



Stock Code: 5274

# **ASPEED Technology Inc.**

## **2023 ANNUAL SHAREHOLDERS' MEETING**

### **MEETING AGENDA (TRANSLATION)**

**May 30, 2023**

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 2023 Annual Shareholders' Meeting** (Translation)

1. Call meeting to order
2. Chairman Remarks
3. Reports Items
4. Acknowledgements
5. Proposed Resolutions
6. Extemporaneous Motions
7. Meeting Adjourned

**ASPEED Technology Inc.**  
**Year 2023**  
**Agenda of Annual Meeting of Shareholders**

1. Time : 9:00 a.m. on May 30, 2023
2. Place : Bach Hall, 4F, 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 2022
  - (2) Audit Committee's review report on the 2022 financial statements
  - (3) Report on 2022 employees' compensation and directors' compensation
  - (4) Report on the cash dividend distribution of 2022
  - (5) Report on Execution of the Company's Share Repurchase Plan
  - (6) Report of a proposed amendment to the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies"
  - (7) Report of a proposed amendment to the "Procedures for Ethical Management and Guidelines for Conduct"
5. Acknowledgements
  - (1) Adoption of the 2022 Business Report and Financial Statements
  - (2) Adoption of the Proposal for Distribution of 2022 Profits
6. Proposed Resolutions
7. Extemporaneous Motions
8. Meeting Adjourned

## 1. Report Items

- (1) : To report the business of 2022. (Proposed by the Board of Directors)  
Explanation : Please refer to page 5~7 Attachment 1.
- (2) : Audit Committee's review report on the 2022 financial statements.  
(Proposed by the Board of Directors)  
Explanation : Please refer to page 8 Attachment 2.
- (3) : Report on 2022 employees' compensation and directors' compensation. (Proposed by the Board of Directors)  
Explanation : Please refer to page 9 Attachment 3.
- (4) : Report on the cash dividend distribution of 2022. (Proposed by the Board of Directors)  
Explanation : Please refer to page 10 Attachment 4.
- (5) : Report on Execution of the Company's Share Repurchase Plan.  
Explanation : Please refer to page 11 Attachment 5.
- (6) : Report of a proposed amendment to the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies ".  
(Proposed by the Board of Directors)  
Explanation : Please refer to the Chinese version of the Handbook for details.
- (7) : Report of a proposed amendment to the "Procedures for Ethical Management and Guidelines for Conduct. " (Proposed by the Board of Directors)  
Explanation : Please refer to the Chinese version of the Handbook for details.

## 2. Acknowledgements

- (1) : Adoption of the 2022 Business Report and Financial Statements.  
(Proposed by the Board of Directors)  
Explanation : The 2022 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 6 and 7.

Resolution :

(2) Adoption of the Proposal for Distribution of 2022 Profits. (Proposed by the Board of Directors)

Explanation The Proposal for Distribution of 2022 Profits were approved by the Board of Directors.

Please refer to page 10 Attachment 4.

### **3. Proposed Resolutions**

### **4. Extemporaneous Motions**

### **5. Meeting Adjourned**

Attachment  
**Attachment 1**

**ASPEED Technology Inc.**  
**2022 Business Report**

Dear shareholders,

2022 was a year of many challenges and opportunities. The semiconductor industry underwent a capacity crunch in the first half of the year, then met a sudden downturn in demand in the second half of the year, resulting in a rapid turnaround of overall market momentum. However, with our strong corporate resilience, grasp of market insights and solid customer relationships, ASPEED Technology has achieved new operating milestones and set a new record of 18 consecutive years of growth since its inception. We are pleased to share with our shareholders that ASPEED once again achieved record revenue and profitability last year, with revenue of NT\$5,210,128 thousand and net income of NT\$2,105,614 thousand for 2022, an increase of 43.23% and 60.38% compared to NT\$3,637,632 thousand and NT\$1,312,925 thousand in 2021, respectively, with an EPS of NT\$55.72. ASPEED Technology's gross margin and operating margin were 65.09% and 47%, respectively, for 2022. In response to post-pandemic trends and global market developments, we will continue to strengthen our corporate resilience, invest in R&D and innovation, respond quickly and flexibly to industry and market changes and strive to contribute to society by maximizing the interests of our shareholders.

As a provider of innovative SoC solutions, ASPEED is focused on the chip R&D niche market. In response to future trends and demands from AI computing, high-performance computing and diversified immersive applications, the Company is gradually moving toward deepening our core technologies and fostering platform synergies. We have integrated our product planning into two major product lines: Cloud and Enterprise Solutions and Smart AV Solutions. The scope of our Cloud and Enterprise solutions include Baseboard Management Controller (BMC) SoC, Bridge IC (BIC) and Platform Firmware Resilience (PFR) SoC as our main products. In terms of product applications, we have expanded from the original cloud server applications to AI computing, switch devices, storage devices and various diversified applications, combining product depth and customer breadth to tap into unlimited potential and possibilities. Smart AV Solutions combine ASPEED's exclusive image processor family and software to create synergies and focus on smart AV application platforms. ASPEED's product lineup includes AVoIP extension SoC, Cupola360 spherical image processor and Cupola360\* related software. In addition to the existing video conferencing applications and AVoIP 1G related AV extension market applications, the optimized combination of Cupola360

spherical image processor, AVoIP SoC and software development empowers customers to easily realize immersive and diversified applications, such as unmanned inspection of smart factories, virtual cities, virtual education, virtual entertainment and even digital twins. In the future, ASPEED will continue to invest in R&D resources to expand core technologies, develop new applications and extend application fields, so as to develop new product lines, gain new customers and deepen customer relationships, which allows the Company to grasp the latest insights and development trends of the markets.

### **Investing in a Sustainable Future**

ASPEED is committed to strengthening corporate ESG. We believe that we must be responsible for sound corporate governance and green operations, enhance corporate resilience, and be accountable to investors and the public in terms of profitability and operations, making ASPEED a contributor and creator of a "sustainable high-tech civilization." Since the release of our 2020 report and the establishment of our ESG Committee, we have regularly reviewed ASPEED's ESG strategy and short and medium-term plans, and are ready to make agile adjustments in response to actual circumstances. ASPEED's sustainable development strategy and goals are to: strengthen green energy research and development through our core technologies, while focusing on cultivating ESG technology talents in Taiwan. With sound and stable corporate governance, we envisage a company that is socially inclusive and shares benefits with the society. Furthermore, we aim to strengthen the resilience of ASPEED's business to move to the next stage of sustainable growth. ESG is developing towards sound corporate governance, strengthening corporate resilience, core technology focus on green energy and cultivating ESG talent in Taiwan, including improving sustainability governance structure and system establishment and strengthening risk management strategies. In 2022, ASPEED voluntarily adopted the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and disclosed the Company's its first climate related financial disclosure. We expect to disclose the results in the 2022 ASPED Technology ESG Report. We continue to contribute to the development of the low-carbon semiconductor industry with our key strengths in design and we continue to hone the power-saving performance of our main chip products from both hardware and software aspects. At the same time, the development of new product applications will also be directed toward reducing power consumption and related environmental impacts. In terms of social aspects, ASPEED strives to share the fruits of our business success with our employees, improve



their salary and benefits, retain and nurture talents and continue to focus on workplace diversity and social inclusion.

Looking ahead, we will focus on leadership and governance improvement, optimize the organizational management and ensure that ASPEED remains a company with integrity and excellence. We will increase resources invested in core technology development and focus on green R&D to facilitate product competitiveness. Furthermore, we shall continue to promote digital transformation, realize digitalized operations, strengthen supply chain digital management and data analytics to maximize value for ASPEED and our customers. We will also focus on cultivating outstanding semiconductor talents and to ensure a diverse and equal workplace. Last but not least, we hereby express our sincerest gratitude for your trust and we will continue to work hard to repay you in kind for your long-standing support. As we move forward, we will strive to enhance shareholders' equity and corporate value, so that our shareholders, customers and employees can share the fruitful results of our business success.

**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 2022 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 2022 employees' compensation and directors' compensation**

The Board of Directors in the 7<sup>th</sup> Board Meeting of the 11<sup>th</sup> session approved 2022 employees' profit sharing bonus and directors' compensation on March 6, 2023 and distributed as follows:

1. Employee' compensation

Explanation:

- (1) 2022 employee' compensation is estimated at NT\$ 229,900,122 and the full shall be distributed in cash.
- (2) The employee' compensation estimate for 2022 was consistent with the actual amount distributed.

2. Directors' compensation

Explanation:

- (1) 2022 directors' compensation is estimated at NT\$ 28,737,515 and the full shall be distributed in cash.
- (2) The directors' compensation estimate for 2022 was consistent with the actual amount distributed.

#### Attachment 4

#### ASPEED Technology Inc. 2022 Earnings Distribution

Unit: NT\$

Item	Amount	Note
Undistributed retained earnings of previous years	27,335,017	
Plus: Net income of 2022	2,105,613,601	
Minus: Cancellation of treasury stock debited to retained earnings	(122,270,990)	
Minus: 10% Legal reserve	(198,334,261)	
Minus: Reversal of Special reserve	(42,531,712)	
Earnings available for distribution	1,769,811,655	
Distribution items:		
Dividends to common shareholders – Cash	(1,701,930,555)	NT\$45.00 per share
Unappropriated retained earnings	67,881,100	

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

### Report on Execution of the Company's Share Repurchase Plan

Repurchase Plan	First Time in 2022
Purpose of Share Repurchase	For the Company's credit and shareholders' rights and interests
Scheduled period for the repurchase	2022.11.08~2023.01.07
Planned number of shares to be repurchased	60,000 shares
Price range	NT\$1,418~2,544
Number and type of shares repurchased	60,000 shares
Price average	NT\$2,085.84
Number of shares cancelled	60,000 shares
Cumulative number of the Company's own shares held	0

## **Attachment 6**

### **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, 2022 and 2021, 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, 2022 and 2021, 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 the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2022. 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, 2022 are stated as follows:

## Recognition of revenue

The Group operates principally as a supplier of multimedia integrated circuits (ICs) and computer oriented ICs. For the year ended December 31, 2022, the Group recognized revenue of NT\$5,210,128 thousand, which increased by 43% 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, 2022. 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.

## **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, 2022 and 2021 on which we have issued an unmodified opinion.

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

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

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

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

## **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

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

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 6, 2023

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.*

# ASPED TECHNOLOGY INC. AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

ASSETS	2022		2021		LIABILITIES AND EQUITY	2022		2021	
	Amount	%	Amount	%		Amount	%	Amount	%
<b>CURRENT ASSETS</b>					<b>CURRENT LIABILITIES</b>				
Cash and cash equivalents (Note 6)	\$ 2,828,958	48	\$ 1,977,448	43	Trade payables (Note 16)	\$ 317,324	5	\$ 264,119	6
Financial assets at fair value through profit or loss - current (Note 7)	527,067	9	532,115	12	Accrued compensation of employees and remuneration of directors (Note 22)	258,638	4	159,208	3
Trade receivables, net (Notes 8 and 21)	979,728	16	828,723	18	Other payables (Note 17)	282,949	5	81,622	2
Inventories (Notes 5 and 9)	400,392	7	157,513	4	Current tax liabilities (Note 23)	378,402	6	222,026	5
Prepayments and other current assets (Note 15)	42,997	1	12,867	-	Provisions - current (Note 18)	49,634	1	20,686	1
Total current assets	4,779,142	81	3,508,766	77	Lease liabilities - current (Note 12)	25,120	1	23,668	-
					Other current liabilities (Notes 17 and 21)	72,696	1	140,868	3
<b>NON-CURRENT ASSETS</b>					Total current liabilities	1,384,763	23	931,197	20
Financial assets at fair value through profit or loss - non-current (Note 7)	72,893	1	82,686	2	<b>NON-CURRENT LIABILITIES</b>				
Property, plant and equipment (Note 11)	217,562	4	188,662	4	Deferred tax liabilities (Note 23)	33,097	1	35,143	1
Right-of-use assets (Note 12)	41,879	1	63,909	2	Lease liabilities - non-current (Note 12)	14,896	-	37,689	1
Goodwill (Notes 5 and 13)	369,040	6	369,040	8	Provisions - non-current (Note 18)	6,447	-	6,447	-
Other intangible assets, net (Note 14)	388,002	6	272,637	6	Total non-current liabilities	54,440	1	79,279	2
Deferred tax assets (Note 23)	44,881	1	48,978	1	Total liabilities	1,439,203	24	1,010,476	22
Refundable deposits (Note 15)	10,405	-	10,411	-	<b>SHAREHOLDERS' EQUITY (Note 20)</b>				
Other non-current assets (Note 15)	31,500	-	11,593	-	Capital				
Total non-current assets	1,147,812	19	1,047,916	23	Share capital	378,207	6	343,694	8
					Capital surplus	1,539,778	26	1,371,130	30
					Retained earnings	601,620	10	470,328	10
					Legal reserve	22,169	1	45,891	1
					Special reserve	2,010,678	34	1,337,332	30
					Unappropriated earnings	2,634,467	45	1,853,551	41
					Total retained earnings	(64,701)	(1)	(22,169)	(1)
					Other equity				
					Total equity	4,487,751	76	3,546,206	78
<b>TOTAL</b>	<b>\$ 5,926,954</b>	<b>100</b>	<b>\$ 4,556,682</b>	<b>100</b>	<b>TOTAL</b>	<b>\$ 5,926,954</b>	<b>100</b>	<b>\$ 4,556,682</b>	<b>100</b>

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, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 21, 28 and 32)				
Sales	\$ 5,209,154	100	\$ 3,636,161	100
Other operating revenue	<u>974</u>	<u>-</u>	<u>1,471</u>	<u>-</u>
Total operating revenue	5,210,128	100	3,637,632	100
OPERATING COSTS (Notes 9, 22 and 28)	<u>1,818,976</u>	<u>35</u>	<u>1,262,074</u>	<u>35</u>
GROSS PROFIT	<u>3,391,152</u>	<u>65</u>	<u>2,375,558</u>	<u>65</u>
OPERATING EXPENSES (Note 22)				
Selling and marketing expenses	95,039	2	62,623	2
General and administrative expenses	219,443	4	154,272	4
Research and development expenses	<u>627,743</u>	<u>12</u>	<u>506,283</u>	<u>14</u>
Total operating expenses	<u>942,225</u>	<u>18</u>	<u>723,178</u>	<u>20</u>
INCOME FROM OPERATIONS	<u>2,448,927</u>	<u>47</u>	<u>1,652,380</u>	<u>45</u>
NON-OPERATING INCOME AND EXPENSES (Note 22)				
Interest income	31,572	1	10,141	-
Other income	5,631	-	5,043	-
Other gains and losses	132,633	2	(54,221)	(1)
Finance costs	<u>(3,841)</u>	<u>-</u>	<u>(3,266)</u>	<u>-</u>
Total non-operating income and expenses, net	<u>165,995</u>	<u>3</u>	<u>(42,303)</u>	<u>(1)</u>
INCOME BEFORE INCOME TAX FROM CONTINUING OPERATIONS	2,614,922	50	1,610,077	44
INCOME TAX EXPENSE (Note 23)	<u>509,308</u>	<u>10</u>	<u>297,152</u>	<u>8</u>
NET INCOME FOR THE YEAR	2,105,614	40	1,312,925	36
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	<u>3,366</u>	<u>-</u>	<u>(1,167)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 2,108,980</u>	<u>40</u>	<u>\$ 1,311,758</u>	<u>36</u>

(Continued)

## ASPEED TECHNOLOGY INC. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

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	2022		2021	
	Amount	%	Amount	%
NET INCOME ATTRIBUTABLE TO:				
Owners of the Company	<u>\$ 2,105,614</u>	<u>40</u>	<u>\$ 1,312,925</u>	<u>36</u>
TOTAL COMPREHENSIVE INCOME				
ATTRIBUTABLE TO:				
Owners of the Company	<u>\$ 2,108,980</u>	<u>40</u>	<u>\$ 1,311,758</u>	<u>36</u>
EARNINGS PER SHARE (Note 24)				
Basic	<u>\$ 55.72</u>		<u>\$ 34.81</u>	
Diluted	<u>\$ 55.35</u>		<u>\$ 34.70</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, 2021 and 2020**  
**(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

	Share Capital - Ordinary Shares		Other Equity				Exchange Differences on Translation of Financial Statements		Treasury Shares	Total Equity
	Share (In Thousands)	Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Employee Unearned Compensation	Foreign Operations		
BALANCE AT JANUARY 1, 2021	34,320	\$ 343,200	\$ 1,275,540	\$ 369,858	\$ 34,992	\$ 1,028,380	\$ (41,675)	\$ (4,217)	\$ -	\$ 3,005,678
Appropriations of prior year's earnings	-	-	-	-	-	-	-	-	-	-
Legal reserve	-	-	-	100,470	-	(100,470)	-	-	-	-
Reversal of special reserve	-	-	-	-	11,299	(11,299)	-	-	-	-
Cash dividends to shareholders - NT\$26.00 per share	-	-	-	-	-	(892,204)	-	-	-	(892,204)
Net income for the year ended December 31, 2021	-	-	-	-	-	1,312,925	-	-	-	1,312,925
Other comprehensive loss after tax	-	-	-	-	-	-	-	(1,162)	-	(1,162)
Comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	1,312,925	-	(1,162)	-	1,311,763
Employee share bonus - Record date: August 13, 2021	602	-	107,763	-	-	-	-	-	-	108,566
Cancellation of restricted shares under employees share options on March 8, 2021	(5)	-	(4,259)	-	-	-	4,284	-	-	-
Cancellation of restricted shares under employees share options on August 11, 2021	(2)	-	(2,543)	-	-	-	2,570	-	-	-
Cancellation of restricted shares under employees share options on November 4, 2021	(4)	-	(3,301)	-	-	-	3,427	-	-	-
Compensation cost of restricted shares for employees	-	-	-	-	-	-	14,602	-	-	14,602
BALANCE AT DECEMBER 31, 2021	34,509	345,094	1,371,130	470,328	45,891	1,337,332	(16,785)	(5,384)	-	3,546,206
Appropriations of prior year's earnings	-	-	-	-	-	-	-	-	-	-
Legal reserve	-	-	-	131,292	-	(131,292)	-	-	-	-
Reversal of special reserve	-	-	-	-	(23,723)	23,723	-	-	-	-
Cash dividends to shareholders - NT\$35.00 per share	-	-	-	-	-	(1,202,427)	-	-	-	(1,202,427)
Issued of common shares from share capital surplus - Record date: July 4, 2022	3,436	-	(34,355)	-	-	-	-	-	-	-
Net income for the year ended December 31, 2022	-	-	-	-	-	2,109,614	-	-	-	2,109,614
Other comprehensive income after tax	-	-	-	-	-	-	-	3,366	-	3,366
Comprehensive income for the year ended December 31, 2022	-	-	-	-	-	2,109,614	-	3,366	-	2,112,980
Employee share bonus - Record date: August 9, 2022	52	-	140,992	-	-	-	-	-	-	141,517
Issuance of restricted shares under employees share options on August 8, 2022	44	-	78,540	-	-	-	(78,980)	-	-	-
Cancellation of restricted shares under employees share options on March 7, 2022	(14)	-	(9,252)	-	-	-	9,395	-	-	-
Cancellation of restricted shares under employees share options on November 7, 2022	(6)	-	(4,998)	-	-	-	5,062	-	-	-
Compensation cost of restricted shares for employees	-	-	-	-	-	-	16,625	-	-	16,625
Buy-back of treasury shares	-	-	-	-	-	-	-	-	(123,150)	(123,150)
Retirement of treasury shares	(60)	-	(2,292)	-	-	(122,211)	-	-	(123,150)	-
BALANCE AT DECEMBER 31, 2022	37,921	379,207	1,439,729	601,620	27,160	2,010,629	(162,462)	(2,014)	123,150	4,487,731

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, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 2,614,922	\$ 1,610,077
Adjustments for:		
Depreciation expense	104,915	93,826
Amortization expense	135,396	124,923
Net loss (gain) on fair value changes of financial assets designated as at fair value through profit or loss	32,965	(550)
Finance costs	3,841	3,266
Interest income	(31,572)	(10,141)
Compensation cost of employee restricted shares	18,625	14,609
Loss on disposal of property, plant and equipment	-	1,746
Loss (gain) on disposal of financial assets	26,713	(378)
Write-down (reversal) of inventories	24,231	(4,067)
Net gain on foreign currency exchange	(59,251)	(37,956)
Loss on disposal of Inventories	6,569	4,694
Gain on lease modification	-	(8)
Recognition of provisions	9,948	6,877
Changes in operating assets and liabilities:		
Trade receivables	(163,473)	(321,126)
Inventories	(273,679)	7,922
Prepayments and other current assets	(29,692)	77,807
Trade payables	56,799	165,054
Other payables	22,492	9,078
Other current liabilities	(77,361)	47,183
Payables for compensation of employees and remuneration of directors	240,947	145,660
Cash generated from operations	2,663,335	1,938,496
Interest paid	(3,841)	(3,266)
Income taxes paid	(349,860)	(246,550)
Net cash generated from operating activities	2,309,634	1,688,680
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at fair value through profit or loss	(101,160)	(279,411)
Proceeds from sale of financial assets at fair value through profit or loss	56,319	18,388
Payments for property, plant and equipment	(120,385)	(93,149)
Decrease in refundable deposits	6	9
Payments for intangible assets	(41,113)	(26,658)
Increase in prepayments for equipment	-	(93)
Increase in other prepayments	-	(3,150)
Interest received	31,338	10,141
Net cash used in investing activities	(174,995)	(373,923)

(Continued)

# ASPEED TECHNOLOGY INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of the principal portion of lease liabilities	\$ (25,681)	\$ (24,263)
Cash dividends	(1,202,427)	(892,204)
Payments for buy-back of treasury shares	<u>(125,150)</u>	<u>-</u>
Net cash used in financing activities	<u>(1,353,258)</u>	<u>(916,467)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	<u>70,129</u>	<u>30,445</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	851,510	428,735
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>1,977,448</u>	<u>1,548,713</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 2,828,958</u>	<u>\$ 1,977,448</u>

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

(Concluded)

## **Attachment 7**

### **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 financial statements of ASPEED Technology Inc. (the “Company”), which comprise the balance sheets as of December 31, 2022 and 2021, 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, 2022 and 2021, 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 the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2022. 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, 2022 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, 2022, the Company recognized revenue of NT\$5,210,126 thousand, which increased by 43% 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, 2022. 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.

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

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

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

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

## **Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 6, 2023

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.*

# ASPED TECHNOLOGY INC.

BALANCE SHEETS  
DECEMBER 31, 2022 AND 2021  
(In Thousands of New Taiwan Dollars)

ASSETS	2022		2021		LIABILITIES AND EQUITY		2022		2021	
	Amount	%	Amount	%			Amount	%	Amount	%
<b>CURRENT ASSETS</b>					<b>CURRENT LIABILITIES</b>					
Cash and cash equivalents (Note 6)	\$ 2,790,284	47	\$ 1,938,022	43	Trade payables (Note 16)		\$ 317,324	5	\$ 264,119	6
Financial assets at fair value through profit or loss - current (Note 7)	527,067	9	532,115	12	Accrued compensation of employees and remuneration of directors (Note 22)		258,638	4	159,208	4
Trade receivables, net (Notes 8 and 21)	979,726	16	828,723	18	Other payables (Note 17)		275,749	5	64,945	1
Inventories (Notes 5 and 9)	400,392	7	157,513	3	Other payables to related parties (Note 28)		3,805	-	7,427	-
Prepayments and other current assets (Note 15)	411,220	1	11,193	-	Current tax liabilities (Note 23)		378,402	7	222,026	5
Total current assets	4,738,589	80	3,467,566	76	Provisions - current (Note 18)		49,634	1	39,686	1
					Lease liabilities - current (Note 12)		22,716	-	20,534	-
					Other current liabilities (Notes 17 and 21)		72,696	1	140,868	3
<b>NON-CURRENT ASSETS</b>					Total current liabilities		1,378,964	23	918,813	20
Financial assets at fair value through profit or loss - non-current (Note 7)	72,893	1	82,686	2	<b>NON-CURRENT LIABILITIES</b>					
Investment accounted for using equity method (Notes 10 and 31)	50,172	1	43,508	1	Deferred tax liabilities (Note 23)		33,097	1	35,143	1
Property, plant and equipment (Note 11)	217,496	4	188,523	4	Lease liabilities - non-current (Note 12)		14,896	-	35,522	1
Right-of-use assets (Note 12)	39,423	1	58,745	2	Provisions - non-current (Note 18)		6,447	-	6,447	-
Goodwill (Notes 5 and 13)	369,040	6	369,040	8	Total non-current liabilities		54,440	1	77,112	2
Other intangible assets, net (Note 14)	387,478	6	270,018	6	Total liabilities		1,433,404	24	995,925	22
Deferred tax assets (Note 23)	32,812	1	40,314	1						
Refundable deposits (Note 15)	10,102	-	10,138	-	<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 20)</b>					
Other non-current assets (Note 15)	31,500	-	11,593	-	Share capital					
Total non-current assets	1,182,566	20	1,074,565	24	Ordinary shares		378,207	6	343,694	8
					Capital surplus		1,539,778	26	1,371,130	30
					Retained earnings		601,620	10	470,328	10
					Legal reserve		22,169	1	45,891	1
					Special reserve		2,010,678	34	1,337,332	30
					Unappropriated earnings		2,634,467	45	1,853,551	41
					Total retained earnings		(64,701)	(1)	(22,169)	(1)
					Other equity					
					Total equity		4,487,751	76	3,546,206	78
<b>TOTAL</b>	<b>\$ 5,921,155</b>	<b>100</b>	<b>\$ 4,542,131</b>	<b>100</b>	<b>TOTAL</b>		<b>\$ 5,921,155</b>	<b>100</b>	<b>\$ 4,542,131</b>	<b>100</b>

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

## ASPEED TECHNOLOGY INC.

### STATEMENTS OF COMPREHENSIVE INCOME

#### FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 21 and 28)				
Sales	\$ 5,209,152	100	\$ 3,636,161	100
Other operating revenue	<u>974</u>	<u>-</u>	<u>1,471</u>	<u>-</u>
Total operating revenue	5,210,126	100	3,637,632	100
OPERATING COSTS (Notes 9, 22 and 28)				
Cost of goods sold	<u>1,818,976</u>	<u>35</u>	<u>1,262,074</u>	<u>35</u>
GROSS PROFIT	<u>3,391,150</u>	<u>65</u>	<u>2,375,558</u>	<u>65</u>
OPERATING EXPENSES (Notes 22 and 28)				
Selling and marketing expenses	95,039	2	62,623	2
General and administrative expenses	177,079	3	115,810	3
Research and development expenses	<u>677,788</u>	<u>13</u>	<u>546,955</u>	<u>15</u>
Total operating expenses	<u>949,906</u>	<u>18</u>	<u>725,388</u>	<u>20</u>
INCOME FROM OPERATIONS	<u>2,441,244</u>	<u>47</u>	<u>1,650,170</u>	<u>45</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 22)	31,497	-	10,071	-
Other income (Notes 22 and 28)	5,667	-	5,079	-
Other gains and losses (Note 22)	137,166	3	(54,149)	(1)
Finance costs (Note 22)	(3,758)	-	(3,126)	-
Share of profit or loss of subsidiaries	<u>3,298</u>	<u>-</u>	<u>1,722</u>	<u>-</u>
Total non-operating income and expenses, net	<u>173,870</u>	<u>3</u>	<u>(40,403)</u>	<u>(1)</u>
INCOME BEFORE INCOME TAX FROM CONTINUING OPERATIONS	2,615,114	50	1,609,767	44
INCOME TAX EXPENSE (Note 23)	<u>509,500</u>	<u>10</u>	<u>296,842</u>	<u>8</u>
NET INCOME FOR THE YEAR	2,105,614	40	1,312,925	36
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	<u>3,366</u>	<u>-</u>	<u>(1,167)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 2,108,980</u>	<u>40</u>	<u>\$ 1,311,758</u>	<u>36</u>

(Continued)

**A ASPEED TECHNOLOGY INC.**

**STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021  
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

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	2022		2021	
	Amount	%	Amount	%
EARNINGS PER SHARE (Note 24)				
Basic	\$ 55.72		\$ 34.81	
Diluted	\$ 55.35		\$ 34.70	

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, 2021 and 2020  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

	Share Capital		Share Surplus		Retained Earnings		Other Equity			Treasury Shares	Total Equity
	Shares (In Thousands)	Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Employee Unearned Compensation	Differences on the Translation of Financial Statements of Foreign Operations	Exchange		
BALANCE AT JANUARY 1, 2021	34,320	\$ 343,200	\$ 1,273,540	\$ 369,858	\$ 34,952	\$ 1,028,380	\$ (41,675)	\$ (4217)		\$ -	\$ 3,003,678
Appropriation of prior year's earnings	-	-	-	-	-	-	-	-		-	-
Legal reserve	-	-	-	100,470	11,269	(609,679)	-	-		-	(892,204)
Cash dividends to shareholders - NT\$26.00 per share	-	-	-	-	-	(892,204)	-	-		-	-
Net income for the year ended December 31, 2021	-	-	-	-	-	1,312,925	-	-		-	1,312,925
Other comprehensive loss after tax	-	-	-	-	-	-	-	(1,162)		-	(1,162)
Comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	1,312,925	-	(1,162)		-	1,311,763
Employees share bonus - Record date: August 13, 2021	60	602	107,763	-	-	-	-	-		-	108,365
Cancellation of restricted shares under employees share options on March 8, 2021	(5)	(45)	(4,259)	-	-	-	4,284	-		-	-
Cancellation of restricted shares under employees share options on August 11, 2021	(2)	(27)	(2,543)	-	-	-	2,570	-		-	-
Cancellation of restricted shares under employees share options on November 8, 2021	(4)	(36)	(3,391)	-	-	-	3,427	-		-	-
Compensation cost of restricted shares for employees	-	-	-	-	-	-	14,609	-		-	14,609
BALANCE AT DECEMBER 31, 2021	34,369	343,694	1,371,130	479,328	45,891	1,337,332	(16,795)	(5,384)		-	3,546,206
Appropriation of prior year's earnings	-	-	-	131,292	-	(311,292)	-	-		-	-
Legal reserve	-	-	-	-	(23,722)	23,722	-	-		-	-
Reversal of special reserve	-	-	-	-	-	(1,202,427)	-	-		-	(1,202,427)
Cash dividends to shareholders - NT\$35.00 per share	-	-	-	-	-	-	-	-		-	-
Cash dividends to shareholders	34,346	343,355	(34,355)	-	-	-	-	-		-	-
Issued of common shares from capital surplus - Record date: July 4, 2022	-	-	-	-	-	2,106,614	-	-		-	2,106,614
Net income for the year ended December 31, 2022	-	-	-	-	-	-	-	-		-	-
Other comprehensive income after tax	-	-	-	-	-	-	-	3,866		-	3,866
Comprehensive income for the year ended December 31, 2022	-	-	-	-	-	2,106,614	-	3,866		-	2,110,480
Employees share bonus - Record date: August 9, 2022	52	525	140,992	-	-	-	-	-		-	141,517
Issuance of restricted shares under employees share options on August 8, 2022	44	440	78,540	-	-	-	(78,989)	-		-	-
Cancellation of restricted shares under employees share options on March 7, 2022	(14)	(143)	(9,252)	-	-	-	9,395	-		-	-
Cancellation of restricted shares under employees share options on November 7, 2022	(6)	(64)	(4,998)	-	-	-	5,062	-		-	-
Compensation cost of restricted shares for employees	-	-	-	-	-	-	16,625	-		-	16,625
Buy-back of treasury shares	-	-	-	-	-	-	-	-		(123,150)	(123,150)
Retirement of treasury shares	(60)	(60)	(2,272)	-	-	(122,271)	-	-		123,150	-
BALANCE AT DECEMBER 31, 2022	37,821	\$ 378,202	\$ 1,439,238	\$ 601,620	\$ 22,169	\$ 2,109,628	\$ (65,683)	\$ (2014)		-	\$ 4,487,243

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

# ASPEED TECHNOLOGY INC.

## STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 2,615,114	\$ 1,609,767
Adjustments for:		
Depreciation expense	101,652	90,761
Amortization expense	133,301	122,828
Net loss (gain) on fair value changes of financial assets designated as at fair value through profit or loss	32,965	(550)
Finance costs	3,758	3,126
Interest income	(31,497)	(10,071)
Compensation cost of employee restricted shares	18,625	14,609
Share of profit of subsidiaries	(3,298)	(1,722)
Loss on disposal of property, plant and equipment	-	1,746
Loss (gain) on disposal of financial assets	26,713	(378)
Write-down (reversal) of inventories	24,231	(4,067)
Net gain on foreign currency exchange	(59,251)	(37,956)
Loss on disposal of Inventories	6,569	4,694
Gain on lease modification	-	(8)
Recognition of provisions	9,948	6,877
Changes in operating assets and liabilities		
Trade receivables	(163,471)	(321,126)
Inventories	(273,679)	7,922
Prepayments and other current assets	(29,717)	77,664
Trade payables	56,799	165,054
Other payables (related parties included)	28,347	9,633
Other current liabilities	(77,361)	47,287
Payables for compensation of employees and remuneration of directors	<u>240,947</u>	<u>145,660</u>
Cash generated from operations	2,660,695	1,931,750
Interest paid	(3,758)	(3,126)
Income tax paid	<u>(347,668)</u>	<u>(245,789)</u>
Net cash generated from operating activities	<u>2,309,269</u>	<u>1,682,835</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at fair value through profit or loss	(101,160)	(279,411)
Proceeds from sale of financial assets at fair value through profit or loss	56,319	18,388
Payments for property, plant and equipment	(120,385)	(93,149)
Decrease in refundable deposits	36	-
Payments for intangible assets	(41,113)	(26,658)
Increase in prepayments for equipment	-	(93)
Increase in other prepayments	-	(3,150)
Interest received	<u>31,263</u>	<u>10,071</u>
Net cash used in investing activities	<u>(175,040)</u>	<u>(374,002)</u>

(Continued)



# ASPEED TECHNOLOGY INC.

## STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of the principal portion of lease liabilities	\$ (22,204)	\$ (21,283)
Cash dividends	(1,202,427)	(892,204)
Payments for buy-back of treasury shares	<u>(125,150)</u>	<u>-</u>
Net cash used in financing activities	<u>(1,349,781)</u>	<u>(913,487)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	<u>67,814</u>	<u>31,297</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	852,262	426,643
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>1,938,022</u>	<u>1,511,379</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 2,790,284</u>	<u>\$ 1,938,022</u>

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

(Concluded)

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:	37,820,679
Total shareholdings of all Directors required by law:	3,600,000
As of April 1, 2023, total shareholdings of all Directors (except Independent Directors)	7,707,507

2. As of April 1, 2023, 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	Chris Lin	30-July-21	374,561	0.99%
Director	Xian Hua Investment Co., Ltd. Corporate Representative - Arnold Yu	30-July-21	592,508	1.57%
Director	Linvest Wealth Corp. Corporate Representative -Luke Chen	30-July-21	5,253,076	13.89%
Director	Linvest Fortune Corp. Corporate Representative -Hung-Ju Huang	30-July-21	1,182,372	3.13%
Director	Ted Tsai	30-July-21	304,990	0.81%
Independent Director	Chyan Yang	30-July-21	—	—
Independent Director	Dyi-Chung Hu	30-July-21	—	—
Independent Director	Sheng-Lin Chou	30-July-21	—	—
Independent Director	John C. Lin	30-July-21	—	—
Holding of all Directors			7,707,507	20.39%

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