

# **ASPEED Technology Inc. and Subsidiaries**

**Consolidated Financial Statements for the  
Nine Months Ended September 30, 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 September 30, 2024 and 2023, the related consolidated statements of comprehensive income for the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023, the consolidated statements of changes in equity and cash flows for the nine months 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 12 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 September 30, 2024 and 2023, the combined total assets of these non-significant subsidiaries were NT\$83,806 thousand and NT\$94,849 thousand, respectively, representing 1.20% and 1.8%, respectively, of the consolidated total assets, and the combined total liabilities of these subsidiaries were NT\$34,389 thousand and NT\$39,737 thousand, respectively, representing 1.53% and 2.3%, respectively, of the consolidated total liabilities; for the three months ended September 30, 2024 and 2023, the amounts of combined comprehensive income of these subsidiaries were NT\$1,534 thousand and NT\$1,711 thousand, respectively, representing 0.21% and 0.6%, respectively, of the consolidated total comprehensive income, and for the nine months ended September 30, 2024 and 2023, the amounts of combined comprehensive income of these subsidiaries were NT\$(17,150) thousand and NT\$2,724 thousand, respectively, representing (1.05)% and 0.4%, 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 September 30, 2024 and 2023, its consolidated financial performance for the three months ended September 30, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the nine months ended September 30, 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.

Ming - Yuan Chung      Hsin-Tung Lin

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

November 4, 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	September 30, 2024		December 31, 2023		September 30, 2023	
	Amount	%	Amount	%	Amount	%
<b>CURRENT ASSETS</b>						
Cash and cash equivalents (Note 6)	\$ 3,039,225	44	\$ 1,611,530	35	\$ 2,570,845	49
Financial assets at fair value through profit or loss - current (Note 7)	442,592	6	372,789	8	331,582	6
Trade receivables, net (Notes 10 and 24)	1,435,626	21	716,066	16	705,508	13
Current tax assets (Note 26)	51,683	1	15,648	-	107,099	2
Inventories (Note 11)	386,040	5	306,028	7	341,373	7
Prepayments and other current assets (Note 17)	241,611	3	401,223	9	138,177	3
Total current assets	5,596,777	80	3,423,284	75	4,194,584	80
<b>NON-CURRENT ASSETS</b>						
Financial assets at fair value through profit or loss - non-current (Note 7)	84,961	1	77,856	2	77,748	2
Financial assets at fair value through other comprehensive income - non-current (Note 8)	176,420	3	62,104	1	62,104	1
Financial assets at amortized cost - non-current (Note 9)	126,600	2	-	-	-	-
Property, plant and equipment (Note 13)	144,814	2	197,931	4	219,919	4
Right-of-use assets (Note 14)	198,593	3	28,294	1	23,335	-
Goodwill (Note 15)	369,040	5	369,040	8	369,040	7
Other Intangible assets, net (Note 16)	183,569	3	250,673	6	252,034	5
Deferred tax assets (Note 26)	69,674	1	42,478	1	37,187	1
Refundable deposits (Note 17)	9,554	-	9,063	-	11,393	-
Other non-current assets (Note 17)	4,645	-	83,746	2	1,600	-
Total non-current assets	1,367,870	20	1,121,185	25	1,054,360	20
<b>TOTAL</b>	<b>\$ 6,964,647</b>	<b>100</b>	<b>\$ 4,544,469</b>	<b>100</b>	<b>\$ 5,248,944</b>	<b>100</b>
LIABILITIES AND EQUITY	September 30, 2024		December 31, 2023		September 30, 2023	
	Amount	%	Amount	%	Amount	%
<b>CURRENT LIABILITIES</b>						
Short-term borrowings (Note 18)	\$ 550,000	8	\$ -	-	\$ 1,100,000	21
Short-term bills payable (Note 18)	99,907	1	-	-	-	-
Trade payables (Note 19)	472,296	7	241,913	5	88,362	2
Accrued compensation employees and remuneration of directors (Note 25)	275,874	4	226,599	5	251,979	5
Other payables (Note 20)	187,756	3	86,442	2	71,395	1
Current tax liabilities (Note 26)	317,757	4	198	-	36,195	1
Provisions - current (Note 21)	60,187	1	52,487	1	51,041	1
Lease liabilities - current (Note 14)	24,847	-	19,510	1	22,432	-
Other current liabilities (Notes 20 and 24 )	67,158	1	52,392	1	66,055	1
Total current liabilities	2,055,782	29	679,541	15	1,687,459	32
<b>NON-CURRENT LIABILITIES</b>						
Deferred tax liabilities (Note 26)	6,569	-	15,769	1	34,147	1
Lease liabilities - non-current (Note 14)	173,912	3	8,517	-	-	-
Provisions - non-current (Note 21)	6,447	-	6,447	-	6,447	-
Total non-current liabilities	186,928	3	30,733	1	40,594	1
Total liabilities	2,242,710	32	710,274	16	1,728,053	33
<b>SHAREHOLDERS' EQUITY (Note 23)</b>						
Capital						
Share capital	378,207	6	378,207	8	378,207	7
Capital surplus	1,539,778	22	1,539,778	34	1,539,778	29
Retained earnings						
Legal reserve	900,635	13	799,954	18	799,954	15
Special reserve	2,257	-	64,701	1	64,701	1
Unappropriated earnings	1,908,506	27	1,074,691	24	764,997	15
Total retained earnings	2,811,398	40	1,939,346	43	1,629,652	31
Other equity	(7,446)	-	(23,136)	(1)	(26,746)	-
Total equity	4,721,937	68	3,834,195	84	3,520,891	67
<b>TOTAL</b>	<b>\$ 6,964,647</b>	<b>100</b>	<b>\$ 4,544,469</b>	<b>100</b>	<b>\$ 5,248,944</b>	<b>100</b>

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

# 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			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE								
(Note 24)								
Sales	\$ 1,986,190	100	\$ 796,060	100	\$ 4,354,994	100	\$ 2,139,490	100
Other operating revenue	<u>245</u>	<u>-</u>	<u>653</u>	<u>-</u>	<u>959</u>	<u>-</u>	<u>6,658</u>	<u>-</u>
Total operating revenue	1,986,435	100	796,713	100	4,355,953	100	2,146,148	100
OPERATING COSTS (Notes 11 and 25)	<u>709,628</u>	<u>36</u>	<u>298,318</u>	<u>37</u>	<u>1,579,008</u>	<u>36</u>	<u>771,443</u>	<u>36</u>
GROSS PROFIT	<u>1,276,807</u>	<u>64</u>	<u>498,395</u>	<u>63</u>	<u>2,776,945</u>	<u>64</u>	<u>1,374,705</u>	<u>64</u>
OPERATING EXPENSES								
(Note 25)								
Selling and marketing expenses	37,642	2	20,345	3	87,424	2	60,776	3
General and administrative expenses	81,735	4	55,330	7	210,410	5	161,708	7
Research and development expenses	<u>205,974</u>	<u>10</u>	<u>159,511</u>	<u>20</u>	<u>561,076</u>	<u>13</u>	<u>464,628</u>	<u>22</u>
Total operating expenses	<u>325,351</u>	<u>16</u>	<u>235,186</u>	<u>30</u>	<u>858,910</u>	<u>20</u>	<u>687,112</u>	<u>32</u>
PROFIT FROM OPERATIONS	<u>951,456</u>	<u>48</u>	<u>263,209</u>	<u>33</u>	<u>1,918,035</u>	<u>44</u>	<u>687,593</u>	<u>32</u>
NON-OPERATING INCOME AND EXPENSES (Note 25)								
Interest income	20,880	1	19,557	3	47,907	1	61,801	3
Other income	1,953	-	1,137	-	4,706	-	4,146	-
Other gains and losses	(60,362)	(3)	62,350	8	45,426	1	105,823	5
Finance costs	<u>(2,404)</u>	<u>-</u>	<u>(6,706)</u>	<u>(1)</u>	<u>(2,733)</u>	<u>-</u>	<u>(7,054)</u>	<u>-</u>
Total non-operating income and expenses	<u>(39,933)</u>	<u>(2)</u>	<u>76,338</u>	<u>10</u>	<u>95,306</u>	<u>2</u>	<u>164,716</u>	<u>8</u>
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	911,523	46	339,547	43	2,013,341	46	852,309	40
INCOME TAX EXPENSE (Notes 4 and 26)	<u>182,203</u>	<u>9</u>	<u>69,092</u>	<u>9</u>	<u>384,875</u>	<u>9</u>	<u>155,193</u>	<u>7</u>
NET PROFIT FOR THE PERIOD	729,320	37	270,455	34	1,628,466	37	697,116	33
OTHER COMPREHENSIVE INCOME (LOSS)								
Items reclassified subsequently to profit or loss:								
Exchange differences arising on translating financial statement of foreign operations (Note 23)	(1,454)	-	1,739	-	1,611	-	2,288	-

(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			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
Unrealized gain/(loss) on investments in debt instruments at fair valued through other comprehensive income (Note 23)	\$ (218)	-	\$ -	-	\$ (218)	-	\$ -	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 727,648</u>	<u>37</u>	<u>\$ 272,194</u>	<u>34</u>	<u>\$ 1,629,859</u>	<u>37</u>	<u>\$ 699,404</u>	<u>33</u>
NET PROFIT ATTRIBUTABLE TO: Owners of the Company	<u>\$ 729,320</u>	<u>37</u>	<u>\$ 270,455</u>	<u>34</u>	<u>\$ 1,628,466</u>	<u>37</u>	<u>\$ 697,116</u>	<u>32</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO: Owners of the Company	<u>\$ 727,648</u>	<u>37</u>	<u>\$ 272,194</u>	<u>34</u>	<u>\$ 1,629,859</u>	<u>37</u>	<u>\$ 699,404</u>	<u>33</u>
EARNINGS PER SHARE (Note 27)								
Basic	<u>\$ 19.30</u>		<u>\$ 7.16</u>		<u>\$ 43.09</u>		<u>\$ 18.46</u>	
Diluted	<u>\$ 19.26</u>		<u>\$ 7.15</u>		<u>\$ 43.01</u>		<u>\$ 18.42</u>	

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

(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			Employee Unearned Compensation	Others		Total Equity
	Shares (In Thousands)	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings		Unrealized Gain/(Loss) on Investments in Debt Instruments at Fair Value Through Other Comprehensive Income	Exchange Differences Arising on Translations of 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
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	<u>37,821</u>	<u>\$ 378,207</u>	<u>\$ 1,539,778</u>	<u>\$ 799,954</u>	<u>\$ 64,701</u>	<u>\$ 764,997</u>	<u>\$ (27,016)</u>	<u>\$ -</u>	<u>\$ 270</u>	<u>\$ 3,520,891</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
Appropriation of 2023 earnings										
Legal reserve	-	-	-	100,681	-	(100,681)	-	-	-	-
Special reserve	-	-	-	-	(62,444)	62,444	-	-	-	-
Cash dividends to shareholders - NT\$20.00 per share	-	-	-	-	-	(756,414)	-	-	-	(756,414)
Net income for the nine months ended September 30, 2024	-	-	-	-	-	1,628,466	-	-	-	1,628,466
Other comprehensive loss after tax for the nine months ended September 30, 2024	-	-	-	-	-	-	-	(218)	1,611	1,393
Comprehensive income for the nine months ended September 30, 2024	-	-	-	-	-	1,628,466	-	(218)	1,611	1,629,859
Compensation cost of restricted shares for employees	-	-	-	-	-	-	14,297	-	-	14,297
BALANCE AT SEPTEMBER 30, 2024	<u>37,821</u>	<u>\$ 378,207</u>	<u>\$ 1,539,778</u>	<u>\$ 900,635</u>	<u>\$ 2,257</u>	<u>\$ 1,908,506</u>	<u>\$ (6,582)</u>	<u>\$ (218)</u>	<u>\$ (646)</u>	<u>\$ 4,721,937</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 Nine Months Ended September 30	
	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 2,013,341	\$ 852,309
Adjustments for:		
Depreciation expenses	85,567	95,558
Amortization expenses	114,228	136,078
Net gain on fair value changes of financial assets at fair value through profit or loss	(25,275)	(29,393)
Finance costs	2,733	7,054
Interest income	(44,361)	(61,801)
Recognition of compensation cost of employee restricted shares	14,297	35,667
Net loss on disposal of financial assets	-	8,993
Write-down of inventories	76,000	2,679
Net loss (gain) on foreign currency exchange	35,159	(56,389)
Recognition of provisions	7,700	1,407
Changes in operating assets and liabilities:		
Trade receivables	(719,563)	304,595
Inventories	(156,012)	56,340
Other current assets	196,516	(93,161)
Trade payables	230,697	(235,330)
Other payables	67,490	(15,595)
Other current liabilities	14,828	(5,907)
Accrued employees' compensation and remuneration of directors	49,275	(6,659)
Cash generated from operations	1,962,620	996,445
Interest paid	(2,512)	(6,077)
Income taxes paid	(139,747)	(594,453)
Net cash generated from operating activities	<u>1,820,361</u>	<u>395,915</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at fair value through other comprehensive income	(70,184)	(62,104)
Purchase of financial assets at amortized cost	(129,588)	-
Purchase of financial assets at fair value through profit or loss	(51,636)	(96,730)
Proceeds from sale of financial assets at fair value through profit or loss	-	307,760
Payments for property, plant and equipment	(6,721)	(82,777)
Increase in refundable deposits	(491)	(988)
Payments for intangible assets	(20,713)	(201,408)
Interest received	<u>41,831</u>	<u>60,070</u>
Net cash used in investing activities	<u>(237,502)</u>	<u>(76,177)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term borrowings	550,000	1,600,000
Repayments of short-term borrowings	-	(500,000)
Repayments of the principal portion of lease liabilities	(18,832)	(19,704)
Cash dividends	(756,414)	(1,701,931)
Proceed from short-term bill payable	<u>99,907</u>	<u>-</u>
Net cash used in financing activities	<u>(125,339)</u>	<u>(621,635)</u>

(Continued)



## ASPEED TECHNOLOGY INC. AND SUBSIDIARIES

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

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	For the Nine Months Ended September 30	
	2024	2023
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	\$ (29,825)	\$ 43,784
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,427,695	(258,113)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>1,611,530</u>	<u>2,828,958</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 3,039,225</u>	<u>\$ 2,570,845</u>

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

(Concluded)

# ASPEED TECHNOLOGY INC. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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### 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 November 4, 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 IFRS Accounting Standards endorsed and issued into effect by the FSC did not have a material impact on the Group’s accounting policies.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2025

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note 1)

Note 1: 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.

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

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026

(Continued)

<b>New, Amended and Revised Standards and Interpretations</b>	<b>Effective Date Announced by IASB (Note 1)</b>
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
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 17 and IFRS 9 - Comparative Information”	January 1, 2023
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027

(Concluded)

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

1) IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 will supersede IAS 1 “Presentation of Financial Statements”. The main changes comprise:

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as “other” only if it cannot find a more informative label.
- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

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

#### 4. SUMMARY OF MATERIAL ACCOUNTING POLICY

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 Issuer 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 12 and 34 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) Classification of current and non-current assets and liabilities

Current assets include:

- Assets held primarily for the purpose of trading;
- Assets expected to be realized within 12 months after the reporting period; and
- Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- Liabilities held primarily for the purpose of trading;
- Liabilities due to be settled within 12 months after the reporting period; and
- Liabilities for which the Group does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

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

## 2) 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

	September 30, 2024	December 31, 2023	September 30, 2023
Cash on hand	\$ 115	\$ 101	\$ 101
Checking accounts and demand deposits	731,194	1,436,410	1,615,152
Cash equivalents (investments with original maturities of 3 months or less)			
Repurchase agreements collateralized by bonds	1,548,386	61,410	854,135
Time deposits	<u>759,530</u>	<u>113,609</u>	<u>101,457</u>
	<u>\$ 3,039,225</u>	<u>\$ 1,611,530</u>	<u>\$ 2,570,845</u>

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

	September 30, 2024	December 31, 2023	September 30, 2023
Bank deposits	0.03%-5.35%	0.05%-5.00%	0.05%-4.91%
Repurchase agreements collateralized by bonds	1.38%-5.35%	5.35%	5.10%-5.20%

## 7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	September 30, 2024	December 31, 2023	September 30, 2023
Financial assets mandatorily classified as at			
FVTPL -current			
Non-derivative financial assets			
Mutual funds	\$ 352,204	\$ 280,878	\$ 238,856
Domestic listed shares	<u>90,388</u>	<u>91,911</u>	<u>92,726</u>
	<u>\$ 442,592</u>	<u>\$ 372,789</u>	<u>\$ 331,582</u>
Financial assets mandatorily classified as at			
FVTPL - non-current			
Non-derivative financial assets			
Foreign corporate bonds	<u>\$ 84,961</u>	<u>\$ 77,856</u>	<u>\$ 77,748</u>

## 8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Non-current</u>			
Investments in equity instruments at fair value through other comprehensive income (FVTOCI)	\$ 108,274	\$ 62,104	\$ 62,104
Investments in debt instruments at FVTOCI	<u>68,146</u>	<u>-</u>	<u>-</u>
	<u>\$ 176,420</u>	<u>\$ 62,104</u>	<u>\$ 62,104</u>

### a. Investments in equity instruments at FVTOCI

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Non-current</u>			
Foreign investments			
Non-publicly traded equity investments	<u>\$ 108,274</u>	<u>\$ 62,104</u>	<u>\$ 62,104</u>

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.

### b. Investments in debt instruments at FVTOCI

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Non-current</u>			
Foreign investments			
Corporate bonds	<u>\$ 68,146</u>	<u>\$ -</u>	<u>\$ -</u>

Refer to Note 30 for information relating to the credit risk management and impairment of investments in debt instruments at FVTOCI.

## 9. FINANCIAL ASSETS AT AMORTIZED COST

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Non-current</u>			
Foreign investments			
Corporate bonds (a)	<u>\$ 126,600</u>	<u>\$ -</u>	<u>\$ -</u>

- a. In April and June 2024, the Group bought fixed-rate U.S. dollar-denominated foreign corporate bonds for USD \$2,000 thousand respectively, with a maturity date of April 24, 2029 and June 28, 2029, and a coupon rate of 5.35% and 5.40%, respectively.

## 10. TRADE RECEIVABLES

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Trade receivables</u>			
Non-related parties	\$ <u>1,435,626</u>	\$ <u>716,066</u>	\$ <u>705,508</u>
<u>Trade receivables</u>			
At amortized cost			
Gross carrying amount	\$ 1,435,626	\$ 716,066	\$ 705,508
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>	<u>-</u>
	\$ <u>1,435,626</u>	\$ <u>716,066</u>	\$ <u>705,508</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.

September 30, 2024

	<b>Gross Carrying Amount</b>	<b>Loss Allowance</b>	<b>Amortized Cost</b>
Not past due	\$ 1,225,126	\$ -	\$ 1,225,126
Past due			
Within 30 days	184,172	-	184,172
31-60 days	25,924	-	25,924
61-90 days	404	-	404
91-180 days	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,435,626</u>	<u>\$ -</u>	<u>\$ 1,435,626</u>

December 31, 2023

	<b>Gross Carrying Amount</b>	<b>Loss Allowance</b>	<b>Amortized Cost</b>
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>

September 30, 2023

	<b>Gross Carrying Amount</b>	<b>Loss Allowance</b>	<b>Amortized Cost</b>
Not past due	\$ 559,039	\$ -	\$ 559,039
Past due			
Within 30 days	112,859	-	112,859
31-60 days	30,194	-	30,194
61-90 days	3,416	-	3,416
91-180 days	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 705,508</u>	<u>\$ -</u>	<u>\$ 705,508</u>

## 11. INVENTORIES

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Finished goods	\$ 247,205	\$ 240,030	\$ 283,493
Work in progress	119,359	43,608	56,160
Goods	<u>19,476</u>	<u>22,390</u>	<u>1,720</u>
	<u>\$ 386,040</u>	<u>\$ 306,028</u>	<u>\$ 341,373</u>



The cost of inventories recognized as cost of goods sold for the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023 was \$709,628 thousand, \$298,318 thousand, \$1,579,008 thousand and \$771,443 thousand, respectively.

The cost of inventories recognized as operating costs was as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Write-down of inventories	\$ 37,654	\$ 4,271	\$ 76,000	\$ 2,679

## 12. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Remark
			September 30, 2024	December 31, 2023	September 30, 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.

## 13. PROPERTY, PLANT AND EQUIPMENT

	September 30, 2024	December 31, 2023	September 30, 2023
Assets used by the Company	\$ 144,814	\$ 197,931	\$ 219,919

a. For the three months ended September 30, 2024

	For the Nine Months Ended September 30, 2024				Balance at End of the Year
	Balance at Beginning of the Year	Additions	Disposals	Net Exchange Differences	
<u>Cost</u>					
Machinery equipment	\$ 16,335	\$ 94	\$ (2,332)	\$ -	\$ 14,097
Office equipment	17,286	3,514	(1,195)	21	19,626
Other equipment	328,585	9,584	(8,186)	-	329,983
	<u>362,206</u>	<u>\$ 13,192</u>	<u>\$ (11,713)</u>	<u>\$ 21</u>	<u>363,706</u>

(Continued)

	For the Nine Months Ended September 30, 2024				
	Balance at Beginning of the Year	Additions	Disposals	Net Exchange Differences	Balance at End of the Year
<u>Accumulated depreciation</u>					
Machinery equipment	\$ 6,990	\$ 3,684	\$ (2,332)	\$ -	\$ 8,342
Office equipment	8,641	3,073	(1,195)	16	10,535
Other equipment	<u>148,644</u>	<u>59,557</u>	<u>(8,186)</u>	<u>-</u>	<u>200,015</u>
	<u>164,275</u>	<u>\$ 66,314</u>	<u>\$ (11,713)</u>	<u>\$ 16</u>	<u>218,892</u>
Carrying amount	<u>\$ 197,931</u>				<u>\$ 144,814</u>
					(Concluded)

b. For the three months ended September 30, 2023

	For the Nine Months Ended September 30, 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	\$ 353	\$ (17,070)	\$ -	\$ 15,684
Office equipment	17,807	3,890	(3,314)	45	18,428
Other equipment	<u>353,272</u>	<u>73,006</u>	<u>(40,913)</u>	<u>-</u>	<u>385,365</u>
	<u>403,480</u>	<u>\$ 77,249</u>	<u>\$ (61,297)</u>	<u>\$ 45</u>	<u>419,477</u>
<u>Accumulated depreciation</u>					
Machinery equipment	19,254	\$ 3,925	\$ (17,070)	\$ -	6,109
Office equipment	9,640	3,230	(3,314)	44	9,600
Other equipment	<u>157,024</u>	<u>67,738</u>	<u>(40,913)</u>	<u>-</u>	<u>183,849</u>
	<u>185,918</u>	<u>\$ 74,893</u>	<u>\$ (61,297)</u>	<u>\$ 44</u>	<u>199,558</u>
Carrying amount	<u>\$ 217,562</u>				<u>\$ 219,919</u>

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

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

## 14. LEASE ARRANGEMENTS

a. Right-of-use assets

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Carrying amount</u>			
Buildings	\$ 196,594	\$ 25,602	\$ 23,039
Transportation equipment	<u>1,999</u>	<u>2,692</u>	<u>296</u>
	<u>\$ 198,593</u>	<u>\$ 28,294</u>	<u>\$ 23,335</u>

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Depreciation change for right-of-use assets	\$ 166,887	\$ -	\$ 189,625	\$ 2,103
Depreciation charge for right-of-use assets				
Buildings	\$ 5,214	\$ 6,590	\$ 18,560	\$ 19,336
Transportation equipment	<u>231</u>	<u>443</u>	<u>693</u>	<u>1,329</u>
	<u>\$ 5,445</u>	<u>\$ 7,033</u>	<u>\$ 19,253</u>	<u>\$ 20,665</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 nine months ended September 30, 2024 and 2023.

b. Lease liabilities

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Carrying amount</u>			
Current	\$ 24,847	\$ 19,510	\$ 22,432
Non-current	<u>\$ 173,912</u>	<u>\$ 8,517</u>	<u>\$ -</u>

Range of discount rates for lease liabilities was as follows:

	September 30, 2024	December 31, 2023	September 30, 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 9 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 September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Expenses relating to short-term leases	\$ 378	\$ 138	\$ 1,123	\$ 630
Expenses relating to low-value asset leases	\$ 26	\$ 18	\$ 111	\$ 76
Total cash outflow for leases	<u>\$ (5,776)</u>	<u>\$ (6,825)</u>	<u>\$ (20,373)</u>	<u>\$ (20,882)</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.

## 15. GOODWILL

	September 30, 2024	December 31, 2023	September 30, 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.

## 16. OTHER INTANGIBLE ASSETS

	<u>For the Nine Months Ended September 30, 2024</u>			
	<b>Balance at Beginning of the Year</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balance at End of the Year</b>
<u>Cost</u>				
Licenses	\$ 305,107	\$ 45,454	\$ (23,882)	\$ 326,679
Software	13,084	1,670	(74)	14,680
Client relationship	145,552	-	-	145,552
Others	<u>50,090</u>	<u>-</u>	<u>(47,089)</u>	<u>3,001</u>
	<u>513,833</u>	<u>\$ 47,124</u>	<u>\$ (71,045)</u>	<u>489,912</u>
<u>Accumulated amortization</u>				
Licenses	116,192	\$ 59,924	\$ (23,882)	152,234
Software	6,948	3,482	(74)	10,356
Client relationship	127,358	13,646	-	141,004
Others	<u>12,662</u>	<u>37,176</u>	<u>(47,089)</u>	<u>2,749</u>
	<u>263,160</u>	<u>\$ 114,228</u>	<u>\$ (71,045)</u>	<u>306,343</u>
Carrying amount	<u>\$ 250,673</u>			<u>\$ 183,569</u>

	<u>For the Nine Months Ended September 30, 2023</u>			
	<b>Balance at Beginning of the Year</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balance at End of the Year</b>
<u>Cost</u>				
Licenses	\$ 457,570	\$ -	\$ (77,500)	\$ 380,070
Software	12,099	110	(411)	11,798
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>(550)</u>	<u>13,476</u>
	<u>1,033,560</u>	<u>\$ 110</u>	<u>\$ (78,461)</u>	<u>955,209</u>

(Continued)

**For the Nine Months Ended September 30, 2023**

	<b>Balance at Beginning of the Year</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balance at End of the Year</b>
<u>Accumulated amortization</u>				
Licenses	\$ 174,612	\$ 74,928	\$ (77,500)	\$ 172,040
Software	3,350	3,038	(411)	5,977
Client relationship	109,164	13,646	-	122,810
Existing technology	307,740	38,467	-	346,207
Trademark	38,814	4,852	-	43,666
Others	11,878	1,147	(550)	12,475
	<u>645,558</u>	<u>\$ 136,078</u>	<u>\$ (78,461)</u>	<u>703,175</u>
Carrying amount	<u>\$ 388,002</u>			<u>\$ 252,034</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

## 17. OTHER ASSETS

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
<u>Current</u>			
Prepayment for purchases	\$ 143,616	\$ 359,040	\$ 91,008
Prepayments	85,848	27,582	42,459
Other receivables	5,895	10,394	2,238
Tax refund receivables	4,181	1,553	2,472
Overpaid sales tax	<u>2,071</u>	<u>2,654</u>	<u>-</u>
	<u>\$ 241,611</u>	<u>\$ 401,223</u>	<u>\$ 138,177</u>
<u>Non-current</u>			
Refundable deposits	\$ 9,554	\$ 9,063	\$ 11,393
Prepayments for maintenance fee	4,645	6,244	1,600
Prepayments for equipment	-	885	-
Prepayments for intangible assets	-	30,447	-
Prepayments for investment	<u>-</u>	<u>46,170</u>	<u>-</u>
	<u>\$ 14,199</u>	<u>\$ 92,809</u>	<u>\$ 12,993</u>

## 18. BORROWINGS

### a. Short-term borrowings

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Unsecured borrowings</u>			
Bank loans	\$ 550,000	\$ -	\$ 1,100,000

The range of weighted average effective interest rates on bank loans was 1.75%-2.00%, and 1.70%-1.82% per annum as of September 30, 2024, and September 30, 2023, respectively.

### b. Short-term bills payable

	September 30, 2024	December 31, 2023	September 30, 2023
Commercial paper	\$ 100,000	\$ -	\$ -
Less: Unamortized discounts on bills payable	(93)	-	-
	<u>\$ 99,907</u>	<u>\$ -</u>	<u>\$ -</u>

The range of weighted average effective interest rates on Commercial paper was 2.00% per annum as of September 30, 2024, respectively.

## 19. TRADE PAYABLES

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Trade payables</u>			
Operating	<u>\$ 472,296</u>	<u>\$ 241,913</u>	<u>\$ 88,362</u>

## 20. OTHER PAYABLES

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Current</u>			
Other payables			
Payables for salaries and bonuses	\$ 86,523	\$ 52,675	\$ 38,431
Payables for patents	29,593	1,370	-
Payables for royalties	24,293	8,611	8,545
Payables for employee welfare	12,401	1,000	2,302
Payables for purchases of equipment	7,391	1,904	-
Payables for services	4,655	2,683	4,032
Payables for pension	2,766	2,504	2,442
Labor and health insurance payables	2,707	2,447	2,382
Payable for marketing	906	-	1,282
Others	<u>16,521</u>	<u>13,248</u>	<u>11,979</u>
	<u>\$ 187,756</u>	<u>\$ 86,442</u>	<u>\$ 71,395</u>

(Continued)

	September 30, 2024	December 31, 2023	September 30, 2023
Other liabilities			
Refund liabilities	\$ 57,022	\$ 29,713	\$ 27,325
Contract liabilities (Note 24)	6,492	19,503	35,502
Receipts under custody	<u>3,644</u>	<u>3,176</u>	<u>3,228</u>
	<u>\$ 67,158</u>	<u>\$ 52,392</u>	<u>\$ 66,055</u> (Concluded)

## 21. PROVISIONS

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Current</u>			
Warranties (a)	<u>\$ 60,187</u>	<u>\$ 52,487</u>	<u>\$ 51,041</u>
<u>Non-current</u>			
Decommissioning (b)	<u>\$ 6,447</u>	<u>\$ 6,447</u>	<u>\$ 6,447</u>

- a. The provision for warranty claims represents the present value of management's best estimate of the future outflow of economic benefits. The estimate has been made on the basis of historical warranty trends and may vary as a result of new materials, altered manufacturing processes or other events affecting product quality.
- b. The provision for decommissioning represents the Company's obligation to decommission (including the restoration of the office). The costs are estimated based on internal research, and the Company regularly reviews and adjusts it to reflect the best estimates.

## 22. 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 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 \$2,848 thousand and \$2,552 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 months ended September 30, 2024 and 2023, respectively, were \$8,322 thousand and \$7,307 thousand, representing the contributions made and to be made to these plans by the Company at the rates specified in the plans for the nine months ended September 30, 2024 and 2023, respectively.

## 23. EQUITY

### a. Ordinary share capital

	September 30, 2024	December 31, 2023	September 30, 2023
Number of 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>
Number of 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

	September 30, 2024	December 31, 2023	September 30, 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	122,574	110,953	110,953
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>50,171</u>	<u>61,792</u>	<u>61,792</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

Under the dividends policy as set forth in the Articles after the amendments, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as a legal reserve of 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved by the shareholders in their meeting for distribution bonuses to shareholders. According to Paragraph 5 of Article 240 of the Company Act, the Company authorizes more than two-thirds of all directors of the Board to resolve the distribution of



dividends and bonus or all or one of the legal reserve or capital surplus stipulated in Paragraph 1 of Article 241 of the Company Act in cash and report the distribution at the shareholders' meeting.

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 25(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 2023 and 2022 were as follows:

	<b>Appropriation of Earnings</b>	
	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
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, 2024 and May 30, 2023, respectively.

d. Special reserve

	<b>For the Nine Months Ended</b>	
	<b>September 30</b>	
	<b>2024</b>	<b>2023</b>
Balance at January 1	\$ 64,701	\$ 22,169
Appropriations in respect of		
Debits to other equity items	-	42,532
Reversals:		
Reversal of the debits to other equity items	(62,444)	-
Balance at September 30	\$ 2,257	\$ 64,701

e. Other equity items

1) Unearned employee benefits

For information about the restricted share plans for employees, refer to Note 28.

	<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>
Balance at January 1	\$ (20,879)	\$ (62,683)
Share-based payment expenses recognized	<u>14,297</u>	<u>35,667</u>
Balance at September 30	<u>\$ (6,582)</u>	<u>\$ (27,016)</u>

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

	<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>
Balance at January 1	\$ (2,257)	\$ (2,018)
Exchange differences on translation of the financial statements of foreign operations	<u>1,611</u>	<u>2,288</u>
Balance at September 30	<u>\$ (646)</u>	<u>\$ 270</u>

3) Unrealized valuation gain/(loss) on financial assets at FVTOCI

	<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>
Balance at January 1	\$ -	\$ -
Recognized for the year		
Unrealized gain/(loss) - debt instruments	<u>(218)</u>	<u>-</u>
Balance at September 30	<u>\$ (218)</u>	<u>\$ -</u>

## 24. REVENUE

a. Revenue from contracts with customers

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Revenue from the sale of goods	\$ 1,986,190	\$ 796,060	\$ 4,354,994	\$ 2,139,490
Royalty income	<u>245</u>	<u>653</u>	<u>959</u>	<u>6,658</u>
	<u>\$ 1,986,435</u>	<u>\$ 796,713</u>	<u>\$ 4,355,953</u>	<u>\$ 2,146,148</u>

b. Contract balances

	September 30, 2024	December 31, 2023	September 30, 2023	January 1, 2023
Trade receivables (Note 10)	<u>\$ 1,435,626</u>	<u>\$ 716,066</u>	<u>\$ 705,508</u>	<u>\$ 979,728</u>
Contract liabilities (Note 20)				
Sale of goods	<u>\$ 6,492</u>	<u>\$ 19,503</u>	<u>\$ 35,502</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 nine months ended September 30, 2024

	Reportable Segments			
	Multimedia Integrated Circuits (ICs)	Computer Peripherals Oriented ICs	Others	Total
Type of goods or services				
Sale of goods	\$ 4,101,455	\$ 205,479	\$ 48,060	\$ 4,354,994
Royalty	<u>-</u>	<u>-</u>	<u>959</u>	<u>959</u>
	<u>\$ 4,101,455</u>	<u>\$ 205,479</u>	<u>\$ 49,019</u>	<u>\$ 4,355,953</u>

For the nine months ended September 30, 2023

	Reportable Segments			
	Multimedia Integrated Circuits (ICs)	Computer Peripherals Oriented ICs	Others	Total
Type of goods or services				
Sale of goods	\$ 1,877,921	\$ 249,427	\$ 12,142	\$ 2,139,490
Royalty	<u>-</u>	<u>-</u>	<u>6,658</u>	<u>6,658</u>
	<u>\$ 1,877,921</u>	<u>\$ 249,427</u>	<u>\$ 18,800</u>	<u>\$ 2,146,148</u>

## 25. NET PROFIT FROM CONTINUING OPERATIONS

a. Interest income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Interest income				
Repurchase agreements collateralized by bonds	\$ 9,473	\$ 16,036	\$ 23,445	\$ 50,662
Bank deposits	6,266	1,292	16,248	6,094
Financial asset at fair value through profit	5,134	2,225	8,153	4,964
Others	<u>7</u>	<u>4</u>	<u>61</u>	<u>81</u>
	<u>\$ 20,880</u>	<u>\$ 19,557</u>	<u>\$ 47,907</u>	<u>\$ 61,801</u>

b. Other income

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Others	\$ <u>1,953</u>	\$ <u>1,137</u>	\$ <u>4,706</u>	\$ <u>4,146</u>

c. Other gains and losses

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Net foreign exchange gains (losses)	\$ (60,593)	\$ 66,541	\$ 20,151	\$ 85,423
Net gain on fair value changes of financial assets through profit or loss	231	8,280	25,275	29,393
Loss on disposal of financial assets	<u>-</u>	<u>(12,471)</u>	<u>-</u>	<u>(8,993)</u>
	\$ <u>(60,362)</u>	\$ <u>62,350</u>	\$ <u>45,426</u>	\$ <u>105,823</u>

d. Finance costs

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Interest on bank loans	\$ 1,934	\$ 6,432	\$ 2,038	\$ 6,432
Interest on commercial paper	388	150	388	150
Interest on lease liabilities	<u>82</u>	<u>124</u>	<u>307</u>	<u>472</u>
	\$ <u>2,404</u>	\$ <u>6,706</u>	\$ <u>2,733</u>	\$ <u>7,054</u>

e. Depreciation and amortization

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
An analysis of depreciation by function				
Operating expenses	\$ <u>27,373</u>	\$ <u>33,177</u>	\$ <u>85,567</u>	\$ <u>95,558</u>
An analysis of amortization by function				
Selling and marketing expenses	\$ 4,549	\$ 4,549	\$ 13,646	\$ 13,646
Operating expenses	306	1,729	802	5,208
R & D expense	<u>22,040</u>	<u>36,808</u>	<u>99,780</u>	<u>117,224</u>
	\$ <u>26,895</u>	\$ <u>43,086</u>	\$ <u>114,228</u>	\$ <u>136,078</u>

Refer to Note 16 for information relating to the line items in which any amortization of intangible assets is included.

f. Employee benefits expense

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Post-employment benefits (Note 22)				
Defined contribution plans	\$ 2,848	\$ 2,552	\$ 8,322	\$ 7,307
Share-based payments (Note 28)	3,126	8,619	14,297	35,667
Other employee benefits	<u>222,397</u>	<u>135,093</u>	<u>549,114</u>	<u>361,354</u>
Total employee benefits expense	<u>\$ 228,371</u>	<u>\$ 146,264</u>	<u>\$ 571,733</u>	<u>\$ 404,328</u>
An analysis of employee benefits expense by function				
Operating costs	\$ -	\$ -	\$ -	\$ -
Operating expenses	<u>228,371</u>	<u>146,264</u>	<u>571,733</u>	<u>404,328</u>
	<u>\$ 228,371</u>	<u>\$ 146,264</u>	<u>\$ 571,733</u>	<u>\$ 404,328</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 nine months ended September 30, 2024 and 2023 were as follows:

Accrual rate

	<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>
Compensation of employees	8%	8%
Remuneration of directors	1%	1%

Amount

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Compensation of employees	\$ 80,083	\$ 29,813	\$ 176,845	\$ 74,802
Remuneration of directors	10,011	3,727	22,106	9,350

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	13,172	-	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, 2023 and 2022.

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 September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Foreign exchange gains	\$ (5,253)	\$ 77,282	\$ 75,491	\$ 125,284
Foreign exchange losses	<u>(55,340)</u>	<u>(10,741)</u>	<u>(55,340)</u>	<u>(39,861)</u>
	<u>\$ (60,593)</u>	<u>\$ 66,541</u>	<u>\$ 20,151</u>	<u>\$ 85,423</u>

## 26. INCOME TAXES RELATING TO CONTINUING OPERATIONS

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

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Current tax				
In respect of the current year	\$ 209,047	\$ 68,436	\$ 434,871	\$ 159,307
Adjustments for prior years	<u>-</u>	<u>-</u>	<u>(13,600)</u>	<u>(12,858)</u>
	209,047	68,436	421,271	146,449
Deferred tax				
In respect of the current year	<u>(26,844)</u>	<u>656</u>	<u>(36,396)</u>	<u>8,744</u>
Income tax expense recognized in profit or loss	<u>\$ 182,203</u>	<u>\$ 69,092</u>	<u>\$ 384,875</u>	<u>\$ 155,193</u>

b. Income tax assessments

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

## 27. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Basic earnings per share	\$ 19.30	\$ 7.16	\$ 43.09	\$ 18.46
Diluted earnings per share	\$ 19.26	\$ 7.15	\$ 43.01	\$ 18.42

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 September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Earnings used in the computation of basic and diluted earnings per share	\$ 729,320	\$ 270,455	\$ 1,628,466	\$ 697,116

Unit: Thousands of shares

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Weighted average number of ordinary shares in computation of basic earnings per share	37,793	37,781	37,790	37,763
Effect of potentially dilutive ordinary shares:				
Compensation of employees	41	27	50	47
Restricted shares to employees	24	26	26	41
Weighted average number of ordinary shares in computation of diluted earnings per share	37,858	37,834	37,866	37,851

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.

## 28. 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 be 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 plans for employees was as follows:

	<b>Number of Shares (In Thousands)</b>	
	<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>
Balance at January 1	40	71
Vested	<u>(12)</u>	<u>(31)</u>
Balance at September 30	<u>28</u>	<u>40</u>

The compensation costs recognized were NT\$3,126 thousand and NT\$8,619 thousand for the three months ended September 30, 2024 and 2023, respectively, and NT\$14,297 thousand and NT\$35,667 thousand for the nine months ended September 30, 2024 and 2023, respectively.

## 29. CAPITAL MANAGEMENT

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

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

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

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

### 30. 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.

September 30, 2024

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial assets</u>					
Financial assets at amortized cost					
Foreign corporate bonds	\$ 126,600	\$ -	\$ -	\$ 126,600	\$ 126,600

#### b. Fair value of financial instruments measured at fair value

##### 1) Fair value hierarchy

September 30, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL-current				
Mutual funds	\$ 352,204	\$ -	\$ -	\$ 352,204
Domestic listed shares	90,388	-	-	90,388
Financial assets at FVTPL - non-current				
Foreign corporate bonds	-	84,961	-	84,961
Financial assets at FVTOCI - non-current				
Non-publicly traded equity investments	-	-	108,274	108,274
Foreign corporate bonds	-	68,146	-	68,146
	<u>\$ 442,592</u>	<u>\$ 153,107</u>	<u>\$ 108,274</u>	<u>\$ 703,973</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>

September 30, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at				
FVTPL-current				
Mutual funds	\$ 238,856	\$ -	\$ -	\$ 238,856
Domestic listed shares	92,726	-	-	92,726
Financial assets at FVTPL - non-current				
Foreign corporate bonds	-	77,748	-	77,748
Financial assets at FVTOCI - non-current				
Non-publicly traded equity investments	<u>-</u>	<u>-</u>	<u>62,104</u>	<u>62,104</u>
	<u>\$ 331,582</u>	<u>\$ 77,748</u>	<u>\$ 62,104</u>	<u>\$ 471,434</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.

4) Adjustment of financial instruments measured using Level 3 fair values

The Group's financial assets under level 3 fair value measurement are financial assets at FVTOCI equity instruments measured at fair value through other comprehensive income.

Financial assets at FVTOCI

	<b>September 30, 2024</b>
Balance at January 1	\$ 62,104
Additions	<u>46,170</u>
Balance at September 30	<u>\$ 108,274</u>

c. Categories of financial instruments

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
<u>Financial assets</u>			
Financial assets at amortized cost (1)	\$ 4,615,186	\$ 2,338,212	\$ 3,290,218
Financial assets at FVTPL	527,553	450,645	409,330
Financial assets at FVTOCI	176,420	62,104	62,104
<u>Financial liabilities</u>			
Measured at amortized cost (2)	1,205,562	269,729	1,214,200

- 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 short-term borrowings, short-term billings payable, 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, while 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 33.

### Sensitivity analysis

The Group was mainly exposed to the USD.

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

	<b>USD Impact</b>	
	<b>For the Nine Months Ended</b>	
	<b>September 30</b>	
	<b>2024</b>	<b>2023</b>
Pre-tax profit	\$ 127,942	\$ 88,134

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 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:

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Fair value interest rate risk			
Financial assets	\$ 2,519,477	\$ 252,875	\$ 1,033,340
Financial liabilities	848,666	28,027	1,122,432
Cash flow interest rate risk			
Financial assets	731,194	1,436,410	1,615,152

### 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.

## 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 September 30, 2024, December 31, 2023 and September 30, 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.

#### September 30, 2024

	<b>On Demand or Less than 1 Month</b>	<b>1-3 Months</b>	<b>3 Months - 1 Year</b>	<b>1-5 Years</b>	<b>5+ Years</b>	<b>Total</b>
Non-derivative financial liabilities						
Lease liabilities	\$ 2,387	\$ 4,774	\$ 21,444	\$ 107,009	\$ 80,057	\$ 215,671
Non-interest bearing						
Trade payables	205,448	266,848	-	-	-	472,296
Other payables	68,321	6,299	8,006	733	-	83,359
Fixed interest rate liabilities	549,907	100,000	-	-	-	649,907
	<u>\$ 826,063</u>	<u>\$ 377,921</u>	<u>\$ 29,450</u>	<u>\$ 107,742</u>	<u>\$ 80,057</u>	<u>\$ 1,421,233</u>

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

	<b>Less than 1 Year</b>	<b>1-5 Years</b>	<b>5-10 Years</b>	<b>10-15 Years</b>	<b>15-20 Years</b>	<b>20+ Years</b>
Lease liabilities	<u>\$ 28,605</u>	<u>\$ 107,009</u>	<u>\$ 80,057</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

December 31, 2023

	<b>On Demand or Less than 1 Month</b>	<b>1-3 Months</b>	<b>3 Months - 1 Year</b>	<b>1-5 Years</b>	<b>5+ Years</b>	<b>Total</b>
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:

	<b>Less than 1 Year</b>	<b>1-5 Years</b>	<b>5-10 Years</b>	<b>10-15 Years</b>	<b>15-20 Years</b>	<b>20+ Years</b>
Lease liabilities	<u>\$ 19,708</u>	<u>\$ 8,706</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

September 30, 2023

	<b>On Demand or Less than 1 Month</b>	<b>1-3 Months</b>	<b>3 Months - 1 Year</b>	<b>1-5 Years</b>	<b>5+ Years</b>	<b>Total</b>
Non-derivative financial liabilities						
Lease liabilities	\$ 2,121	\$ 4,124	\$ 16,395	\$ -	\$ -	\$ 22,640
Non-interest bearing						
Trade payables	41,082	47,280	-	-	-	88,362
Other payables	21,670	381	3,787	-	-	25,838
Fixed interest rate liabilities	<u>1,100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,100,000</u>
	<u>\$ 1,164,873</u>	<u>\$ 51,785</u>	<u>\$ 20,182</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,236,840</u>

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

	<b>Less than 1 Year</b>	<b>1-5 Years</b>	<b>5-10 Years</b>	<b>10-15 Years</b>	<b>15-20 Years</b>	<b>20+ Years</b>
Lease liabilities	<u>\$ 22,640</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

b) Financing facilities:

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Unsecured borrowings facilities			
Amount unused	\$ 1,950,000	\$ 1,850,000	\$ 900,000
Amount used	<u>550,000</u>	<u>-</u>	<u>1,100,000</u>
	<u>\$ 2,500,000</u>	<u>\$ 1,850,000</u>	<u>\$ 2,000,000</u>

### 31. 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 September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023 were as follows:

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Short-term benefits	\$ 19,441	\$ 11,548	\$ 47,216	\$ 28,672
Post-employment benefits	54	54	162	162
Share-based payments	<u>3,693</u>	<u>3,866</u>	<u>17,800</u>	<u>16,207</u>
	<u>\$ 23,188</u>	<u>\$ 15,468</u>	<u>\$ 65,178</u>	<u>\$ 45,041</u>

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

### 32. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group as of September 30, 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 September 30, 2024 and 2023, royalty expenses amounted to \$24,222 thousand and \$7,589 thousand, respectively. For the nine months ended September 30, 2024 and 2023, royalty expenses amounted to \$50,630 thousand and \$18,021 thousand, respectively.

### 33. 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:

September 30, 2024

	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 99,368	31.65	\$ 3,144,997
<u>Financial liabilities</u>			
Monetary items			
USD	18,520	31.65	568,158



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

September 30, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 58,731	32.27	\$ 1,895,249
<u>Financial liabilities</u>			
Monetary items			
USD	4,108	32.27	132,565

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

<b>For the Three Months Ended September 30</b>				
<b>2024</b>			<b>2023</b>	
<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Net Foreign Exchange Gain (Loss)</b>	<b>Exchange Rate</b>	<b>Net Foreign Exchange Gain (Loss)</b>
USD	31.65 (USD:NTD)	<u>\$ (73,916)</u>	32.27 (USD:NTD)	<u>\$ 28,961</u>
<b>For the Nine Months Ended September 30</b>				
<b>2024</b>			<b>2023</b>	
<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Net Foreign Exchange Gain (Loss)</b>	<b>Exchange Rate</b>	<b>Net Foreign Exchange Gain (Loss)</b>
USD	31.65 (USD:NTD)	<u>\$ 18,751</u>	32.27 (USD:NTD)	<u>\$ 56,389</u>

**34. 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	September 30, 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 C 2891C	-	Financial assets at FVTPL - current	1,000	\$ 56,700	-	\$ 56,700	Note
	Shares - Yuanta Securities Investment Trust Co., Ltd. 2881A Fubon Te	-	Financial assets at FVTPL - current	213	13,815	-	13,815	Note
	Shares - Yuanta Securities Investment Trust Co., Ltd. 2882A Cathay Pacific	-	Financial assets at FVTPL - current	311	18,815	-	18,815	Note
	Shares - Yuanta Securities Investment Trust Co., Ltd. 2882 Cathay Gold	-	Financial assets at FVTPL - current	25	1,688	-	1,688	Note
	Funds - Fuhua Ruihua Fund	-	Financial assets at FVTPL - current	4,827	58,279	-	58,279	Note
	Funds - ETF-00720B Yuanta US 20+ Years BBB Corporate Bond ETF	-	Financial assets at FVTPL - current	1,230	45,153	-	45,153	Note
	Funds - Yuanta Global Leaders Balanced Fund- USD (A)	-	Financial assets at FVTPL - current	100	44,275	-	44,275	Note
	Funds - Allianz Flex Asia Bond AT (USD)	-	Financial assets at FVTPL - current	85	25,737	-	25,737	Note
	Funds - JPMorgan Global Bond Yield USD Cumulative USD	-	Financial assets at FVTPL - current	8	33,320	-	33,320	Note
	Funds - ETF-00740B Fubon 10+ Years US Corporate Bond BBB Ex China	-	Financial assets at FVTPL - current	1,200	49,860	-	49,860	Note
	Funds - Yuanta Japan Leaders Equity Fund-TWD(A)	-	Financial assets at FVTPL - current	3,000	32,040	-	32,040	Note
	Funds - Fuh Hwa 3-8 Year Maturity A-Rated Bond Fund USD	-	Financial assets at FVTPL - current	100	34,500	-	34,500	Note
	Funds - ETF-00940 Yuanta Taiwan Value High Dividend ETF	-	Financial assets at FVTPL - current	3,000	29,040	-	29,040	Note
	Bonds - Foxconn Far East HONHAI Corporate Bonds	-	Financial assets at FVTPL - non-current	30	84,961	-	84,961	Note
	Bonds - Citigroup Global Markets Holdings Inc	-	Financial assets at amortized cost	-	126,600	-	127,961	Note
	Bonds - Goldman Sachs Group Inc	-	Financial assets at FVTOCI - non-current	-	33,221	-	33,221	Note
	Bonds - MORGAN STANLEY	-	Financial assets at FVTOCI - non-current	-	34,925	-	34,925	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 September 30, 2024.

4) Marketable securities acquired and disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: None

5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: None

6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital: None

7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None

8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None

9) Trading in derivative instruments: None

10) Intercompany relationships and significant intercompany transactions (Table 2)

# 11) Information on investees:

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount (In thousands)		As of September 30, 2024			Net Income (Loss) of the Investee (In Thousands)	Share of Profits (Loss) (In Thousands)	Note
				September 30,	December 31,	Number of Shares (In	Carrying Amount (In				
				2024	2023	Thousands)	%	Thousands)			
ASPEED Technology Inc.	ASPEED Technology (Samoa) Inc.	Samoa	Investment holding company	\$ 48,763	\$ 48,763	1,550	100	\$ 57,691	\$ 2,681	\$ 2,681	-
	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	(8,274 )	(18,547 )	(18,547 )	-
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	49,776	2,636	2,636	-
	ASPEED Technology India Private Limited	India	R&D and technical services	-	8,930	-	-	-	-	-	Note

Note: ASPEED Technolgoy 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, shareholding ratio, investment gains or losses, carrying amount of the investment at the end of the period, repatriations investment gains or losses, and limit on the amount of investment in the mainland China area: None
- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: None.
  - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period
  - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period
  - c) The amount of property transactions and the amount of the resultant gains or losses
  - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes
  - e) The highest balance, the 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.

### **35. SEGMENT INFORMATION**

The Group is considered 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 NINE MONTHS ENDED SEPTEMBER 30, 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)	\$ 45,038 (USD 1,427)	6%	For financing	\$ -	Working capital	\$ -	Promissory note	\$ 63,000	\$ 472,193	\$ 472,193

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 NINE MONTHS ENDED SEPTEMBER 30, 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.	1	Technical service expense	\$ 56,931	Note 2	1.31
			1	Other payables	6,021	Note 2	0.09
		Cupola 360 Inc.	1	Other receivables	46,448	-	0.67
			1	Interest revenue	1,284	-	0.03

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.