing equipment may not meet these needs. Consequently, the market's demand for video conferencing equipment that offers a panoramic view, simple operation, and high quality for multiple participants is increasing, with higher expectations for the equipment's audio and video performance and convenience.

b. The Value Chain of the Semiconductor Industry

The semiconductor industry can be further classified as upstream IC design companies, midstream IC wafer fabrication plants, and downstream IC packaging and testing plants, with their relationships illustrated in the following figure:

Figure 4: Semiconductor Value Chain



The ecosystem of semiconductor industry in Taiwan is comprehensive along the value chain, such as design tools, IC design, wafer materials, silicon wafers, photomask, IC manufacturing, packaging, lead frames, testing, and peripheral support, etc., involving numerous professional manufacturers. This has led to a clearly defined vertical specialization, thereby making the upstream, midstream, and downstream structure of IC industry even more advanced and complete in Taiwan.

c. Product Development Trends and Market Competition

ASPEED Technology is a professional IC design company at the upstream of the semiconductor industry value chain. It primarily engages in the design and sales of Multimedia IC, Computer Peripheral IC, and Advanced Image Processing IC. So we examine the supply and demand in the future for end products in the industries served by ASPEED Technology's products as follows:

(I) Multimedia IC

The development of our flagship product – BMC SoCs, within Multimedia IC product line, must take into account the specification changes in the server industry, such as the specification changes with Intel and AMD's CPU and chipset generations, DRAM specifications (e.g., DDR4 to DDR5), the evolution of Peripheral Component Interconnect standards (i.e., PCI and PCIe), integration of peripheral components, and server end-users' demands for convenience. ASPEED Technology primarily designs and sells Multimedia ICs, which include three main functions: 2D VGA, BMC, and KVM over IP, mainly targeting domestic and international server design and manufacturing firms. In the meantime, ASPEED Technology accurately grasps the evolving trend of industry standards for product planning, develops products to meet market demands in real-time, and plans for the next generation of ICs in advance, reinforcing ASPEED Technology's leading position.

Currently Nuvoton Technology is the only competitor in the market. Over 80% of server motherboards worldwide are designed and manufactured by Taiwanese suppliers. The Company's design team is located in Taiwan, in the same region where server suppliers are located, and is thus able to rapidly provide technical support, reduce the amount of time required for discussing technologies with customers, and achieve quick product release into the market.

(II) Computer Peripheral IC

In the market, solutions for Computer Peripheral ICs include analog signal amplification and transmission, digital signal transmission, and digital network packet transmission. The main goal is to achieve long transmission distances with stable signals, where users don't need to adjust the signal due to the on-site environment, especially achieving one-to-many or many-to-many product combinations. ASPEED Technology focuses on digital signal transmission and digital network packet transmission technologies, having obtained related patents in Taiwan and the United States, significantly reducing latency for image transmission. It allows audio and video to be transmitted via standard network transmission interfaces with excellent performance and without distance limitations.

ASPEED Technology designs and sells compression transmission chips for audio-video (AV) extenders. These chips are a crucial component of AV extenders, typically including transmitter and receiver ends, each requiring one chip. There are also configurations with one transmitter end and multiple receiver ends, or multiple transmitter ends and multiple receiver ends. The chip developed by ASPEED Technology combines both transmitter and receiver functionalities to simplify customers' inventory management. Moreover, our technology can compresse audio and video digital signals before transmitting them over network cables to receivers more than 100 meters away. Additionally, ASPEED Technology's chips can also transmit USB interfaces to the receiver, marking a significant differentiation.

(III) Advanced Image Processing IC

Panoramic camera equipment on the market often uses single or dual fisheye lenses to achieve a panoramic or 360-degree view. In addition to the high manufacturing cost, fisheye lenses are also known for the issue of low effective pixels at the edges. ASPEED Technology has developed Advanced Image Processing chips that possess the capabilities for both image distortion correction and stitching correction. This chip is not only suitable for correcting distortions from single and dual fisheye lenses but also has the ability to stitch images together multiple wide-angle lenses. The use of multiple wide-angle lenses addresses the pain points associated with fisheye lens, including cost savings and avoiding edge quality issues of fisheye lenses. The vertical view of wide-angle lenses is more suitable for scenarios such as video conferencing and remote Smart Patrolling. Moreover, higher resolution images can be better data inputs for various Artificial Intelligence (AI) algorithms, creating high value solutions.

Currently, high-end video conferencing equipment often adopts a dual chipset for video and audio, not only increasing the overall BOM cost but also adding the complexity to the software and hardware integration. ASPEED Technology's AST1230 SoC is a product that integrates real-time multi-image stitching and powerful audio processing capabilities, addressing theese pain points and offering high product competitiveness for brand customers. Our solution can be applied to multi-person video conferencing equipment, providing a panoramic view, simple operation, and high-quality user experience to meet the increasing expectation of enterprises. The key features of the product are as follows:

- Wide-angle Panoramic View: To ensure everyone in the conference room is captured, resulting in a more natural and engaging meeting experience.
- Plug and Play: To enhance user convenience by, reducing setup and preparation time so meetings can start immediately.
- High-Quality Audio and Video: To ensure clear voice communication and image transmission with rich details, improving meeting efficiency and communication quality.
- Artificial Intelligence: To offer more advanced features and functionalities with high-quality images feeding into various artificial intelligence technologies algorithms, such as human detection, noise reduction, and sound localization.

(3) Technology and R&D

a. R&D Spending:

Unit: NT$1,000

Item Year	2022	2023
R&D expenditures	627,743	633,006

b. Successful R&D Technologies or Products

Important technologies and products successfully developed by ASPEED Technology are as follows:

Year	R&D Achievements	Description
2017	AST1220 360 6 CAM Processor	Real-time 6 Lenses 360 Degree Camera Image Processor
	MIPI D-PHY interface controller	MIPI Interface Control Technology
2018	AST2600 7th Generation Server Management Controller	7th Generation BMC
	ARM multi-core bus interface controller	ARM multi-core bus interface controller
	Hardware ECC crypto engine	Hardware ECC crypto engine for new crypto technology
	Hardware Root of Trust Technology	Hardware Root of Trust Technology to improve system security
	360 Camera APP	To enrich 360 camera product lines
2019	Seurity OTP Memory Management	For Root of Trust technology
	Trust Zone Bus Controller	For trusted bus management
	AST1530/AST1620 8K PC/AV Extension Controller	For next generation 8K extension
	Cupola360 Image Post Processing	Algorithm for functions Stabilizer、Stitching、Lighting、WDR
	360 Stitching Calibration Fixture	360 stitching calibration fixture design
	Sensor/ISP Calibrated Tools	Camera sensor/ISP calibration tools design
	UVC/UAC Protocols	USB Video/Audio Class
	Image Adaptive FOV	Adaptive FOV algorithm
	360 Video Conference F/W, VxD, App	S/W to enable video conference product
	Individual EV, Adaptive EV	EV algorithm and setting
	ePTZ Technology	Digital PTZ application
	360 Dash Cam F/W，App	S/W to enable dash cam DVR
2020	Hardware ECDSA384 engine	For digital signature algorithm
	Platform Firmware Resiliency	For platform protection
	New 2D Noise Reduction	For image quality improvement
	New ISP De-mosaic	For image quality improvement
	High Performance Stitching Engine	Support 2x stitching engine performance improvement
	Color Difference Compensation for Stitching Engine	For stitching quality improvement
	MIPI TX Controller	MIPI TX Controller
	USB3.0 Controller	USB3.0 Controller
	I3C Controller	I3C Controller
	Cupola360 Studio Development	Software development
	In-Camera dynamic image composition	API development in F/W

Year	R&D Achievements	Description
2020	In-Camera AI SoC for Face Detection	Integrate with 3rd party AI chipset to enable face detection
	In-Camera Beamforming/DoA	Integrate with 3rd party audio DSP to enable speaker tracking
	IQ Preference Setting for Vendors Customized, -> IQ preset and IQ Tuning Tool	IQ tuning tool
	GAIA Calibration and Manufacture Support	Camera calibration tool
	Hyperion algorithm development for camera jig assembly correction	Camera calibration tool
	TITAN facility development for stitching quality verified and camera color re-calibrated.	Camera calibration tool
2021	Platform Firmware Resiliency (PFR)	System security standard
	Frame base image tessellation engine for responsive composition	A framework-based image subdivision engine for fast compositing
	In- camera Smart Director to provide best user experience of video meeting	The camera has built-in smart director, providing the best video conferencing user experience
	Smart meeting agent to drive the meeting efficiency	Video conferencing tool
	On the fly pipeline buffering design for rapidly latency.	Hardware IP to improve video latency
	Reliable and real-time object tracking algorithm	People tracking algorithm
2022	DDR5 controller	New generation DDR5 controller
	I3C HCI controller	I3C host control interface controller
	OpenTitan/Clyptra root of trust	Support open standard root of trust
	SGMII controller	Serial Ethernet interface
	LTPI controller	DC-SCM2.0 standard
	PCIe Gen4 controller	PCIe 16 GHz interface
	USB3.1 XHCI controller	USB3.1 host control interface controller
	SHA3/ECDSA/RSA crypto engine	SHA3/ECDSA/RSA hardware acceleration engine
	UFS controller	UFS serial flash interface controller
	Full trust bus matrix controller	Full secure matrix bus controler
	Implement spherical 360 camera with multiple lens	Achieve full-sphere multi-lens stitching
	HDR implementation by AST1230	Achieve high dynamic range
	Provide complete Immersive solutions Camera by AST1220+1230	Provide a complete immersive 360 camera solution
	Cupola360⁺ Studio Pro development	Develop a professional edition of smart video conferencing director

Year	R&D Achievements	Description
2022		software (featuring gesture control, background removal, facial recognition, etc.)
	360 Immersive patrolling S/W on VR devices	Immersive 360 inspection software on VR devices
2023	I/O expender controller	High-speed LTPI interface
	Secure Memory	Supports memory error correction codes, encryption, and integrity checks
	Cupola360 smart image system	Panoramic image synthesis processing that includes real-time Image Stitching algorithms and a low-latency architecture to produce 360-degree panoramic images
	Manufacture “C1PA08501” 360 Camera and enter mass production stage	Develop the 'C1PA08501' 360 camera for Smart Factories and Smart Cities, and enter mass production
	Implement ONVIF Profile S	Implement the ONVIF Profile S standard protocol
	Cupola360+ Software kit for smart factory and smart city	Develop the software development kits required for Smart Factory and Smart City applications
	Cupola360+ Deployment/ Patrol/ Management web application	Develop web applications for the deployment, inspection, and management of cameras

(4) Product Development and Marketing Plans

To respond to future industry development and overall economic trends, the Company has formulated various plans to outline the company's future business direction, thereby enhancing competitiveness. Here is an overview of the product development and marketing strategies for ASPEED Technology's products:

a. Product Development Strategies

(I) Multimedia IC:

Standing at the forefront of the evolution of industry standards, we do product planning in advance to ensure the next generation IC will meet the market requirements. We continue to enhance the breadth and depth of our technological capabilities to offer a diversified product line.

In addition to maintaining existing customers, we endeavour to develop new customers and increase our market share. We will continue to improve the current product manufacturing processes to build a deeper moat.

(II) Computer Peripheral IC:

Adopting a Spanning Tree Protocol (STP), we develop applications for video walls and digital signage, employing a serial architecture to enhance the Spanning Tree and create more use cases. The second-generation product launch is currently the only 4K2K over IP solution in the market.

(III) Advanced Image Processing IC:

In marketing Advanced Image Processing ICs, we provide a complete turnkey solution, with highly integrated camera modules and audio-video software, together with Cupola360⁺ Smart Patrolling or Cupola360⁺ Studio system. Customers can significantly shorten the cycle from product concept to mass production. Moreover, on the Software Development Kit (SDK) provided by ASPEED Technology, customers can independently develop a variety of unique value-added applications. Through close partnership with software and hardware vendors in the high-quality supply chain, ASPEED Technology is building a global Cupola360 ecosystem. In addition, ASPEED Technology is actively expanding revenue sources beyond hardware sales, with a strong conviction that software subscription revenue will become substantial when our market share in hardware reaches a certain level. Here are some product info from brand customers:

b. Sales and Marketing Strategies

(I) With the booming development of data centers and CSPs vying to invest in AI, the market demand for various types of servers has expanded, with server products of different functionalities meeting diverse customer needs. ASPEED Technology's remote server management chip (BMC) product line ranges from VGA only and BMC only to advanced full-feature product lines, catering to all needs. We pursue long-term stable cooperation with our customers by developing products that meet their specific requirements. Furthermore, the application of BMC has extended to switches, storage, Data Processing Units (DPU), and cooling modules, among others.

(II) "Cupola360" Technology Brand Promotion: In recent years, semiconductor technology companies in Europe and America have launched technology branding strategies to gain mind share among end-users, facilitating the technological adoption and brand value enhancement of products. In promoting the 360-degree panoramic image processing chip, ASPEED Technology has created high-value-added application scenarios such as smart factories and smart cities, strengthening the "Cupola360" technology branding strategy. In the future, the Company and our customers will jointly promote "Powered by Cupola360" for the end-product equipment and software, as agreed by customers.

2. Market, Production and Sales Outlook

(1) Market Analysis

a. Sales by Region of Major Products and Services

Unit: NT$1,000

Region \ Year		2022		2023	
		Amount	%	Amount	%
Domestic sales		2,842,432	54.46%	1,776,351	56.75%
Exports	Asia	1,812,628	34.79%	1,227,580	39.21%
	Europe and America	555,068	10.65%	126,464	4.04%
Total		5,210,128	100.00%	3,130,395	100.00%

b. Market share

According to statistics from the Industrial Economics & Knowledge Center (IEK) of the Industrial Technology Research Institute (ITRI), the output value of Taiwan's fabless IC design industry in 2023 is estimated to be about NT$1,073.5 billion. Based on an estimated revenue of approximately NT$31.33 billion for our company in 2023, ASPEED Technology's market share in Taiwan's fabless IC design industry is around 0.29%. Additionally, the approximate market share of the products can be estimated as follows:

(I) Multimedia IC

According to TrendForce statistics, global server shipments fell to 13.38 million units in 2023. With each motherboard requiring at least one remote management chip, the global demand for server remote management chips in 2023 is estimated to be about 13.38 million units. However, due to the pandemic's impact on the supply chain in 2022, many customers increased their inventory levels to avoid chip shortages. It is estimated that about 2 million of these inventory chips was destocked in 2023. Based on our company's shipment of approximately 8 million chips in 2023 and considering the destocking factor, we estimate that our company's global market share for remote server management chips in 2023 still roughly maintains around 70%.

(II) Computer Peripheral IC

According to the Science and Technology International Strategy Center (ISTI) of ITRI, demand from sports arenas, train stations, vending machines, and indoor signage will continue to drive the growth of digital signage. Additionally, visual and interactive solutions, especially facial recognition, will be one of the key factors for adopting digital signage.

With the rise of the Internet of Things (IoT) and Big Data, the retail industry is gradually entering the era of Smart Retail. This includes the use of digital signage, interconnectedness with Artificial Intelligence (AI) systems, and facial recognition analysis. In 2021, both in developed and emerging markets, retailers invested in digital signage due to the great potential benefits. We will see more retail stores and businesses disseminate messages crucial to their operations through digital signage.

(III) Advanced Image Processing IC

The Cupola360 panoramic image processing chip has been rapidly deployed in smart factories and smart cities, with steady growth in the video conferencing market as well. Brand clients in Europe, America, and Japan have successively mass-produced related products. The second-generation chip offers a high degree of integration, making it suitable for immersive applications and other high-resolution, real-time panoramic imaging scenarios with high added value.

Beyond panoramic image processing chips, ASPEED Technology provides a one-stop total solution for Smart Patrolling, including panoramic camera modules and Cupola360^{+} Smart Management Software Kit, coupled with various AI algorithms. This solves various pain points faced by enterprise clients upgrading factory and city management, so the Company achieves a leading global market position in the industrial-grade panoramic imaging solution domain.

In short, we are making Cupola360 total solution the *pivotal infrastructure for Smart Manufacturing and Smart City Management*.

c. Market Outlook

(I) Multimedia IC

With the widespread adoption of mobile devices and the significant reduction in data transmission costs, user behavior has fundamentally changed traditional business operations, leading to an explosive growth in demand for cloud computing and data centers. This shift is not only due to enterprises outsourcing part of their IT infrastructure to CSPs to improve operational efficiency and flexibility of business strategies, but also due to consumers' growing demand for high-speed, real-time connectivity services. As such, innovation is not just leading technological trends but also making cloud computing an indispensable part of modern life and work.

Because of the explosive increase in data volume, there is a rapid rise in demand for advanced hardware and software solutions capable of processing massive data and delivering highly personalized services. Cloud computing products often require customization and are largely influenced by national policies and regulations. Taiwanese manufacturers, leveraging their strong capabilities in end-product manufacturing, are actively collaborating with global CSP clients to support the deployment of data center hardware and overall solutions.

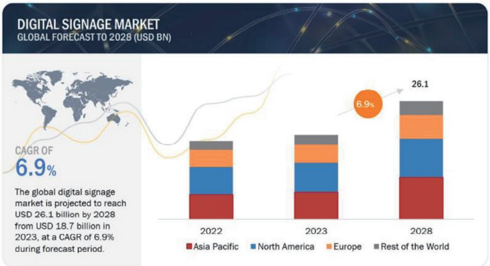
Taiwanese manufacturers have long-term collaborations with North American clients and also closely monitor the rapidly growing cloud market in Mainland China. Although CSPs in Mainland China are currently focused on meeting domestic demand, their future need for advanced equipment will rely on Taiwanese and international manufacturers.

Looking ahead, the growth drivers of the cloud computing and data center markets stem from two main aspects: on one hand, enterprises are moving part or all of their IT infrastructure to the cloud to improve operational efficiency and flexibility; on the other hand, consumers' reliance on mobile internet is increasing, especially in data-intensive applications such as video streaming, social media, and online gaming. These trends collectively drive the demand for more efficient, greener, and more secure cloud solutions.

Furthermore, with the acceleration of technological innovation, including edge computing, 5G technology, and the adoption of artificial intelligence, the demand for cloud computing and data centers will further expand to meet the growing needs of businesses and consumers. Security and privacy protection, along with the focus on green technology and sustainability, will continue to be crucial factors influencing market development.

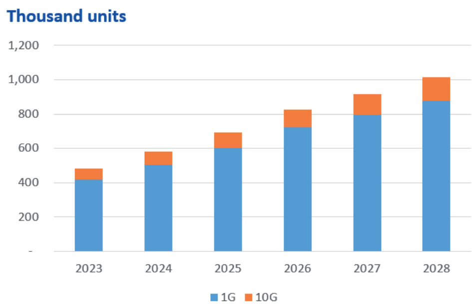
(II) Computer Peripheral IC

Based on market research by MarketsandMarkets, the global digital signage market is around $18.7 billion in 2023, with a compound annual growth rate of about 6.9%. Currently, North America has the largest market size, followed by the Asia Pacific, but the Asia Pacific market is expected to experience the strongest growth momentum in the coming years.



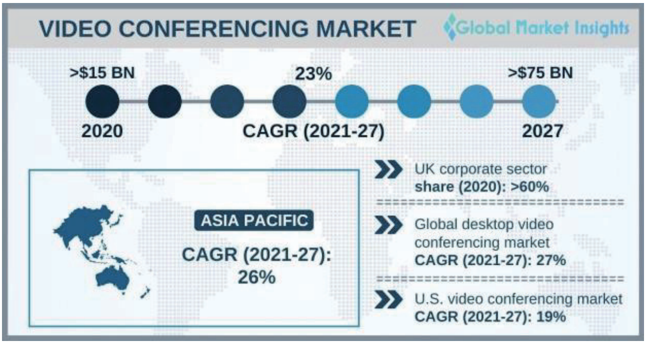
In the digital signage market, some users require capabilities such as remote content management, large-scale deployment, high quality imaging, high bandwidth requirements, deployment flexibility, as well as multiple source inputs and distributed outputs. These needs call for the support of Audio/Video over IP (AV over IP) technology. According to Futuresource's forecast, as shown in the figure, the global shipment of AV over IP chips is expected to keep the growing momentum at 15.9% CAGR, with the 1G market segment accounting for approximately 90% of the market share. As the market leader in 1G AV over IP, ASPEED Technology will continue to explore new applications and expand the overall market size for AV over IP.

Figure 5: AV over IP Chip Shipment Estimate



(III) Advanced Image Processing IC

According to the latest report by Global Market Insights, by 2027, the overall market for video conferencing hardware, software, and cloud services is expected to reach $75 billion. The Compound Annual Growth Rate (CAGR) from 2021 to 2027 is projected to be 23% (as shown in the figure below).



The report points out that the growth of the video conferencing market is primarily driven by the following demands:

1. The growing need for collaborative communication in Europe and America.
2. The global increase in trends towards working from home and online learning.
3. The demand for high-speed communication infrastructure in the Asia Pacific region.
4. The growth trend of cloud applications in Latin America.
5. The rising need to reduce communication costs between organizations.

d. Competitive Advantages

(I) Independent development capabilities and full grasp of market dynamics

ASPEED Technology boasts a professional R&D team with exceptional independent design and development capabilities. By integrating technologies such as 2D VGA, BMC, and KVM over IP, we differ from competitors who need to obtain IP licensing from IP design service companies. We can respond to market development in a timely manner and launch products that meet market demands as needed.

(II) Long-term collaboration with first-tier foundries and suppliers

For professional IC design companies, product manufacturing relies almost entirely on outsourced foundries, packaging plants, and testing facilities. Thus, the manufacturing process technology, yield quality, equipment capacity, and delivery speed of these contractors are critical factors influencing sales success. ASPEED Technology maintains a long-term and good cooperative relationship with partners including first-tier foundries and suppliers. The Company also enjoys close customer relations, which are key to its success.

(III) Excellent quality management.

ASPEED Technology has been awarded the ISO 9001 2015 Quality Certification, guaranteeing the quality of its products. Additionally, the company has implemented an ERP system, enabling the digital integration of all processes from receiving purchase orders, production scheduling, material procurement, inventory management, quality control, to financial management. This system provides instant and accurate statistical and analytical data, allowing manages in all departments to understand and control operations at any time.

(IV) International strategic partner

ASPEED Technology's design capabilities in Multimedia ICs have been recognized by the global semiconductor leader Intel, and it becomes a strategic partner. In addition to equity investments in ASPEED, Intel can also advise the Company on future industry development trends and market strategies, which is helpful for ASPEED to maintain its competitive advantages.

e. Favorable Developments, Unfavorable Factors and Countermeasures

<u>Favorable Developments</u>

(I) We analyze the demand in the server market through various applications, including Cloud, Big Data, Artificial Intelligence, Internet of Things (IoT), and 5G applications, etc. We observe that the explosive growth in data, the immense computing power required by AI, and the increasing demand for high-speed data transmission all lead to higher requirements and demand for servers and data centers.

- **Proliferation of 5G Technology:** With the global deployment of 5G networks, faster data transmission speeds and low-latency connections will bring about higher requirements for server performance and network infrastructure.
- **Artificial Intelligence and Machine Learning:** Amidst the boom in the development of large language models (LLMs) and the AI arms race, there is strong demand for AI servers from large CSPs, leading to explosive growth in shipments of AI servers.
- **Evolution of IoT Technology:** An increasing number of devices and sensors are connecting to the internet, leading to a growing need for processing and analyzing the massive amounts of data these devices generate.

- **Rise of Augmented Reality (AR) and Virtual Reality (VR):** These immersive technologies require significant computing power to create and maintain high-quality user experiences, presenting new challenges for server hardware.
- **Proliferation of Remote Work and Virtual Education:** This trend has accelerated the demand for cloud computing services, necessitating data center expansion to support more online services and applications.
- **Growth of Cloud Gaming and Streaming Media:** With the surge in demand for high-quality game and video content streaming, there is also an increased need for servers with high processing capabilities and bandwidth.
- **Smart Cities and Autonomous Vehicles:** These innovations require real-time data processing and analysis, thus increasing the demand for efficient servers and data centers.
- **Data Privacy and Security Regulations:** As regulations on privacy data protection become stricter worldwide, data center operators must provide more secure data storage and processing services and establish data centers in various countries to avoid cross-border transmission of sensitive personal data.

(II) Designated vendors of major CSPs (ODM Direct)

The amount of Internet services has grown significantly in recent years. In addition to the rise of Google, the leading search engine, the influence of social media platform Facebook on millennials has also created immense business opportunities. Under the explosive growth of online information, the demand on server hardware will only increase. Besides existing server brands, the supply chain of server hardware is also beginning to accommodate customized requirements. Internet service providers will directly designate suppliers and then directly purchase assembled products from server ODMs. This will benefit the development of Taiwan’s overall cloud supply chain, and we will work together with ODMs to find a suitable entry point.

(III) Well-established semiconductor industry supply chain ecosystem in Taiwan

The semiconductor industry is capital and technology-intensive. Taiwan's semiconductor industry ecosystem has a complete upstream and downstream division of labor. With the rapid evolution of manufacturing technology, foundries, packaging plants, and testing facilities are continuously increasing their capital expenditures under the growing economic scale, expanding capacity, and enhancing technology. This continuously elevates the leading advantage of IC manufacturing's competitiveness in international markets. Through the increasingly specialized and economical scale of foundries and packaging and testing plants, professional IC design companies are provided with advanced manufacturing process technology, flexible and agile production scheduling, world-class service quality, and rapid response capabilities, offering excellent logistical support. This enables ASPEED Technology to fully seize the market opportunities for its products.

(IV) Taiwan's leading position in server motherboards

Taiwan's design and production of server motherboards account for about 80% of the global server motherboard market. Leveraging this geographical advantage, ASPEED Technology can provide faster technical support and information dissemination than its competitors.

(V) High entry barriers due to the difficulty of developing key technologies

The System on Chip (SoC) products sold by ASPEED Technology require a combination of digital, analog, and remote control management IC design capabilities. Moreover, they necessitate the development of control firmware and server drivers based on server specifications, software systems, and integrated functions of peripheral devices. The high technical capability requirements and broad fields involved make the barriers to entry higher than manufacturing general ICs. This minimize competitions and price wars, thereby protecting ASPEED Technology's profitability.

(VI) High proprietary technology development capability

Unlike other competitors who develop products through patent licensing, ASPEED Technology creates SoC products with its own technology that combines 2D VGA, BMC, KVM over IP, and Security Platform Firmware Resilience and Recovery (PFR). As a result, ASPEED Technology enjoys a higher degree of control over its proprietary technology development capabilities. Additionally, as a Taiwanese company located in the same region as major server suppliers, ASPEED Technology benefits from proximity, no language barriers, and no time difference, enabling it to provide fast technical support and reduce the time for technical communication with customers. Especially since server products have varying remote management functionality requirements due to platform differences, with cloud server functions differing from traditional servers, ASPEED Technology can quickly adjust according to customer needs amidst diverse platform requirements.

In response to the demands for various open standards and system security set by the OCP Association, we will launch the most comprehensive solutions corresponding to future server architectures and the DC-SCM2.0 standard, allowing customers to easily upgrade and integrate.

<u>Unfavorable Factors</u>

(I) Server virtualization

With the exponential growth of cloud computing, servers are virtualized to share system resources and increase system utilization, leading to a slowdown in the growth of server shipments.

Countermeasures

BMCs can be applied in different markets, such as switches, data storage, Data Processing Units (DPU), and cooling modules, among others.

(II) Difficulty of training professional IC designers

Due to the numerous competitors in the IC industry, attracting excellent professional talent has become increasingly difficult, often requiring high costs to recruit outstanding personnel. Additionally, to strengthen loyalty to the company, higher labor costs are incurred.

Countermeasures

ASPEED Technology offers attractive salary and diversified employee benefits, allowing staff to enjoy a variety of considerate benefits. The company provides meticulous care and attention to its colleagues, offering a fair, healthy, and innovative R&D achievement-oriented excellent work environment. By implementing an employee stock option plan that allows employees to become shareholders, sharing the company's profit outcomes, which can attracts outstanding talent.

(III) Exchange rate fluctuations

The Company's procurements and sales are all calculated in USD, so profits are highly affected by exchange rate fluctuations.

Countermeasures

(a) The Company's Finance Department utilizes the natural hedging effect from procurements and sales both denominated in foreign currency.

(b) Dedicated personnel closely follow exchange rate fluctuations, collect information on international exchange rate trends and exchange rate fluctuations, are fully aware of future trends in exchange rates, and keep in touch with the foreign exchange department of banks. After considering the professional advice provided by the departments and the Company’s cash requirements, the personnel reduce risks by exchanging currency at appropriate times.

(c) Depending on the position of foreign currency, hedging is carried out in accordance with the Operating Procedures “Procedures Governing the Acquisition or Disposition of Assets” when necessary.

(2) Key Product Applications and Manufacturing Processes

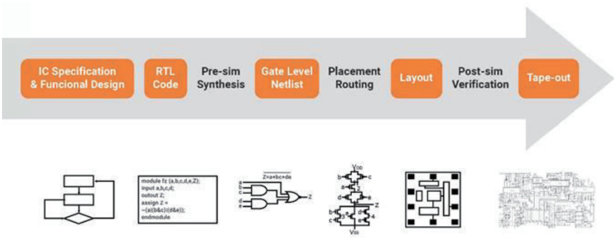
a. Key Product Applications

Name of main products	Purpose
Multimedia IC	ASPEED Server Management product lines are designed with rich features, including 2D graphic controller, hardware monitoring, iKVM, and security functions. Customer can select and implement from our Graphics & Remote Management Processors to best fit their design needs. The main products within this product line are Baseboard Management Controller (BMC), Bridge IC (BIC), and Platform Firmware Resilience (PFR) IC.
Computer peripheral IC	Our core technology includes display over IP, USB over IP and audio over IP. Applications range from remote personal computer extension products, remote audio-video extension products, remote USB extension products, digital audio-video matrix switch, audio-video extensions, digital video walls, to digital signage, etc.
Advanced image processing IC	Our Cupola360 prcessors with built-in 360 real-time image stitching technology are ideal for Smart Patrolling, and video conference.

b. Key Product Manufacturing Process

ASPEED Technology, a professional fabless IC design company, entrusts design service companies with the back-end design process of IC layout and routing after completing RTL design verification. For mass production, the design service companies are outsourced to handle wafer fabrication at foundries and packaging and testing at assembly plants. The the ICs are shipped to ASPEED Technology for IC system testing. After further confirming the IC quality, these IC producs will be packaged and stored in inventory.

The flowchart below shows the process of manufacturing an IC product:



(3) Supply of Essential Raw Materials

ASPEED Technology, an IC design company, works with design service companies (Turnkey Service) to coordinate with midstream and downstream manufacturers in the product manufacturing process. When selecting a design service company, we consider not only the completeness of the silicon IP and APR (Auto Place & Route) capabilities but also the partnerships they have with foundries and test packaging factories. The process technology and yield quality of the foundry are critical to the successful manufacturing of IC products. Currently, the materials and products provided are of good condition and high quality.

(4) Major Suppliers Accounting for over 10% of the Annual Total Purchase in either 2022 or 2023

Unit：NT$1,000

2022				2023			
Supplier	Amount Purchase	% of Total Purchases	Relations	Supplier	Amount Purchase	% of Total Purchases	Relations
A	1,781,046	88.95%	None	A	757,044	80.97%	None
B	200,474	10.01%	None	B	154,898	16.57%	None
Other	20,852	1.04%	None	Other	23,082	2.46%	None
Total	2,002,372	100.00%		Total	935,024	100.00%	

Reasons for changes:
ASPEED purchases chips from a foundry through a turnkey service provider. Since foundries are technology and capital intensive, only a few companies provide such services. ASPEED maintains long-term relationships with these suppliers.

(5) Major Customers Accounting for over 10% of the Annual Total Sales in either 2022 or 2023

Unit：NT$1,000

2022				2023			
Customer	Amount Revenue	% of Total Revenue	Relations	Customer	Amount Revenue	% of Total Revenue	Relations
A	878,024	16.86%	None	B	587,001	18.76%	None
B	610,074	11.71%	None	F	429,586	13.72%	None
C	499,828	9.60%	None	D	389,063	12.43%	None
D	499,268	8.62%	None	A	386,943	12.36%	None
E	442,349	8.49%	None	E	289,012	9.23%	None
Other	2,330,585	44.72%	None	Other	1,048,790	33.50%	None
Total	5,210,128	100.00%		Total	3,130,395	100.00%	

Reasons for changes:

The primary reason for the changes in customer sales in 2023 is due to adjustments in end-customer order demands and the varying rates of inventory destocking among each customer.

(6) Production Volume and Value in the Past Two Years: Not applicable.

The Company does not manufacture chips. "Production Capacity" is not applicable as the Company outsourced manufacturing procedures to wafer foundry, packaging and testing plants.

(7) Sales Volume and Value in the Past Two Years

Unit：1,000PCS/NT$1,000

Year and Major Products	2022				2023			
	Domestic		Exports		Domestic		Exports	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Multimedia IC	7,789	2,511,284	7,465	2,352,331	4,298	1,431,852	3,772	1,325,269
Computer peripherals IC	441	324,690	22	13,468	447	319,069	19	9,656
Other	11	6,458	3-	1,897	24	25,429	2-	19,120
Total	8,241	2,842,432	7,490	2,367,696	4,769	1,776,350	3,793	1,354,045

3. Employees

Unit：Person/%

Year		2022	2023	2024 (As of April 01)
Number of Employees	R&D	74	83	85
	Sales and Management	32	37	37
	Total	106	120	122
Average Age		40.32	40.58	41.12
Average Years of Service		5.78	5.17	5.48
Education	Doctoral	2.83%	2.50%	2.46%
	Master	70.75%	72.50%	72.95%
	Bachelor	26.42%	25.00%	24.59%
	High School	—	—	—

4. Environmental Protection Expenditure

ASPEED Technology's business activities involve the research, development, testing, and sales of ICs, focusing on product development and sales. All products are outsourced for manufacturing, and there is no risk of environmental pollution. According to legal regulations, there is no need to obtain permits for pollution control facilities, pollutant emission permits, pay pollution control fees, or establish a dedicated environmental protection unit.

5. Labor-Management Relations

(1) The Group's employee welfare program, training and development, and retirement policy and settlement between employees and the employer

a. Labor Benefits and Welfare Program

ASPEED Technology has established a Staff Welfare Committee in accordance with relevant regulations, making monthly contributions to the Staff Welfare Fund. Staff Welfare Committee uses the fund to provide various various benefits, such as: employee trips, cultural and recreational activities, emergency relief, health check-ups, and gift vouchers on traditional festivals, as well as wedding, childbirth gifts, and condolences for funerals. Additional benefits include employee education and training, employee stock ownership, and profit-sharing. Furthermore, in addition to providing labor and health insurance for employees as required by the Labor Standards Act and other relevant regulations, ASPEED Technology also arranges group medical insurance and travel insurance for employees, offering greater protection.

b. Training and Development

ASPEED Technology provides employees with continuing education, utilizing both internal and external on-the-job training resources. With various learning resources and channels to encourage employees to do training for self-improvement to further uplift their performance and potential.

In order to enable the effective training plans which meet employees' requirements of general, professional, and management course as well, ASPEED Technology provides a diverse network of learning resources, including on-the-job training, classroom training, e-learning, mentoring, to realign and refresh its workforce skill set and are a useful tool for motivating and re-energizing employees morale. Company training will continue to be part of companies' strategies to achieve competitive advantage.

ASPEED's training programs include:

- New employee training

  Designed to meet each department's requirement, ASPEED introduce a senior mentor program for new employees, providing assistance in life and work techniques for them to quickly adapt to the environment.

- General Training

  To provide trainings on general subjects for all employees, or the trainings required by government regulations to enable employees to fit in the environment and meet business goal as soon as possible.

- Professional Skill Training

  Identify the professional training needs of each department, and provide the training to employees to strengthen their professional competence.

- Management Skill Training

  For potential employees with management talents, ASPEED provide training courses to establish management thinking, cultivate strategic analysis and planning capabilities for organization development and team operations.

- Celebrity Lectures

  The series of lectures provide the opportunity for employees to hear from a top thought leader in various fields to broaden their horizons.

- Workshop

  Through experiential learning, employees can learn how to implement theoretical management theory to practical daily work, hence high performance can be achieved.

- Self-Study and Development

  ASPEED offers an open and diversified platform for employees to access unlimited online courses which suitable for their professions. For external training courses, ASPEED also full subsidized the tuition for employees to participate in external training courses.

c. Retirement Systems

ASPEED Group established Regulations for Employee Retirement in accordance with the Labor Standards Act, and makes monthly contributions to employees' personal accounts at the Bureau of Labor Insurance in accordance with the Labor Pension Act if they select the new labor pension plan.

d. Negotiation and settlement between Interest of Employees and Management

The ASPEED Group emphasizes the right to know and therefore convenes quarterly business performance meetings and labor-management meetings, which allow employees to understand the Company's business performance and future plans. The ASPEED Group takes employees' opinions very seriously and encourages employees to offer their advice, which it uses as the basis for improving its management and benefits system. It is for this reason that labor and management are on good terms and there have been no litigations or matters requiring negotiation between labor and management.

(2) Losses incurred by Labor Disputes in recent years as at the Date of Print for Annual Report 2023

ASPEED Technology has not experienced any labor disputes. The relationship between labor and management is harmonious and amicable, with no disputes or issues requiring mediation.

6.Information Security Management

(1) Information and communication security risk management framework, information and communication security policies, specific management plans, and resources allocated to information and communication security management.

To ensure smooth business operations and to safeguard confidentiality, integrity, and availability, ASPEED Technology has specifically formulated an Information Security Policy for all colleagues to follow.

a. Information and Communication Security Policy:
- Strengthen the Information Security Management System and obtain third-party certification.
- Enhance information security and prevent hacker viruses and ransomware attacks.
- Implement local and remote backup measures for information and data.
- Effectively manage information assets, continuously perform risk assessments, and take appropriate protective measures.
- Protect information systems from unauthorized access and maintain the confidentiality of the information systems.
- Prevent unauthorized modifications to protect the integrity of the information systems.
- Ensure that authorized users can access the information system when needed.
- Comply with various information laws and regulatory requirements.
- Implement recovery plans for human and natural disasters in core information systems to ensure continuous business operations.
- Strengthen information security education and training to enhance employees' awareness of information security.
- Implement supplier information security management and promote it.
- Implement audit execution and management review processes to continuously improve the information security management system.

b. Information Security Objectives:

- Plan to complete the transition to the updated ISO 27001 Information Security Management System (ISO 27001:2022) by 2025.
- Finish the implementation of a policy prohibiting the use of portable storage media by the end of March 2024. will be completed.
- Achieve third-party verification of the ISO 27001 Information Security Management System in 2022.
- Complete the integration of Cortex XDR 2.0 by the end of September 2021 to prevent hacker viruses and ransomware attacks.
- Maintain information system availability above 99.99% (downtime/total operating time ≤ 0.01%).
- After a security incident occurs, complete the notification, response, and recovery processes within the prescribed time, aiming for a 100% completion rate.
- Conduct information security education and training semi-annually.
- Limit security incidents involving data breaches in information and communication systems to no more than 2 times per year.
- Promptly adjust information security maintenance in response to legal and external technological changes to prevent unauthorized access, use, control,

disclosure, destruction, tampering, or other compromises of information systems, thereby ensuring their confidentiality, integrity, and availability.

- Strengthen the selection, supervision, and management of suppliers, rigorously review outsourcing contracts, and ensure the information security of supplier relationships. Enhance colleagues' awareness of information security, effectively detect, and prevent external attacks, etc.

c. Information Security and Data Protection:

ASPEED Technology places a high priority on information security management, clearly defining 'Administrative Procedures for Information Management' and 'Management Procedures for Software/Hardware' to reduce risks related to network information security, protect personal data, customer privacy, and safeguard the rights and interests of stakeholders. The company also actively promotes information security awareness to enhance employees' understanding.

For internal management, ASPEED Technology has established a comprehensive network and computer security defense system to control or maintain critical business functions such as manufacturing operations, purchasing, sales, and accounting. The company regularly reviews and assesses its network security architecture to ensure its appropriateness and effectiveness. ASPEED Technology emphasizes efficiency and storage safety, securing vital data in backup databases, and protecting computer systems from any third-party attacks that could cripple systems, thereby preventing theft or malicious attacks on trade secrets, intellectual property, and confidential information.

Regarding external suppliers and partners, to ensure confidentiality of information exchanged, ASPEED Technology regularly verifies with suppliers whether their information security management and backup measures are comprehensive. ASPEED Technology also places a high importance on confidentiality protection. The company has Non-Disclosure Agreements (NDAs) in place, which are signed by 100% of employees, and requires partners to sign them as needed, depending on the project and situation, to safeguard mutual information security.

(2) Losses suffered by the company in the most recent fiscal year and up to the date of the annual report publication due to significant cyber security incidents, their possible impacts, and measures being or to be taken.

In 2023, ASPEED Technology was not aware of any material information security incidents or cyberattacks, nor had it been involved in any legal proceedings or regulatory investigations related thereof. The audit and assurance firm Deloitte conducted an information system audit on the Company in 2023 that covered the following areas: Understanding the Customer’s Computer Processing Environment, General Computer Controls, and Application System Automated Controls. No significant issues were discovered. To further strengthen risk management, ASPEED Technology launched an ISO 27001 Information Security Management certification plan in June 2021, which was completed in 2022. At the end of September 2021, the Company completed the integration of Cortex XDR 2.0 to combat hacker attacks and ransomware. In 2022, the Risk Management Team reviewed and updated the Company's information security policies and transitioned from sporadic to regular annual information security education and training to further enhance information security awareness. Our aim is for ASPEED Technology's information security management to provide a more secure environment for employees, customers, suppliers, and partners.

7. Material Contracts

Agreement Type	Counterparty	Term	Summary	Restriction
Factory lease agreement	Taiwan Fertilizer Co., Ltd.	2019/09/01~ 2024/08/31	Factory lease agreement (4F., No. 1, Sec. 3, Gongdao 5th Rd., East Dist., Hsinchu City)	None
Factory lease agreement	Cathay Life Insurance Co., Ltd.	2021/10/01~ 2024/09/30	Factory lease agreement (5F, No. 16, Sec. 4, Nanjing East Road, Taipei)	None
Loan	Mega International Commercial Bank Hsinchu Science Park Hsin-an Branch	2022/06/23~ 2023/06/22	2021 Credit agreement/Credit limit of NT$500,000,000	None
Loan	Hua Nan Commercial Bank Zhubei Branch	2022/05/20~ 2023/05/20	2021 Credit agreement/Credit limit of NT$500,000,000	None
Loan	CTBC Bank Dunbei Branch	2022/06/30~ 2023/06/30	2021 Credit agreement/Credit limit of NT$500,000,000	None
Loan	E.SUN Bank Hsinchu Branch	2022/05/10~ 2023/05/10	2021 Credit agreement/Credit limit of NT$150,000,000	None
Commercial fire insurance	Fubon Insurance	2023/11/21~ 2024/11/21	2023 Commercial fire insurance/Total insurance amount of NT$444,458 thousand	None

VI. Sustainability

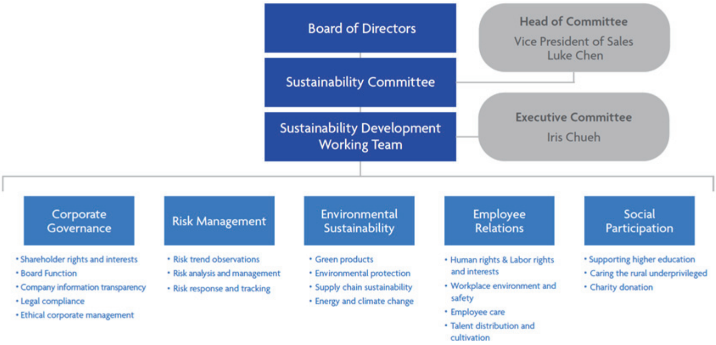
ASPEED Technology firmly believes that business success and growth depend on the interplay of operational management with the pursuit of a sustainable development vision. As a leading fabless IC design company, we are committed to using green innovation, environmental sustainability, and social prosperity as objectives in the shared pursuit of sustainable development. At the same time, we steadfastly lead our employees, customers, suppliers & contractors, society, and other stakeholders in sharing the benefits of sustainability in this rapidly changing and competitive industry.

1. Sustainability Committee

In 2012 ASPEED Technology approved the "Corporate Social Responsibility Best Practice Principles," developed the corporate responsibility principles and revised annually according to the situation of corporate social responsibility and Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies. Recognizing the need for sustainable development in the corporate framework, in 2021 the Company revised the CSR Working Team to Sustainability Committee as a new functional committee under the Board of Directors. Led and convened by the vice president of sales, the committee shall supervise and make decisions on sustainability-related issues while reporting on implementation of sustainability to the Board of Directors biannually. Under the committee will be the Sustainability Development Working Team, which will include the marketing and PR manager as executive committee and oversee five work teams: corporate governance, risk management, environmental sustainability, employee relations, and social participation. The Working Team will be responsible for overall implementation, including compiling stakeholder-related topics and promoting sustainability issues, and shall meet biannually with each work team to report on implementation status and future planning.

The Sustainability Development Working Team under ASPEED Technology's Sustainability Committee is responsible for gathering the concerns from various stakeholders and keeping abreast of the development trends of domestic and foreign laws and policies. A meeting is held biannually for each work team to report on their operation. We conduct regular review on ASPEED's sustainability strategies and short-to-medium term plans to make adjustments as needed. A meeting was held in each of the first and second half of 2023, covering: 1. Report on the progress of the Sustainability Development Working Team. 2. Carbon management project and renewable energy project. 3. The progress of ASPEED anonyms whistleblowing reporting system. 4. GHG emission inventory project. On the board meeting in March and November 2022, the committee presented the sustainability strategies and objectives, performance of annual sustainability projects, results of GHG inventories, implementation of whistleblowing reporting system and carbon management projects, report on 2022 Sustainability Report and ESG Summary and submission for approval, while at the same time commits to the

Board for its continued promotion and implementation of sustainability strategies and objectives.



2. Identification of Stakeholders and Communication

ASPEED Technology's CSR Working Team identifies and evaluates core stakeholders based on the business and interactions of each department, pursuant to the five principles of the AA1000 Stakeholder Engagement Standard (AA1000 SES): Responsibility, Influence, Dependency, Tension, and Diverse Perspectives. In 2020, nine key stakeholders were ultimately identified as priority targets for engagement: employees, shareholders & investors, customers, suppliers, government agencies, media, public welfare organizations, academic research organizations, and partners.

Stakeholders	Communication Frequency	Topics of Concern
Employees	- Opinions mailbox: hr@aspeedtech.com (regular) - Labor-management coordination meeting (quarterly) - Meeting of Employee Welfare Committee (quarterly) - Manager discussions (biannual) - Employee satisfaction survey (annually) - Expressing opinions at the end of the year (annually)	- Operational achievements and financial performance - Compensation and employee care - Talent recruitment and cultivation - Community contributions and social participation
Shareholders/ Investors	- Investor relations email address: ir@aspeedtech.com - Shareholders' meeting (annually) - Investors' conferences (ad hoc)	- Corporate governance and ethical corporate management - Legal compliance - R&D innovations and technological improvements - Operational achievements and financial performance - Risk management
Customers	- Customer contact email address: sales@aspeedtech.com - Customer satisfaction survey (annually) - Sales interviews and interactions (ad hoc)	- Customer privacy and confidentiality measures - Product quality and customer satisfaction - Legal compliance - R&D innovations and technological improvements - Sustainable supply chain management

		- Response to international organizations and initiatives - Management of hazardous substances and chemical products
Suppliers	- General inquiry email address: info@aspeedtech.com - Supplier meetings (annually) - Supplier audits (annually)	- Product quality and customer satisfaction - Operational achievements and financial performance - Risk management - Legal compliance - Sustainable supply chain management
Government Agencies	- Official documents, emails, and meetings (ad hoc) - Advocacy meetings, public hearings (ad hoc)	- Corporate governance and ethical corporate management - Customer privacy and confidentiality measures - Operational achievements and financial performance - Risk management - Legal compliance - Labor-management relations
Media	- Media inquiry email address: media@aspeedtech.com - Press releases for major news (ad hoc)	- Corporate governance and ethical corporate management - Operational achievements and financial performance - R&D innovations and technological improvements - Legal compliance
Public Welfare Organizations/ Academic and Research Organizations	- Stakeholder inquiry email address: info@aspeedtech.com - Social participation and public welfare activities (ad hoc)	- Compensation and performance mechanisms - Compensation and employee care - Talent recruitment and retention - Response to international organizations and initiatives - Technological and R&D innovations - Social care and public participation
Cooperative Partners	- General inquiry email address: info@aspeedtech.com - Social participation and public welfare activities (ad hoc)	- Sustainable supply chain management - Technological and R&D innovations - Risk management - Legal compliance - Compensation and performance mechanisms

Contact window:
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Deputy Spokesperson / Executive of Sustainability Committee
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3. Risk Management

1. Risk Management Policy

ASPEED Technology is a fabless IC design company. Having adopted a "fabless lite" operational model, our workforce primarily consists of R&D personnel, management and marketing staff, and administrators. We do not routinely engage in foundry production processes. Changes to the global economic environment and the potential internal and external operational impacts of sustainability risks underscore the importance of preventing problems before they emerge. Knowing how to avoid problems and respond to risk is critical. ASPEED Technology therefore formulated the Risk Management Policy, which uses corporate governance, environmental, and social topics as a foundation to identify risks that could have an impact on the Company's sustainable development. The Company then crafts follow-up response strategies that are in line with primary areas of concern for our stakeholders as well as international trends.

2. Major Risk Management and Structure

ASPEED Technology established risk management units that are overseen by the Sustainability Committee, under the Board of Directors. After considering various business continuity standard requests and following internal evaluations, the risk management units implement control and management measures. The management framework primarily involves monitoring, analysis, and confirmation of risks by finance, business, administration, environment & safety, and information security units. They then report on these risks to management and launch response mechanisms. Investor relations, media relations, and public relations staff communicate these issues externally at the appropriate time in order to ease any concerns of stakeholders. By identifying risks, managing organizational and operational risks, and formulating countermeasures, related staff members play a critical role in risk control. Also, after considering the potential impact of various risks on business continuity, the Company formulated the Business Continuity Plan. When a risk emerges or an unexpected event occurs, the plan minimizes the impact. Normal operations can then resume as quickly as possible,limiting any potential losses to customers' rights and interests.

- The Risk Management Team, which is under the CSR Working Team, is responsible for identifying risk factors related to business operations.
- Assess the impact of risk factors on business operations. Also formulate countermeasures for handling risks that could have a significant impact on operations.
- Track risk management items and report to the Board of Directors on a biannual basis.

3. Risk Identification

ASPEED Technology carries out risk identification, analysis, evaluation, response, and tracking based on the Company's internal organization and core business as well as external environmental conditions. Scope covers corporate governance, environmental, and social aspects and other sustainable development areas. In 2023, five material risk factors we identified were: interest rate & exchange rate fluctuation, research and development and intellectual property protection, supply chain management, information security, and climate change related risks. For each risk factor we formulate emergency response management processes to ensure that when a disaster or other event that has a major impact on the business does occur, we can maintain operations at an acceptable level and have a path to recovery. These measures protect the rights and interests of our customers and stakeholders.

Risk Type	Risk Factor	Responsible Unit	Operating Impact	Response
Market risk	Change in interest rate and foreign currency exchange rate	Finance & Legal unit	Impact of interest rate and foreign currency exchange rate changes on income and expenditures, and financial profit or loss	● Long-term monitoring of international conditions and investment markets. Follow appropriate risk standards when evaluating investments and hedging interest and foreign exchange rates. ● In terms of exchange rate management, the import and export transactions of ASPEED Technology are mainly denominated and calculated in USD, so changes in the NTD/USD exchange rate have certain impact on the profit and loss of the Company. The Company has dedicated personnel to collect information on changes in international exchange rates and keep in contact with the foreign exchange department of the banks, making reference to the professional consulting services provided by them, and timely currency exchanges to reduce risk exposure in response to the Company's cash requirements. At the same time, depending on the position of foreign currency, hedging is carried out in accordance with the Operating Procedures for Asset Acquisition or Disposal when necessary.
	High risk transaction	Finance & Legal unit	Engaging in high risk, highly leveraged investments, lending of funds to others, endorsement of guarantees and derivatives, etc., where the risk of default may result in financial loss	● The Company has established relevant management measures. The relevant transactions shall be carefully evaluated by the finance and accounting, legal and relevant units for necessity and reasonableness, and are subject to effective approval before proceeding, in order to minimize the possible loss
Operation /Technology	Contractual dispute	Finance & Legal unit	Financial risk and brand impact arising from litigation	● Trim disputes or litigations through contract review process developed by the Legal Management Division and engage external

			dispute	professional lawyers to assist
	Intellectual property risk	Finance & Legal unit	Loss of assets and profits due to infringement of intellectual property rights	● Comply with relevant laws and regulations on intellectual property rights, apply for and maintain and advocate the protection of relevant intellectual property rights ● *For details, please refer to the section of "Intellectual Property Rights Protection and Preservation"
Information Security	Unexpected information interruptions caused by hacker attacks or major natural disasters	Information security unit	Cyber-attacks and information outflows will affect the protection of internal and external intellectual property information, causing serious problems such as disrupted operations, financial damage or violation of laws and regulations. Long-term damage to goodwill and customer relationships will affect the foundation of sustainable corporate development	● Continue to obtain ISO27001 information security management certification ● Set up firewalls, conduct relevant information security education and training, and continuously convey information security concepts to employees ● Regular annual internal audit on information security and all-staff drill ● Implement information security recovery drill to test the effectiveness of the information system recovery process and ensure the continuous operation of the Company's systems due to natural disasters or malicious attacks ● *For more details, please refer to the section of "Information Security"
Climate Change	Power and water disconnection	Risk management unit	Operational inefficiency caused by power and water disconnection, failure of personnel to work properly or endangering their safety at work may also cause financial impact.	● Operation-oriented contingency measures for the building where the corporate headquarters is located ● *For more details on climate change, please refer to the section of "Climate Strategies TCFD"
Supply Chain Management	Price hikes due to insufficient production capacity, or unexpected natural disasters such as earthquakes, typhoons, and explosions	Risk management unit	Abnormal events may cause interruptions in the supply of materials, suspension of the processing factories, and delays in delivery to customers, for which the Company is liable for liquidated damages	● Perform short-, medium- and long-term inventory risk assessments ● If necessary, procurement-led emergency meeting is held for inventory control ● * For details, please refer to the section of "Sustainable Supply Chain Management"

4. Information Security Risk Management

1.Information Security & Data Protection

As part of a commitment to managing information security, ASPEED Technology designated operating procedures for administrative management of information and operating procedures for software/ hardware management. Since 2021, the Company has gradually adjusted these procedures based on current needs. Following adjustments and integration, the procedures became the Information Security Policy and 23 information security-related standards. These standards manage and protect the Company's information security and reduce information security risks in our network, in order to protect personal information and customer privacy, and uphold the rights and interests of stakeholders. At the same time, the Company actively publicizes information security measures to raise awareness among employees.

For internal management, ASPEED Technology established a comprehensive internet and computing security network to maintain vital corporate functions, such as manufacturing operations, procurement and sales, and accounting. The Company periodically reviews and assesses cybersecurity architecture to ensure adequacy and effectiveness. Besides enhancing efficiency and backing up important information stored in our databases, in an evolving landscape of internet security threats, the Company must protect computer systems to prevent external network attacks that can cripple our systems. These measures prevent theft or hacking attacks on our trade secrets, intellectual property, and confidential information. For external suppliers and cooperative partners, ASPEED Technology achieves mutual assurance of information confidentiality by periodically confirming that suppliers have comprehensive information security management and backup plans in place. Furthermore, ASPEED Technology protects confidentiality by requiring 100% of employees to sign a nondisclosure agreement, and use the software legally. For some projects and cases cooperative partners must also sign an NDA to guarantee that each parties' information is protected.

In 2022, ASPEED Technology was not aware of any material information security incidents or cyberattacks, nor had it been involved in any legal proceedings or regulatory investigations related thereof. To further strengthen risk management, ASPEED Technology has introduced an ISO 27001 Information Security Management plan starting in June 2021 and completed certification in 2022. Also, the Company completed integration of Cortex XDR 2.0 to prevent hacking, virus, and extortion attacks. In 2022, the Risk Management Team reviewed and reformulated the Company's information security policies and made plans to change irregular information security education and training into an annual event to further strengthen information security awareness. Our aim is for ASPEED Technology's information security management to provide a more secure environment for employees, customers, suppliers, and cooperative partners.

2.Information Security Policy and Goals

For business to proceed smoothly and to ensure confidentiality, integrity, and availability, ASPEED Technology formulated an information security policy that all employees must follow.

3.Information Security Management Methods

To evaluate whether information security management goals are met, ASPEED Technology adopted the following management methods:

Information Security Policy	• Strengthen information security management systems and acquire third party certification. • Strengthen information security and prevent hacker, virus, and extortion attacks. • Implement an information and data backup plan that involves local and remote storage. • Effective management of information assets, including continuing to implement risk analysis and adopting suitable prevention measures. • Protect information systems to prevent unauthorized access and maintain confidentiality. • Prevent unauthorized changes to protect the integrity of the information system. • Ensure that authorized users can access information systems when needed. • Adhere to all information rules and regulations. • Establish disaster recovery plans for core information systems so that operations can continue after a manmade or natural disaster. • Strengthen information security education and training to raise employee information security awareness. • Establish information security management and advocacy programs for suppliers. • Conduct audits and manage the review process to ensure continued improvements to information security management systems.
Quantitative Indicators	• To ensure information is secure, information can only be accessed after an authorized unit grants permission and confirms its confidentiality status. Each year there shall be zero cases of restricted or confidential information leaks. • To ensure accuracy and integrity of customers' products and data, each year there shall be zero cases of unauthorized information alterations. • To ensure continuity of the Company's information operations and services, drills and operations to safeguard continuity plans are conducted at least once a year. • To investigate how information security incidents can cause system, processor, or network abnormalities that interrupt

	operations and services, the Company's information services availability must meet the following requirements: 1. Basic operational service time shall be at least 99% of annual working hours. 2. Interruption of key services shall not be more than three times per quarter; each interruption shall not be more than four working hours. • To ensure that the Company's information security measures and regulations meet current laws, regulations, and contractual requirements, each year the Company shall conduct at least one internal audit.
Qualitative Indicators	• Regularly review the authority of the Company's information security organization staff to ensure the implementation of related duties. • Provide information security training that is suited to employees' position and responsibilities. • Strengthen the Company's environmental safety; adopt suitable protection and authority control measures. • Ensure that information is not inadvertently leaked or sent to unauthorized third parties. • Strengthen access controls to prevent unauthorized access and ensure that the Company's information has an appropriate level of protection. • Consider security needs when conducting routine monitoring of information systems and safety management of system vulnerabilities. • Confirm that all information security incidents and security vulnerabilities are reported to management via appropriate channels and that suitable investigation and treatment follows.

5. Supply Chain Management

ASPEED Technology's suppliers can be divided into two main categories: critical suppliers and general business suppliers. Critical suppliers provide main raw materials, production, and testing. Considering the importance of this group towards the Company's operations, we only choose world-class Tier 1 manufacturers and suppliers and confirm that they meet our standards for social responsibility, green environmental protection, occupational safety and health, labor rights, and human rights. They must follow the Code of Conduct-Responsible Business Alliance, and priority shall be given to suppliers that pass ISO9001, ISO14001, or ISO45001 certification. In addition, the Company requests that suppliers produce and publicly release annual sustainable management reports to support audits and assessments. The Company also monitors to see whether the suppliers have any incidents that cause reputational damage or face any fines from international customers.

1. Supplier Audit Management

ASPEED Technology conducts annual onsite or written supplier assessments. Suppliers must score at least 75 points to pass; those who fail must make improvements within a limited time period then apply for reassessment. If a supplier fails reassessment it no longer qualifies to be a supplier of the Company. The assessment process includes quality control, design procedures and management, document records, storage, and inspections, as well as green product management and ESG. If a serious quality problem occurs with an approved supplier, ASPEED Technology increases the proportion of sampling tests in accordance with the inspection and testing management procedures. Rigorous reviews continue until improvements are completed. If following guidance, a supplier is still unable to make expected improvements the supplier loses its supplier qualification.

ASPEED Technology supported the Company's green pledge, human rights protection, and conflict-free minerals policy by issuing a public statement on the corporate website proclaiming that the Company and the Company's suppliers shall uphold their social and environmental protection responsibilities. They shall not accept minerals from conflict zones or illegal mines. The Company required that all suppliers commit to implementing these measures. Since 2020, ASPEED Technology requests all supplier strictly follow international standard to implement their social responsibility and also to sign the agreement of corporate social responsibility commitment as well.

2. Declaration of Minerals Conflict-Free

To manage the Company's conflict-free minerals policy, ASPEED Technology supports the "responsible minerals procurement" position. ASPEED Technology shares the Company's conflict-free minerals policy with suppliers and insists on full compliance. Each year the Company examines suppliers' Conflict Minerals Reporting Template (CMRT). Suppliers must identify their smelting source. All of their purchases must be made from conflict-free and qualified mineral suppliers, and they shall faithfully disclose their conflict minerals information. Compliance is included in annual supplier evaluations, which enables us to implement our conflict-free procurement program. Suppliers shall also sign ASPEED Technology's corporate social responsibility pledge and confirm that they will adhere to its conflict-free minerals policy. In the event that we discover that products or raw materials from suppliers contain conflict minerals from non-qualified sources, we take the necessary measures to stop use. ASPEED Technology issued a public declaration of support for responsible minerals procurement on the Company's corporate website and seeks to fully implement this social responsibility. In 2022, there were not any incidents of the Company's suppliers using conflict minerals.

3. RBA Code of Conduct

To comply with the RBA Code of Conduct, ASPEED Technology is committed to ensuring that working conditions at the Company and in the Company's supply chain are safe; that workers have a safe and healthy work environment and are treated with respect and dignity; and that business operations are environmentally responsible and conducted ethically.

6. Green Environment

1. Environmental Management Policy

- Fully implement ISO 14001:2015 Environmental Management Systems
- Create procedures related to environmental management
- Raise environmental awareness, and full participation
- Record and publicly report the GHG emission, water withdrawal, and waste management

Since passing ISO 14001 environmental management systems certification in 2017, each year ASPEED Technology has systematically managed the Company's internal environmental protection system. The Company built a routine environmental management system and established procedures for making improvements. In addition, the Corporate Sustainability Committee meets biannually. The committee examines environmental protection trends and regulations, and fully implements the Company's environmental management policies, in order to meet shareholders' expectations towards the Company. As a fabless IC design Company, internal environmental management primarily focuses on general water and electricity use, waste disposal and management, and green product specifications. Externally, the Company focuses on expansion of sustainable supply chain management. ASPEED Technology makes every effort to join suppliers in implementing environmental management. In 2022, ASPEED Technology has completed the ISO14064-1:2018 third-party GHG inspection certification at the organizational level, aiming to have a clear understanding of ASPEED's GHG emissions, then gradually develop a carbon reduction plan, and respond to the requirements of customers and investors to set carbon reduction targets, thereby ultimately achieving the net zero carbon emission target within the scope of operations. The 2024 GHG emission result will be completed by May, 2024. In response to the carbon reduction plan, it is expected to be presented to the Board for approval in 2023, and the carbon management project will be implemented gradually through the purchase of renewable energy and the implementation of the SBTi SME near-term target planning and application.

2. GHG Inventory and Carbon Reduction Planning

As an IC design company that does not operate a factory, ASPEED Technology focuses on taking a responsible role in the semiconductor supply chain by proactively conducting GHG verification and carbon reduction planning. In 2021, we started the GHG inventory and obtained ISO14064-1:2018 external inspection certification in August 2022. In the future, we will continue to disclose GHG emissions in an open and transparent manner. 2021 was the Company's base year for GHG emissions. We check our emissions every year and formulate a net zero target and carbon reduction plan of ASPEED:

Short term (2023-2025): Net zero path planning and decarbonization strategy formulation

- In response to the SBTi SME Science-Based Targets initiative, setting net-zero targets and paths
- Formulation of corporate decarbonization solutions and purchase of renewable energy
- Completion of Scope 3 examination in accordance with GHG Protocol

Medium term (2025-2030): Continuous promotion and expansion of decarbonization
- Implementation of corporate decarbonization solutions and gradual increase in the use of renewable energy
- Continue to optimize GHG inventory in Scope 3
- Identify the supply chain's decarbonization goals and begin to drive decarbonization in the supply chain
- Assess and promote product carbon footprint inventory and certification
- Revise SBTi targets and rolling adjustments every five years

Year	GHG emission		Water Use		Industrial Waste (Kg)
	Emissions (metric tons of CO2e)	GHG Emission Intensity (metric tons of CO2e/million piece)	Water Use (metric tons)	Water Use Intensity (metric tons/million piece)	
2020	271.66	0.21	3531	307.93	139.3
2021	8718	655.98	2,572	193.53	36.3
2022	12197.85	775.40	2,673	169.92	113.4

*Average fuel consumed during business travel is assumed as 10km/L.
*Conversion factors are based on the Environmental Protection Administration's Greenhouse Gas Emission Factor Table, version 6.0.4.
*GHG emissions intensity data are calculated based on the Company's yearly product deliveries (Unit: millions of pieces). The internal GHG inventory in 2019 and 2020 only included scope 1 and scope 2, hence the significant difference in 2021.
*Discrepancies between 2019 and 2020 industrial waste and the numbers disclosed in the 2020 Sustainability Report are primarily due to the addition of IC waste and declared weight of computer equipment.

Emissions of Scope 1 and Scope 2 in 2022

Type of GHG	Emission (tCO_2e)	Total Emission (tCO_2e)
CO_2	6.3451	17.3288
CH_4	7.1326	
N_2O	0.1998	
HFCs	3.6513	
SF_6	0	
NF_3	0	
PFCs	0	

7. Employee Welfare

1. Compliance with International Human Rights Norms

ASPEED Technology scrupulously abides by the laws and regulations of each location it operates while following the principles of international human rights conventions, including upholding employees' freedom to form associations and opposing any behaviors that infringe on or violate people's rights. In employment, the Company opposes any form of discrimination. Employees shall not be discriminated against on the basis of their race, age, gender, sexual orientation, disability, maternity, politics, or religion. All employees sign a labor agreement in accordance with the law, and work regulations stipulate that employees' freedom to assemble or form associations shall not be infringed upon, child labor shall not be used, and there shall be no forced labor. These rules protect workers' basic human rights. If a special circumstance arises in Taiwan where the Company must terminate a labor agreement with an employee, the Company prepares and pays severance in accordance with the "Labor Standards Act." In 2023, the Company did not have any incidents of employing child laborers or forced labor, and did not receive any complaints related to human rights, child labor, or forced labor.

2. Employee Care and Communications Channels

Employees are the most valuable resource of ASPEED Technology. We have a high-quality labor force that we provide with comprehensive employee welfare benefits. We care for our employees and their households while supporting their lifestyles. By conscientiously heeding employee opinions, we use communication as a bridge for connecting employees' work with the Company vision. Employees build trust with one another, which encourages joint hard work and continued growth. ASPEED Technology's organizational framework has a linear design that supports internal free flow of opinions and open communications channels. Employees share their opinions at the end of each year in Company satisfaction surveys as well as labor management meetings, digital mailboxes, and through the Employee Welfare Committee. These channels make it easy for employees to share their thoughts with the Company, so that the responsible Company unit can offer a timely response, fostering positive interaction and trust between labor and management. In order to provide employees with a smooth and confidential communications channel and to improve corporate governance, the Company has already completed the whistleblower reporting system in 2023.

Channel	Contents	Frequency
Digital mailbox	Any opinions or topics relating to the Company	Ad Hoc
Labor management meeting	Labor-management relations, labor conditions	Quarterly

Employee welfare committee	Employee welfare topics	Quarterly
Manager discussions	Work performance, goals and plans, career development	Biannual
Employee satisfaction survey	Corporate environment, administrative affairs support, various welfare activities, and open questions about anything else relating to the Company	Yearly
Annual prospect meeting	Company performance and communication of coming year goals、employees feedbacks	Yearly

3. Compensation and Employee Welfare

ASPEED Technology provides employees with an excellent work environment. Using a people oriented management approach, the Company respects employees' autonomy and offers compensation that is competitive on the open market and fair based on internal standards while providing diverse, meaningful benefits that consolidate team spirit, so that we can grow together. In 2021, ASPEED increased the number of guaranteed paid months' salary from 14 months to 15 months, and the structural salary adjustment in 2022 also increased compared to the previous year. The overall salary adjustment system allows employees to practically feel the importance that the Company attaches to talent retention. In 2022, the total amount of employee benefit expenses incurred by ASPEED Technology amounted to NTD522 million, representing a significant increase of 51.54% over the previous year, which showed that we attach great importance to employee benefits. The total remuneration of non-managerial full-time staff was NTD413 million, representing a significant increase of 76% over the previous year. The average salary of non-managerial staff was NTD4.588 million and the average median salary was NTD4.220 million, representing a significant increase of 72% as compared to last year. The average salary of all employees reached NTD4.552 million, ranking the first among the TWSE-Listed Companies and sixth among the TWSE- and TPEx-Listed Companies. Higher salaries do not represent the Company's only policy approach to improving employee benefits. In the future, we will continue to work towards the provision of better all-round welfare for employees by comprehensively improving their compensation and benefits and creating a diversified and inclusive environment.

➢ Designing a Performance-based Compensation System
ASPEED Technology's incentives system was designed to support the Company's operational goals and was formulated based on our employees' duties, professional knowledge and skills, and performance. The Company's employee assessments are 100% individual based, and employee rewards

include the stipulation that at least 8% of the Company's annual profits (if any) shall be distributed to employees as a bonus, which exceeds the standard of distributing at least 1% of annual profits as bonuses that is generally followed by other companies. Salary raises and bonuses shall also reflect employee performance, in order for our compensation system to have a stronger impact on the Company. We want to encourage employees to demonstrate team spirit and show cooperation, so they can find innovative ways to generate more profits to share in the future.

To examine employees' development and work performance results, ASPEED Technology established an employee performance management system. Separate assessments are conducted for new employees during their trial period and all employees for their annual performance review. Every employee who reported before October 31st of the previous year, apart from those on fixed-term contracts, must participate in the performance reviews regardless of gender, age, or work category. Employees' managers and colleagues review goal fulfillment as well as the values and capabilities that employees bring to their future career planning. Together, they reach agreement on key areas of development to make personalized improvement recommendations that support career development planning.

- Birth Incentives/Parental Leave
  In accordance with the "Labor Standards Act," ASPEED Technology's "Worker attendance and leave rules" state that the Company shall not terminate an employee's labor contract when the employee is on parental leave. Female workers qualify for a combined total of 56 days of maternity leave before and after childbirth. An employee may take five days paid leave during a spouse's pregnancy or within 15 days before, after, or on the day of birth (miscarriage). The Staff Welfare Committee provides birth gifts to congratulate the addition of a new member to an employee's family. Employees who need to provide child care can apply for parental leave. Since the Company offers flexible work hours, employees can arrange their schedules in a way that helps them to care for their families.

- Comprehensive Employee Insurance Plan
  Besides enrolling employees in the government-mandated Labor Insurance and National Health Insurance, the Company also provides employees with comprehensive group insurance that covers life, major illness, accident and injury, medical, cancer, and disaster. When employees face an unexpected major illness or accident, they can receive comprehensive medical care, financial support, and economic protection. In 2021, the Company added vaccine insurance to the group insurance plan, so that employees and their families could receive comprehensive health care and financial support in the event of an unpredicted, serious sickness or death. For employees who travel overseas for business, we offer high coverage travel insurance to provide even greater guarantees.

- Retirement Planning

  ASPEED Technology established the "Regulations for Employee Retirement" in accordance with the "Labor Standards Act" and the "Labor Pension Act." Following enactment of the "Labor Pension Act" on July 1st, 2005, all employees adopted the new retirement system. For employees who use the new retirement system, every month the Company deposits 6% of their salary into their personal retirement account at the Bureau of Labor Insurance. We also assist in voluntary submission in accordance with the wishes of each employee.

- Talent Development

  ASPEED Technology is a leading IC design company that has always relied on an innovative R&D team and cooperation with customers to provide the highest quality services and technologies. For talent management, we analyze each position to determine the needed knowledge, techniques, capabilities, and personality characteristics. We then formulate recruitment policies based on required core skills. At the same time, ASPEED Technology regularly holds school recruitment activities to connect and interact with our core targets while promoting the Company's image and expanding our influence. Summer internships, which offer flexible learning opportunities for students and an early experience of life in the workplace, help us to attract top quality talents. We also cooperate with the government by recruiting R&D substitute service members, which provides another steady source of talent for the Company. Besides active recruitment of new employees, ASPEED Technology cultivates internal talent. The Company consolidates internal and external resources to build a diverse, rich learning environment that favors continuing learning. Through training and results-based mechanisms, we help employees and managers to examine past performance then use their insights to establish future work objectives and development guidelines. These become a foundation for learning development. We place great importance on employees' long-term career planning. By helping employees to open new directions of development and tap their individual potential, we help our employees to grow with the Company.

  - New Employee Training: Designed to meet each department's requirements, ASPEED Technology introduced a senior mentor program for new employees. The program provides basic training and employment guidance to assist new employees in quickly adapting to the team.
  - General Training: Skills training that embodies the core values of the Company and teaches employees knowledge they will routinely need in their everyday work and lives. Includes training required by government regulations and professional skills that employees must

possess. Besides professional skills and classes, the Company considers general training classes that are needed as part of continuing education.

- Professional Skill Training: Identify the professional training needs of each department then provide to employees to strengthen their professional skills.
- Management Skill Training: For employees with management potential, the Company provides training courses to build management thinking, cultivate strategic analysis, and foster organizational planning capabilities. Our objective is continuity of organizational development and team operations.
- Celebrity Lectures: A series of lectures planned to provide opportunities for employees to hear from top thought leaders in various fields to broaden their horizons and inspire new thinking.
- Workshops: Through experiential learning, employees join situational activities to learn how to incorporate business management theory into their regular work, leading to higher quality, better results.
- Self-study and Development: We offers an open, diversified study platform for employees to access professional online courses that can raise their professional skills. The Company also fully subsidizes tuition for external training courses.

8. Social Participation

Besides focusing on core operations, every year ASPEED Technology contributes towards social participation so that we can give back to the community. Our focus has always been on disadvantaged people and rural communities. The Company cooperates with first-rate universities to keep top professors in Taiwan and encourages students to focus on academic research. We aim to fulfill our role as a corporate advisor that provides direction for students engaged in life planning. In 2021, besides providing manpower and resources, the Company contributed close to NTD10.7577 million towards social causes, and in the future we will continue working to fulfill our social objectives.

Infusing Resources into Rural Education

In ten years since 2013, ASPEED has invested in hardware and software resources for disadvantaged rural areas. In 2022, we continued to cooperate with Global Views Educational Foundation to organize the “Sow the Seeds of Reading to Give Children a Great Future” activity for the eighth consecutive year by donating monthly periodicals to the elementary schools to junior high schools in the Taitung area. This project has received enthusiastic feedback from students every year. By 2022, we have made donations to a total of 17 rural areas and 84 schools in the Taitung area, with more than 17,000 copies of periodicals benefiting 20,000 students. In addition to books and magazines donation, in response to the high turnover of teachers in remote areas, ASPEED Technology is cooperating with

Education Support for Taiwan to donate funds in implementing the "Support Program for Teachers without Teaching Certificate", with an aim to nurturing non-certified substitute teachers in resource-poor areas, alleviating the plight of non-certified teachers in Taitung, and providing students in remote areas with stable and quality teaching. We believe that education is the foundation of everything. In the future, ASPEED Technology will continue to invest in rural education to shorten the education gap between urban and rural areas.

Strengthening the Cultivation of Young Students
In 2020, ASPEED Technology set the mid-to-long-term social corporate responsible target as "Assist higher education and strengthen the cultivation of young students." ASPEED Technology selected the nearby National Yang Ming Chiao Tung University and National Tsing Hua University gradually invest educational resources including:

1. **ASPEED Technology's "Junior Chair Professor" Sponsorship Program**: The program is contributing approximately NTD11.52 million over four years to sponsor junior chair professors at National Yang Ming Chiao Tung University and National Tsing Hua University. The program recruits talented individuals and provides monthly subsidies, which supports the local higher education environment by helping schools to keep talented teachers in Taiwan. When connections exist between the young professors' R&D plans and ASPEED Technology's business, the Company promotes further interaction. In 2022, this program sponsored 6 professors from 2 universities, who taught at the Department of Chemistry, Institute of Service Science and Institute of Electronics Engineering at National Tsing Hua University, as well as the School of Law, Department of Electronics and Electrical Engineering, and Department of Management Science at National Yang Ming Chiao Tung University. Their R&D areas include electronics and electrical engineering, chemistry, marketing and legal patents.
2. **National Tsing Hua University Sunrise Scholarship Program:** The program provides financial support to underprivileged students. Over the course of four years the Company is contributing NTD1.6 million, providing aid to a total of four underprivileged students in 2023 to let them study without facing financial concerns.
3. **Academic Exchange**: We offer a series of speeches, lectures, and course planning for both schools. One aim of the program is to promote our brand as an employer among young adults who will soon enter the workforce, in order to support future recruitment. In this way the program supports the Company's internal core talent development program and talent cultivation.
4. **Sustainable Influence Program for Diverse Technology Talents:** Talent is the critical resource for the development of semiconductor industry. ASPEED Technology recognizes that talent development is a critical part of ESG. Therefore, actively recruit technology talent is

the key point of how ASPEED Technology maintain market dominating position. Considering the current gender imbalance in the semiconductor technology talent market, notably that the pool of women in technology is insufficient, ASPEED Technology formulated a Sustainable Influence Program for Diverse Technology Talents in 2022. Through face-to-face discussions with stakeholders, the ESG value, future pathway and the resources that invest in sustainability, diversity, and inclusion, as well as the development of women in technology of ASPEED Technology will be linked to industrial topics. In 2022, two workshops on sustainable talents were held, at which a total of 8 volunteers, who were students from the College of Education at National Tsing Hua University and employees at ASPEED Technology, showing interest in working on this project were invited to join the discussion and work out the “Women in Technology and Tsinghua STEAM School Education Development Project”. Projected investment of funds and volunteer resources will commence in 2023. By leveraging the core technological expertise of ASPEED Technology and the sharing of volunteer engineers, together with the academic resources of the National Tsing Hua University’s College of Education, we aim to launch relevant impactful activities targeting high school females. We hope this will inspire potential female talents to develop an interest and ability in the field of technology and the project will be continued and expanded to more schools in the future. Furthermore, ASPEED Technology will use the Social Return on Investment (SROI) to plan, evaluate, record the impact of social participation and quantify the impact, as a performance indicator for future social participation.

VII. Financial Information

1. Financial Status

(1) Condensed Balance Sheet

a. Condensed Balance Sheet－IFRS (Consolidated)

Unit: NT$1,000

Account Title / Year		Financial Information for the last five years				
		2019	2020	2021	2022	2023
Current assets		2,316,234	2,675,184	3,508,766	4,779,142	3,423,2842
Investment accounted for under equity method		－	－	－	－	－
Property, plant, and equipment		123,198	143,889	188,622	217,562	197,931
Investment property		－	－	－	－	－
Right-of-use assets		110,675	89,749	63,909	41,879	28,294
Intangible assets		811,085	748,292	641,677	757,042	619,713
Other assets		57,702	53,518	70,982	58,436	135,287
Total assets		3,418,894	3,710,632	4,556,682	5,926,954	4,544,469
Current liabilities	before distribution	636,265	589,596	931,197	1,384,763	679,541
	after distribution	1,389,211	1,481,800	2,133,624	3,086,694	1,435,955
Non-current liabilities		79,453	149,243	79,279	54,440	30,733
Total liabilities	before distribution	785,508	706,954	1,010,476	1,439,203	710,274
	after distribution	1,538,454	1,599,158	2,212,903	3,141,134	1,466,688
Equity attributable to owners of the parent		2,633,386	3,003,678	3,546,206	4,487,751	3,834,195
Capital		341,848	343,200	343,694	378,207	378,207
Capital surplus		1,145,044	1,273,540	1,371,130	1,539,778	1,539,778
Retained earnings	before distribution	1,181,087	1,432,830	1,853,551	2,634,467	1,939,346
	after distribution	428,141	504,626	651,124	932,536	1,182,932
Other equity		(34,593)	(45,892)	(22,169)	(64,701)	(23,136)
Treasury shares		－	－	－	－	－
Non-controlling interests		－	－	－	－	－
Total equity	before distribution	2,633,386	3,003,678	4,487,751	3,546,206	3,834,195
	after distribution	1,880,440	2,111,474	2,785,820	2,343,779	3,077,781

Note: The 2023 earnings distribution proposal was approved in the Board meeting on March 11, 2024.

b. Condensed Balance Sheet－IFRS (Parent Company Only)

Unit: NT$1,000

Account Title \ Year		Financial Information for the last five years				
		2019	2020	2021	2022	2023
Current assets		2,279,842	2,634,495	3,467,566	4,738,589	3,337,861
Investment accounted for under equity method		42,372	42,953	43,508	50,172	63,671
Property, plant, and equipment		122,691	143,664	188,523	217,496	196,822
Investment property		—	—	—	—	—
Right-of-use assets		98,690	81,399	58,745	39,423	19,687
Intangible assets		804,275	743,578	639,058	756,518	388,727
Other assets		51,102	46,114	62,045	46,064	116,420
Total assets		3,398,972	3,692,203	4,542,131	5,921,155	4,457,520
Current liabilities	before distribution	625,420	576,621	918,813	1,378,964	599,316
	after distribution	1,378,366	1,468,825	2,121,240	3,080,895	1,355,730
Non-current liabilities		140,166	111,904	77,112	54,440	24,009
Total liabilities	before distribution	765,586	688,525	995,925	1,433,404	623,325
	after distribution	1,518,532	1,580,729	2,198,352	3,135,335	1,379,739
Equity attributable to owners of the parent		2,633,386	3,003,678	3,546,206	4,487,751	3,834,195
Capital		341,848	343,200	343,694	378,207	378,207
Capital surplus		1,145,044	1,273,540	1,371,130	1,539,778	1,539,778
Retained earnings	before distribution	1,181,087	1,432,830	1,853,551	2,634,467	1,939,346
	after distribution	428,141	540,626	651,124	932,536	1,182,932
Other equity		(34,593)	(45,892)	(22,169)	(64,701)	(23,136)
Treasury shares		—	—	—	—	—
Non-controlling interests		—	—	—	—	—
Total equity	before distribution	2,633,386	3,003,678	3,546,206	4,487,751	3,834,195
	after distribution	1,880,440	2,111,474	2,343,779	2,785,820	3,077,781

Note: The 2023 earnings distribution proposal was approved in the Board meeting on March 11, 2024.

(2) Condensed Statement of Comprehensive Income

a. Condensed Statement of Comprehensive Income－IFRS(Consolidated)

Unit: NT$1,000

Year / Account Title	Financial information over the last five years				
	2019	2020	2021	2022	2023
Operating revenues	2,484,295	3,063,552	3,637,632	5,210,128	3,130,395
Gross profit	1,571,047	1,935,854	2,375,558	3,391,152	2,007,918
Operating Gain (loss)	1,008,389	1,270,781	1,652,380	2,448,927	1,079,608
Non-operating income and expenses	2,178	(43,733)	(42,303)	165,995	115,349
Income before income tax	1,010,567	1,227,048	1,610,077	2,614,922	1,194,957
Earnings from continuing operations	831,185	1,004,689	1,312,925	2,105,614	1,006,810
Profit or loss of discontinued operations	—	—	—	—	—
Net income	831,185	1,004,689	1,312,925	2,105,614	1,006,810
Other comprehensive income	(1,097)	(1,995)	(1,167)	3,366	(239)
Total comprehensive income	830,088	1,002,694	1,311,758	2,108,980	1,006,571
Net income attributable to owners of the Company	831,185	1,004,689	1,312,925	2,105,614	1,006,810
Net income attributable to non-controlling interest	—	—	—	—	—
Total comprehensive income attributable to owners of the Company	830,088	1,002,694	1,311,758	2,108,980	1,006,571
Total comprehensive income attributable to non-controlling interest	—	—	—	—	—
EPS	24.39	29.38	38.30	55.72	26.66

b. Condensed Statement of Comprehensive Income－IFRS
(Parent Company only)

Unit: NT$1,000

Account Title \ Year	Financial information over the last five years				
	2019	2020	2021	2022	2023
Operating revenues	2,484,295	3,063,552	3,637,632	5,210,126	3,111,079
Gross profit	1,571,047	1,935,854	2,375,558	3,391,150	2,001,918
Operating Gain (loss)	1,002,748	1,267,706	1,650,170	2,441,244	1,071,163
Non-operating income and expenses	7,768	(40,913)	(40,403)	173,870	127,464
Income before income tax	1,010,516	1,226,793	1,609,767	2,615,114	1,198,627
Earnings from continuing operations	831,185	1,004,689	1,312,925	2,105,614	1,006,810
Profit or loss of discontinued operations	—	—	—	—	—
Net income	831,185	1,004,689	1,312,925	2,105,614	1,006,810
Other comprehensive income	(1,097)	(1,995)	(1,167)	3,366	(239)
Total comprehensive income	830,088	1,002,694	1,311,758	2,108,980	1,006,571
Net income attributable to owners of the Company	831,185	1,004,689	1,312,925	2,105,614	1,006,810
Net income attributable to non-controlling interest	—	—	—	—	—
Total comprehensive income attributable to owners of the Company	830,088	1,002,694	1,311,758	2,108,980	1,006,571
Total comprehensive income attributable to non-controlling interest	—	—	—	—	—
EPS	24.39	29.38	38.30	55.72	26.66

Note: The financial statements were prepared under IFRS and audited.

(3) Information on CPAs and Auditors' Opinions

a. Information on CPAs and Auditors' Opinion

Year	Name of auditors (CPA)	CPA firm	Auditors' opinion
2019	Ming-Hui Chen and I-Hsin Kao	Deloitte & Touche	Unqualified opinion
2020	Ming-Hui Chen and I-Hsin Kao	Deloitte & Touche	Unqualified opinion
2021	Ming-Yuan Chung and I-Hsin Kao	Deloitte & Touche	Unqualified opinion
2022	Ming-Yuan Chung and Hsin-Tung Lin	Deloitte & Touche	Unqualified opinion
2023	Ming-Yuan Chung and Hsin-Tung Lin	Deloitte & Touche	Unqualified opinion

b. Reason for replacement of accountants in the most recent five years:
Due to internal adjustments of the accounting firm.

2. Five-Year Financial Analysis

(1) Financial analysis

a. Five-Year Financial Analysis－IFRS (Consolidated)

Analysis item / Year		Financial information from 2019 to 2023				
		2019	2020	2021	2022	2023
Capital Structure (%)	Debt ratio	22.97	19.05	22.17	24.28	15.62
	Long-term capital to Property , plant, and equipment ratio	2,258.66	2,169.05	1,921.68	2,087.76	1,952.66
Ability to repay debts	Current ratio %	364.03	453.73	376.80	345.12	503.76
	Quick ratio %	349.05	410.33	358.83	314.72	454.67
	Times Interest Earned(Times)	543.15	355.84	493.98	681.79	123.63
Operation ability	A/R turnover (times)	4.82	5.35	5.41	5.76	3.69
	A/R collection days	75.72	68.22	67.46	63.36	98.91
	Inventory turnover (times)	8.26	9.08	7.80	6.52	3.17
	A/P turnover (times)	8.73	8.79	6.92	6.52	4.01
	Inventory turnover days	44.18	40.19	46.79	55.98	115.14
	Property , plant, and equipment ratio turnover rate (times)	23.88	22.94	21.87	25.65	15.06
	Total assets turnover rate (times)	0.79	0.85	0.88	0.99	0.59
Profitability	Return on assets (%)	26.63	28.26	31.82	43.75	22.29
	Return on equity attributable to shareholders of the parent (%)	33.50	35.64	40.09	52.41	24.19
	EBIT proportion to paid-in capital (%)	295.61	357.53	468.46	691.39	315.95
	Net profit margin (%)	33.45	32.79	36.09	40.41	32.16
	Basic earnings per share (NT$)	24.39	29.38	38.30	55.72	26.66
Cash flow	Cash flow ratio (%)	157.36	199.57	181.25	166.78	76.34
	Cash flow adequacy ratio (%)	140.82	133.22	140.62	138.64	108.68
	Cash reinvestment ratio (%)	20.67	18.15	27.45	29.04	36.98
Leverage	Operation leverage	2.46	2.41	2.20	2.12	2.89
	Financial leverage	1	1	1	1	1

Changes in financial ratios that exceed 20% in the past two years:

1. Decrease in Debt ratio: Due to decrease in Trade payables ,accrued compensation of employees and remuneration of directors and Other payables.
2. Increase in Current ratio: Due to decrease in current liabilities.
3. Increase in Quick ratio: Due to decrease in current liabilities.
4. Decrease in Times Interest Earned: Due to decrease in revenue and profit.
5. Decrease in A/R turnover: Due to decrease in revenue and profit.
6. Increase in A/R collection days: Due to decrease in revenue and profit.
7. Decrease in Inventory turnover: Due to decrease in revenue and profit.

8. Decrease in A/P turnove: Due to decrease in revenue and profit.
9. Decrease in Inventory turnover days: Due to decrease in revenue and profit.
10. Decrease in Property , plant, and equipment ratio turnover rate: Due to decrease in revenue and profit.
11. Decrease in Total assets turnover rate: Due to decrease in revenue and profit.
12. Decrease in Return on assets: Due to decrease in revenue and profit.
13. Decrease in Return on equity attributable to shareholders of the parent: Due to decrease in revenue and profit.
14. Decrease in EBIT proportion to paid-in capital: Due to decrease in revenue and profit
15. Decrease in Net profit margin: Due to decrease in revenue and profit
16. Decrease in Basic earnings per share (NT$): Due to decrease in revenue and profit
17. Decrease in Cash flow ratio: Due to decrease in net cash generated from operating activities.
18. Decrease in Cash flow adequacy ratio: Due to increase in repayment of the principal portion of lease liabilities cash dividends.
19. Decrease in Cash reinvestment ratio: Due to decrease in net cash generated from operating activities.
20. Decrease in Operation leverage: Due to decrease in revenue and profit

Note 1:The financial statements for each year above were certified by the accountant.

Note 2:The formula for financial analysis is as follows:

1. Capital structure
   (1) Debt-ratio = Total liabilities / Total assets.
   (2) Long-term capital to Property, plant, and equipment ratio= (Shareholders' equity + long-term liabilities)/ net fixed assets
2. Ability to repay debts
   (1) Current ratio = current assets / current liabilities.
   (2) Quick ratio = (current assets - inventory - prepayments) / current liabilities.
   (3) Times interest earned (times) = EBIT/interest expense for the current period
3. Operating ability
   (1) A/R (including account receivable and business notes receivable) turnover times= net sales / average balance of receivables (including account receivable and business notes receivable)
   (2) Average A/R turnover days = 365 / A/R turnover times
   (3) Inventory turnover = cost of goods sold/ average inventory balance
   (4) A/P turnover (including account payable and business notes payable) = cost of goods sold/average balance of payables (including account payable and business notes payable)
   (5) Inventory turnover days = 365/ inventory turnover times
   (6) Property, plant, and equipment ratio turnover = net sales/ net fixed assets
   (7) Total assets turnover = net sales/ total assets
4. Profitability
   (1) Return on assets = [Earnings + interest expenses x (1 – tax rate)]/average total assets
   (2) Return on shareholders' equity = Earnings/ net average shareholders' equity
   (3) Net profit margin= Earnings /net sales

(4) Earning per share = (earning –preferred stock dividend)/weighed average outstanding shares

5. Cash flows
   (1) Cash ratio = net cash flow from operation/ current liabilities
   (2) Cash flow adequacy ratio = net cash flow from operation over the last five years/ (capital spending + increase in inventory+ cash dividend) in the last five years
   (3) Cash reinvestment ratio = (net cash flow from operation – cash dividend)/ (gross fixed assets + long-term investment+ other assets + working capital)
6. Leverage:
   (1) Operating leverage = (net income from operation – variable operating cost and expenses)/ income from operation
   (2) Financial leverage = income from operation/ (income from operation – interest expenses)

b. Five-Year Financial analysis－IFRS (Parent Company only)

Analysis item		Financial information from 2019 to 2023				
	Year	2019	2020	2021	2022	2023
Capital Structure (%)	Debt ratio	22.52	18.64	21.92	24.20	13.98
	Long-term capital to Property, plant, and equipment ratio	2,260.59	2,168.65	1,921.95	2,088.40	1,960.25
Ability to repay debts	Current ratio %	364.52	456.88	377.39	343.63	556.94
	Quick ratio %	349.38	412.76	359.19	313.11	505.19
	Times Interest Earned(Times)	562.70	311.57	515.96	696.87	124.85
Operation ability	A/R turnover (times)	4.82	5.35	5.41	5.76	3.67
	A/R collection days	75.72	68.22	67.46	63.36	99.45
	Inventory turnover (times)	8.26	9.08	7.80	6.52	3.24
	A/P turnover (times)	8.73	8.79	6.92	6.25	4.41
	Inventory turnover days	44.18	40.19	46.79	55.98	112.65
	Property , plant, and equipment ratio turnover rate (times)	24.00	23.00	21.90	25.66	15.01
	Total assets turnover rate (times)	0.79	0.86	0.88	0.99	0.59
Profitability	Return on assets (%)	26.75	28.40	31.94	40.30	19.55
	Return on equity attributable to shareholders of the parent (%)	33.49	35.64	40.09	52.41	24.19
	EBIT proportion to paid-in capital (%)	293.33	369.37	480.12	645.47	283.22
	Net profit margin (%)	33.45	32.79	36.09	40.41	32.36
	Basic earnings per share (NT$)	24.39	29.38	38.29	55.71	26.65
Cash flow	Cash flow ratio (%)	158.42	202.70	183.15	167.46	76.57
	Cash flow adequacy ratio (%)	142.20	103.33	141.20	138.95	110.33
	Cash reinvestment ratio (%)	20.42	18.04	27.56	29.31	38.94
Leverage	Operation leverage	2.47	2.41	2.20	2.13	2.9
	Financial leverage	1	1	1	1	1

Changes in financial ratios that exceed 20% in the past two years:

1. Decrease in Debt ratio: Due to decrease in Trade payables ,accrued compensation of employees and remuneration of directors and Other payables.
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20. Decrease in Operation leverage: Due to decrease in revenue and profit

Note 1:The financial statements for each year above were certified by the accountant.
Note 2:The formula for financial analysis is as follows:

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2. Ability to repay debts
   (1) Current ratio = current assets / current liabilities.
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   (1) A/R (including account receivable and business notes receivable) turnover times= net sales / average balance of receivables (including account receivable and business notes receivable)
   (2) Average A/R turnover days = 365 / A/R turnover times
   (3) Inventory turnover = cost of goods sold/ average inventory balance
   (4) A/P turnover (including account payable and business notes payable) = cost of goods sold/average balance of payables (including account payable and business notes payable)
   (5) Inventory turnover days = 365/ inventory turnover times
   (6) Property, plant, and equipment ratio turnover = net sales/ net fixed assets
   (7) Total assets turnover = net sales/ total assets
4. Profitability
   (1) Return on assets = [Earnings + interest expenses x (1 – tax rate)]/average total assets
   (2) Return on shareholders' equity = Earnings/ net average shareholders' equity
   (3) Net profit margin= Earnings /net sales
   (4) Earning per share = (earning –preferred stock dividend)/weighed average outstanding shares

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   (1) Cash ratio = net cash flow from operation/ current liabilities
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   (3) Cash reinvestment ratio = (net cash flow from operation – cash dividend)/ (gross fixed assets + long-term investment+ other assets + working capital)
6. Leverage:
   (1) Operating leverage = (net income from operation – variable operating cost and expenses)/ income from operation
   (2) Financial leverage = income from operation/ (income from operation – interest expenses)

ASPEED Technology Inc.

Audit Committee’s Review Report

The Board of Directors has prepared the Company's 2023 Business Report, Financial Statements, and proposal for allocation of earnings. The CPA firm of Deloitte & Touche was retained to audit ASPEED's Financial Statements and has issued an audit report relating to the Financial Statements. The Business Report, Financial Statements, and earnings allocation proposal have been reviewed and determined to be correct and accurate by the Audit Committee members of ASPEED Technology Inc. According to relevant requirements of the Securities and Exchange Act and the Company Law, we hereby submit this report.

ASPEED Technology Inc.

Chairman of the Audit Committee: Chyan Yang

Deloitte.

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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
ASPEED Technology Inc.

Opinion

We have audited the accompanying consolidated financial statements of ASPEED Technology Inc. and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters identified in the Group's consolidated financial statements for the year ended December 31, 2023 are stated as follows:

Recognition of revenue

The Group operates principally as a supplier of multimedia integrated circuits (ICs) and computer-oriented ICs. For the year ended December 31, 2023, the Group recognized revenue of NT$3,130,395 thousand, which decreased by 40% compared with that of last year. Refer to Note 22 for related information. Due to the decreasing market demand for remote server management systems, the significant changes in the amount of the Group's operating revenue in recent years have had a significant impact on the consolidated financial statements for the year ended December 31, 2023. For customers whose sales trends were different, we considered the existence and occurrence of sales as key audit matters for the current period.

The audit procedures that we performed included, but were not limited to, the following: We evaluated the appropriateness of the Company's accounting policies relating to revenue recognition. We obtained an understanding of the internal controls over the approval of sales orders and shipping. We tested the effectiveness of those internal controls and selected samples of sales documents to verify the authenticity of the sales by inspecting sales details, including cash collections in the audited period and the subsequent period. Moreover, we checked for abnormalities between the recorded sales and cash received.

Other Matter

We have also audited the parent company only financial statements of ASPEED Technology Inc. as of and for the years ended December 31, 2023 and 2022 on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Ming Yuan Chung and Lin Hsin-Tung.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 11, 2024

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

ASPEED TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

ASSETS	2023 Amount	2023 %	2022 Amount	2022 %
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	$ 1,611,530	35	$ 2,828,958	48
Financial assets at fair value through profit or loss - current (Note 7)	372,789	8	527,067	9
Trade receivables, net (Notes 9 and 22)	716,066	16	979,728	16
Current tax assets (Note 24)	15,648	-	-	-
Inventories (Notes 5 and 10)	306,028	7	400,392	7
Prepayments and other current assets (Note 16)	401,223	9	42,997	1
Total current assets	3,423,284	75	4,779,142	81
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Note 7)	77,856	2	72,893	1
Financial assets at fair value through other comprehensive income - non-current (Note 8)	62,104	1	-	-
Property, plant and equipment (Note 12)	197,931	4	217,562	4
Right-of-use assets (Note 13)	28,294	1	41,879	1
Goodwill (Notes 5 and 14)	369,040	8	369,040	6
Other intangible assets, net (Note 15)	250,673	6	388,002	6
Deferred tax assets (Note 24)	42,478	1	44,881	1
Refundable deposits (Note 16)	9,063	-	10,405	-
Other non-current assets (Note 16)	83,746	2	3,150	-
Total non-current assets	1,121,185	25	1,147,812	19
TOTAL	$ 4,544,469	100	$ 5,926,954	100

LIABILITIES AND EQUITY	2023 Amount	2023 %	2022 Amount	2022 %
CURRENT LIABILITIES				
Trade payables (Note 17)	$ 241,913	5	$ 317,324	5
Accrued compensation of employees and remuneration of directors (Note 23)	226,599	5	258,638	4
Other payables (Note 18)	86,442	2	282,949	5
Current tax liabilities (Note 24)	198	-	378,402	6
Provisions - current (Note 19)	52,487	1	49,634	1
Lease liabilities - current (Note 13)	19,510	1	25,120	1
Other current liabilities (Notes 18 and 22)	52,392	1	72,696	1
Total current liabilities	679,541	15	1,384,763	23
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Note 24)	15,769	1	33,097	1
Lease liabilities - non-current (Note 13)	8,517	-	14,896	-
Provisions - non-current (Note 19)	6,447	-	6,447	-
Total non-current liabilities	30,733	1	54,440	1
Total liabilities	710,274	16	1,439,203	24
SHAREHOLDERS' EQUITY (Note 21)				
Capital				
Share capital	378,207	8	378,207	6
Capital surplus	1,539,778	34	1,539,778	26
Retained earnings				
Legal reserve	799,954	18	601,620	10
Special reserve	64,701	1	22,169	1
Unappropriated earnings	1,074,691	24	2,010,678	34
Total retained earnings	1,939,346	43	2,634,467	45
Other equity	(23,136)	(1)	(64,701)	(1)
Total equity	3,834,195	84	4,487,751	76
TOTAL	$ 4,544,469	100	$ 5,926,954	100

The accompanying notes are an integral part of the consolidated financial statements.

ASPEED TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE (Notes 22 and 32)				
Sales	$ 3,122,902	100	$ 5,209,154	100
Other operating revenue	7,493	-	974	-
Total operating revenue	3,130,395	100	5,210,128	100
OPERATING COSTS (Notes 9 and 23)	1,122,477	36	1,818,976	35
GROSS PROFIT	2,007,918	64	3,391,152	65
OPERATING EXPENSES (Note 23)				
Selling and marketing expenses	82,634	3	95,039	2
General and administrative expenses	212,670	7	219,443	4
Research and development expenses	633,006	20	627,743	12
Total operating expenses	928,310	30	942,225	18
INCOME FROM OPERATIONS	1,079,608	34	2,448,927	47
NON-OPERATING INCOME AND EXPENSES (Note 23)				
Interest income	82,513	3	31,572	1
Other income	5,405	-	5,631	-
Other gains and losses	37,175	1	132,633	2
Finance costs	(9,744)	-	(3,841)	-
Total non-operating income and expenses, net	115,349	4	165,995	3
INCOME BEFORE INCOME TAX FROM CONTINUING OPERATIONS	1,194,957	38	2,614,922	50
INCOME TAX EXPENSE (Note 24)	188,147	6	509,308	10
NET INCOME FOR THE YEAR	1,006,810	32	2,105,614	40
OTHER COMPREHENSIVE (LOSS) INCOME				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	(239)	-	3,366	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 1,006,571	32	$ 2,108,980	40

(Continued)

ASPEED TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	**%**	**Amount**	**%**
NET INCOME ATTRIBUTABLE TO:				
Owners of the Company	$ 1,006,810	32	$ 2,105,614	40
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	$ 1,006,571	32	$ 2,108,980	40
EARNINGS PER SHARE (Note 25)				
Basic	$ 26.66		$ 55.72	
Diluted	$ 26.60		$ 55.35	

The accompanying notes are an integral part of the consolidated financial statements. (Concluded)

ASPEED TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

	Share Capital - Ordinary Shares			Retained Earnings			Other Equity			
	Shares (In Thousands)	Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Employee Unearned Compensation	Exchange Differences on Translation of the Financial Statements of Foreign Operation	Treasury Shares	Total Equity
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 prior year's earnings										
Legal reserve	-	-	-	131,292	-	(131,292)	-	-	-	-
Reversal of special reserve	-	-	-	-	(23,722)	23,722	-	-	-	-
Cash dividends to shareholders - NT$35.00 per share	-	-	-	-	-	(1,202,427)	-	-	-	(1,202,427)
Issued of common shares from shares capital surplus - Record date: July 4, 2022	3,436	34,355	(34,355)	-	-	-	-	-	-	-
Net income for the year ended December 31, 2022	-	-	-	-	-	2,105,614	-	-	-	2,105,614
Other comprehensive income after tax	-	-	-	-	-	-	-	3,366	-	3,366
Comprehensive income for the year ended December 31, 2022	-	-	-	-	-	2,105,614	-	3,366	-	2,108,980
Employee share bonus - Record date: August 9, 2022	52	525	140,992	-	-	-	-	-	-	141,517
Issuance of restricted shares under employees share options on August 8, 2022	44	440	78,540	-	-	-	(78,980)	-	-	-
Cancellation of restricted shares under employees share options on March 7, 2022	(14)	(143)	(9,252)	-	-	-	9,395	-	-	-
Cancellation of restricted shares under employees share options on November 7, 2022	(6)	(64)	(4,998)	-	-	-	5,062	-	-	-
Compensation cost of restricted shares for employees	-	-	-	-	-	-	18,625	-	-	18,625
Buy-back of treasury shares	-	-	-	-	-	-	-	-	(125,150)	(125,150)
Retirement of treasury shares	(60)	(600)	(2,279)	-	-	(122,271)	-	-	125,150	-
BALANCE AT DECEMBER 31, 2022	37,821	378,207	1,539,778	601,620	22,169	2,010,678	(62,683)	(2,018)	-	4,487,751
Appropriations of prior year's earnings										
Legal reserve	-	-	-	198,334	-	(198,334)	-	-	-	-
Special reserve	-	-	-	-	42,532	(42,532)	-	-	-	-
Cash dividends to shareholders - NT$45.00 per share	-	-	-	-	-	(1,701,931)	-	-	-	(1,701,931)
Net income for the year ended December 31, 2023	-	-	-	-	-	1,006,810	-	-	-	1,006,810
Other comprehensive income after tax	-	-	-	-	-	-	-	(239)	-	(239)
Comprehensive income for the year ended December 31, 2023	-	-	-	-	-	1,006,810	-	(239)	-	1,006,571
Compensation cost of restricted shares for employees	-	-	-	-	-	-	41,804	-	-	41,804
BALANCE AT DECEMBER 31, 2023	37,821	$ 378,207	$ 1,539,778	$ 799,954	$ 64,701	$ 1,074,691	$ (20,879)	$ (2,257)	$ -	$ 3,834,195

The accompanying notes are an integral part of the consolidated financial statements.

ASPEED TECHNOLOGY INC. AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 1,194,957	$ 2,614,922
Adjustments for:		
Depreciation expense	127,703	104,915
Amortization expense	178,088	135,396
Net (gain) loss on fair value changes of financial assets designated as at fair value through profit or loss	(36,398)	32,965
Finance costs	9,744	3,841
Interest income	(82,513)	(31,572)
Compensation cost of employee restricted shares	41,804	18,625
Loss (gain) on disposal of financial assets	8,993	26,713
Write-down (reversal) of inventories	551	24,231
Net loss (gain) on foreign currency exchange	24,021	(59,251)
Loss on disposal of Inventories	-	6,569
Recognition of provisions	2,853	9,948
Changes in operating assets and liabilities:		
Trade receivables	251,606	(163,473)
Inventories	93,813	(273,679)
Prepayments and other current assets	(361,950)	(29,692)
Trade payables	(72,947)	56,799
Other payables	(206,347)	22,492
Other current liabilities	(17,725)	(77,361)
Payables for compensation of employees and remuneration of directors	(32,039)	240,947
Cash generated from operations	1,124,214	2,663,335
Interest paid	(9,744)	(3,841)
Income taxes paid	(595,698)	(349,860)
Net cash generated from operating activities	518,772	2,309,634
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(62,104)	-
Purchase of financial assets at fair value through profit or loss	(131,042)	(101,160)
Proceeds from sale of financial assets at fair value through profit or loss	307,758	56,319
Increase in other prepayments	(46,170)	-
Payments for property, plant and equipment	(82,612)	(120,385)
Decrease in refundable deposits	1,342	6
Payments for intangible assets	(38,094)	(41,113)
Increase in prepayments for intangible assets	(31,332)	-
Interest received	81,852	31,338
Net cash used in investing activities	(402)	(174,995)

(Continued)

ASPEED TECHNOLOGY INC. AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of the principal portion of lease liabilities	$ (26,109)	$ (25,681)
Cash dividends	(1,701,931)	(1,202,427)
Payments for buy-back of treasury shares	-	(125,150)
Net cash used in financing activities	(1,728,040)	(1,353,258)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	(7,758)	70,129
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(1,217,428)	851,510
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	2,828,958	1,977,448
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 1,611,530	$ 2,828,958

The accompanying notes are an integral part of the consolidated financial statements.

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

ASPEED Technology Inc. (the "Company") was approved by the Ministry of Economic Affairs for establishment on November 15, 2004. The Company is mainly engaged in the manufacturing of electronic products, wholesale of information software, retail and service industry, international trade, intellectual property, product design, and other industrial and commercial services. The Company's shares have been traded on the Taipei Exchange since April 30, 2013.

The financial statements are presented in the Company's functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company's board of directors on March 11, 2024.

● 3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRS Accounting Standards") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have a material impact on the Group's accounting policies.

b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2024

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 16 "Leases Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024
Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"	January 1, 2024 (Note 3)

Note 1: Unless stated otherwise, the above IFRS Accounting Standards will be effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

Note 3: The amendments provide some transition relief regarding disclosure requirements.

As of the date the consolidated financial statements were authorized for issue, the Group has assessed that the application of other standards and interpretations will not have a material impact on the Group's financial position and financial performance.

c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 2)

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, the entity recognizes any effect as an adjustment to the opening balance of retained earnings. When the entity uses a presentation currency other than its functional currency, it shall, at the date of initial application, recognize any effect as an adjustment to the cumulative amount of translation differences in equity.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of other standards and interpretations on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICY

For the convenience of readers, the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language consolidated financial statements shall prevail.

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS Accounting Standards as endorsed and issued into effect by the FSC.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

3) Level 3 inputs are unobservable inputs for an asset or liability.

c. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and

3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

Refer to Notes 11 and 32 for the detailed information of subsidiaries (including the percentage of ownership and main business).

e. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. Acquisition-related costs are generally recognized in profit or loss as they are incurred.

Goodwill is measured as the excess of the sum of the consideration transferred and the fair value of the acquirer's previously held equity interests in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

f. Foreign currencies

In preparing the financial statements of each individual entity, transactions in currencies other than the entity's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income; in which cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

For the purpose of presenting consolidated financial statements, the functional currencies of the Company and its foreign operations (including subsidiaries that use currency different from the currency of the Company) are translated into the presentation currency - the New Taiwan dollar as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income (attributed to the owners of the Company and non-controlling interests as appropriate).

g. Inventories

Inventories consist of work-in-process and finished goods are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. Net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at standard cost and adjusted to approximate weighted-average cost on the balance sheet date.

h. Property, plant, and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation.

Depreciation on property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

i. Goodwill

Goodwill arising from the acquisition of a business is measured at cost as established at the date of acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units (referred to as "cash-generating units") that are expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently whenever there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then pro rata to the other assets of the unit based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. Any impairment loss recognized for goodwill is not reversed in subsequent periods.

If goodwill has been allocated to a cash-generating unit and the Group disposes of an operation within that unit, the goodwill associated with the operation which is disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal and is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

j. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization. Amortization is recognized on a straight-line basis. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in the estimate accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

2) Internally-generated intangible assets - research and development expenditure

Expenditure on research activities is recognized as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from the development phase of an internal project is recognized if, and only if, all of the following have been demonstrated:

a) The technical feasibility of completing the intangible asset so that it will be available for use or sale;

b) The intention to complete the intangible asset and use or sell it;

c) The ability to use or sell the intangible asset;

d) How the intangible asset will generate probable future economic benefits;

e) The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

f) The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally-generated intangible assets is the sum of the expenditure incurred from the date when such an intangible asset first meets the recognition criteria listed above. Subsequent to initial recognition, they are measured on the same basis as intangible assets that are acquired separately.

3) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, they are measured on the same basis as intangible assets that are acquired separately.

4) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

k. Impairment of property, plant and equipment, right-of-use assets and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the smallest group of cash-generating units on a reasonable and consistent basis of allocation.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

l. Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement categories

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and investments in equity instruments at FVTOCI.

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such a financial asset is mandatorily classified as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividends or interest earned on such a financial asset. Fair value is determined in the manner described in Note 28.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, trade receivables and other receivables at amortized cost, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

i) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and

ii) Financial assets that are not credit impaired on purchase or origination but have subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

A financial asset is credit impaired when one or more of the following events have occurred:

i) Significant financial difficulty of the issuer or the borrower;

ii) Breach of contract, such as a default;

iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or

iv) The disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

iii. Investments in debt instruments at FVTOCI

Debt instruments that meet the following conditions are subsequently measured at FVTOCI:

i) The debt instrument is held within a business model whose objective is achieved by both the collecting of contractual cash flows and the selling of such financial assets; and

ii) The contractual terms of the debt instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investments in debt instruments at FVTOCI are subsequently measured at fair value. Changes in the carrying amounts of these debt instruments relating to changes in foreign currency exchange rates, interest income calculated using the effective interest method and impairment losses or reversals are recognized in profit or loss. Other changes in the carrying amount of these debt instruments are recognized in other comprehensive income and will be reclassified to profit or loss when the investment is disposed of.

b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables (including related parties)).

The Group always recognizes lifetime expected credit losses (ECLs) for trade receivables. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and does not reduce the carrying amount of the financial asset.

For internal credit risk management purposes, the Group determines that the following situations indicate that a financial asset is in default (without taking into account any collateral held by the Group):

i. Internal or external information show that the debtor is unlikely to pay its creditors.

c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the financial asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

On derecognition of a financial asset other than in its entirety, the Group allocates the previous carrying amount of the financial asset between the part it continues to recognize and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer.

2) Equity instruments

Equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Group's own equity instruments is recognized in and deducted directly from equity and its carrying amounts are calculated based on weighted average by share types and calculated separately by repurchase category. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

The difference between the carrying amount of the financial liabilities derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

m. Provisions

Provisions are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

1) Warranties

Provisions for the expected cost of warranty obligations to assure that products comply with agreed-upon specifications are recognized on the date of sale of the relevant products at the best estimate by the management of the Group of the expenditures required to settle the Group's obligations.

2) Decommissioning

The Group has the obligation for decommissioning at the end of the useful lives of offices. Pursuant to regulations, the Group estimates the decommissioning costs, which are discounted by applying the effective interest rate and recognized as the carrying amount. The decommissioning costs are capitalized and added to the carrying amount of property, plant and equipment.

The Group recognizes both the increased decommissioning provisions discounted on a time basis and interest expense. The Group regularly reviews the change of decommissioning obligation at each end of the reporting period and adjusts it to reflect the best estimates.

n. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances. Allowance for sales returns and liability for returns are recognized at the time of sale based on the seller's reliable estimate of future returns and past experience and other relevant factors.

The Group identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

1) Revenue from the sale of goods

Revenue from the sale of goods comes from sales of multimedia integrated circuits (ICs) and computer peripherals-oriented ICs. Sales of multimedia ICs and computer peripherals-oriented ICs are recognized as revenue when the ICs are delivered to the customer. Trade receivables are recognized concurrently because it is the time when the customer has full discretion to set the price, use, resell the goods to future customers and bears the risks of obsolescence.

The Group does not recognize revenue on materials delivered to subcontractors because this delivery does not involve a transfer of control. There were no materials delivered to subcontractors in 2023.

2) Royalties Revenue

Royalty revenue is recognized on an accrual basis in accordance with the substance of the relevant agreement and provided that it is probable that the economic benefits will flow to the Group and that the amount of revenue can be measured reliably. Royalties determined on a time basis are recognized on a straight-line basis over the period of the agreement. Royalty arrangements that are based on production, sales and other measures are recognized by reference to the underlying arrangements.

o. Leasing

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

1) The Group as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

When the Group subleases a right-of-use asset, the sublease is classified by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. However, if the head lease is a short-term lease that the Group, as a lessee, has accounted for applying recognition exemption, the sublease is classified as an operating lease.

2) The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

p. Borrowing costs

Borrowing costs directly attributable to an acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than those stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

q. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered services entitling them to the contributions.

r. Restricted shares for employees

The fair value at the grant date of the restricted shares for employees is expensed on a straight-line basis over the vesting period, based on the Group's best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in other equity - unearned employee benefit. It is recognized as an expense in full at the grant date if vesting immediately.

When restricted shares for employees are issued, other equity - unearned employee benefits is recognized on the grant date, with a corresponding increase in capital surplus - restricted shares for employees. If restricted shares for employees are granted for consideration and should be returned, they are recognized as payables. Dividends paid to employees on restricted shares that do not need to be returned if employees resign in the vesting period are recognized as expenses when the dividends are declared with a corresponding adjustment in capital surplus - restricted shares for employees.

At the end of each reporting period, the Group revises its estimate of the number of restricted shares for employees expected to vest. The impact of the revision of the original estimates is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to capital surplus - restricted share option for employees.

s. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

Income tax payable(recoverable) is based on taxable profit(loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

If a temporary difference arises from the initial recognition of assets and liabilities in a transaction that (other than in the acquisition of a subsidiary) affects neither the taxable profit nor the accounting profit, the resulting deferred tax asset or liability is not recognized. In addition, a deferred tax liability is not recognized on any taxable temporary difference arising from the initial recognition of goodwill included in the investment in the subsidiary.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, research and development expenditures and personnel training expenditures to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the year which the liability is settled or the asset is realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred taxes

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity; in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group’s accounting policies, management is required to make judgments, estimations, and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

When developing material accounting estimates, the Group considers the possible impact when making its material accounting estimates on the cash flow projection, growth rates, discount rates, profitabilities and other relevant material estimates, etc. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

Key Sources of Estimation Uncertainty

a. Write-down of Inventories

The net realizable value of inventories is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The estimation of net realizable value is based on current market conditions and historical experience in the sale of product of a similar nature. Changes in market conditions may have a material impact on the estimation of the net realizable value.

b. Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The calculation of the value in use requires management to estimate the future cash flows expected to arise from the cash-generating units and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2023	2022
Cash on hand	$ 101	$ 101
Checking accounts and demand deposits	1,436,410	692,291
Cash equivalents (investments with original maturities of 3 months or less)		
Repurchase agreements collateralized by bonds	61,410	2,056,720
Time deposits	113,609	79,846
	$ 1,611,530	$ 2,828,958

The market rate intervals of cash in bank at the end of the reporting period were as follows:

	December 31	
	2023	2022
Bank deposits	0.05%-5.00%	0.05%-4.88%
Repurchase agreements collateralized by bonds	5.35%	3.55%-4.10%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2023	2022
Financial assets mandatorily classified as at FVTPL -current		
Non-derivative financial assets		
Mutual funds	$ 280,878	$ 327,087
Domestic listed shares	91,911	199,980
	$ 372,789	$ 527,067
Financial assets mandatorily classified as at FVTPL - non-current		
Non-derivative financial assets		
Foreign corporate bonds	$ 77,856	$ 72,893

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31	
	2023	2022
Non-current		
Investments in equity instruments at fair value through other comprehensive income (FVTOCI)	$ 62,104	$ -
Non-current		
Foreign investments		
Non-publicly traded equity investments	$ 62,104	$ -

a. The Company invests in equity instruments and foreign investments, including non-publicly traded equity investments, for strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Company's strategy of holding these investments for long-term purposes.

9. TRADE RECEIVABLES

	December 31	
	2023	2022
Trade receivables		
Non-related parties	$ 716,066	$ 979,728
Trade receivables		
At amortized cost		
Gross carrying amount	$ 716,066	$ 979,728
Less: Allowance for impairment loss	-	-
	$ 716,066	$ 979,728

The average credit period of sale of goods is 30-60 days. The Group adopted a policy that is in order to minimize credit risk, the management of the Group regularly reviews credit limits and credit approvals and performs other monitoring procedures to ensure that follow-up action is taken to recover overdue debts.

Before trading with new customers, the Group assesses the potential customer's credit quality and defines credit limits based on the credit rating system. Credit rating information is obtained from independent rating agencies where available or, if not available, the Group uses other publicly available financial information or its own trading records to rate its major customers.

As for the trade receivables that are overdue at the end of the reporting date but not yet recognized as the allowance for bad debts, the credit quality has not changed significantly; thus, the management of the Group believes that the amount can still be recovered. The Group does not hold any collateral or other credit enhancements to those trade receivables.

The Group which permits the use of lifetime expected loss provision for all trade receivables. The expected credit losses on trade receivables are estimated using a provision matrix approach considering the past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of trade receivables based on the Group's provision matrix.

December 31, 2023

	Gross Carrying Amount	Loss Allowance	Amortized Cost
Not past due	$ 585,944	$ -	$ 585,944
Past due			
Within 30 days	120,857	-	120,857
31-60 days	8,841	-	8,841
61-90 days	424	-	424
91-180 days	-	-	-
	$ 716,066	$ -	$ 716,066

December 31, 2022

	Gross Carrying Amount	Loss Allowance	Amortized Cost
Not past due	$ 687,224	$ -	$ 687,224
Past due			
Within 30 days	255,608	-	255,608
31-60 days	22,062	-	22,062
61-90 days	10,461	-	10,461
91-180 days	4,373	-	4,373
	$ 979,728	$ -	$ 979,728

10. INVENTORIES

	December 31	
	2023	2022
Finished goods	$ 240,030	$ 282,388
Work in progress	43,608	118,804
Goods	22,390	-
	$ 306,028	$ 400,392

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2023 and 2022 was $1,122,477 thousand and $1,818,976 thousand, respectively. The cost of inventories recognized as operating cost were as follows:

	December 31	
	2023	2022
Inventory write-downs	$ 551	$ 24,231
Loss on disposal of inventories	$ -	$ 6,569

11. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

			Proportion of Ownership (%) December 31	
Investor	Investee	Nature of Activities	2023	2022
ASPEED Technology Inc.	ASPEED Technology (Samoa) Inc.	Investment holding company	100	100
	ASPEED Technology India Private Limited	R&D and technical services	1	1
	Cupola360 Inc.	Software Design Services	100	100
ASPEED Technology (Samoa) Inc.	ASPEED Technology (U.S.A) Inc.	R&D and technical services	100	100
	ASPEED Technology India Private Limited	R&D and technical services	99	99

The investment accounted for using the equity method and the calculation of the share of profit or loss and other comprehensive income were recognized based on the financial statements of subsidiaries that have been audited.

12. PROPERTY, PLANT AND EQUIPMENT

	December 31	
	2023	2022
Assets used by the Company	$ 197,931	$ 217,562

a. Year 2023

	Year Ended December 31, 2023				
	Balance at Beginning of the Year	Additions	Disposals	Net Exchange Differences	Balance at End of the Year
Cost					
Machinery equipment	$ 32,401	$ 1,187	$ (17,253)	$ -	$ 16,335
Office equipment	17,807	4,744	(5,271)	6	17,286
Other equipment	353,272	74,427	(99,114)	-	328,585
	403,480	$ 80,358	$ (121,638)	$ 6	362,206
Accumulated depreciation					
Machinery equipment	19,254	$ 4,989	$ (17,253)	$ -	6,990
Office equipment	9,640	4,267	(5,271)	5	8,641
Other equipment	157,024	90,734	(99,114)	-	148,644
	185,918	$ 99,990	$ (121,638)	$ 5	164,275
Carrying amount	$ 217,562				$ 197,931

b. Year 2022

	Year Ended December 31, 2022				
	Balance at Beginning of the Year	Additions	Disposals	Net Exchange Differences	Balance at End of the Year
Cost					
Machinery equipment	$ 23,525	$ 10,306	$ (1,430)	$ -	$ 32,401
Office equipment	15,572	3,069	(928)	94	17,807
Other equipment	259,159	94,168	(55)	-	353,272
	298,256	$ 107,543	$ (2,413)	$ 94	403,480
Accumulated depreciation					
Machinery equipment	14,972	$ 5,712	$ (1,430)	$ -	19,254
Office equipment	6,927	3,560	(928)	81	9,640
Other equipment	87,695	69,384	(55)	-	157,024
	109,594	$ 78,656	$ (2,413)	$ 81	185,918
Carrying amount	$ 188,662				$ 217,562

The above items of property, plant and equipment are depreciated on a straight-line basis over their following estimated useful lives as follows:

Machinery equipment	2-5 years
Office equipment	3-7 years
Other equipment	3-5 years

13. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2023	2022
Carrying amount		
Buildings	$ 25,602	$ 40,255
Transportation equipment	2,692	1,624
	$ 28,294	$ 41,879

	For the Year Ended December 31	
	2023	2022
Additions to right-of-use assets	$ 14,083	$ 3,760
Depreciation charge for right-of-use assets		
Buildings	$ 26,012	$ 25,078
Transportation equipment	1,701	1,181
	$ 27,713	$ 26,259

Except for the aforementioned additions and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets during the years ended December 31, 2023 and 2022.

b. Lease liabilities

	December 31	
	2023	2022
Carrying amount		
Current	$ 19,510	$ 25,120
Non-current	$ 8,517	$ 14,896

Range of discount rates for lease liabilities was as follows:

	December 31	
	2023	2022
Buildings	2.00%	2.00%
Transportation equipment	2.50%	2.50%

c. Material lease-in activities and terms

The Group leases certain buildings for the use of manufacturing and office with lease terms of 1 to 5 years. The Group doesn't have options to purchase the equipment for a nominal amount at the end of the lease terms. In addition, the Group is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor's consent.

d. Other lease information

	For the Year Ended December 31	
	2023	2022
Expenses relating to short-term leases	$ 1,080	$ 1,005
Expenses relating to low-value asset leases	$ 141	$ 77
Total cash outflow for leases	$ (27,949)	$ (27,821)

The Group's leases of certain office equipment qualify as short-term and low-value asset leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

14. GOODWILL

	For the Year Ended December 31	
	2023	2022
Cost		
Balance at beginning and end of the year	$ 369,040	$ 369,040

On December 30, 2016, the Group acquired the pilot product line, which was mainly expected to create synergies and benefits to the Group's existing products. When an impairment test is performed, the goodwill is related to the Group and deemed as a single cash-generating unit. Therefore, the impairment of goodwill is assessed by calculating the recoverable amount of the Group and the carrying amount of the net assets.

In addition, according to the asset impairment assessment analysis report issued by the Group, the financial forecast of the Group from 2024 to 2028 is based on the financial analysis according to the following: (a) management's reference to revenue growth rate of historical period, and (b) the difference between actual results and estimates of operating profit from 2020 to 2023, with conservative data as the basis for prediction.

The recoverable amount of the consolidated total cash-generating unit is still greater than the carrying amount, so no impairment loss is recognized.

The Group's recoverable amount is determined on the basis of the value in use, and the cash flow estimate of the financial budget for the next five years is approved by the management of the Group and is calculated using the annual discount rate of 16.34%.

15. OTHER INTANGIBLE ASSETS

	For the Years Ended December 31, 2023			
	Balance at Beginning of the Year	Additions	Disposals	Balance at End of the Year
Cost				
Licenses	$ 457,570	$ 2,665	$ (155,128)	$ 305,107
Software	12,099	1,480	(495)	13,084
Client relationship	145,552	-	-	145,552
Existing technology	359,030	-	(359,030)	-
Trademark	45,283	-	(45,283)	-
Others	14,026	36,614	(550)	50,090
Carrying amount	1,033,560	$ 40,759	$ (560,486)	513,833
Accumulated amortization				
Licenses	174,612	$ 96,708	$ (155,128)	116,192
Software	3,350	4,093	(495)	6,948
Client relationship	109,164	18,194	-	127,358
Existing technology	307,740	51,290	(359,030)	-
Trademark	38,814	6,469	(45,283)	-
Others	11,878	1,334	(550)	12,662
Balance at December 31, 2023	645,558	$ 178,088	$ (560,486)	263,160
Carrying amount	$ 388,002			$ 250,673

	For the Years Ended December 31, 2022			
	Balance at Beginning of the Year	Additions	Disposals	Balance at End of the Year
Cost				
Licenses	$ 218,240	$ 239,330	$ -	$ 457,570
Software	1,186	11,431	(518)	12,099
Client relationship	145,552	-	-	145,552
Existing technology	359,030	-	-	359,030
Trademark	45,283	-	-	45,283
Others	14,476	-	(450)	14,026
Carrying amount	783,767	$ 250,761	$ (968)	1,033,560

(Continued)

	For the Years Ended December 31, 2022			
	Balance at Beginning of the Year	Additions	Disposals	Balance at End of the Year
Accumulated amortization				
Licenses	$ 121,490	$ 53,122	$ -	$ 174,612
Software	699	3,169	(518)	3,350
Client relationship	90,970	18,194	-	109,164
Existing technology	256,450	51,290	-	307,740
Trademark	32,345	6,469	-	38,814
Others	9,176	3,152	(450)	11,878
Balance at December 31, 2022	511,130	$ 135,396	$ (968)	645,558
Carrying amount	$ 272,637			$ 388,002

(Concluded)

Intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Licenses	3-7 years
Software	3 years
Client relationship	8 years
Others	2-5 years

16. OTHER ASSETS

	December 31	
	2023	2022
Current		
Prepayment for purchases	$ 359,040	$ 7,038
Prepayments	27,582	20,516
Tax refund receivables	10,394	13,217
Overpaid sales tax	2,654	540
Others	1,553	1,686
	$ 401,223	$ 42,997
Non-current		
Prepayments for investment	$ 46,170	$ -
Prepayments for equipment	31,332	-
Refundable deposits	9,063	10,405
Prepayments for maintenance fee	6,244	3,150
	$ 92,809	$ 13,555

17. TRADE PAYABLES

	December 31	
	2023	2022
Trade payables		
Operating	$ 241,913	$ 317,324

18. OTHER PAYABLES

	December 31	
	2023	2022
Current		
Other payables		
Payables for salaries and bonuses	$ 52,675	$ 39,756
Payables for royalties	8,611	11,608
Payables for services	2,683	5,763
Payables for pension	2,504	2,181
Labor and health insurance payables	2,447	2,130
Payables for purchases of equipment	1,904	5,528
Payables for patents	1,370	201,679
Payables for employee welfare	1,000	6,901
Others	13,248	7,403
	$ 86,442	$ 282,949
Other liabilities		
Refund liabilities	$ 29,713	$ 69,590
Contract liabilities (Note 22)	19,503	33
Receipts under custody	3,176	3,073
	$ 52,392	$ 72,696

19. PROVISIONS

	December 31	
	2023	2022
Current		
Warranties (a)	$ 52,487	$ 49,634
Non-current		
Decommissioning (b)	$ 6,447	$ 6,447

	Warranties	Decommissioning
Balance at January 1, 2023	$ 49,634	$ 6,447
Additional provisions recognized	2,853	-
Balance at December 31, 2023	$ 52,487	$ 6,447

a. The provision for warranty claims represents the present value of management's best estimate of the future outflow of economic benefits. The estimate has been made on the basis of historical warranty trends and may vary as a result of new materials, altered manufacturing processes or other events affecting product quality.

b. The provision for decommissioning represents the Company's obligation to decommission (including the restoration of the office). The costs are estimated based on internal research, and the Company regularly reviews and adjusts it to reflect the best estimates.

20. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Company adopted a pension plan under the Labor Pension Act (LPA), which is deemed a defined contribution plan. Pursuant to the LPA, the Company makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

Aspeed Technology(USA) Inc and Aspeed Technology India Private Limited each allocated a specific proportion of the total monthly payroll of employees to contribute to retirement funds managed by retirement management institutions

The total expenses recognized in the consolidated statement of comprehensive income were $9,873 thousand and $8,138 thousand, representing the contributions made and to be made to these plans by the Company at the rates specified in the plans for the years ended December 31, 2023 and 2022, respectively.

21. EQUITY

a. Ordinary share capital

	December 31	
	2023	2022
Number of shares authorized (in thousands of shares)	50,000	50,000
Shares authorized par value $10 (in thousands of NTD)	$ 500,000	$ 500,000
Number of shares issued and fully paid (in thousands of shares)	37,821	37,821
Shares issued and fully paid (in thousands of NTD)	$ 378,207	$ 378,207

Ordinary shares issued and fully paid have a par value of NT$10. Each share has one voting right and the right to receive dividends.

On March 7, 2022, the board of directors of the Company resolved to take back 14,000 new shares of restricted employee rights from former employees without compensation in accordance with the law. The Company had capital reduction, and the base date for capital reduction was March 7, 2022. The registration of the change was completed on March 16, 2022.

On March 7, 2022, the board of directors of the Company made a resolution in accordance with the Company's Article, article 241 subparagraphs 1 and 2 of paragraph 1 which stipulates that capital reserves should be used for capital, and the total amount of the annual capital shall not exceed 10% of the paid-in capital. The proposed capital reserve of NT$34,355 thousand was converted into capital for the issuance of new shares at NT$10 per share, with 3,436 thousand shares allotted to 100 shares for every 1,000 shares, and were approved by the shareholders in their meeting on May 31, 2022. The board of directors were authorized to complete the record date in accordance with the relevant regulations on July 4, 2022, and the registration of the change was completed on July 13, 2022.

On March 7, 2022, the board of directors of the Company made a resolution to convert employees' compensation into capital stock with NT$141,518 thousand, NT$10 per share. The above-mentioned capital increase was reported at the general meeting of the shareholders on May 31, 2022 and was approved by the competent authority to declare and take effect. The base date of the capital increase was also set on August 9, 2022 with 52 thousand shares, and the registration of the change was completed on August 29, 2022.

On August 8, 2022, the board of directors of the Company made a resolution in the new employee restricted stocks with 44 thousand shares at NT$10 per share. The above-mentioned issuance of new shares was approved and declared to be effective by the competent authority, and the registration of the change was completed on August 29, 2022, refer to Note 25.

On November 7, 2022, the board of directors of the Company resolved to take back 6 thousand new shares of restricted employee rights from former employees without compensation in accordance with the law. The capital reduction operation was planned, and the base date for capital reduction was November 7, 2022 The registration of the change was completed on November 18, 2022.

On December 16, 2022, the board of directors of the Company resolved to cancel the treasury shares in accordance with the law and eliminated a total of 60 thousand issued shares. The base date for capital reduction was December 16, 2022, and the registration of the change was completed on December 28, 2022.

b. Capital surplus

	December 31	
	2023	**2022**
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (a)		
Issuance of ordinary shares	$ 756,385	$ 756,385
Employee share bonus	608,492	608,492
From expired/vested employee restricted shares	110,953	69,599
From expired/exercised employee share options	2,156	2,156
May not be used for any purpose		
Employee restricted shares	61,792	103,146
	$ 1,539,778	$ 1,539,778

a) The capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).

c. Retained earnings and dividend policy

The shareholders of the Company held their regular meeting on May 29, 2019 and in that meeting, resolved the amendments to the Company's Articles of Incorporation (the "Articles"). The amendments explicitly stipulate that the Company may allocate a portion or all of its reserves for distribution in accordance with relevant laws or regulations or the orders of the authorities in charge. When the reserves are to be distributed in cash, the distribution may be approved by the board of directors and reported to the shareholders in their meeting.

Under the dividends policy as set forth in the Articles after the amendments, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as a legal reserve of 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved by the shareholders in their meeting for distribution bonuses to shareholders.

For the policies on the distribution of compensation of employees and remuneration of directors and supervisors after the amendment, refer to compensation of employees and remuneration of directors and supervisors in Note 23(g).

The Company's Articles stipulate the dividends policy based on present and future projects, investment environment, capital requirements, domestic and international competitive environment, and the interests of shareholders, whereby the Company distributes no less than 10% of the distributable earnings in the form of dividend bonus. If the accumulatively distributable earnings were less than 50% of the Company's paid-in capital, the dividend bonus would not distributed. In principle, cash dividends are limited to no less than 10% of the total dividends distributed.

The appropriation of earnings to a legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset any deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The special reserve should be appropriated from the prior years' unappropriated earnings to the extent of the debit balance accumulated from prior years. Afterward, if there is any reversal of the decrease in other stockholders' equity, the Group is allowed to appropriate retained earnings from the reversal amount.

The appropriations of earnings for 2022 and 2021 were as follows:

	Appropriation of Earnings For the Year Ended December 31	
	2022	**2021**
Write-off of the retained earnings for cancellation of treasury shares	$ 122,271	$ -
Legal reserve	$ 198,334	$ 131,292
(Reversal) recognition of special reserve	$ 42,532	$ (23,722)
Cash dividends	$ 1,701,931	$ 1,202,427
Cash dividends per share (NT$)	$ 45.00	$ 35.00

The above appropriations for cash dividends were resolved by the Company's board of directors on March 6, 2023 and March 7, 2022. The other appropriations of earnings for 2022 and 2021 were proposed by the shareholders in their meetings on May 30, 2023 and May 31, 2022, respectively.

The appropriation of earnings for 2023 which was approved in the board of directors' meeting on March 11, 2024 was as follows:

	For the Year Ended December 31, 2023
Legal reserve	$ 100,681
Reversal of special reserve	$ (62,444)
Cash dividends	$ 756,414
Cash dividends per share (NT$)	$ 20.00

The above cash dividends have been distributed by the Company's boards of directors and the rest are yet to be resolved at the shareholders' meetings expected to be held on May 30, 2024.

d. Special reserve

	For the Year Ended December 31	
	2023	2022
Balance at January 1	$ 22,169	$ 45,891
Appropriation:		
Debits to other equity items	42,532	-
Reversal:		
Reversal of debits to other equity items	-	(23,722)
Balance at December 31	$ 64,701	$ 22,169

e. Other equity items

1) Unearned employee benefits

For information about the restricted share plans for employees, refer to Note 27.

	For the Year Ended December 31	
	2023	2022
Balance at January 1	$ (62,683)	$ (16,785)
Issued	-	(78,980)
Cancelled	-	14,457
Share-based payment expenses recognized	41,804	18,625
Balance at December 31	$ (20,879)	$ (62,683)

2) Exchange differences on translation of the financial statements of foreign operations

	For the Year Ended December 31	
	2023	2022
Balance at January 1	$ (2,018)	$ (5,384)
Exchange differences on translation of the financial statements of foreign operations	(239)	3,366
Balance at December 31	$ (2,257)	$ (2,018)

22. REVENUE

a. Revenue from contracts with customers

	For the Year Ended December 31	
	2023	2022
Revenue from the sale of goods	$ 3,122,902	$ 5,209,154
Royalty income	7,493	974
	$ 3,130,395	$ 5,210,128

b. Contract balances

	December 31, 2023	December 31, 2022	January 1, 2022
Trade receivables (Note 9)	$ 716,066	$ 979,728	$ 828,723
Contract liabilities (Note 18)			
Sale of goods	$ 19,503	$ 33	$ 71

The changes in the contract liability balances primarily result from the timing difference between the Company's performance and the customer's payment.

c. Disaggregation of revenue

For the year ended December 31, 2023

	Reportable Segments			
	Multimedia Integrated Circuits (ICs)	Computer Peripherals Oriented ICs	Others	Total
Type of goods or services				
Sale of goods	$ 2,757,121	$ 328,725	$ 37,056	$ 3,122,902
Royalty	-	-	7,493	7,493
	$ 2,757,121	$ 328,725	$ 44,549	$ 3,130,395

For the year ended December 31, 2022

	Reportable Segments			
	Multimedia Integrated Circuits (ICs)	Computer Peripherals Oriented ICs	Others	Total
Type of goods or services				
Sale of goods	$ 4,863,615	$ 338,158	$ 7,381	$ 5,209,154
Royalty	-	-	974	974
	$ 4,863,615	$ 338,158	$ 8,355	$ 5,210,128

23. NET PROFIT FROM CONTINUING OPERATIONS

The comprehensive income includes the following in 2023 was as follows:

a. Interest income

	For the Year Ended December 31 2023	2022
Interest income		
Repurchase agreements collateralized by bonds	$ 62,598	$ 19,020
Bank deposits	10,742	2,039
Financial asset at fair value through profit	9,023	10,442
Others	150	71
	$ 82,513	$ 31,572

b. Other income

	For the Year Ended December 31 2023	2022
Others	$ 5,405	$ 5,631

c. Other gains and losses

	For the Year Ended December 31 2023	2022
Net foreign exchange gains	$ 9,772	$ 192,311
Net gain (loss) on fair value changes of financial assets through profit or loss	36,398	(32,965)
Loss on disposal of financial assets	(8,993)	(26,713)
Loss on disposal of property, plant and equipment	(2)	-
	$ 37,175	$ 132,633

d. Finance costs

	For the Year Ended December 31 2023	2022
Interest on loans	$ 9,125	$ 2,783
Interest on lease liabilities	619	1,058
	$ 9,744	$ 3,841

e. Depreciation and amortization

	For the Year Ended December 31 2023	2022
An analysis of depreciation by function		
Operating costs	$ -	$ -
Operating expenses	127,703	104,915
	$ 127,703	$ 104,915

(Continued)

	For the Year Ended December 31	
	2023	2022
An analysis of amortization by function		
Operating costs	$ -	$ -
Operating expenses	178,088	135,396
	$ 178,088	$ 135,396

(Concluded)

f. Employee benefits expense

	For the Year Ended December 31	
	2023	2022
Post-employment benefits (Note 20)		
Defined contribution plans	$ 9,873	$ 8,138
Share-based payments (Note 25)	41,804	18,625
Other employee benefits	473,517	534,494
Total employee benefits expense	$ 525,194	$ 561,257
An analysis of employee benefits expense by function		
Operating costs	$ -	$ -
Operating expenses	525,194	561,257
	$ 525,194	$ 561,257

g. Compensation of employees and remuneration of directors

The Company accrued compensation of employees and remuneration of directors at rates of no less than 8% and no higher than 3%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. The compensation of employees and remuneration of directors for the years ended December 31, 2023 and 2022, which have been approved by the Company's board of directors on March 11, 2024 and March 6, 2023, respectively, were as follows:

Accrual rate

	For the Year Ended December 31	
	2023	2022
Compensation of employees	8%	8%
Remuneration of directors	1%	1%

Amount

	For the Year Ended December 31			
	2023		2022	
	Cash	Shares	Cash	Shares
Compensation of employees	$ 105,374	$ -	$ 229,900	$ -
Remuneration of directors	13,171	-	28,738	-

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

There is no difference between the actual amounts of compensation of employees and remuneration of directors and supervisors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2022 and 2021.

Information on the compensation of employees and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

h. Gains or losses on foreign currency exchange

	For the Year Ended December 31	
	2023	2022
Foreign exchange gains	$ 106,137	$ 265,583
Foreign exchange losses	(96,365)	(73,272)
	$ 9,772	$ 192,311

24. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Major components of income tax expense recognized in profit or loss

	For the Year Ended December 31	
	2023	2022
Current tax		
In respect of the current year	$ 215,930	$ 507,257
Adjustments for prior years	(12,858)	-
	203,072	507,257
Deferred tax		
In respect of the current year	(14,925)	2,051
Income tax expense recognized in profit or loss	$ 188,147	$ 509,308

A reconciliation of accounting loss and income tax expense was as follows:

	For the Year Ended December 31	
	2023	2022
Income before tax from continuing operations	$ 1,194,157	$ 2,614,922
Income tax expense calculated at the statutory rate	$ 243,295	$ 526,331
Non-deductible expenses in determining taxable income	(5,038)	7,841
Deductible temporary differences	(7,191)	(4,771)
Additional income tax under the Alternative Minimum Tax Act	25	24
Investment credits	(30,086)	(20,117)
Adjustments for prior years' tax	(12,858)	-
Income tax expense recognized in profit or loss	$ 188,147	$ 509,308

b. Current tax liabilities

	December 31	
	2023	2022
Current tax liabilities		
Income tax payable	$ 198	$ 378,402

c. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2023

	Opening Balance	Recognized in Profit or Loss	Closing Balance
Deferred Tax Assets			
Temporary differences			
Inventory write-down	$ 5,846	$ 110	$ 5,956
Investments accounted for using the equity method	2,348	(1,389)	959
Depreciation of decommissioning right-of-use assets	773	(257)	516
Provisions	9,927	570	10,497
Refund liabilities	13,918	(7,975)	5,943
Estimated expense payable and others	12,069	6,538	18,607
	$ 44,881	$ (2,403)	$ 42,478
Deferred Tax Liabilities			
Temporary differences			
Unrealized net foreign exchange gains	$ 15,562	$ (4,805)	$ 10,757
Other intangible assets - acquisitions	17,535	(13,896)	3,639
Investments accounted for using the equity method	-	1,373	1,373
	$ 33,097	$ (17,328)	$ 15,769

For the year ended December 31, 2022

	Opening Balance	Recognized in Profit or Loss	Closing Balance
Deferred Tax Assets			
Temporary differences			
Inventory write-down	$ 1,000	$ 4,846	$ 5,846
Investments accounted for using the equity method	3,008	(660)	2,348
Depreciation of decommissioning right-of-use assets	516	257	773
Provisions	7,937	1,990	9,927
Refund liabilities	27,853	(13,935)	13,918
Estimated expense payable and others	8,664	3,405	12,069
	$ 48,978	$ (4,097)	$ 44,881

(Continued)

	Opening Balance	Recognized in Profit or Loss	Closing Balance
Deferred Tax Liabilities			
Temporary differences			
Unrealized net foreign exchange gains	$ 3,711	$ 11,851	$ 15,562
Other intangible assets - acquisitions	31,432	(13,897)	17,535
	$ 35,143	$ (2,046)	$ 33,097

(Concluded)

d. Income tax assessments

The Company's tax returns through 2021 have been assessed by the tax authorities.

25. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2023	2022
Basic earnings per share	$ 26.66	$ 55.72
Diluted earnings per share	$ 26.60	$ 55.35

The earnings and weighted-average number of ordinary shares outstanding used in the calculation of earnings per share are as follows:

Net Income for the Year

	For the Year Ended December 31	
	2023	2022
Earnings used in the computation of basic and diluted earnings per share	$ 1,006,810	$ 2,105,614

Unit: Thousands of shares

	For the Year Ended December 31	
	2023	2022
Weighted average number of ordinary shares in computation of basic earnings per share	37,768	37,792
Effect of potentially dilutive ordinary shares:		
Compensation of employees	48	146
Restricted shares to employees	40	102
Weighted average number of ordinary shares in computation of diluted earnings per share	37,856	38,040

The Group may settle the compensation in cash or shares; therefore, the Group assumes that the entire amount of the compensation will be settled in shares and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

26. SHARE-BASED PAYMENT ARRANGEMENTS

a. Restricted share plan for employees

Information on restricted share plan for employees was as follows:

Approved Date	Grant Shares (Thousand)	Board of Directors Approved Issue Date	Issued Date	Issued Shares (Thousand)	Fair Value
2017/05/26	100	2017/11/03	2018/02/05	36	740
2018/05/30	40	2018/11/05	2018/11/12	21	481
2019/05/29	100	2019/08/02	2019/09/10	28	791
2019/05/29	100	2019/08/02	2020/02/05	31	952
2019/05/29	100	2019/08/02	2020/03/02	9	1,005
2022/05/31	60	2022/08/08	2022/08/08	44	1,795

On May 31, 2022, the shareholders held a meeting and resolved to issue a restricted share plan for employees with a total of 60 thousand shares. The Company shall set up the actual issuance date (s) in one tranche or by installments within one year from the effective date of the receipt of registration from the competent authority. The board of directors authorized the Company’s chairman to determine the issue date. The main elements of the restricted share plan for employees were as follows:

1) Issue price: The Company issued the gratuitous restricted shares for employees.

2) Vesting conditions of restricted shares for employees are as follows:

   a) Employees, who are still employed from the date when new employee restricted stocks are granted and the personal performance conditions signed by individual employees are set and the achievement rate of the Company's operating goals according to the time of giving, may satisfy the vesting conditions in the following proportions of shares, respectively:

      The maximum portions of the vesting shares of 2023 are 35%,

      The cumulative maximum portions of vesting shares from 2023 to 2024 are 70%,

      The cumulative maximum portions of vesting shares from 2023 to 2025 are 100%,

   b) When the employees do not reach the vesting conditions, the Company will recover and cancel the shares.

   c) During the vesting period, the dividends will distribute to employees gratuitously.

3) In addition to the vesting conditions, the limitations are as follows:

   a) The employees cannot sell, pledge, transfer, donate or, in any other way, dispose of these shares.

   b) During the vesting period, the rights of attendants in the shareholders’ meeting, proposal, speech, resolution and voting right, etc., will be enforced by trust institutions.

On May 29, 2019, the shareholders held a meeting and resolved to issue a restricted share plan for employees with a total of 100 thousand shares. The Company shall set up the actual issuance date(s) in one tranche or by installments within one year from the effective date of the receipt of registration from the competent authority. The board of directors authorized the Company's chairman to determine the issue date. The main elements of the restricted share plan for employees were as follows:

1) Issue price: The Company issued the gratuitous restricted shares for employees.

2) Vesting conditions of restricted shares for employees are as follows:

   a) To meet the vesting conditions, an employee has to meet performance and other conditions over the vesting period, as follows:

      Remain employed by the Company within 1 year - 10% of restricted shares will be vested;

      Remain employed by the Company within 2 year - 10% of restricted shares will be vested;

      Remain employed by the Company within 3 year - 40% of restricted shares will be vested;

      Remain employed by the Company within 4 year - 40% of restricted shares will be vested;

   b) When the employees do not reach the vesting conditions, the Company will recover and cancel the shares.

   c) During the vesting period, the dividends will distribute to employees gratuitously.

3) In addition to the vesting conditions, the limitations are as follows:

   a) The employees cannot sell, pledge, transfer, donate or, in any other way, dispose of these shares.

   b) During the vesting period, the rights of attendants in the shareholders' meeting, proposal, speech, resolution and voting right, etc., will be enforced by trust institutions.

Information on restricted share plan for employees was as follows:

	Number of Shares (In Thousands)	
	For the Year Ended December 31	
	2023	**2022**
Balance at January 1	71	67
Granted	-	44
Vested	(31)	(20)
Cancelled	-	(20)
Balance at December 31	40	71

For the years ended December 31, 2023 and 2022, the compensation costs recognized were NT$41,804 thousand and NT$18,625 thousand, respectively.

27. CAPITAL MANAGEMENT

The Group manages its capital to ensure that the Group will be able to operate under the premises of going concerns while maximizing the return to shareholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity attributable to owners of the Group (comprising issued capital, reserves, retained earnings and other equity).

The Group is not subject to any externally imposed capital requirements.

Key management personnel of the Group review the capital structure on a regular basis. As part of this review, the key management personnel consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Group may adjust the amount of dividends paid to shareholders and the number of new shares issued.

28. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

The management considers that the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements approximate their fair values.

b. Fair value of financial instruments measured at fair value

1) Fair value hierarchy

December 31, 2023	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL-current				
Mutual funds	$ 280,878	$ -	$ -	$ 280,878
Domestic listed shares	91,911	-	-	91,911
Financial assets at FVTPL - non-current				
Foreign corporate bonds	-	77,856	-	77,856
Financial assets at FVTOCI - non-current				
Non-publicly traded equity investments	-	-	62,104	62,104
	$ 372,789	$ 77,856	$ 62,104	$ 512,749

December 31, 2022	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL-current				
Mutual funds	$ 327,087	$ -	$ -	$ 327,087
Domestic listed shares	199,980	-	-	199,980
Financial assets at FVTPL - non-current				
Foreign corporate bonds	-	72,893	-	72,893
	$ 527,067	$ 72,893	$ -	$ 599,960

There were no transfers between Level 1 and Level 2 in the current and prior periods.

2) Valuation techniques and inputs applied for Level 2 fair value measurement

Financial Instrument	Valuation Technique and Inputs
Foreign corporate bonds	It is based on the quoted market transaction price provided by a third-party institution as a measurement.

3) Valuation techniques and inputs applied for Level 3 fair value measurement

Financial Instrument	Valuation Technique and Inputs
Non-publicly traded equity investments	It is mainly determined by using the asset approach and market approach.

c. Categories of financial instruments

	December 31	
	2023	2022
Financial assets		
Financial assets at amortized cost (1)	$ 2,338,212	$ 3,820,777
Financial assets at FVTPL	450,645	599,960
Financial assets at FVTOCI	62,104	-
Financial liabilities		
Measured at amortized cost (2)	269,729	549,305

1) The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, trade and other receivables and refundable deposits.

2) The balances include financial liabilities measured at amortized cost, which comprise trade payables and other payables.

d. Financial risk management objectives and policies

The Group's major financial instruments include mutual investments, trade receivables and trade payables. The Group's Corporate Treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below), and interest rates (see (b) below).

a) Foreign currency risk

The Group had foreign currency sales and purchases, which exposed the Group to foreign currency risk. Approximately 100% of the Group's sales were denominated in currencies other than the functional currency, whilst almost 99% of costs were denominated in the functional currency of the entity in the Group.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are set out in Note 31.

Sensitivity analysis

The Group was mainly exposed to the USD.

The following table details the Group's sensitivity to a 5% increase and decrease in the New Taiwan dollar (i.e., the functional currency) against the relevant foreign currencies. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange rates is 5%. The sensitivity analysis included only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of the reporting period for a 5% change in foreign currency rates. A positive number below indicates an increase in pre-tax profit associated with the New Taiwan dollar strengthening 5% against the relevant currency. For a 5% weakening of the New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on pre-tax profit, and the balances below would be negative.

	USD Impact	
	For the Year Ended December 31	
	2023	2022
Pre-tax profit	$ 68,908	$ 97,377

This was mainly attributable to the exposure on outstanding receivables and payables in USD which were not hedged at the end of the reporting period.

The Group's sensitivity to USD currency increased during the current period, mainly due to the increase in the net assets of the USD, which was due to the increase in bank deposits, cash equivalents, and accounts receivable denominated in USD.

The management believes that the sensitivity analysis cannot represent the inherent risk of the exchange rate, because the foreign currency risk at the end of the reporting period cannot reflect the mid-year risk situation.

b) Interest rate risk

Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring that the most cost-effective hedging strategies are applied.

The carrying amount of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	December 31	
	2023	2022
Fair value interest rate risk		
Financial assets	$ 252,875	$ 2,209,459
Financial liabilities	28,027	40,016
Cash flow interest rate risk		
Financial assets	1,436,410	692,291

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for both derivative and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of each liability outstanding at the end of the reporting period was outstanding for the whole year.

A 0.1 basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

The Group had no floating rate liabilities for the years ended December 31, 2023 and 2022.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

The Group adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Group uses other publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored, and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annuall y.

Ongoing credit evaluation is performed on the financial condition of trade receivables and, where appropriate, credit guarantee insurance cover is purchased.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. As of December 31, 2023 and 2022, the information of the group's available unutilized short-term bank loan facilities could refer to (2) financing facilities below.

a) Liquidity and interest risk rate table for non-derivative financial liabilities

The Group's remaining contractual maturity for its non-derivative financial liabilities were drawn up based on the undiscounted cash flows (included principal and interest) of financial liabilities from the earliest date on which the Group can be required to pay.

December 31, 2023

	On Demand or Less than 1 Month	**1-3 Months**	**3 Months - 1 Year**	**1-5 Years**	**5+ Years**	**Total**
Non-derivative financial liabilities						
Lease liabilities	$ 2,280	$ 4,562	$ 12,866	$ 8,706	$ -	$ 28,414
Non-interest bearing						
Trade payables	105,166	136,747	-	-	-	241,913
Other payables	25,134	1,316	1,366	-	-	27,816
	$ 132,580	$ 142,625	$ 14,232	$ 8,706	$ -	$ 298,143

Further information on the maturity analysis of the above financial liabilities was as follows:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	$ 19,708	$ 8,706	$ -	$ -	$ -	$ -

December 31, 2022

	On Demand or Less than 1 Month	1-3 Months	3 Months - 1 Year	1-5 Years	5+ Years	Total
Non-derivative financial liabilities						
Lease liabilities	$ 2,251	$ 4,503	$ 18,932	$ 15,010	$ -	$ 40,696
Non-interest bearing						
Trade payables	154,296	163,028	-	-	-	317,324
Other payables	225,078	1,213	5,690	-	-	231,981
	$ 381,625	$ 168,744	$ 24,622	$ 15,010	$ -	$ 590,001

Further information on the maturity analysis of the above financial liabilities was as follows:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	$ 25,686	$ 15,010	$ -	$ -	$ -	$ -

b) Financing facilities:

	December 31	
	2023	2022
Unsecured borrowings facilities		
Amount unused	$ 1,850,000	$ 1,650,000

29. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed below:

a. Compensation of key management personnel

The total amount of payroll to directors and supervisors and other key executives in 2023 and 2022 were as follows:

	For the Year Ended December 31	
	2023	2022
Short-term benefits	$ 39,734	$ 73,699
Post-employment benefits	216	312
Share-based payments	20,600	10,284
	$ 60,550	$ 84,295

The remuneration of key executives was determined by the remuneration committee based on the performance of individuals and market trends.

30. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group as of December 31, 2023 and 2022 were as follows:

Under the agreement, the Group shall pay royalties at a percentage of the sales volume of certain products. For the years ended December 31, 2023 and 2022, royalty expense amounted to $26,741 thousand and $32,431 thousand, respectively.

31. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies of the entities in the Group and the related exchange rates between foreign currencies and respective functional currencies were as follows:

December 31, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 52,365	30.705	$ 1,607,867
Financial liabilities			
Monetary items			
USD	7,493	30.705	230,073

December 31, 2022

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 83,206	30.71	$ 2,555,256
Financial liabilities			
Monetary items			
USD	19,789	30.71	607,720

The significant unrealized foreign exchange gains (losses) were as follows:

	For the Year Ended December 31			
	2023		2022	
Foreign Currency	Exchange Rate	Net Foreign Exchange Gain (Loss)	Exchange Rate	Net Foreign Exchange Gain (Loss)
USD	30.705 (USD:NTD)	$ 53,786	30.71 (USD:NTD)	$ 77,808

31. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions and information on investees:

1) Financing provided to others: Table 1 (attached)

2) Endorsements/guarantees provided: None

3) Marketable securities held:

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note
				Number of Shares (In Thousands)	Carrying Amount (In Thousands)	Percentage of Ownership (%)	Fair Value (In Thousands)	
ASPEED Technology Inc.	Shares - CTBC Financial Holding Co., Ltd. Preference Shares C 2891C	-	Financial assets at FVTPL - current	1,000	$ 59,200	-	$ 59,200	Note
	Shares -Yuanta Securities Investment Trust Co., Ltd. 2881A Fubon Te	-	Financial assets at FVTPL - current	213	13,014	-	13,014	Note
	Shares -Yuanta Securities Investment Trust Co., Ltd. 2882A Cathay Pacific	-	Financial assets at FVTPL - current	311	18,536	-	18,536	Note
	Shares -Yuanta Securities Investment Trust Co., Ltd. 2882 Cathay Gold	-	Financial assets at FVTPL - current	25	1,161	-	1,161	Note
	Funds - Fuhua Ruihua Fund	-	Financial assets at FVTPL - current	4,827	56,527	-	56,527	Note
	Funds - ETF-00740B Fubon 10+Years US Corporate Bond BBB Ex China	-	Financial assets at FVTPL - current	1,200	48,900	-	48,900	Note
	Funds - Yuanta Japan Leaders Equity Fund-TWD(A)	-	Financial assets at FVTPL - current	3,000	30,000	-	30,000	Note
	Funds - ETF 00720B Yuanta US 20+ Year BBB Corporate Bond ETF	-	Financial assets at FVTPL - current	630	22,680	-	22,680	Note
	Funds - Allianz Flex Asia Bond AT (USD)	-	Financial assets at FVTPL - current	85	23,581	-	23,581	Note
	Funds - JPMorgan Global Bond Yield USD Cumulative USD	-	Financial assets at FVTPL - current	8	30,487	-	30,487	Note
	Funds - Yuanta Global Leaders Balanced Fund- USD (A)	-	Financial assets at FVTPL - current	100	35,989	-	35,989	Note
	Funds - Fuh Hwa 3-8 Year Maturity A-Rated Bond Fund USD	-	Financial assets at FVTPL - current	100	32,714	-	32,714	Note
	Bonds - Foxconn Far East HONHAI Corporate Bonds	-	Financial assets at FVTPL - non-current	30	77,856	-	77,856	Note
	Equity investments - POLYTRON.AI PTE. LTD.	-	Financial assets at FVTOCI - non-current	10	62,104	10	62,104	Note

Note: The value is calculated by net value or closing price on December 31, 2023.

4) Marketable securities acquired and disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital: None

5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital: None

6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital: None

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: None

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: None

9) Trading in derivative instruments: None

10) Intercompany relationships and significant intercompany transactions (Table 1)

11) Information on investees:

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount (In thousands) December 31		As of December 31, 2023			Net Income (Loss) of the Investee (In Thousands)	Share of Profits (Loss) (In Thousands)	Note
				2023	2022	Number of Shares (In Thousands)	%	Carrying Amount (In Thousands)			
ASPEED Technology Inc.	ASPEED Technology (Samoa) Inc.	Samoa	Investment holding company	$ 48,763	$ 48,763	1,550	100	$ 53,398	$ 8,009	$ 8,009	-
	ASPEED Technology India Private Limited	India	R&D and technical services	95	166	35	1	-	-	-	-
	Cupola360 Inc.	Taiwan	Software Design Services	15,000	15,000	1,500	100	10,273	5,801	5,801	-
ASPEED Technology (Samoa) Inc.	ASPEED Technology (U.S.A) Inc.	U.S.A.	R&D and technical services	31,460	31,460	1,000	100	45,763	8,035	8,035	-
	ASPEED Technology India Private Limited	India	R&D and technical services	8,930	16,068	3,465	99	-	-	-	-

c. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, shareholding ratio, investment gains or losses, carrying amount of the investment at the end of the period, repatriations investment gains or losses, and limit on the amount of investment in the mainland China area: None

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: None.

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period

c) The amount of property transactions and the amount of the resultant gains or losses

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes

e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds

f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services

d. Information of major shareholders: list all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder

Name of Major Shareholder	Shares: Number of Shares	Shares: Percentage of Ownership (%)
Fenghua Investment Co., Ltd.	5,253,076	13,88

Note: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preference shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

33. SEGMENT INFORMATION

The Group is considered as a single operating segment. Profit and loss, assets and liabilities are measured on the same basis as the basis for the preparation of the consolidated financial statements. For relevant operating information, refer to the consolidated financial statements.

a. Major revenue of products and services

The following was an analysis of the Group's major revenue by products and services from continuing operations by reportable segments.

	For the Year Ended December 31	
	2023	2022
Multimedia Integrated Circuits (ICs)	$ 2,757,121	$ 4,863,615
Computer Peripherals Oriented ICs	328,725	338,158
Other	44,549	8,355
	$ 3,130,395	$ 5,210,128

b. Geographical information

The Group's net operating revenue from external customers by location of customer and information about its non-current assets by location are detailed below.

	Revenue from External Customers		Non-current Assets	
	For the Year Ended December 31		December 31	
	2023	2022	2023	2022
Taiwan	$ 1,776,349	$ 2,842,432	$ 837,181	$ 1,017,111
China	945,036	1,812,628	-	-
U.S.A.	126,188	141,897	8,756	2,522
Others	282,822	413,171	-	-
	$ 3,130,395	$ 5,210,128	$ 845,937	$ 1,019,633

Non-current assets exclude financial instruments and deferred tax assets.

c. Information about major customers

Single customers who contributed 10% or more to the Group's revenue were as follows:

	For the Year Ended December 31	
	2023	2022
Customer A	$ 587,001	$ 610,074
Customer B	429,586	439,736
Customer C	389,063	449,268
Customer D	386,943	878,024

TABLE 1

ASPEED TECHNOLOGY INC. AND SUBSIDIARIES

FINANCING PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2023
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

No.	Financing Company	Counterparty	Financial Statement Account	Related Parties	Maximum Balance for the Period (Foreign Currencies in Thousands) (Note 3)	Ending Balance (Foreign Currencies in Thousands) (Note 3)	Ending Balance (Foreign Currencies in Thousands) (Note 3)	Interest Rate	Nature of Financing	Transaction Amounts	Reason for Financing	Allowance for Bad Debt	Collateral		Financing Limits for Each Borrowing Company (Note 1)	Financing Company's Total Financing Amount Limits (Note 1)
													Item	Value		
0	The Company	Cupola360 Inc.	Other receivables from related parties	Yes	$ 63,000 (USD 2,000))	$ 63,000 (USD 2,000))	$ -	6%	For financing	$ -	Working capital	$ -	-	$ -	$ 383,420	$ 383,420

Note 1: According to the "Financing providing and operation management method", the total amount and the available amount to any individual for lending are as follows:

1. The amount available for lending to the company and subsidiaries shall not exceed ten percent (10%) of the net worth of the company's most recent financial statements.

2. The total amount for lending to or lending from any directly or indirectly hold foreign subsidiaries with 100% ownership, shall not exceed 40% of the net worth of the lending company, However, the total amount of funds to be loaned and the limits for individual borrowers should be set, and the period for which funds should be loaned should be clearly defined ,the amount available for lending to the company shall not exceed ten percent (10%) of the net worth of the company's most recent financial statements.

3. Where funds are lent to a company or business with business relationships with the Company, the total amount for lending to any individual shall not exceed the amount of business transaction between the two parties in the most recent year and not exceed 10% of the company net value.

Note 2: The maximum balance for the period and ending balance represent the amounts approved by the Board of Directors.

ASPEED TECHNOLOGY INC. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated otherwise)

No.	Investee Company	Counterparty	Relationship (Note 1)	Transactions Details			
				Financial Statement Accounts	Amount	Payment Terms	% of Total Sales or Assets
0	The Company	ASPEED Technology (U.S.A.) Inc.	1	Other payables	$ 6,595	Note 2	0.15
				Technical services expense	65,437	Note 2	2.09

Note 1: No.1 represents the transactions from parent company to subsidiary.

Note 2: Payment terms are determined according to the agreed terms of the two parties.

Deloitte.

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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
ASPEED Technology Inc.

Opinion

We have audited the accompanying financial statements of ASPEED Technology Inc. (the "Company"), which comprise the balance sheets as of December 31, 2023 and 2022, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters identified in the Company's financial statements for the year ended December 31, 2023 are stated as follows:

Recognition of revenue

The Company operates principally as a supplier of multimedia integrated circuits (ICs) and computer peripherals-oriented ICs. For the year ended December 31, 2023, the Company recognized revenue of NT$3,111,079 thousand, which decreased by 40.29% compared with that of last year, Refer to Note 21 for related information. Due to the increasing market demand for remote server management systems, the significant changes in the amount of the Company's operating revenue in recent years have had a significant impact on the financial statements for the year ended December 31, 2023. For customers whose sales growth rates were significant, we considered the existence and occurrence of sales as key audit matters for the current period.

The audit procedures that we performed included, but were not limited to the following: We evaluated the appropriateness of the Company's accounting policies relating to revenue recognition. We obtained an understanding of the internal controls over the approval of sales orders and shipping. We tested the effectiveness of those internal controls and selected samples of sales documents to verify the authenticity of the sales by inspecting sales details, including cash collections in the audited period and the subsequent period. Moreover, we checked for abnormalities between the recorded sales and cash received.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Ming Yuan Chung and Hsin Tung Lin.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 11, 2024

Notice to Readers

The accompanying financial statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.

ASPEED TECHNOLOGY INC.

BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

ASSETS	2023 Amount	2023 %	2022 Amount	2022 %
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	$ 1,553,413	35	$ 2,790,284	47
Financial assets at fair value through profit or loss - current (Note 7)	372,789	9	527,067	9
Trade receivables, net (Notes 9 and 23)	715,148	16	979,726	16
Deferred tax assets (Notes 24)	15,633	-	-	-
Inventories (Notes 5 and 10)	283,638	6	400,392	7
Prepayments and other current assets (Note 16)	397,240	9	41,120	1
Total current assets	3,337,861	75	4,738,589	80
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Note 7)	77,856	2	72,893	1
Financial assets at fair value through other comprehensive income - non-current (Note 8)	62,104	1	-	-
Investment accounted for using equity method (Notes 11 and 32)	63,671	1	50,172	1
Property, plant and equipment (Note 12)	196,822	4	217,496	4
Right-of-use assets (Note 13)	19,687	1	39,423	1
Goodwill (Notes 5 and 14)	369,040	8	369,040	6
Other intangible assets, net (Note 15)	214,059	5	387,478	6
Deferred tax assets (Note 24)	23,871	1	32,812	1
Refundable deposits (Note 16)	8,802	-	10,102	-
Other non-current assets (Note 16)	83,747	2	3,150	-
Total non-current assets	1,119,659	25	1,182,566	20
TOTAL	$ 4,457,520	100	$ 5,921,155	100

LIABILITIES AND EQUITY	2023 Amount	2023 %	2022 Amount	2022 %
CURRENT LIABILITIES				
Trade payables (Note 17)	$ 185,146	4	$ 317,324	5
Accrued compensation of employees and remuneration of directors (Note 23)	226,599	5	258,638	4
Other payables (Note 18)	75,319	2	275,749	5
Other payables to related parties (Note 29)	6,595	-	3,805	-
Current tax liabilities (Note 24)	-	-	378,402	7
Provisions - current (Note 19)	52,487	1	49,634	1
Lease liabilities - current (Note 13)	17,211	-	22,716	-
Other current liabilities (Notes 18 and 22)	35,959	1	72,696	1
Total current liabilities	599,316	13	1,378,964	23
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Note 24)	15,769	1	33,097	1
Lease liabilities - non-current (Note 13)	1,793	-	14,896	-
Provisions - non-current (Note 19)	6,447	-	6,447	-
Total non-current liabilities	24,009	1	54,440	1
Total liabilities	623,325	14	1,433,404	24
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 21)				
Share capital				
Ordinary shares	378,207	8	378,207	6
Capital surplus	1,539,778	35	1,539,778	26
Retained earnings				
Legal reserve	799,954	18	601,620	10
Special reserve	64,701	2	22,169	1
Unappropriated earnings	1,074,691	24	2,010,678	34
Total retained earnings	1,939,346	44	2,634,467	45
Other equity	(23,136)	(1)	(64,701)	(1)
Total equity	3,834,195	86	4,487,751	76
TOTAL	$ 4,457,520	100	$ 5,921,155	100

The accompanying notes are an integral part of the financial statements.

ASPEED TECHNOLOGY INC.

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE (Notes 22 and 29)				
Sales	$ 3,103,586	100	$ 5,209,152	100
Other operating revenue	7,493	-	974	-
Total operating revenue	3,111,079	100	5,210,126	100
OPERATING COSTS (Notes 10 and 23)				
Cost of goods sold	1,109,161	36	1,818,976	35
GROSS PROFIT	2,001,918	64	3,391,150	65
OPERATING EXPENSES (Notes 23 and 29)				
Selling and marketing expenses	82,468	3	95,039	2
General and administrative expenses	177,604	6	177,079	3
Research and development expenses	670,683	21	677,788	13
Total operating expenses	930,755	30	949,906	18
INCOME FROM OPERATIONS	1,071,163	34	2,441,244	47
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 23)	82,208	3	31,497	-
Other income (Notes 23 and 29)	5,594	-	5,667	-
Other gains and losses (Note 23)	35,530	1	137,166	3
Finance costs (Note 23)	(9,678)	-	(3,758)	-
Share of profit or loss of subsidiaries	13,810	-	3,298	-
Total non-operating income and expenses, net	127,464	4	173,870	3
INCOME BEFORE INCOME TAX FROM CONTINUING OPERATIONS	1,198,627	38	2,615,114	50
INCOME TAX EXPENSE (Note 24)	191,817	6	509,500	10
NET INCOME FOR THE YEAR	1,006,810	32	2,105,614	40
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	(239)	-	3,366	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 1,006,571	32	$ 2,108,980	40

(Continued)

ASPEED TECHNOLOGY INC.

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	**%**	**Amount**	**%**
EARNINGS PER SHARE (Note 25)				
Basic	$ 26.66		$ 55.72	
Diluted	$ 26.60		$ 55.35	

The accompanying notes are an integral part of the financial statements. (Concluded)

ASPEED TECHNOLOGY INC.

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

	Share Capital			Retained Earning			Other Equity			
	Shares (In Thousands)	Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Employee Unearned Compensation	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Treasury Shares	Total Equity
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 prior year's earnings										
Legal reserve	-	-	-	131,292	-	(131,292)	-	-	-	-
Reversal of special reserve	-	-	-	-	(23,722)	23,722	-	-	-	-
Cash dividends to shareholders - NT$35.00 per share	-	-	-	-	-	(1,202,427)	-	-	-	(1,202,427)
Issued of common shares from capital surplus - Record date: July 4, 2022	3,436	34,355	(34,355)	-	-	-	-	-	-	-
Net income for the year ended December 31, 2022	-	-	-	-	-	2,105,614	-	-	-	2,105,614
Other comprehensive income after tax	-	-	-	-	-	-	-	3,366	-	3,366
Comprehensive income for the year ended December 31, 2022	-	-	-	-	-	2,105,614	-	3,366	-	2,108,980
Employee share bonus - Record date: August 9, 2022	52	525	140,992	-	-	-	-	-	-	141,517
Issuance of restricted shares under employees share options on August 8, 2022	44	440	78,540	-	-	-	(78,980)	-	-	-
Cancellation of restricted shares under employees share options on March 7, 2022	(14)	(143)	(9,252)	-	-	-	9,395	-	-	-
Cancellation of restricted shares under employees share options on November 7, 2022	(6)	(64)	(4,998)	-	-	-	5,062	-	-	-
Compensation cost of restricted shares for employees	-	-	-	-	-	-	18,625	-	-	18,625
Buy-back of treasury shares	-	-	-	-	-	-	-	-	(125,150)	(125,150)
Retirement of treasury shares	(60)	(600)	(2,279)	-	-	(122,271)	-	-	125,150	-
BALANCE AT DECEMBER 31, 2022	37,821	378,207	1,539,778	601,620	22,169	2,010,678	(62,683)	(2,018)	-	4,487,751
Appropriation of prior year's earnings										
Legal reserve	-	-	-	198,334	-	(198,334)	-	-	-	-
Reversal of special reserve	-	-	-	-	42,532	(42,532)	-	-	-	-
Cash dividends to shareholders - NT$45.00 per share	-	-	-	-	-	(1,701,931)	-	-	-	(1,701,931)
Net income for the year ended December 31, 2023	-	-	-	-	-	1,006,810	-	-	-	1,006,810
Other comprehensive income after tax	-	-	-	-	-	-	-	(239)	-	(239)
Comprehensive income for the year ended December 31, 2023	-	-	-	-	-	1,006,810	-	(239)	-	1,006,571
Compensation cost of restricted shares for employees	-	-	-	-	-	-	41,804	-	-	41,804
BALANCE AT DECEMBER 31, 2023	37,821	$ 378,207	$ 1,539,778	$ 799,954	$ 64,701	$ 1,074,691	$ (20,879)	$ (2,257)	$ -	$ 3,834,195

The accompanying notes are an integral part of the financial statements.

ASPEED TECHNOLOGY INC.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 1,198,627	$ 2,615,114
Adjustments for:		
Depreciation expense	124,396	101,652
Amortization expense	177,564	133,301
Net (gain) loss on fair value changes of financial assets designated as at fair value through profit or loss	(36,398)	32,965
Finance costs	9,678	3,758
Interest income	(82,208)	(31,497)
Compensation cost of employee restricted shares	41,804	18,625
Share of profit of subsidiaries	(13,810)	(3,298)
Loss on disposal of financial assets	8,993	26,713
Write-down of inventories	551	24,231
Net loss (gain) on foreign currency exchange	24,021	(59,251)
Loss on disposal of Inventories	-	6,569
Recognition of provisions	2,853	9,948
Changes in operating assets and liabilities		
Trade receivables	252,522	(163,471)
Inventories	116,203	(273,679)
Increase in prepayments	(3,095)	-
Prepayments and other current assets	(355,448)	(29,717)
Trade payables	(129,714)	56,799
Other payables (related parties included)	(207,481)	28,347
Other current liabilities	(34,157)	(77,361)
Payables for compensation of employees and remuneration of directors	(32,039)	240,947
Cash generated from operations	1,062,862	2,660,695
Interest paid	(9,678)	(3,758)
Income tax paid	(594,239)	(347,668)
Net cash generated from operating activities	458,945	2,309,269
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(62,104)	-
Purchase of financial assets at fair value through profit or loss	(131,042)	(101,160)
Proceeds from sale of financial assets at fair value through profit or loss	307,758	56,319
Increase in prepayments for investments	(46,170)	-
Proceeds from capital reduction of associates	72	-
Payments for property, plant and equipment	(81,337)	(120,385)
Decrease in refundable deposits	1,300	36
Payments for intangible assets	(1,480)	(41,113)

(Continued)

ASPEED TECHNOLOGY INC.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023	2022
Increase in prepayments for equipment	$ (31,332)	$ -
Interest received	81,547	31,263
Net cash generated from (used in) investing activities	37,212	(175,040)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of the principal portion of lease liabilities	(23,511)	(22,204)
Cash dividends	(1,701,931)	(1,202,427)
Payments for buy-back of treasury shares	-	(125,150)
Net cash used in financing activities	(1,725,442)	(1,349,781)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	(7,586)	67,814
NET INCREASE IN CASH AND CASH EQUIVALENTS	(1,236,871)	852,262
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	2,790,284	1,938,022
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 1,553,413	$ 2,790,284

The accompanying notes are an integral part of the financial statements. (Concluded)

ASPEED TECHNOLOGY INC.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

ASPEED Technology Inc. (the "Company") has been approved by the Ministry of Economic Affairs for establishment on November 15, 2004. The Company is mainly engaged in the manufacturing of electronic products, wholesale of information software, retail and service industry, international trade, intellectual property, product design, and other industrial and commercial services. The Company's shares have been traded on the Taipei Exchange since April 30, 2013.

The financial statements are presented in the Company's functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The parent company only financial statements were approved by the Company's board of directors and authorized for issue on March 11, 2024.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRS Accounting Standards") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The initial application of the IFRSs endorsed and issued into effect by the FSC did not have material impact on the company's accounting policies.

b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2024

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 16 "Leases Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024
Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"	January 1, 2024 (Note 3)

Note 1: Unless stated otherwise, the above IFRS Accounting Standards will be effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

Note 3: The amendments provide some transition relief regarding disclosure requirements.

As of the date the consolidated financial statements were authorized for issue, the Group has assessed that the application of other standards and interpretations will not have a material impact on the Group's financial position and financial performance.

c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 2)

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, the entity recognizes any effect as an adjustment to the opening balance of retained earnings. When the entity uses a presentation currency other than its functional currency, it shall, at the date of initial application, recognize any effect as an adjustment to the cumulative amount of translation differences in equity.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of other standards and interpretations on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICY

a. Statement of compliance

The parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

b. Basis of Preparation

The financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

3) Level 3 inputs are unobservable inputs for an asset or liability.

When preparing its parent company only financial statements, the Company used equity method to account for its investment in subsidiaries. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the parent company only financial statements to be the same with the amounts attributable to the owner of the Company in its consolidated financial statements, adjustments arising from the differences in accounting treatment between parent company only basis and consolidated basis were made to investments accounted for using the equity method, share of profit or loss of subsidiaries and related equity items, as appropriate, in the parent company only financial statements.

c. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the financial statements are authorized for issue; and

3) Liabilities for which the Company does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

d. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. Acquisition-related costs are generally recognized in profit or loss as they are incurred.

Goodwill is measured as the excess of the sum of the consideration transferred and the fair value of the acquirer's previously held equity interests in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

e. Foreign currencies

In preparing the parent company only financial statements, transactions in currencies other than the Company's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income; in which cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

f. Inventories

Inventories consist of work-in-process and finished goods are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to Company similar or related items. Net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at standard cost and adjusted to approximate weighted-average cost on the balance sheet date.

g. Investments in subsidiaries

The Company uses the equity method to account for its investments in subsidiaries.

Subsidiaries are the entities controlled by the Company.

Under the equity method, the investment in a subsidiary is initially recognized at cost, and the carrying amount is increased or decreased to recognize the Company's share of the profit or loss and other comprehensive income of the subsidiary after the date of acquisition. Besides, the Company also recognizes the Company's share of the change in other equity of the subsidiary.

Changes in the Company's ownership interest in a subsidiary that do not result in the Company losing control of the subsidiary are equity transactions. Any difference between the carrying amount of the investment and the fair value of the consideration paid or received is recognized in equity.

When the Company's share of losses of a subsidiary exceeds its interest in that subsidiary (which includes any carrying amount of the investment accounted for by the equity method and long-term interests that, in substance, form part of the Company's net investment in the subsidiary), the Company continues recognizing its share of further losses.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets and liabilities of a subsidiary that constitutes a business at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities of a subsidiary that constitutes a business over the cost of acquisition is recognized immediately in profit or loss.

The Company assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the investee's financial statements as a whole. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes the reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

When the Company loses control of a subsidiary, it recognizes the investment retained in the former subsidiary at its fair value at the date when control is lost. The difference between the fair value of the retained investment plus any consideration received and the carrying amount of the previous investment at the date when control is lost is recognized as a gain or loss in profit or loss. Besides, the Company accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required had the Company directly disposed of the related assets or liabilities.

Profits or losses resulting from downstream transactions are eliminated in full only in the parent company only financial statements. Profits and losses resulting from upstream transactions and transactions between subsidiaries are recognized only in the parent company financial statements and only to the extent of interests in the subsidiaries that are not related to the Company.

h. Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation.

Depreciation on property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

i. Goodwill

Goodwill arising from the acquisition of a business is measured at cost as established at the date of acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Company's cash-generating units or groups of cash-generating units (referred to as "cash-generating units") that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently when there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then pro rata to the other assets of the unit based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. Any impairment loss recognized for goodwill is not reversed in subsequent periods.

If goodwill has been allocated to a cash-generating unit and the entity disposes of an operation within that unit, the goodwill associated with the operation which is disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal and is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

j. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization. Amortization is recognized on a straight-line basis. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in the estimate accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

2) Internally-generated intangible assets - research and development expenditure

Expenditure on research activities is recognized as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from the development phase of an internal project is recognized if, and only if, all of the following have been demonstrated:

a) The technical feasibility of completing the intangible asset so that it will be available for use or sale;

b) The intention to complete the intangible asset and use or sell it;

c) The ability to use or sell the intangible asset;

d) How the intangible asset will generate probable future economic benefits;

e) The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

f) The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally-generated intangible assets is the sum of the expenditure incurred from the date when such an intangible asset first meets the recognition criteria listed above. Subsequent to initial recognition, they are measured on the same basis as intangible assets that are acquired separately.

3) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, they are measured on the same basis as intangible assets that are acquired separately.

4) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

k. Impairment of property, plant and equipment, right-of-use assets and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the smallest group of cash-generating units on a reasonable and consistent basis of allocation.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

l. Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement categories

Financial assets are classified into the following categories: Financial assets at FVTPL and financial assets at amortized cost.

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such a financial asset is mandatorily classified as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividends or interest earned on such a financial asset. Fair value is determined in the manner described in Note 27.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, trade receivables and other receivables at amortized cost refundable deposits, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

i) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and

ii) Financial assets that are not credit impaired on purchase or origination but have subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

A financial asset is credit impaired when one or more of the following events have occurred:

i) Significant financial difficulty of the issuer or the borrower;

ii) Breach of contract, such as a default;

iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or

iv) The disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

b) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables (including related parties)).

The Company always recognizes lifetime expected credit losses (ECLs) for trade receivables. For all other financial instruments, the Company recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The Company recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and does not reduce the carrying amount of the financial asset.

For internal credit risk management purposes, the Group determines that the following situations indicate that a financial asset is in default (without taking into account any collateral held by the Group):

- i. Internal or external information show that the debtor is unlikely to pay its creditors.

c) Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the financial asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

2) Equity instruments

Equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity, and its carrying amounts are calculated base on weighted average by share types and calculated separately by repurchase category. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

3) Financial Liabilities

a) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

The difference between the carrying amount of the financial liabilities derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

m. Provisions

Provisions are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

1) Warranties

Provisions for the expected cost of warranty obligations to assure that products comply with agreed-upon specifications are recognized on the date of sale of the relevant products at the best estimate by the management of the Company of the expenditures required to settle the Company's obligations.

2) Decommissioning

The Company has the obligation for decommissioning at the end of the useful lives of offices. Pursuant to regulations, the Company estimates the decommissioning costs, which are discounted by applying the effective interest rate and recognized as the carrying amount. The decommissioning costs are capitalized and added to the carrying amount of property, plant and equipment.

The Company recognizes both the increased decommissioning provisions discounted on a time basis and interest expense. The Company regularly reviews the change of decommissioning obligation at each end of the reporting period and adjusts it to reflect the best estimates.

n. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances. Allowance for sales returns and liability for returns are recognized at the time of sale based on the seller's reliable estimate of future returns and based on past experience and other relevant factors.

The Company identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

1) Revenue from the sale of goods

Revenue from the sale of goods comes from sales of multimedia integrated circuits (ICs) and computer peripherals oriented ICs. Sales of multimedia ICs and computer peripherals oriented ICs are recognized as revenue when the ICs are delivered to the customer. Trade receivables are recognized concurrently because it is the time when the customer has full discretion to set the price, use, resell the goods to future customers and bears the risks of obsolescence.

The Company does not recognize revenue on materials delivered to subcontractors because this delivery does not involve a transfer of control.

2) Royalties revenue

Royalty revenue is recognized on an accrual basis in accordance with the substance of the relevant agreement and provided that it is probable that the economic benefits will flow to the Company and that the amount of revenue can be measured reliably. Royalties determined on a time basis are recognized on a straight-line basis over the period of the agreement. Royalty arrangements that are based on production, sales and other measures are recognized by reference to the underlying arrangements.

o. Leasing

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease.

1) The Company as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

When the Company subleases a right-of-use asset, the sublease is classified by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. However, if the head lease is a short-term lease that the Company, as a lessee, has accounted for applying recognition exemption, the sublease is classified as an operating lease.

2) The Company as lessee

The Company recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses the lessee’s incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the balance sheets.

p. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered services entitling them to the contributions.

q. Restricted shares for employees

The fair value at the grant date of the restricted shares for employees is expensed on a straight-line basis over the vesting period, based on the Company’s best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in other equity - unearned employee benefit. It is recognized as an expense in full at the grant date if vesting immediately.

When restricted shares for employees are issued, other equity - unearned employee benefits is recognized on the grant date, with a corresponding increase in capital surplus - restricted shares for employees. If restricted shares for employees are granted for consideration and should be returned, they are recognized as payables. Dividends paid to employees on restricted shares that do not need to be returned if employees resign in the vesting period are recognized as expenses when the dividends are declared with a corresponding adjustment in capital surplus - restricted shares for employees.

At the end of each reporting period, the Company revises its estimate of the number of restricted shares for employees expected to vest. The impact of the revision of the original estimates is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to capital surplus - restricted share option for employees.

r. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

According to the income tax law in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

If a temporary difference arises from the initial recognition of assets and liabilities in a transaction that (other than in the acquisition of a subsidiary) affects neither the taxable profit nor the accounting profit, the resulting deferred tax asset or liability is not recognized. In addition, a deferred tax liability is not recognized on any taxable temporary difference arising from the initial recognition of goodwill included in the investment in the subsidiary.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, research and development expenditures and personnel training expenditures to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the year which the liability is settled or the asset is realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred taxes

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, management is required to make judgments, estimates and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The Company considers the possible impact of the recent development of the COVID-19 and its economic environment implications when making its material accounting estimates on cash flows, growth rates, discount rates, profitabilities, etc. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

Key Sources of Estimation Uncertainty

a. Write-down of Inventories

The net realizable value of inventories is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The estimation of net realizable value is based on current market conditions and historical experience in the sale of product of a similar nature. Changes in market conditions may have a material impact on the estimation of the net realizable value.

b. Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The calculation of the value in use requires management to estimate the future cash flows expected to arise from the cash-generating units and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2023	2022
Cash on hand	$ 101	$ 101
Demand deposits	1,378,293	653,617
Cash equivalents (investments with original maturities of 3 months or less)		
Repurchase agreements collateralized by bonds	113,609	2,056,720
Time deposits	61,410	79,846
	$ 1,553,413	$ 2,790,284

The market rate intervals of cash in the bank at the end of the reporting period were as follows:

	December 31	
	2023	**2022**
Bank deposits	0.05%-5.50%	0.05%-4.88%
Repurchase agreements collateralized by bonds	5.35%	3.55%-4.10%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2023	**2022**
Financial assets mandatorily classified as at FVTPL-current		
Non-derivative financial assets		
Mutual funds	$ 280,878	$ 327,087
Domestic listed shares	91,911	199,980
	$ 372,789	$ 527,067
Financial assets mandatorily classified as at FVTPL - non-current		
Non-derivative financial assets		
Foreign corporate bonds	$ 77,856	$ 72,893

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31	
	2023	**2022**
Non-current		
Investments in equity instruments at fair value through other comprehensive income (FVTOCI)	$ 62,104	$ -
Non-current		
Foreign investments		
Non-publicly traded equity investments (a)	$ 62,104	$ -

a. The Company invests in equity instruments of foreign investments, including non-publicly traded equity investments for strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Company's strategy of holding these investments for long-term purposes.

9. TRADE RECEIVABLES

	December 31	
	2023	2022
Trade receivables		
Non-related parties	$ 715,148	$ 979,726
Trade receivables		
At amortized cost		
Gross carrying amount	$ 715,148	$ 979,726
Less: Allowance for impairment loss	-	-
	$ 715,148	$ 979,726

The average credit period of sale of goods was 30-60 days. The Company adopted a policy that is in order to minimize credit risk, the management of the Company regularly reviews credit limits and credit approvals and performs other monitoring procedures to ensure that follow-up action is taken to recover overdue debts.

Before trading with new customers, the Company assesses the potential customer's credit quality and defines credit limits based on the credit rating system. Credit rating information is obtained from independent rating agencies where available or, if not available, the Company uses other publicly available financial information or its own trading records to rate its major customers.

As for the trade receivables that are overdue at the end of the reporting date but not yet recognized as the allowance for bad debts, the credit quality has not changed significantly; thus, the management of the Company believes that the amount can still be recovered. The Company does not hold any collateral or other credit enhancements to those trade receivables.

The Company which permits the use of lifetime expected loss provision for all trade receivables. The expected credit losses on trade receivables are estimated using a provision matrix approach considering the past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Company's different customer base.

The Company writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of trade receivables based on the Company's provision matrix.

December 31, 2023

	Gross Carrying Amount	Loss Allowance	Amortized Cost
Not past due	$ 585,729	$ -	$ 585,729
Past due			
Within 30 days	120,154	-	120,154
31-60 days	8,841	-	8,841
61-90 days	424	-	424
91-180 days	-	-	-
	$ 715,148	$ -	$ 715,148

December 31, 2022

	Gross Carrying Amount	Loss Allowance	Amortized Cost
Not past due	$ 687,222	$ -	$ 687,222
Past due			
Within 30 days	255,608	-	255,608
31-60 days	22,062	-	22,062
61-90 days	10,461	-	10,461
91-180 days	4,373	-	4,373
	$ 979,726	$ -	$ 979,726

10. INVENTORIES

	December 31	
	2023	2022
Finished goods	$ 240,030	$ 282,388
Work in progress	43,608	118,004
	$ 283,638	$ 400,392

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2023 and 2022 was $1,109,161 thousand and $1,818,976 thousand, respectively. The cost of inventories recognized as operating cost were as follows:

	December 31	
	2023	2022
Inventory write-downs	$ 551	$ 24,231
Loss on disposal of inventories	$ -	$ 6,569

11. INVESTMENT ACCOUNTED FOR USING EQUITY METHOD

a. Investments in subsidiaries

	December 31	
	2023	2022
ASPEED Technology (Samoa) Inc.	$ 53,398	$ 45,626
ASPEED Technology India Private Limited	-	74
Cupola360 Inc.	10,273	4,472
	$ 63,671	$ 50,172

	Proportion of Ownership and Voting Rights	
	December 31	
Name of Subsidiaries	2023	2022
ASPEED Technology (Samoa) Inc.	100%	100%
ASPEED Technology India Private Limited (Note)	1%	1%
Cupola360 Inc.	100%	100%

Note: The Company holds 99% shares of ASPEED Technology India Private Limited through ASPEED Technology (Samoa) Inc., as ASPEED Technology India Private Limited is a 100% owned subsidiary of the Company.

The investment accounted for using the equity method and the calculation of the share of profit or loss and other comprehensive income were recognized based on the financial statements of subsidiaries that have been audited.

12. PROPERTY, PLANT AND EQUIPMENT

	December 31	
	2023	2022
Assets used by the Company	$ 196,822	$ 217,496

a. Year 2023

	Year Ended December 31, 2023				
	Balance at Beginning of the Year	Additions	Disposals	Reclassification Adjustment	Balance at End of the Year
Cost					
Machinery equipment	$ 32,401	$ 75	$ (17,253)	$ -	$ 15,223
Office equipment	16,857	4,581	(4,836)	-	16,602
Other equipment	353,272	74,427	(99,114)	-	328,585
	402,530	$ 79,083	$ (121,203)	$ -	360,410

(Continued)

	Year Ended December 31, 2023				
	Balance at Beginning of the Year	Additions	Disposals	Reclassification Adjustment	Balance at End of the Year
Accumulated depreciation					
Machinery equipment	$ 19,254	$ 4,836	$ (17,253)	$ -	$ 6,837
Office equipment	8,756	4,187	(4,836)	-	8,107
Other equipment	157,024	90,734	(99,114)	-	148,644
	185,034	$ 99,757	$ (121,203)	$ -	163,588
Carrying amount	$ 217,496				$ 196,822

(Concluded)

b. Year 2022

	Year Ended December 31, 2022				
	Balance at Beginning of the Year	Additions	Disposals	Reclassification Adjustment	Balance at End of the Year
Cost					
Machinery equipment	$ 23,525	$ 10,306	$ (1,430)	$ -	$ 32,401
Office equipment	14,716	3,069	(928)	-	16,857
Other equipment	259,159	94,168	(55)	-	353,272
	297,400	$ 107,543	$ (2,413)	$ -	402,530
Accumulated depreciation					
Machinery equipment	14,972	$ 5,712	$ (1,430)	$ -	19,254
Office equipment	6,210	3,474	(928)	-	8,756
Other equipment	87,695	69,384	(55)	-	157,024
	108,877	$ 78,570	$ (2,413)	$ -	185,034
Carrying amount	$ 188,523				$ 217,496

The above items of property, plant and equipment are depreciated on a straight-line basis over their following estimated useful lives as follows:

Machinery equipment	4 years
Office equipment	4-5 years
Other equipment	4-5 years

13. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2023	2022
Carrying amount		
Buildings	$ 16,995	$ 37,799
Transportation equipment	2,692	1,624
	$ 19,687	$ 39,423

	For the Year Ended December 31	
	2023	2022
Additions to right-of-use assets	$ 4,903	$ 3,760
Depreciation charge for right-of-use assets		
Buildings	$ 22,938	$ 21,901
Transportation equipment	1,701	1,181
	$ 24,639	$ 23,082

b. Lease liabilities

	December 31	
	2023	2022
Carrying amount		
Current	$ 17,211	$ 22,716
Non-current	$ 1,793	$ 14,896

Range of discount rate for lease liabilities was as follows:

	December 31	
	2023	2022
Buildings	2.00%	2.00%
Transportation equipment	2.50%	2.50%

c. Material lease-in activities and terms

The Company leases certain buildings for the use of manufacturing and office with lease terms of 1 to 5 years. The Company doesn't have options to purchase the equipment for a nominal amount at the end of the lease terms. In addition, the Company is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor's consent.

d. Other lease information

	For the Year Ended December 31	
	2023	2022
Expenses relating to short-term leases	$ 694	$ 963
Expenses relating to low-value asset leases	$ 141	$ 77
Total cash outflow for leases	$ (24,900)	$ (24,219)

The Company's leases of certain office equipment qualify as short-term and low-value asset leases. The Company has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

14. GOODWILL

	For the Year Ended December 31	
	2023	2022
Cost		
Balance at beginning and end of the year	$ 369,040	$ 369,040

On December 30, 2016, the Company acquired the pilot product line, which was mainly expected to create synergies and benefits to the company's existing products. When an impairment test is performed, the goodwill is related to the Company and deemed as a single cash-generating unit. Therefore, the impairment of goodwill is assessed by calculating the recoverable amount of the Company and the carrying amount of the net assets.

In addition, according to the asset impairment assessment analysis report issued by the Company, the financial forecast of the company from 2024 to 2028 is based on the financial analysis, according to the following: (a) management's reference to revenue growth rate of historical period, and (b) the difference between actual results and estimates of operating profit from 2020 to 2023, with conservative data as the basis for prediction.

The recoverable amount of the total cash-generating unit is still greater than the carrying amount, so no impairment loss is recognized.

The Company's recoverable amount is determined on the basis of the value in use, and the cash flow estimate of the financial budget for the next five years is approved by the management of the Company and is calculated using the annual discount rate of 16.34%.

15. OTHER INTANGIBLE ASSETS

	For the Years Ended December 31, 2023			
	Balance at Beginning of the Year	Additions	Disposals	Balance at End of the Year
Cost				
Licenses	$ 457,570	$ 2,665	$ (155,128)	$ 305,107
Software	12,099	1,480	(495)	13,084
Client relationship	145,552	-	-	145,552
Existing technology	359,030	-	(359,030)	-
Trademark	45,283	-	(45,283)	-
Others	3,550	-	(550)	3,000
	1,023,084	$ 4,145	$ (560,486)	466,743
Accumulated amortization				
Licenses	174,611	$ 96,708	$ (155,128)	116,191
Software	3,350	4,093	(495)	6,948
Client relationship	109,164	18,194	-	127,358
Existing technology	307,740	51,290	(359,030)	-
Trademark	38,814	6,469	(45,283)	-
Others	1,927	810	(550)	2,187
	635,606	$ 177,564	$ (560,486)	252,684
Carrying amount	$ 387,478			$ 214,059

	For the Years Ended December 31, 2022			
	Balance at Beginning of the Year	Additions	Disposals	Balance at End of the Year
Cost				
Licenses	$ 218,240	$ 239,330	$ -	$ 457,570
Software	1,186	11,431	(518)	12,099
Client relationship	145,552	-	-	145,552
Existing technology	359,030	-	-	359,030
Trademark	45,283	-	-	45,283
Others	4,000	-	(450)	3,550
	773,291	$ 250,761	$ (968)	1,023,084
Accumulated amortization				
Licenses	121,490	$ 53,121	$ -	174,611
Software	699	3,169	(518)	3,350
Client relationship	90,970	18,194	-	109,164
Existing technology	256,450	51,290	-	307,740
Trademark	32,345	6,469	-	38,814
Others	1,319	1,058	(450)	1,927
	503,273	$ 133,301	$ (968)	635,606
Carrying amount	$ 270,018			$ 387,478

Intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Licenses	3-7 years
Software	3 years
Client relationship	8 years
Others	4 years

16. OTHER ASSETS

	December 31	
	2023	2022
Current		
Prepayment for purchases	$ 359,040	$ 7,038
Prepayments	26,533	20,481
Tax refund receivables	10,113	11,915
Other receivables	1,554	1,686
	$ 397,240	$ 41,120

(Continued)

	December 31	
	2023	2022
Non-current		
Prepayments for investments	$ 46,170	$ -
Prepayments for equipment	31,332	-
Refundable deposits	8,802	10,102
Prepayments for maintenance fee	6,245	3,150
	$ 92,549	$ 13,252

(Concluded)

17. TRADE PAYABLES

	December 31	
	2023	2022
Trade payables		
Operating	$ 185,146	$ 317,324

18. OTHER PAYABLES

	December 31	
	2023	2022
Current		
Other payables		
Payables for salaries and bonuses	$ 42,754	$ 33,971
Payables for royalties	8,611	11,608
Payables for pension	2,504	2,181
Labor and health insurance payables	2,447	2,130
Payables for purchases of equipment	1,904	5,528
Payables for services	1,501	4,521
Payables for patents	1,370	201,679
Payables for employee welfare	1,000	6,901
Others	13,228	7,230
	$ 75,319	$ 275,749
Other liabilities		
Refund liabilities	$ 29,713	$ 69,590
Receipts under custody	3,176	3,073
Contract liabilities (Note 22)	3,070	33
	$ 35,959	$ 72,696

19. PROVISIONS

	December 31	
	2023	2022
Current		
Warranties (a)	$ 52,487	$ 49,634
Non-current		
Decommissioning (b)	$ 6,447	$ 6,447

	Warranties	Decommissioning
Balance at January 1, 2023	$ 49,634	$ 6,447
Additional provisions recognized	2,853	-
Balance at December 31, 2023	$ 52,487	$ 6,447

a. The provision for warranty claims represents the present value of management's best estimate of the future outflow of economic benefits. The estimate has been made on the basis of historical warranty trends and may vary as a result of new materials, altered manufacturing processes or other events affecting product quality.

b. The provision for decommissioning represents the Company's obligation to decommission.(including the restoration of the office). The costs are estimated based on internal research, and the Company regularly reviews and adjusts it to reflect the best estimates.

20. RETIREMENT BENEFIT PLANS

The Company adopted a pension plan under the Labor Pension Act (LPA), which is deemed a defined contribution plan. Pursuant to the LPA, the Company makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

The total expenses recognized in the consolidated statement of comprehensive income were $9,873 thousand and $8,138 thousand, representing the contributions made and to be made to these plans by the Company at the rates specified in the plans for the years ended December 31, 2023 and 2022, respectively.

21. EQUITY

a. Ordinary share capital

	December 31	
	2023	2022
Number of shares authorized (in thousands of shares)	50,000	50,000
Shares authorized par value $10 (in thousands of NTD)	$ 500,000	$ 500,000
Number of shares issued and fully paid (in thousands of shares)	37,821	37,821
Shares issued and fully paid (in thousands of NTD)	$ 378,207	$ 378,207

Ordinary shares issued and fully paid have a par value of NT$10. Each share has one voting right and the right to receive dividends.

On March 7, 2022, the board of directors of the Company resolved to take back 14,000 new shares of restricted employee rights from former employees without compensation in accordance with the law. The Company had capital reduction operation, and the base date for capital reduction was March 7, 2022. The registration of the change was completed on March 16, 2022.

On March 7, 2022, the board of directors of the Company made a resolution in accordance with the Company's Article, article 241 subparagraphs 1 and 2 of paragraph 1 which stipulate that capital reserves should be used for capital, and the total amount of the annual capital shall not exceed 10% of the paid-in capital. The proposed capital reserve of NT$34,355 thousand was converted into capital for the issuance of new shares at NT$10 per share, with 3,436 thousand shares allotted to 100 shares for every 1,000 shares, andwere approved by the shareholders in their meeting on May 31, 2022. The board of directors were authorized to complete the record date in accordance with the relevant regulations on July 4, 2022, and the registration of the change was completed on July 13, 2022.

On March 7, 2022, the board of directors of the Company made a resolution to convert the employees' compensation into capital stock with NT$141,518 thousand, NT$10 per share. The above-mentioned capital increase was reported at the general meeting of the shareholders on May 31, 2022 and was approved by the competent authority to declare and take effect. The base date of the capital increase is also set on August 9, 2022 with 52 thousand shares, and the registration of the change was completed on August 29, 2022.

On August 8,2022, the board of directors of the Company made a resolution in the new employee restricted stocks with 44 thousand shares at NT$10 per share. The above-mentioned issuance of new shares was approved and declared to be effective by the competent authority, and the registration of the change was completed on August 29, 2022, refer to Note 25.

On November 7, 2022, the board of directors of the Company resolved to take back 6 thousand shares of restricted employee rights from former employees without compensation in accordance with the law. The capital reduction operation was planned, and the base date for capital reduction was November 7, 2022. The registration of the change was completed on November 18, 2022.

On December 16, 2022, the board of directors of the Company resolved to cancel the treasury shares in accordance with the law and eliminated a total of 60 thousand issued shares. The base date for capital reduction was December 16, 2022, and the registration of the change was completed on December 28, 2022.

b. Capital surplus

	December 31	
	2023	**2022**
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (a)		
Issuance of ordinary shares	$ 756,385	$ 756,385
Employee share bonus	608,492	608,492
From expired/vested employee restricted shares	110,953	69,599
From expired/exercised employee share options	2,156	2,156
May not be used for any purpose		
Employee restricted shares	61,792	103,146
	$ 1,539,778	$ 1,539,778

a) The capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).

c. Retained earnings and dividend policy

The shareholders of the Company held their regular meeting on May 29, 2019 and in that meeting, resolved the amendments to the Company's Articles of Incorporation (the "Articles"). The amendments explicitly stipulate that the Company may allocate a portion or all of its reserves for distribution in accordance with relevant laws or regulations or the orders of the authorities in charge. When the reserves are to be distributed in cash, the distribution may be approved by the board of directors and reported to the shareholders in their meeting.

Under fixing the dividends policy as set forth in the amended Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as a legal reserve of 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved by the shareholders in their meeting when the reserves are to be distributed as bonuses to shareholders.

For the policies on the distribution of compensation of employees and remuneration of directors and supervisors after the amendment, refer to compensation of employees and remuneration of directors and supervisors in Note 23(g).

The Company's Articles stipulate the dividends policy based on present and future projects, investment environment, capital requirements, domestic and international competitive environment, and the interests of shareholders, whereby the Company distributes no less than 10% of the distributable earnings in the form of dividend bonus. If the accumulatively distributable earnings were less than 50% of the Company's paid-in capital, the dividend bonus would not be distributed. In principle, cash dividends are limited to no less than 10% of the total dividends distributed.

The appropriation of earnings to a legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset any deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The special reserve should be appropriated from the prior years' unappropriated earnings to the extent of the debit balance accumulated from prior years. Afterward, if there is any reversal of the decrease in other stockholders' equity, the Company is allowed to appropriate retained earnings from the reversal amount.

The appropriations of earnings for 2022 and 2021 were as follows:

	Appropriation of Earnings For the Year Ended December 31	
	2022	**2021**
Write-off of the retained earnings for cancellation of treasury shares	$ 122,271	$ -
Legal reserve	$ 198,334	$ 131,292
(Reversal) recognition of special reserve	$ 42,532	$ (23,722)
Cash dividends	$ 1,701,931	$ 1,202,427
Cash dividends per share (NT$)	$ 45.00	$ 35.00

The above appropriations for cash dividends were resolved by the Company's board of directors on March 6, 2023 and March 7, 2022. The other appropriation of earnings for 2022 and 2021 were proposed by shareholder in their meetings on May 30, 2023 and May 31, 2022, respectively.

The appropriation of earnings for 2023 which was approved in the board of directors' meeting on March 11, 2024 as follows:

	For the Year Ended December 31, 2023
Legal reserve	$ 100,681
Reversal of special reserve	$ (62,444)
Cash dividends	$ 756,414
Cash dividends per share (NT$)	$ 20.00

The above cash dividends have been distributed by the Company's boards of directors and the rest are yet to be resolved at the shareholder's meetings expected to be held on May 30, 2024.

d. Special reserve

	For the Year Ended December 31	
	2023	2022
Balance at January 1	$ 22,169	$ 45,891
Appropriation:		
Debits to other equity items	42,532	-
Reversal:		
Reversal of debits to other equity items	-	(23,722)
Balance at December 31	$ 64,701	$ 22,169

e. Other equity items

1) Unearned employee benefits

For information about the restricted share plans for employees, refer to Note 27.

	For the Year Ended December 31	
	2023	2022
Balance at January 1	$ (62,683)	$ (16,785)
Issued	-	(78,980)
Cancelled	-	14,457
Share-based payment expenses recognized	41,804	18,625
Balance at December 31	$ (20,879)	$ (62,683)

2) Exchange differences on translation of the financial statements of foreign operations

	For the Year Ended December 31	
	2023	2022
Balance at January 1	$ (2,018)	$ (5,384)
Exchange differences on translation of the financial statements of foreign operations	(239)	3,366
Balance at December 31	$ (2,257)	$ (2,018)

22. REVENUE

a. Revenue from contracts with customers

	For the Year Ended December 31	
	2023	2022
Revenue from the sale of goods	$ 3,103,586	$ 5,209,152
Royalty income	7,493	974
	$ 3,111,079	$ 5,210,126

b. Contract balances

	December 31, 2023	December 31, 2022	January 1, 2022
Trade receivables (Note 9)	$ 715,148	$ 979,726	$ 828,723
Contract liabilities (Note 18)			
Sale of goods	$ 3,070	$ 33	$ 71

The changes in the contract liability balances primarily result from the timing difference between the Company’s performance and the customer’s payment.

c. Disaggregation of revenue

For the year ended December 31, 2023

	Reportable Segments			
	Multimedia Integrated Circuits (ICs)	Computer Peripherals Oriented ICs	Others	Total
Type of goods or services				
Sale of goods	$ 2,757,121	$ 328,725	$ 17,740	$ 3,103,586
Royalty	-	-	7,493	7,493
	$ 2,757,121	$ 328,725	$ 25,233	$ 3,111,079

For the year ended December 31, 2022

	Reportable Segments			
	Multimedia Integrated Circuits (ICs)	Computer Peripherals Oriented ICs	Others	Total
Type of goods or services				
Sale of goods	$ 4,863,615	$ 338,158	$ 7,379	$ 5,209,152
Royalty	-	-	974	974
	$ 4,863,615	$ 338,158	$ 8,353	$ 5,210,126

23. NET PROFIT FROM CONTINUING OPERATIONS

The comprehensive income includes the following in 2023 was as follows:

a. Interest income

	For the Year Ended December 31	
	2023	2022
Interest income		
Repurchase agreements collateralized by bonds	$ 62,598	$ 19,020
Bank deposits	10,437	1,964
Financial asset at fair value through profit	9,023	10,442
Others	150	71
	$ 82,208	$ 31,497

b. Other income

	For the Year Ended December 31	
	2023	2022
Others	$ 5,594	$ 5,667

c. Other gains and losses

	For the Year Ended December 31	
	2023	2022
Net foreign exchange gains	$ 8,127	$ 196,844
Net gain (loss) on fair value changes of financial assets through profit or loss	36,398	(32,965)
Loss on disposal of financial assets	(8,993)	(26,713)
Miscellaneous expenses	(2)	-
	$ 35,530	$ 137,166

d. Finance costs

	For the Year Ended December 31	
	2023	2022
Interest on loans	$ 9,124	$ 2,783
Interest on lease liability	554	975
	$ 9,678	$ 3,758

e. Depreciation and amortization

	For the Year Ended December 31	
	2023	2022
An analysis of depreciation by function		
Operating costs	$ -	$ -
Operating expenses	124,396	101,652
	$ 124,396	$ 101,652
An analysis of amortization by function		
Operating costs	$ -	$ -
Operating expenses	177,564	133,301
	$ 177,564	$ 133,301

f. Employee benefits expense

	For the Year Ended December 31	
	2023	2022
Post-employment benefits (Note 20)		
Defined contribution plans	$ 9,873	$ 8,138
Share-based payments (Note 26)	41,804	18,625
Other employee benefits	420,202	530,268
Total employee benefits expense	$ 471,879	$ 557,031
An analysis of employee benefits expense by function		
Operating costs	$ -	$ -
Operating expenses	471,879	557,031
	$ 471,879	$ 557,031

g. Compensation of employees and remuneration of directors

The Company accrued compensation of employees and remuneration of directors at rates of no less than 8% and no higher than 3%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. The compensation of employees and remuneration of directors for the years ended December 31, 2023 and 2022, which have been approved by the Company’s board of directors on March 11, 2024 and March 6, 2023, respectively, were as follows:

Accrual rate

	For the Year Ended December 31	
	2023	2022
Compensation of employees	8%	8%
Remuneration of directors	1%	1%

Amount

	For the Year Ended December 31			
	2023		2022	
	Cash	Shares	Cash	Shares
Compensation of employees	$ 105,374	$ -	$ 229,900	$ -
Remuneration of directors	13,171	-	28,738	-

If there is a change in the amounts after the annual parent company only financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

There is no difference between the actual amounts of compensation of employees and remuneration of directors and supervisors paid and the amounts recognized in the parent company only financial statements for the years ended December 31, 2022 and 2021.

Information on the compensation of employees and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

h. Gains or losses on foreign currency exchange

	For the Year Ended December 31	
	2023	2022
Foreign exchange gains	$ 103,572	$ 270,116
Foreign exchange losses	(95,445)	(73,272)
	$ 8,127	$ 196,844

24. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Major components of income tax expense recognized in profit or loss

	For the Year Ended December 31	
	2023	2022
Current tax		
In respect of the current year	$ 213,062	$ 504,044
Adjustments for prior years	(12,858)	-
	200,204	504,044
Deferred tax		
In respect of the current year	(8,387)	5,456
Income tax expense recognized in profit or loss	$ 191,817	$ 509,500

A reconciliation of accounting loss and income tax expense was as follows:

	For the Year Ended December 31	
	2023	2022
Income before tax from continuing operations	$ 1,198,627	$ 2,615,114
Income tax expense calculated at the statutory rate	$ 239,726	$ 523,023
Non-deductible expenses in determining taxable income	(3,008)	6,614

(Continued)

	For the Year Ended December 31	
	2023	2022
Deductible temporary differences	$ (1,957)	$ (20)
Investment credits	(30,086)	(20,117)
Adjustments for prior years' tax	(12,858)	-
Income tax expense recognized in profit or loss	$ 191,817	$ 509,500

(Concluded)

b. Current tax liabilities

	December 31	
	2023	2022
Current tax liabilities		
Income tax payable	$ -	$ 378,402

c. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2023

	Opening Balance	Recognized in Profit or Loss	Closing Balance
Deferred Tax Assets			
Temporary differences			
Inventory write-down	$ 5,846	$ 110	$ 5,956
Investments accounted for using the equity method	2,348	(1,389)	959
Provisions	9,927	570	10,497
Refund liabilities	13,918	(7,975)	5,943
Deferred depreciation expense for decommissioning of right-of-use assets	773	(257)	516
	$ 32,812	$ (8,941)	$ 23,871
Deferred Tax Liabilities			
Temporary differences			
Unrealized net foreign exchange gains	$ 15,562	$ (4,805)	$ 10,757
Other intangible assets - acquisitions	17,535	(13,896)	3,639
Investments accounted for using the equity method	-	1,373	1,373
	$ 33,097	$ (17,328)	$ 15,769

For the year ended December 31, 2022

	Opening Balance	Recognized in Profit or Loss	Closing Balance
Deferred Tax Assets			
Temporary differences			
Inventory write-down	$ 1,000	$ 4,846	$ 5,846
Investments accounted for using the equity method	3,008	(660)	2,348
Provisions	7,937	1,990	9,927
Refund liabilities	27,853	(13,935)	13,918
Deferred depreciation expense for decommissioning of right-of-use assets	516	257	773
	$ 40,314	$ (7,502)	$ 32,812
Deferred Tax Liabilities			
Temporary differences			
Unrealized net foreign exchange gains	$ 3,711	$ 11,851	$ 15,562
Other intangible assets - acquisitions	31,432	(13,897)	17,535
	$ 35,143	$ (2,046)	$ 33,097

d. Income tax assessments

The Company's tax returns through 2021 have been assessed by the tax authorities.

25. EARNINGS PER SHARE

Unit: NT$ Per share

	For the Year Ended December 31	
	2023	2022
Basic earnings per share	$ 26.66	$ 55.72
Diluted earnings per share	$ 26.60	$ 55.35

The earnings and weighted-average number of ordinary shares outstanding used in the calculation of earnings per share are as follows:

Net income for the year

	For the Year Ended December 31	
	2023	2022
Earnings used in the computation of basic and diluted earnings per share	$ 1,006,810	$ 2,105,614

Unit: Thousands of shares

	For the Year Ended December 31	
	2023	2022
Weighted average number of ordinary shares in computation of basic earnings per share	37,768	37,792
Effect of potentially dilutive ordinary shares:		
Compensation of employees	48	146
Restricted shares to employees	40	102
Weighted average number of ordinary shares in computation of diluted earnings per share	37,856	38,040

The Company may settle the compensation in cash or shares; therefore, the Company assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

26. SHARE-BASED PAYMENT ARRANGEMENTS

Restricted share plan for employees

Information on restricted share plan for employees was as follows:

Approved Date	Grant Shares (Thousand)	Board of Directors Approved Issue Date	Issued Date	Issued Shares (Thousand)	Fair Value
2017/05/26	100	2017/11/03	2018/02/05	36	$ 740
2018/05/30	40	2018/11/05	2018/11/12	21	481
2019/05/29	100	2019/08/02	2019/09/10	28	791
2019/05/29	100	2019/08/02	2020/02/05	31	952
2019/05/29	100	2019/08/02	2020/03/02	9	1,005
2022/05/31	60	2022/08/08	2022/08/08	44	1,795

On May 31, 2022, the shareholders held a meeting and resolved to issue a restricted share plan for employees with a total of 60 thousand shares. The Company shall set up the actual issuance date (s) in one tranche or by installments within one year from the effective date of the receipt of registration from the competent authority. The board of directors authorized the Company’s chairman to determine the issue date. The main elements of the restricted share plan for employees were as follows:

a. Issue price: the Company issued the gratuitous restricted shares for employees.

b. Vesting conditions of restricted shares for employees are as follows:

   a) Employees, who are still employed from the date when new employee restricted stocks are granted and the personal performance conditions signed by individual employees are set and the achievement rate of the Company's operating goals according to the time of giving, may satisfy the vesting conditions in the following proportions of shares respectively:

      The maximum portions of the vesting shares of 2023 are 35%, The cumulative maximum portions of vesting shares from 2023 to 2024 are 70%,

The cumulative maximum portions of vesting shares from 2023 to 2025 are 100%,

b) When the employees do not reach the vesting conditions, the Company will recover and cancel the shares.

c) During the vesting period, the dividends will distribute to employees gratuitously.

c. In addition to the vesting conditions, the limitations are as follows:

a) The employees cannot sell, pledge, transfer, donate or, in any other way, dispose of these shares.

b) During the vesting period, the rights of attendants in the shareholders' meeting, proposal, speech, resolution and voting right, etc., will be enforced by trust institutions.

On May 29, 2019, the shareholders held a meeting and resolved to issue a restricted share plan for employees with a total of 100 thousand shares. The Company shall set up the actual issuance date (s) in one tranche or by installments within one year from the effective date of the receipt of registration from the competent authority. The board of directors authorized the Company's chairman to determine the issue date. The main elements of the restricted share plan for employees were as follows:

a. Issue price: the Company issued the gratuitous restricted shares for employees.

b. Vesting conditions of restricted shares for employees are as follows:

a) To meet the vesting conditions, an employee has to meet performance and other conditions over the vesting period, as follows:

Remain employed by the Company within 1 year - 10% of restricted shares will be vested;

Remain employed by the Company within 2 year - 10% of restricted shares will be vested;

Remain employed by the Company within 3 year - 40% of restricted shares will be vested;

Remain employed by the Company within 4 year - 40% of restricted shares will be vested;

b) When the employees do not reach the vesting conditions, the Company will recover and cancel the shares.

c) During the vesting period, the dividends will distribute to employees gratuitously.

c. In addition to the vesting conditions, the limitations are as follows:

a) The employees cannot sell, pledge, transfer, donate or, in any other way, dispose of these shares.

b) During the vesting period, the rights of attendants in the shareholders' meeting, proposal, speech, resolution and voting right, etc., will be enforced by trust institutions.

Information on restricted share plan for employees was as follows:

	Number of Shares (In Thousands) For the Year Ended December 31	
	2023	**2022**
Balance at January 1	71	67
Granted	-	44
Vested	(31)	(20)
Cancelled	-	(20)
Balance at December 31	40	71

For the years ended December 31, 2023 and 2022, the compensation costs recognized were NT$41,804 thousand and NT$18,625 thousand, respectively.

27. CAPITAL MANAGEMENT

The Company manages its capital to ensure that the Company will be able to operate under the premises of going concerns while maximizing the return to shareholders through the optimization of the debt and equity balance.

The capital structure of the Company consists of net debt (borrowings offset by cash and cash equivalents) and equity attributable to owners of the Company (comprising issued capital, reserves, retained earnings and other equity).

The Company is not subject to any externally imposed capital requirements.

Key management personnel of the Company review the capital structure on a regular basis. As part of this review, the key management personnel consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Company may adjust the amount of dividends paid to shareholders and the number of new shares issued.

28. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

The management considers that the carrying amounts of financial assets and financial liabilities recognized in the financial statements approximate their fair values.

b. Fair value of financial instruments measured at fair value

1) Fair value hierarchy

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL-current				
Mutual funds	$ 280,878	$ -	$ -	$ 280,878
Domestic listed shares	91,911	-	-	91,911

(Continued)

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL - non-current				
Foreign corporate bonds	$ -	$ 77,856	$ -	$ 77,856
Financial assets at FVTCOI - non-current				
Non-publicly traded equity investments	-	-	62,104	62,104
	$ 372,789	$ 77,856	$ 62,104	$ 512,749

(Concluded)

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL-current				
Mutual funds	$ 327,087	$ -	$ -	$ 327,087
Domestic listed shares	199,980	-	-	199,980
Financial assets at FVTPL - non-current				
Foreign corporate bonds	-	72,893	-	72,893
	$ 527,067	$ 72,893	$ -	$ 599,960

There were no transfers between Level 1 and Level 2 in the current and prior years.

2) Valuation techniques and inputs applied for Level 2 fair value measurement

Financial Instrument	Valuation Technique and Inputs
Foreign corporate bonds	It is based on the quoted market transaction price provided by a third-party institution as a measurement..

3) Valuation techniques and inputs applied for Level 3 fair value measurement

Financial Instrument	Valuation Technique and Inputs
Non-publicly traded equity investments	It is mainly determined by using the asset approach and market approach.

c. Categories of financial instruments

	December 31	
	2023	2022
Financial assets		
Financial assets at amortized cost (1)	$ 2,278,917	$ 3,781,798
Financial assets at FVTPL	450,645	599,960
Financial assets at FVTOCI	62,104	-
Financial liabilities		
Measured at amortized cost (2)	218,355	551,695

1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, trade and other receivables and refundable deposits.

2) The balances include financial liabilities measured at amortized cost, which comprise trade payables and other payables (including related parties).

d. Financial risk management objectives and policies

The Company's major financial instruments include mutual investments, trade receivables and trade payables. The Company's Corporate Treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

1) Market risk

The Company's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below), and interest rates (see (b) below).

a) Foreign currency risk

The Company had foreign currency sales and purchases, which exposed the Company to foreign currency risk. Approximately 100% of the Company's sales were denominated in currencies other than the functional currency, whilst almost 99% of costs were denominated in the Company's functional currency.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are set out in Note 32.

Sensitivity analysis

The Company was mainly exposed to the USD.

The following table details the Company's sensitivity to a 5% increase and decrease in the New Taiwan dollar (i.e., the functional currency) against the relevant foreign currencies. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange rates is 5%. The sensitivity analysis included only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of the reporting period for a 5% change in foreign currency rates. A positive number below indicates an increase in pre-tax profit associated with the New Taiwan dollar strengthening 5% against the relevant currency. For a 5% weakening of the New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on pre-tax profit, and the balances below would be negative.

	USD Impact	
	For the Year Ended December 31	
	2023	**2022**
Pre-tax profit	$ 68,890	$ 97,377

This was mainly attributable to the exposure on outstanding receivables,payables and mutual funds in USD which were not hedged at the end of the reporting period.

The Company's sensitivity to USD currency decreased during the current period mainly due to the decrease in the net assets of the USD which was due to the decrease in bank deposits, cash equivalents and accounts receivable denominated in USD.

The management believes that the sensitivity analysis cannot represent the inherent risk of the exchange rate, because the foreign currency risk at the end of the reporting period cannot reflect the mid-year risk situation.

b) Interest rate risk

Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring that the most cost-effective hedging strategies are applied.

The carrying amount of the Company's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	December 31	
	2023	**2022**
Fair value interest rate risk		
Financial assets	$ 252,875	$ 2,209,459
Financial liabilities	19,004	37,612
Cash flow interest rate risk		
Financial assets	1,378,293	653,617

Sensitivity analysis

The sensitivity analysis below was determined based on the Company's exposure to interest rates for both derivative and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of each liability outstanding at the end of the reporting period was outstanding for the whole year.

A 0.1 basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company.

The Company adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Company uses other publicly available financial information and its own trading records to rate its major customers. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

Ongoing credit evaluation is performed on the financial condition of trade receivables and, where appropriate, credit guarantee insurance cover is purchased.

3) Liquidity risk

The Company manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Company's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Company relies on bank borrowings as a significant source of liquidity. As of December 31, 2023 and 2022, the information of the company's available unutilized short-term bank loan facilities could refer to (2) financing facilities below.

a) Liquidity and interest risk rate table for non-derivative financial liabilities

The Company's remaining contractual maturity for its non-derivative financial liabilities were drawn up based on the undiscounted cash flows (included principal and interest) of financial liabilities from the earliest date on which the Company can be required to pay.

December 31, 2023

	On Demand or Less than 1 Month	1-3 Months	3 Months - 1 Year	1-5 Years	5+ Years	Total
Non-derivative financial liabilities						
Lease liabilities	$ 2,078	$ 4,157	$ 11,016	$ 1,793	$ -	$ 19,044
Non-interest bearing						
Trade payables	98,710	86,436	-	-	-	185,146
Other payables	24,017	1,231	1,366	-	-	26,614
Other payables to related	6,595	-	-	-	-	6,595
	$ 131,400	$ 91,824	$ 12,382	$ 1,793	$ -	$ 237,399

Further information on the maturity analysis of the above financial liabilities was as follows:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	$ 17,251	$ 1,793	$ -	$ -	$ -	$ -

December 31, 2022

	On Demand or Less than 1 Month	1-3 Months	3 Months - 1 Year	1-5 Years	5+ Years	Total
Non-derivative financial liabilities						
Lease liabilities	$ 1,948	$ 3,897	$ 17,418	$ 15,010	$ -	$ 38,273
Non-interest bearing						
Trade payables	154,296	163,028	-	-	-	317,324
Other payables	227,468	1,213	5,690	-	-	234,371
	$ 383,712	$ 168,138	$ 29,413	$ 15,010	$ -	$ 589,968

Further information on the maturity analysis of the above financial liabilities was as follows:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	$ 23,263	$ 15,010	$ -	$ -	$ -	$ -

b) Financing facilities:

	December 31	
	2023	2022
Unsecured borrowings facilities		
Amount unused	$ 1,850,000	$ 1,650,000
Amount used	-	-
	$ 1,850,000	$ 1,650,000

29. TRANSACTIONS WITH RELATED PARTIES

In addition to those disclosed in other notes, detail of transactions between the Company and related parties are disclosed below.

a. Related parties and their relationships associated with the Company:

Related Parties	Relationship with the Company
ASPEED Technology (U.S.A.) Inc.	Subsidiary
ASPEED Technology India Private Limited	Subsidiary
Cupola360 Inc.	Subsidiary

b. Operating expenses - Technology services expense

	December 31	
Related Party Name	2023	2022
ASPEED Technology (U.S.A.) Inc.	$ 65,437	$ 72,094

c. Payables to related parties

		December 31	
Line Items	Related Party Name	2023	2022
Other payables to related parties	ASPEED Technology (U.S.A.) Inc.	$ 6,595	$ 3,805

The outstanding trade payables to related parties are unsecured. The transaction price was based on the market price and is determined by both parties.

d. Lease arrangements - Company is lessor arrangements

Lease arrangements - Company is lessor under operating leases

The Company leases out its equipment to its subsidiary - Cupola360 Inc. under operating leases with lease terms of 1 year.

Future lease payment receivables are as follows:

Related Party Category/Name	December 31	
	2023	2022
Cupola360 Inc.	$ 36	$ 36

Lease income was as follows:

Related Party Category/Name	For the Year Ended December 31	
	2023	2022
Cupola360 Inc.	$ 36	$ 36

e. Compensation of key management personnel

The total amount of payroll to directors and supervisors and other key executives in 2023 and 2022 were as follows:

	For the Year Ended December 31	
	2023	2022
Short-term benefits	$ 39,734	$ 73,699
Post-employment benefits	216	312
Share-based payments	20,600	10,284
	$ 60,550	$ 84,295

The remuneration of key executives was determined by the remuneration committee based on the performance of individuals and market trends.

f. Other revenue

Related Party Category	December 31	
	2023	2022
Subsidiary	$ 153	$ -

The transactions in which the Company made collections of other revenue to related parties were subject to contractual agreements as there were no similar transactions for comparison.

30. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Company as of December 31, 2023 and 2022 were as follows:

Under the agreement, the Company shall pay royalties at a percentage of the sales volume of certain products. For the years ended December 31, 2023 and 2022, royalty expenses amounted to $26,741 thousand and $32,431 thousand, respectively.

31. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Company' significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies and the related exchange rates between foreign currencies and respective functional currencies were as follows:

December 31, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 52,365	30.705	$ 1,607,867
Non-monetary items			
Investments accounted for using the equity method			
USD	1,739	30.705	53,398
Financial liabilities			
Monetary items			
USD	7,493	30.705	230,073

December 31, 2022

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 83,206	30.71	$ 2,555,256
Non-monetary items			
Investments accounted for using the equity method			
USD	1,488	30.71	45,696
Financial liabilities			
Monetary items			
USD	19,789	30.71	607,720

The significant unrealized foreign exchange gains (losses) were as follows:

	2023		2022	
Foreign Currency	Exchange Rate	Net Foreign Exchange Gain (Loss)	Exchange Rate	Net Foreign Exchange Gain (Loss)
USD	30.705 (USD:NTD)	$ 53,786	30.71 (USD:NTD)	$ 77,808

32. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions and information on investees:

1) Financing provided to others: Table 1 (attached)

2) Endorsements/guarantees provided: None

3) Marketable securities held (excluding investments in subsidiaries, associates and interests in joint ventures):

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note
				Number of Shares (In Thousands)	Carrying Amount (In Thousands)	Percentage of Ownership (%)	Fair Value (In Thousands)	
ASPEED Technology Inc.	Shares - CTBC Financial Holding Co., Ltd. Preference Shares C 2891C	-	Financial assets at FVTPL - current	1,000	$ 59,200	-	$ 59,200	Note
	Shares -Yuanta Securities Investment Trust Co., Ltd. 2881A Fubon Te	-	Financial assets at FVTPL - current	213	13,014	-	13,014	Note
	Shares -Yuanta Securities Investment Trust Co., Ltd. 2882A Cathay Pacific	-	Financial assets at FVTPL - current	311	18,536	-	18,536	Note
	Shares -Yuanta Securities Investment Trust Co., Ltd. 2882 Cathay Gold	-	Financial assets at FVTPL - current	25	1,161	-	1,161	Note
	Funds - Fuhua Ruihua Fund	-	Financial assets at FVTPL - current	4,827	56,527	-	56,527	Note
ASPEED Technology Inc.	Funds - ETF-00740B Fubon 10+Years US Corporate Bond BBB Ex China	-	Financial assets at FVTPL - current	1,200	48,900	-	48,900	Note
	Funds - Yuanta Japan Leaders Equity Fund-TWD(A)	-	Financial assets at FVTPL - current	3,000	30,000	-	30,000	Note
	Funds – ETF 00720B Yuanta US 20+ Year BBB Corporate Bond ETF	-	Financial assets at FVTPL - current	630	22,680	-	22,680	Note
	Funds - Allianz Flex Asia Bond AT (USD)	-	Financial assets at FVTPL - current	85	23,581	-	23,581	Note
	Funds - JPMorgan Global Bond Yield USD Cumulative USD	-	Financial assets at FVTPL - current	8	30,487	-	30,487	Note
	Funds - Yuanta Global Leaders Balanced Fund-USD (A)	-	Financial assets at FVTPL - current	100	35,989	-	35,989	Note
	Funds - Fuh Hwa 3-8 Year Maturity A-Rated Bond Fund USD	-	Financial assets at FVTPL - current	100	32,714	-	32,714	Note
	Bonds - Foxconn Far East HONHAI Corporate Bonds	-	Financial assets at FVTPL - non-current	30	77,856	-	77,856	Note
	Equity investments - POLYTRON.AI PTE. LTD.	-	Financial assets at FVTOCI - non-current	10	62,104	10	62,104	Note

Note: The value is calculated by net value or closing price on December 31, 2023.

4) Marketable securities acquired and disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital: None

5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital: None

6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital: None

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: None

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: None

9) Trading in derivative instruments: None

10) Information on investees:

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount (In thousands) December 31		As of December 31, 2023			Net Income (Loss) of the Investee (In thousands)	Share of Profits (Loss) (In thousands)	Note
				2023	2022	Number of Shares (In thousands)	%	Carrying Amount (In thousands)			
ASPEED Technology Inc.	ASPEED Technology (Samoa) Inc.	Samoa	Investment holding company	$ 48,763	$ 48,763	1,550	100	$ 53,398	$ 8,009	$ 8,009	-
	ASPEED Technology India Private Limited	India	R&D and technical services	95	166	35	1	-	-	-	-
	Cupola360 Inc.	Taiwan	Software Design Services	15,000	15,000	1,500	100	10,273	5,801	5,801	-
ASPEED Technology (Samoa) Inc.	ASPEED Technology (U.S.A) Inc.	U.S.A	R&D and technical services	31,460	31,460	1,000	100	45,763	8,035	8,035	-
	ASPEED Technology India Private Limited	India	R&D and technical services	8,930	16,068	3,465	99	-	-	-	-

c. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, shareholding ratio, investment gains or losses, carrying amount of the investment at the end of the period, repatriations investment gains or losses, and limit on the amount of investment in the mainland China area: None

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: None

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period

c) The amount of property transactions and the amount of the resultant gains or losses

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes

e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds

f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services

d. Information of major shareholders: list all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Fenghua Investment Co., Ltd.	5,253,076	13.88

Note: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preference shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

33. SEGMENT INFORMATION

The Company has disclosed the department information in the financial report, and the individual financial report does not disclose relevant information.

TABLE 1

ASPEED TECHNOLOGY INC.

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

No.	Financing Company	Counterparty	Financial Statement Account	Related Parties	Maximum Balance for the Period (Foreign Currencies in Thousands) (Note 3)	Ending Balance (Foreign Currencies in Thousands) (Note 3)	Ending Balance (Foreign Currencies in Thousands) (Note 3)	Interest Rate	Nature of Financing	Transaction Amounts	Reason for Financing	Allowance for Bad Debt	Collateral		Financing Limits for Each Borrowing Company (Notes 1)	Financing Company's Total Financing Amount Limits (Notes 1)
													Item	Value		
0	The Company	Cupola360 Inc.	Other receivables from related parties	Yes	$ 63,000 (USD 2,000))	$ 63,000 (USD 2,000))	$ -	6%	For financing	$ -	Working capital	$ -	-	$ -	$ 383,420	$ 383,420

Note 1: According to the "Financing providing and operation management method", the total amount and the available amount to any individual for lending are as follows:

1. The amount available for lending to the company and subsidiaries shall not exceed ten percent (10%) of the net worth of the company's most recent financial statements.

2. The total amount for lending to or lending from any directly or indirectly hold foreign subsidiaries with 100% ownership, shall not exceed 40% of the net worth of the lending company,However, the total amount of funds to be loaned and the limits for individual borrowers should be set, and the period for which funds should be loaned should be clearly defined ,the amount available for lending to the company shall not exceed ten percent (10%) of the net worth of the company's most recent financial statements.

3. Where funds are lent to a company or business with business relationships with the Company, the total amount for lending to any individual shall not exceed the amount of business transaction between the two parties in the most recent year and not exceed 10% of the company net value.

Note 2: The maximum balance for the period and ending balance represent the amounts approved by the Board of Directors.

VIII. Financial Status, Operating Results and Status of Risk Management

1. Financial Status

(1) Consolidated Report

Unit: NT$1,000 / %

Item \ Year	2022	2023	Change	% of Change
Current Assets	4,779,142	3,423,284	(1,355,858)	(28.37)%
Property, Plant and Equipment	217,562	197,931	(19,631)	(9.02)%
Right-of-use assets	41,879	28,294	(13,585)	(32.44)%
Intangible Assets	757,042	619,713	(137,329)	(18.14)%
Other non-current assets	58,436	135,287	76,851	131.51%
Total assets	**5,926,954**	**4,544,469**	**(1,382,485)**	**(23.33)%**
Current Liabilities	1,384,763	679,541	(705,222)	(50.93)%
Non-current Liabilities	54,440	30,733	(23,707)	(43.55)%
Total liabilities	**1,439,203**	**710,274**	**(728,929)**	**(50.65)%**
Capital	378,207	378,207	0	0.00%
Capital surplus	1,539,778	1,539,778	0	0.00%
Retained Earnings	2,634,467	1,939,346	(695,121)	(26.39)%
Other Equity	(64,701)	(23,136)	41,565	(64.24)%
Total equity	**4,487,751**	**3,834,195**	**(653,556)**	**(14.56)%**

a. Explanation for changes that exceed 20% and reached NT$10 million in the past two years:

(I) Decrease in Current Assets: Due to decrease in cash, cash equivalents and inventories.

(II) Decrease in Right-of-use assets: Due to recognition of depreciation expense annually.

(III) Increase in Other non-current assets: Due to increase in Other non-current assets .

(IV) Decrease in Current Liabilities: Due to decrease in trade payables, other payables and current tax liabilities.

(V) Decrease in Non-current Liabilities: Due to decrease in deferred tax liabilities and lease liabilities.

(VI) Decrease in retained earnings: Due to decrease in the profit generated from the 2023 business operation.

(VII) Decrease in Other Equity: Due to amortize in recognition of compensation cost of restricted shares for employees.

Year / Item	2022	2023	Change	% of Change
b. Future response plans to changes with material impact: Not applicable.				

(2) Parent Company

Unit: NT$1,000 / %

Year / Item	2022	2023	Change	% of Change
Current Assets	4,738,589	3,337,861	(1,400,728)	(29.56)%
Investment accounted for using equity method	50,172	63,671	13,499	26.91%
Property, Plant and Equipment	217,496	196,822	(20,674)	(9.51)%
Right-of-use assets	39,423	19,687	(19,736)	(50.06)%
Intangible Assets	756,518	583,099	(173,419)	(22.92)%
Other non-current assets	46,064	116,420	70,356	152.74%
Total assets	**5,921,155**	**4,457,520**	**(1,463,635)**	**(24.72)%**
Current Liabilities	1,378,964	599,316	(779,648)	(56.54)%
Non-current Liabilities	54,440	24,009	(30,431)	(55.90)%
Total liabilities	**1,433,404**	**623,325**	**(810,079)**	**(56.51)%**
Capital	378,207	378,207	0	0.00%
Capital surplus	1,539,778	1,539,778	0	0.00%
Retained Earnings	2,634,467	1,939,346	(695,121)	(26.39)%
Other Equity	(64,701)	(23,136)	41,565	(64.24)%
Total equity	**4,487,751**	**3,834,195**	**(653,556)**	**(14.56)%**

a. Explanation for changes that exceed 20% and reached NT$10 million in the past two years:

(I) Decrease in Current Assets: Due to decrease in cash, cash equivalents and inventories .

(II) Increase in Investment accounted for using equity method: Due to increase in investment.

(III) Decrease in Right-of-use assets: Due to recognition of depreciation expense annually.

(IV) Dencrease in Intangible Assets: Due to recognition of depreciation expense annually.

(V) Increase in Other non-current assets: Due to decrease in Other non-current assets .

(VI) Decrease in Current Liabilities: Due to decrease in trade payables, other payables and current tax liabilities.

(VII) Decrease in Non-current Liabilities: Due to decrease in deferred tax liabilities and lease liabilities.

(VIII) Decrease in retained earnings: Due to decrease in the profit generated from the 2023 business operation.

Item \ Year	2022	2023	Change	% of Change
(IX) Decrease in Other Equity: Due to amortize in recognition of compensation cost of restricted shares for employees. b. Future response plans to changes with material impact: Not applicable.				

2. Operating Results

(1) Consolidated Report

Unit: NT$1,000 / %

Year / Item	2022	2023	Change	% of Change
Net Sales	5,210,128	3,130,395	(2,079,733)	(39.92)%
Operating Costs	1,818,976	1,122,477	(696,499)	(38.29)%
Gross Profit	3,391,152	2,007,918	(1,383,234)	(40.79)%
Operating Expenses	942,225	928,310	(13,915)	(1.48)%
Operating Income	2,448,927	1,079,608	(1,369,319)	(55.92)%
Non-operating Income and Expenses	165,995	115,349	(50,646)	(30.51)%
Net Income before Income Tax	2,614,922	1,194,957	(1,419,965)	(54.30)%
Income Tax Expenses	509,308	188,147	(321,161)	(63.06)%
Net Income	2,105,614	1,006,810	(1,098,804)	(52.18)%
Total other comprehensive income (loss)	3,366	(239)	(3,605)	(107.10)%
Total comprehensive income the year	2,108,980	1,006,571	(1,102,409)	(52.27)%
Net Income attributable to owners of the Company	2,105,614	1,006,810	(1,098,804)	(52.18)%
Total comprehensive income attributable to owners of the Company	2,108,980	1,006,571	(1,102,409)	(52.27)%

a. Explanation for changes that exceed 20% and reached NT$10 million in the past two years:
   Increase in Gross Profit, Operating Income, Net Income before Income Tax, Income Tax Expenses, Net Income, Total comprehensive income the year, Net Income attributable to owners of the Company, and Total comprehensive income attributable to owners of the Company: Due to decrease in market demand and revenue decline this year.

b. Expected sales and their basis, as well as the possible impact on the Company's future financial operations and response plans:
   The Company’s main products are Multimedia IC, Computer peripherals IC, and High-end consumer electronics IC. Based on sales forecasts for the existing products, development progress of new products, customers’ expected production requirements, and the business development strategy. Due to the continued growth of the Company's business scale, the Company mainly uses long-term funding sources for capital expenditures, and there should not be any shortage of funds within the near future. Furthermore, the Company has a solid relationship with suppliers, so there should not be any issue with product supply.

(2) Parent Company

Unit: NT$1,000 / %

Year Item	2022	2023	Change	% of Change
Net Sales	5,210,126	3,111,079	(2,099,047)	(40.29)%
Operating Costs	1,818,976	1,109,161	(709,815)	(39.02)%
Gross Profit	3,391,150	2,001,918	(1,389,232)	(40.97)%
Operating Expenses	949,906	930,755	(19,151)	(2.02)%
Operating Income	2,441,244	1,071,163	(1,370,081)	(56.12)%
Non-operating Income and Expenses	173,870	127,464	(46,406)	(26.69)%
Net Income before Income Tax	2,615,114	1,198,627	(1,416,487)	(54.17)%
Income Tax Expenses	509,500	191,817	(317,683)	(62.35)%
Net Income	2,105,614	1,006,810	(1,098,804)	(52.18)%
Other comprehensive income (loss)	3,366	(239)	(3,605)	(107.10)%
Total comprehensive income	2,108,980	1,006,571	(1,102,409)	(52.27)%
Net Income attributable to owners of the Company	2,105,614	1,006,810	(1,098,804)	(52.18)%
Total comprehensive income attributable to owners of the Company	2,108,980	1,006,571	(1,102,409)	(52.27)%

a. Explanation for changes that exceed 20% and reached NT$10 million in the past two years:
   Increase in Gross Profit, Operating Income, Net Income before Income Tax, Income Tax Expenses, Net Income, Total comprehensive income the year, Net Income attributable to owners of the Company, and Total comprehensive income attributable to owners of the Company: Due to decrease in market demand and revenue decline this year.

b. Expected sales and their basis, as well as the possible impact on the Company's future financial operations and response plans:
   The Company’s main products are Multimedia IC, Computer peripherals IC, and High-end consumer electronics IC. Based on sales forecasts for the existing products, development progress of new products, customers’ expected production requirements, and the business development strategy. Due to the continued growth of the Company's business scale, the Company mainly uses long-term funding sources for capital expenditures, and there should not be any shortage of funds within the near future. Furthermore, the Company has a solid relationship with suppliers, so there should not be any issue with product supply.

3. Cash Flow Analysis

(1) Consolidated Report

a. Analysis of the Change in Cash Flow in 2023

Unit: NT$1,000

Cash Balance Dec. 31, 2022	Net Cash Provided by Operating Activities in 2023	Net Cash Outflows from Investing and Financing Activities in 2023	Impact of Foreign Exchange ratio	Cash Balance Dec. 31,2023	Remedy for Cash Shortfall (Investment & Financing Plan)
$2,828,958	$518,772	($1,728,442)	($7,758)	$1,611,530	—
Analysis of cash flow changes in the current year: a. Operating activities: Net cash inflow of NT$518,772 thousand, mainly from operating profits. b. Financing activities: Net cash outflow of NT$($1,728,442) thousand, mainly due to the distribution of cash dividend.					

b. Remedial Actions for Cash Shortfall: The Company has ample cash on-hand; remedial actions are not required.

c. Cash Flow Projection for Next Year: The Company, on the premise of maintaining stable cash liquidity, will carefully plan and manage cash expenditures related to investments and operations while taking, cash balances on accounts, cash flows from operating activities and investing activities and the status of financial markets into consideration.

(2) Parent Company

a. Analysis of the Change in Cash Flow in 2023

Unit: NT$1,000

Cash Balance Dec. 31, 2022	Net Cash Provided by Operating Activities in 2023	Net Cash Outflows from Investing and Financing Activities in 2023	Impact of Foreign Exchange ratio	Cash Balance Dec. 31,2023	Remedy for Cash Shortfall (Investment & Financing Plan)
$2,790,284	$458,945	($1,688,230)	$(7,586)	$1,553,413	—
Analysis of cash flow changes in the current year: a. Operating activities: Net cash inflow of NT$$458,945 thousand, mainly from operating profits. b. Financing activities: Net cash outflow of($1,688,230) thousand, mainly due to the distribution of cash dividend.					

b. Remedial Actions for Cash Shortfall: The Company has ample cash on-hand; remedial actions are not required.

c. Cash Flow Projection for Next Year: The Company, on the premise of maintaining stable cash liquidity, will carefully plan and manage cash expenditures related to investments and operations while taking, cash balances on accounts, cash flows from operating activities and investing activities and the status of financial markets into consideration.

4. Major Capital Expenditure: None.
5. Investment Policies

The Company's investments are long-term strategic investments. Investment gain from equity method investment in 2023 was NT$13,810thousand. The Company will keep its long-term strategic investment policy and evaluate investment plans prudently.

6. Risk Management

(1) Risks Associated with Interest Rate Fluctuation, Foreign Exchange Volatility, and Inflation

Unit: NT$1,000

Item	2022		2023	
	Amount	% of net income before tax	Amount	% of net income before tax
Net Interest income	31,572	1%	82,513	7%
Net Interest expense	3,841	—	9,744	1%
Net exchange (loss) gains	192,311	7%	9,772	1%

Sources: financial reports certified by CPA.

a. Risks associated with interest rate:

The Company mainly operates on its own funds and only has a low amount of bank loans, so interest expenses are limited. Furthermore, the Company is conservative in principle when using its funds, and mainly uses short-term time deposits, so its interest revenue is not high. In the future, the Company will continue to monitor changes in the economic environment of Taiwan and overseas, and take necessary measures in a timely manner to avoid the risk of rising interest rates.

b. Risks associated with foreign currency:

The Company's exchange gains (losses) accounted for 3.69% and 0.31% of its net operating income in 2022 and 2023, respectively. Hence, changes in exchange rates do not have a material effect on the Company's profit and loss. The Company's transactions are mainly calculated in USD, so changes in the NTD/USD exchange rate have certain impact on the Company's profit and loss, and response measures are as follows:

(I) The Company's Finance Department utilizes the natural hedging effect from procurements and sales both denominated in foreign currency.

(II) Dedicated personnel closely follow exchange rate fluctuations, collect information on international exchange rate trends and exchange rate fluctuations, are fully aware of future trends in exchange rates, and keep in touch with the foreign exchange department of banks. After considering the professional advice provided by the departments and the Company's cash requirements, the personnel reduce risks by exchanging currency at appropriate times.

(III) Depending on the position of foreign currency, hedging is carried out in accordance with the Operating Procedures for Asset Acquisition or Disposal Handing Procedure when necessary.

c. Risks associated with inflation:

Inflation is currently not severe in Taiwan and has not had a material impact on the Company, but the Company will continue to appropriately monitor inflation.

(2) Risks Associated with High-Risk/High-Leveraged Investment; Lending, Endorsements, and Guarantees for Other Parties; and Financial Derivative Transactions

Risks	Implementation status	Policy and response measures
High risk, highly leveraged investments	The Company has not engaged in any high risk, highly leveraged investments as of the print date of this report respectively	The Company is focused on its main business and does not use its capital for high risk, highly leveraged investments.
loans to third parties	The Company has not lent any funds to others as of the print date of this report respectively.	If the Company lends funds to others in the future, it will carry out procedures in accordance with its Procedures for Regulations Governing Management of Loaning of Funds, and make a public announcement and report the lending of funds to others in accordance with the law.
Endorsements and guarantees	The Company has not provided endorsements or guarantees for others as of the print date of this report respectively.	If the Company provides endorsements or guarantees for others in the future, it will carry out procedures in accordance with its Endorsement and Guarantee Operation Procedure, and make a public announcement and report the endorsements or guarantees for others in accordance with the law.
Derivative transactions	The Company has not engaged in any	If the Company needs to engage in derivative transactions in the future,

Risks	Implementation status	Policy and response measures
	derivative transactions as of the print date of this report respectively.	it will do so in accordance with its Procedures for Handling Derivative Transactions, and make a public announcement and report the derivative transactions in accordance with the law.

(3) Future R&D Plans and Expected R&D Spending

The popularization of mobile devices and broadband networks has led to the prevalence of online communities and enriched content on the Internet. As enterprises continue to pursue energy conservation, carbon reduction, and lower costs, centralized management of usage and sharing of resources has become a trend and led to the rise of cloud computing. The Company has the ability to independently design and develop ICs, and strives to use 2D VGA, BMC, and KVM over IP technologies to become a SoC solutions provider for the centralized management of (cloud) computing. Future R&D projects and product development strategies include:

a. Future R&D Plan

✧ Multimedia IC
- 8th generation BMC
- Platform firmware resilience (PFR) controller
- DC-SCM 2.0 expansion board
- Post-quantum security
- IO expender

✧ Computer peripherals IC
- PC & 8K Audio/Video Extension controller

✧ High-end consumer electronics IC
- 2nd generation spherical image processing chip AST1230
- Smart factory image system

b. Expected R&D Spending

The Company plans to sequentially allocate its R&D budget based on the progress of new product and new technology development. R&D expenditure will maintain a certain level of growth based on the Company’s operations to ensure its competitive advantages. Actual R&D expenses in 2022 and 2023 were NT$627,743 thousand and NT$633,006 thousand, and accounted for 12% and 20% of revenue, respectively. The Company will be ready to adjust its R&D expenditure based on future changes in the market and demand anytime. The Company's R&D expenditure in 2024 is estimated at NT$759,607 thousand and will enhance the Company's R&D ability and competitiveness.

(4) Risk Associated with Changes in the Political and Regulatory Environment

The Company aims to comply with laws and regulations of the competent authority in all of its operations, and constantly monitors changes in important policies and laws in Taiwan and overseas to obtain all external information possible. The Company's recent business and finances have not been impacted by any changes to important policies and laws in Taiwan and overseas.

(5) Impact of New Technology and Industry Changes

The Company constantly monitors technology changes and developments relevant to its industry, and rapidly gains information on industry changes. Moreover, the Company is constantly strengthening its R&D ability and applies for patents to further protect its innovative concepts and designs, as it actively expands future markets and applications. This enables the Company to respond to the impact of technology and industry changes. Hence, no major technology changes have had a material impact on the Company's financial condition.

(6) Changes in Corporate Image and Impact on Company’s Crisis Management

The Company has always upheld the principles of integrity and professionalism, and operates its business with a sure-footed and steadfast approach. Ever since the Company was established, it has actively strengthened its internal management and improved its quality and efficiency. Up to the date of report, no material events have affected the Company's corporate image.

(7) Risks Associated with Mergers and Acquisitions

The Company's Finance Division and business units are responsible for management and execution of these risks.

The Company currently does not have any mergers or acquisition plans during 2023 and this year up to the date of report.

(8) Risks Associated with Facility Expansion

The Company does not have any plans for factory expansions in the most recent year and up to the date of report.

(9) Risks Associated with Purchase Concentration and Sales Concentration

a. Risks of purchasing concentration:

The Company is a fabless IC design company without any back-end personnel. Hence, all products are produced through a turnkey service provider. When deciding on the turnkey service provider, besides considering the completeness of its silicon IP and APR (Auto Place & Route) technical capabilities, which foundry, assembly house and testing house it is in a strategic alliance with is even more important, because the foundry's process technologies, quality and yield are key factors to whether or not a product is successful. Therefore, the R&D Department selects the turnkey service provider during initial stages of product development.

In the semiconductor industry's value chain, IC design companies are all inclined to maintain long-term relationships with specific foundries, assembly houses, and testing houses to obtain reliable and stable capacity. This is due to considerations of process technology, quality and yield, sufficient capacity, and on-time delivery.

This situation is common among IC design companies. The Company has worked well with the current wafer supplier (turnkey service provider) for many years, and there is no risk of supply shortage. At present, the Company mainly makes procurements from 2-3 turnkey service providers, but it will continue to search for suitable turnkey service providers in coordination with the development and mass production of new products, so as to reduce the risk of concentrated procurements.

b. Risks of sales concentration:

The Company's main product is BMC, which accounts for over 90% of its revenue, and customers are mainly server brands. Since server brands mainly rely on an ODM or EMS for manufacturing, the Company directly sells its product to the ODM or EMS designated by the brand customer. Analysis of customers in 2022 and 2023 show that the Company's sales are not overly concentrated. Furthermore, besides maintaining relationships with current customers, the Company will actively develop new products and new customers to expand its product portfolio and increase its purchase orders, thereby avoiding the risk of sales being overly concentrated.

(10) Risks Associated with Sales of Significant Numbers of Shares by the Company's Directors and Major Shareholders Who Own 10% or more of the Company's Total Outstanding Shares

Share transfer by directors, supervisors, managers and shareholders holding more than 10% of the Company's shares due to personal financial planning or in coordination with strategic partners brought in by the Company have been reasonable in the past year and up to the date of report. There have been no mass transfers of shares and there has been no impact on the Company's operations.

(11) Risks Associated with Change in Management

No change in management team in the Company occurred in the most recent year to the date of printing of this annual report

(12) Risks Associated with Litigations

a. If the results of concluded or pending litigious, non-litigious, or administrative litigation events involving the Company in the past two years and up to the date of report can have a material impact on shareholders' equity or stock prices, the facts in contention, amount of the subject matter, starting date of the litigation, main parties involved, and current status shall be disclosed: None.

b. Concluded or pending litigious, non-litigious, or administrative litigation events in the most recent two years and up to the date of report involving directors, supervisors, the president, de facto responsible person, major shareholders holding more than 10% of the Company's shares, or subsidiaries of the Company with an outcome that can have a material impact on shareholder equity or stock prices: None.

(13) Other Material Risk: None.

7. If the company or its affiliates have experienced financial difficulties, the annual report shall explain how said difficulties will affect the company's financial situation: None

8. Other Material Events:

(1) Risks Associated with Cyber Attacks

Even though ASPEED has established a comprehensive internet and computing security network, it cannot guarantee that the Company's computing systems which control or maintain vital corporate functions, such as its manufacturing operations and enterprise accounting, would be completely immune to crippling cyber attacks by any third party to gain unauthorized access to its internal network systems, to sabotage its operations and goodwill or otherwise. In the event of a serious cyber attack, ASPEED's systems has may lose important corporate data, therefore, ASPEED has executed backup data procedure of such attack. While ASPEED also seeks to periodically review and assess its cybersecurity architecture to ensure their adequacy and effectiveness, it cannot guarantee that the Company will not be susceptible to new and emerging risks and attacks in the evolving landscape of cybersecurity threats. These cyber attacks may also attempt to steal ASPEED's trade secrets and other intellectual properties and other sensitive information, such as proprietary information of the Company's customers and other stakeholders and personal information of the Company's employees. Malicious hackers may also try to introduce computer viruses, corrupted software or ransomware into the Company's network systems to disrupt its operations, blackmail it for regaining control of its computing systems or spy for sensitive information. These attacks may result in ASPEED having to pay damages for its delayed or disrupted orders or incur significant expenses in implementing remedial and improvement measures to enhance the Company's cybersecurity network, and may also expose the Company to significant legal liabilities arising from or related to legal proceedings or regulatory investigations associated with, among other things, leakage of customer or third party information which ASPEED has an obligation to keep confidential.

During 2023 and as of the date of this Annual Report, the Company had not been aware of any material cyber attacks or incidents that had or would expected to have a material adverse effect on its business and operations, nor had it been involved in any legal proceedings or regulatory investigations related thereof.

(2) Other Material Risks

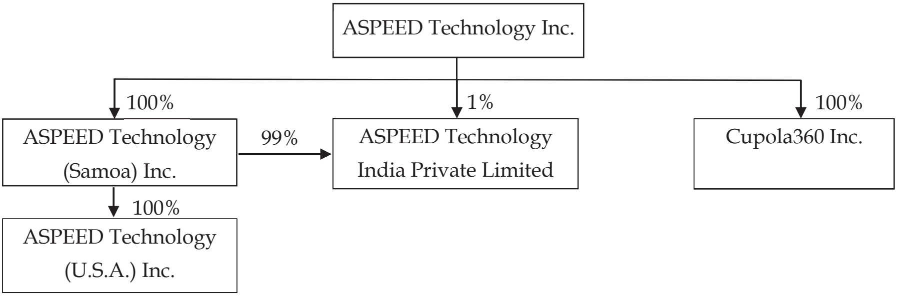
During 2023 as of the date of this annual report, ASPEED's management is not aware of any other risk event that could impart a potentially material impact on the financial status of the Company.

IX. Special Disclosures

1. Summary of Affiliated Companies:

(1) Profiles of Affiliates and Subsidiaries

December 31, 2023



(2) Profile of individual affiliates

December 31, 2023; Unit:NT$ 1,000/Foreign currency thousand

Company	Date of Incorporation	Place of Registration	Capital Stock	Major business
ASPEED Technology (Samoa) Inc.	2016/06	Samoa	USD 1,550	Investment Holdings
ASPEED Technology (U.S.A.) Inc.	2016/07	U.S.	USD 1,000	R&D and technical services
ASPEED Technology India Private Limited	2016/10	India	INR 35,000	R&D and technical services
Cupola360 Inc.	2018/02	Taiwan	NTD 15,000	Software Design services

Note: The exchange rate on the reporting date is calculated based on the closing price on December 31, 2023. (USD$1:NT:30.705/USD$1:INR$83.19)

(3) Common Shareholders of the Company and Its Subsidiaries or Its Affiliates with Actual of Deemed Control: None.

(4) Business Scope of the Company and Its Affiliated Companies

Business activities covered by ASPEED Technology and affiliates' operations include IC design, R&D, and sales and investments. Business activities covered by the affiliated enterprises' overall operations include R&D, marketing, and after-sales services for Multimedia IC, Computer peripherals IC and High-end consumer electronics IC, as well as general investments.

(5) Directors, supervisors and presidents of affiliates and subsidiaries

December 31, 2023; Unit: share/ %

Company	Title	Name or Representative	Shareholding	
			Shares	Shareholding %
ASPEED Technology (Samoa) Inc.	Director	ASPEED Technology Inc. Representative: Chris Lin	1,550,000	100%
ASPEED Technology (U.S.A.) Inc.	Director	ASPEED Technology (Samoa) Inc. Representative: Chris Lin	1,000,000	100%
ASPEED Technology India Private Limited	Director	ASPEED Technology Inc. Representative: Chris Lin ASPEED Technology Inc. Representative: Arnold Yu	35,000	1%
		ASPEED Technology (Samoa) Inc. Representative: Yuvaraj Mahadevan	3,465,000	99%
Cupola360 Inc.	Director	ASPEED Technology Inc. Representative: Chris Lin	1,500,000	100%

(6) Directors, supervisors and presidents of affiliates and subsidiaries

December 31, 2023; Unit: NT$1,000 except for EPS

Company	Capital	Assets	Liabilities	Net worth	Operating income	Net operating profit (loss)	Net profit (loss) this year	Earnings (losses) per share (NTD)
ASPEED Technology (Samoa) Inc.	48,763	53,398	—	53,398	—	(91)	8,009	5.17
ASPEED Technology (U.S.A.) Inc.	31,460	66,027	20,264	45,763	65,458	4,282	8,035	8.04
ASPEED Technology India Private Limited	16,234	—	—	—	—	—	—	—
Cupola360 Inc.	15,000	83,554	73,281	10,273	19,484	4,021	5,801	3.87

Note: The capital, total assets, total liabilities, and net worth listed in this table are calculated using the exchange rate at the end of 2023. The operating income, net operating profit (loss), net profit (loss) this year, and earnings per share are calculated using the yearly average exchange rate of 2023.

2. Private Placement Securities: None.

3. Holding or Disposition of the Company Stocks by Subsidiaries: None.

4. Other Necessary Supplement: None.

X. Any Events that Had Significant Impacts on Shareholders' Rights or Security Prices as Stated in Item 2 Paragraph 2 of Article 36 of Securities and Exchange Law of Taiwan:

None.