

ASPEED Technology Inc. and Subsidiaries

**Consolidated Financial Statements for the
Three Months Ended March 31, 2024 and 2023 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
ASPEED Technology Inc.

Introduction

We have reviewed the accompanying consolidated balance sheets of ASPEED Technology Inc. and its subsidiaries (collectively, the “Group”) as of March 31, 2024 and 2023 (Note), and the related consolidated statements of comprehensive income, the consolidated statements of changes in equity and cash flows for the three months then ended, and the related notes to the consolidated financial statements, including material accounting policy information (collectively referred to as 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 Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the following paragraph, we conducted our reviews in accordance with the Standards on Review Engagements of the Republic of China 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As disclosed in Note 11 to the consolidated financial statements, the financial statements of some non-significant subsidiaries included in the consolidated financial statements referred to in the first paragraph were not reviewed. As of March 31, 2024 and 2023, combined total assets of these non-significant subsidiaries were NT\$77,693 thousand and NT\$57,762 thousand, respectively, representing 1.56% and 1.0%, respectively, of the consolidated total assets, and combined total liabilities of these subsidiaries were NT\$19,734 thousand and NT\$7,902 thousand, respectively, representing 1.31% and 0.3%, respectively, of the consolidated total liabilities; for the three months ended March 31, 2024 and 2023, the amounts of combined comprehensive income of these subsidiaries were NT\$8,153 thousand and NT\$259 thousand, respectively, representing 2.07% and 0.1%, respectively, of the consolidated total comprehensive income.

Qualified Conclusion

Based on our reviews, except for adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries and associates accounted for using the equity method as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 6, 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 review such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors’ review 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’ review report and consolidated financial statements shall prevail.

ASPEED TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	March 31, 2024		December 31, 2023		March 31, 2023	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 2,059,535	41	\$ 1,611,530	35	\$ 3,284,001	57
Financial assets at fair value through profit or loss - current (Note 7)	386,915	8	372,789	8	468,654	8
Trade receivables, net (Note 9 and 22)	739,488	15	716,066	16	516,072	9
Current tax assets (Note 24)	51,678	1	15,648	-	-	-
Inventories (Note 10)	330,529	7	306,028	7	417,636	7
Prepayments and other current assets (Note 16)	358,318	7	401,223	9	30,114	1
Total current assets	3,926,463	79	3,423,284	75	4,716,477	82
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Note 7)	81,533	2	77,856	2	75,647	1
Financial assets at fair value through other comprehensive income - non-current (Note 8)	108,274	2	62,104	1	-	-
Property, plant and equipment (Note 12)	176,246	4	197,931	4	193,232	3
Right-of-use assets (Note 13)	21,751	-	28,294	1	35,049	1
Goodwill (Note 14)	369,040	7	369,040	8	369,040	6
Other Intangible assets, net (Note 15)	214,926	4	250,673	6	340,739	6
Deferred tax assets (Note 24)	46,968	1	42,478	1	35,923	1
Refundable deposits (Note 16)	9,168	-	9,063	-	10,402	-
Other non-current assets (Note 16)	34,647	1	83,746	2	3,150	-
Total non-current assets	1,062,553	21	1,121,185	25	1,063,182	18
TOTAL	<u>\$ 4,989,016</u>	<u>100</u>	<u>\$ 4,544,469</u>	<u>100</u>	<u>\$ 5,779,659</u>	<u>100</u>

LIABILITIES AND EQUITY	March 31, 2024		December 31, 2023		March 31, 2023	
	Amount	%	Amount	%	Amount	%
CURRENT LIABILITIES						
Trade payables (Note 17)	\$ 224,701	5	\$ 241,913	5	\$ 194,168	3
Accrued compensation employees and remuneration of directors (Note 23)	217,682	4	226,599	5	281,278	5
Dividends payables (Note 21)	756,414	15	-	-	1,701,931	29
Other payables (Note 18)	71,048	1	86,442	2	55,667	1
Current tax liabilities (Note 24)	96,069	2	198	-	415,314	7
Provisions - current (Note 19)	53,814	1	52,487	1	50,028	1
Lease liabilities - current (Note 13)	13,698	-	19,510	1	23,967	-
Other current liabilities (Note 18 and 22)	37,789	1	52,392	1	27,613	1
Total current liabilities	1,471,215	29	679,541	15	2,749,966	47
NON-CURRENT LIABILITIES						
Deferred tax liabilities (Note 24)	26,264	1	15,769	1	28,413	1
Lease liabilities - non-current (Note 13)	7,953	-	8,517	-	9,473	-
Provisions - non-current (Note 19)	6,447	-	6,447	-	6,447	-
Total non-current liabilities	40,664	1	30,733	1	44,333	1
Total liabilities	1,511,879	30	710,274	16	2,794,299	48
SHAREHOLDERS' EQUITY (Note 21)						
Capital						
Share capital	378,207	8	378,207	8	378,207	7
Total capital	378,207	8	378,207	8	378,207	7
Capital surplus	1,539,778	31	1,539,778	34	1,539,778	27
Retained earnings						
Legal reserve	799,954	16	799,954	18	601,620	10
Special reserve	64,701	1	64,701	1	22,169	-
Unappropriated earnings	709,627	14	1,074,691	24	495,056	9
Total retained earnings	1,574,282	31	1,939,346	43	1,118,845	19
Other equity	(15,130)	-	(23,136)	(1)	(51,470)	(1)
Total equity	3,477,137	70	3,834,195	84	2,985,360	52
TOTAL	<u>\$ 4,989,016</u>	<u>100</u>	<u>\$ 4,544,469</u>	<u>100</u>	<u>\$ 5,779,659</u>	<u>100</u>

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

ASPEED TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended March 31			
	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUE				
Sale (Note 22)	\$ 1,013,050	100	\$ 669,214	100
Other operating revenue	<u>423</u>	<u>-</u>	<u>182</u>	<u>-</u>
Total operating revenue	1,013,473	100	669,396	100
OPERATING COSTS (Note 23)	<u>372,557</u>	<u>37</u>	<u>239,402</u>	<u>36</u>
GROSS PROFIT	<u>640,916</u>	<u>63</u>	<u>429,994</u>	<u>64</u>
OPERATING EXPENSES (Note 23)				
Selling and marketing expenses	23,205	2	18,517	3
General and administrative expenses	59,731	6	52,289	8
Research and development expenses	<u>171,554</u>	<u>17</u>	<u>149,743</u>	<u>22</u>
Total operating expenses	<u>254,490</u>	<u>25</u>	<u>220,549</u>	<u>33</u>
INCOME FROM OPERATIONS	<u>386,426</u>	<u>38</u>	<u>209,445</u>	<u>31</u>
NON-OPERATING INCOME AND EXPENSES (Note 23)				
Interest income	10,694	1	19,024	3
Other income	1,608	-	1,409	-
Other gains and losses	69,721	7	(238)	-
Finance costs	<u>(231)</u>	<u>-</u>	<u>(191)</u>	<u>-</u>
Total non-operating income and expenses, net	<u>81,792</u>	<u>8</u>	<u>20,004</u>	<u>3</u>
INCOME BEFORE INCOME TAX FROM CONTINUING OPERATIONS	468,218	46	229,449	34
INCOME TAX EXPENSE (Note 4 and 24)	<u>76,868</u>	<u>7</u>	<u>43,140</u>	<u>6</u>
NET INCOME FOR THE PERIOD	391,350	39	186,309	28
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating financial statements of foreign operations (Note 21)	<u>2,265</u>	<u>-</u>	<u>(500)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 393,615</u>	<u>39</u>	<u>\$ 185,809</u>	<u>28</u>

(Continued)

ASPEED TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended March 31			
	2024		2023	
	Amount	%	Amount	%
NET INCOME ATTRIBUTABLE TO:				
Owners of the Company	<u>\$ 391,350</u>	<u>39</u>	<u>\$ 186,309</u>	<u>28</u>
TOTAL COMPREHENSIVE INCOME				
ATTRIBUTABLE TO:				
Owners of the Company	<u>\$ 393,615</u>	<u>39</u>	<u>\$ 185,809</u>	<u>28</u>
EARNINGS PER SHARE (Note 25)				
Basic	<u>\$ 10.36</u>		<u>\$ 4.93</u>	
Diluted	<u>\$ 10.34</u>		<u>\$ 4.92</u>	
				(Concluded)

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

ASPEED TECHNOLOGY INC. AND SUBSIDIARIES

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

	Capital Share - Common Share		Capital Surplus	Retained Earnings			Employee Unearned Compensation	Others	Total Equity
	Shares (In Thousands)	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings		Exchange Differences on Translating Foreign Operations	
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
Appropriations of prior year's earnings									
Cash dividends to shareholders - NT\$45.00 per share	-	-	-	-	-	(1,701,931)	-	-	(1,701,931)
Net income for the three months ended March 31, 2023	-	-	-	-	-	186,309	-	-	186,309
Other comprehensive loss after tax for the three months ended March 31, 2023	-	-	-	-	-	-	-	(500)	(500)
Comprehensive income for the three months ended March 31, 2023	-	-	-	-	-	186,309	-	(500)	185,809
Compensation cost of restricted shares for employees	-	-	-	-	-	-	13,731	-	13,731
BALANCE AT MARCH 31, 2023	<u>37,821</u>	<u>\$ 378,207</u>	<u>\$ 1,539,778</u>	<u>\$ 601,620</u>	<u>\$ 22,169</u>	<u>\$ 495,056</u>	<u>\$ (48,952)</u>	<u>\$ (2,518)</u>	<u>\$ 2,985,360</u>
BALANCE AT JANUARY 1, 2024	37,821	\$ 378,207	\$ 1,539,778	\$ 799,954	\$ 64,701	\$ 1,074,691	\$ (20,879)	\$ (2,257)	\$ 3,834,195
Appropriations of prior year's earnings									
Cash dividends to shareholders - NT\$20.00 per share	-	-	-	-	-	(756,414)	-	-	(756,414)
Net income for the three months ended March 31, 2024	-	-	-	-	-	391,350	-	-	391,350
Other comprehensive income after tax for the three months ended March 31, 2024	-	-	-	-	-	-	-	2,265	2,265
Comprehensive income for the three months ended March 31, 2024	-	-	-	-	-	391,350	-	2,265	393,615
Compensation cost of restricted shares for employees	-	-	-	-	-	-	5,741	-	5,741
BALANCE AT MARCH 31, 2024	<u>37,821</u>	<u>\$ 378,207</u>	<u>\$ 1,539,778</u>	<u>\$ 799,954</u>	<u>\$ 64,701</u>	<u>\$ 709,627</u>	<u>\$ (15,138)</u>	<u>\$ 8</u>	<u>\$ 3,477,137</u>

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

ASPEED TECHNOLOGY INC. AND SUBSIDIARIES

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

	For the Three Months Ended March 31	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 468,218	\$ 229,449
Adjustments for:		
Depreciation expense	29,476	31,349
Amortization expense	36,917	47,373
Net gain on fair value changes of financial assets designated as at fair value through profit or loss	(17,803)	(14,815)
Finance costs	231	191
Interest income	(10,694)	(19,024)
Compensation cost of employee restricted shares	5,741	13,731
(Gain) loss on disposal of financial assets	-	(3,650)
Net loss (gain) on foreign currency exchange	(56,303)	6,049
Recognition of provisions	1,327	394
Changes in operating assets and liabilities:		
Trade receivables	17,561	479,849
Inventories	(24,501)	(17,244)
Prepayments and other current assets	77,921	13,629
Trade payables	(28,066)	(128,061)
Other payables	(10,451)	(30,649)
Other current liabilities	(15,910)	(43,226)
Payables for compensation of employees and remuneration of directors	(8,917)	22,640
Cash generated from operations	464,747	587,985
Interest paid	(231)	(191)
Income taxes paid	(11,022)	(1,943)
Net cash generated from operating activities	453,494	585,851
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of financial assets at fair value through profit or loss	-	74,124
Increase in prepayments for investment	(30,003)	-
Payments for Property, plant and equipment	(4,162)	(5,740)
Increase in refundable deposits	(105)	-
Payments for intangible assets	(2,569)	(201,408)
Interest received	8,646	18,296
Net cash used in investing activities	(28,193)	(114,728)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of the principal portion of lease liabilities	(6,746)	(6,554)
Net cash used in financing activities	(6,746)	(6,554)

(Continued)

ASPEED TECHNOLOGY INC. AND SUBSIDIARIES

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

	For the Three Months Ended March 31	
	2024	2023
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	\$ 29,450	\$ (9,526)
NET INCREASE IN CASH AND CASH EQUIVALENTS	448,005	455,043
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	<u>1,611,530</u>	<u>2,828,958</u>
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	<u>\$ 2,059,535</u>	<u>\$ 3,284,001</u> (Concluded)

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

ASPEED TECHNOLOGY INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023 (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 May 6, 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 FSC

The initial application of the IFRSs 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 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
IFRS 18 “Presentation and Disclosures in Financial Statements”	January 1, 2027
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 to IAS 21, the Group shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

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.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

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. 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).

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

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss.

See Note 11 and 32 for detailed information on subsidiaries (including percentages of ownership and main businesses).

d. Other material accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2023.

1) Income tax expense

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The material accounting judgments and key sources of estimation uncertainty followed in these consolidated financial statements refer to the consolidated financial statements for the year ended December 31, 2023.

6. CASH AND CASH EQUIVALENTS

	March 31, 2024	December 31, 2023	March 31, 2023
Cash on hand	\$ 115	\$ 101	\$ 101
Checking accounts and demand deposits	639,525	1,436,410	519,513
Cash equivalents (investments with original maturities of 3 months or less)			
Repurchase agreements collateralized by bonds	1,001,495	61,410	2,685,217
Time deposits	<u>418,400</u>	<u>113,609</u>	<u>79,170</u>
	<u>\$ 2,059,535</u>	<u>\$ 1,611,530</u>	<u>\$ 3,284,001</u>

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

	March 31, 2024	December 31, 2023	March 31, 2023
Bank deposits	0.05%-5.5%	0.05%-5.00%	0.05%-4.88%
Repurchase agreements collateralized by bonds	1.25%-5.35%	5.35%	1.2%-4.5%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	March 31, 2024	December 31, 2023	March 31, 2023
Financial assets mandatorily classified as at			
FVTPL -current			
Non-derivative financial assets			
Mutual funds	\$ 295,352	\$ 280,878	\$ 263,257
Domestic listed shares	<u>91,563</u>	<u>91,911</u>	<u>205,397</u>
	<u>\$ 386,915</u>	<u>\$ 372,789</u>	<u>\$ 468,654</u>
Financial assets mandatorily classified as at			
FVTPL - non-current			
Non-derivative financial assets			
Foreign corporate bonds	<u>\$ 81,533</u>	<u>\$ 77,856</u>	<u>\$ 75,647</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Non-current</u>			
Investments in equity instruments at fair value through other comprehensive income (FVTOCI)	<u>\$ 108,274</u>	<u>\$ 62,104</u>	<u>\$ -</u>

Non-current

Foreign investments			
Non-publicly traded equity investments	<u>\$ 108,274</u>	<u>\$ 62,104</u>	<u>\$ -</u>

- 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

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Trade receivables</u>			
Non-related parties	<u>\$ 739,488</u>	<u>\$ 716,066</u>	<u>\$ 516,072</u>
<u>Trade receivables</u>			
At amortized cost			
Gross carrying amount	\$ 739,488	\$ 716,066	\$ 516,072
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 739,488</u>	<u>\$ 716,066</u>	<u>\$ 516,072</u>

The average credit period of sale of goods is 30-60 days. The Group adopted a policy as a means 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 such information is 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 measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix prepared by reference to the past default experience of the debtor and an analysis of the debtor's current financial position, 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 in 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 evidence 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.

March 31, 2024

	Gross Carrying Amount	Loss Allowance	Amortized Cost
Not past due	\$ 555,784	\$ -	\$ 555,784
Past due			
Within 30 days	168,435	-	168,435
31-60 days	2,944	-	2,944
61-90 days	12,286	-	12,286
91-180 days	<u>39</u>	<u>-</u>	<u>39</u>
	<u>\$ 739,488</u>	<u>\$ -</u>	<u>\$ 739,488</u>

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	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 716,066</u>	<u>\$ -</u>	<u>\$ 716,066</u>

March 31, 2023

	Gross Carrying Amount	Loss Allowance	Amortized Cost
Not past due	\$ 396,616	\$ -	\$ 396,616
Past due			
Within 30 days	104,153	-	104,153
31-60 days	8,234	-	8,234
61-90 days	3,023	-	3,023
91-180 days	<u>4,046</u>	<u>-</u>	<u>4,046</u>
	<u>\$ 516,072</u>	<u>\$ -</u>	<u>\$ 516,072</u>

10. INVENTORIES

	March 31, 2024	December 31, 2023	March 31, 2023
Finished goods	\$ 234,660	\$ 240,030	\$ 351,192
Work in progress	87,482	43,608	66,444
Goods	<u>8,387</u>	<u>22,390</u>	<u>-</u>
	<u>\$ 330,529</u>	<u>\$ 306,028</u>	<u>\$ 417,636</u>

The cost of inventories recognized as cost of goods sold for the three months ended March 31, 2024 and 2023 was \$372,557 thousand and \$239,402 thousand, respectively. The cost of inventories recognized as operating cost was as follows:

	March 31	
	2024	2023
Inventory write-downs	<u>\$ 9,583</u>	<u>\$ 2,630</u>

11. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Remark
			March 31, 2024	December 31, 2023	March 31, 2023	
ASPEED Technology Inc.	ASPEED Technology (Samoa) Inc.	Investment holding company	100	100	100	1
	ASPEED Technology India Private Limited	R&D and technical services	-	1	1	1 and 2
	Cupola360 Inc.	Software Design Services	100	100	100	1
ASPEED Technology (Samoa) Inc.	ASPEED Technology (U.S.A) Inc.	R&D and technical services	100	100	100	1
	ASPEED Technology India Private Limited	R&D and technical services	-	99	99	1 and 2

1) Company is not a major subsidiary; its financial statements have not been reviewed.

2) ASPEED Technology India Private Limited completed the liquidation process on January 13, 2024.

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

	March 31, 2024	December 31, 2023	March 31, 2023
Assets used by the Company	<u>\$ 176,246</u>	<u>\$ 197,931</u>	<u>\$ 193,232</u>

- a. For the three months ended March 31, 2024

	For the Three Months Ended March 31, 2024				
	Balance at Beginning of the Year	Additions	Disposals	Net Exchange Differences	Balance at End of the Year
<u>Cost</u>					
Machinery equipment	\$ 16,335	\$ -	\$ (1,879)	\$ -	\$ 14,456
Office equipment	17,286	699	(766)	30	17,249
Other equipment	328,585	189	(1,981)	-	326,793
	<u>362,206</u>	<u>\$ 888</u>	<u>\$ (4,626)</u>	<u>\$ 30</u>	<u>358,498</u>
<u>Accumulated depreciation</u>					
Machinery equipment	6,990	\$ 1,892	\$ (1,879)	\$ -	7,003
Office equipment	8,641	993	(766)	22	8,890
Other equipment	148,644	19,696	(1,981)	-	166,359
	<u>164,275</u>	<u>\$ 22,581</u>	<u>\$ (4,626)</u>	<u>\$ 22</u>	<u>182,252</u>
Carrying amount	<u>\$ 197,931</u>				<u>\$ 176,246</u>

- b. For the three months ended March 31, 2023

	For the Three Months Ended March 31, 2023				
	Balance at Beginning of the Year	Additions	Disposals	Net Exchange Differences	Balance at End of the Year
<u>Cost</u>					
Machinery equipment	\$ 32,401	\$ -	\$ (15,491)	\$ -	\$ 16,910
Office equipment	17,807	212	(149)	(8)	17,862
Other equipment	353,272	-	-	-	353,272
	<u>403,480</u>	<u>\$ 212</u>	<u>\$ (15,640)</u>	<u>\$ (8)</u>	<u>388,044</u>
<u>Accumulated depreciation</u>					
Machinery equipment	19,254	\$ 1,837	\$ (15,491)	\$ -	5,600
Office equipment	9,640	999	(149)	(8)	10,482
Other equipment	157,024	21,706	-	-	178,730
	<u>185,918</u>	<u>\$ 24,542</u>	<u>\$ (15,640)</u>	<u>\$ (8)</u>	<u>194,812</u>
Carrying amount	<u>\$ 217,562</u>				<u>\$ 193,232</u>

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

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

13. LEASE ARRANGEMENTS

- a. Right-of-use assets

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Carrying amount</u>			
Buildings	\$ 19,290	\$ 25,602	\$ 33,868
Transportation equipment	<u>2,461</u>	<u>2,692</u>	<u>1,181</u>
	<u>\$ 21,751</u>	<u>\$ 28,294</u>	<u>\$ 35,049</u>

	For the Three Months Ended March 31	
	2024	2023
Depreciation charge for right-of-use assets		
Buildings	\$ 6,664	\$ 6,364
Transportation equipment	<u>231</u>	<u>443</u>
	<u>\$ 6,895</u>	<u>\$ 6,807</u>

Except for the aforementioned additions and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets during the three months ended March 31, 2024 and 2023.

b. Lease liabilities

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Carrying amount</u>			
Current	<u>\$ 13,698</u>	<u>\$ 19,510</u>	<u>\$ 23,967</u>
Non-current	<u>\$ 7,953</u>	<u>\$ 8,517</u>	<u>\$ 9,473</u>

Range of discount rates for lease liabilities was as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Buildings	2.00%	2.00%	2.00%
Transportation equipment	2.50%	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 does not have the option to purchase 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 Three Months Ended March 31	
	2024	2023
Expenses relating to short-term leases	<u>\$ 359</u>	<u>\$ 242</u>
Expenses relating to low-value asset leases	<u>\$ 20</u>	<u>\$ 14</u>
Total cash outflow for leases	<u>\$ (7,253)</u>	<u>\$ (7,001)</u>

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

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Cost</u>			
Balance at beginning and end of the year	<u>\$ 369,040</u>	<u>\$ 369,040</u>	<u>\$ 369,040</u>

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.

15. OTHER INTANGIBLE ASSETS

For the Three Months Ended March 31, 2024				
	Balance at Beginning of the Year	Additions	Disposals	Balance at End of the Year
<u>Cost</u>				
Licenses	\$ 305,107	\$ -	\$ -	\$ 305,107
Software	13,084	1,170	-	14,254
Client relationship	145,552	-	-	145,552
Existing technology	-	-	-	-
Trademark	-	-	-	-
Others	<u>50,090</u>	<u>-</u>	<u>-</u>	<u>50,090</u>
	<u>513,833</u>	<u>\$ 1,170</u>	<u>\$ -</u>	<u>515,003</u>
<u>Accumulated amortization</u>				
Licenses	116,192	\$ 19,007	\$ -	135,199
Software	6,948	1,098	-	8,046
Client relationship	127,358	4,549	-	131,907
Existing technology	-	-	-	-
Trademark	-	-	-	-
Others	<u>12,662</u>	<u>12,263</u>	<u>-</u>	<u>24,925</u>
	<u>263,160</u>	<u>\$ 36,917</u>	<u>\$ -</u>	<u>300,077</u>
Carrying amount	<u>\$ 250,673</u>			<u>\$ 214,926</u>

For the Three Months Ended March 31, 2023				
	Balance at Beginning of the Year	Additions	Disposals	Balance at End of the Year
<u>Cost</u>				
Licenses	\$ 457,570	\$ -	\$ (2,160)	\$ 455,410
Software	12,099	110	-	12,209
Client relationship	145,552	-	-	145,552
Existing technology	359,030	-	-	359,030
Trademark	45,283	-	-	45,283
Others	<u>14,026</u>	<u>-</u>	<u>(300)</u>	<u>13,726</u>
	<u>1,033,560</u>	<u>\$ 110</u>	<u>\$ (2,460)</u>	<u>1,031,210</u>

(Continued)

For the Three Months Ended March 31, 2023				
	Balance at Beginning of the Year	Additions	Disposals	Balance at End of the Year
<u>Accumulated amortization</u>				
Licenses	\$ 174,612	\$ 26,612	\$ (2,160)	\$ 199,064
Software	3,350	1,014	-	4,364
Client relationship	109,164	4,549	-	113,713
Existing technology	307,740	12,822	-	320,562
Trademark	38,814	1,617	-	40,431
Others	11,878	759	(300)	12,337
	<u>645,558</u>	<u>\$ 47,373</u>	<u>\$ (2,460)</u>	<u>690,471</u>
Carrying amount	<u>\$ 388,002</u>			<u>\$ 340,739</u> (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

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Current</u>			
Prepayment for purchases	\$ 292,032	\$ 359,040	\$ 3,500
Prepayments	58,756	27,582	21,664
Other receivables	3,705	1,553	1,685
Tax refund receivables	2,123	10,394	2,725
Overpaid sales tax	<u>1,702</u>	<u>2,654</u>	<u>540</u>
	<u>\$ 358,318</u>	<u>\$ 401,223</u>	<u>\$ 30,114</u>
<u>Non-current</u>			
Prepayments for investment	\$ 30,003	\$ 46,170	\$ -
Prepayments for equipment	-	31,332	-
Refundable deposits	9,168	9,063	10,402
Prepayments for maintenance fee	<u>4,644</u>	<u>6,244</u>	<u>3,150</u>
	<u>\$ 43,815</u>	<u>\$ 92,809</u>	<u>\$ 13,552</u>

17. TRADE PAYABLES

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Trade payables</u>			
Operating	<u>\$ 224,701</u>	<u>\$ 241,913</u>	<u>\$ 194,168</u>

18. OTHER PAYABLES

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Current</u>			
Other payables			
Payables for salaries and bonuses	\$ 40,021	\$ 52,675	\$ 28,881
Payables for royalties	11,320	8,611	5,474
Payables for services	4,520	2,683	4,612
Labor and health insurance payables	2,683	2,447	2,199
Payables for pension	2,609	2,504	2,273
Payables for employee welfare	1,156	1,000	4,361
Payables for patents	-	1,370	-
Payables for purchases of equipment	-	1,904	-
Others	<u>8,739</u>	<u>13,248</u>	<u>7,867</u>
	<u>\$ 71,048</u>	<u>\$ 86,442</u>	<u>\$ 55,667</u>
Other liabilities			
Refund liabilities	\$ 28,310	\$ 29,713	\$ 24,802
Contract liabilities (Note 22)	6,509	19,503	113
Receipts under custody	<u>2,970</u>	<u>3,176</u>	<u>2,698</u>
	<u>\$ 37,789</u>	<u>\$ 52,392</u>	<u>\$ 27,613</u>

19. PROVISIONS

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Current</u>			
Warranties (a)	<u>\$ 53,814</u>	<u>\$ 52,487</u>	<u>\$ 50,028</u>
<u>Non-current</u>			
Decommissioning (b)	<u>\$ 6,447</u>	<u>\$ 6,447</u>	<u>\$ 6,447</u>

- 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.
- 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 them 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 \$2,715 thousand and \$2,365 thousand, representing the contributions made and to be made to these plans by the Company at the rates specified in the plans for the three month ended March 31, 2024 and 2023, respectively.

21. EQUITY

a. Ordinary share capital

	March 31, 2024	December 31, 2023	March 31, 2023
Shares authorized (in thousands of shares)	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>
Shares authorized, par value \$10 (in thousands of NTD)	<u>\$ 500,000</u>	<u>\$ 500,000</u>	<u>\$ 500,000</u>
Shares issued and fully paid (in thousands of shares)	<u>37,821</u>	<u>37,821</u>	<u>37,821</u>
Shares issued and fully paid (in thousands of NTD)	<u>\$ 378,207</u>	<u>\$ 378,207</u>	<u>\$ 378,207</u>

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.

b. Capital surplus

	March 31, 2024	December 31, 2023	March 31, 2023
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	\$ 756,385
Employee share bonus	608,492	608,492	608,492
From expired/vested employee restricted shares	121,694	110,953	80,340
From expired/exercised employee share options	2,156	2,156	2,156
<u>May not be used for any purpose</u>			
Employee restricted shares	<u>51,051</u>	<u>61,792</u>	<u>92,405</u>
	<u>\$ 1,539,778</u>	<u>\$ 1,539,778</u>	<u>\$ 1,539,778</u>

- a) Such 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. The board of directors is authorized to adopt a special resolution to distribute the reserves in cash, and a report of such distribution should be submitted to the shareholders' 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 the distribution of 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.

An 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	
	2023	2022
Write-off of the retained earnings for cancellation of treasury shares	\$ -	\$ 122,271
Legal reserve	\$ 100,681	\$ 198,334
(Reversal) recognition of special reserve	\$ (62,444)	\$ 42,532
Cash dividends	\$ 756,414	\$ 1,701,931
Cash dividends per share (NT\$)	\$ 20.00	\$ 45.00

The above appropriations for cash dividends were resolved by the Company's board of directors on March 11, 2024 and March 6, 2023, respectively; the other proposed appropriations were resolved by the shareholders in their meetings on May 30, 2023, respectively; the other proposed appropriations for 2023 will be resolved by the shareholders in their meeting to be held on May 30, 2024.

d. Special reserve

	For the Three Months Ended March 31	
	2024	2023
Balance at January 1 and March 31	<u>\$ 64,701</u>	<u>\$ 22,169</u>

e. Other equity items

1) Unearned employee benefits

For information about the restricted share plans for employees, refer to Note 26.

	For the Three Months Ended March 31	
	2024	2023
Balance at January 1	\$ (20,879)	\$ (62,683)
Share-based payment expenses recognized	<u>5,741</u>	<u>13,731</u>
Balance at March 31	<u>\$ (15,138)</u>	<u>\$ (48,952)</u>

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

	For the Three Months Ended March 31	
	2024	2023
Balance at January 1	\$ (2,257)	\$ (2,018)
Exchange differences on translation of the financial statements of foreign operations	<u>2,265</u>	<u>500</u>
Balance at March 31	<u>\$ 8</u>	<u>\$ (2,518)</u>

22. REVENUE

a. Revenue from contracts with customers

	For the Three Months Ended March 31	
	2024	2023
Revenue from the sale of goods	\$ 1,013,050	\$ 669,214
Royalty income	<u>423</u>	<u>182</u>
	<u>\$ 1,013,473</u>	<u>\$ 669,396</u>

b. Contract balances

	March 31, 2024	December 31, 2023	March 31, 2023	January 1, 2023
Trade receivables (Note 9)	<u>\$ 739,488</u>	<u>\$ 716,066</u>	<u>\$ 516,072</u>	<u>\$ 979,728</u>
Contract liabilities (Note 18)				
Sale of goods	<u>\$ 6,509</u>	<u>\$ 19,503</u>	<u>\$ 113</u>	<u>\$ 33</u>

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 three months ended March 31, 2024

	Reportable Segments			
	Multimedia Integrated Circuits (ICs)	Computer Peripherals Oriented ICs	Others	Total
Type of goods or services				
Sale of goods	\$ 918,458	\$ 66,442	\$ 28,150	\$ 1,013,050
Royalty	<u>-</u>	<u>-</u>	<u>423</u>	<u>423</u>
	<u>\$ 918,458</u>	<u>\$ 66,442</u>	<u>\$ 28,573</u>	<u>\$ 1,013,473</u>

For the three months ended March 31, 2023

	Reportable Segments			
	Multimedia Integrated Circuits (ICs)	Computer Peripherals Oriented ICs	Others	Total
Type of goods or services				
Sale of goods	\$ 559,471	\$ 105,215	\$ 4,528	\$ 669,214
Royalty	<u>-</u>	<u>-</u>	<u>182</u>	<u>182</u>
	<u>\$ 559,471</u>	<u>\$ 105,215</u>	<u>\$ 4,710</u>	<u>\$ 669,396</u>

23. NET PROFIT FROM CONTINUING OPERATIONS

a. Interest income

	For the Three Months Ended March 31	
	2024	2023
Interest income		
Repurchase agreements collateralized by bonds	\$ 7,245	\$ 16,646
Bank deposits	2,358	747
Financial asset at fair value through profit	908	1,595
Others	<u>183</u>	<u>36</u>
	<u>\$ 10,694</u>	<u>\$ 19,024</u>

b. Other income

**For the Three Months Ended
March 31**

	2024	2023
Others	\$ <u>1,608</u>	\$ <u>1,409</u>

c. Other gains and losses

**For the Three Months Ended
March 31**

	2024	2023
Net foreign exchange gains (losses)	\$ 51,918	\$ (18,703)
Net gain on fair value changes of financial assets through profit or loss	17,803	14,815
Gain on disposal of financial assets	<u>-</u>	<u>3,650</u>
	\$ <u>69,721</u>	\$ <u>(238)</u>

d. Finance costs

**For the Three Months Ended
March 31**

	2024	2023
Interest on lease liabilities	\$ 128	\$ 191
Interest on loans	<u>103</u>	<u>-</u>
	\$ <u>231</u>	\$ <u>191</u>

e. Depreciation and amortization

**For the Three Months Ended
March 31**

	2024	2023
An analysis of depreciation by function		
Operating costs	\$ -	\$ -
Operating expenses	<u>29,476</u>	<u>31,349</u>
	\$ <u>29,476</u>	\$ <u>31,349</u>
An analysis of amortization by function		
Operating costs	\$ -	\$ -
Operating expenses	<u>36,917</u>	<u>47,373</u>
	\$ <u>36,917</u>	\$ <u>47,373</u>

f. Employee benefits expense

	For the Three Months Ended March 31	
	2024	2023
Post-employment benefits (Note 20)		
Defined contribution plans	\$ 2,715	\$ 2,365
Share-based payments (Note 26)	5,741	13,731
Other employee benefits	<u>140,544</u>	<u>107,856</u>
 Total employee benefits expense	 <u>\$ 149,000</u>	 <u>\$ 123,952</u>
 An analysis of employee benefits expense by function		
Operating costs	\$ -	\$ -
Operating expenses	<u>149,000</u>	<u>123,952</u>
	<u>\$ 149,000</u>	<u>\$ 123,952</u>

g. Compensation of employees and remuneration of directors

The Company accrues 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 three months ended March 31, 2023 and 2022 were as follows:

Accrual rate

	For the Three Months Ended March 31	
	2024	2023
Compensation of employees	8%	8%
Remuneration of directors	1%	1%

Amount

	For the Three Months Ended March 31	
	2024	2023
Compensation of employees	\$ 41,120	\$ 20,124
Remuneration of directors	5,140	2,516

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.

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:

	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	-

There is no difference between the actual amounts of compensation of employees and remuneration of directors and supervisors 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 Three Months Ended March 31	
	2024	2023
Foreign exchange gains	\$ 51,918	\$ 11,624
Foreign exchange losses	<u>-</u>	<u>(30,327)</u>
	<u>\$ 51,918</u>	<u>\$ (18,703)</u>

24. INCOME TAXES RELATING TO CONTINUING OPERATIONS

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

	For the Three Months Ended March 31	
	2024	2023
Current tax		
In respect of the current year	\$ 84,463	\$ 38,866
Adjustments for prior years	<u>(13,600)</u>	<u>-</u>
	70,863	38,866
Deferred tax		
In respect of the current year	<u>6,005</u>	<u>4,274</u>
Income tax expense recognized in profit or loss	<u>\$ 76,868</u>	<u>\$ 43,140</u>

b. Income tax assessments

The Company's tax returns through 2022 have been assessed by the tax authorities.

25. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Three Months Ended March 31	
	2024	2023
Basic earnings per share	<u>\$ 10.36</u>	<u>\$ 4.93</u>
Diluted earnings per share	<u>\$ 10.34</u>	<u>\$ 4.92</u>

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

Net Income

	For the Three Months Ended March 31	
	2024	2023
Earnings used in the computation of basic and diluted earnings per share	<u>\$ 391,350</u>	<u>\$ 186,309</u>
Unit: Thousands of shares		
	For the Three Months Ended March 31	
	2024	2023
Weighted average number of ordinary shares used in the computation of basic earnings per share	37,787	37,756
Effect of potentially dilutive ordinary shares		
Compensation of employees	40	68
Restricted shares to employees	<u>27</u>	<u>37</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>37,854</u>	<u>37,861</u>

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 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

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 Three Months Ended March 31	
	2024	2023
Balance at January 1	40	71
Vested	<u>(11)</u>	<u>(11)</u>
Balance at March 31	<u>29</u>	<u>60</u>

For the three month ended March 31, 2024 and 2023, the compensation costs recognized were NT\$5,741 thousand and NT\$13,731 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 the 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

March 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL-current				
Mutual funds	\$ 295,352	\$ -	\$ -	\$ 295,352
Domestic listed shares	91,563	-	-	91,563
Financial assets at FVTPL - non-current				
Foreign corporate bonds	-	81,533	-	81,533
Financial assets at FVTOCI - non-current				
Non-publicly traded equity investments	<u>-</u>	<u>-</u>	<u>108,274</u>	<u>108,274</u>
	<u>\$ 386,915</u>	<u>\$ 81,533</u>	<u>\$ 108,274</u>	<u>\$ 576,722</u>

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	<u>-</u>	<u>-</u>	<u>62,104</u>	<u>62,104</u>
	<u>\$ 372,789</u>	<u>\$ 77,856</u>	<u>\$ 62,104</u>	<u>\$ 512,749</u>

March 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL-current				
Mutual funds	\$ 263,257	\$ -	\$ -	\$ 263,257
Domestic listed shares	205,397	-	-	205,397
Financial assets at FVTPL - non-current				
Foreign corporate bonds	<u>-</u>	<u>75,647</u>	<u>-</u>	<u>75,647</u>
	<u>\$ 468,654</u>	<u>\$ 75,647</u>	<u>\$ -</u>	<u>\$ 544,301</u>

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

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Financial assets</u>			
Financial assets at amortized cost (1)	\$ 2,811,896	\$ 2,338,212	\$ 3,812,160
Financial assets at FVTPL	468,448	450,645	544,301
Financial assets at FVTOCI	108,274	62,104	-
<u>Financial liabilities</u>			
Measured at amortized cost (2)	249,280	269,729	212,121

- 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, and monitors and manages the financial risks relating to the operations of the Group through internal risk reports that 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 denominated 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 adjusted 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 Three Months Ended	
	March 31	
	2024	2023
Pre-tax profit	\$ 66,176	\$ 83,119

This was mainly attributable to the exposure to 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 amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Fair value interest rate risk			
Financial assets	\$ 1,501,428	\$ 252,875	\$ 2,840,034
Financial liabilities	21,651	28,027	33,440
Cash flow interest rate risk			
Financial assets	639,525	1,436,410	519,513

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 three months ended March 31, 2024 and 2023.

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 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 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 March 31, 2024, December 31, 2023 and March 31, 2023, the Group had available unutilized short-term bank loan facilities set out in (b) 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 was 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.

March 31, 2024

	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	\$ 2,294	\$ 4,590	\$ 6,989	\$ 8,150	\$ -	\$ 22,023
Non-interest bearing						
Trade payables	80,958	143,743	-	-	-	224,701
Other payables	17,790	4,051	2,738	-	-	24,579
	<u>\$ 101,042</u>	<u>\$ 152,384</u>	<u>\$ 9,727</u>	<u>\$ 8,150</u>	<u>\$ -</u>	<u>\$ 271,303</u>

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	\$ <u>13,873</u>	\$ <u>8,150</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

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	<u>25,134</u>	<u>1,316</u>	<u>1,366</u>	<u>-</u>	<u>-</u>	<u>27,816</u>
	\$ <u>132,580</u>	\$ <u>142,625</u>	\$ <u>14,232</u>	\$ <u>8,706</u>	\$ <u>-</u>	\$ <u>298,143</u>

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	\$ <u>19,708</u>	\$ <u>8,706</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

March 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	\$ 2,249	\$ 4,498	\$ 17,660	\$ 9,522	\$ -	\$ 33,929
Non-interest bearing						
Trade payables	107,471	86,697	-	-	-	194,168
Other payables	<u>11,465</u>	<u>1,169</u>	<u>5,319</u>	<u>-</u>	<u>-</u>	<u>17,953</u>
	\$ <u>121,185</u>	\$ <u>92,364</u>	\$ <u>22,979</u>	\$ <u>9,522</u>	\$ <u>-</u>	\$ <u>246,050</u>

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	\$ <u>24,407</u>	\$ <u>9,522</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

b) Financing facilities:

	March 31, 2024	December 31, 2023	March 31, 2023
Unsecured bank borrowings facilities, reviewed annually and payable on demand:			
Amount unused	\$ 1,850,000	\$ 1,850,000	\$ 1,650,000
Amount used	<u>-</u>	<u>-</u>	<u>-</u>
	\$ <u>1,850,000</u>	\$ <u>1,850,000</u>	\$ <u>1,650,000</u>

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 for the three months ended March 31, 2024 and 2023 was as follows:

	For the Three Months Ended March 31	
	2024	2023
Short-term benefits	\$ 12,932	\$ 7,387
Post-employment benefits	54	54
Share-based payments	<u>5,021</u>	<u>6,170</u>
	<u>\$ 18,007</u>	<u>\$ 13,611</u>

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 March 31, 2024 and 2023 were as follows:

Under the agreement, the Group shall pay royalties at a percentage of the sales volumes of certain products. For the three months ended March 31, 2024 and 2023, royalty expenses amounted to \$10,564 thousand and \$5,306 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:

March 31, 2024

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 49,787	32.000	\$ 1,593,184
<u>Financial liabilities</u>			
Monetary items			
USD	8,427	32.000	269,664

December 31, 2023

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

March 31, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 62,199	30.45	\$ 1,893,960
<u>Financial liabilities</u>			
Monetary items			
USD	7,605	30.45	231,572

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

For the Three Months Ended March 31				
2024			2023	
Foreign Currency	Exchange Rate	Net Foreign Exchange Gain (Loss)	Exchange Rate	Net Foreign Exchange Gain (Loss)
USD	32.00 (USD:NTD)	<u>\$ 110,088</u>	30.45 (USD:NTD)	<u>\$ 71,759</u>

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:

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2024				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 C2891C	-	Financial assets at FVTPL - current	1,000	\$ 58,400	-	\$ 58,400	Note
	Shares - Yuanta Securities Investment Trust Co., Ltd. 2881A Fubon Te	-	Financial assets at FVTPL - current	213	13,206	-	13,206	Note
	Shares - Yuanta Securities Investment Trust Co., Ltd. 2882A Cathay Pacific	-	Financial assets at FVTPL - current	311	18,722	-	18,722	Note
	Shares - Yuanta Securities Investment Trust Co., Ltd. 2882 Cathay Gold	-	Financial assets at FVTPL - current	25	1,235	-	1,235	Note
	Funds - Fuhua Ruihua Fund	-	Financial assets at FVTPL - current	4,827	57,095	-	57,095	Note
	Funds - ETF-00740B Fubon 10+ Years US Corporate Bond BBB Ex China	-	Financial assets at FVTPL - current	1,200	49,272	-	49,272	Note
	Funds - Yuanta Japan Leaders Equity Fund-TWD(A)	-	Financial assets at FVTPL - current	3,000	34,920	-	34,920	Note
	Funds - ETF 00720B Yuanta US 20+ Year BBB Corporate Bond ETF	-	Financial assets at FVTPL - current	630	22,661	-	22,661	Note
	Funds - Allianz Flex Asia Bond AT (USD)	-	Financial assets at FVTPL - current	85	24,760	-	24,760	Note
	Funds - JPMorgan Global Bond Yield USD Cumulative USD	-	Financial assets at FVTPL - current	8	32,138	-	32,138	Note
	Funds - Yuanta Global Leaders Balanced Fund-USD (A)	-	Financial assets at FVTPL - current	100	41,011	-	41,011	Note
	Funds - Fuh Hwa 3-8 Year Maturity A-Rated Bond Fund USD	-	Financial assets at FVTPL - current	100	33,495	-	33,495	Note
	Bonds - Foxconn Far East HONHAI Corporate Bonds	-	Financial assets at FVTPL - non-current	30	81,533	-	81,533	Note
	Equity investments - POLYTRON.AI PTE. LTD.	-	Financial assets at FVTOCI - non-current	10	62,104	10	62,104	Note
	Equity investments - Graid Technology Inc.	-	Financial assets at FVTOCI - non-current	533	46,170	1.9	46,170	Note

Note: The value is calculated by net value or closing price on March 31, 2024.

- 4) Marketable securities acquired or 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 2)

11) Information on investees:

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount (In thousands)		As of March 31, 2024			Net Income (Loss) of the Investee (In Thousands)	Share of Profits (Loss) (In Thousands)	Note
				March 31, 2024	December 31, 2023	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	\$ 56,383	\$ 720	\$ 720	-
	ASPEED Technology India Private Limited	India	R&D and technical services	-	95	-	-	-	-	-	Note
	Cupola360 Inc.	Taiwan	Software Design Services	15,000	15,000	1,500	100	1,576	(8,697)	(8,697)	-
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	48,426	720	720	-
	ASPEED Technology India Private Limited	India	R&D and technical services	-	8,930	-	-	-	-	-	Note

Note: ASPEED Technology India Private Limited completed the liquidation process on January 13, 2024.

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, ownership percentage, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income or loss, 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 ending 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 preferred 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 preparations.

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.

TABLE 1

ASPEED TECHNOLOGY INC. AND SUBSIDIARIES

FINANCING PROVIDED

FOR THE THREE MONTHS ENDED MARCH 31, 2024

(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 2)	Ending Balance (Foreign Currencies in Thousands) (Note 2)	Ending Balance (Foreign Currencies in Thousands)	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)	\$ 35,493 (USD 1,130)	6%	For financing	\$ -	Working capital	\$ -	Promissory note	\$ 63,000	\$ 347,714	\$ 347,714

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 THREE MONTHS ENDED MARCH 31, 2024
(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. Cupola 360 Inc.	1 1	Technical services expense	\$ 16,257	Note 2	1.60
				Other payables	36,336	-	0.73

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.