GIGA-BYTE TECHNOLOGY CO., LTD.
AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2021 AND 2020

For the convenience of readers and for information purpose only, the 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. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

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CONSOLIDATED FINANCIAL STATEMENTS
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DECEMBER 31, 2021 AND 2020

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Declaration of Consolidated Financial Statements of Affiliated Enterprises

For the year ended December 31, 2021, pursuant to “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises,” the entity that is required to be included in the consolidated financial statements of affiliates, is the same as the entity required to be included in the consolidated financial statements of parent and subsidiary companies under IFRS 10. Additionally, if relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies, it shall not be required to prepare separate consolidated financial statements of affiliates.

Hereby declare,

GIGA-BYTE TECHNOLOGY CO., LTD.

Dandy Yeh

March 11, 2022

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of Giga-Byte Technology Co., Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of Giga-Byte Technology Co., Ltd. and subsidiaries (the "Group") as at December 31, 2021 and 2020, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the report of other independent auditors, as described in the Other matters section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2021 and 2020, 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 the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards 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 Accountants in 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 judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's consolidated financial statements of the current period are as follows:

Occurrence of revenue from significant new counterparties

Description

Please refer to Note 4(31) for the accounting policies on revenue recognition. For the year ended December 31, 2021, the consolidated operating revenue amounted to NT$121,905,357 thousand.

Giga-Byte Technology Group's revenue is derived from numerous customers from different countries and there was no revenue from a single customer that exceeded 10% of the consolidated operating revenue. Given that the verification of the existence of the transaction counterparty is critical to the revenue recognition, the occurrence of revenue from significant new counterparties was identified as a key audit matter.

How our audit addressed the matter

Our key audit procedures performed in respect of the above included the following:

1. Interviewed with management and obtained an understanding of the revenue recognition policy, and the consistency of the policy application during the financial reporting periods.
2. Obtained an understanding and tested credit check procedures for significant new counterparties. Verified that the transactions with significant new counterparties have been properly approved and agreed with supporting documentation, which include searching transaction counterparty's related information.
3. Obtained an understanding and tested the selling price and credit term of significant new counterparties.
4. Interviewed with management and obtained an understanding for the reason of accounts receivable overdue from significant new counterparties in order to evaluate the reasonableness.
5. Sampled and tested detailed revenue schedules of significant new counterparties and verified the original supporting documentation.
6. Sent accounts receivable confirmation letters to significant new counterparties. Investigated the reason and tested reconciling items made by the Group if the result in confirmation reply did not correspond to records, or tested collections after the balance sheet date if no confirmation reply was received.

Assessment of allowance for valuation of inventory loss

Description

Please refer to Note 4(14) for the accounting policies on evaluation of inventories; Note 5(2) for uncertainty of accounting estimates and assumption on inventory evaluation; and Note 6(6) for the details of the inventories. As of December 31, 2021, the inventories and allowance for valuation loss amounted to NT$27,377,652 thousand and NT$787,922 thousand, respectively.

Giga-Byte Technology Group is primarily engaged in manufacturing and selling of computer hardware equipment and related components. Due to the short life cycle of electronic products and the price is highly subject to market fluctuation, the risk of incurring inventory valuation losses or having obsolete inventory are relatively high. Inventories held for sale in the ordinary course of business are stated at the lower of cost and net realisable value; Valuation loss are recognized for those inventories which exceed certain aging period or individually identified as obsolete inventories based on its net realisable value.

Given that the amount inventories is significant and that the individually identified net realizable value of obsolete inventories has uncertainty based on prior industry experience, the evaluation of the allowance for valuation loss was identified as a key audit matter.

How our audit addressed the matter

Our key audit procedures performed in respect of the above included the following:

1. Interviewed with management and obtained an understanding of the policy and process on evaluation of the allowance for valuation loss, and the consistency of the policy and process application during the financial reporting periods.
2. Obtained an understanding of the warehouse management procedures, reviewed annual physical inventory count plan and participated in the annual inventory count. Evaluated the effectiveness of management controls on identifying and managing obsolete inventories.
3. Tested the appropriateness of system logic in inventory aging report which management adopted for inventories valuation purpose, and verified that obsolete inventories which exceeded a certain aging period were included in the report.
4. Evaluated the reasonableness of obsolete or damaged inventory items which were identified by management, reviewed related supporting documentation, and compared to the results obtained from the observation of physical inventory count.
5. For inventories which exceeded a certain aging period of aging and individually identified as obsolete and damaged, discussed with management and obtained supporting documentation of the evaluation on net realisable value, and performed recalculation.

Other matter – Report of other independent auditors

We did not audit the financial statements of certain consolidated subsidiaries and investments accounted for using the equity method. Those financial statements were audited by the other independent auditors, whose reports thereon have been furnished to us, and our opinion expressed herein, in so far as it relates to the amounts included in the financial statements was based solely on the reports of the other independent auditors. The aforementioned equity investments were $0 thousand and $10,053 thousand, representing 0% and 0.02% of total consolidated assets as of December 31, 2021 and 2020, respectively, and total net comprehensive loss were $10,053 thousand and $11,140 thousand, representing (0.08%) and (0.25%) of total consolidated comprehensive loss for the years then ended, respectively.

Other matter – Parent company only financial statements

We have audited and expressed an unmodified opinion with Other matter paragraph on the parent company only financial statements of Giga-Byte Technology Co., Ltd. as at and for the years ended December 31, 2021 and 2020.

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 the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission, 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 generally accepted auditing standards 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 generally accepted auditing standards in the Republic of China, we exercise professional judgement 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 appropriate audit evidence regarding the financial information of the 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 of the current period 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.

Se-Kai Lin	Fang-Yu Wang

For and on behalf of PricewaterhouseCoopers, Taiwan
March 11, 2022

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers, Taiwan cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

GIGA-BYTE TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2021 Amount	%	December 31, 2020 Amount	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 18,928,473	27	$ 15,564,617	32
1110	Financial assets at fair value through profit or loss - current	6(2)	1,450,496	2	735,586	1
1136	Financial assets at amortised cost - current	6(4) and 8	1,156,617	2	1,105,293	2
1150	Notes receivable, net	6(5)	5,710	-	2,897	-
1170	Accounts receivable, net	6(5)	10,822,436	16	7,883,297	16
1200	Other receivables		194,564	-	63,806	-
130X	Inventories, net	6(6)	26,589,730	39	15,227,960	31
1410	Prepayments		862,896	1	977,239	2
1470	Other current assets		287,227	-	4,765	-
11XX	**Total current assets**		60,298,149	87	41,565,460	84
	Non-current assets					
1517	Financial assets at fair value through other comprehensive income–non-current	6(3)	2,515,460	4	2,351,596	5
1535	Financial assets at amortized cost-non-current	6(4) and 8	228,827	-	236,479	1
1550	Investments accounted for using the equity method	6(7)	518,711	1	77,439	-
1600	Property, plant and equipment, net	6(8)	4,206,997	6	4,048,823	8
1755	Right-of-use assets	6(9)	196,740	-	187,568	-
1760	Investment property, net	6(11)	41,698	-	46,861	-
1780	Intangible assets		29,329	-	31,990	-
1840	Deferred income tax assets	6(29)	1,009,779	2	657,554	1
1900	Other non-current assets	6(12)	132,500	-	225,387	1
15XX	**Total non-current assets**		8,880,041	13	7,863,697	16
1XXX	**Total assets**		$ 69,178,190	100	$ 49,429,157	100

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GIGA-BYTE TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

			December 31, 2021		December 31, 2020	
	Liabilities and Equity	Notes	Amount	%	Amount	%
	Liabilities					
	Current liabilities					
2100	Short-term borrowings	6(13)	$ -	-	$ 303,217	1
2130	Contract liabilities-current	6(22)	1,197,240	2	3,987,907	8
2150	Notes payable		22,868	-	404	-
2170	Accounts payable		15,886,668	23	9,024,919	18
2200	Other payables	6(14)	10,020,250	15	5,461,410	11
2230	Current income tax liabilities		2,524,197	4	809,318	2
2250	Provisions for liabilities - current	6(15)	768,663	1	820,274	2
2280	Lease liabilities-current		98,602	-	70,112	-
2300	Other current liabilities	6(16)	231,090	-	506,803	1
21XX	**Total current liabilities**		30,749,578	45	20,984,364	43
	Non-current liabilities					
2540	Long-term borrowings	6(16)	200,000	-	210,032	-
2570	Deferred income tax liabilities	6(29)	-	-	38,209	-
2580	Lease liabilities-non-current		64,375	-	79,013	-
2600	Other non-current liabilities	6(17)	661,137	1	704,417	2
25XX	**Total non-current liabilities**		925,512	1	1,031,671	2
2XXX	**Total liabilities**		31,675,090	46	22,016,035	45
	Equity					
	Equity attributable to owners of the parent					
	Capital stock	6(19)				
3110	Common stock					
	Capital surplus	6(20)	6,356,889	9	6,356,889	13
3200	Capital surplus					
	Retained earnings	6(21)	3,279,731	5	3,884,904	8
3310	Legal reserve		5,011,247	7	4,575,820	9
3320	Special reserve		426,354	1	426,354	1
3350	Unappropriated retained earnings		21,750,531	31	11,379,927	23
	Other equity					
3400	Other equity		729,248	1	771,297	1
3500	**Treasury shares**	6(18)(19)	(66,016)	-	-	-
31XX	**Total equity attributable to owners of the parent**		37,487,984	54	27,395,191	55
36XX	**Non-controlling interest**		15,116	-	17,931	-
3XXX	**Total equity**		37,503,100	54	27,413,122	55
	Significant events after the balance sheet date	11				
3X2X	**Total liabilities and equity**		$ 69,178,190	100	$ 49,429,157	100

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

GIGA-BYTE TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except for earnings per share)

	Items	Notes	2021 Amount	2021 %	2020 Amount	2020 %
4000	**Operating revenue**	6(22)	$ 121,905,357	100	$ 84,602,841	100
5000	**Operating costs**	6(6)(27)	(92,315,325)	(76)	(70,138,404)	(83)
5900	**Gross profit**		29,590,032	24	14,464,437	17
	Operating expenses	6(27)				
6100	Selling expenses		(7,989,015)	(7)	(5,351,482)	(6)
6200	General and administrative expenses		(3,014,173)	(2)	(2,551,127)	(3)
6300	Research and development expenses		(4,091,372)	(3)	(2,360,903)	(3)
6450	Expected credit (losses) gains	6(27) and 12(2)	(8,959)	-	16,910	-
6000	**Total operating expenses**		(15,103,519)	(12)	(10,246,602)	(12)
6900	**Operating profit**		14,486,513	12	4,217,835	5
	Non-operating revenue and expenses					
7100	Interest income	6(23)	74,576	-	88,344	-
7010	Other income	6(24)	1,267,712	1	953,574	1
7020	Other gains and losses	6(25)	306,235	-	216,331	-
7050	Finance costs	6(26)	(5,399)	-	(10,629)	-
7060	Share of loss of associates and joint ventures accounted for using the equity method	6(7)	(16,265)	-	(14,650)	-
7000	**Total non-operating revenue and expenses**		1,626,859	1	1,232,970	1
7900	**Profit before income tax**		16,113,372	13	5,450,805	6
7950	Income tax expense	6(29)	(2,778,226)	(2)	(1,119,570)	(1)
8200	**Profit for the year**		$ 13,335,146	11	$ 4,331,235	5

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GIGA-BYTE TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except for earnings per share)

	Items	Notes	2021 Amount	2021 %	2020 Amount	2020 %
	Other comprehensive income-net					
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
8311	Remeasurements of defined benefit plans	6(17)	$ 13,534	-	($ 25,070)	-
8316	Unrealised gain on valuation of investment in equity instruments measured at fair value through other comprehensive income	6(3)	94,333	-	87,222	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(29)	(2,707)	-	5,014	-
8310	**Components of other comprehensive income that will not be reclassified to profit or loss**		105,160	-	67,166	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Exchange differences arising from translation of foreign operations		(136,383)	-	66,389	-
8360	**Components of other comprehensive (loss) income that will be reclassified to profit or loss**		(136,383)	-	66,389	-
8300	**Other comprehensive (loss) income, net**		($ 31,223)	-	$ 133,555	-
8500	**Total comprehensive income for the year**		$ 13,303,923	11	$ 4,464,790	5
	Profit(loss) attributable to:					
8610	Owners of parent		$ 13,337,960	11	$ 4,374,329	5
8620	Non-controlling interest		(2,814)	-	(43,094)	-
	Total		$ 13,335,146	11	$ 4,331,235	5
	Comprehensive income (loss) attributable to:					
8710	Owners of parent		$ 13,306,738	11	$ 4,507,881	5
8720	Non-controlling interest		(2,815)	-	(43,091)	-
	Total		$ 13,303,923	11	$ 4,464,790	5
9750	**Basic earnings per share**	6(30)	$ 21.01		$ 6.88	
9850	**Diluted earnings per share**	6(30)	$ 20.60		$ 6.79	

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

GIGA-BYTE TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to equity holders of the company										
				Retained earnings			Other equity interest					
	Notes	Capital stock-Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences arising from translation of foreign operations	Unrealised gain or loss on valuation of financial assets at fair value through other comprehensive income	Treasury shares	Total	Non-controlling interest	Total equity
Year 2020												
Balance at January 1, 2020		$ 6,356,889	$ 3,896,889	$ 4,381,896	$ 426,354	$ 8,618,094	($ 673,470)	$ 1,291,159	$ -	$ 24,297,811	$ 55,300	$ 24,353,111
Profit (loss) for the year		-	-	-	-	4,374,329	-	-	-	4,374,329	(43,094)	4,331,235
Other comprehensive (loss) income for the year		-	-	-	-	(20,056)	66,386	87,222	-	133,552	3	133,555
Total comprehensive income (loss)		-	-	-	-	4,354,273	66,386	87,222	-	4,507,881	(43,091)	4,464,790
Appropriations of 2019 earnings:	6(21)											
Legal reserve		-	-	193,924	-	(193,924)	-	-	-	-	-	-
Cash dividends		-	-	-	-	(1,398,516)	-	-	-	(1,398,516)	-	(1,398,516)
Changes in equity of subsidiaries accounted for using equity method	6(31)	-	(11,985)	-	-	-	-	-	-	(11,985)	11,985	-
Acquisition of non-controlling interest	6(31)	-	-	-	-	-	-	-	-	-	(12,421)	(12,421)
Changes in non-controlling interest		-	-	-	-	-	-	-	-	-	6,158	6,158
Balance at December 31, 2020		$ 6,356,889	$ 3,884,904	$ 4,575,820	$ 426,354	$ 11,379,927	($ 607,084)	$ 1,378,381	$ -	$ 27,395,191	$ 17,931	$ 27,413,122
Year 2021												
Balance at January 1, 2021		$ 6,356,889	$ 3,884,904	$ 4,575,820	$ 426,354	$ 11,379,927	($ 607,084)	$ 1,378,381	$ -	$ 27,395,191	$ 17,931	$ 27,413,122
Profit (loss) for the year		-	-	-	-	13,337,960	-	-	-	13,337,960	(2,814)	13,335,146
Other comprehensive (loss) income for the year		-	-	-	-	10,827	(136,382)	94,333	-	(31,222)	(1)	(31,223)
Total comprehensive income (loss)		-	-	-	-	13,348,787	(136,382)	94,333	-	13,306,738	(2,815)	13,303,923
Appropriations of 2020 earnings:	6(21)											
Legal reserve		-	-	435,427	-	(435,427)	-	-	-	-	-	-
Cash dividends		-	-	-	-	(2,542,756)	-	-	-	(2,542,756)	-	(2,542,756)
Cash dividends from capital surplus	6(21)	-	(635,688)	-	-	-	-	-	-	(635,688)	-	(635,688)
Changes in equity of associates accounted for using equity method		-	2,281	-	-	-	-	-	-	2,281	-	2,281
Purchase of treasury shares	6(19)	-	-	-	-	-	-	-	(280,919)	(280,919)	-	(280,919)
Share-based payment transactions	6(18)	-	28,234	-	-	-	-	-	214,903	243,137	-	243,137
Balance at December 31, 2021		$ 6,356,889	$ 3,279,731	$ 5,011,247	$ 426,354	$ 21,750,531	($ 743,466)	$ 1,472,714	($ 66,016)	$ 37,487,984	$ 15,116	$ 37,503,100

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

GIGA-BYTE TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

	Notes	2021	2020
Cash flows from operating activities:			
Profit before income tax		$ 16,113,372	$ 5,450,805
Adjustments to reconcile profit before income tax to net cash provided by operating activities:			
Income and expenses having no effect on cash flows			
Depreciation	6(8)(9)(27)	613,141	628,135
Depreciation charge on investment property	6(11)	4,781	4,713
Amortisation	6(27)	62,370	66,643
(Gain) loss from lease modification	6(9)(25)	(519)	2,380
Expected credit loss (gain)	6(27) and 12(2)	8,959	(16,910)
Gain on valuation of financial assets at fair value through profit or loss	6(25)	(131,685)	(31,783)
Share of loss of associates and joint ventures accounted for using equity method	6(7)	16,265	14,650
Loss on disposal of property, plant and equipment	6(25)	3,206	20,526
Loss on disposal of intangible assets	6(25)	4,445	-
Interest income	6(23)	(74,576)	(88,344)
Interest expense	6(26)	5,399	10,629
Dividends income	6(24)	(73,327)	(65,111)
Grants revenue	6(33)	(44,349)	-
Share-based payments	6(18)	28,234	-
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Financial assets at fair value through profit or loss		(643,285)	25,624
Notes receivable		(2,813)	99
Accounts receivable		(2,947,270)	(1,245,173)
Other receivables		(132,083)	67,872
Inventories		(11,356,539)	(3,882,357)
Prepayments		113,824	(372,088)
Other current assets		(282,462)	15,939
Net changes in liabilities relating to operating activities			
Contract liabilities		(2,790,667)	3,740,751
Notes payable		22,464	(57,712)
Accounts payable		6,861,749	1,794,241
Other payables		4,566,965	1,532,221
Provisions for liabilities		(51,261)	262,886
Other current liabilities		(241,253)	243,349
Other non-current liabilities		14,569	3,544
Cash generated from operations		9,667,654	8,125,529
Interest received		75,901	86,283
Dividend received		73,327	65,111
Interest paid		(5,399)	(10,629)
Income tax paid		(1,456,488)	(364,894)
Net cash generated from operating activities, net		8,354,995	7,901,400

(Continued)

GIGA-BYTE TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

	Notes	2021	2020
Cash flows from investing activities:			
Acquisition of financial assets at fair value through other comprehensive income		($ 69,531)	($ 40,584)
Acquisition of financial assets at amortised cost		(43,672)	(424,935)
Acquisition of investments accounted for under equity method	6(7)	(393,230)	(70,000)
Acquisition of property, plant and equipment	6(32)	(586,534)	(534,146)
Proceeds from disposal of property, plant and equipment		1,641	107,680
Acquisition of intangible assets		(55,687)	(58,468)
Decrease (increase) in refundable deposits		885	(8,033)
Increase in other non-current assets		(57,623)	(53,577)
Net cash used in investing activities		(1,203,751)	(1,082,063)
Cash flows from financing activities:			
Repayments of short-term borrowings	6(33)	(303,217)	(298,445)
Proceeds from short-term borrowings		-	312,574
Repayments of long-term debt	6(33)	-	(10,667)
Proceeds from long-term debt	6(33)	-	244,492
Payments of lease liabilities	6(33)	(102,598)	(97,107)
(Decrease) increase in deposits received	6(33)	(44,315)	43,354
Cash dividends	6(21) (33)	(2,542,756)	(1,398,516)
Cash dividends from capital surplus	6(21) (33)	(635,688)	-
Purchase of treasury shares	6(19)	(280,919)	-
Treasury shares sold to employees	6(18) (19)	214,903	-
Acquisition of ownership interests in subsidiaries	6(31)	-	(12,421)
Changes in non-controlling interest		-	6,158
Net cash used in financing activities		(3,694,590)	(1,210,578)
Effect of exchange rate changes on cash and cash equivalents		(92,798)	48,013
Net increase in cash and cash equivalents		3,363,856	5,656,772
Cash and cash equivalents at beginning of year		15,564,617	9,907,845
Cash and cash equivalents at end of year		$ 18,928,473	$ 15,564,617

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

GIGA-BYTE TECHNOLOGY CO., LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANISATION

   Giga-Byte Technology Co., Ltd. (the "Company") was incorporated as company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.). The address of the Company's registered office is No.6, Baoqiang Rd., Xindian Dist., New Taipei City, Taiwan (R.O.C.). The Company and its subsidiaries (collectively referred herein as the "Group") are engaged in the manufacturing, processing and trading of computer peripheral and component parts. The Company's shares have been traded on the Taiwan Stock Exchange since September 24, 1998.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

   These consolidated financial statements were authorised for issuance by the Board of Directors on March 11, 2022.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

   (1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRSs") as endorsed by the Financial Supervisory Commission ("FSC")

   New standards, interpretations and amendments endorsed by the FSC effective from 2021 are as follows:

New Standards, Interpretations and Amendments	Effective Date by International Accounting Standards Board
Amendments to IFRS 4, 'Extension of the temporary exemption from applying IFRS 9'	January 1, 2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, 'Interest Rate Benchmark Reform— Phase 2'	January 1, 2021
Amendment to IFRS 16, 'Covid-19-related rent concessions beyond 30 June 2021'	April 1, 2021(Note)

   Note：Earlier application from January 1, 2021 is allowed by FSC.

   The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

   (2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Group

   New standards, interpretations and amendments endorsed by the FSC effective from 2022 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 3, 'Reference to the conceptual framework'	January 1, 2022
Amendments to IAS 16, 'Property, plant and equipment: proceeds before intended use'	January 1, 2022
Amendments to IAS 37, 'Onerous contracts—cost of fulfilling a contract'	January 1, 2022
Annual improvements to IFRS Standards 2018–2020	January 1, 2022

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(3)IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective Date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2023
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction'	January 1, 2023

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1)Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers", International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the "IFRSs").

(2)Basis of preparation

A. Except for the following items, these consolidated financial statements have been prepared under the historical cost convention:

(a) Financial assets and at fair value through profit or loss.

(b) Financial assets at fair value through other comprehensive income.

(c) Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in compliance with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3)Basis of consolidation

A. Basis for preparation of consolidated financial statements:

(a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

(b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

(c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.

(e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognized in profit or loss. All amounts previously recognized in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognized in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

Investor	Subsidiary	Main activities	Ownership(%) December 31, 2021	Ownership(%) December 31, 2020	Description
The Company	Freedom International Group Ltd.	Holding company	100.00	100.00	
〃	G.B.T., Inc.	Sales of computer information products	48.63	48.63	
〃	G.B.T. Technology Trading GmbH	Promotion of computer information products	100.00	100.00	
〃	Nippon Giga-Byte Corp.	Promotion of computer information products	100.00	100.00	
〃	GBT Tech. Co., Ltd.	Promotion of computer information products	100.00	100.00	
〃	Giga-Byte Technology B.V.	Sales of computer information products	100.00	100.00	
〃	Gigabyte Technology Pty. Ltd.	Promotion of computer information products	100.00	100.00	
〃	Giga Investment Corp.	Holding company	100.00	100.00	
〃	Gigabyte Technology (India) Private Limited	Promotion and repairing of computer information products	100.00	100.00	
〃	G-Style Co., Ltd.	Selling of notebooks	100.00	100.00	
〃	BYTE International Co., Ltd.	Repairing of computer information products	100.00	100.00	
〃	Giga-Byte Communications Inc.	Selling of communications	99.86	99.86	
〃	Gigabyte Technology ESPANA S.L.U.	Promotion of computer information products	100.00	100.00	
〃	Gigabyte Information Technology Commerce Limited Company	Promotion of computer information products	100.00	100.00	
〃	Gigabyte Technology LLC	Promotion of computer information products	100.00	100.00	
〃	GIGAIPC CO., LTD.	Selling of computer information products	100.00	100.00	
Freedom International Group Ltd.	Charleston Investments Limited	Holding company	100.00	100.00	
〃	Giga Future Limited	Holding company	100.00	100.00	
〃	G.B.T. LBN Inc.	Sales of computer information products	100.00	100.00	
〃	G.B.T. Inc.	Sales of computer information products	51.37	51.37	
〃	Aorus Pte. Ltd.	Promotion of computer information products	100.00	100.00	
G.B.T. Technology Trading GmbH	Gigabyte Technology Poland SP Z O.O.	Promotion and repairing of computer information products	100.00	100.00	

Investor	Subsidiary	Main activities	Ownership(%) December 31, 2021	Ownership(%) December 31, 2020	Description
Charleston Investments Limited	Dongguan Gigabyte Electronics Co., Ltd.	Manufacturing of computer information products	100.00	100.00	
〃	Ningbo Giga-Byte International Trade Co., Ltd.	Sales of computer information products	100.00	100.00	
〃	Ningbo Best Yield Technology Services Co., Ltd.	Repairing of computer information products	-	100.00	Note 1
Giga Future Limited	Ningbo Giga-Byte Technology Co., Ltd.	Manufacturing of computer information products	100.00	100.00	
Ningbo Giga-Byte International Trade Co., Ltd.	Ningbo Zhongjia Technology Co., Ltd.	Sales of computer information products	100.00	100.00	
Giga Investment Corp.	Giga-Trend International Investment Group Ltd.	Holding company	100.00	100.00	
〃	Giga-Trend International Management Group Ltd.	Venture capital management and consulting business	100.00	100.00	
〃	Selita Precision Co., Ltd.	Manufacturing of bicycle and parts	100.00	100.00	
〃	Senyun Precise Optical Co., Ltd	Manufacturing and selling of mold and industrial plastic products	96.41	96.41	Note 2
BYTE International Co., Ltd.	Ningbo Giga-Byte International Trade Co., Ltd.	Repairing of computer information products	100.00	-	Note 1
Ningbo BestYield Tech. Services Co., Ltd.	Shenzhen BestYield Tech. Services Co., Ltd.	Repairing of computer information products	100.00	100.00	
〃	OGS Europe B.V.	Selling of communication products	100.00	100.00	
〃	Zaozhuang Bestyield Resources Recycling Co., Ltd.	Recycling and selling of renewable resources	100.00	100.00	
Senyun Precise Optical Co., Ltd	Dongguan Senyun Precise Optical Co., Ltd	Selling of mold and industrial plastic products	100.00	100.00	

Note 1: BYTE International Co., Ltd. purchased 100% equity interest in Ningbo BestYield Tech. Services Co., Ltd. from the fellow subsidiary, Charleston Investments Limited, for US$5,730 on March 2, 2021.

Note 2: Giga Investment Corp. Ltd. participated in the capital increase raised by Senyun Precise Optical Co., Ltd. amounting to $493,842 on December 31, 2020. After the acquisition, the total share interest ratio was 96.41%.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group: None.

(4)Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan dollars, which is the Company's functional currency and the Group's presentation currency.

A. Foreign currency transactions and balances

(a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.

(b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized in profit or loss.

(c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(d) All other foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

(a) The operating results and financial position of all the group entities and joint arrangements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

iii. All resulting exchange differences are recognized in other comprehensive income.

(b) When the foreign operation partially disposed of or sold is a joint arrangements, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, even when the Group still retains partial interest in the former foreign joint arrangements after losing joint control of the former joint arrangement, such transactions should be accounted for as disposal of all interest in these foreign operations.

(c) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Group still retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

(5)Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

(a)Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;

(b)Assets held mainly for trading purposes;

(c)Assets that are expected to be realised within twelve months from the balance sheet date;

(d)Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

(a)Liabilities that are expected to be settled within the normal operating cycle;

(b)Liabilities arising mainly from trading activities;

(c)Liabilities that are to be settled within twelve months from the balance sheet date;

(d)Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(6)Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents, or shall be classified as financial assets at amortised cost – current or financial assets at amortised cost – non-current based on its maturity date if the maturity is longer than three months.

(7)Financial assets at fair value through profit or loss

A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognized and derecognized using settlement date accounting.

C. At initial recognition, the Group measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.

D. The Group recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(8)Financial assets at fair value through other comprehensive income

A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:

(a) The objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets; and

(b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognized and derecognized using settlement date accounting.

C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value:

(a) The changes in fair value of equity investments that were recognized in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognized as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(b) Except for the recognition of impairment loss, interest income and gain or loss on foreign exchange which are recognized in profit or loss, the changes in fair value of debt instruments are taken through other comprehensive income. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss.

(9)<u>Financial assets at amortised cost</u>

A. Financial assets at amortised cost are those that meet all of the following criteria:

(a) The objective of the Group's business model is achieved by collecting contractual cash flows.

(b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at amortised cost are recognized and derecognized using settlement date accounting.

C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognized in profit or loss when the asset is derecognized or impaired.

D. The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(10) <u>Accounts and notes receivable</u>

A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(11) <u>Impairment of financial assets</u>

For financial assets at amortised cost, at each reporting date, the Group recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable that do not contain a significant financing component, the Group recognises the impairment provision for lifetime ECLs.

(12) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(13) Leasing arrangements (lessor)－operating leases

Lease income from an operating lease (net of any incentives given to the lessee) is recognized in profit or loss on a straight-line basis over the lease term.

(14) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

(15) Investments accounted for using equity method / associates

A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognized at cost.

B. The Group's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

C. When changes in an associate's equity that are not recognized in profit or loss or other comprehensive income of the associate and such changes not affecting the Group's ownership percentage of the associate, the Group recognises change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.

D. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

E. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for under the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.

F. Upon loss of significant influence over an associate, the Group remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognized in profit or loss.

G. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

H. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognized as capital surplus in relation to the associate are transferred to profit or loss. If it retains significant influence over this associate, the amounts previously recognized as capital surplus in relation to the associate are transferred to profit or loss proportionately.

(16) Investment accounted for using equity method – joint ventures

The Group accounts for its interest in a joint venture using equity method. Unrealised profits and losses arising from the transactions between the Group and its joint venture are eliminated to the extent of the Group's interest in the joint venture. However, when the transaction provides evidence of a reduction in the net realisable value of current assets or an impairment loss, all such losses shall be recognized immediately. When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture together with any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint venture.

(17) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.

B. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	3～55 years
Machinery and equipment	2～10 years
Research and development equipment	3～ 8 years
Office equipment	2～20 years
Other tangible operating assets	2～15 years

(18) Leasing arrangements (lessee)－right-of-use assets/ lease liabilities

A. Leases are recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognized as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of the fixed payments, less any lease incentives receivable.

The Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognized as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

(a) The amount of the initial measurement of lease liability;

(b) Any lease payments made at or before the commencement date; and

(c) Any initial direct costs incurred by the lessee.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognized as an adjustment to the right-of-use asset.

D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognise the difference between remeasured lease liability in profit or loss.

(19) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 20 years.

(20) Intangible assets

A. Computer software

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 1 to 10 years.

B. Trademark right (indefinite useful life)

Trademark right is stated at cost and regarded as having an indefinite useful life as it was assessed to generate continuous net cash inflow in the foreseeable future. Trademark right is not amortised, but is tested annually for impairment.

(21) Impairment of non-financial assets

A. The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognized.

B. The recoverable amounts of intangible assets with an indefinite useful life are evaluated periodically. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

(22) Borrowings

Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

(23) Notes and account payable

A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.

B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(24) Derecognition of financial liabilities

A financial liability is derecognized when the obligation specified in the contract is either discharged or cancelled or expires.

(25) Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognized as interest expense. Provisions are not recognized for future operating losses.

(26) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognized as expenses in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognized as pension expenses when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plans

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet date) of a currency and term consistent with the currency and term of the employment benefit obligations.

ii. Remeasurement arising on defined benefit plans are recognized in other comprehensive income in the period in which they arise and are recorded as retained earnings.

iii. Past service costs are recognized immediately in profit or loss.

C. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Group's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of redundancy benefits in exchange for the termination of employment. The Group recognises expense as it can no longer withdraw an offer of termination benefits or it recognises relating restructuring costs, whichever is earlier. Benefits that are expected to be due more than 12 months after balance sheet date shall be discounted to their present value.

D. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognized as expenses and liabilities, provided that such recognition is required under legal obligation or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is distributed by shares, the Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(27) Employee share-based payment

For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognized as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-market vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognized is based on the number of equity instruments that eventually vest. The aforementioned grant date represents the grant date resolved by the Board of Directors.

(28) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

C. Deferred income tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred income tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

D. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognized and recognized deferred income tax assets are reassessed.

E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

F. A deferred tax asset shall be recognized for the carryforward of unused tax credits resulting from acquisitions of equipment or technology, research and development expenditures and equity investments to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilised.

(29) Share capital

A. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

B. Where the Company repurchases the Company’s equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company’s equity holders. Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company’s equity holders.

(30) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities.

(31) Revenue recognition

Sales of goods

A. The Group manufactures and sells computer peripheral and component parts products. Sales are recognized when control of the products has transferred, being when the products are delivered to the customer. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

B. Revenue from sales is recognized based on the price specified in the contract, net of the estimated business tax, volume discounts, sales returns and allowances. Accumulated experience is used to estimate and provide for the volume discounts, using the expected value method, and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. The estimation is subject to an assessment at each reporting date. As the time interval between the transfer of committed goods or service and the payment of customer does not exceed one year, the Group does not adjust the transaction price to reflect the time value of money.

C. The Group's obligation to provide a repair for faulty products under the standard warranty terms is recognized as a provision.

D. A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(32) Business combinations

A. The Group uses the acquisition method to account for business combinations. The consideration transferred for an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the acquisition date, plus the fair value of any assets and liabilities resulting from a contingent consideration arrangement. All acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. For each business combination, the Group measures at the acquisition date components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to the proportionate share of the entity's net assets in the event of liquidation at the present ownership instruments' proportionate share in the recognized amounts of the acquiree's identifiable net assets. All other non-controlling interests should be measured at the acquisition-date fair value.

B. The excess of the consideration transferred, the amount of any non-controlling interest in the acquire and the fair value of any previous equity interest in the acquiree over the fair value of the identifiable assets acquired and the liabilities assumed is recorded as goodwill at the acquisition date. If the total of consideration transferred, non-controlling interest in the acquiree recognized and the fair value of previously held equity interest in the acquiree is less than the fair value of the identifiable assets acquired and the liabilities assumed, the difference is recognized directly in profit or loss on the acquisition date.

(33) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group's chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgements in applying the Group's accounting policies

None.

(2) Critical accounting estimates and assumptions

Evaluation of inventories

Inventories are stated at the lower of cost and net realizable value. For inventory which is saleable and obsolete inventory that is checked item by item, the net realizable value are determined based on past experience on industry. Management's judgement on determining net realizable value involves material judgement.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31, 2021	December 31, 2020
Cash on hand and revolving funds	$ 4,666	$ 4,328
Checking accounts and demand deposits	10,079,048	6,547,075
Time deposits	8,844,759	9,013,214
	$ 18,928,473	$ 15,564,617

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. The Group reclassified the pledged bank deposits and time deposits with more than three months maturity to "Financial assets at amortised cost", please refer to Notes 6(4) and 8 for the details.

(2) Financial assets at fair value through profit or loss-current

Financial assets mandatorily measured at fair value through profit or loss	December 31, 2021	December 31, 2020
Listed stocks	$ 94,118	$ 101,662
Unlisted stocks	123,760	118,916
Beneficiary certificates	1,130,429	533,221
Government bonds	16,298	16,298
	1,364,605	770,097
Valuation adjustment	85,891	(34,511)
	$ 1,450,496	$ 735,586

A. Amounts recognized in profit or loss in relation to financial assets at fair value through profit or loss are listed below:

	Years ended December 31, 2021	Years ended December 31, 2020
Financial assets mandatorily measured at fair value through profit or loss		
Equity instruments	$ 148,008	$ 37,345
Debt instrument	(486)	(207)
Beneficiary certificates	(9,765)	(547)
	$ 137,757	$ 36,591

B. The Group has no financial assets at fair value through profit or loss pledged to others.

C. Information relating to credit risk of financial assets at fair value through profit or loss is provided in Note 12(2).

(3) Financial assets at fair value through other comprehensive income - non-current

	December 31, 2021	December 31, 2020
Equity instruments		
Listed stocks	$ 936,387	$ 888,387
Unlisted stocks	93,863	84,948
	1,030,250	973,335
Valuation adjustment	1,485,210	1,378,261
	$ 2,515,460	$ 2,351,596

A. The Group has elected to classify investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to $2,515,460 and $2,351,596 as at December 31, 2021 and 2020, respectively.

B. Amounts recognized in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	Years ended December 31,	
	2021	2020
Equity instruments at fair value through other comprehensive income		
Fair value change recognized in other comprehensive income	$ 94,333	$ 87,222
Dividend income recognized in profit or loss held at end of year	$ 69,342	$ 61,146

C. As at December 31, 2021 and 2020, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Group was $2,515,460 and $2,351,596, respectively.

D. The Group has no financial assets at fair value through other comprehensive income pledged to others.

E. Information relating to credit risk of financial assets at fair value through other comprehensive income is provided in Note 12(2).

(4) Financial assets at amortised cost

	December 31, 2021	December 31, 2020
Current items:		
Time deposits with more than three months maturity	$ 1,156,617	$ 1,105,293
Non-current items:		
Time deposits with more than three months maturity	$ 24,217	$ 29,289
Pledged bank deposits	204,610	207,190
	$ 228,827	$ 236,479

A. Amounts recognized in profit or loss in relation to financial assets at amortised cost are listed below:

	Years ended December 31,	
	2021	2020
Interest income	$ 14,546	$ 17,880

B. As at December 31, 2021 and 2020, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group was $1,385,444 and $1,341,772, respectively.

C. Details of the Group's financial assets at amortised cost pledged to others as collateral are provided in Note 8.

D. The Group deposits financial assets at amortised cost in a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

(5) Notes and accounts receivable

	December 31, 2021	December 31, 2020
Notes receivable	$ 5,710	$ 2,897
Accounts receivable	$ 10,905,582	$ 7,968,406
Less: Allowance for uncollectible accounts	(83,146)	(85,109)
	$ 10,822,436	$ 7,883,297

A. Details of notes receivable of the Group that were not yet past due and ageing analysis of accounts receivable are provided in Note 12(2).

B. As of December 31, 2021 and 2020, and January 1, 2020, the balances of receivables (including notes receivable) from contracts with customers amounted to $10,911,292, $7,971,303 and $6,802,596, respectively.

C. The Group has no notes and accounts receivable pledged to others.

D. As at December 31, 2021 and 2020, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes and accounts receivable were $5,710, $2,897, $10,822,436 and $7,883,297, respectively.

E. Information relating to credit risk of accounts receivable and notes receivable is provided in Note 12(2).

(6) Inventories

	December 31, 2021		
	Cost	Allowance for valuation loss	Book value
Raw materials and supplies	$ 11,674,147	($ 168,893)	$ 11,505,254
Work in progress	2,135,177	(759)	2,134,418
Finished goods and merchandise inventories	13,568,328	(618,270)	12,950,058
	$ 27,377,652	($ 787,922)	$ 26,589,730

	December 31, 2020		
	Cost	Allowance for valuation loss	Book value
Raw materials and supplies	$ 6,470,392	($ 114,725)	$ 6,355,667
Work in progress	1,449,701	(24,382)	1,425,319
Finished goods and merchandise inventories	7,756,228	(309,254)	7,446,974
	$ 15,676,321	($ 448,361)	$ 15,227,960

The cost of inventories recognized as expense for the year:

	Years ended December 31,	
	2021	2020
Cost of inventories sold	$ 91,298,788	$ 69,232,948
Cost of warranty	671,745	847,680
Loss on valuation (gain on reversal of valuation)	344,792	10,741
Others	-	47,035
	$ 92,315,325	$ 70,138,404

(7) Investments accounted for using the equity method

	2021	2020
At January 1	$ 77,439	$ 21,193
Increase in investments accounted for using equity method	453,290	70,000
Share of loss of investments accounted for using equity method	(16,265)	(14,650)
Changes in other equity items	4,247	896
At December 31	$ 518,711	$ 77,439

	December 31, 2021	December 31, 2020
Associates		
WELLYSUN INC.	$ 454,535	$ -
Joint ventures		
MyelinTek Inc.	62,998	67,386
P.R.C.E. Ltd.	1,178	-
LCKT Yuan Chang Technology Co., Ltd. (Cayman)	-	10,053
	$ 518,711	$ 77,439

A. Abovementioned investments accounted for using equity method are based on investee companies' financial statements audited by other independent auditors.

B. The Group invested $392,000 in WELLYSUN INC. on April 1, 2021. As the Group has significant influence over the investee after the investment, financial assets at fair value through profit or loss amounting to $60,060 were deemed as disposed and transferred to investments accounted for using the equity method. The Group's shareholding ratio in the aforementioned investee is 30.18%. The Group is the single largest shareholder of the investee. Given that 11 other large shareholders (non-related parties) hold more shares than the Group, which indicates that the Group has no current ability to direct the relevant activities of the investee, the Group has no control, but only has significant influence, over the investee. As the investee issued employee stock options on December 31, 2021, the Group's shareholding ratio in the investee decreased to 28.96%.

C. The Group invested $1,230 in P.R.C.E. Ltd. on September 6, 2021 and its shareholding ratio in the investee is 49%.

D. The Group invested $70,000 in MyelinTek Inc. on April 6, 2020 and its shareholding ratio in the investee is 40%.

E. The Group has no material associates and joint venture investment. The Group's share of the operating results of the aforementioned investments are summarized below:

	Years ended December 31,	
	2021	2020
Comprehensive loss	($ 13,839)	($ 13,754)

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(8) Property, plant and equipment

	2021								
	Land			Buildings			Machinery	Others	
	Owner-occupied	Lease	Subtotal	Owner-occupied	Lease	Subtotal	Owner-occupied	Owner-occupied	Total
At January 1									
Cost	$ 1,085,583	$ 75,067	$ 1,160,650	$ 3,305,593	$ 43,200	$ 3,348,793	$ 2,729,069	$ 1,422,061	$ 8,660,573
Accumulated depreciation	-	-	-	(1,668,580)	(8,433)	(1,677,013)	(1,787,624)	(1,147,113)	(4,611,750)
	$ 1,085,583	$ 75,067	$ 1,160,650	$ 1,637,013	$ 34,767	$ 1,671,780	$ 941,445	$ 274,948	$ 4,048,823
At January 1	$ 1,085,583	$ 75,067	$ 1,160,650	$ 1,637,013	$ 34,767	$ 1,671,780	$ 941,445	$ 274,948	$ 4,048,823
Additions	131,563	64,461	196,024	46,351	14,828	61,179	55,481	265,725	578,409
Disposals	-	-	-	(1,107)	-	(1,107)	(1,143)	(2,597)	(4,847)
Reclassifications	-	-	-	14,984	-	14,984	101,393	27,026	143,403
Depreciation charge	-	-	-	(106,925)	(1,071)	(107,996)	(207,284)	(190,473)	(505,753)
Net exchange differences	(9,033)	-	(9,033)	(38,627)	-	(38,627)	(3,976)	(1,402)	(53,038)
At December 31	$ 1,208,113	$139,528	$ 1,347,641	$ 1,551,689	$ 48,524	$ 1,600,213	$ 885,916	$ 373,227	$ 4,206,997
At December 31									
Cost	$ 1,208,113	$139,528	$ 1,347,641	$ 3,289,933	$ 58,028	$ 3,347,961	$ 2,861,248	$ 1,557,630	$ 9,114,480
Accumulated depreciation	-	-	-	(1,738,244)	(9,504)	(1,747,748)	(1,975,332)	(1,184,403)	(4,907,483)
	$ 1,208,113	$139,528	$ 1,347,641	$ 1,551,689	$ 48,524	$ 1,600,213	$ 885,916	$ 373,227	$ 4,206,997

	2020								
	Land			Buildings			Machinery	Others	
	Owner-occupied	Lease	Subtotal	Owner-occupied	Lease	Subtotal	Owner-occupied	Owner-occupied	Total
At January 1									
Cost	$ 1,072,238	$ 75,067	$ 1,147,305	$ 2,997,915	$ 43,200	$ 3,041,115	$ 2,950,401	$ 1,729,090	$ 8,867,911
Accumulated depreciation	-	-	-	(1,569,939)	(7,589)	(1,577,528)	(2,074,554)	(1,129,907)	(4,781,989)
	$ 1,072,238	$ 75,067	$ 1,147,305	$ 1,427,976	$ 35,611	$ 1,463,587	$ 875,847	$ 599,183	$ 4,085,922
At January 1	$ 1,072,238	$ 75,067	$ 1,147,305	$ 1,427,976	$ 35,611	$ 1,463,587	$ 875,847	$ 599,183	$ 4,085,922
Additions	-	-	-	10,736	-	10,736	138,040	379,649	528,425
Disposals	-	-	-	(2,353)	-	(2,353)	(102,741)	(23,112)	(128,206)
Reclassifications	12,843	-	12,843	306,721	-	306,721	256,207	(496,307)	79,464
Depreciation charge	-	-	-	(110,691)	(844)	(111,535)	(232,882)	(183,866)	(528,283)
Net exchange differences	502	-	502	4,624	-	4,624	6,974	(599)	11,501
At December 31	$ 1,085,583	$ 75,067	$ 1,160,650	$ 1,637,013	$ 34,767	$ 1,671,780	$ 941,445	$ 274,948	$ 4,048,823
At December 31									
Cost	$ 1,085,583	$ 75,067	$ 1,160,650	$ 3,305,593	$ 43,200	$ 3,348,793	$ 2,729,069	$ 1,422,061	$ 8,660,573
Accumulated depreciation	-	-	-	(1,668,580)	(8,433)	(1,677,013)	(1,787,624)	(1,147,113)	(4,611,750)
	$ 1,085,583	$ 75,067	$ 1,160,650	$ 1,637,013	$ 34,767	$ 1,671,780	$ 941,445	$ 274,948	$ 4,048,823

A. The significant components of buildings include main plants and renovation projects, which are depreciated over 33 to 55 and over 3 to 55 years, respectively.

B. The Group has no property, plant and equipment pledged to others.

(9) Leasing arrangements－lessee

A. The Group leases various assets including land, buildings and transportation equipment. Rental contracts are typically made for periods of 1 to 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B. Short-term leases with a lease term of 12 months or less comprise buildings and business vehicles. Low-value assets comprise multifunction printers.

C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	December 31, 2021	December 31, 2020
	Carrying amount	Carrying amount
Buildings	$ 111,927	$ 102,117
Transportation equipment	48,599	47,497
Land-use right	36,214	37,954
	$ 196,740	$ 187,568

	Years ended December 31	
	2021	2020
	Depreciation charge	Depreciation charge
Buildings	$ 75,893	$ 71,873
Transportation equipment	30,060	26,558
Land-use right	1,435	1,421
	$ 107,388	$ 99,852

D. For the years ended December 31, 2021 and 2020, the additions to right-of-use assets were $129,263 and $127,505, respectively.

E. The information on profit and loss accounts relating to lease contracts is as follows:

	Year ended December 31, 2021	Year ended December 31, 2020
Items affecting profit or loss		
Interest expense on lease liabilities	$ 4,494	$ 4,396
Expense on short-term lease contracts	130,480	95,427
Expense on leases of low-value assets	3,930	11,908
Loss (gain) from lease modification	(519)	2,380

F. For the years ended December 31, 2021 and 2020, the Group’s total cash outflow for leases was $ 241,502 and $ 208,838, respectively.

(10) Leasing arrangements – lessor

A. The Group leases various assets including land and buildings. Rental contracts are typically made for periods of 3 and 7 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

B. For the years ended December 31, 2021 and 2020, the Group recognized rent income in the amounts of $ 27,493 and $ 20,023, based on the operating lease agreement, which does not include variable lease payments.

C. The maturity analysis of the lease payments under the operating leases is as follows:

	December 31, 2021	December 31, 2020
2021	$ -	$ 14,934
2022	16,364	14,422
2023	10,797	11,212
2024	207	-
2025	171	-
2026	86	-
	$ 27,625	$ 40,568

(11) Investment property

	2021 Buildings	2020 Buildings
At January 1		
Cost	$ 106,990	$ 105,549
Accumulated depreciation	(60,129)	(54,558)
	$ 46,861	$ 50,991
At January 1	$ 46,861	$ 50,991
Depreciation charge	(4,781)	(4,713)
Net exchange differences	(382)	583
At December 31	$ 41,698	$ 46,861
At December 31		
Cost	$ 106,135	$ 106,990
Accumulated depreciation	(64,437)	(60,129)
	$ 41,698	$ 46,861

A. Rental income from investment property and direct operating expenses arising from investment property are shown below:

	Years ended December 31, 2021	Years ended December 31, 2020
Rental income from investment property	$ 7,596	$ 8,434
Direct operating expenses arising from the investment property that generated rental income in the year	$ 4,781	$ 4,713

B. The fair value of the investment property held by the Group as at December 31, 2021 and 2020 was $70,494 and $76,074, respectively, which was valuated with reference to the future rental income and the related discounted cash flows, which was categorized within Level 3 in the fair value hierarchy. Key assumptions are as follows:

	December 31, 2021	December 31, 2020
Discount rate	2.801%	3.164%

C. The Group has no investment property pledged to others.

(12) Other non-current assets

	December 31, 2021	December 31, 2020
Guarantee deposits paid	$ 69,536	$ 70,421
Prepayments for purchase of business facilities	17,014	129,004
Others	45,950	25,962
	$ 132,500	$ 225,387

(13) Short-term borrowings

	December 31, 2020	Interest rate range	Collateral
Unsecured borrowings	$ 285,000	1.34%~1.60%	None
Loan for purchase of raw materials	18,217	1.34%	None
	$ 303,217		

The Group had no short-term borrowings as of December 31, 2021.For the years ended December 31, 2021 and 2020, the Group's interest expense from short-term and long-term borrowings recognized in profit or loss were $719 and $5,721, respectively.

(14) Other payables

	December 31, 2021	December 31, 2020
Salary and bonus payable	$ 6,453,563	$ 3,511,454
Employees' compensation and directors' remuneration payable	1,817,409	629,131
Shipping and freight-in payable	642,311	320,273
Marketing fee payable	582,049	351,006
Royalties payable	80,090	80,093
Others	444,828	569,453
	$ 10,020,250	$ 5,461,410

(15) Provisions – current

	2021		
	Warranty	Legal claims	Total
At January 1	$ 776,454	$ 43,820	$ 820,274
Additional provisions	671,745	-	671,745
Used during the year	(723,006)	-	(723,006)
Exchange differences	-	(350)	(350)
At December 31	$ 725,193	$ 43,470	$ 768,663

	2020		
	Warranty	Legal claims	Total
At January 1	$ 513,568	$ 43,230	$ 556,798
Additional provisions	847,680	-	847,680
Used during the year	(584,794)	-	(584,794)
Exchange differences	-	590	590
At December 31	$ 776,454	$ 43,820	$ 820,274

Analysis of total provisions:

A. Warranty

The Group gives warranties on the peripherals and accessories of computer hardware sold. Provision for warranty is estimated based on the historical repair records of the product.

B. Legal claims

On October 27, 2019, certain customers filed a lawsuit against the Group with the Court of First Instance for contract damages. On May 27, 2020, the court ruled to dismiss the customer's lawsuit against the Group and transferred the case to the Public Security Bureau as it involves criminal offense. However, the Public Security Bureau returned the case to the court in September 2020 on the ground of having no jurisdiction. As of the date of the auditors' report, the court had not taken any further action. In the directors' opinion, after taking appropriate legal advice, the customers can still file related civil lawsuits and the outcome of these legal claims may potentially result to a loss of $43,470 to the Group to compensate the customers. Therefore, a provision of $43,470 is recognized for these legal claims and recorded as other losses.

(16) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2021
Unsecured borrowings	Borrowing period is from February 13, 2020 to February 13, 2025; principal is repayable in installments by month from February 15, 2023.	0.30%	None	$ 115,000
Loan for purchase of raw materials	Borrowing period is from February 13, 2020 to February 13, 2025; principal is repayable in installments by month from February 15, 2023	0.30%	None	85,000
				$ 200,000

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2020
Unsecured borrowings	Borrowing period is from February 13, 2020 to February 13, 2025; principal is repayable in installments by month from February 15, 2023.	0.30%	None	$ 115,000
Unsecured borrowings	Borrowing period is from April 29, 2020 to April 29, 2022; if the borrowing does not meet the requirement specified in the relief plan under an assessment of the Competent Authority on October 29, 2020, the borrowing is repayable monthly starting from the same date, and the borrowing period can be postponed to April 29, 2021.	1.00%	None	44,492
Loan for purchase of raw materials	Borrowing period is from February 13, 2020 to February 13, 2025; principal is repayable in installments by month from February 15, 2023	0.30%	None	85,000
Less: Current portion (Note)				(34,460)
				$ 210,032

Note: Listed under current liabilities in financial statements.

(17) Pensions

A. The Company has a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method, to the employees expected to be qualify for retirement in the following year, the Company will make contributions for the deficit by next March.

(a) The amounts recognized in the balance sheet are as follows:

	December 31, 2021	December 31, 2020
Present value of defined benefit obligations	($ 812,095)	($ 835,719)
Fair value of plan assets	217,051	229,574
Net defined benefit liability	($ 595,044)	($ 606,145)

(b) Movements in net defined benefit liabilities are as follows:

	2021		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Balance at January 1	($ 835,719)	$ 229,574	($ 606,145)
Current service cost	(4,183)	-	(4,183)
Interest (expense) income	(2,900)	804	(2,096)
Past service cost	109	-	109
	(842,693)	230,378	(612,315)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	3,270	3,270
Change in demographic assumptions	(5,502)	-	(5,502)
Change in financial assumptions	32,219	-	32,219
Experience adjustments	(16,453)	-	(16,453)
	10,264	3,270	13,534
Pension fund contribution	-	3,737	3,737
Paid pension	20,334	(20,334)	-
Balance at December 31	($ 812,095)	$ 217,051	($ 595,044)

	2020		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Balance at January 1	($ 800,796)	$ 228,240	($ 572,556)
Current service cost	(4,629)	-	(4,629)
Interest (expense) income	(5,975)	1,734	(4,241)
	(811,400)	229,974	(581,426)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	7,525	7,525
Change in demographic assumptions	(15)	-	(15)
Change in financial assumptions	(38,528)	-	(38,528)
Experience adjustments	5,948	-	5,948
	(32,595)	7,525	(25,070)
Pension fund contribution	-	351	351
Paid pension	8,276	(8,276)	-
Balance at December 31	($ 835,719)	$ 229,574	($ 606,145)

(c) The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2021 and 2020 is given in the Annual Labor Retirement Fund Utilisation Report published by the government.

(d) The principal actuarial assumptions used were as follows:

	Years ended December 31,	
	2021	2020
Discount rate	0.70%	0.35%
Future salary increases	3.00%	3.00%

Future mortality rate was estimated based on the 5th Experience Mortality Table from Taiwan Life Insurance.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2021				
Effect on present value of defined benefit obligation	($ 22,337)	$ 23,253	$ 22,667	($ 21,900)
December 31, 2020				
Effect on present value of defined benefit obligation	($ 24,378)	$ 25,420	$ 24,691	($ 23,820)

The sensitivity analysis above is based on one assumption is changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

(e) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2022 amount to $14,447.

(f) As of December 31, 2021, the weighted average duration of the retirement plan is 11 years. The analysis of timing of the future pension payment was as follows:

Within 1 year	$ 16,114
1-2 year(s)	29,949
2-5 years	120,044
Over 5 years	704,450
	$ 870,557

B. Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. The pension costs under the defined contribution pension plans of the Group for the years ended December 31, 2021 and 2020 were $106,543 and $99,653, respectively.

The Company's mainland China subsidiaries have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China (PRC) are based on certain percentage of employees' monthly salaries and wages. The contribution percentage for the years ended December 31, 2021 and 2020 was both 12%~20%. Other than the monthly contributions, the Group has no further obligations. For the years ended December 31, 2021 and 2020, the Company's mainland China subsidiaries have recognized pension cost of $90,688 and $40,170, respectively.

(18) Share-based payment

A. For the years ended December 31, 2021 and 2020, the Group's share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions
Treasury stock transferred to employees	2021.11.18	2,295,000 shares	2021.11.25-2021.12.3	Immediately vested
Employee stock options- Senyun Precise Optical Co., Ltd.	2018.1.10	1,670,000 shares	5 years	0~1 year's service

Among the share-based payment arrangements above are settled by equity.

B. Details of the share-based payment arrangements are as follows:

Employee stock options — Senyun Precise Optical Co., Ltd	2021 No. of options (in thousands)	2021 Weighted-average exercise price (in dollars)	2020 No. of options (in thousands)	2020 Weighted-average exercise price (in dollars)
Options outstanding at January 1	230	$ 10.00	670	$ 10.00
Options forfeited	(60)	10.00	(440)	10.00
Options outstanding at December 31	170	10.00	230	10.00
Options exercisable at December 31	170		230	

C. As of December 31, 2021 and 2020, the range of exercise price of stock options outstanding of Senyun Precise Optical Co., Ltd was both $10.00, and the weighted-average remaining vesting period was 1.03 years and 2.03 years, respectively.

D. For the stock options granted by the Company with the compensation cost accounted for using the fair value method, their fair value on the grant date is estimated using the Black-Scholes option-pricing model. The weighted-average parameters used in the estimation of the fair value are as follows:

Type of arrangement	Grant date	Stock price	Exercise price	Price volatility	Option life	Dividends	Interest rate	Fair value per unit
Treasury stock transferred to employees	2021.11.18	$105.59	$ 93.64	43.83%	0.04 years	-	0.34%	$ 12.3026
Employee stock options	2018.1.10	$ 5.2	$ 10	55.00%	3 years	-	0.50%	$ 1

E. The fees incurred for share-based payment transactions are as follows:

	Years ended December 31, 2021	Years ended December 31, 2020
Equity delivery	$ 28,234	$ -

(19) Share capital

A. As of December 31, 2021, the Company's authorized capital was $9,500,000, consisting of 950,000 thousand shares of ordinary stocks (including 250,000 thousand shares reserved for employee stock options and for convertible bonds issued by the Company), and the paid-in capital was $6,356,889 with a par value of $10 (in dollars) per share. All proceeds from shares issued have been collected.

Movements in the number of the Company's ordinary shares outstanding are as follows:

	Years ended December 31,	
	2021	2020
Balance at January 1	635,688,886	635,688,886
Retired stock	(3,000,000)	-
Treasury stock transferred to employees	2,295,000	-
Balance at December 31	634,983,886	635,688,886

B. Treasury shares

(a) The amounts recognized in the balance sheet are as follows:

		December 31, 2021	
Name of company holding the shares	Reason for reacquisition	Number of shares	Carrying amount
The Company	To be reissued to employees	705,000	$ 66,016

(b) Pursuant to the R.O.C. Securities and Exchange Act, the number of shares bought back as treasury share should not exceed 10% of the number of the Company's issued and outstanding shares and the amount bought back should not exceed the sum of retained earnings, paid-in capital in excess of par value and realised capital surplus.

(c) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should not be pledged as collateral and is not entitled to dividends before it is reissued.

(d) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should be reissued to the employees within five years from the reacquisition date and shares not reissued within the five-year period are to be retired. Treasury shares to enhance the Company's credit rating and the stockholders' equity should be retired within six months of acquisition.

(20) Capital surplus

A. Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Law requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

B. The shareholders at their meeting on July 2, 2021 resolved to distribute dividends by capital surplus. Please refer to Note 6(21).

(21) Retained earnings

A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior year's operating losses and then 10% of the remaining amount shall be set aside as legal reserve, unless accumulated legal reserve has reached an amount equal to the Company's paid-in capital. And then special reserve shall be set aside or reversed according to the laws or decrees or the regulations of competent authorities. Appropriation (5% ~ 80%) of the remainder plus prior year's accumulated retained earnings shall be proposed by the Board of Directors, and resolved by the stockholders when distributed by issuance new shares. The Company's dividend policy is as follows: not less than 5% of total distribution amount shall be distributed in the form of cash. If the cash dividend is less than ten cents (NT$0.1) per share, such dividend shall be distributed in the form of shares.

B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the balance of the reserve exceeds 25% of the Company's paid-in capital.

C. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

The amounts previously set aside by the Company as special reserve of $426,354 on initial application of IFRSs in accordance with Jin-Guan-Zheng-Fa-Zi Letter No. 1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently.

D. The appropriation of earnings for 2020 and 2019 had been resolved by stockholders on July 2, 2021 and June 12, 2020. Details are summarized below:

	2020		2019	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	$ 435,427		$ 193,924	
Cash dividends	3,178,444	$ 5.00	1,398,516	$ 2.20

Note: Cash dividends for 2020 has included allocating dividends, total amount $635,688, through capital reserves $1/per share.

E. As of the date of the auditors' report, the appropriation of retained earnings for 2021 has not been resolved by the Board of Directors. Information about the appropriations of earnings proposed by the Board of Directors and resolved by the shareholders will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(22) Operating revenue

	Years ended December 31,	
	2021	2020
Revenue from contracts with customers	$ 121,905,357	$ 84,602,841

A. Disaggregation of revenue from contracts with customers

The Group derives revenue at a point in time in the following major product lines and segment information:

	Year ended December 31, 2021		
Product type	Global brand business group	Other business group	Total
Computer components	$ 88,754,089	$ 1,764,553	$ 90,518,642
Networking communication products	-	15,051,862	15,051,862
Others	12,475,938	3,858,915	16,334,853
	$ 101,230,027	$ 20,675,330	$ 121,905,357

	Year ended December 31, 2020		
	Global brand business group	Other business group	Total
Product type			
Computer components	$ 66,757,936	$ 1,861,047	$ 68,618,983
Networking communication products	-	9,038,056	9,038,056
Others	4,822,530	2,123,272	6,945,802
	$ 71,580,466	$ 13,022,375	$ 84,602,841

B. Contract assets and liabilities

(a) The Group has recognized the following revenue-related contract liabilities:

	December 31, 2021	December 31, 2020	January 1, 2020
Contract liabilities – advance sales receipts	$ 1,197,240	$ 3,987,907	$ 247,156

(b) Revenue recognized that was included in the contract liability balance at the beginning of the year:

	Years ended December 31,	
	2021	2020
Revenue recognized that was included in the contract liability balance at the beginning of the year		
Advance sales receipts	$ 3.987,907	$ 167,019

(23) Interest income

	Years ended December 31,	
	2021	2020
Interest income from bank deposits	$ 55,540	$ 65,199
Interest income from financial assets measured at amortised cost	14,546	17,880
Interest income from financial assets measured at fair value through profit or loss	2,087	843
Others	2,403	4,422
Total interest income	$ 74,576	$ 88,344

(24) Other income

	Years ended December 31,	
	2021	2020
Rental revenue	$ 27,493	$ 20,023
Dividend income	73,327	65,111
Other income - others	1,166,892	868,440
	$ 1,267,712	$ 953,574

(25) Other gains and losses

	Years ended December 31,	
	2021	2020
Foreign exchange gains	$ 192,881	$ 236,586
Gains on financial assets at fair value through profit or loss	131,685	31,783
Losses on disposal of property, plant and equipment	(3,206)	(20,526)
Loss on disposal of intangible assets	(4,445)	-
(Losses) gains from lease modification	519	(2,380)
Others	(11,199)	(29,132)
	$ 306,235	$ 216,331

(26) Finance costs

	Years ended December 31,	
	2021	2020
Interest expense		
Interest expense	$ 719	$ 5,721
Interest expense on lease liabilities	4,494	4,396
Other interest expense	186	512
	$ 5,399	$ 10,629

(27) Expenses by nature

	Years ended December 31,	
	2021	2020
Cost of goods sold	$ 88,984,593	$ 67,039,157
Employee benefit expense	10,723,329	6,913,669
Import/export expense	1,787,038	828,528
Marketing service charge	521,881	582,792
Warranty cost of after-sale service	671,745	847,680
Transportation expenses	723,780	552,452
Depreciation and amortisation	675,511	694,778
Expected credit (gains) losses	8,959	(16,910)
Other costs and expenses	3,322,008	2,942,860
	$ 107,418,844	$ 80,385,006

(28) Employee benefit expense

	Years ended December 31,	
	2021	2020
Wages and salaries	$ 9,868,187	$ 6,206,153
Labor and health insurance fees	350,830	273,125
Pension costs	203,401	148,693
Other personnel expenses	300,911	285,698
	$ 10,723,329	$ 6,913,669

A. In accordance with Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors’ remuneration. The ratio shall be 3%～10% for employees’ compensation and shall not be higher than 3% for directors’ remuneration.

B. For the years ended December 31, 2021 and 2020, employees’ compensation was accrued at $1,766,530 and $583,127, respectively; while directors’ remuneration was both accrued at $46,000. The aforementioned amounts were recognized in salary expenses.

The employees’ compensation and directors’ remuneration were estimated and accrued based on 10% and 0.26% of distributable profit of current year for the year ended December 31, 2021. The employees’ compensation and directors’ remuneration resolved by the Board of Directors were $1,766,530 and $46,000, respectively, and the employees’ compensation will be distributed in the form of cash.

Employees’ compensation and directors’ remuneration of 2020 as resolved by the Board of Directors were in agreement with those amounts recognized in the 2020 financial statements.

Information about employees’ compensation and directors’ remuneration of the Company as resolved by the Board of Directors will be posted in the “Market Observation Post System” at the website of the Taiwan Stock Exchange.

(29) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Years ended December 31,	
	2021	2020
Current tax:		
Current tax on profits for the year	$ 3,197,629	$ 1,178,349
Tax on undistributed surplus earnings	59,786	16,177
Prior year income tax overestimation	(83,393)	(20,738)
	3,174,022	1,173,788
Deferred tax:		
Origination and reversal of temporary differences	(393,141)	(71,593)
Effect of the exchange rate	(2,655)	17,375
	(395,796)	(54,218)
Income tax expense	$ 2,778,226	$ 1,119,570

(b) The income tax (charge)/credit relating to components of other comprehensive income is as follows:

	Years ended December 31,	
	2021	2020
Remeasurement of defined benefit obligations	$ 2,707	($ 5,014)

B. Reconciliation between income tax expense and accounting profit:

	Years ended December 31,	
	2021	2020
Tax calculated based on profit before tax and statutory tax rate (Note)	$ 3,222,674	$ 1,090,161
Expenses disallowed by tax regulation	(270,592)	136,393
Tax exempt income by tax regulation	(20,233)	(66,205)
Taxable loss not recognized as deferred tax assets	29,276	117,033
Effect from investment tax credit	(146,852)	(98,153)
Changes in assessment of realisability of deferred tax assets	(253,491)	(176,466)
Prior year income tax overestimation	(83,393)	(20,738)
Effect from Alternative Minimum Tax	295	2,896
Tax on undistributed surplus earnings	59,786	16,177
Effect of tax from different applicable taxes within the Group	240,756	118,472
Income tax expense	$ 2,778,226	$ 1,119,570

Note: The basis for computing the applicable tax rate is the rate applicable in the parent company’s country.

C. Amounts of deferred tax assets or liabilities as a result of temporary differences, tax losses and investment tax credits are as follows:

	Year ended December 31, 2021			
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
Deferred tax assets				
Provision for warranty expense	$ 155,291	($ 10,252)	$ -	$ 145,039
Loss on inventory	98,149	77,972	-	176,121
Amount of allowance for bad debts that exceed the limit for tax purpose	12,493	(1,923)	-	10,570
Pension expense	48,529	2,701	-	51,230
Unrealised profit on intercompany sales	187,781	295,767	-	483,548
Unrealised exchange loss	-	22,340	-	22,340
Remeasurement of defined benefit obligations	32,191	-	(2,707)	29,484
Others	123,120	(31,673)	-	91,447
	657,554	354,932	(2,707)	1,009,779
Deferred tax liabilities				
Unrealised exchange gain	(38,209)	38,209	-	-
	$ 619,345	$ 393,141	($ 2,707)	$ 1,009,779

	Year ended December 31, 2020			
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
Deferred tax assets				
Provision for warranty expense	$ 102,714	$ 52,577	$ -	$ 155,291
Loss on inventory	103,068	(4,919)	-	98,149
Amount of allowance for bad debts that exceed the limit for tax purpose	34,866	(22,373)	-	12,493
Pension expense	46,825	1,704	-	48,529
Unrealised profit on intercompany sales	83,649	104,132	-	187,781
Unrealised exchange loss	13,025	(13,025)	-	-
Remeasurement of defined benefit obligations	27,177	-	5,014	32,191
Others	131,414	(8,294)	-	123,120
	542,738	109,802	5,014	657,554
Deferred tax liabilities				
Others	-	(38,209)	-	(38,209)
	$ 542,738	$ 71,593	$ 5,014	$ 619,345

Expiration dates of unused taxable loss and amounts of unrecognized deferred tax assets are as follows:

	December 31, 2021			
Year incurred	Amount filed/ assessed	Unused amount	Unrecognized deferred tax assets	Usable until year
2012	$ 155,923	$ 155,923	$ 155,923	2022
2013	120,379	101,551	101,551	2023
2014	164,552	154,198	154,198	2024
2015	298,581	298,581	298,581	2025
2016	384,201	344,635	344,635	2026
2017	334,931	334,931	334,931	2027
2018	307,764	285,840	285,840	2028
2019	465,262	426,558	426,558	2029
2020	496,964	496,964	496,964	2030
2021 (Note)	390,582	390,582	390,582	2031
	$ 3,119,139	$ 2,989,763	$ 2,989,763	

	December 31, 2020			
Year incurred	Amount filed/ assessed	Unused amount	Unrecognized deferred tax assets	Usable until year
2011	$ 125,459	$ 116,913	$ 116,913	2021
2012	155,923	155,923	155,923	2022
2013	120,379	101,551	101,551	2023
2014	164,552	154,493	154,493	2024
2015	298,581	298,581	298,581	2025
2016	384,201	344,635	344,635	2026
2017	335,027	334,931	334,931	2027
2018	307,764	285,840	285,840	2028
2019	465,262	462,877	462,877	2029
2020(Note)	556,800	556,800	556,800	2030
	$ 2,913,948	$ 2,812,544	$ 2,812,544	

Note: These amounts were based on estimates.

E. The Company has not recognized taxable temporary differences associated with investment in subsidiaries as deferred tax liabilities. As of December 31, 2021 and 2020, the amounts of temporary difference unrecognized as deferred tax liabilities were $651,864 and $493,816, respectively.

F. The Company’s income tax returns through 2019 have been assessed and approved by the Tax Authority.

(30) Earnings per share

	Year ended December 31, 2021		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 13,337,960	634,755	$ 21.01
Diluted earnings per share			
Assumed conversion of all dilutive potential ordinary shares			
－Employees' compensation	-	12,624	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 13,337,960	647,379	$ 20.60

	Year ended December 31, 2020		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 4,374,329	635,689	$ 6.88
Diluted earnings per share			
Assumed conversion of all dilutive potential ordinary shares			
－Employees' compensation	-	8,524	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 4,374,329	644,213	$ 6.79

(31) Transactions with non-controlling interest

A. Acquisition of additional equity interest in a subsidiary

On May 5, 2020, subsidiary Giga Investment Corp. of Group acquired an additional 40% of shares of its subsidiary—Giga-Trend International Management Group Ltd. For a total cash consideration of $12,421. The carrying amount of non-controlling interest was $12,421 at the acquisition date. This transaction does not result in the equity attributable to owners of the parent. The effect of changes in interests of $ 12,421 on the equity attributable to owners of the parent for the year ended December 31, 2020 is shown below:

	Year ended December 31, 2020
Carrying amount of non-controlling interest acquired	$ 12,421
Consideration paid to non-controlling interest	(12,421)
	$ -

B. The Group did not participate in the capital increase raised by a subsidiary proportionally to its interest to the subsidiary

Subsidiary Senyun Precise Optical Co., Ltd, of the Group increased its capital by issuing new shares on December 31, 2020. The Group did not acquire shares proportionally to its interest. As a result, the Group increased its share interest by 10.17%. The transaction increased non-controlling interest by $11,985 and decreased the equity attributable to owners of parent by $11,985. The effect of changes in interests of $11,985 on the equity attributable to owners of the parent for the year ended December 31, 2020 is shown below:

	Year ended December 31, 2020
Cash amount for acquiring 10.17% share interest	$ 62,631
Increase in the carrying amount of non-controlling interest	50,646
Capital surplus- recognition of changes in ownership interest in subsidiaries	$ 11,985

(32) Supplemental cash flow information

Investing activities with partial cash payments:

	Years ended December 31, 2021	Years ended December 31, 2020
Purchase of property, plant and equipment	$ 578,409	$ 528,425
Add: Opening balance of payable on equipment	10,333	16,054
Less: Ending balance of payable on equipment	(2,208)	(10,333)
Cash paid during the year	$ 586,534	$ 534,146

(33) Changes in liabilities from financing activities

	Year ended December 31, 2021					
	Short-term borrowings	Long-term borrowings	Lease liability	Guarantee deposits received	Dividends payable	Liabilities from financing activities-gross
At January 1	$ 303,217	$ 244,492	$ 149,125	$ 52,262	$ -	$ 749,096
Changes in cash flow from financing activities	(303,217)	-	(102,598)	(44,315)	(3,178,444)	(3,628,574)
Payment of interest expense on lease liabilities (Note)	-	-	(4,494)	-	-	(4,494)
Impact of changes in foreign exchange rate	-	(143)	(2,520)	-	-	(2,663)
Changes in other non-cash items	-	(44,349)	123,464	-	3,178,444	3,257,559
At December 31	$ -	$ 200,000	$ 162,977	$ 7,947	$ -	$ 370,924

	Year ended December 31, 2020					
	Short-term borrowings	Long-term borrowings	Lease liability	Guarantee deposits received	Dividends payable	Liabilities from financing activities-gross
At January 1	$ 289,088	$ 10,667	$ 141,912	$ 8,908	$ -	$ 450,575
Changes in cash flow from financing activities	14,129	233,825	(97,107)	43,354	(1,398,516)	(1,204,315)
Payment of interest expense on lease liabilities (Note)	-	-	(4,396)	-	-	(4,396)
Impact of changes in foreign exchange rate	-	-	(1,051)	-	-	(1,051)
Changes in other non-cash items	-	-	109,767	-	1,398,516	1,508,283
At December 31	$ 303,217	$ 244,492	$ 149,125	$ 52,262	$ -	$ 749,096

Note: Listed under cash flows from operating activities.

7. RELATED PARTY TRANSACTIONS

(1) Significant related party transactions and balances

The related parties are included in the consolidated financial statements, and the related transactions are all eliminated.

(2) Key management compensation

	Years ended December 31,	
	2021	2020
Salaries and other short-term employee benefits	$ 1,203,980	$ 454,251
Post-retirement benefits	1,490	1,343
Total	$ 1,205,470	$ 455,594

8. PLEDGED ASSETS

The Group's assets pledged as collateral are as follows:

	Book value		
Pledged asset	December 31, 2021	December 31, 2020	Purpose
Pledged assets - non-current (accounted for as "Financial assets at amortised cost - non-current")			
-Demand deposits	$ 93,589	$ 96,485	Security deposit for office leasing and offshore funds repatriated account
-Time deposits	111,021	110,705	Guarantee for the customs duties
	$ 204,610	$ 207,190	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

None.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

(1) The establishment of Giga Computing Technology Co., Ltd. ('Giga C.T.') was resolved in the interim meeting of the Board of Directors on March 3, 2022 and the investment amount was $1,000. In addition, on March 11, 2022, the Board of Directors of the Company resolved to divest the operations related to the networking communication business group to the Company's wholly-owned investee, Giga C.T., through surviving spin-off method. Giga C.T. shall issue 83,360 thousand shares at NT$10 (in dollars) per share (tentative) to the Company as consideration. However, the actual business value divested shall be based on the actual book value of the assets and liabilities on the spin-off date, which is tentatively set on January 1, 2023. The spin-off is pending receipt of resolution from the 2022 shareholders' meeting and approval from the related regulatory authority.

(2) As the situation of the Russia-Ukraine war continues conflict to develop and change, the Group will negotiate with its Russian customers to pay in advance for products. As of the financial report date, most of the accounts receivable due from the Russian customers amounting to $864,956 were not past due. The Group has actively accelerated the collection of overdue portion.

12. OTHERS

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue employee stock option or buyback and retire treasury stock.

(2) Financial instruments

A. Financial instruments by category

	December 31, 2021	December 31, 2020
Financial assets		
Financial assets mandatorily measured at fair value through profit or loss	$ 1,450,496	$ 735,586
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	2,515,460	2,351,596
Financial assets at amortised cost		
Cash and cash equivalents	18,928,473	15,564,617
Financial assets at amortised cost	1,385,444	1,341,772
Notes receivable	5,710	2,897
Accounts receivable	10,822,436	7,883,297
Other receivables	194,564	63,806
Guarantee deposits paid	69,536	70,421
	$ 35,372,119	$ 28,013,992
Financial liabilities		
Financial liabilities at amortised cost		
Short-term borrowings	$ -	$ 303,217
Notes payable	22,868	404
Accounts payable	15,886,668	9,024,919
Other payables	10,020,250	5,461,410
Long-term borrowings (including current portion)	200,000	244,492
Guarantee deposits received	7,947	52,262
Lease liabilities	162,977	149,125
	$ 26,300,710	$ 15,235,829

B. Financial risk management policies

(a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

(b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

i. The Group operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD and RMB. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities.

ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The companies are required to hedge their entire foreign exchange risk exposure with the Group treasury.

iii. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: RMB). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2021		
	Foreign currency amount (In Thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 837,857	27.690	$ 23,200,260
RMB:NTD	254,146	4.347	1,104,773
USD: RMB	155,578	6.370	4,308,015
Non-monetary items			
USD:NTD	$ 13,294	27.690	$ 368,111
Investments accounted for using equity method			
USD:NTD	$ 216,807	27.690	$ 6,003,379
Financial liabilities			
Monetary items			
USD:NTD	$ 610,203	27.690	$ 16,896,521
RMB:NTD	582,198	4.347	2,530,815
USD: RMB	156,483	6.370	6,349,595

	December 31, 2020		
	Foreign currency amount (In Thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 532,480	28.508	$ 15,179,940
RMB:NTD	136,039	4.382	596,123
USD: RMB	148,086	6.506	4,221,664
Non-monetary items			
USD:NTD	$ 8,716	28.508	$ 248,466
Investments accounted for using equity method			
USD:NTD	$ 225,711	28.508	$ 6,434,561
Financial liabilities			
Monetary items			
USD:NTD	$ 416,016	28.508	$ 11,859,784
RMB:NTD	283,622	4.382	1,242,832
USD: RMB	186,545	6.506	5,318,053

iv. The total exchange gain (loss), including realised and unrealized arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2021 and 2020, amounted to gains of $192,881 and $236,586, respectively.

v. Analysis of foreign currency market risk arising from significant foreign exchange variation:

	Year ended December 31, 2021		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 232,003	$ -
RMB:NTD	1%	11,048	-
USD: RMB	1%	43,080	-
Financial liabilities			
Monetary items			
USD:NTD	1%	$ 168,965	$ -
RMB:NTD	1%	25,308	-
USD: RMB	1%	63,496	-

	Year ended December 31, 2020		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 151,799	$ -
RMB:NTD	1%	5,961	-
USD: RMB	1%	42,217	-
Financial liabilities			
Monetary items			
USD:NTD	1%	$ 118,598	$ -
RMB:NTD	1%	12,428	-
USD: RMB	1%	53,181	-

Price risk

i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

ii. The Group's investments in equity securities comprise shares and beneficiary certificates issued by the domestic and foreign companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, pre-tax profit for the years ended December 31, 2021 and 2020 would have increased/decreased by $14,356 and $7,196, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss and beneficiary certificates. Other components of equity would have increased/decreased by $25,155 and $23,516 respectively, as a result of gains/losses on equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

i. The domestic/overseas bond funds investment and bond products with fixed interest rate by the Group was held mainly for trading purposes, the effective interest rate of this fund is affected by the market interest rate.

ii. For fixed interest rate bond investments held by the Group classified as financial assets at fair value through profit or loss, changes in market interest rates would affect their fair values. At December 31, 2021 and 2020, if market interest rates had been 1% higher/lower with all other variables held constant, pre-tax profit for the years ended December 31, 2021 and 2020 would have been $149 and $160 lower/higher, respectively.

iii. At December 31, 2021 and 2020, if interest rates on borrowings had been 0.1% higher/lower with all other variables held constant,pre-tax profit for the years ended December 31, 2021 and 2020 would have been $200 and $353 lower/higher, respectively, mainly as a result of higher interest expense on floating rate borrowings.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at fair value through profit or loss.

ii. The bond fund held by the Group was issued by well-known foreign banks and securities investment trust companies owned by or affiliated with domestic financial holding companies with good credit standing. Since the Group trades with several securities investment trust companies, credit risk is low.

iii. The Group has lower significant concentrations of credit risk, due to investment in corporate bonds or financial bonds. The maximum loss to the Group is the total amount of all book value.

iv. The Group manages their credit risk taking into consideration the entire group's concern. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

v. The Group adopts the assumptions under IFRS 9, the default occurs when the contract payments are past due over 90 days.

vi. The Group adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:

If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

vii. The Group classifies customers' accounts receivable in accordance with credit rating of customer, insurance coverage and characteristics of collateral. The Group applies the simplified approach to estimate expected credit loss under the provision matrix basis.

viii. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:

(i) It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;

(ii) The disappearance of an active market for that financial asset because of financial difficulties;

(iii) Default or delinquency in interest or principal repayments;

(iv) Adverse changes in national or regional economic conditions that are expected to cause a default.

ix. The Group used the forecastability of macroeconomic growth by the International Monetary Fund to adjust historical and timely information to assess the default possibility of accounts receivable. On December 31, 2021 and 2020, the provision matrix is as follows:

	Not past due	Up to 30 past due	31 to 60 days past due
December 31, 2021			
Expected loss rate	0.18%~10.26%	0.18%~26.55%	0.18%~37.07%
Total book value	$ 9,260,105	$ 1,439,571	$ 143,705
Loss allowance	$ 58,430	$ 11,575	$ 4,197

	61 to 90 days past due	Over 90 days	Total
Expected loss rate	0.18%~89.51%	10%~100%	
Total book value	$ 30,361	$ 31,840	$ 10,905,582
Loss allowance	$ 854	$ 8,090	$ 83,146

	Not past due	Up to 30 past due	31 to 60 days past due
December 31, 2020			
Expected loss rate	0.13%~3.77%	0.13%~42.91%	0.13%~84.97%
Total book value	$ 7,042,591	$ 880,489	$ 13,832
Loss allowance	$ 44,376	$ 11,187	$ 1,258

	61 to 90 days past due	Over 90 days	Total
Expected loss rate	0.13%~92.53%	10%~100%	
Total book value	$ 4,042	$ 27,452	$ 7,968,406
Loss allowance	$ 2,263	$ 26,025	$ 85,109

x. Movements in relation to the Group applying the simplified approach to provide loss allowance for notes receivable and accounts receivable are as follows:

	2021		
	Notes receivable	Accounts receivable	Total
At January 1	$ -	$ 85,109	$ 85,109
Reversal of impairment loss	-	8,959	8,959
Write-offs	-	(10,094)	(10,094)
Effect of exchange rate changes	-	(828)	(828)
At December 31	$ -	$ 83,146	$ 83,146

	2020		
	Notes receivable	Accounts receivable	Total
At January 1	$ -	$ 180,458	$ 180,458
Provision for impairment	-	(16,910)	(16,910)
Write-offs	-	(76,367)	(76,367)
Effect of exchange rate changes	-	(2,072)	(2,072)
At December 31	$ -	$ 85,109	$ 85,109

Considering the credit insurance on accounts receivable, the abovementioned amounts were not provided with allowance for uncollectible accounts in the amounts of $142,360 and $71,969 on December 31, 2021 and 2020, respectively. For provisioned loss in 2021 and 2020, the reversal of impairment losses and the impairment losses arising from customers' contracts amounted to ($8,959) and $16,910, respectively.

(c) Liquidity risk

i. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times.

ii. Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the Group treasury. Group treasury invests surplus cash in current accounts, time deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts.

iii. The Group had no undrawn borrowing facilities for fixed rate long-term borrowings.

iv. The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. Except for the contractual undiscounted cash flows of short-term borrowings, notes and accounts payable, other payables as well as guarantee deposits received were equivalent to their carrying amounts and were expiring within one year, the amounts disclosed in the table are the contractual undiscounted cash flows of other financial liabilities:

Non-derivative financial liabilities:

December 31, 2021	Less than 1 year	Between 1 and 2 years	Over 2 years	Total
Lease liability	$ 101,551	$ 47,490	$ 17,880	$ 166,921
Long-term borrowings (including current portion)	607	92,273	108,968	201,848

December 31, 2020	Less than 1 year	Between 1 and 2 years	Over 2 years	Total
Lease liability	$ 73,794	$ 49,594	$ 35,995	$ 159,383
Long-term borrowings (including current portion)	35,905	10,692	201,242	247,839

v. The Group does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group’s investment in listed and emerging stocks, beneficiary certificates, corporate bonds and government bonds is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group’s investment in equity investment without active market is included in Level 3.

B. Fair value information of investment property at cost is provided in Note 6(11).

C. The carrying amounts of the Group’s financial instruments not measured at fair value (including cash and cash equivalents, financial assets at amortised cost (bank deposits), notes receivable, accounts receivable, other receivables, guarantee deposits paid, short-term borrowings, notes payable, accounts payable, other payables, long-term borrowings and guarantee deposits received) are approximate to their fair values.

D. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at December 31, 2021 and 2020 is as follows:

(a) The related information of natures of the assets is as follows:

December 31, 2021	Level 1	Level 2	Level 3	Total
Recurring fair value measurements-assets				
Financial assets at fair value through profit or loss				
Equity instrument	$ 199,343	$ -	$ 119,395	$ 318,738
Debt instrument	14,904	-	-	14,904
Beneficiary certificates	1,116,854	-	-	1,116,854
Financial assets at fair value through other comprehensive income				
Equity instrument	2,427,451	-	88,009	2,515,460
	$ 3,758,552	$ -	$ 207,404	$ 3,965,956

December 31, 2020	Level 1	Level 2	Level 3	Total
Recurring fair value measurements - assets				
Financial assets at fair value through profit or loss				
Equity instrument	$ 123,097	$ -	$ 66,725	$ 189,822
Debt instrument	15,971	-	-	15,971
Beneficiary certificates	529,793	-	-	529,793
Financial assets at fair value through other comprehensive income				
Equity instrument	2,286,773	-	64,823	2,351,596
	$ 2,955,634	$ -	$ 131,548	$ 3,087,182

(b) The methods and assumptions the Group used to measure fair value are as follows:

i. The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	Listed shares	Open-end fund	Government bond and corporate bond
Market quoted price	Closing price	Net asset value	Weighted average quoted price

ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the balance sheet date.

iii. When assessing non-standard and low-complexity financial instruments, for example, debt instruments without active market, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.

iv. For high-complexity financial instruments, the fair value is measured by using self-developed valuation model based on the valuation method and technique widely used within the same industry. The valuation model is normally applied to derivative financial instruments, debt instruments with embedded derivatives or securitised instruments. Certain inputs used in the valuation model are not observable at market, and the Group must make reasonable estimates based on its assumptions.

v. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the balance sheet date. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

vi. The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Group's credit quality.

E. For the years ended December 31, 2021 and 2020, there was no transfer between Level 1 and Level 2.

F. The following chart is the movement of Level 3 for the years ended December 31, 2021 and 2020:

	Years ended December 31, 2021	2020
At January 1	$ 131,548	$ 47,907
Gains (losses) recognized in profit or loss	63,991	(3,565)
Losses recognized in other comprehensive income	1,591	(4,578)
Acquired in the period	78,476	92,064
Disposal in the period (Note)	(60,060)	-
Settled in the period	(557)	-
Transfer out from Level 3	(7,585)	-
Others	-	(208)
At December 31	$ 207,404	$ 131,548

Note: Please refer to Note 6 (7).

G. Because the transaction volume of Upi Semiconductor Corp. in the market has steadily increased from March 2021, and there is sufficient observable market information available, the Group has transferred the fair value from Level 3 into Level 1 at the end of the month when the event occurred. For the year ended December 31, 2020, there was no transfer into or out from Level 3.

H. Financial segment is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

I. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at December 31, 2021	Valuation technique	Significant unobservable input	Relationship of inputs to fair value
Unlisted shares	$ 121,488	Market comparable companies	Price-to-book ratio, enterprise value to operating income ratio multiple, discount for lack of marketability	The higher the discount for lack of marketability, the lower the fair value
Venture capital shares Private equity fund investment	$ 85,916	Net asset value	Not applicable	Not applicable

	Fair value at December 31, 2020	Valuation technique	Significant unobservable input	Relationship of inputs to fair value
Unlisted shares	$ 68,818	Market comparable companies	Price-to-book ratio, enterprise value to operating income ratio multiple, discount for lack of marketability	The higher the discount for lack of marketability, the lower the fair value
Venture capital shares Private equity fund investment	$ 62,730	Net asset value	Not applicable	Not applicable

J. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect of profit or loss or of other comprehensive income from financial assets categorised within Level 3 if the inputs used to valuation models have changed:

			December 31, 2021			
			Recognized in profit or loss		Recognized in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instruments	Market comparable companies	±1%	$ 1,194	($ 1,194)	$ 21	($ 21)

			December 31, 2020			
			Recognized in profit or loss		Recognized in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instruments	Market comparable companies	±1%	$ 667	($ 667)	$ 21	($ 21)

(4) Other matter

Due to the impact of Covid-19 pandemic and the government's various pandemic prevention measures, there is an increase in market demand of the Group's productions for remote working and study. In addition, as the Group's main production base is in Taiwan and China, the production was not halted because of the pandemic and the production process maintains normal. As for the supply chain, the Group maintains partnership with suppliers to ensure the sufficient supply of key components.

In the post-pandemic era, the Group launched new products such as mainboards, display cards, servers, notebook computers and computer peripherals in response to market demand. Overall, the pandemic had no significant negative impact on the Group's operations.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

A. Loans to others: None.

B. Provision of endorsements and guarantees to others: None.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 1.

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital: Please refer to table 2.

E. Acquisition of real estate reaching $300 million or 20% of paid-in capital or more: None.

F. Disposal of real estate reaching $300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: Please refer to table 3.

H. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: Please refer to table 4.

I. Trading in derivative instruments undertaken during the reporting periods: None.

J. Significant inter-company transactions during the reporting periods: Please refer to table 5.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 6.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 7.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 8.

(4) Major shareholders information

Major shareholders information: Please refer to table 9.

14. SEGMENT INFORMATION

(1) General information

The Group management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The Group's operating segments are segregated into the global brand business group and other business group based on the revenues from all sources.

Global brand business group: in-charge of the development and sale of main boards, interface cards, notebooks and computer peripherals.

Other business group: in-charge of the development and sale of network & communication products and cell phones.

The Group's company organisation, basis of department segmentation and principles for measuring segment information for the period were not significantly changed.

(2) Measurement of segment information

The Board of Directors assesses the performance of the operating segments based on the operating income (loss).

(3) Information about segment profit or loss, assets and liabilities

The segment information provided to the Chief Operating Decision-Maker for the reportable segments is as follows:

	Year ended December 31, 2021		
	Global brand business group	Other business group	Total
Total segment revenue	$ 101,230,027	$ 20,675,330	$ 121,905,357
Operating income (loss)	$ 16,290,024	($ 1,803,511)	$ 14,486,513
Depreciation and amortization	$ 112,279	$ 563,232	$ 675,511
Total assets (Note)	$ -	$ -	$ -
Total liabilities (Note)	$ -	$ -	$ -

	Year ended December 31, 2020		
	Global brand business group	Other business group	Total
Total segment revenue	$ 71,580,466	$ 13,022,375	$ 84,602,841
Operating income (loss)	$ 4,546,919	($ 329,084)	$ 4,217,835
Depreciation and amortization	$ 104,090	$ 590,688	$ 694,778
Total assets (Note)	$ -	$ -	$ -
Total liabilities (Note)	$ -	$ -	$ -

Note: As the Group's assets and liabilities are not the measurement items used by the Chief Operating Decision-Maker in evaluating segments, the measurement amount of the assets and liabilities that shall be disclosed is zero.

(4) Reconciliation for segment income (loss)

The revenue from external parties and segment profit (loss) reported to the Chief Operating Decision-Maker are measured in a manner consistent with those in the statement of pre-tax income. Therefore, such reconciliation is not required.

(5) Information on products and services

The revenue from external parties was derived primarily from the development and sale of interface cards, main boards, notebooks, computer peripherals, network & communication products and cell phones.

Details of revenue is as follows:

	Years ended December 31,	
Items	2021	2020
Computer components	$ 90,518,642	$ 68,618,983
Networking communication products	15,051,862	9,038,056
Others	16,334,853	6,945,802
	$ 121,905,357	$ 84,602,841

(6) Geographical information

Geographical information for the years ended December 31, 2021 and 2020 is as follows:

A. Revenue by geographic area:

	Years ended December 31,	
	2021	2020
Europe	$ 43,334,112	$ 28,037,004
USA and Canada	28,143,175	20,548,814
China	20,887,480	16,738,814
Taiwan	3,068,192	1,775,736
Others	26,472,398	17,502,473
Total	$ 121,905,357	$ 84,602,841

B. Non-current assets:

	December 31, 2021	December 31, 2020
Taiwan	$ 3,002,205	$ 2,917,961
China	1,072,493	1,105,229
Others	532,566	517,439
Total	$ 4,607,264	$ 4,540,629

(7) Major customer information

There was no customer accounting for more than 10% of the Group's operating revenue for the years ended December 31, 2021 and 2020.

GIGA-BYTE TECHNOLOGY CO., LTD.
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
Year ended December 31, 2021

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2021 Number of shares	Book value	Ownership (%)	Fair value	Footnote
Giga-Byte Technology Co., Ltd.	Beneficiary certificates-CTBC Hwa-Win Money Market Fund	None	Financial assets at fair value through profit or loss-current	9,073,765	$ 100,000	-	$ 100,965	
	Prudential Fiancial Money Market Fund	〃	〃	12,612,905	200,000	-	201,701	
	JIN SUN Fiancial Money Market Fund	〃	〃	13,488,780	200,000	-	202,158	
	CTBC Bloomberg Barclays USD Corporate 10+ Year High Grade Capped Bond ETF	〃	〃	1,000,000	48,361	-	43,620	
	Franklin Templeton Sinoam Money Market Fund	〃	〃	19,161,402	200,000	-	200,308	
	Beneficiary certificates－Morgan Stanley Opportunistic Mortgage Income Fund LP	〃	〃	18,658	592	-	517	
	AB FCP I-AMER INC-A2 USD (LUX LISTING) Income Fund LP	〃	〃	65,232	62,764	-	58,503	
	PIMCO INVESTMENT GRADE CREDIT FUND (IRE LISTING)	〃	〃	85,388	60,469	-	56,911	
	MSIM GLOBAL FIXED INC OPP-A (LUX LISTING) Income Fund LP	〃	〃	27,337	31,567	-	28,841	
	PIMCO GLOBE INVESTMENT GRADE CREDIT FUND	〃	〃	67,249	29,272	-	29,310	
	PIMCO TOTAL RETURN BOND FUND	〃	〃	32,092	29,272	-	27,592	
	AXA IM FIIS-US CORP BD-F	〃	〃	6,921	29,272	-	27,770	
	TEAM LIQUIDITY FUND CLASS USD 92 A3	〃	〃	47,660	138,860	-	138,658	
	Government bond－Indonesia Government International Bond 4.125%	〃	〃	500,000	16,298	-	14,904	
					1,146,727		$ 1,131,758	
			Valuation adjustment of financial assets at fair value through profit or loss		(14,969)			
					$ 1,131,758			

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2021 Number of shares	Book value	Ownership (%)	Fair value	Footnote
Giga-Trend International Investment Group Ltd.	Listed stocks - Sintrones Technology Corp. etc.	None	Financial assets at fair value through profit or loss-current	Omitted	$ 94,118	-	$ 112,398	
			Valuation adjustment of financial assets at fair value through profit or loss		18,280			
					$ 112,398			
	Unlisted stocks -Castec International Crop. etc.	〃	Financial assets at fair value through profit or loss-current	Omitted	$ 87,436	-	$ 138,340	
			Valuation adjustment of financial assets at fair value through profit or loss		50,904			
					$ 138,340			
Giga Investments Corp.	Unlisted stocks -Taiwan Truewin Technology Co., Ltd. etc.	None	Financial assets at fair value through profit or loss-current	Omitted	$ 36,324	-	$ 68,000	
			Valuation adjustment of financial assets at fair value through profit or loss		$ 31,676			
					$ 68,000			
	Listed stocks - Walsin Technology Corporation etc.	〃	Financial assets at fair value through other comprehensive income－Non current	Omitted	$ 936,387	1.37%~ 9.44%	$ 2,427,451	
			Valuation adjustment of financial assets at fair value through other comprehensive income		1,491,064			
					$ 2,427,451			
	Unlisted stocks - Sagatek Consultant Co., Ltd. etc.	〃	Financial assets at fair value through other comprehensive income－Non current	Omitted	$ 51,711	0.11%~ 16.25%	$ 63,764	
			Valuation adjustment of financial assets at fair value through other comprehensive income		12,053			
					$ 63,764			
G-Style Co., Ltd.	Unlisted stocks - JM Material Technology Inc.	None	Financial assets at fair value through other comprehensive income－Non current	160,000	$ 20,000	10.00%	$ 2,093	
			Valuation adjustment of financial assets at fair value through other comprehensive income		(17,907)			
					$ 2,093			
Freedom International Group Ltd.	Unlisted stocks - Graid Technology Inc.	None	Financial assets at fair value through other comprehensive income－Non current	1,280,000	22,152	10.67%	$ 22,152	
			Valuation adjustment of financial assets at fair value through other comprehensive income		-			
					$ 22,152			

GIGA-BYTE TECHNOLOGY CO., LTD.
Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital
Year ended December 31, 2021

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

					Balance as at January 1, 2021		Addition		Disposal				Balance as at December 31, 2021	
Investor	Marketable securities	General ledger account	Counterparty	Relationship with the investor	Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount
Giga Investment Corp.	Wellysun Inc.	Investments accounted for using equity method	None	None	-	$ -	11,200	$ 392,000	-	$ -	$ -	$ -	11,200	$ 392,000

GIGA-BYTE TECHNOLOGY CO., LTD.
Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more
Year ended December 31, 2021

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Differences in transaction terms compared to third party transactions: Unit price	Differences in transaction terms compared to third party transactions: Credit term	Notes/accounts receivable (payable): Balance	Notes/accounts receivable (payable): Percentage of total notes/accounts receivable (payable)	Footnote
Giga-Byte Technology Co., Ltd.	G.B.T. Inc.	Parent-subsidiary	(Sales)	$ 23,903,620	(20%)	45 days upon receipt of goods	The price was based on the contract price	Normal	$ 7,969,037	42%	
	G-Style Co., Ltd.	〃	〃	5,023,762	(4%)	90 days upon receipt of goods	〃	〃	932,540	5%	
	Giga-Byte Technology B.V.	〃	〃	1,359,963	(1%)	30 days upon receipt of goods	〃	〃	41,024	-	
	Gigaipc Co., Ltd.	〃	〃	666,638	(1%)	60 days after billing	〃	〃	130,907	1%	
	Ningbo Zhongjia Technology Co., Ltd.	Parent-indirect subsidary	〃	21,427,573	(18%)	90 days upon receipt of goods	〃	〃	3,222,328	17%	
	Dongguan Gigabyte Electronics Co.,Ltd.	〃	Purchases	823,486	1%	60 days upon receipt of goods	〃	〃	(2,430,588)	(12%)	
	Ningbo Gigabyte Technology Co., Ltd.	〃	〃	610,242	1%	60 days upon receipt of goods	〃	〃	(1,873,743)	(9%)	
G-Style Co., Ltd.	G.B.T. Inc.	Sister companies	(Sales)	2,674,179	(51%)	60 days upon receipt of goods	The price was based on the contract price	Normal	526,692	61%	
	Ningbo Zhongjia Technology Co., Ltd.	〃	〃	113,852	(2%)	60 days after billing	〃	〃	-	-	

GIGA-BYTE TECHNOLOGY CO., LTD.
Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more
Year ended December 31, 2021

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2021	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Giga-Byte Technology Co., Ltd.	G.B.T. Inc.	Parent-subsidiary	$ 7,969,037	3.57	$ -	-	$ 1,969,937	$ -
	G-Style Co., Ltd.	〃	932,540	6.83	-	-	278,360	-
	Gigaipc Co., Ltd.	〃	130,907	7.11	-	-	52,803	-
	Giga-Byte Technology B.V.	〃	41,024	27.53	-	-	41,024	-
	Ningbo Zhongjia Technology Co., Ltd.	Parent-indirect subsidary	3,222,328	8.11	-	-	2,377,661	-
	Dongguan Gigabyte Electronics Co., Ltd.	〃	1,111,361	5.77	-	-	1,111,361	-
G-Style Co., Ltd.	G.B.T. Inc.	Sister companies	526,692	8.32	-	-	85,091	-
Ningbo Gigabyte Technology Co., Ltd.	Giga-Byte Technology Co., Ltd.	Parent-indirect subsidary	RMB 432,752 thousand	5.45	-	-	RMB 124,351 thousand	-
Dongguan Gigabyte Electronics Co., Ltd.	Giga-Byte Technology Co., Ltd.	〃	RMB 559,650 thousand	6.97	-	-	RMB 303,229 thousand	-
								-

GIGA-BYTE TECHNOLOGY CO., LTD.
Significant inter-company transactions during the reporting periods
Year ended December 31, 2021

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Company name	Counterparty	Relationship	Transaction: General ledger account	Transaction: Amount	Transaction: Transaction terms	Transaction: Percentage of consolidated total operating revenues or total assets
Giga-Byte Technology Co., Ltd.	Giga-Byte Technology B.V.	Parent company to subsidiary	Sales	$ 1,359,963	Note 6	1%
	〃	〃	Service charge	183,814	Note 3	-
	〃	〃	Marketing service charge	162,538	〃	-
	G.B.T., Inc	Parent company to subsidiary	Sales	23,903,620	Note 7	20%
	〃	〃	Accounts receivable	7,969,037	〃	12%
	Gigabyte Technology Pty. Ltd.	〃	Marketing service charge	108,025	Note 2	-
	G-Style Co., Ltd.	Parent company to subsidiary	Sales	5,023,762	Note 1	4%
	〃	〃	Accounts receivable	932,540	〃	1%
	Gigaipc Co., Ltd.	Parent company to subsidiary	Sales	666,638	Note 2	1%
	〃	〃	Accounts receivable	130,907	〃	-
	Ningbo Zhongjia Technology Co., Ltd.	Parent company to indirect subsidiary	Sales	21,427,573	Note 1	18%
	〃	〃	Accounts receivable	3,222,328	〃	5%
	Ningbo Gigabyte Technology Co., Ltd.	Parent company to indirect subsidiary	Purchases	610,242	Note 5	1%
	〃	〃	Accounts payable	1,873,743	Note 5	3%
	Dongguan Gigabyte Electronics Co.,Ltd.	Parent company to indirect subsidiary	Purchases	823,486	Note 5	1%
	〃	〃	Accounts receivable	1,111,361	Note 2	2%
	〃	〃	Accounts payable	2,430,588	Note 5	4%
	Ningbo BestYield Tech. Services Co.,Ltd.	Parent company to indirect subsidiary	After-sale service fees	367,922	Note 3	-
Giga-Byte Technology B.V.	G.B.T. Technology Trading GmbH	Subsidiary to subsidiary	Marketing service charge	167,160	Note 4	-
G-Style Co., Ltd.	G.B.T., Inc	Subsidiary to subsidiary	Sales	2,674,179	Note 5	2%
	〃	〃	Accounts receivable	526,692	〃	-
	Ningbo Zhongjia Technology Co., Ltd.	〃	Sales	113,852	Note 2	-

Note 1 : Credit terms were 90 days upon receipt of goods.
Note 2 : Credit terms were 60 days after billing.
Note 3 : Credit terms were 30 days after billing.
Note 4 : Credit terms were 180 days upon receipt of goods.
Note 5 : Credit terms were 60 days upon receipt of goods.
Note 6 : Credit terms were 30 days upon receipt of goods.
Note 7 : Credit terms were 45 days upon receipt of goods.

GIGA-BYTE TECHNOLOGY CO., LTD.
Information on investees
Year ended December 31, 2021

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount: Balance as at December 31, 2021	Initial investment amount: Balance as at December 31, 2020	Shares held as at December 31, 2021: Number of shares	Shares held as at December 31, 2021: Ownership (%)	Shares held as at December 31, 2021: Book value	Net profit (loss) of the investee for the year ended December 31, 2021	Investment income(loss) recognised by the Company for the year ended December 31, 2021	Footnote
Giga-Byte Technology Co., Ltd.	Freedom International Group Ltd.	British Virgin Islands	Holding company	$ 4,720,532	$ 4,720,532	146,071,692	100.00	$ 6,160,727	$ 623,129	($ 163,898)	The Company's subsidiary
Giga-Byte Technology Co., Ltd.	Giga Investments Corp.	Taiwan	Holding company	2,815,000	2,775,000	297,756,500	100.00	4,535,930	139,567	139,567	The Company's subsidiary
Giga-Byte Technology Co., Ltd.	G-Style Co., Ltd.	Taiwan	Manufacturing and selling of notebooks	310,000	910,000	12,000,000	100.00	1,513	(32,505)	(59,605)	The Company's subsidiary
Giga-Byte Technology Co., Ltd.	Giga-Byte Communication Inc.	Taiwan	Manufacturing and selling of communications	1,647,508	1,647,508	2,145,880	99.86	21,955	(465)	(465)	The Company's subsidiary
Giga-Byte Technology Co., Ltd.	BYTE International Co., Ltd.	Taiwan	Selling of PC peripherals	583,709	583,709	31,000,000	100.00	398,503	27,121	27,119	The Company's subsidiary
Giga-Byte Technology Co., Ltd.	MyelinTek Inc.	Taiwan	Software service	70,000	70,000	299,999,995	40.00	62,998	(10,973)	(4,388)	Investee accounted for using equity method
Giga-Byte Technology Co., Ltd.	GIGAIPC Co., Ltd.	Taiwan	Sales of computer information products	197,838	197,838	20,000,000	100.00	226,919	35,998	36,089	The Company's subsidiary
Giga-Byte Technology Co., Ltd.	Giga-Byte Technology B.V.	Netherlands	Sales of computer information products	25,984	25,984	8,500	100.00	111,488	31,291	31,077	The Company's subsidiary
Giga-Byte Technology Co., Ltd.	GBT Tech. Co. Ltd.	U.K.	Marketing of computer information products	47,488	47,488	800,000	100.00	23,801	2,980	2,980	The Company's subsidiary
Giga-Byte Technology Co., Ltd.	Nippon Giga-Byte Corp.	Japan	Marketing of computer information products	3,495	3,495	1,000	100.00	11,443	1,715	1,715	The Company's subsidiary
Giga-Byte Technology Co., Ltd.	G.B.T. Technology Trading GmbH	Germany	Marketing of computer information products	352,752	352,752	-	100.00	368,461	11,136	11,136	The Company's subsidiary
Giga-Byte Technology Co., Ltd.	Gigabyte Technology Pty. Ltd.	AUS	Marketing of computer information products	55,664	55,664	2,400,000	100.00	53,636	1,391	1,391	The Company's subsidiary
Giga-Byte Technology Co., Ltd.	Gigabyte Technology (India) Private Limited	India	Marketing and maintenance of computer information products	182,868	182,868	4,600,000	100.00	7,827	2,107	2,107	The Company's subsidiary
Giga-Byte Technology Co., Ltd.	Gigabyte Technology ESPANA S.L.U.	Spain	Marketing of computer information products	241	241	5,000	100.00	4,379	268	268	The Company's subsidiary
Giga-Byte Technology Co., Ltd.	G.B.T. Inc.	U.S.A.	Sales of computer information products	90,660	90,660	54,116	48.63	(268,836)	235,378	(189,101)	The Company's subsidiary
Giga-Byte Technology Co., Ltd.	Gigabyte Information Technology Commerce Limited Company	Turkey	Marketing of computer information products	3,541	3,541	8,000	100.00	1,368	336	336	The Company's subsidiary
Giga-Byte Technology Co., Ltd.	Gigabyte Technology LLC Company	South Korea	Marketing of computer information products	22,534	22,534	168,000	100.00	31,347	1,419	1,419	The Company's subsidiary

Investor	Investee	Location	Main business activities	Initial investment amount: Balance as at December 31, 2021	Initial investment amount: Balance as at December 31, 2020	Shares held as at December 31, 2021: Number of shares	Shares held as at December 31, 2021: Ownership (%)	Shares held as at December 31, 2021: Book value	Net profit (loss) of the investee for the year ended December 31, 2021	Investment income(loss) recognised by the Company for the year ended December 31, 2021	Footnote
G.B.T. Technology Trading GmbH	Gigabyte Technology Poland SP Z O.O.	Poland	Marketing and maintenance of computer information products	$ 500	$ 500	100	100.00	$ 2,765	$ 307	$ -	The Company’s indirect subsidiary
Freedom International Group Ltd.	Charleston Investments Limited	Cayman Islands	Holding company	1,844,922	1,844,922	57,032,142	100.00	3,457,451	348,890	-	The Company’s indirect subsidiary
Freedom International Group Ltd.	G.B.T. LBN Inc.	Malaysia	Sales of computer information products	414,766	414,766	14,000,000	100.00	-	-	-	The Company’s indirect subsidiary
Freedom International Group Ltd.	G.B.T. Inc.	U.S.A.	Sales of computer information products	109,459	109,459	57,169	51.37	347,184	235,378	-	The Company’s indirect subsidiary
Freedom International Group Ltd.	Giga Future Limited	British Virgin Islands	Holding company	2,689,068	2,689,068	82,819,550	100.00	3,543,599	183,122	-	The Company’s indirect subsidiary
Freedom International Group Ltd.	LCKT Yuan Chan Technology Co., Ltd.(Cayman)	Cayman Islands	Holding company	92,775	92,775	3,000,000	30.00	-	(95,059)	-	Subsidiary’s investee company accounted for under the equity method
Freedom International Group Ltd.	Aorus Pte. Ltd.	Singapore	Marketing of computer information products	60,757	60,757	3,073,000	100.00	12,424	(2,463)	-	The Company’s indirect subsidiary
Giga Investments Corp.	Giga-Trend International Investment Group Ltd.	Taiwan	Holding company	399,950	399,950	45,290,000	100.00	597,415	116,575	-	The Company’s indirect subsidiary
Giga Investments Corp.	Giga-Trend International Management Group Ltd.	Taiwan	Venture capital management and consulting company	17,904	17,904	1,000,000	100.00	20,847	97	-	The Company’s indirect subsidiary
Giga Investments Corp.	Senyun Precision Optical Co., Ltd.	Taiwan	Manufacturing and selling of optical lens	1,547,410	1,547,410	324,586,585	96.41	404,809	(78,309)	-	The Company’s indirect subsidiary
Giga Investments Corp.	Selita Precision Co., Ltd.	Taiwan	Manufacturing, wholesale and retail of bicycle and parts	50,000	50,000	5,000,000	100.00	33,898	(1,909)	-	The Company’s indirect subsidiary
Giga Investments Corp.	Wellysun Inc.	Taiwan	Electronic parts and components manufacturing	392,000	-	11,200,000	25.11	393,893	13,436	-	Subsidiary’s investee company accounted for under the equity method
Giga-Trend International Investment Group Ltd.	Wellysun Inc.	Taiwan	Electronic parts and components manufacturing	51,480	-	1,716,000	3.85	60,350	13,436	-	Subsidiary’s investee company accounted for under the equity method
Ningbo BestYield Tech. Services Co.,Ltd.	OGS Europe B.V.	Netherlands	Selling of communications	12,443	12,443	3,000	100.00	26,048	15,621	-	The Company’s indirect subsidiary
Selita Precision Co., Ltd.	P.R.C.E. Ltd.	Taiwan	Retail Sale of Electrical Appliances	1,230	-	122,990	49.00	1,178	(139)	-	Subsidiary’s investee company accounted for under the equity method

GIGA-BYTE TECHNOLOGY CO., LTD.
Information on investments in Mainland China
Year ended December 31, 2021

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2021	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2021: Remitted to Mainland China	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2021: Remitted back to Taiwan	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2021	Net income of investee as of December 31, 2021	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2021	Book value of investments in Mainland China as of December 31, 2021	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2021	Footnote
Dongguan Gigabyte Electronics Co., Ltd.	Manufacturing of computer information products	$ 1,180,938	Note 1	$ 1,180,938	$ -	$ -	$ 1,180,938	$ 109,467	100.00	$ 109,467	$ 1,717,782	$ -	The Company's indirect subsidiary
Ningbo Giga-Byte International Trade Co., Ltd.	Sales of computer information products	259,752	Note 1	259,752	-	-	259,752	229,422	100.00	229,422	1,564,832	-	The Company's indirect subsidiary
Ningbo BestYield Tech. Services Co., Ltd.	Maintenance of computer information products	181,923	Note 2	165,515	-	-	165,515	31,012	100.00	31,012	212,357	-	The Company's indirect subsidiary
Ningbo Zhongjia Technology Co., Ltd.	Sales of computer information products	109,853	Note 3	-	-	-	-	233,661	100.00	233,661	466,360	-	The Company's indirect subsidiary
Ningbo Gigabyte Technology Co., Ltd.	Manufacturing of computer information products	2,780,313	Note 1	2,780,313	-	-	2,780,313	181,720	100.00	181,720	3,511,913	-	The Company's indirect subsidiary
Shenzhen BestYield Tech. Services Co., Ltd.	Maintenance of computer information products	15,841	Note 3	-	-	-	-	573	100.00	573	14,473	-	The Company's indirect subsidiary
Dongguan Senyun Precision Optical Co., Ltd	Selling of mold and industrial plastic products	4,539	Note 2	1,609	2,930	-	4,539	(5,313)	96.41	(5,122)	(1,514)	-	The Company's indirect subsidiary
Zaozhuang Bestyield Resources Recycling Co., Ltd.	Recycling and selling of renewable resources	5,507	Note 3	-	-	-	-	535	100.00	535	8,061	-	The Company's indirect subsidiary

Note 1: Invested by Charleston Investments Limited and Giga Future Limited., which are subsidiaries of Freedom International Group Ltd.

Note 2: Directly invest in a company in Mainland China.

Note 3: Others.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2021	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
Giga-Byte Technology Co., Ltd.	$ 4,386,518	$ 4,402,053	$ 22,501,860
Senyun Precision Optical Co., Ltd.	4,539	9,974	251,936

GIGA-BYTE TECHNOLOGY CO., LTD.
Significant transactions , either directly or indirectly through a third area, with investee companies in the Mainland Area
Year ended December 31, 2021

Table 8

Expressed in thousands of NTD
(Except as otherwise indicated))

	Sale (purchase)		Property transaction		Accounts receivable (payable)		Provision of endorsements/guarantees or collaterals		Financing				
Investee in Mainland China	Amount	%	Amount	%	Balance at December 31, 2021	%	Balance at December 31, 2021	Purpose	Maximum balance during the year ended December 31, 2021	Balance at December 31, 2021	Interest rate	Interest during the year ended December 31, 2021	Others
Ningbo Zhongjia Technology Co., Ltd.	$ 21,427,573	18	$ -	-	$ 3,222,328	17	$ -	-	$ -	$ -	-	$ -	
Ningbo Gigabyte Technology Co., Ltd.	15,398	-	-	-	-	-	-	-	-	-	-	-	
〃	(610,242)	(1)	-	-	(1,873,743)	9	-	-	-	-	-	-	
Dongguan Gigabyte Electronics Co.,	9,808	-	-	-	1,111,361	2	-	-	-	-	-	-	
〃	(823,486)	(1)	-	-	(2,430,588)	4	-	-	-	-	-	-	
Ningbo BestYield Tech. Services Co.,Ltd.	70,444	-	-	-	-	-	-	-	-	-	-	-	After-sales service costs paid at $367,922

GIGA-BYTE TECHNOLOGY CO., LTD.
Major Shareholders Information
December 31, 2021

Table 9

Name of Major Shareholders	Shares	
	Name of shares hold	Ownership(%)
MING WEI GLOBAL CO., LTD	42,583,497	6.69%

Note 1:The major shareholders' information, which means the ownership above 5%, was calculated by Taiwan Depository & Clearing Corporation on the last operating date of each quarter, using the Company's issuance of common shares

(including treasury shares) and preference shares registered and held by the shareholders. The share capital on the financial statements different from the actual number of shares in dematerialized form due to the difference of calculation basis.

Note 2: If the shares were kept in the trust by the shareholders, it was disclosed as a separate account set by the trustee. As for the shareholder, whose shareholding ratio was greater than 10%, is regarded as an insider in accordance with Securities and Exchange Act, their shareholding ratio included the self-owned shares and trusted shares controlled by themselves. For the information of insiders, please refer to the Market Observation Post System.