



Stock Code: 5274

ASPEED Technology Inc.

2021 ANNUAL SHAREHOLDERS' MEETING

MEETING AGENDA (TRANSLATION)

May 28, 2021

The reader is advised that this meeting agenda has been prepared originally in Chinese. If there is any conflict between Chinese version and English version, the Chinese version shall prevail.

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ASPEED Technology Inc.

Procedure for the 2021 Annual Shareholders' Meeting (Translation)

1. Call meeting to order
2. Chairman Remarks
3. Reports Items
4. Acknowledgements
5. Proposed Resolutions
6. Director Election
7. Other Matters
8. Extemporaneous Motions
9. Meeting Adjourned

ASPEED Technology Inc.
Year 2021
Agenda of Annual Meeting of Shareholders

1. Time : 9:00 a.m. on May 28, 2021
2. Place : Darwin Hall, 2F, No. 1, Industry East Road 2, Hsinchu Science Park
Attendants : All shareholders or their proxy holders
Chairman : Dr. Chris Lin, Chairman of the Board of Directors
3. Chairman Remarks
4. Reports Items
 - (1) To report the business of 2020
 - (2) Audit Committee's review report on the 2020 financial statements
 - (3) Report on 2020 employees' profit sharing bonus and directors' compensation
 - (4) Report on the cash dividend distribution of 2020
5. Acknowledgements
 - (1) Adoption of the 2020 Business Report and Financial Statements
 - (2) Adoption of the Proposal for Distribution of 2020 Profits
6. Proposed Resolutions
Amendment to "Rules of Procedure for Shareholders Meetings"
7. Director Election
The 7th Election of 9 Directors (Including 4 Independent Directors)
8. Other Matters
Proposal of Release the Prohibition on Directors from Participation in Competitive Business
9. Extemporaneous Motions
10. Meeting Adjourned

1. Report Items

- (1) : To report the business of 2020. (Proposed by the Board of Directors)
Explanation : Please refer to page 6~8 Attachment 1.
- (2) : Audit Committee's review report on the 2020 financial statements.
(Proposed by the Board of Directors)
Explanation : Please refer to page 9 Attachment 2.
- (3) : Report on 2020 employees' profit sharing bonus and directors' compensation. (Proposed by the Board of Directors)
Explanation : Please refer to page 10 Attachment 3.
- (4) : Report on the cash dividend distribution of 2020. (Proposed by the Board of Directors)
Explanation : Please refer to page 11 Attachment 4.

2. Acknowledgements

- (1) : Adoption of the 2020 Business Report and Financial Statements.
(Proposed by the Board of Directors)
Explanation : The 2020 Business Report, Independent Auditors' Report, and the Aforementioned Financial Statements were approved by the Board of Directors, and audited by independent auditors of Deloitte & Touche.
Please refer to page 12~31 Attachment 5 and 6.
Resolution :
- (2) : Adoption of the Proposal for Distribution of 2020 Profits. (Proposed by the Board of Directors)
Explanation : The Proposal for Distribution of 2020 Profits were approved by the Board of Directors.
Please refer to page 11 Attachment 4.

3. Proposed Resolutions

- Subject : Amendment to “Rules of Procedure for Shareholders Meetings”.
(Proposed by the Board of Directors)
- Explanation : 1. In order to conform to the amendments of relevant laws and regulations, the Company plans to amend the Company’s “ Rules of Procedure for Shareholders Meetings ”.
2. Please refer to the Chinese version of the Handbook for details.
- Resolution :

4. Director Election

- Subject : The 7th Election of 9 Directors (Including 4 Independent Directors).
(Proposed by the Board of Directors)
- Explanation : 1. The term of Directors of the 6th Board started on 05/30/2018 and will be end on 05/29/2021. Accordingly, the company proposes to elect Directors of the 7th Board at 2021 Annual Shareholders’ Meeting.
2. According to the Articles of Incorporation, 9 directors (Including 4 independent directors) shall be elected. The three-year term will start from 05/28/2021 and conclude on 05/27/2024. The directors may be re-elected consecutively.
3. The list of director candidate were approved by the Board of Directors on April 7th, 2021. The directors shall be elected from the nominated candidate, whose education and professional qualifications, experience and relevant information, please refer to page 32~33 Attachment 7
- Resolution :

5. Other Matters

Subject : Proposal of Release the Prohibition on Directors from Participation in Competitive Business. (Proposed by the Board of Directors)

Explanation : 1. According to Article 209 of the Company Act, "A director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval."

2. In order to draw on the expertise and relevant experience of the Directors of the company, Yan requested the shareholders' meeting in accordance with the law to lift the prohibition on competition for new Directors and their representatives elected by the 2021 shareholders' meeting.

Resolution :

6. Extemporaneous Motions

7. Meeting Adjourned

Attachment
Attachment 1

ASPEED Technology Inc.
2020 Business Report

Dear shareholders,

2020 was a year of many changes. The impact of COVID-19 has affected everyone's life and all walks of life to varying degrees. Fortunately, ASPEED Technology has maintained an excellent operating performance this year and achieved a new high in annual revenue and profit. We have all colleagues to thank for their efforts, as well as the shareholders who trust ASPEED. With the efforts of all colleagues, ASPEED has once again achieved outstanding performance in 2020. Our annual revenue and profit have both achieved a new record. The annual revenue has increased by 23.32%, and the profit has increased by 20.87%, creating a record high of outstanding performance unceasingly; the Baseboard Management Controller (BMC) has firmly maintained the first place in the market share, and the 7th generation Server Management Processor AST2600 adopting 28nm advanced process technology, which was the first in the industry, has also been mass-produced and shipped successfully. PC/AV Extensions, Cupola360 Image Processor SoC and Cupola360 app have been enhanced and developed steadily through the cooperation with customers in the past year. We will move ahead towards a stable growth of the three product lines separately in a robust way in the future.

Financial Performance

We sincerely appreciate all of you for your long-term support to ASPEED Technology. ASPEED has just reached its 15th anniversary last year since the establishment in 2004. For 15 years, ASPEED has maintained a high annual profit. We can have such fruitful results because of the concerted efforts of all employees and partners. This year, under the impact of the pandemic and the instability of the global supply chain, ASPEED has still achieved outstanding performance with all colleagues' efforts. We have achieved new records in both revenue and profit once again. As of 2020, ASPEED Technology's annual operating income was NT\$3,063,552, and the net profit after tax was NT\$1,004,689, an increase of 23.32% and 20.87% compared with NT\$2,484,295 and NT\$831,185 in 2019, respectively, and the earnings per share was NT\$29.38. As of 2020, ASPEED Technology's gross profit margin was 63.19%, and the operating profit margin was 41.38%.

Market Development

Since 2020, the world has been affected by COVID-19, and there have been big changes in life patterns and work styles. Benefited from the increase in long-distance business opportunities directly related to the pandemic, the demand for data centers and servers has continued to grow. Due to the uncertainties of the industry's supply chain, many customers have planned and

stocked in advance. As a result, the shipments of ASPEED's BMC product lines have also grown steadily.

In addition, the demand for video conferencing has greatly increased due to the pandemic that makes business travel difficult. ASPEED Technology has been actively expanding Cupola360 imaging product series applications since the launch of Cupola360 Image Processor SoC in 2018. We continue to devote time and effort to the consumer market and cooperate with customers to explore the development of 360-degree applications in the video conferencing and commercial fields. Since the pandemic strikes, the demand for video conferencing and Work from Home has increased. Accordingly, the Cupola360 Image Processor SoC has received positive feedback from the customers. Our goal is to make ASPEED a leader in the field of video conferencing; we also expect Cupola360 Image Processor SoC can effectively increase the revenue of non-BMC products in the future, making ASPEED's operations more robust

Corporate Social Responsibility

ASPEED Technology believes that an enterprise's success and growth rely on the cooperation of the enterprise, society, and the environment and the fulfillment of social responsibilities. The efforts made by ASPEED in terms of social welfare, green environmental protection and stakeholders have been fully disclosed on the official website of ASPEED Technology. We expect to provide customers with the most fitting SoC system solutions and high-quality customer service looking forward to the coming year. We will also continue to invest resources to strengthen the company's research and development so as to give full play to the core technological advantages. In the process of design and development, we will continue to protect the global environment through green design concepts and simplified product structures to contribute to green sustainability. In addition, we strive to establish a good relationship among all stakeholders, including shareholders, employees, society, customers, and suppliers, and achieve a balance of interests between all parties. For corporate governance, the fulfillment of the board of directors, corporate professional managers, and other roles, we emphasize operational transparency and value shareholders and employees' rights and interests.

For social welfare, ASPEED Technology is grateful for the resources given by society and wants to contribute back to the units in need. Knowing that education is the foundation of everything, ASPEED has focused on caring for young students in recent years, hoping to take root in education so that all children and students can have sufficient resources. In 2019, we continued to participate in the "Sow the Seeds of Reading to Give Children a Big Future" event organized by the Global Views Educational Foundation, and donated monthly magazines to children in Taitung, hoping to use the power of ASPEED Technology to progressively bridge the gap between urban and rural education resources. In addition, we have extended our sponsorship of education and public welfare. This year, apart from giving resources to rural areas, we will also hold lectures and speeches in various aspects for young students, hoping to progressively contribute to society with the power of ASPEED from all aspects.

Prospects

Looking forward to 2021, the Baseboard Management Controller (BMC), which is ASPEED Technology's major product that generates revenue, will continue to firmly keep its position as the number one in the global market with a good foundation. In addition, the customer base of PC/AV Extensions in the Non-BMC field has steadily increased and continued to contribute to revenue since the launch in 2013. The layout of Cupola360 Image Processor SoC has become more mature. Coupled with the benefits of video conferencing equipment and the software development of Cupola360 Studio, we believe that these will all bring more substantial operational growth for ASPEED Technology in the future.

Last year, we celebrated the 15th anniversary of ASPEED Technology, which is a milestone for us, meaning that ASPEED will work harder to move towards the next fifteen years of great success. The stable and excellent operating performance of ASPEED is the result of the long-term efforts of all colleagues. We are truly grateful to our customers, suppliers, shareholders, and the general public for their support. In the future, we will continue to encourage our colleagues with the belief of "Innovation without Boundaries," and share fruitful operating results with shareholders, customers and employees. Finally, we would once again like to thank all shareholders for your support and patronage.

Chairman Chris Lin

President Chris Lin

Attachment 2

ASPEED Technology Inc. Audit Committee's Review Report

The Board of Directors has prepared the Company's 2020 Business Report, Financial Statements, and proposal for allocation of earnings. The CPA firm of Deloitte & Touche was retained to audit ASPEED's Financial Statements and has issued an audit report relating to the Financial Statements. The Business Report, Financial Statements, and earnings allocation proposal have been reviewed and determined to be correct and accurate by the Audit Committee members of ASPEED Technology Inc. According to relevant requirements of the Securities and Exchange Act and the Company Law, we hereby submit this report.

ASPEED Technology Inc.

Chairman of the Audit Committee: Chyan Yang

Attachment 3

ASPEED Technology Inc. Report 2020 employees' profit sharing bonus and directors' compensation

The Board of Directors in the 6th Board Meeting of the 16th session approved 2020 employees' profit sharing bonus and directors' compensation on March 8, 2021 and distributed as follows:

1. Employees' profit sharing bonus

Explanation:

- (1) 2020 employees' total profit sharing bonus is estimated NT\$ 108,366,705, and a new share issue through capitalization of earnings employee' profit sharing bonus. The total number of employee' profit sharing bonus stocks to be issued shall be determined by the closing price of NT\$ 1,800 of the day (March 5th) before the Board of Directors meeting, and employee' profit sharing bonus stocks of the NT\$ 108,366,705 (60,203 shares), and the remaining NT\$ 1,305 that is less than 1 share shall be distributed in cash.
- (2) The shareholder rights and obligations of the new shares are the same as those of existing shares.
- (3) After the submit of the competent authority, the new shares will be distributed on a record date determined by the chairman that the Board of Directors authorized.
- (4) It is proposed that the chairman be authorized to take any action that may be required in connection with the capital increase plan as a result of any amendment to applicable laws or regulations or as required by the competent authorities.
- (5) The employee' profit sharing bonus estimate for 2020 was consistent with the actual amount distributed.

2. Directors' compensation

Explanation:

- (1) 2020 directors' compensation is estimated at NT\$ 13,545,836, and the full shall be distributed in cash.
- (2) The directors' compensation estimate for 2020 was consistent with the actual amount distributed.

Attachment 4

ASPEED Technology Inc. 2020 Earnings Distribution

Unit: NT\$

Item	Amount	Note
Undistributed retained earnings of previous years	23,689,461	
Plus: Net income of 2020	1,004,689,266	
Minus: 10% Legal reserve	(100,468,927)	
Minus: Special reserve	(11,299,279)	
Earnings available for distribution	916,610,521	
Distribution items:		
Dividends to common shareholders – Cash	(892,203,884)	NT\$26.00 per share
Unappropriated retained earnings	24,406,637	

Note: The Chairman is authorized to determine the cash dividend record date, payment date and the distribution percentage upon the approval of the profit distribution proposal.

Chairman: Chris Lin Manager: Chris Lin Chief Financial Officer: Tina Chiu

Attachment 5

English Translation of a Report Originally Issued in Chinese

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
ASPEED Technology Inc.

Opinion

We have audited the accompanying consolidated financial statements of ASPEED Technology Inc. and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2020 and 2019, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2020. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters identified in the Group's consolidated financial statements for the year ended December 31, 2020 are stated as follows:

Recognition of revenue

The Group operates principally as a supplier of multimedia integrated circuits (ICs) and computer peripherals oriented ICs. For the year ended December 31, 2020, the Group recognized revenue of NT\$3,063,552 thousand, which increased by 23% compared with that of last year, refer to Note 21 for related information. Due to the increasing market demand for remote server management system, the significant changes in the amount of the Group's operating revenue in recent years have a significant impact on the consolidated financial statements for the year ended December 31, 2020. For customers whose sales growth rates were significant, we considered the existence and occurrence of sales as key audit matters of the current period.

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

Goodwill impairment test

To create synergy that benefits the Group's existing products and in response to the global growth of server remote management system, ASPEED Technology Inc. acquired Emulex Corporation's pilot product line, which was under Broadcom Group, at the price of NT\$926,937 thousand (or US\$28,658 thousand), and ASPEED Technology Inc. also recognized intangible assets including client relationship, know-how, licenses, trademark, and goodwill. As of December 31, 2020, goodwill was NT\$369,040 thousand, accounting for 10% of the total assets, and it was significant to the consolidated financial statements. According to IAS 36, the goodwill impairment assessment test should be conducted annually. When assessing whether the goodwill is impaired or not, the management needs to assess whether the recoverable amount calculated according to the value-of-use model is still higher than the carrying amount of the goodwill. In assessing the foregoing, it is necessary to estimate the operating cash flow that may arise in the future and determine the appropriate discount rate to calculate the recoverable amount.

The management engaged an external appraiser to issue a goodwill impairment assessment report. When determining the future operating cash flow, the management will consider the sales growth rate and profit rate based on the future operating outlook and calculate the weighted average cost of capital as the discount rate. Since these key assumptions involve subjective judgments of management and may be affected by future market or economy, there is a high degree of uncertainty over the estimates. Therefore, the goodwill impairment assessment is one of the key audit matters for the year.

Refer to Note 4 (i), Notes 5 and 13 to the consolidated financial statements for the information on the accounting policies, accounting estimates and assumptions of the impairment assessments.

We performed the following major auditing procedures (but not limited to the following) to assess the significant estimates and the reasonableness of assumptions used in the estimated future operating cash flows and weighted average cost of capital ratios when the Group estimates the impairment of goodwill:

1. We understood the process and basis for the management's estimated sales growth rate and profit margin for the future operating outlook.
2. We determined that the estimates of the future operating cash flows are consistent with the future operating plans approved by the board of directors and the future sales growth rates and profit margins adopted, considered the recent operating results, historical trends and industry profiles, etc. and were updated as appropriate.

3. With the assistance of our internal financial advisors, we assessed the recoverable amount calculated by the management based on the value-in-use model, using the weighted average cost of capital, including the risk-free rate, volatility and risk premium assumptions; we checked that the calculations were in compliance with the industry requirements.

Other Matter

We have also audited the parent company only financial statements of ASPEED Technology Inc. as of and for the years ended December 31, 2020 and 2019 on which we have issued an unmodified opinion.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2020 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Ming Hui Chen and Yi Shin Kao.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 8, 2021

Notice to Readers

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

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

ASPEED TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars)

ASSETS	2020		2019		LIABILITIES AND EQUITY		2020		2019	
	Amount	%	Amount	%			Amount	%	Amount	%
CURRENT ASSETS					CURRENT LIABILITIES					
Cash and cash equivalents (Note 6)	\$ 1,548,713	42	\$ 1,421,959	42	Trade payables (Note 16)		\$ 87,414	2	\$ 140,791	4
Financial assets at fair value through profit or loss - current (Note 7)	352,850	10	162,941	5	Payables to related parties (Note 28)		13,208	-	14,990	1
Trade receivables, net (Note 8)	515,341	14	627,829	18	Accrued compensation of employees and remuneration of directors (Note 22)		121,913	3	103,501	3
Receivables from related parties, net (Notes 8 and 28)	-	-	1,018	-	Other payables (Note 17)		54,349	2	43,397	1
Inventories (Note 9)	166,062	4	82,078	2	Current tax liabilities (Note 23)		149,615	4	141,092	4
Prepayments and other current assets (Note 15)	92,218	2	20,409	1	Provisions - current (Note 18)		32,809	1	26,571	1
Total current assets	2,675,184	72	2,316,234	68	Lease liabilities - current (Note 12)		23,939	1	23,886	1
					Other current liabilities (Note 17)		106,349	3	142,037	4
NON-CURRENT ASSETS					Total current liabilities		589,596	16	636,265	19
Property, plant and equipment (Note 11)	143,889	4	123,198	4	NON-CURRENT LIABILITIES					
Right-of-use assets (Note 12)	89,749	3	110,675	3	Deferred tax liabilities (Note 23)		49,209	1	62,135	2
Goodwill (Notes 5 and 13)	369,040	10	369,040	11	Lease liabilities - non-current (Note 12)		61,702	2	86,090	2
Other intangible assets, net (Note 14)	379,252	10	442,045	13	Other non-current liabilities (Note 17)		-	-	108	-
Deferred tax assets (Note 23)	40,144	1	42,919	1	Provisions - non-current (Note 18)		6,447	-	910	-
Refundable deposits (Note 15)	10,420	-	11,938	-	Total non-current liabilities		117,358	3	149,243	4
Other non-current assets (Note 15)	2,954	-	2,845	-	Total liabilities		706,954	19	785,508	23
Total non-current assets	1,035,448	28	1,102,660	32	SHAREHOLDERS' EQUITY (Note 20)					
					Capital					
					Share capital		343,200	9	341,848	10
					Capital surplus		1,273,540	34	1,145,044	33
					Retained earnings					
					Legal reserve		369,858	10	286,740	9
					Special reserve		34,592	1	31,499	1
					Unappropriated earnings		1,028,380	28	862,848	25
					Total retained earnings		1,432,830	39	1,181,087	35
					Other equity		(45,892)	(1)	(34,593)	(1)
					Total equity		3,003,678	81	2,633,386	77
TOTAL	\$ 3,710,632	100	\$ 3,418,894	100	TOTAL		\$ 3,710,632	100	\$ 3,418,894	100

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

ASPEED TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2020		2019	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 21, 28 and 32)				
Sales	\$ 3,063,403	100	\$ 2,483,373	100
Other operating revenue	<u>149</u>	<u>-</u>	<u>922</u>	<u>-</u>
Total operating revenue	3,063,552	100	2,484,295	100
OPERATING COSTS (Notes 9, 22 and 28)	<u>1,127,698</u>	<u>37</u>	<u>913,248</u>	<u>37</u>
GROSS PROFIT	<u>1,935,854</u>	<u>63</u>	<u>1,571,047</u>	<u>63</u>
OPERATING EXPENSES (Note 22)				
Selling and marketing expenses	57,832	2	62,227	3
General and administrative expenses	130,008	4	117,580	5
Research and development expenses	<u>477,233</u>	<u>16</u>	<u>382,851</u>	<u>15</u>
Total operating expenses	<u>665,073</u>	<u>22</u>	<u>562,658</u>	<u>23</u>
INCOME FROM OPERATIONS	<u>1,270,781</u>	<u>41</u>	<u>1,008,389</u>	<u>40</u>
NON-OPERATING INCOME AND EXPENSES (Note 22)				
Interest income	10,284	1	14,296	1
Other income	5,339	-	2,654	-
Other gains and losses	(55,898)	(2)	(12,908)	(1)
Finance costs	<u>(3,458)</u>	<u>-</u>	<u>(1,864)</u>	<u>-</u>
Total non-operating income and expenses, net	<u>(43,733)</u>	<u>(1)</u>	<u>2,178</u>	<u>-</u>
INCOME BEFORE INCOME TAX FROM CONTINUING OPERATIONS	1,227,048	40	1,010,567	40
INCOME TAX EXPENSE (Note 23)	<u>222,359</u>	<u>7</u>	<u>179,382</u>	<u>7</u>
NET INCOME FOR THE YEAR	1,004,689	33	831,185	33
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations (Note 20)	<u>(1,995)</u>	<u>-</u>	<u>(1,097)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 1,002,694</u>	<u>33</u>	<u>\$ 830,088</u>	<u>33</u>

(Continued)

ASPEED TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2020		2019	
	Amount	%	Amount	%
NET INCOME ATTRIBUTABLE TO:				
Owners of the Company	<u>\$ 1,004,689</u>	<u>33</u>	<u>\$ 831,185</u>	<u>33</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	<u>\$ 1,002,694</u>	<u>33</u>	<u>\$ 830,088</u>	<u>33</u>
EARNINGS PER SHARE (Note 25)				
Basic	<u>\$ 29.38</u>		<u>\$ 24.39</u>	
Diluted	<u>\$ 29.25</u>		<u>\$ 24.28</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

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

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

	Share Capital - Ordinary Shares		Retained Earnings				Other Equity		
	Shares (In Thousands)	Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings (Accumulated Deficit)	Employee Unearned Compensation	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Total Equity
BALANCE AT JANUARY 1, 2019	34,065	\$ 340,656	\$ 1,056,831	\$ 218,148	\$ 10,166	\$ 734,639	\$ (30,375)	\$ (1,125)	\$ 2,328,940
Appropriations of prior year's earnings	-	-	-	-	-	-	-	-	-
Legal reserve	-	-	-	68,592	-	(68,592)	-	-	-
Special reserve	-	-	-	-	21,333	(21,333)	-	-	-
Cash dividends to shareholders - NT\$18.00 per share	-	-	-	-	-	(613,051)	-	-	(613,051)
Net income for the year ended December 31, 2019	-	-	-	-	-	831,185	-	-	831,185
Other comprehensive income (loss) after tax	-	-	-	-	-	-	-	(1,097)	(1,097)
Comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	-	-	-	-	-
Employee share bonus - Record date: August 2, 2019	103	1,034	73,957	-	-	831,185	-	(1,097)	830,088
Issuance of restricted shares under employees share options on September 10, 2019	28	280	21,867	-	-	-	(22,147)	-	74,991
Cancellation of restricted shares under employees share options on March 11, 2019 and August 5, 2019	(12)	(122)	(7,611)	-	-	-	7,733	-	-
Compensation cost of restricted shares for employees	-	-	-	-	-	-	12,418	-	12,418
BALANCE AT DECEMBER 31, 2019	34,184	341,848	1,145,044	286,740	31,499	862,848	(32,371)	(2,222)	2,633,386
Appropriations of prior year's earnings	-	-	-	-	-	-	-	-	-
Legal reserve	-	-	-	83,118	-	(83,118)	-	-	-
Special reserve	-	-	-	-	3,093	(3,093)	-	-	-
Cash dividends to shareholders - NT\$22.00 per share	-	-	-	-	-	(752,946)	-	-	(752,946)
Net income for the year ended December 31, 2020	-	-	-	-	-	1,004,689	-	-	1,004,689
Other comprehensive income (loss) after tax	-	-	-	-	-	-	-	(1,995)	(1,995)
Comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	-	-	-	-	-
Employee share bonus - Record date: August 10, 2020	98	976	91,385	-	-	1,004,689	-	(1,995)	1,002,694
Issuance of restricted shares under employees share options on February 5, 2020 and March 2, 2020	40	400	38,157	-	-	-	(38,557)	-	92,361
Cancellation of restricted shares under employees share options on August 3, 2020	(2)	(24)	(1,046)	-	-	-	1,070	-	-
Compensation cost of restricted shares for employees	-	-	-	-	-	-	28,183	-	28,183
BALANCE AT DECEMBER 31, 2020	34,220	\$ 343,200	\$ 1,273,840	\$ 369,858	\$ 34,499	\$ 1,028,380	\$ (41,625)	\$ (4,217)	\$ 3,003,678

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

ASPEED TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars)

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 1,227,048	\$ 1,010,567
Adjustments for:		
Depreciation expense	91,765	48,879
Amortization expense	115,647	105,393
Net gain on fair value changes of financial assets designated as at fair value through profit or loss	1,979	(2,692)
Finance costs	3,458	1,864
Interest income	(10,284)	(14,296)
Compensation cost of employee restricted shares	28,183	12,418
Loss on disposal of Property, plant and equipment	98	1,643
Gain on disposal of financial assets	(7,740)	(6,282)
Write-down (reversal) of inventories	10,682	(1,928)
Net gain on foreign currency exchange	(35,519)	(37,877)
Recognition of provisions	6,238	4,901
Changes in operating assets and liabilities:		
Trade receivables (related parties included)	97,635	(239,469)
Inventories	(94,666)	58,691
Other current assets	(75,062)	(3,384)
Trade payables (related parties included)	(52,424)	104,906
Other payables	11,332	7,147
Other current liabilities	(27,339)	35,176
Payables for compensation of employees and remuneration of directors	110,773	94,127
Other non-current liabilities	(108)	(1,501)
Cash generated from operations	1,401,696	1,178,283
Interest paid	(3,458)	(1,864)
Income taxes paid	(221,567)	(175,142)
Net cash generated from operating activities	1,176,671	1,001,277
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from of financial assets at amortized cost	-	80,000
Purchase of financial assets at fair value through profit or loss	(251,888)	(180,112)
Proceeds from sale of financial assets at fair value through profit or loss	67,740	115,175
Payments for property, plant and equipment	(84,083)	(81,619)
Disposal of property, plant and equipment	61	-
Decrease (increase) in refundable deposits	1,518	(4,706)
Payments for intangible assets	(52,854)	(36,697)
Increase in prepayments for equipment	(2,954)	(2,845)
Interest received	10,586	14,227
Net cash used in investing activities	(311,874)	(96,577)

(Continued)

ASPEED TECHNOLOGY INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars)

	2020	2019
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of the principal portion of lease liabilities	\$ (23,733)	\$ (7,042)
Cash dividends	<u>(752,946)</u>	<u>(613,051)</u>
Net cash used in financing activities	<u>(776,679)</u>	<u>(620,093)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	<u>38,636</u>	<u>44,006</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	126,754	328,613
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>1,421,959</u>	<u>1,093,346</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 1,548,713</u>	<u>\$ 1,421,959</u>

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

(Concluded)

Attachment 6

English Translation of a Report Originally Issued in Chinese

INDEPENDENT AUDITORS' REPORT

The Board of Directors and the Shareholders
ASPEED Technology Inc.

Opinion

We have audited the accompanying financial statements of ASPEED Technology Inc. (the “Company”), which comprise the balance sheets as of December 31, 2020 and 2019, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2020. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters identified in the Company’s financial statements for the year ended December 31, 2020 are stated as follows:

Recognition of revenue

The Company operates principally as a supplier of multimedia integrated circuits (ICs) and computer peripherals oriented ICs. For the year ended December 31, 2020, the Company recognized revenue of NT\$3,063,552 thousand, which increased by 23% compared with that of last year, refer to Note 21 for related information. Due to the increasing market demand for remote server management system, the significant changes in the amount of the Company's operating revenue in recent years have a significant impact on the financial statements for the year ended December 31, 2020. For customers whose sales growth rates were significant, we considered the existence and occurrence of sales as key audit matters of the current period.

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

Goodwill impairment test

To create synergy that benefits the Company's existing products in response to the global growth of server remote management system, the Company acquired Emulex Corporation's pilot product line, which was under Broadcom Group, at the price of NT\$926,937 thousand (or US\$28,658 thousand), and the Company also recognized intangible assets including client relationship, know-how, licenses, trademark, and goodwill. As of December 31, 2020, goodwill was NT\$369,040 thousand, accounting for 10% of the total assets, and it was significant to the financial statements. According to IAS 36, the goodwill impairment assessment test should be conducted annually. When assessing whether the goodwill is impaired or not, the management needs to assess whether the recoverable amount calculated according to the value-in-use model is still higher than the carrying amount of the goodwill. In assessing the foregoing, it is necessary to estimate the operating cash flow that may arise in the future and determine the appropriate discount rate to calculate the recoverable amount.

The management engaged an external appraiser to issue a goodwill impairment assessment report. When determining the future operating cash flow, the management will consider the sales growth rate and profit rate based on the future operating outlook, and calculate the weighted average cost of capital as the discount rate. Since these key assumptions involve subjective judgments of management and may be affected by future market or economy, there is a high degree of uncertainty over the estimates. Therefore, the goodwill impairment assessment is one of the key audit matters for the year.

Refer to Note 4 (i), Notes 5 and 13 to the financial statements for the information on the accounting policies, accounting estimates and assumptions of the impairment assessments.

We performed the following major auditing procedures (but not limited to the following) to assess the significant estimates and the reasonableness of assumptions used in the estimated future operating cash flows and weighted average cost of capital ratios when the Company estimates the impairment of goodwill:

1. We understood the process and basis for the management's estimated sales growth rate and profit margin for the future operating outlook.
2. We determined that the estimates of the future operating cash flows are consistent with the future operating plans approved by the board of directors and the future sales growth rates and profit margins adopted, considered the recent operating results, historical trends and industry profiles, etc. and were updated as appropriate.

3. With the assistance of our internal financial advisors, we assessed the recoverable amount calculated by the management based on the value-in-use model, using the weighted average cost of capital, including the risk-free rate, volatility and risk premium assumptions; we checked that the calculations were in compliance with the industry requirements.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2020 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Ming Hui Chen and Yi Shin Kao.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 8, 2021

Notice to Readers

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

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

ASPEED TECHNOLOGY INC.

BALANCE SHEETS

DECEMBER 31, 2020 AND 2019

(In Thousands of New Taiwan Dollars)

ASSETS	2020		2019		LIABILITIES AND EQUITY		2020		2019	
	Amount	%	Amount	%			Amount	%	Amount	%
CURRENT ASSETS					CURRENT LIABILITIES					
Cash and cash equivalents (Note 6)	\$ 1,511,379	41	\$ 1,390,725	41	Trade payables (Note 16)		\$ 87,414	3	\$ 140,791	4
Financial assets at fair value through profit or loss - current (Note 7)	352,850	10	162,941	5	Payables to related parties (Note 28)		13,208	-	14,990	1
Trade receivables, net (Note 8)	515,341	14	627,829	19	Accrued compensation of employees and remuneration of directors (Note 22)		121,913	3	103,501	3
Receivables from related parties, net (Notes 8 and 28)	-	-	1,018	-	Other payables to related parties (Note 28)		36,097	1	26,918	1
Inventories (Note 9)	166,062	4	82,078	2	Other payables (Note 17)		8,447	-	8,703	-
Prepayments and other current assets (Note 15)	88,863	2	15,251	-	Current tax liabilities (Note 23)		149,615	4	141,092	4
Total current assets	2,634,495	71	2,279,842	67	Provisions - current (Note 18)		32,809	1	26,571	1
					Lease liabilities - current (Note 12)		20,873	1	20,820	1
					Other current liabilities (Note 17)		106,245	3	142,034	4
					Total current liabilities		576,621	16	625,420	19
NON-CURRENT ASSETS					NON-CURRENT LIABILITIES					
Investment accounted for using equity method (Notes 10 and 31)	42,953	1	42,372	1	Deferred tax liabilities (Note 23)		49,209	1	62,135	2
Property, plant and equipment (Note 11)	143,664	4	122,691	4	Lease liabilities - non-current (Note 12)		56,248	2	77,121	2
Right-of-use assets (Note 12)	81,399	2	98,690	3	Provisions - non-current (Note 18)		6,447	-	910	-
Goodwill (Notes 5 and 13)	369,040	10	369,040	11	Total non-current liabilities		111,904	3	140,166	4
Other intangible assets, net (Note 14)	374,538	10	435,235	13	Total liabilities		688,525	19	765,586	23
Deferred tax assets (Note 23)	33,022	1	37,572	1						
Refundable deposits (Note 15)	10,138	1	10,685	-	EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 20)					
Other non-current assets (Note 15)	2,954	-	2,845	-	Share capital		343,200	9	341,848	10
Total non-current assets	1,057,708	29	1,119,130	33	Capital surplus		1,273,540	34	1,145,044	33
					Retained earnings		369,858	10	286,740	9
					Legal reserve		34,592	1	31,499	1
					Special reserve		1,028,580	28	862,848	25
					Unappropriated earnings		1,432,830	39	1,181,087	35
					Total retained earnings		(45,892)	(1)	(34,593)	(1)
					Other equity		3,003,678	81	2,633,386	77
					Total equity		3,692,203	100	3,398,972	100
TOTAL	\$ 3,692,203	100	\$ 3,398,972	100	TOTAL		\$ 3,692,203	100	\$ 3,398,972	100

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

ASPEED TECHNOLOGY INC.

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

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

	2020		2019	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 21 and 28)				
Sales	\$ 3,063,403	100	\$ 2,483,373	100
Other operating revenue	<u>149</u>	<u>-</u>	<u>922</u>	<u>-</u>
Total operating revenue	3,063,552	100	2,484,295	100
OPERATING COSTS (Notes 9, 22 and 28)				
Cost of goods sold	<u>1,127,698</u>	<u>37</u>	<u>913,248</u>	<u>37</u>
GROSS PROFIT	<u>1,935,854</u>	<u>63</u>	<u>1,571,047</u>	<u>63</u>
OPERATING EXPENSES (Notes 22 and 28)				
Selling and marketing expenses	57,832	2	62,227	3
General and administrative expenses	97,558	3	81,683	3
Research and development expenses	<u>512,758</u>	<u>17</u>	<u>424,389</u>	<u>17</u>
Total operating expenses	<u>668,148</u>	<u>22</u>	<u>568,299</u>	<u>23</u>
INCOME FROM OPERATIONS	<u>1,267,706</u>	<u>41</u>	<u>1,002,748</u>	<u>40</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 22)	10,141	1	14,209	1
Other income (Notes 22 and 28)	5,375	-	2,666	-
Other gains and losses (Note 22)	(55,756)	(2)	(12,722)	(1)
Finance costs (Note 22)	(3,249)	-	(1,799)	-
Share of profit or loss of subsidiaries	<u>2,576</u>	<u>-</u>	<u>5,414</u>	<u>-</u>
Total non-operating income and expenses, net	<u>(40,913)</u>	<u>(1)</u>	<u>7,768</u>	<u>-</u>
INCOME BEFORE INCOME TAX FROM CONTINUING OPERATIONS	1,226,793	40	1,010,516	40
INCOME TAX EXPENSE (Note 23)	<u>222,104</u>	<u>7</u>	<u>179,331</u>	<u>7</u>
NET INCOME FOR THE YEAR	<u>1,004,689</u>	<u>33</u>	<u>831,185</u>	<u>33</u>

(Continued)

ASPEED TECHNOLOGY INC.

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2020		2019	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations (Note 20)	\$ (1,995)	-	\$ (1,097)	-
Other comprehensive loss for the year, net of income tax	(1,995)	-	(1,097)	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	\$ 1,002,694	33	\$ 830,088	33
EARNINGS PER SHARE (Note 25)				
Basic	\$ 29.38		\$ 24.39	
Diluted	\$ 29.25		\$ 24.28	

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

(Concluded)

ASPEED TECHNOLOGY INC.

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	Share Capital		Retained Earning				Other Equity		
	Shares (In Thousands)	Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings (Accumulated Deficit)	Employee Unearned Compensation	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Total Equity
BALANCE AT JANUARY 1, 2019	34,065	\$ 340,656	\$ 1,056,831	\$ 218,148	\$ 10,166	\$ 734,639	\$ (30,375)	\$ (1,125)	\$ 2,328,940
Appropriation of prior year's earnings	-	-	-	68,592	-	(68,592)	-	-	-
Legal reserve	-	-	-	-	21,333	(21,333)	-	-	(615,051)
Cash dividends to shareholders - NT\$18.00 per share	-	-	-	-	-	(615,051)	-	-	-
Net income for the year ended December 31, 2019	-	-	-	-	-	831,185	-	-	831,185
Other comprehensive loss after tax	-	-	-	-	-	-	-	(1,097)	(1,097)
Comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	-	-	-	(1,097)	830,088
Employee share bonus - Record date: August 2, 2019	103	1,034	73,957	-	-	831,185	-	-	74,991
Issuance of restricted shares under employees share options on September 10, 2019	28	280	21,867	-	-	-	(22,147)	-	-
Cancellation of restricted shares under employees share options on March 11, 2019 and August 5, 2019	(12)	(122)	(7,611)	-	-	-	7,733	-	-
Compensation cost of restricted shares for employees	-	-	-	-	-	-	12,418	-	12,418
BALANCE AT DECEMBER 31, 2019	34,184	341,848	1,145,044	286,740	31,499	862,848	(32,371)	(2,222)	2,633,386
Appropriation of prior year's earnings	-	-	-	83,118	-	(83,118)	-	-	-
Legal reserve	-	-	-	-	3,093	(3,093)	-	-	-
Cash dividends to shareholders - NT\$22.00 per share	-	-	-	-	-	(752,946)	-	-	(752,946)
Net income for the year ended December 31, 2020	-	-	-	-	-	1,004,689	-	-	1,004,689
Other comprehensive loss after tax	-	-	-	-	-	-	-	(1,995)	(1,995)
Comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	-	-	-	(1,995)	1,002,694
Employee share bonus - Record date: August 10, 2020	98	976	91,385	-	-	1,004,689	-	-	92,361
Issuance of restricted shares under employees share options on February 5, 2020 and March 2, 2020	40	400	38,157	-	-	-	(38,557)	-	-
Cancellation of restricted shares under employees share options on August 3, 2020	(2)	(24)	(1,046)	-	-	-	1,070	-	-
Compensation cost of restricted shares for employees	-	-	-	-	-	-	28,183	-	28,183
BALANCE AT DECEMBER 31, 2020	34,320	\$ 343,200	\$ 1,273,540	\$ 369,858	\$ 34,592	\$ 1,028,380	\$ (41,675)	\$ (4,217)	\$ 3,003,628

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

ASPEED TECHNOLOGY INC.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars)

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 1,226,793	\$ 1,010,516
Adjustments for:		
Depreciation expense	88,515	47,728
Amortization expense	113,551	103,297
Net loss (gain) on fair value changes of financial assets designated as at fair value through profit or loss	1,979	(2,692)
Finance costs	3,249	1,799
Interest income	(10,141)	(14,209)
Compensation cost of employee restricted shares	28,183	12,418
Share of gain of subsidiaries	(2,576)	(5,414)
Write-down (reversal of) of inventories	10,682	(1,928)
Net gain on foreign currency exchange	(33,948)	(38,151)
Recognition of provisions	6,238	4,901
Loss on disposal of property, plant and equipment	-	1,643
Gain on disposal of financial assets	(7,740)	(6,282)
Changes in operating assets and liabilities		
Trade receivables (related parties included)	97,635	(239,469)
Inventories	(94,666)	58,691
Other current assets	(73,927)	(5,974)
Trade payables (related parties included)	(52,424)	104,906
Other payables (related parties included)	9,303	4,973
Other current liabilities	(27,440)	35,173
Payables for compensation of employees and remuneration of directors	110,773	94,127
Cash generated from operations	1,394,039	1,166,053
Interest paid	(3,249)	(1,799)
Income tax paid	(221,957)	(173,412)
Net cash generated from operating activities	1,168,833	990,842
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from of financial assets at amortized cost	-	80,000
Purchase of financial assets at fair value through profit or loss	(251,888)	(180,112)
Proceeds from sale of financial assets at fair value through profit or loss	67,740	115,175
Payments for property, plant and equipment	(84,083)	(81,053)
Increase in refundable deposits	547	(5,230)
Payments for intangible assets	(52,854)	(36,697)
Increase in prepayments for equipment	(2,954)	(2,845)
Interest received	10,443	14,140
Net cash used in investing activities	(313,049)	(96,622)

(Continued)

ASPEED TECHNOLOGY INC.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars)

	2020	2019
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of the principal portion of lease liabilities	\$ (20,820)	\$ (6,293)
Cash dividends	<u>(752,946)</u>	<u>(613,051)</u>
Net cash used in financing activities	<u>(773,766)</u>	<u>(619,344)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	<u>38,636</u>	<u>45,110</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	120,654	319,986
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>1,390,725</u>	<u>1,070,739</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 1,511,379</u>	<u>\$ 1,390,725</u>

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

(Concluded)

Attachment 7

(7)

List of Director (Including Independent Director) Candidates

(1) Director

Name	Education	Experience	Present Position	Shareholdings
Chris Lin	EMBA, National Chiao Tung University Master, Electrical Engineering, National Taiwan University BS, Electrical Engineering, National Tsing Hua University President, XGI Technology Inc.	Vice President, Multimedia Product Division, SIS	President, ASPEED Technology Inc. Director, Linvest Wealth Corp Director, Linvest Fortune Corp Director, ASPEED Technology (Samoa) Inc. CEO, ASPEED Technology (U.S.A.) Inc. Director, ASPEED Technology India Private Limited Chairman, Cuploa360 Inc.	355,510
Xian Hua Investment Co.,Ltd. Corporate Representative - Arnold Yu	Master, Electrical Engineering, National Tsing Hua University	Chairman/Chief Operating Officer, Machvision Inc. Chairman, Ace Motors Inc. Vice President, Stark Technology Inc. Manager, Acer Inc.	Director, Machvision Inc. Director, Autovision Technology Inc. Supervisor, AtechOEM Inc. Director, Stark Technology Inc. Director, ChipAI Co.,Ltd. Independent Director, Cipherlab Co.,Ltd. Director, ASPEED Technology India Private Limited	538,644
Ted Tsai	Bachelor's in Electronic Engineering, Chung Yuan Christian University	Chairman, Maojet Technology Corp.	Chairman, Maojet Technology Corp.	368,173
Linvest Wealth Corp. Corporate Representative - Luke Chen	EMBA, National Chengchi University BS, Electrical Engineering, Chinese Culture University	Assistant Manager of Strategy Marketing, SIS	Vice President, ASPEED Technology Inc.	4,775,524
Linvest Fortune Corp. Corporate Representative- Hungju Huang	Engineering, National Cheng Kung University	Assistant Manager of Strategy R&D, SIS	Vice President, ASPEED Technology Inc.	1,074,884

(2)Independent Director

Name	Education	Experience	Present Position	Shareholdings
Chyan Yang	Ph.D. in Computer Science & Engineering, University of Washington	Director, Institute of Business and Management, National Chiao Tung University Dean, College of Management, National Chiao Tung University CEO, EMBA, National Chiao Tung University	Adjunct Professor, Institute of Business and Management, National Chiao Tung University Independent Director, ACTER Co., Ltd. Supervisor, Chia Chang Co., Ltd. Independent Director, MARS Semiconductor Corp. Independent Director, Associated Industries China, Inc	0
Reason for nomination of independent director who has served 3 consecutive terms: Professor Yang Chyan has considerable experience in corporate management and has participated on the board of directors in various industries. Board of directors believe with his extensive knowledge and rich experience in management will continue to bring diversified thinking and risk consideration				
Dyi-Chung Hu	Ph.D. in Materials Science and Engineering, Massachusetts Institute of Technology	Institute of Technology Senior Vice President, Unimicron Technology Corp. Vice President, Hannstar Display Corporation Senior Assistant VP, E Ink Holdings Inc.	Chairman, Sipulus Technology Co. Director, Raytek Semiconductor, Inc.	0
Reason for nomination of independent director who has served 3 consecutive terms: Mr.Dyi- Chung Hu, has considerable experience in corporate management and has participated on the board of directors in various industries. Board of directors believe with his extensive knowledge and rich experience in management will continue to bring diversified thinking and risk consideration				
Sheng-Lin Chou	Ph.D in Computer Science National Chiao-tung University Thunderbird School of Global Management EMBA	Deputy GD, ICL/Industrial Technology Research Institute Assistant VP, TECCO & GD of TECCO Group Research Institute Adjunct Associate Professor, CS Dept, National Chiao-Tung University	Chief Venture Officer (CVO), ICL/Industrial Technology Research Institute Secretary General, Taiwan Association of Information & Communication Standards (TAICS)	0
John C. Lin	Franklin Pierce Law Center (LL.M.) Queen Mary, University of London (M.Sc. in Information Technology)	Lecturer, Chinese Culture University Law School Advised Micron Technology in its US\$4 billion cash acquisition of the remaining 67 percent interest in Inotera Memories Advised Hermes Microvision in its US\$3.1 billion acquisition by ASML Advised Diodes, Inc. in its US\$428 million acquisition of Lite-On Semiconductor Advised Capella Micro in its NT\$6 billion acquisition by Vishay Advised SpringSoft in its NT\$12 billion acquisition by Synopsys Advised Micron Technology in its acquisition of Elpida Memory and Rexchip Advised Primax in its US\$84 million acquisition of Typhany Advised Allaspost in its acquisition by Groupon to become Groupon Taiwan	Senior Consultant, Jones Day Taipei	0

Appendix
Appendix 1

ASPEED Technology Inc.
Shareholding of all Directors

1. The shareholdings of the Company's Directors and percentage of shareholdings required by law are listed below:

The Company's total outstanding shares:	34,315,534
Total shareholdings of all Directors required by law:	3,600,000
As of March 30, 2021, total shareholdings of all Directors (except Independent Directors)	6,757,225

2. As of March 30, 2021, the cut-off date of this Shareholders' Meeting, the individual Directors and their aggregate shareholdings are listed below:

Title	Name	Date Elected	Shareholding on the record date	
			Number of shares	%
Chairman	Linvest Wealth Corp Corporate Representative - Chris Lin	30-May-18	4,775,524	13.92%
Director	Xian Hua Investment Co.,Ltd. Corporate Representative - Arnold Yu	30-May-18	538,644	1.57%
Director	Linvest Fortune Corp. Corporate Representative -Luke Chen	30-May-18	1,074,884	3.13%
Director	Ted Tsai	30-May-18	368,173	1.07%
Independent Director	Chyan Yang	30-May-18	—	—
Independent Director	Dyi-Chung Hu	30-May-18	—	—
Independent Director	Robert Lo	30-May-18	—	—
Holding of all Directors			6,757,225	19.69%

Note: The shares held by independent directors shall not be counted in the calculation of director shareholdings.