

ASPEED TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

ASSETS	September 30, 2023		December 31, 2022		September 30, 2022	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents	\$ 2,570,845	49	\$ 2,828,958	48	\$ 2,502,407	47
Financial assets at fair value through profit or loss - current	331,582	6	527,067	9	522,361	10
Trade receivables, net	705,508	13	979,728	16	940,215	17
Inventories	341,373	7	400,392	7	370,605	7
Prepayments and other current assets	<u>245,276</u>	<u>5</u>	<u>42,997</u>	<u>1</u>	<u>37,030</u>	<u>1</u>
Total current assets	<u>4,194,584</u>	<u>80</u>	<u>4,779,142</u>	<u>81</u>	<u>4,372,618</u>	<u>82</u>
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current	77,748	2	72,893	1	76,628	1
Financial assets at fair value through other comprehensive income - non-current	62,104	1	-	-	-	-
Property, plant and equipment	219,919	4	217,562	4	215,513	4
Right-of-use assets	23,335	-	41,879	1	47,892	1
Goodwill	369,040	7	369,040	6	369,040	7
Other Intangible assets	252,034	5	388,002	6	191,491	4
Deferred tax assets	37,187	1	44,881	1	49,807	1
Refundable deposits	11,393	-	10,405	-	10,415	-
Other non-current assets	<u>1,600</u>	<u>-</u>	<u>3,150</u>	<u>-</u>	<u>19,776</u>	<u>-</u>
Total non-current assets	<u>1,054,360</u>	<u>20</u>	<u>1,147,812</u>	<u>19</u>	<u>980,562</u>	<u>18</u>
TOTAL	\$ <u>5,248,944</u>	<u>100</u>	\$ <u>5,926,954</u>	<u>100</u>	\$ <u>5,353,180</u>	<u>100</u>

LIABILITIES AND EQUITY	September 30, 2023		December 31, 2022		September 30, 2022	
	Amount	%	Amount	%	Amount	%
CURRENT LIABILITIES						
Short-term borrowings	\$ 1,100,000	21	\$ -	-	\$ -	-
Trade payables	88,362	2	317,324	5	353,976	7
Accrued compensation of employees and remuneration of directors	251,979	5	258,638	4	202,240	4
Other payables	71,395	1	282,949	5	130,358	2
Current tax liabilities	36,195	1	378,402	6	269,200	5
Provisions - current	51,041	1	49,634	1	47,141	1
Lease liabilities - current	22,432	-	25,120	1	25,826	-
Other current liabilities	<u>66,055</u>	<u>1</u>	<u>72,696</u>	<u>1</u>	<u>117,464</u>	<u>2</u>
Total current liabilities	<u>1,687,459</u>	<u>32</u>	<u>1,384,763</u>	<u>23</u>	<u>1,146,205</u>	<u>21</u>
NON-CURRENT LIABILITIES						
Deferred tax liabilities	34,147	1	33,097	1	56,112	1
Lease liabilities - non-current	-	-	14,896	-	20,087	1
Provisions - non-current	<u>6,447</u>	<u>-</u>	<u>6,447</u>	<u>-</u>	<u>6,447</u>	<u>-</u>
Total non-current liabilities	<u>40,594</u>	<u>1</u>	<u>54,440</u>	<u>1</u>	<u>82,646</u>	<u>2</u>
Total liabilities	<u>1,728,053</u>	<u>33</u>	<u>1,439,203</u>	<u>24</u>	<u>1,228,851</u>	<u>23</u>
SHAREHOLDERS' EQUITY						
Capital						
Share capital	<u>378,207</u>	<u>7</u>	<u>378,207</u>	<u>6</u>	<u>378,871</u>	<u>7</u>
Total capital	<u>378,207</u>	<u>7</u>	<u>378,207</u>	<u>6</u>	<u>378,871</u>	<u>7</u>
Capital surplus	<u>1,539,778</u>	<u>29</u>	<u>1,539,778</u>	<u>26</u>	<u>1,547,055</u>	<u>29</u>
Retained earnings						
Legal reserve	799,954	15	601,620	10	601,620	11
Special reserve	64,701	1	22,169	1	22,169	1
Unappropriated earnings	<u>764,997</u>	<u>15</u>	<u>2,010,678</u>	<u>34</u>	<u>1,657,155</u>	<u>31</u>
Total retained earnings	<u>1,629,652</u>	<u>31</u>	<u>2,634,467</u>	<u>45</u>	<u>2,280,944</u>	<u>43</u>
Other equity	<u>(26,746)</u>	<u>-</u>	<u>(64,701)</u>	<u>(1)</u>	<u>(82,541)</u>	<u>(2)</u>
Total equity	<u>3,520,891</u>	<u>67</u>	<u>4,487,751</u>	<u>76</u>	<u>4,124,329</u>	<u>77</u>
TOTAL	\$ <u>5,248,944</u>	<u>100</u>	\$ <u>5,926,954</u>	<u>100</u>	\$ <u>5,353,180</u>	<u>100</u>

ASPEED TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2023		2022		2023		2022	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE								
Sales	\$ 796,060	100	\$ 1,306,580	100	\$ 2,139,490	100	\$ 3,882,906	100
Other operating revenue	<u>653</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,658</u>	<u>-</u>	<u>515</u>	<u>-</u>
Total operating revenue	796,713	100	1,306,580	100	2,146,148	100	3,883,421	100
OPERATING COSTS	<u>298,318</u>	<u>37</u>	<u>460,743</u>	<u>35</u>	<u>771,443</u>	<u>36</u>	<u>1,351,956</u>	<u>35</u>
GROSS PROFIT	<u>498,395</u>	<u>63</u>	<u>845,837</u>	<u>65</u>	<u>1,374,705</u>	<u>64</u>	<u>2,531,465</u>	<u>65</u>
OPERATING EXPENSES								
Selling and marketing expenses	20,345	3	26,665	2	60,776	3	70,349	2
General and administrative expenses	55,330	7	56,150	5	161,708	7	159,559	4
Research and development expenses	<u>159,511</u>	<u>20</u>	<u>170,454</u>	<u>13</u>	<u>464,628</u>	<u>22</u>	<u>469,227</u>	<u>12</u>
Total operating expenses	<u>235,186</u>	<u>30</u>	<u>253,269</u>	<u>20</u>	<u>687,112</u>	<u>32</u>	<u>699,135</u>	<u>18</u>
PROFIT FROM OPERATIONS	<u>263,209</u>	<u>33</u>	<u>592,568</u>	<u>45</u>	<u>687,593</u>	<u>32</u>	<u>1,832,330</u>	<u>47</u>
NON-OPERATING INCOME AND EXPENSES								
Interest income	19,557	3	13,994	1	61,801	3	19,525	1
Other income	1,137	-	850	-	4,146	-	3,797	-
Other gains and losses	62,350	8	141,627	11	105,823	5	194,569	5
Finance costs	<u>(6,706)</u>	<u>(1)</u>	<u>(2,926)</u>	<u>-</u>	<u>(7,054)</u>	<u>-</u>	<u>(3,615)</u>	<u>-</u>
Total non-operating income and expenses	<u>76,338</u>	<u>10</u>	<u>153,545</u>	<u>12</u>	<u>164,716</u>	<u>8</u>	<u>214,276</u>	<u>6</u>
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	339,547	43	746,113	57	852,309	40	2,046,606	53
INCOME TAX EXPENSE	<u>69,092</u>	<u>9</u>	<u>147,770</u>	<u>11</u>	<u>155,193</u>	<u>7</u>	<u>416,786</u>	<u>11</u>
NET PROFIT FOR THE PERIOD	270,455	34	598,343	46	697,116	33	1,629,820	42
OTHER COMPREHENSIVE INCOME(LOSS)								
Items reclassified subsequently to profit or loss:								
Exchange differences arising on translating financial statement of foreign operations	1,739	-	<u>2,582</u>	<u>-</u>	2,288	-	<u>4,885</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 272,194</u>	<u>34</u>	<u>\$ 600,925</u>	<u>46</u>	<u>\$ 699,404</u>	<u>33</u>	<u>\$ 1,634,705</u>	<u>42</u>
NET PROFIT ATTRIBUTABLE TO:								

(Continued)

ASPEED TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2023		2022		2023		2022	
	Amount	%	Amount	%	Amount	%	Amount	%
Owners of the Company	\$ 270,455	34	\$ 598,343	46	\$ 697,116	32	\$ 1,629,820	42
TOTAL COMPREHENSIVE INCOME								
ATTRIBUTABLE TO:								
Owners of the Company	\$ 272,194	34	\$ 600,925	46	\$ 699,404	33	\$ 1,634,705	42
EARNINGS PER SHARE								
Basic	\$ 7.16		\$ 15.83		\$ 18.46		\$ 43.13	
Diluted	\$ 7.15		\$ 15.77		\$ 18.42		\$ 42.93	

(Concluded)

ASPEED TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars, Except Dividends Per Share)

	Share Capital - Common Share		Capital Surplus	Retained Earnings			Others		Total Equity
	Shares (In Thousands)	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings	Employee Unearned Compensation	Exchange Differences Arising on Translations of Foreign Operations	
BALANCE AT JANUARY 1, 2022	34,369	\$ 343,694	\$ 1,371,130	\$ 470,328	\$ 45,891	\$ 1,337,332	\$ (16,785)	\$ (5,384)	\$ 3,546,206
Appropriation of 2021 earnings									
Legal reserve	-	-	-	131,292	-	(131,292)	-	-	-
Special reserve	-	-	-	-	(23,722)	23,722	-	-	-
Cash dividends to shareholders - NT\$35.00 per share	-	-	-	-	-	(1,202,427)	-	-	(1,202,427)
Issuance of common share from capital surplus - Record date: July 4, 2022	3,436	34,355	(34,355)	-	-	-	-	-	-
Net income for the nine months ended September 30, 2022	-	-	-	-	-	1,629,820	-	-	1,629,820
Other comprehensive income after tax for the nine months ended September 30, 2022	-	-	-	-	-	-	-	4,885	4,885
Comprehensive income for the nine months ended September 30, 2022	-	-	-	-	-	1,629,820	-	4,885	1,634,705
Employee Share Bonus - Record date: August 9, 2022	52	525	140,992	-	-	-	-	-	141,517
Issuance of restricted stock under employees share options on August 8, 2022	44	440	78,540	-	-	-	(78,980)	-	-
Cancellation of restricted share under employees share options on March 7, 2022	(14)	(143)	(9,252)	-	-	-	9,395	-	-
Compensation cost of restricted share for employees	-	-	-	-	-	-	4,328	-	4,328
BALANCE AT SEPTEMBER 30, 2022	37,887	\$ 378,871	\$ 1,547,055	\$ 601,620	\$ 22,169	\$ 1,657,155	\$ (82,042)	\$ (499)	\$ 4,124,329
BALANCE AT JANUARY 1, 2023	37,821	\$ 378,207	\$ 1,539,778	\$ 601,620	\$ 22,169	\$ 2,010,678	\$ (62,683)	\$ (2,018)	\$ 4,487,751
Appropriation of 2022 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 nine months ended September 30, 2023	-	-	-	-	-	697,116	-	-	697,116
Other comprehensive loss after tax for the nine months ended September 30, 2023	-	-	-	-	-	-	-	2,288	2,288
Comprehensive income for the nine months ended September 30, 2023	-	-	-	-	-	697,116	-	2,288	699,404
Compensation cost of restricted shares for employees	-	-	-	-	-	-	35,667	-	35,667
BALANCE AT SEPTEMBER 30, 2023	37,821	\$ 378,207	\$ 1,539,778	\$ 799,954	\$ 64,701	\$ 764,997	\$ (27,016)	\$ 270	\$ 3,520,891

ASPEED TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	For the Nine Months Ended September 30	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 852,309	\$ 2,046,606
Adjustments for:		
Depreciation expenses	95,558	74,655
Amortization expenses	136,078	97,290
Net (gain) loss on fair value changes of financial assets at fair value through profit or loss	(29,393)	29,090
Finance costs	7,054	3,615
Interest income	(61,801)	(19,525)
Recognition of compensation cost of employee restricted shares	35,667	4,328
Net loss on disposal of financial assets	8,993	26,713
Write-down reversal of inventories	2,679	22,847
Net gain on foreign currency exchange	(56,389)	(156,957)
Recognition of provisions	1,407	7,455
Changes in operating assets and liabilities:		
Trade receivables	304,595	(63,726)
Inventories	56,340	(235,939)
Other current assets	(93,161)	(23,875)
Trade payables (include related parties)	(235,330)	73,011
Other payables	(15,595)	(4,142)
Other current liabilities	(5,907)	(39,468)
Accrued employees' compensation and remuneration of directors	(6,659)	184,549
Cash generated from operations	996,445	2,026,527
Interest paid	(6,077)	(3,615)
Income taxes paid	(594,453)	(349,644)
Net cash generated from operating activities	395,915	1,673,268
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	(96,730)	(96,312)
Proceeds from sale of financial assets at fair value through profit or loss	307,760	56,319
Payments for property, plant and equipment	(82,777)	(30,630)
Increase in refundable deposits	(988)	(1)
Payments for intangible assets	(201,408)	(25,227)
Interest received	60,070	19,527
Net cash used in investing activities	(76,177)	(76,324)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	1,600,000	-
Repayments of short-term borrowings	(500,000)	-
Repayments of the principal portion of lease liabilities	(19,704)	(19,028)
Cash dividends	(1,701,931)	(1,202,427)
Net cash used in financing activities	(621,635)	(1,221,455)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	43,784	149,470

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ASPEED TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Nine Months Ended September 30	
	2023	2022
NET INCREASE IN CASH AND CASH EQUIVALENTS	(258,113)	524,959
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>2,828,958</u>	<u>1,977,448</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 2,570,845</u>	<u>\$ 2,502,407</u> (Concluded)