

GIGA-BYTE TECHNOLOGY CO., LTD.
UNCONSOLIDATED BALANCE SHEETS
(Expressed in thousands of dollars)

	31st December		
	2007	2008	2008
	NT\$ (Restated)	NT\$	US\$ (Unaudited- Note 2)
<u>ASSETS</u>			
<u>Current Assets</u>			
Cash and cash equivalents (Note 4(1))	\$ 3,842,870	\$ 2,158,915	\$ 65,821
Financial assets at fair value through profit or loss - current (Note 4(2))	2,086,681	2,750,954	83,871
Investments in bonds without active markets - current (Note 4(5))	908,242	449,290	13,698
Notes receivable - net (Note 4(3))	26,474	7,910	241
Accounts receivable - net	4,061,435	2,242,139	68,358
Accounts receivable related parties-net (Notes 4(6) and 5)	2,626,412	1,641,764	50,054
Other receivables	434,685	467,814	14,263
Other receivables - related parties (Note 5)	38,173	57,008	1,738
Inventories - net (Note 4(4))	8,230,147	6,446,098	196,527
Deferred income tax assets - current (Note 4 (10))	408,075	520,897	15,881
Restricted assets (Note 6)	162,215	-	-
Other current assets - others (Note 5)	121,095	86,167	2,627
Total current assets	<u>22,946,504</u>	<u>16,828,956</u>	<u>513,079</u>
<u>Funds and Investments</u>			
- Financial assets carried at cost - non-current	1,222	1,222	37
- Investments in bonds without active markets - non-current (Note 4(5))	107,946	-	-
- Long-term equity investments accounted for under the equity method (Notes 4(6) and 5)	<u>6,513,641</u>	<u>6,715,627</u>	<u>204,745</u>
Total funds and investments	<u>6,622,809</u>	<u>6,716,849</u>	<u>204,782</u>
<u>Property, Plant and Equipment, Net (Note 5)</u>			
Cost			
Land	775,359	775,359	23,639
Buildings	1,448,584	1,448,782	44,170
Machinery and equipment	980,280	952,747	29,047
Transportation equipment	10,457	10,077	307
Other equipment	<u>576,894</u>	<u>621,717</u>	<u>18,955</u>
	3,791,574	3,808,682	116,118
Less: Accumulated depreciation (Note 4(7))	(1,399,893)	(1,570,276)	(47,874)
Construction in progress and prepayments for equipment	<u>4,632</u>	<u>8,545</u>	<u>261</u>
Total property, plant and equipment, net	<u>2,396,313</u>	<u>2,246,951</u>	<u>68,505</u>
<u>Other Assets</u>			
Refundable deposits	10,983	15,723	479
Deferred income tax assets - non-current (Note 4(10))	315,115	94,778	2,890
Restricted assets (Note 6)	64,886	-	-
Other assets - others	<u>161,194</u>	<u>76,567</u>	<u>2,333</u>
Total other assets	<u>552,178</u>	<u>187,068</u>	<u>5,702</u>
<u>TOTAL ASSETS</u>	<u>\$ 32,517,804</u>	<u>\$ 25,979,824</u>	<u>\$ 792,068</u>

(Continued)

GIGA-BYTE TECHNOLOGY CO., LTD.
UNCONSOLIDATED BALANCE SHEETS (CONTINUED)
(Expressed in thousands of dollars)

	31st December		
	2007	2008	2008
	NT\$	NT\$	US\$
	(Restated)		(Unaudited- Note 2)
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>			
<u>Current Liabilities</u>			
Financial liabilities at fair value through profit or loss - current	\$ 161,101	\$ -	\$ -
Notes payable	28,560	61,753	1,883
Accounts payable (Note 5)	7,287,124	4,034,280	122,996
Income tax payable (Note 4(10))	472,990	123,627	3,769
Accrued expenses (Notes 4(8) and 5)	1,302,002	1,384,860	42,221
Receipts in advance (Note 5)	309,728	553,112	16,863
Long-term liabilities-current portion (Note 4(11))	2,506,953	-	-
Other current liabilities (Note 5)	707,560	601,201	18,331
Total current liabilities	<u>12,776,018</u>	<u>6,758,833</u>	<u>206,063</u>
<u>Other Liabilities</u>			
Accrued pension liabilities (Note 4(9))	171,128	171,523	5,229
Other liabilities – others (Note 4(6))	59,888	69,743	2,126
Total other liabilities	<u>231,016</u>	<u>241,266</u>	<u>7,355</u>
Total Liabilities	<u>13,007,034</u>	<u>7,000,099</u>	<u>213,418</u>
<u>Shareholders' Equity</u>			
Common stock (Note 4(12))	6,727,255	6,330,919	193,016
Capital reserve (Note 4(11) (13))			
Paid-in capital in excess of par value of common stock	4,750,551	4,427,935	134,998
Premium on convertible bonds converted to common stock	94,015	212,579	6,481
Capital reserve from long-term investments	4,048	2,975	91
Capital reserve from stock warrants	749,211	-	-
Retained earnings (Note 4(14))			
Legal reserve	1,977,056	2,109,596	64,317
Undistributed earnings	4,999,800	5,189,255	158,209
Other adjustments to Shareholders' Equity			
Asset revaluation increment of investee company	13,263	13,965	426
Unrealized gain or loss on financial instruments	14,742	(9,136)	(279)
Cumulative translation adjustments	384,019	701,637	21,391
Treasury stock (Note 4(15))	(203,190)	-	-
Total Shareholders' Equity	<u>19,510,770</u>	<u>18,979,725</u>	<u>578,650</u>
<u>Commitments and Contingent Liabilities (Note 5)</u>			
<u>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</u>	<u>\$ 32,517,804</u>	<u>\$ 25,979,824</u>	<u>\$ 792,068</u>

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

See report of independent accountants dated 15th April 2009.

GIGA-BYTE TECHNOLOGY CO., LTD.
UNCONSOLIDATED STATEMENTS OF INCOME
(Expressed in thousands of dollars, except for earnings per share)

	For the Years Ended 31st December					
	2007		2008		2008	
	NT\$	NT\$	NT\$	NT\$	US\$	US\$
	(Restated)				(Unaudited-Note 2)	
Operating revenues (Note 5)						
Sales	\$ 50,128,080	\$ 46,864,132	\$ 1,428,785			
Sales returns	(178,663)	(103,763)	(3,164)			
Sales discounts	(668,210)	(972,715)	(29,656)			
Net sales	49,281,207	45,787,654	1,395,965			
Other operating revenues (Note 5)	-	9,356	285			
Net operating revenues	49,281,207	45,797,010	1,396,250			
Operating costs (Notes 4(18) and 5)						
Cost of goods sold	(42,735,225)	(39,357,293)	(1,199,917)			
Gross profit	6,545,982	6,439,717	196,333			
Operating expenses (Notes 4(18) and 5)						
Selling and marketing expenses	(3,015,483)	(2,753,434)	(83,946)			
General and administrative expenses	(284,595)	(290,331)	(8,852)			
Research and development expenses	(1,335,320)	(1,347,906)	(41,095)			
Total operating expenses	(4,635,398)	(4,391,671)	(133,893)			
Operating income	1,910,584	2,048,046	62,440			
Non-operating income and gains						
Interest income	156,694	98,318	2,998			
Gain on valuation of financial assets	4,145	-	-			
Gain on disposal of investments	20,505	42,192	1,286			
Other non-operating income (Note 5)	243,505	699,805	21,336			
Total non-operating income and gains	424,849	840,315	25,620			
Non-operating expenses and loss						
Interest expense	(188,743)	(171,662)	(5,234)			
Loss on valuation of financial assets	-	(12,266)	(374)			
Loss on valuation of financial liabilities	(48,490)	(141,251)	(4,306)			
Investment loss accounted for under the equity method (Note 4(6))	(433,601)	(653,424)	(19,921)			
Exchange loss	(5,896)	(198,462)	(6,051)			
Loss on inventory obsolescence and market price decline	(7,718)	(990)	(30)			
Other non-operating expenses	(1,470)	(1,248)	(39)			
Total non-operating expenses and losses	(685,918)	(1,179,303)	(35,955)			
Income from continuing operations before income tax	1,649,515	1,709,058	52,105			
Income tax expense (Note 4(10))	(324,112)	(568,827)	(17,342)			
Net income	<u>\$ 1,325,403</u>	<u>\$ 1,140,231</u>	<u>\$ 34,763</u>			
Earnings per common share (in dollars) (Note 4(17))						
	Before tax	After tax	Before tax	After tax	Before tax	After tax
Basic earnings per share	<u>\$ 2.46</u>	<u>\$ 1.98</u>	<u>\$ 2.64</u>	<u>\$ 1.76</u>	<u>\$ 0.08</u>	<u>\$ 0.05</u>
Diluted earnings per share	<u>\$ 2.35</u>	<u>\$ 1.94</u>	<u>\$ 2.03</u>	<u>\$ 1.28</u>	<u>\$ 0.06</u>	<u>\$ 0.04</u>

The accompanying notes are an integral part of these financial statements.
See report of independent accountants dated 15th April 2009.

GIGA-BYTE TECHNOLOGY CO., LTD.
UNCONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
For the Year Ended 31st December 2007 and 2008
(Expressed in thousands of NT dollars)

	Capital Reserve					Retained Earnings		Other Adjustments of Shareholders' Equity					Total
	Common Stock	Premium on Common Stock	Premium on Convertible Bonds	Long-term Investments	Stock Warrants Declared	Legal Reserve	Unappropriated Earnings	Unrealized Gain			Treasury Stock		
								Asset Revaluation Increment	or Loss on Financial Instruments	Cumulative Translation Adjustments			
<u>Year 2007 (Restated)</u>													
Balance at 1st January 2007	\$ 6,714,719	\$ 4,750,551	\$ 73,110	\$ 4,048	\$ 756,779	\$ 1,959,600	\$ 4,154,937	\$ -	\$ 17,203	\$ 204,375	\$ -	\$ 18,635,322	
Appropriations of 2006 retained earnings													
Legal reserve	-	-	-	-	-	17,456	(17,456)	-	-	-	-	-	
Cash bonuses to employees	-	-	-	-	-	-	(46,308)	-	-	-	-	(46,308)	
Remuneration to directors and supervisors	-	-	-	-	-	-	(13,893)	-	-	-	-	(13,893)	
Cash dividends declared	-	-	-	-	-	-	(402,883)	-	-	-	-	(402,883)	
Net income for 2007	-	-	-	-	-	-	1,325,403	-	-	-	-	1,325,403	
Unrealized revaluation increment of real estate of investee company	-	-	-	-	-	-	-	13,263	-	-	-	13,263	
Unrealized subsidiaries loss on financial instruments of subsidiaries	-	-	-	-	-	-	-	-	(2,461)	-	-	(2,461)	
Convertible bonds converted into common stock	12,536	-	20,905	-	(7,568)	-	-	-	-	-	-	25,873	
Treasury stock transactions	-	-	-	-	-	-	-	-	-	-	(203,190)	(203,190)	
Cumulative translation adjustments derived from long-term foreign investments	-	-	-	-	-	-	-	-	-	179,644	-	179,644	
Balance at 31st December 2007	<u>\$ 6,727,255</u>	<u>\$ 4,750,551</u>	<u>\$ 94,015</u>	<u>\$ 4,048</u>	<u>\$ 749,211</u>	<u>\$ 1,977,056</u>	<u>\$ 4,999,800</u>	<u>\$ 13,263</u>	<u>\$ 14,742</u>	<u>\$ 384,019</u>	<u>(\$ 203,190)</u>	<u>\$ 19,510,770</u>	
<u>Year 2008</u>													
Balance at 1st January 2008	\$ 6,727,255	\$ 4,750,551	\$ 94,015	\$ 4,048	\$ 749,211	\$ 1,977,056	\$ 4,999,800	\$ 13,263	\$ 14,742	\$ 384,019	(\$ 203,190)	\$ 19,510,770	
Appropriations of 2007 retained earnings													
Legal reserve	-	-	-	-	-	132,540	(132,540)	-	-	-	-	-	
Cash bonuses to employees	-	-	-	-	-	-	(74,110)	-	-	-	-	(74,110)	
Remuneration to directors and supervisors	-	-	-	-	-	-	(22,233)	-	-	-	-	(22,233)	
Cash dividends declared	-	-	-	-	-	-	(644,755)	-	-	-	-	(644,755)	
Net income for 2008	-	-	-	-	-	-	1,140,231	-	-	-	-	1,140,231	
Unrealized revaluation increment of real estate of investee company	-	-	-	-	-	-	-	702	-	-	-	702	
Unrealized subsidiaries loss on financial instruments of subsidiaries	-	-	-	-	-	-	-	-	(23,878)	-	-	(23,878)	
Convertible bonds converted into common stock	83,364	-	128,479	-	(48,773)	-	-	-	-	-	-	163,070	
Redemption and retirement of convertible bonds	-	-	-	-	(700,438)	-	-	-	-	-	-	(700,438)	
Proportional adjustment on investees' adjustment for change in long-term investment ownership percentage	(479,700)	(322,616)	(9,915)	-	-	-	(77,138)	-	-	-	889,369	-	
Treasury stock transactions	-	-	-	(1,073)	-	-	-	-	-	-	-	(1,073)	
Treasury stock retired	-	-	-	-	-	-	-	-	-	-	(686,179)	(686,179)	
Cumulative translation adjustments derived from long-term foreign investments	-	-	-	-	-	-	-	-	-	317,618	-	317,618	
Balance at 31st December	<u>\$ 6,330,919</u>	<u>\$ 4,427,935</u>	<u>\$ 212,579</u>	<u>\$ 2,975</u>	<u>\$ -</u>	<u>\$ 2,109,596</u>	<u>\$ 5,189,255</u>	<u>\$ 13,965</u>	<u>(\$ 9,136)</u>	<u>\$ 701,637</u>	<u>\$ -</u>	<u>\$ 18,979,725</u>	

(Continued)

GIGA-BYTE TECHNOLOGY CO., LTD.
UNCONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
For the Years Ended 31st December 2007 and 2008
(Expressed in thousands of US dollars)

	Capital Reserve					Retained Earnings		Other Adjustments of Shareholders' Equity					Total
	Common Stock	Premium on Common Stock	Premium on Convertible Bonds	Long-term Investments	Stock Warrants Declared	Legal Reserve	Unappropriated Earnings	Asset Revaluation Increment	Unrealized Gain or Loss on		Treasury Stock		
									Financial Instruments	Cumulative Translation Adjustments			
<u>Year 2008</u> (Unaudited-Note 2)													
Balance at 1st January 2008	\$ 205,099	\$ 144,834	\$ 2,866	\$ 123	\$ 22,842	\$ 60,276	\$ 152,433	\$ 404	\$ 449	\$ 11,708	(\$ 6,195)	\$ 594,841	
Appropriations of 2007 retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	
Legal reserve	-	-	-	-	-	4,041	(4,041)	-	-	-	-	-	
Cash bonuses to employees	-	-	-	-	-	-	(2,259)	-	-	-	-	(2,259)	
Remuneration to directors and supervisors	-	-	-	-	-	-	(678)	-	-	-	-	(678)	
Cash dividends declared	-	-	-	-	-	-	(19,657)	-	-	-	-	(19,657)	
Net income for 2008	-	-	-	-	-	-	34,763	-	-	-	-	34,763	
Unrealized revaluation increment of real estate of investee company	-	-	-	-	-	-	-	21	-	-	-	21	
Unrealized subsidiaries loss on financial instruments of subsidiaries	-	-	-	-	-	-	-	-	(728)	-	-	(728)	
Convertible bonds converted into common stock	2,542	-	3,917	-	(1,487)	-	-	-	-	-	-	4,972	
Redemption and retirement of convertible bonds	-	-	-	-	(21,355)	-	-	-	-	-	-	(21,355)	
Proportional adjustment on investees' adjustment for change in long-term investment ownership percentage	(14,625)	(9,836)	(302)	-	-	-	(2,352)	-	-	-	27,115	-	
Treasury stock transactions	-	-	-	(33)	-	-	-	-	-	-	-	(33)	
Treasury stock retired	-	-	-	-	-	-	-	-	-	-	(20,920)	(20,920)	
Cumulative translation adjustments derived from long-term foreign investments	-	-	-	-	-	-	-	-	-	9,683	-	9,683	
Balance at 31st December	<u>\$ 193,016</u>	<u>\$ 134,998</u>	<u>\$ 6,481</u>	<u>\$ 91</u>	<u>\$ -</u>	<u>\$ 64,317</u>	<u>\$ 158,209</u>	<u>\$ 426</u>	<u>(\$ 279)</u>	<u>\$ 21,391</u>	<u>\$ -</u>	<u>\$ 578,650</u>	

The accompanying notes are an integral part of these financial statements.
See report of independent accountants dated 15th April 2009.

GIGA-BYTE TECHNOLOGY CO., LTD.
UNCONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of dollars)

	For the Years Ended 31st December		
	2007	2008	2008
	NT\$ (Restated)	NT\$	US\$ (Unaudited- Note 2)
<u>Cash flows from operating activities:</u>			
Net income	\$ 1,325,403	\$ 1,140,231	\$ 34,763
Adjustments to reconcile net income to net cash provided by operating activities:			
Provision for doubtful accounts	17,502	4,568	139
Provision for inventory obsolescence and market price decline	7,718	990	30
Loss on long-term equity investments accounted for under the equity method	433,601	653,424	19,921
Loss on disposal of long-term equity investments	-	1,116	34
Loss on sale of long-term investments	57	-	-
Loss on disposal of financial assets carried at cost	745	-	-
Gain on disposal of property, plant and equipment, net	(27,467)	(138)	(4)
(Gain) loss on valuation of financial assets	(4,145)	12,266	374
Loss on valuation of financial liabilities	48,490	141,251	4,306
Depreciation	248,138	208,522	6,357
Amortization	119,670	131,826	4,019
Amortization of discount cost of convertible bonds	185,322	170,806	5,208
Exchange loss (gain) on foreign currency denominated financial instruments	4,271	(626)	(19)
Exchange gain on revaluation of foreign currency denominated convertible bonds and gain on redemption of convertible bonds	(14,525)	(472,222)	(14,397)
Exchange (gain) loss on revaluation of foreign currency holdings	(13,575)	26,383	804
Changes in assets and liabilities:			
(Increase) decrease in assets			
Financial assets at fair value through profit or loss	(1,331,215)	(677,191)	(20,646)
Notes receivable	(2,194)	18,564	566
Accounts receivable	(1,721,374)	2,800,495	85,381
Other receivables	(197,146)	(51,964)	(1,584)
Inventories	(2,077,282)	1,783,059	54,362
Deferred income tax assets	(190,577)	107,515	3,278
Other current assets	(44,050)	(96,898)	(2,954)
Increase (decrease) in liabilities			
Notes payable	(2,532)	33,193	1,012
Accounts payable	2,976,057	(3,252,844)	(99,172)
Income tax payable	408,689	(349,363)	(10,651)
Accrued expenses	605,759	82,858	2,526
Accrued pension liabilities	(158)	395	12
Receipts in advance	91,070	243,384	7,420
Other current liabilities	(304,569)	(117,780)	(3,592)
Other liabilities	(48,897)	(53,042)	(1,617)
Net cash provided by operating activities	<u>492,786</u>	<u>2,488,778</u>	<u>75,876</u>

GIGA-BYTE TECHNOLOGY CO., LTD.
UNCONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
(Expressed in thousands of dollars)

	For the Years Ended 31st December		
	2007	2008	2008
	NT\$	NT\$	US\$
	(Restated)		(Unaudited- Note 2)
<u>Cash flows from investing activities:</u>			
Decrease in investments in bonds without active markets	\$ 65,716	\$ 567,524	\$ 17,303
Acquisition of long-term equity investments - subsidiary	(659,379)	(504,799)	(15,390)
Acquisition of long-term equity investments liquidated	62,933	3,420	104
Proceeds from sale of long-term investments	41,071	-	-
Increase in financial assets carried at cost - non - current	(1,222)	-	-
Proceeds from sale of financial assets carried at cost	49,255	-	-
Decrease in other financial assets	500,000	-	-
Acquisition of property, plant and equipment	(46,730)	(48,911)	(1,491)
Proceeds from disposal of property, plant and equipment	91,885	1,310	40
Decrease in pledged assets	25,935	227,101	6,924
Increase in deposits - out	(3,405)	(4,740)	(145)
(Increase) decrease in other assets - others	(115,694)	84,627	2,580
Net cash used in investing activities	<u>10,365</u>	<u>325,532</u>	<u>9,925</u>
<u>Cash flows from financing activities:</u>			
Employees' cash bonuses paid	(46,308)	(74,110)	(2,259)
Remuneration to directors and supervisors	(13,893)	(22,233)	(678)
Cash dividends paid	(402,883)	(644,755)	(19,657)
Acquisition of treasury stock	(203,190)	(686,179)	(20,920)
Redemption of convertible bonds, net	-	(3,044,605)	(92,823)
Net cash used in financing activities	(666,274)	(4,471,882)	(136,338)
Exchange gain on revaluation of foreign currency holdings	13,575	(26,383)	(803)
Decrease in cash and cash equivalents	(149,548)	(1,683,955)	(51,340)
Cash and cash equivalents at beginning of year	3,992,418	3,842,870	117,161
Cash and cash equivalents at end of year	<u>\$ 3,842,870</u>	<u>\$ 2,158,915</u>	<u>\$ 65,821</u>
<u>Supplemental disclosures of cash flow information:</u>			
Interest paid	\$ 2,691	\$ 856	\$ 26
Income tax paid	\$ 106,000	\$ 820,395	\$ 25,012
Convertible bonds converted to common stocks	\$ 33,441	\$ 163,070	\$ 4,972
Proceeds from sale of long-term investments	\$ 96,719	\$ -	\$ -
Less: proceeds from sale receivable at the end of year	(6,393)	-	-
Cash received	<u>\$ 90,326</u>	<u>\$ -</u>	<u>\$ -</u>
Acquisition of property, plant and equipment	\$ -	\$ 60,332	\$ 1,839
Less: payables on equipment	-	(11,421)	(348)
Cash paid	<u>\$ -</u>	<u>\$ 48,911</u>	<u>\$ 1,491</u>

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

See report of independent accountants dated 15th April 2009.

GIGA-BYTE TECHNOLOGY CO., LTD.
NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS
31st December 2007 AND 2008

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

1. HISTORY AND ORGANIZATION

- 1) Giga-Byte Technology Co., Ltd. (the "Company") was incorporated as a company limited by shares under the provisions of the Company Law of the Republic of China (R.O.C.) on 30th April 1986. The Company is engaged in the manufacture, processing and trading of computer peripheral and component parts. The Company's shares have been traded on Taiwan Stock Exchange Corporation since 24th September 1998.
- 2) In accordance with the resolution adopted by the Board of Directors on 29th August 2008, the Company merged with its wholly-owned subsidiary-Gigabyte United Inc. on 1st October 2008. The Company was the surviving company and Gigabyte United Inc. was the dissolved company. The Company had also restated its financial statements as of and for the year ended 31st December 2007 in accordance with relevant regulations.
- 3) As of 31st December 2008, the Company had approximately 2,600 employees.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements are prepared in accordance with the "Rules Governing the Preparation of Financial Statements by Securities Issuers", "Business Entity Accounting Law", "Regulation on Business Entity Accounting Handling" and generally accepted accounting principles in the R.O.C. The Company's significant accounting policies are summarized as follows:

1) Classification of current and non-current assets and liabilities

- 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 realized or consumed, or are intended to be sold within the normal operating cycle;
 - b. Assets held mainly for trading purposes;
 - c. Assets that are expected to be realized 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 arising from operating activities that are expected to be paid off within the normal operating cycle;
- b. Liabilities arising mainly from trading activities;
- c. Liabilities that are to be paid off 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.

2) Cash equivalents

Cash and cash equivalents include cash on hand and in banks and other short-term highly liquid investments which are readily convertible to known amount of cash and which are subject to insignificant risk of changes in value resulting from fluctuations in interest rates.

3) Foreign currency transactions

A. The Company maintains its accounts in New Taiwan dollars. Transactions denominated in foreign currencies are translated into New Taiwan dollars at the spot exchange rates prevailing at the transaction dates. Exchange gain or losses due to the difference between the exchange rate on the transaction date and the exchange rate on the date of actual receipt and payment are recognized in current year's profit or loss.

B. Monetary assets and liabilities denominated in foreign currencies are translated at the spot exchange rates prevailing at the balance sheet date, the exchange gains or losses are recognized in profit or loss. However, translation gains or losses on intercompany accounts that are, in nature, deemed long term investments are accounted for as an adjustment to the shareholders' equity.

C. When a non-monetary item is measured at fair value through profit or loss, any exchange component of that gain or loss shall be recognized directly in current income. Conversely, when a gain or loss on a non-monetary item is measured at fair value through shareholders' equity, any exchange component of that gain or loss shall be recognized in shareholders' equity. However, non-monetary items that are measured at historical cost basis are translated using the exchange rate at the date of the transaction.

4) Financial assets at fair value through profit or loss

A. Financial assets at fair value through profit or loss are recognized initially at fair value. Investments in equity instruments are recognized and derecognized using trade date accounting. Investments in debt instruments, beneficiary certificates and derivative financial instruments are recognized and derecognized using settlement date accounting.

B. Any change in the fair value of the assets is included in the current income. The fair value of open-end mutual funds is based on the net asset value at the balance sheet date.

C. For call options, put options and conversion options, which are embedded in bonds payable, please refer to Note 2(16).

5) Investment in bonds without active markets

A. Investment in bonds without active markets is recognized and derecognized using settlement date accounting and is recognized initially at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

B. This financial asset is carried at amortized cost.

C. If there is any objective evidence that the financial asset is impaired, the impairment loss is recognized in profit and loss. If subsequently the fair value of the financial asset increases and the increase can be related objectively to an event occurring after the impairment loss was recognized in profit or loss, the previously recognized impairment loss shall be reversed to the extent of the amount of the amortized cost that would have been recognized at the date the impairment is reversed.

6) Financial assets carried at cost

A. Investment in unquoted equity instruments is recognized or derecognized using trade date accounting. Such financial asset is recognized initially at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset and is subsequently carried at cost.

B. If there is any objective evidence that an impairment loss has been incurred, the impairment loss is recognized in the current income. Such impairment loss shall not be reversed when the fair value of the asset subsequently increases.

7) Derivative financial instruments

Derivative financial instruments entered into for trading purposes: Option contracts are recognized at fair value on trade date; other derivative financial instruments are also recognized at fair value on trade date, which is generally zero. Derivative financial instruments are measured at fair value at the balance sheet date, and any change in the fair value of derivative financial instruments is recognized in the current income and as asset or liability.

8) Allowance for doubtful accounts

Allowance for doubtful accounts is provided based on an evaluation of the collectibility of notes, accounts, and other receivables at the balance sheet date.

9) Inventories

Inventories are stated at the lower of cost or market value. Cost is determined using the weighted-average method. The current replacement price is used to determine the market value for raw materials, supplies and merchandise, and the net realizable value is used for work in process and finished goods. A provision is made for obsolete or slow-moving items and is charged against current net income.

10) Long-term equity investments accounted for under the equity method

- A. Long-term equity investments in which the Company holds at least 20% of the investee company's voting shares or has the ability to exercise significant influence on the investee's operational decisions are accounted for under the equity method. The excess of the initial investment cost over the acquired net asset value of the investee is attributed to goodwill which is no longer amortized, effective 1st January 2006. Retrospective adjustment to previously amortized goodwill is not required. Goodwill is subject to impairment test at least annually. All majority-owned subsidiaries and controlled entities are consolidated.
- B. Unrealized profit and loss of intercompany transactions are eliminated under the equity method.
- C. Investment loss on the non-controlled entities over which the Company has the ability to exercise significant influence is recognized to the extent that the amount of long-term investments in such investees is written down to zero. However, if the Company continues to provide endorsements, guarantees or financial support for such investees, the investment loss is recognized continuously in proportion to the Company's equity interest in such investees. In the case of controlled entities, when losses applicable to the other shareholders exceed their interests in such entities, such an excess and any further losses applicable to the other shareholders are allocated against the Company's interest except to the extent that the other shareholders have binding obligations and are able to make an additional investment to cover the losses. If such entities subsequently report profits, such profits are allocated to the Company until the other shareholders' share of losses previously absorbed by the Company has been recovered.
- D. The cost of long-term investments disposed of is determined using the weighted-average method.
- E. Exchange differences arising from translation of the financial statements of overseas investee companies accounted for under the equity method are recorded as "cumulative translation adjustments" under shareholders' equity.

11) Property, plant and equipment

- A. Property, plant and equipment are stated at cost. Interest incurred during the period required to complete and prepare the asset for its intended use is capitalized as part of the total acquisition cost of the asset. Significant renewals and improvements are treated as capital expenditures and depreciated accordingly. Maintenance and repairs are charged to expense as incurred.
- B. When an asset is sold or retired, the cost and accumulated depreciation are removed from the respective accounts and the resulting gain or loss is included in current non-operating results.

C. Depreciation is provided using the straight-line method based on the estimated economic useful lives of the assets plus one year representing residual value. Fully depreciated assets still in use are depreciated based on the residual values over the remaining useful lives. The estimated useful lives of property, plant and equipment are 3 - 10 years, except for buildings, which are 5 - 55 years.

12) Impairment of non-financial assets

The Company recognizes impairment loss when there is indication that the recoverable amount of an asset is less than its carrying amount. The recoverable amount is the higher of the fair value less costs to sell and value in use. The fair value less costs to sell is the amount obtainable from the sale of the asset in an arm's length transaction after deducting any direct incremental disposal costs. The value in use is the present value of estimated future cash flows to be derived from continuing use of the asset and from its disposal at the end of its useful life. When the impairment no longer exists, the impairment loss recognized in prior years shall be recovered.

13) Warranty

The Company provides a warranty for repair or replacement of defective products sold. Provision for warranty expense is estimated based on historical experience of actual warranty expense incurred.

14) Pension plans

A. Under the defined benefit pension plan, net periodic pension costs are recognized in accordance with the actuarial valuation. Net periodic pension costs include service cost, interest cost, expected return on plan assets, and amortization of unrecognized net transition obligation and gains or losses on plan assets. Unrecognized net transition obligation is amortized on a straight-line basis over 7 years.

B. Under the defined contribution pension plan, net periodic pension costs are recognized as incurred.

15) Income tax

A. Income tax expense is provided based on accounting income after adjusting for permanent differences. The tax effect of taxable temporary differences is recorded as deferred income tax liability while the tax effects of deductible temporary differences and tax losses available to be carried forward and investment tax credits are recorded as deferred income tax assets. A valuation allowance is provided for deferred income tax assets to the extent that it is more likely than not that the tax benefit will not be realized. Deferred income tax assets or liabilities are further classified into current and non-current items based on the classifications of the related assets or liabilities or on the expected reversal date of the temporary differences.

B. Investment tax credits arising from expenditures incurred on acquisitions of equipment, research and development and employees' trainings, etc. are recognized in the period the related expenditures are incurred.

- C. An additional 10% 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.
- D. Adjustments of prior years' income tax liabilities are included in the current year's income tax expense.

16) Bonds payable

For the bonds payable issued after 1st January 2006, the issuer of a financial instrument shall classify the instrument, or its component parts, on initial recognition as a financial liability, a financial asset or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, a financial asset and an equity instrument. These bonds are accounted for as follows:

- A. The fair value of the liability portion of a convertible bond is determined using a market interest rate for an equivalent non-convertible bond. This amount is recorded as a liability on an amortized cost basis through the conversion period or the maturity of the bond.
- B. The value of any derivative features (such as a call option and put option) embedded in the compound financial instrument is recognized as "financial assets or financial liabilities at fair value through profit or loss". These derivative features are subsequently remeasured and stated at fair value on each balance sheet date, and the gain or loss is recognized in "gain or loss on valuation of financial assets or financial liabilities". At the maturity of the redemption period, if the fair value of common stock exceeds the redemption price, the fair value of the put option is recognized as "paid-in capital"; however, if the fair value of common stock is lower than the redemption price, the fair value of the put option is recognized as "gain or loss".
- C. A conversion option embedded in the bonds issued by the Company, which is convertible to an equity instrument, is recognized in "capital reserve from stock warrants". When a bondholder exercises his/her conversion rights, the liability component of the bonds (including corporate bonds and embedded derivatives) shall be revalued at fair value on the conversion date, and the resulting difference shall be recognized as "gain or loss" in the current period. The book value of the common stock issued due to the conversion shall be based on the adjusted book value of the abovementioned liability component plus the book value of the stock warrants.
- D. When bondholders can execute the conversion right in the following year, the bonds payable is classified as current liabilities. After the execution period, the remaining bonds payable is classified as non-current liabilities.

17) Treasury stock

- A. Treasury stock is stated at cost.
- B. When treasury stock is disposed, the related gain is credited to "capital reserve-treasury stock transaction" and any loss is offset against this capital reserve account. However, when the balance of this capital reserve account is insufficient to offset the loss, the

remaining amount is charged against retained earnings.

C. Cost of treasury stock is determined using the weighted-average method.

18) Share-based payment - employee compensation plan

The employee stock options granted from January 1, 2004 through December 31, 2007 are accounted for in accordance with EITF92-070, EITF92-071 and EITF92-072 “Accounting for Employee Stock Options” as prescribed by the Accounting Research and Development Foundation, R.O.C., dated March 17, 2003. Under the share-based employee compensation plan, compensation cost is recognized using the intrinsic value method and pro forma disclosures of net income and earnings per share are prepared in accordance with the R.O.C. SFAS No. 39, “Accounting for Share-based Payment”.

19) Employees’ bonuses and directors’ and supervisors’ remuneration

Effective January 1, 2008, pursuant to EITF96-052 of the Accounting Research and Development Foundation, R.O.C., dated March 16, 2007, “Accounting for Employees’ Bonuses and Directors’ and Supervisors’ Remuneration”, the costs of employees’ bonuses and directors’ and supervisors’ remuneration are accounted for as expenses and liabilities, provided that such a recognition is required under legal obligation or constructive obligation and those amounts can be estimated reasonably. However, if the accrued amounts for employees’ bonuses and directors’ and supervisors’ remuneration are significantly different from the actual distributed amounts resolved by the stockholders at their annual stockholders’ meeting subsequently, the differences shall be recognized as gain or loss in the following year. In addition, according to EITF97-127 of the Accounting Research and Development Foundation, R.O.C., dated March 31, 2008, “Criteria for Listed Companies in Calculating the Number of Shares of Employees’ Stock Bonus”, the Company calculates the number of shares of employees’ stock bonus based on the closing price of the Company's common stock at the previous day of the stockholders’ meeting held in the year following the financial reporting year, and after taking into account the effects of ex-rights and ex-dividends.

20) Revenue and expense recognition

Revenues are recognized when earned, except for sales to majority owned subsidiaries, which are recognized when the goods are sold by the subsidiaries to third parties. Costs are accrued when the related revenues are recognized. Expenses are recognized as incurred.

21) Earnings per share

A. Earnings per share is calculated by dividing net income by the weighted-average number of shares outstanding during the year after taking into consideration the retroactive effect of stock dividends, capital reserve capitalized, and stock bonuses to employees without considering the retroactive effect of common shares issued for cash.

B. The potential common shares arising from the outstanding Euro convertible bonds and employee stock options are included in the calculation of diluted earnings per share which was presented along with basic earnings per share.

22) Settlement date accounting

Under the settlement date accounting, any change in the fair value of financial instruments during the period between the trade date and settlement date shall not be recognized for financial assets carried at cost or at amortized cost, and shall be recognized in current income for financial assets at fair value through profit or loss, and in shareholders' equity for available-for-sale financial assets.

23) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts of assets and liabilities and the disclosures of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses during the reporting period. Actual results could differ from those assumptions and estimates.

24) Convenience translation into US dollars (unaudited)

The Company maintains its accounting records and prepares its financial statements in New Taiwan ("NT") dollars. The United States ("US") dollar amounts disclosed in the financial statements as of and for the year ended 31st December 2008 are presented solely for the convenience of the reader and were translated to US dollars using the average of buying and selling exchange rates of US\$1:NT\$32.80 on 31st December 2008. Such translation amounts are unaudited and should not be construed as representations that the NT dollar amounts represent, have been, or could be converted into US dollars at that or any other rate.

3. CHANGES IN ACCOUNTING PRINCIPLES

Share-based payment - employee compensation plan

Effective 1st January 2008, the Company adopted R.O.C. SFAS No. 39, "Accounting for Share-based Payment". This change in accounting principle had no significant impact on the financial statements of and for the year ended 31st December 2008.

Employees' bonuses and directors' and supervisors' remuneration

Effective 1st January 2008, the Company adopted EITF96-052 of the Accounting Research and Development Foundation, R.O.C., dated March 16, 2007. As a result of the adoption of EITF96-052, net income decreased by \$62,722 (US\$1,912) and earnings per share decreased by \$0.1 (US\$0.003) for the year ended 31st December 2008.

4. SUMMARY OF SIGNIFICANT ACCOUNTS

1) Cash and cash equivalents

	31st December		
	2007	2008	2008
	NT\$	NT\$	US\$
			(Unaudited- Note 2)
Cash on hand	\$ 4,118	\$ 2,620	\$ 80
Checking and demand deposits	1,143,227	233,985	7,134
Time deposits	2,371,095	1,922,310	58,607
Cash equivalents			
Investments in bonds	<u>324,430</u>	<u>-</u>	<u>-</u>
	<u>\$ 3,842,870</u>	<u>\$ 2,158,915</u>	<u>\$ 65,821</u>

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

	31st December		
	2007	2008	2008
	NT\$	NT\$	US\$
			(Unaudited- Note 2)
Financial assets held for trading			
Open-end funds			
- Domestic	\$ 2,021,054	\$ 2,635,567	\$ 80,353
- Overseas	60,813	62,085	1,893
The listed company preferred stock-overseas	<u>-</u>	<u>60,754</u>	<u>1,852</u>
	2,081,867	2,758,406	84,098
Adjustment of financial assets held for trading	<u>4,814</u>	<u>(7,452)</u>	<u>(227)</u>
	<u>\$ 2,086,681</u>	<u>\$ 2,750,954</u>	<u>\$ 83,871</u>

The Company recognized net gain of \$28,821 and \$31,576 (US\$963) for the years ended 31st December 2007 and 2008.

For the year ended 2008, all the derivative financial instruments are settled. The exchange loss on derivative financial instruments is \$1,628 and \$7,223 (US\$220) for the years ended 31st December 2007 and 2008, respectively. The information on derivative financial instruments is as follows:

31st December 2008

Financial instruments	Contract amount	Contract period
Forward exchange contracts	¥ 150,000	97.1.4
- sell JPY and buy USD		
- sell JPY and buy NTD	¥ 150,000	97.1.4

The Company adopts forward exchange contracts to hedge the change of exchange rate due to foreign currency denominated accounts receivable, without adopting the hedging accounting.

3) Accounts receivable

	31st December		
	2007	2008	2008
	NT\$	NT\$	US\$
			(Unaudited- Note 2)
Accounts receivable – third parties	\$ 4,106,218	\$ 2,278,532	\$ 69,468
Less: Allowance for doubtful accounts	(44,783)	(36,393)	(1,110)
	<u>\$ 4,061,435</u>	<u>\$ 2,242,139</u>	<u>\$ 68,358</u>

4) Inventories

	31st December		
	2007	2008	2008
	NT\$	NT\$	US\$
			(Unaudited- Note 2)
Raw materials and supplies	\$ 2,378,759	\$ 1,631,633	\$ 49,745
Work in process	1,848,020	664,580	20,262
Finished goods and merchandise inventories	<u>4,227,991</u>	<u>4,377,913</u>	<u>133,473</u>
	8,454,770	6,674,126	203,480
Less: Allowance for loss on obsolescence and decline in market value	(224,623)	(228,028)	(6,953)
	<u>\$ 8,230,147</u>	<u>\$ 6,446,098</u>	<u>\$ 196,527</u>

5) Investments in bonds without active markets

	31st December		
	2007	2008	2008
	NT\$	NT\$	US\$
			(Unaudited- Note 2)
Current:			
Structured notes	\$ 908,242	\$ 449,290	\$ 13,698
Non-current:			
Structured notes	\$ 107,946	\$ -	\$ -

6) Long-term equity investments accounted for under the equity method

Investee Company	Percentage ownership as at 31st December 2007	31st December 2007 Carrying amount		Percentage ownership as at 31st December 2008	31st December 2008 Carrying amount		31st December 2008 Carrying amount	
		NT\$			NT\$			US\$
								(Unaudited -Note 2)
Freedom International Group Ltd.	100%	\$ 4,282,112		100%	\$ 4,918,240	\$ 149,946		
Chi-Ga Investments Corp.	100%	1,746,978		100%	1,557,775	47,493		
G-Style Co., Ltd.	100%	121,318		100%	84,135	2,565		
Nippon Giga-Byte Corp. and others	1%~100%	299,374		48.63%~100%	29,840	910		
		6,449,782			6,589,990	200,914		
Add: Reclassified to accounts receivable -related parties contra account		63,859			62,740	1,913		
Reclassified to other liabilities-other		-			62,897	1,918		
		\$ 6,513,641			\$ 6,715,627	\$ 204,745		

A. The investment loss of \$433,601 and \$653,424(US\$19,921) in 2007 and 2008, respectively, were accounted for under the equity method based on the audited financial statements of the investee companies for the years ended 31st December 2007 and 2008, respectively, except as stated in the following paragraph.

The Company was not required to obtain the audited financial statements of Nippon Gigabyte Corp., Giga-Byte Technology PTY Ltd., and G.B.T. Technology Trading GmbH and Gigabyte Technology s.r.o., whose financial statement amounts were immaterial and had no significant effect on the Company's financial statements. The Company's proportionate share of the investment gain or loss from these investee companies were recognized by the Company based on these investee companies' unaudited financial statements.

B. As the Company intends to provide full financial support to Giga-Byte Technology B.V. (G.B.T.-NL) the Company continued to account for its investment in G.B.T.-NL under the equity method and recognized losses in excess of the original investment cost. As of 31st December 2007 and 2008, these negative balances were reclassified to a contra account of accounts receivable - related parties and other liabilities-others.

C. The Company accounted for its investment in Gigabyte Technology s.r.o. etc. under the equity method because the total ownership in the outstanding shares of this investee company by the Company and its subsidiaries exceeded 20%.

D. As of 31st December 2007 and 2008, unrealized intercompany gains and losses from downstream transactions with equity-method investees amounted to \$103,791 and \$148,379 (US\$4,524), respectively, which were eliminated.

E. All controlled entities and majority-owned investee companies are included in the consolidated financial statements as of and for the years ended 31st December 2007 and 2008.

7) Accumulated depreciation

The details of accumulated depreciation were as follows:

	31st December		
	2007	2008	2008
	NT\$	NT\$	US\$
			(Unaudited- Note 2)
Buildings	\$ 303,795	\$ 343,171	\$ 10,463
Machinery	704,976	783,451	23,886
Transportation	8,753	8,841	270
Other equipment	382,369	434,813	13,255
	<u>\$ 1,399,893</u>	<u>\$ 1,570,276</u>	<u>\$ 47,874</u>

8) Accrued expense

	31st December		
	2007	2008	2008
	NT\$	NT\$	US\$
			(Unaudited- Note 2)
Salary and bonus payable	\$ 720,933	\$ 956,029	\$ 29,147
Royalties payable	283,596	204,610	6,238
Shipping and freight-in payable	128,945	89,585	2,731
Others	168,528	134,636	4,105
	<u>\$ 1,302,002</u>	<u>\$ 1,384,860</u>	<u>\$ 42,221</u>

9) Pension plans

A. The Company has a non-contributory and funded defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees. Under the defined benefit 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.

(1) As of 31st December 2007 and 2008, the reconciliation of plan funded status to accrued pension cost is shown below:

	31st December		
	2007	2008	2008
	NT\$	NT\$	US\$
			(Unaudited- Note 2)
Benefit obligation:			
Vested benefit obligation	(\$ 939)	(\$ 1,309)	(\$ 40)
Non-vested benefit obligation	(173,973)	(209,159)	(6,377)
Accumulated benefit obligation	(174,912)	(210,468)	(6,417)
Additional benefits based on future salaries	(97,517)	(147,548)	(4,498)
Projected benefit obligation	(272,429)	(358,016)	(10,915)
Fair value of pension plan assets	162,486	184,286	5,618
Funded status of the plan	(109,943)	(173,730)	(5,297)
Unrecognized transition amount	2,590	1,942	59
Unrecognized net (gain) loss	(58,610)	9,500	290
Accrued pension liabilities	(\$ 165,963)	(\$ 162,288)	(\$ 4,948)
Vested benefit	(\$ 956)	(\$ 1,565)	(\$ 48)
Actuarial assumptions:			
Discount rate	3.50%	2.50%	
Rate of compensation increase	3.00%	3.00%	
Excepted rate of return on pension plan assets	2.50%	2.50%	

- (2) The components of net pension cost for 2007 and 2008 based on actuarial assumptions and results were as follows:

	For the years ended 31st December		
	2007	2008	2008
	NT\$	NT\$	US\$
			(Unaudited- Note 2)
Service cost	\$ 10,999	\$ 8,933	\$ 272
Interest cost	8,944	9,517	290
Expected return on plan assets	(3,764)	(4,246)	(129)
Amortization of unrecognized net transition obligation	647	647	20
Net gain not recognized as pension cost	(1,532)	(1,742)	(53)
Net pension cost	<u>\$ 15,294</u>	<u>\$ 13,109</u>	<u>\$ 400</u>

- B. Pursuant to the new “Labor Pension Act” enacted on 1st July 2005, the Company established a defined contribution pension plan covering all domestic employees (the “New Plan”). For employees who elect to participate in the New Plan, the Company contributes monthly 6% of the employees’ salaries and wages paid each month to the employees’ individual pension accounts at the Bureau of Labor Insurance. Benefits accrued are portable upon termination of service. Pension payments to employees are made either by monthly installments or in lump sum from the accumulated contributions and earnings in the employees’ individual accounts. The net pension costs recognized under the New Plan for the years ended 31st December 2007 and 2008 were \$54,441 and \$56,469 (US\$1,722), respectively.

10) Income tax

- A. Income tax expense and income tax payable are reconciled as follows:

	For the years ended 31st December		
	2007	2008	2008
	NT\$	NT\$	US\$
			(Unaudited- Note 2)
Income tax payable	\$ 472,990	\$ 123,627	\$ 3,769
Net change in deferred income tax assets and liabilities			
- Temporary differences	(32,203)	65,430	1,995
- Investment tax credits	(108,994)	36,341	1,108
- Loss carryforward	(49,380)	5,744	175
Prepaid income tax	28,312	293,382	8,945
Under provision of prior year's income tax	13,387	44,303	1,350
Income tax expense	<u>\$ 324,112</u>	<u>\$ 568,827</u>	<u>\$ 17,342</u>
Income tax expense consists:			
Income tax expense - current	\$ 322,650	\$ 523,651	\$ 15,965
10% tax on undistributed retained earnings	1,462	45,176	1,377
	<u>\$ 324,112</u>	<u>\$ 568,827</u>	<u>\$ 17,342</u>

B. Deferred income tax assets were as follows:

	31st Decmeber (NT\$)			
	2007		2008	
	Amount	Tax effect	Amount	Tax effect
Current:				
Provision for warranty expense	\$ 385,764	\$ 96,441	\$ 358,702	\$ 89,675
Allowance for inventory loss	259,245	64,811	229,320	57,330
Unrealized profit on intercompany sales	103,791	25,948	148,379	37,095
Unrealized exchange (gain) loss	(22,732)	(5,683)	43,837	10,959
Bonus payable	436,285	109,071	21,816	5,454
Others	55,446	13,862	209,280	52,320
Loss carryforward		54,245		224,428
Investment tax credits		49,380		43,636
Deferred income tax assets - current		<u>\$ 408,075</u>		<u>\$ 520,897</u>
Non-current:				
Long-term equity investment loss accounted for under the equity method	\$ 412,962	\$ 103,240	\$ 411,818	\$ 102,954
Pension expense	173,878	43,470	173,878	43,470
Royalties payable	266,495	66,624	204,610	51,152
Unrealized exchange loss on financial assets	1,711	428	626	156
Others	20,449	5,112	-	-
Investment tax credits		206,524		-
		425,398		197,732
Valuation allowance - non-current		(110,283)		(102,954)
Deferred income tax assets - non-current		<u>\$ 315,115</u>		<u>\$ 94,778</u>

	31st December (US\$)	
	2008	
	Amount	Tax effect
(Unaudited-Note 2)		
Current:		
Provision for warranty expense	\$ 10,936	\$ 2,734
Allowance for inventory loss	6,991	1,748
Unrealized profit on intercompany sales	4,524	1,131
Unrealized exchange loss	1,336	334
Bonds payable	665	166
Others	6,380	1,596
Loss carryforward		6,842
Investment tax credits		1,330
Deferred income tax assets - current		<u>\$ 15,881</u>
Non-current:		
Long-term equity investment loss accounted for under the equity method	\$ 12,555	\$ 3,139
Pension expense	5,301	1,325
Royalties payable	6,238	1,560
Unrealized exchange loss on financial assets	19	5
		6,029
Valuation allowance - non-current		(3,139)
Deferred income tax assets - non-current		<u>\$ 2,890</u>

C. As of 31st December 2008, the Company's investment tax credit was as follows:

<u>Qualifying expenditures</u>	<u>Investment tax credits at beginning of year</u>	<u>Investment tax credits during the year</u>	<u>Unutilized investment tax credits</u>	<u>Final year tax credits are due</u>
Research and development expense	\$ 156,379	\$ 68,049	\$ 224,428	2010~2012

D. As of 31st December 2008, unused loss carryforward will expire in 2018.

E. The Company is eligible for a 5-year exemption for income tax under the Statute for Upgrading Industry. The details are as follows:

<u>Tax-exempt products</u>	<u>Tax-exempt period</u>
Motherboards and servers etc.	1st September 2004 ~ 31st August 2009

F. As of 31st December 2008, the Company's income tax returns through 2005 have been approved by the Tax Authority.

G. As of 31st December 2007 and 2008, the details of unappropriated retained earnings were as follows:

	<u>31st December</u>		
	<u>2007</u>	<u>2008</u>	<u>2008</u>
	<u>NT\$</u>	<u>NT\$</u>	<u>US\$</u>
			(Unaudited- Note 2)
1) Earnings generated in 1997 and prior years	\$ 275,656	\$ 275,656	\$ 8,404
2) Earnings generated since 1998	<u>4,724,144</u>	<u>4,913,599</u>	<u>149,805</u>
	<u>\$ 4,999,800</u>	<u>\$ 5,189,255</u>	<u>\$ 158,209</u>

H. As of 31st December 2007 and 2008, the imputation tax credit account balance and the actual and estimated creditable tax ratio of the total distributed retained earnings were as follows:

	<u>31st December</u>		
	<u>2007</u>	<u>2008</u>	<u>2008</u>
	<u>NT\$</u>	<u>NT\$</u>	<u>US\$</u>
			(Unaudited- Note 2)
Imputation tax credit account balance	<u>\$ 495,521</u>	<u>\$ 654,325</u>	<u>\$ 19,949</u>
Creditable tax ratio of the total distributed retained earnings	<u>17.12%</u>	<u>13.32%</u>	<u>13.32%</u>
	(actual)	(estimated)	(estimated)

11) Bonds payable

	For the years ended 31st December		
	2007	2008	2008
	NT\$	NT\$	US\$
Convertible bonds	\$ 3,211,857	\$ -	\$ -
Less:Discount of bonds payable	(704,904)	-	-
	2,506,953	-	-
Less:Current portion	(2,506,953)	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

- A. On 7th November 2006, the Company issued zero coupon convertible bonds in the amount of US\$100,000 at par value, which are listed at the Singapore Stock Exchange.
- B. As of December 31, 2008, all bonds above had been converted or redeemed. The bonds which were converted or redeemed amounted to US\$7,650 thousand and US\$92,350 thousand, respectively. A total of 9,589,988 shares of common stocks had been converted to from the bonds. Capital reserve arising from the conversion amounted to NT\$149,384 (US\$4,554).

12) Common stock

- A. As of 31st December 2008, the total outstanding Global Depository Shares (GDS) was 19,193 units, representing 76,788 shares which were issued in Europe, Asia, etc.

The main terms and conditions of the GDS are as follows:

1) Voting rights

Individual holders of GDS have no right to directly exercise voting rights or attend the Company's shareholders' meeting, except for the election of the directors and supervisors. If instructed by the GDS holders of at least 51% of the GDS outstanding at the relevant record date, the Depositary will be required to cause the underlying Shares (and Entitlement Certificates) to be voted for or against resolutions (other than election of Directors and/or Supervisors) at shareholders' meetings in accordance with the instructions of such GDS holders (or their nominees) subject to certain conditions.

2) Sale and withdrawal of GDS

Commencing three months after the initial issue of GDS, in accordance with the applicable R.O.C. law and the Deposit Agreement, a GDS holder may, provided that the Company has delivered to the custodian physical share certificates in respect of the Deposited Shares, withdraw and hold the shares represented by its GDS, or request the Depositary to sell or cause to be sold on behalf of such holder the shares represented by such GDS.

3) Dividends

GDS holders are entitled to receive dividends to the same extent as the holders of common stock subject to the terms of the Deposit Agreement and the applicable laws of the R.O.C.

- B. As of 31st December 2007 and 2008, the Company's authorized common stock totaled 950,000,000 shares, including 250,000,000 shares reserved for the issuance of stock warrants, convertible preferred stock or convertible bonds with stock warrants, and issued and outstanding common stock totaled 660,225,490 shares (excluding treasury stock 12,500,000 shares) and 633,091,886 shares, respectively, with par value of \$10 (in dollars) per share.

13) Capital reserve

- A. In accordance with the R.O.C. Securities and Exchange Act, capital reserve arising from paid-in capital in excess of par value, including premium on convertible bonds converted to common stock, and donated capital can be used to increase capital provided that the capitalized amount does not exceed 10% of outstanding capital each year. Further, capital reserve can be used to offset against accumulated deficit only when legal reserve and special reserve are not sufficient.
- B. Details on capital reserve from stock warrants are described in Note 4(11).

14) Retained earnings

- A. Under the Company's Articles of Incorporation, after paying all taxes and dues and offsetting prior years' losses, 10% of the Company's current year's net income shall be set aside as legal reserve and an amount equal to the net reduction of shareholders' equity as of the end of the current year shall be set aside as special reserve; 5%~80% of the total of the remaining current year's net income and the accumulated unappropriated earnings from prior years shall be distributed in the following order and such ratios as proposed in the Board of Directors' meeting and approved in the Company's stockholders' meeting:
- (1) 6% to 10% as bonuses to employees;
 - (2) Not more than 3% as remuneration to directors and supervisors; and
 - (3) Not less than 87% as dividends to stockholders, of which, not less than 5% 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. The legal reserve should be used exclusively to cover losses or, if the balance of the reserve exceeds 50% of paid-in capital, to increase capital, not exceeding 50% of the reserve balance.

- C. The appropriation of 2007 earnings had been proposed by the Board of Directors on 13th June 2008 and the appropriation of 2006 earnings had been resolved at the stockholders' meeting on 13th June 2007. Details are summarized below:

	2006		2007			
	NT		NT		US\$	
	Dividends per share		Dividends per share		Dividends per share	
	Amount	(in dollars)	Amount	(in dollars)	Amount	(in dollars)
					(Unaudited-Note 2)	
Legal reserve	\$ 17,456	\$ -	\$ 132,540	\$ -	\$ 4,041	\$ -
Employees' cash bonus	46,308	-	74,110	-	2,259	-
Directors' and supervisors' remuneration	13,893	-	22,233	-	678	-
Cash dividends	<u>402,883</u>	<u>0.6</u>	<u>644,755</u>	<u>1.0</u>	<u>19,657</u>	<u>0.03</u>
Total	<u>\$ 480,540</u>	<u>\$ 0.6</u>	<u>\$ 873,638</u>	<u>\$ 1.0</u>	<u>\$ 26,635</u>	<u>\$ 0.03</u>

- D. On 15th April 2009, the Board of Directors adopted a resolution to appropriate \$114,023 (US\$3,476) as legal reserve, to distribute cash dividends of \$629,134 (US\$19,181) and employees' cash bonus of \$72,314 (US\$2,205) and directors' and supervisors' remuneration of \$21,694 (US\$661).

Information on the appropriation of the Company's earnings as resolved by the Board of Directors and approved by the stockholders will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

- E. Details of the appropriation of 2007 earnings are summarized below:

	Appropriation of 2007 earnings as approved	
	NT\$	US\$
	(Unaudited-Note 2)	
A) Appropriation of 2007 earnings		
a) Employees' cash bonus	<u>\$ 74,110</u>	<u>US\$ 2,259</u>
b) Directors' and supervisors' remuneration	<u>\$ 22,233</u>	<u>US\$ 678</u>
B) Earnings per share (in dollars)		
a) Original earnings per share	<u>\$ 1.98</u>	<u>US\$ -</u>
b) Proforma earnings per share	<u>\$ 1.83</u>	<u>US\$ -</u>

- F. The estimated amounts of employees' bonus and directors' and supervisors' remuneration of 2008 are \$72,314 (US\$2,205) and \$21,694 (US\$661), respectively, and are recognized as operating costs or operating expenses for 2008. Such bonus and remuneration are based on 10% and 3% (prescribed by the Company's Articles of

Incorporation), respectively, of net income in 2008 after taking into account the legal reserve and other factors. While, if the estimated amounts are different from the amounts approved by the stockholders subsequently, the difference is recognized as gain or loss in 2009. Information of employees' bonus and director's and supervisors' remuneration as resolved by the Board of Directors and approved by the stockholders will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

15) Treasury stock

A. Changes in the treasury stock for the years ended 31st December 2007 and 2008 are set forth below:

For the year ended 31st December 2007				
<u>Reason for reacquisition</u>	<u>Beginning shares</u>	<u>Additions</u>	<u>Disposal</u>	<u>Ending shares</u>
To protect the Company's credit standing and shareholders' equity	-	12,500,000	-	12,500,000

For the year ended 31st December 2008				
<u>Reason for reacquisition</u>	<u>Beginning shares</u>	<u>Additions</u>	<u>Disposal</u>	<u>Ending shares</u>
To protect the Company's credit standing and shareholders' equity	12,500,000	35,470,000	(47,970,000)	-

B. Pursuant to the R.O.C. Securities and Exchange Law, the number of shares bought back as treasury stock should not exceed 100% 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 realized reserve. As of December 31, 2008, the shares bought back as treasury stock had been cancelled.

C. The Company retired treasury stocks and made capital reduction in 2008. The amount of capital reduction had been registered. Upon retirement of treasury stocks, capital reserve arising from paid-in capital in excess of par- common stock, conversion premium-convertible bonds and retained earnings amounting to \$322,616 (US\$9,836), \$9,915 (US\$302) and \$77,138 (US\$2,352), respectively, were also written off.

D. Pursuant to the R.O.C. Securities and Exchange Law, treasury stock should not be pledged as collateral and is not entitled to dividends before it is reissued to the employees.

E. Pursuant to the R.O.C. Securities and Exchange Law, treasury shares to enhance the Company's credit rating and stockholders' equity should be retired within six months of acquisition.

16) Share-based payment-employee compensation plan

A. The exercise price under the stock-based employee compensation plan granted in December 2007 is based on the closing price of the Company's common stock at the grant date and is subject to adjustments due to changes in the number of common shares and issuance of cash dividends. The vesting period of the Company's employee stock option plan is ten years. The employees may exercise the stock options in installments within a period of two years after the stock options are granted.

B. Details of the employee stock options are set forth below:

	For the year ended 31st December 2007		For the year ended 31st December 2008		
	No. of shares (in thousands)	Weighted-average exercise price (in dollars)	No. of shares (in thousands)	Weighted-average exercise price (in dollars)	
		NT\$		NT\$	US\$
Options outstanding at beginning of year	-	\$ -	39,420	\$ 19	\$ 0.58
Options granted	40,000	19	-	-	-
Options exercised	-	-	-	-	-
Options revoked	(580)	-	(900)	18.15	0.55
Options outstanding at end of year	<u>39,420</u>	19	<u>38,520</u>	18.15	0.55
Options exercisable at end of year	<u>-</u>	-	<u>-</u>	-	-
Options authorized but not granted at end of year	<u>-</u>	-	<u>-</u>	-	-

C. Details of the employee stock options outstanding as of 31st December 2008 are set forth below:

Range of exercise price (In dollars)	Stock options outstanding at 31st December 2008			Stock options exercisable at 31st December 2008	
	Number of shares (In thousands)	Remaining weighted-average life of options	Weighted-average exercise price (In dollars)	Number of shares (In thousands)	Weighted-average exercise price (In dollars)
\$ 18.15	38,520	8.97 years	\$ 18.15	-	\$ -

D. The following sets forth the pro forma net income and earnings per share based on the assumption that the compensation cost is accounted for using the fair value method for the stock options granted (amended) on or after January 1, 2004:

		For the year ended 31st December 2007		For the year ended 31st December 2008	
		NT\$		NT\$	US\$
Net income	Net income stated in the statement of income	\$	1,325,403	\$ 1,140,231	\$ 34,763
	Pro forma net income	\$	1,321,095	\$ 1,020,049	\$ 31,099
Basic earnings per share (EPS) (in dollars)	EPS stated in the statement in income		1.98	1.76	0.05
	Pro forma EPS		1.97	1.58	0.05
Diluted EPS (in dollars)	EPS stated in the statement in income		1.94	1.28	0.04
	Pro forma EPS		1.93	1.13	0.03

For the stock options granted (amended) on or after January 1, 2008 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:

	For the year ended 31st December 2007	For the year ended 31st December 2008
Dividend yield rate	0%	0%
Expected price volatility	39.16%	39.16%
Risk-free interest rate	2.58%	2.58%
Expected resting period	6.35 years	6.35 years
Weighted-average fair value per share (in dollars)	\$ 8.1648	\$ 8.1648
		(US\$ 0.2489)

17) Earnings per share

	For the year ended 31st December 2007(NT\$)				
	Amount		Weighted-average outstanding common shares	Earnings per share	
	Before tax	After tax		Before tax	After tax
Basic earnings per share					
Net income	\$ 1,649,515	\$ 1,325,403	670,740,268	\$ 2.46	\$ 1.98
Effect of potential dilutive common shares:					
Convertible bonds	219,288	219,288	125,351,408		
Employee stock option	-	-	28,681		
Diluted earnings per share	\$1,868,803	\$1,544,691	796,120,357	\$ 2.35	\$ 1.94

For the year ended 31st December 2008 (NT\$)					
	Amount		Weighted-average outstanding common shares	Earnings per share	
	Before tax	After tax		Before tax	After tax
Basic earnings per share					
Net income	\$1,709,058	\$1,140,231	646,402,512	\$ 2.64	\$ 1.76
	(US\$ 52,105)	(US\$ 34,763)		(US\$0.08)	(US\$0.05)
Effect of potential dilutive common shares:					
Convertible bonds	(160,165)	(160,165)	107,268,430		
Employee stock options	-	-	3,352,093		
Employee' bonuses	-	-	6,758,318		
Diluted earnings per share	<u>\$1,548,893</u>	<u>\$ 980,066</u>	<u>763,781,353</u>	<u>\$ 2.03</u>	<u>\$ 1.28</u>
	(US\$ 47,222)	(US\$ 29,880)		(US\$0.06)	(US\$0.04)

Effective January 1, 2008, as employees' bonus could be distributed in the form of stock, the diluted EPS computation shall include those estimated shares that would be increased from employees' stock bonus issuance in the weighted-average number of common shares outstanding during the reporting year, which take into account the dilutive effects of stock bonus on potential common shares; whereas, basic EPS shall be calculated based on the weighted-average number of common shares outstanding during the reporting year that include the shares of employees' stock bonus for the appropriation of prior year earnings, which have already been resolved at the stockholders' meeting held in the reporting year. Since capitalization of employees' bonus no longer belongs to distribution of stock dividends (or retained earnings and capital reserve capitalized), the calculation of basic EPS and diluted EPS for all periods presented shall not be adjusted retroactively. However, the accounting treatment for the appropriation of employees' bonus for 2007 earnings resolved at the stockholders' meeting held in 2008 is still in accordance with the regulations on capitalization of employees' bonus under paragraphs 19 and 39 of R.O.C. SFAS No. 24, "Earnings per Share".

18) Personnel, depreciation and amortization expenses

Personnel, depreciation and amortization expenses which were classified according to their functions are as follows:

Item	For the year ended 31st December 2007 (NT\$)					
	Allocated to cost		Allocated to expense		Total	
Personnel expenses						
Salaries and wages	\$	696,802	\$	1,693,991	\$	2,390,793
Insurance		50,290		46,227		96,517
Pension		23,221		49,292		72,513
Others		40,545		47,944		88,489
	\$	<u>810,858</u>	\$	<u>1,837,454</u>	\$	<u>2,648,312</u>
Depreciation	\$	<u>166,163</u>	\$	<u>81,975</u>	\$	<u>248,138</u>
Amortization	\$	<u>566</u>	\$	<u>119,104</u>	\$	<u>119,670</u>

Item	For the year ended 31st December 2008					
	Allocated to cost		Allocated to expense		Total	
	NT\$	US\$	NT\$	US\$	NT\$	US\$
Personnel expenses		(Unaudited -Note 2)		(Unaudited -Note 2)		(Unaudited -Note 2)
Salaries and wages	\$ 607,956	\$ 18,535	\$ 1,798,006	\$ 54,817	\$ 2,405,962	\$ 73,352
Insurance	46,528	1,419	48,478	1,478	95,006	2,897
Pension	22,077	673	51,296	1,563	73,373	2,236
Others	32,199	982	56,515	1,723	88,714	2,705
	<u>\$ 708,760</u>	<u>\$ 21,609</u>	<u>\$ 1,954,295</u>	<u>\$ 59,581</u>	<u>\$ 2,663,055</u>	<u>\$ 81,190</u>
Depreciation	<u>\$ 124,472</u>	<u>\$ 3,794</u>	<u>\$ 84,050</u>	<u>\$ 2,563</u>	<u>\$ 208,522</u>	<u>\$ 6,357</u>
Amortization	<u>\$ 748</u>	<u>\$ 23</u>	<u>\$ 131,078</u>	<u>\$ 3,996</u>	<u>\$ 131,826</u>	<u>\$ 4,019</u>

5. RELATED PARTY TRANSACTIONS

A. Names and relationship of related parties

<u>Names of the related parties</u>	<u>Relationship with the Company</u>
Giga-Byte Technology B.V. (G.B.T-NL)	A wholly-owned subsidiary
G.B.T. Technology Co., Ltd. (G.B.T.-UK)	"
G.B.T. Technology Trading GmbH	"
Giga-Byte Technology PTY. Ltd. (G.B.T.-AU)	"
Freedom International Group Ltd. (Freedom)	"
Giga-Byte Technology (India) Ltd. (G.B.T.-India)	"
Giga Advance (Labuan) Limited (Giga Advance)	"

<u>Names of the related parties</u>	<u>Relationship with the Company</u>
Nippon Giga-Byte Corp. (G.B.T.-Nippon)	A wholly-owned subsidiary
Gigabyte Technology s.r.o.	A wholly-owned subsidiary (Liquidated in May 2008)
G.B.T., Inc. (G.B.T-USA)	An indirect wholly-owned subsidiary
Charleston Investments Limited (Charleston)	"
G.B.T. LBN Inc. (G.B.T.-LBN)	"
Giga Future Limited (Giga Future)	"
Giga-byte Technology France	"
Giga-Byte Singapore PTE. Ltd. (G.B.T.-SGP)	"
Giga Win Limited	"
Best Quick Profits Limited	"
G Smart Holding Limited	"
Gigabyte International Operation (Labuan) Limited (GIOL)	"
G-Style Ltd. (Samoa)	A wholly-owned subsidiary (Liquidated in July 2008)
Leby Technology Co., Ltd.	An investee company accounted for under the equity method by Freedom International Group Ltd. (under liquidation)
Leby Technology (H.K.) Limited	"
Chi-Ga Investment Corp.	A wholly-owned subsidiary
G-Style Co., Ltd. (G-Style)	"
Giga-Byte Communication Inc. (Giga-Byte Communication)	"
Giga-Zone International Co., Ltd. (Giga-Zone)	"
Gigatech Computer Inc. (Gigatech)	A wholly-owned subsidiary (Liquidated in 2007)
eRiver Precision Machining Co., Ltd.	A wholly-owned subsidiary
Dongguan Gigabyte Electronics Co., Ltd. (Dongguan Gigabyte)	An indirect wholly-owned subsidiary
Ningbo Giga-Byte Technology Co., Ltd. (Ningbo Giga-Byte)	"
Ningbo Giga-Byte International Trade Co., Ltd.	"
Ningbo Best Yield Technology Services Co., Ltd.	"
Ningbo Zhongjia Technology Co., Ltd.	"
Gigatrend Technology Co., Ltd.	"

<u>Names of the related parties</u>	<u>Relationship with the Company</u>
Kuangtung Investment Corp.	An indirect wholly-owned subsidiary
Giga-Trend International Management Group Ltd.	"
Zonelan International IP Consulting Co., Ltd.	"
Giga Win International Venture Investment Corp.	An investee accounted for under the equity method
Info-Tek Corporation (Info-Tek)	"
ELSA Technology Inc. (ELSA)	Other related parties with which the Company has material transactions.
Salaries/rewards information of key management, such as directors, supervisors, general manager, vice general manager, etc.	Key management of the Company

B. Significant related party transactions and balances

1) Sales

	<u>For the years ended 31st December</u>		
	<u>2007</u>	<u>2008</u>	<u>2008</u>
	<u>NT\$</u>	<u>NT\$</u>	<u>US\$</u>
			(Unaudited- Note 2)
G.B.T.-NL	\$10,155,096	\$13,017,825	\$ 396,885
Giga Advance	3,008,372	6,040,020	184,147
G.B.T.-USA	2,028,208	2,538,692	77,399
G.B.T.-India	635,914	785,328	23,943
G-Style	39,249	145,008	4,421
G.B.T.-LBN	1,123,609	76,505	2,332
Others	564,080	141,364	4,310
	<u>\$17,554,528</u>	<u>\$22,744,742</u>	<u>\$ 693,437</u>

The sales prices to related parties were based on the agreed contracts. Credit terms to related parties were within 30~90 days after receipt of goods. Credit terms to third parties were up to 70 days after shipment of goods.

2) Royalty revenue (accounted for as “other operating revenues”)

	For the years ended 31st December		
	2007	2008	2008
	NT\$	NT\$	US\$
			(Unaudited- Note 2)
Giga-Zone	\$ -	\$ 9,356	\$ 285

3) Processing revenue

	For the years ended 31st December		
	2007	2008	2008
	NT\$	NT\$	US\$
			(Unaudited- Note 2)
Gigabyte Communication	\$ 35,173	\$ 57,601	\$ 1,756
Others	1,073	3,836	117
	\$ 36,246	\$ 61,437	\$ 1,873

4) Purchases

	For the years ended 31st December		
	2007	2008	2008
	NT\$	NT\$	US\$
			(Unaudited- Note 2)
Giga Advance	\$ -	\$ 225,700	\$ 6,881
Giga-Zone	545,812	60,128	1,833
Info-Tek	696	116,881	3,563
Others	204,762	104,827	3,196
	\$ 751,270	\$ 507,536	\$ 15,474

Except for purchases from Info-tek that are based on regular terms, all other purchases from related parties are based on negotiated terms because the related products are unique and cannot be purchased from third parties. The payment terms for Giga-Zone and Info-tek is 30 days after receipt of goods, while for eRiver is by prepayment. The payment term for third parties is 30 days after receipt of goods or 60~90 days after monthly billing.

5) Processing expenses

	For the years ended 31st December		
	2007	2008	2008
	NT\$	NT\$	US\$
			(Unaudited- Note 2)
G.B.T.-LBN	\$ 737,437	\$ 761,131	\$ 23,205
GIOL	795,341	454,648	13,861
	<u>\$ 1,532,778</u>	<u>\$ 1,215,779</u>	<u>\$ 37,066</u>

The payments to G.B.T.-LBN and GIOL were for the subcontracts to Dongguan Gigabyte, and Ningbo Giga-Byte which were arranged through G.B.T.- LBN and Gigabyte-Labuan.

6) Warranty expense

	For the years ended 31st December		
	2007	2008	2008
	NT\$	NT\$	US\$
			(Unaudited- Note 2)
G.B.T. LBN	\$ 42,976	\$ 43,153	\$ 1,316
Giga Advance	472	24,232	739
G.B.T.-USA	11,041	7,824	239
G.B.T.-AU	14,819	4,006	122
Others	13,880	3,123	95
	<u>\$ 83,188</u>	<u>\$ 82,338</u>	<u>\$ 2,511</u>

7) Service commission

	For the years ended 31st December		
	2007	2008	2008
	NT\$	NT\$	US\$
			(Unaudited- Note 2)
G.B.T.-Nippon	\$ -	\$ 7,627	\$ 233
G.B.T.-AU	18,686	6,930	211
G.B.T. LBN	12,345	-	-
Others	1,160	2,948	90
	<u>\$ 32,191</u>	<u>\$ 17,505</u>	<u>\$ 534</u>

8) Amounts due to (from) related parties

	31st December		
	2007	2008	2008
	NT\$	NT\$	US\$
			(Unaudited- Note 2)
<u>Accounts receivable</u>			
G.B.T.-NL	\$ 1,511,026	\$ 1,094,954	\$ 33,383
Giga Advance	450,138	229,630	7,001
G.B.T.-India	90,886	162,664	4,959
G.B.T.-USA	562,143	134,975	4,115
Others	<u>76,078</u>	<u>82,281</u>	<u>2,509</u>
	2,690,271	1,704,504	51,967
Less: Credit balance of long-term equity investments accounted for under the equity method	(<u>63,859</u>)	(<u>62,740</u>)	(<u>1,913</u>)
	<u>\$ 2,626,412</u>	<u>\$ 1,641,764</u>	<u>\$ 50,054</u>
	31st December		
	2007	2008	2008
	NT\$	NT\$	US\$
			(Unaudited- Note 2)
<u>Other receivables</u>			
Gigabyte Communication	\$ 6,785	\$ 17,925	\$ 547
Giga-Zone	1,085	10,175	310
G.B.T.-LBN	13,824	7,711	235
ELSA	-	8,804	268
Others	<u>16,479</u>	<u>12,393</u>	<u>378</u>
	<u>\$ 38,173</u>	<u>\$ 57,008</u>	<u>\$ 1,738</u>

The aging of the Company's accounts receivable from ELSA was over 180 days. In accordance with Gin-Gwen-Jen (6) Letter No. 0960011409 of the Financial Supervisory Commission, Executive Yuan, the Company reclassified accounts receivable amounting to \$8,804 (US\$268) which exceeded the normal credit terms to other receivables.

Purchase of marketable securities
For the year ended 31st December 2007

<u>Seller</u>	<u>Name of marketable securities</u>	<u>NT\$</u>
Chi-Ga	Giga-Byte Communication Inc.	\$ 119,512
"	Giga-Zone International Co., Ltd.	14,965
		<u>\$ 134,477</u>

Sale of marketable securities

<u>Buyer</u>	<u>Name of marketable securities</u>	<u>NT\$</u>	<u>Gain (loss)</u> <u>on sale</u>
Freedom	Gigabyte Labuan	\$ 41,071	\$ 97
G-Styel Ltd.	G-Style Ltd. (Samoa)	6,393	(154)
Chi-Ga Investment Corp	Sheng-Tung Venture Capital Co., Ltd.	<u>49,255</u>	<u>(893)</u>
		<u>\$ 96,719</u>	<u>(\$ 950)</u>

c. The Company purchased machinery and equipment from Gigabyte Communication amounting to NT\$11,421 (US\$348) during 2008.

12) Guarantees provided

<u>Names of the guaranteed parties</u>	<u>31st December</u> <u>2008</u>
Gigabyte Communication	NTD 300,000 <u>and US\$ 4,000</u>
G-Style	NTD 200,000 <u>and US\$ 2,000</u>
Charleston and Giga Future	<u>US\$ 4,000</u>
G.B.T.-UK	<u>GBP 50</u>

13) Salaries/rewards information of key management, such as directors, supervisors, general manager, vice general manager, etc.

	For the years ended December 31		
	2007	2008	2008
	NT\$	NT\$	US\$
			(Unaudited- Note 2)
Salaries	\$ 25,289	\$ 27,739	\$ 846
Bonuses	-	15,126	461
Service execution fees	22	416	13
Earnings distribution	74,109	72,313	2,205
Total	\$ 99,420	\$ 115,594	\$ 3,524

- a. Salaries include regular wages, special responsibility allowances, pensions, severance pay, etc.
- b. Bonuses include various bonuses and rewards.
- c. Service execution fees include travel allowances, special expenditures, various allowances, housing & vehicle benefits, etc.
- d. Earnings distribution means directors' and supervisors' remuneration and employees' bonus accrued in current year.
- e. The relevant information above was disclosed in the Company's annual report.

6. PLEDGED ASSETS

Item	31st December			Purpose
	2007	2008	2008	
	NT\$	NT\$	US\$	
			(Unaudited- Note 2)	
Pledged structured deposits	\$ 227,101	\$ -	\$ -	Security for short-term loans

7. COMMITMENTS AND CONTINGENT LIABILITIES: See Note 5(2).

8. SIGNIFICANT CASUALTY LOSS: None.

9. SIGNIFICANT SUBSEQUENT EVENT:

- A. In order to protect the Company's credit standing and shareholder's equity, the Company purchased treasury stock as resolved by the Board of Directors on 16th February 2009. As of 15th April 2009, the shares bought back treasury stock amounting to 3,958 shares totaling NT\$55,953 (US\$1,706).

B. The appropriation of 2008 earnings had been resolved by the Board of Directors on 15th April 2009, see details in Note 4(14).

10. OTHER

A. Consolidated information

In accordance with the resolution adopted by the Board of Directors on 29th August 2008, the Company merged with its wholly-owned subsidiary-Gigabyte United Inc. on 1st October 2008. The Company was the surviving company and Gigabyte United Inc. was the dissolved company. According to EITF95-141 of the R.O.C. Accounting Research and Development Foundation, the Company restated its financial statements as of and for the year ended 31st December 2007 under the assumption that the merger had taken place on 1st January 2007. The financial information of the Company and Gigabyte United Inc. as of and for the period ended 1st October 2008 and as of and for the year ended 31st December 2007 is as follows:

1) The financial information of the Company and Gigabyte United Inc. as of and for the period ended 1st October 2008 is as follows:

	<u>Gigabyte Technology Co., Ltd</u>	<u>Gigabyte United Inc.</u>
(1)Net sales	\$ 14,520,760	\$ 28,030,849
(2)Shareholders' Equity	\$ 19,620,179	\$ 6,072,593

(3) The major accounts of balance sheet of Gigabyte United Inc. as at 30th September 2008 are as follows:

<u>Account</u>	<u>Amount</u>
Cash and cash equivalents	\$ 645,341
Notes receivable	2,280
Accounts receivable - net	4,626,509
Other receivables	393,028
Inventories	5,657,056
Prepaid expenses	30,014
Overpaid sales tax	370,700
Other current assets - others	110,106
Property, plant and equipment, net	24,473
Other assets - others	1,250
Notes payable	(3,290)
Accounts payable	(4,733,894)
Accrued expenses	(601,676)
Tax payable	(174,801)
Collected in advance	(57,870)
Other current liabilities - others	(210,044)
Other liabilities - others	(6,589)
	<u>\$ 6,072,593</u>

2) Financial information for the year ended 31st December 2007

	<u>Gigabyte Technology Co., Ltd</u>	<u>Gigabyte United Inc.</u>
(1)Net sales	\$ 26,046,898	\$ 33,523,744
(2)Net income	\$ 1,325,403	\$ 1,088,768
(3)Shareholders' Equity	\$ 19,510,770	\$ 5,185,878

(4)Assets and Liabilities of Gigabyte United Inc. as 31st December 2007

<u>Account</u>	<u>Amount</u>
Cash and cash equivalents	\$ 1,547,960
Financial liabilities at fair value through profit or loss	1,575,172
Receivables	4,946,086
Inventories	5,025,473
Other current assets	209,056
Long-term equity investments accounted for under the equity method	10,067
Property, Plant and Equipment	15,245
Other assets	20,623
Current Liabilities	(8,157,216)
Other Liabilities	(6,588)
	<u>\$ 5,185,878</u>

The operating costs of Gigabyte United Inc. for the year ended 31st December 2007 had been included in the statement of income of the Company for the corresponding period. The Company had also restated its financial statements as of and for the year ended 31st December 2007.

B. The fair values of the financial instruments		31st December 2007			31st December 2008					
		NT\$			NT\$			US\$ (Unaudited-Note 2)		
		Fair value			Fair value			Fair value		
		Quotations in	Estimated using		Quotations in	Estimated using		Quotations in	Estimated using	
		an active	a valuation		an active	a valuation		an active	a valuation	
		market	technique		market	technique		market	technique	
		Book value		Book value	Book value		Book value	Book value		
<u>Non-derivative financial instruments</u>										
Assets:										
	Financial assets with fair value through profit or loss-current	\$ 11,041,031	\$ -	\$ 11,041,031	\$ 6,591,273	\$ -	\$ 6,591,273	\$ 200,953	\$ -	\$ 200,953
	Financial assets with fair value through profit or loss-current	2,086,681	2,086,681	-	2,750,954	2,750,954	-	83,871	83,871	-
	Financial assets carried at cost	1,222	-	-	1,222	-	-	37	-	-
	Investments in bonds without active markets	1,016,188	-	977,226	449,290	-	443,080	13,698	-	13,509
	Other financial assets - Structured time deposits	227,101	-	219,803	-	-	-	-	-	-
Liabilities:										
	Financial liabilities with fair values equal to book values	\$ 9,237,044	\$ -	\$ 9,237,044	\$ 5,714,761	\$ -	\$ 5,714,761	\$ 174,231	\$ -	\$ 174,231
	Long-term liabilities-current portion (Bonds payable)	2,506,953	-	2,522,914	-	-	-	-	-	-
<u>Derivative financial instruments</u>										
	Financial liabilities with fair value through profit or loss-current	161,101	-	161,204	-	-	-	-	-	-

The methods and assumptions used to estimate the fair value of financial instruments are as follows:

- 1) For short-term financial instruments, the fair values were determined based on their carrying values because of the short maturities of the instruments. This method was applied to cash and cash equivalents, notes receivable, accounts receivable, other receivables, notes and bills payable, notes and accounts payable, income tax payable, accrued expenses and other payables.
 - 2) As of 31st December 2008, the fair values of investments in bonds without active trading markets and structured deposits were established by using a valuation technique. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models.
 - 3) The fair value of the bonds payable was based on the present value of expected cash flow amount. As of 31st December 2008, any change in the fair value of the liabilities is included in the current profit and loss; for call options and put options which are embedded in bonds payable, the net amount of the fair value was based on the quoted market price.
 - 4) The fair values of derivative financial instruments which include unrealized gains or losses on unsettled contracts were determined based on the amounts to be received or paid assuming that the contracts were settled as of the balance sheet date.
- C. As of 31st December 2007 and 2008, the Company's financial assets with fair value risk due to interest change amounted to NT\$1,243,289 and NT\$449,290 (US\$13,698) , respectively; and financial liabilities with fair value risk due to interest change amounted to NT\$2,506,953 and \$0, respectively.

D. Information of financial risks

1) Market risk

- a. The financial assets at fair value through profit or loss of the Company are all bond funds and are affected by market price.
- b. The structured notes of the Company were range accrual notes. The structured notes were denominated in US dollars and the fair value was affected by the market interest rate. Market risk may arise as a result of the translation of US dollar denominated structured notes at the balance sheet date or at settlement.
- c. Most of the Company's sales and purchases were denominated in US dollars and the fair value of receivables and payables would fluctuate with the market exchange rate. The Company's strategy is to keep the position of foreign currency assets and liabilities balanced; accordingly, the effect from exchange rate fluctuation on the foreign currency assets will be offset by the effect on the foreign currency liabilities

and therefore the market risk is low.

2) Credit risk

- a. The bond fund held by the Company 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 Company trades with several securities investment trust companies, there is low credit risk.
- b. The structured notes investment of the Company were issued by well-known banks or asset management companies, and accordingly, the credit risk of the counterparties is minimal.
- c. The debtors of the Company's accounts or notes receivable have good credit standing. Except for major international companies, the Company had credit insurance coverage for majority of the other customers. Accordingly, credit risk is low.
- d. The Company provides guarantee for bank financing to the subsidiaries in accordance with the "Procedures Governing Endorsements and Guarantees". Since the Company can control subsidiaries' credit, it does not require collaterals. In the event that these related parties fail to comply with loan agreements with banks, the maximum loss to the Company is the total amount of loan guarantees.

3) Liquidity risk

- a. The Company is exposed to a higher liquidity risk since the investment securities carried at cost were those without active market.
- b. Early withdrawal is not allowed for the above investments unless called by the issuer. However, the anticipated liquidity risk is low since most of the investments are relatively liquid in the secondary market.
- c. The Company expects no significant liquidity risk since it has sufficient working capital to pay for convertible bonds.

4) Cash flow risk

- a. Bond funds of the Company were for trading purpose, and accordingly, the Company's future cash flows could fluctuate with the market interest rate change.
- b. The structured notes of the Company were range accrual notes, the effective interest rate of these notes was affected by the market interest rate; accordingly, the Company's future cash flows would fluctuate with the market interest rate change.

11. DISCLOSURE OF OTHER INFORMATION

A. Related information of significant transactions

1) Loans granted during the year ended 31st December 2008

Creditor	Borrower	General ledger account	Maximum outstanding	Balance at	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note B)	Ceiling on total loans granted (Note B)
			balance during the year ended 31st December 2008	31st December 2008						Item	Value		
Giga-Byte Technology Co., Ltd.	ELSA Technology Inc.	Other receivable	\$ 8,804	\$ 8,804	-	(Note A)	\$ -	-	\$ -	-	\$ -	\$ 23,072	\$ 5,693,917

Creditor	Borrower	General ledger account	Maximum outstanding	Balance at	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note B)	Ceiling on total loans granted (Note B)
			balance during the year ended 31st December 2008	31st December 2008						Item	Value		
Giga-Byte Technology Co., Ltd.	ELSA Technology Inc.	Other receivable	\$ 268	\$ 268	-	(Note A)	\$ -	-	\$ -	-	\$ -	\$ 703	\$ 173,595

Note A: In accordance with JIN-GUAN-ZHENG (6) No. 0960011409, the overdue receivables should be regarded as loans to the related parties and reclassified to other receivables, if the credit terms of the related parties are obviously longer than the normal credit terms of the third parties.

Note B: The ceiling of total loans granted is 30% of the Company's net value. For the major customer, the ceiling for the single party is based on the amount of transaction between the Company and the single party.

2) Endorsements and guarantees for others:
(For the year ended 31st December 2008)

(NT\$)

Name of the company	Name of parties being guaranteed	Relationship with the Company	Ceiling of guarantee for single party (Note)	Maximum outstanding guarantee amount during the period ended 31st December 2008	Outstanding guarantee amount at 31st December 2008	Amount of guarantee with collateral placed	Ratio of accumulated guarantee amount to net asset value of the Company (%)	Ceiling of the outstanding guarantees for the respective party (Note)
Giga-Byte Technology Co., Ltd.	Charleston Investments Limited and Giga Future Limited	An indirectly major-owned subsidiary	\$ 5,693,917	US\$ 4,000	US\$ 4,000	None	0.69%	
	G.B.T. Technology Co., Ltd.	A wholly-owned subsidiary	"	GBP 400	GBP 50	"	0.01%	
	G-Style Co., Ltd.	"	"	\$ 200,000	\$ 200,000	"	1.40%	
					US\$ 2,000	US\$ 2,000		
	Giga-Byte Communications Inc.	"	\$ 569,753	\$ 300,000	\$ 300,000	"	2.27%	
				US\$ 4,000	US\$ 4,000			
							4.37%	NT\$ 5,693,917

(US\$)
(Unaudited-Note 2)

Name of the company	Name of parties being guaranteed	Relationship with the Company	Ceiling of guarantee for single party (Note)	Maximum outstanding guarantee amount during the period ended 31st December 2008	Outstanding guarantee amount at 31st December 2008	Amount of guarantee with collateral placed	Ratio of accumulated guarantee amount to net asset value of the Company (%)	Ceiling of the outstanding guarantees for the respective party (Note)
Giga-Byte Technology Co., Ltd.	Charleston Investments Limited and Giga Future Limited	An indirectly major-owned subsidiary	\$ 173,595	\$ 4,000	\$ 4,000	None	0.69%	
	G.B.T. Technology Co., Ltd.	A wholly-owned subsidiary	"	GBP 400	GBP 50	"	0.01%	
	G-Style Co., Ltd.	"	"	\$ 6,098	\$ 6,098	"	1.40%	
					\$ 2,000	\$ 2,000		
	Giga-Byte Communications Inc.	"	\$ 17,371	\$ 9,146	\$ 9,146	"	2.27%	
				\$ 4,000	\$ 4,000			
							4.37%	\$ 173,595

Note: The Company's new ceiling of total outstanding guarantees is 30% of the Company's net value. The ceiling for single party (except the Company's 100% owned subsidiary) is 20% of net value, and should not exceed 50% of the Company's capital.

3) Marketable securities held at 31st December 2008:

				(NT\$)				
				31st December 2008				
Name of the company	Name of marketable securities	Relationship of the issuers with the Company	General ledger account	Number of shares	Book value	Percentage	Market value	
Giga-Byte Technology Co., Ltd.	Capital Income Fund	None	Financial assets at fair value through profit or loss-current	19,719,049	\$ 300,000	-	\$ 303,177	
	Yuanta Wan Tai Bond Fund	//	//	21,011,888	300,000	-	303,176	
	Pca Well Pool Fund	//	//	23,499,811	300,000	-	304,109	
	Fuh-Hwa Bond Fund	//	//	7,466,428	101,546	-	102,838	
	UPAMC James Bond Fund	//	//	19,072,274	300,000	-	303,924	
	ING Taiwan Bond Fund	//	//	18,167,919	280,000	-	282,744	
	ING Taiwan Income Fund	//	//	17,288,863	280,000	-	282,749	
	Jih Sun Bond Fund	//	//	21,603,165	302,090	-	303,725	
	Polaris De-Bao Fund	//	//	8,751,050	100,000	-	100,221	
	Polaris De-Li Fund	//	//	1,287,880	20,000	-	20,038	
	NITC Bond Fund	//	//	294,923	50,000	-	50,092	
	HSBC NTD Money Management Fund	//	//	19,802,383	301,931	-	303,392	
	Alliance Bernstein - American Income Portfolio	//	//	210,251	60,813	-	54,792	
	Smithbarney Money Fund	//	//	38,203	1,272	-	1,255	
	American Intl Group Inc.	//	//	39,500	30,393	-	10,306	
	Merrill Lynch Cap. Tr.	//	//	41,650	30,361	-	24,416	
						2,758,406		<u>\$ 2,750,954</u>
				Gain on valuation of financial assets		(7,452)		
						<u>\$ 2,750,954</u>		
		Freedom International Group Ltd.	A wholly-owned subsidiary	Long-term equity investments accounted for under the equity method	138,057,477	\$ 4,918,240	100%	\$ 4,918,240
	Chi-Ga Investments Corp.	//	//	177,500,000	1,557,775	100%	1,557,816	
	Giga-Byte Communications Inc. etc.	Wholly-owned subsidiaries and an investee company accounted for under the equity method	//	-	113,975	48.63%~100%	113,975	
					6,589,990			
	Reclassified to a contra account of accounts receivable-related parties				62,740			
	Reclassified to other liabilities-other				62,897			
					<u>\$ 6,715,627</u>			
Giga-Byte Technology	Mustardgiga Corp.	None	Financial assets carried at cost- non-current	4,500	\$ 1,222	15.00%	-	
	Credit-linked investments of FPC issued by Chinatrust commercial Bank	//	Investment in bonds without active market -current	-	\$ 100,000	-	99,984	
	Credit-linked investments of AUO issued by Citybank	//	//	-	200,000	-	199,555	
	Credit-linked investments of Foxconn issued by Citibank	//	//	-	100,000	-	98,948	
	Structured bonds of Federal Home Loan Bank issued by Fortis Wealth Management Hong Kong Ltd.	//	//	-	49,290	-	44,593	
					<u>\$ 449,290</u>		<u>\$ 443,080</u>	

3) Marketable securities held at 31st December 2008:

		(US\$)	31st December 2008					
		(Unaudited-Note 2)						
Name of the company	Name of marketable securities	Relationship of the issuers with the Company	General ledger account	Number of shares	Book value	Percentage	Market value	
Giga-Byte Technology Co., Ltd.	Capital Income Fund	None	Financial assets at fair value through profit or loss-current	19,719,049	\$ 9,146	-	\$ 9,244	
	Yuanta Wan Tai Bond Fund	"	"	21,011,888	9,146	-	9,244	
	Pca Well Pool Fund	"	"	23,499,811	9,146	-	9,272	
	Fuh-Hwa Bond Fund	"	"	7,466,428	3,096	-	3,135	
	UPAMC James Bond Fund	"	"	19,072,274	9,146	-	9,266	
	ING Taiwan Bond Fund	"	"	18,167,919	8,537	-	8,620	
	ING Taiwan Income Fund	"	"	17,288,863	8,537	-	8,620	
	Jih Sun Bond Fund	"	"	21,603,165	9,210	-	9,260	
	Polaris De-Bao Fund	"	"	8,751,050	3,049	-	3,056	
	Polaris De-Li Fund	"	"	1,287,880	610	-	611	
	NITC Bond Fund	"	"	294,923	1,524	-	1,527	
	HSBC NTD Money Management Fund	"	"	19,802,383	9,205	-	9,250	
	Alliance Bernstein - American Income Portfolio	"	"	210,251	1,854	-	1,670	
	Smithbarney Money Fund	"	"	38,203	39	-	38	
	American Intl Group Inc.	"	"	39,500	927	-	314	
	Merrill Lynch Cap. Tr.	"	"	41,650	926	-	744	
						84,098		\$ 83,871
				Gain on valuation of financial assets		(227)		
						\$ 83,871		
		Freedom International Group Ltd.	A wholly-owned subsidiary	Long-term equity investments accounted for under the equity method	138,057,477	\$ 149,946	100%	\$ 149,946
	Chi-Ga Investments Corp.	"	"	177,500,000	47,493	100%	47,494	
	Giga-Byte Communications Inc. etc.	Wholly-owned subsidiaries and an investee company accounted for under the equity method	"	-	3,475	48.63%~100%	3,475	
					200,914			
	Reclassified to a contra account of accounts receivable-related parties				1,913			
	Reclassified to other liabilities-other				1,918			
					\$ 204,745			
Giga-Byte Technology	Mustardgiga Corp.	None	Financial assets carried at cost- non-current	4,500	\$ 37	15.00%	-	
	Credit-linked investments of FPC issued by Chinatrust commerial Bank	"	"	-	\$ 3,049	-	3,048	
	Credit-linked investments of AUO issued by Citybank	"	"	-	6,098	-	6,084	
	Credit-linked investments of Foxconn issued by Citibank	"	"	-	3,049	-	3,017	
	Structured bonds of Federal Home Loan Bank issued by Fortis Wealth Management Hong Kong Ltd.	"	Investment in bonds without active market -current	-	1,502	-	1,360	
					\$ 13,698		\$ 13,509	

4) Accumulated additions or disposals of marketable securities exceeding NT\$100,000 or 20% of contributed capital
(For the year ended 31st December 2008)

					(NT\$)									
					Beginning balance		Additions		Disposals				Ending balance	
Name of the company	Name of marketable securities	General ledger account	Counterparties	Relationship	Number of shares	Amount	Number of shares	Amount	Number of shares	Proceeds from disposal	Book value	Gain (loss) on disposal	Number of shares	Amount
Giga-Byte Technology Co., Ltd.	HSBC NTD Money Management Fund	Financial assets at fair value through profit or loss-current	NA	None	-	\$ -	55,946,681	\$ 850,000	36,144,298	\$ 549,514	\$ 546,138	\$ 3,374	19,802,383	\$ 301,931
	HSBC NTD Money Management Fund 2	"	"	"	-	-	39,773,467	570,000	39,773,467	572,290	567,599	4,691	-	-
	Cathay Bond Fund	"	"	"	22,296,798	260,000	5,119,105	60,000	27,415,903	321,671	319,961	1,710	-	-
	ING Taiwan Income Fund	"	"	"	-	-	17,288,863	280,000	-	-	-	-	17,288,863	280,000
	ING Taiwan Bond Fund	"	"	"	-	-	37,032,428	570,000	18,864,509	291,630	290,000	1,630	18,167,919	280,000
	ING Taiwan Select Bond Fund	"	"	"	-	-	47,437,291	550,000	47,437,291	550,468	548,379	2,089	-	-
	Capital Income Fund	"	"	"	6,643,944	100,000	34,850,677	530,000	21,775,572	331,340	329,967	1,373	19,719,049	300,000
	NITC Bond Fund	"	"	"	1,795,715	300,000	889,538	150,000	2,390,330	402,522	399,468	3,054	294,923	50,000
	NITC Taiwan Bond Fund	"	"	"	-	-	17,354,242	250,000	17,354,242	250,000	249,015	985	-	-
	Jih Sun Bond Fund	"	"	"	-	-	59,638,014	830,000	38,034,850	529,703	525,819	3,883	21,603,165	302,090
	Polaris De-Li Fund	"	"	"	18,313,146	280,000	18,877,905	290,000	35,903,171	552,000	549,175	2,825	1,287,880	20,000
	Polaris De-Bao Fund	"	"	"	23,124,188	260,000	67,888,156	770,000	82,261,293	932,371	929,594	2,777	8,751,050	100,000
	JF (Taiwan) First Bond Fund	"	"	"	-	-	20,892,578	300,000	20,892,578	300,349	299,514	835	-	-
	JF (Taiwan) Bond Fund	"	"	"	-	-	34,743,891	540,000	34,743,891	541,510	537,462	4,048	-	-
	UPAMC James Bond Fund	"	"	"	17,326,648	270,000	39,365,144	620,000	37,619,518	594,164	590,000	4,164	19,072,274	300,000
	Pca Well Pool Fund	"	"	"	-	-	31,353,359	400,000	7,853,547	100,000	99,921	79	23,499,811	300,000
	Fuh-Hwa Bond Fund	"	"	"	26,596,711	360,000	49,299,126	670,000	68,429,409	931,720	926,402	5,319	7,466,428	101,546
	Fuh-Hwa Yuli Bond Fund	"	"	"	-	-	39,277,478	500,000	39,277,478	501,671	499,605	2,066	-	-
	Mega Diamond Bond Fund	"	"	"	12,844,445	150,000	8,472,925	100,000	21,317,370	250,000	249,551	449	-	-
	Allianz Global Investors Taiwan Bond Fund	"	"	"	-	-	8,464,820	100,000	8,464,820	100,000	99,689	311	-	-
	Fuhwa Wan Li Bond Fund	"	"	"	-	-	15,258,207	200,000	15,258,207	200,000	199,464	536	-	-
	Union Bond Fund	"	"	"	-	-	16,051,493	200,000	16,051,493	200,000	199,069	931	-	-
	Taishin Lucky Fund	"	"	"	-	-	43,843,969	460,000	43,843,969	462,024	459,156	2,868	-	-
	Yuanta Wan Tai Bond Fund	"	"	"	-	-	21,011,888	300,000	-	-	-	-	21,011,888	300,000
	Smith Barney Money Fund	"	"	"	-	-	6,922,944	213,127	6,884,741	222,682	213,127	9,555	38,023	1,272
	Structured bonds of CDC IXIS Capital markets	Investments in bonds without active markets-current	"	"	-	324,430	-	-	-	324,430	324,430	-	-	-
	Structured bonds of ESKPORTFINANS ASA	"	"	"	-	162,215	-	-	-	162,215	162,215	-	-	-
	Structured bonds of BNP	"	"	"	-	162,053	-	-	-	162,208	162,053	155	-	-
	Structured bonds of Lloyds TSB Bank PLC	"	"	"	-	162,215	-	-	-	162,215	162,215	-	-	-
	Structured bonds of Korea Msbcredit Linked Unsecured Noted	"	"	"	-	-	-	192,799	-	187,645	192,799	(5,145)	-	-
	Structured bond credit-linked investments of FPC	"	"	"	-	-	-	100,000	-	-	-	-	-	100,000
	Credit-linked investments of AUO	"	"	"	-	-	-	200,000	-	-	-	-	-	200,000
	Credit-linked investments of Foxconn	"	"	"	-	-	-	100,000	-	-	-	-	-	100,000
	Freedom International Group Ltd.	Long-term equity investments accounted for under the equity method	Additional investment	The Company's subsidiary	129,124,665	4,282,112	8,932,812	636,128	-	-	-	-	138,057,477	4,918,240
	Giga-Byte Communications Inc.				88,130,395	155,846	19,000,000	(218,743)	-	-	-	-	107,130,395	(62,897)

Note: The amount includes the investment loss accounted for under the equity method and cumulative translation adjustment.

4) Accumulated additions or disposals of marketable securities exceeding NT\$100,000 or 20% of contributed capital
(For the year ended 31st December 2008)

					(US\$)									
					(Unaudited-Note 2)									
Name of the company	Name of marketable securities	General ledger account	Counterparties	Relationship	Beginning balance		Additions		Disposals			Ending balance		
					Number of shares	Amount	Number of shares	Amount	Number of shares	Proceeds from disposal	Book value	Gain (loss) on disposal	Number of shares	Amount
Giga-Byte Technology Co., Ltd.	HSBC NTD Money Management Fund	Financial assets at fair value through profit or loss-current	NA	None	-	\$ -	55,946,681	\$ 25,915	36,144,298	\$ 16,753	\$ 16,651	\$ 103	19,802,383	\$ 9,205
	HSBC NTD Money Management Fund 2	"	"	"	-	-	39,773,467	17,378	39,773,467	17,448	17,305	143	-	-
	Cathay Bond Fund	"	"	"	22,296,798	7,927	5,119,105	1,829	27,415,903	9,807	9,755	52	-	-
	ING Taiwan Income Fund	"	"	"	-	-	17,288,863	8,537	-	-	-	-	17,288,863	8,537
	ING Taiwan Bond Fund	"	"	"	-	-	37,032,428	17,378	18,864,509	8,891	8,841	50	18,167,919	8,537
	ING Taiwan Select Bond Fund	"	"	"	-	-	47,437,291	16,768	47,437,291	16,783	16,719	64	-	-
	Capital Income Fund	"	"	"	6,643,944	3,049	34,850,677	16,159	21,775,572	10,102	10,060	42	19,719,049	9,146
	NITC Bond Fund	"	"	"	1,795,715	9,146	889,538	4,573	2,390,330	12,272	12,179	93	294,923	1,524
	NITC Taiwan Bond Fund	"	"	"	-	-	17,354,242	7,622	17,354,242	7,622	7,592	30	-	-
	Jih Sun Bond Fund	"	"	"	-	-	59,638,014	25,305	38,034,850	16,149	16,031	118	21,603,165	9,210
	Polaris De-Li Fund	"	"	"	18,313,146	8,537	18,877,905	8,841	35,903,171	16,829	16,743	86	1,287,880	610
	Polaris De-Bao Fund	"	"	"	23,124,188	7,927	67,888,156	23,476	82,261,293	28,426	28,341	85	8,751,050	3,049
	JF (Taiwan) First Bond Fund	"	"	"	-	-	20,892,578	9,146	20,892,578	9,157	9,132	25	-	-
	JF (Taiwan) Bond Fund	"	"	"	-	-	34,743,891	16,463	34,743,891	16,509	16,386	123	-	-
	UPAMC James Bond Fund	"	"	"	17,326,648	8,232	39,365,144	18,902	37,619,518	18,115	17,988	127	19,072,274	9,146
	Pca Well Pool Fund	"	"	"	-	-	31,353,359	12,195	7,853,547	3,049	3,046	2	23,499,811	9,146
	Fuh-Hwa Bond Fund	"	"	"	26,596,711	10,976	49,299,126	20,427	68,429,409	28,406	28,244	162	7,466,428	3,096
	Fuh-Hwa Yui Bond Fund	"	"	"	-	-	39,277,478	15,244	39,277,478	15,295	15,232	63	-	-
	Mega Diamond Bond Fund	"	"	"	12,844,445	4,573	8,472,925	3,049	21,317,370	7,622	7,608	14	-	-
	Allianz Global Investors Taiwan Bond Fund	"	"	"	-	-	8,464,820	3,049	8,464,820	3,049	3,039	9	-	-
	Fuhwa Wan Li Bond Fund	"	"	"	-	-	15,258,207	6,098	15,258,207	6,098	6,081	16	-	-
	Union Bond Fund	"	"	"	-	-	16,051,493	6,098	16,051,493	6,098	6,069	28	-	-
	Taishin Lucky Fund	"	"	"	-	-	43,843,969	14,024	43,843,969	14,086	13,999	87	-	-
	Yuanta Wan Tai Bond Fund	"	"	"	-	-	21,011,888	9,146	-	-	-	-	21,011,888	9,146
	Smith Barney Money Fund	"	"	"	-	-	6,922,944	6,498	6,884,741	6,789	6,498	291	38,023	39
	Structured bonds of CDC IXIS Capital markets	Investments in bonds without active markets-current	"	"	-	9,891	-	-	-	-	9,891	-	-	-
	Structured bonds of ESKPORTFINANS ASA	"	"	"	-	4,946	-	-	-	4,946	4,946	-	-	-
	Structured bonds of BNP	"	"	"	-	4,941	-	-	-	4,945	4,941	5	-	-
	Structured bonds of Lloyds TSB Bank PLC	"	"	"	-	4,946	-	-	-	4,946	4,946	-	-	-
	Structured bonds of Korea Msbcredit Linked Unsecured Noted	"	"	"	-	-	-	5,878	-	5,721	5,878	(157)	-	-
	Structured bond credit-linked investments of FPC	"	"	"	-	-	-	3,049	-	-	-	-	-	3,049
	Credit-linked investments of AUO	"	"	"	-	-	-	6,098	-	-	-	-	-	6,098
	Credit-linked investments of Foxconn	"	"	"	-	-	-	3,049	-	-	-	-	-	3,049
	Freedom International Group Ltd.	Long-term equity investments accounted for under the equity method	Additional investment	The Company's subsidiary	129,124,665	130,552	8,932,812	19,394	-	-	-	-	138,057,477	149,946
	Giga-Byte Communications Inc.				88,130,395	4,751	19,000,000	(6,669)	-	-	-	-	107,130,395	(1,918)

Note: The amount includes the investment loss accounted for under the equity method and cumulative translation adjustment.

- 5) Real estate acquired exceeding NT\$100,000 or 20% of contributed capital: None.
6) Proceeds from disposal of real estate exceeding NT\$100,000 or 20% of contributed capital: None.
7) Purchases from and sales to related parties exceeding NT\$100,000 or 20% of contributed capital:
(For the year ended 31st December 2008)

(NT\$)

Name of the Company	Name of the counterparty	Relationship with the counterparty	Description of the transactions				Disclosure of non-standard transaction terms		Accounts or notes receivable (payable)	
			Purchases (sales)	Amount	% of total purchases (sales)	Credit terms	Price	Terms	Balance	% of total accounts or notes receivable (payable)
Giga-Byte Technology Co., Ltd.	Giga-Byte Technology B.V.	A wholly-owned subsidiary	Sales	\$ 13,017,825	28%	90 days after receipt of goods	The price was based on the contract price	Normal	\$ 1,094,954	27%
	Giga Advance (Labuan) Limited	"	"	6,040,020	13%	30 days after billing	"	"	229,630	6%
	G.B.T. Inc.	"	"	2,538,692	6%	75 days after receipt of goods	"	"	134,975	3%
	Giga-Byte Technology (India) Ltd.	"	"	785,328	2%	"	"	"	162,664	4%
	G-Style Co., Ltd.	"	"	145,008	1%	90 days after receipt of goods	"	"	59,572	2%
	Info-Tek Corporation	Investee company accounted for under the equity method	Purchases	116,881	-	30 days after receipt of goods	No significant difference	"	-	-
	Giga Advance (Labuan) Limited	A wholly-owned subsidiary	"	225,700	1%	60 days after receipt of goods	The price was based on the contract price	"	(13,202)	-

Note: The sales price was based on the contracted price, see Note 5(2).

(US\$)
(Unaudited-Note 2)

Name of the Company	Name of the counterparty	Relationship with the counterparty	Description of the transactions				Disclosure of non-standard transaction terms		Accounts or notes receivable (payable)	
			Purchases (sales)	Amount	% of total purchases (sales)	Credit terms	Price	Terms	Balance	% of total accounts or notes receivable (payable)
Giga-Byte Technology Co., Ltd.	Giga-Byte Technology B.V.	A wholly-owned subsidiary	Sales	\$ 396,885	28%	90 days after receipt of goods	The price was based on the contract price	Normal	\$ 33,383	27%
	Giga Advance (Labuan) Limited	"	"	184,147	13%	30 days after billing	"	"	7,001	6%
	G.B.T. Inc.	"	"	77,399	6%	75 days after receipt of goods	"	"	4,115	3%
	Giga-Byte Technology (India) Ltd.	"	"	23,943	2%	"	"	"	4,959	4%
	G-Style Co., Ltd.	"	"	4,421	1%	90 days after receipt of goods	"	"	1,816	2%
	Info-Tek Corporation	Investee company accounted for under the equity method	Purchases	3,563	-	30 days after receipt of goods	No significant difference	"	-	-
	Giga Advance (Labuan) Limited	A wholly-owned subsidiary	"	6,881	1%	60 days after receipt of goods	The price was based on the contract price	"	(403)	-

Note: The sales price was based on the contracted price, see Note 5(2).

8) Receivables from related parties exceeding NT\$100,000,000 or 20% of the contributed capital:
(31st December 2008)

(NT\$)

Name of the Company	Name of the counterparty	Relationship with the counterparty	Balance of receivables from related parties at 31st December 2008	Turnover rate	Overdue receivables		Subsequent collections	Bad debts allowance provided	
					Amount	Action adopted for overdue accounts			
Giga-Byte Technology Co., Ltd.	Giga-Byte Technology B.V.	A wholly-owned subsidiary	Accounts receivable	\$ 1,094,954	9.99	-	-	\$ 1,094,954	-
	Giga Advance (Labuan) Limited	"	Accounts receivable	229,630	17.77	-	-	229,630	-
	Giga-Byte Technology (India) Ltd.	"	Accounts receivable	162,664	6.19	-	-	162,664	-
	G.B.T. Inc.	"	Accounts receivable	134,975	7.28	-	-	134,975	-

(US\$)

(Unaudited-Note 2)

Name of the Company	Name of the counterparty	Relationship with the counterparty	Balance of receivables from related parties at 31st December 2008	Turnover rate	Overdue receivables		Subsequent collections	Bad debts allowance provided	
					Amount	Action adopted for overdue accounts			
Giga-Byte Technology Co., Ltd.	Giga-Byte Technology B.V.	A wholly-owned subsidiary	Accounts receivable	\$ 33,383	9.99	-	-	\$ 33,383	-
	Giga Advance (Labuan) Limited	"	Accounts receivable	7,001	17.77	-	-	7,001	-
	Giga-Byte Technology (India) Ltd.	"	Accounts receivable	4,959	6.19	-	-	4,959	-
	G.B.T. Inc.	"	Accounts receivable	4,115	7.28	-	-	4,115	-

9) Transaction of financial instruments: See Note 4(2).

B. Related information of investment

1) Related information of investee companies:
(31st December 2008)

Name of the company	Name of the investee company	Address	Major operating activities	(NT\$)		Holding Status			(loss) of investee company	income (loss) recognized by the Company	Relationship with the Company
				Accumulated capital infusion as of 31st December		Shares	Percentage	Book value			
				2008	2007						
Giga-Byte Technology Co., Ltd.	Freedom International Group Ltd.	Drake Chambers, Tortola, British Virgin Islands	Holding company	US\$ 138,057	US\$ 129,125	138,057,477	100.00%	\$ 4,918,240	\$ 37,233	\$ 37,233	The Company's subsidiary
	Chi-Ga Investments Corp.	Taipei, Taiwan, R.O.C.	"	\$ 1,775,000	\$ 1,775,000	177,500,000	100.00%	1,557,775 (	185,756) (	185,756)	"
	G-Style Co., Ltd.	Hsin-Tien Taipei Taiwan, R.O.C.	Manufacturing and selling of notebook computers	200,000	200,000	20,000,000	100.00%	84,135 (	35,597) (	37,243)	"
	Giga-Byte Communication Inc.	"	Manufacturing and selling of communications	1,082,990	892,990	107,130,395	89.76%	(62,897) (	418,514) (	408,041)	"
	Giga-Zone International Co., Ltd.	Taipei, Taiwan, R.O.C.	Selling of PC peripherals	14,965	10,200	2,251,067	51.00%	39,265	29,853	15,225	"
	Giga-Byte Technology B.V.	Eindhoven, Netherlands	Selling of motherboards	25,984	25,984	850,000	100.00%	(62,740)	7,859	7,859	"
	G.B.T. Technology Co. Ltd.	London, UK	"	47,488	47,488	800,000	100.00%	4,071	3,565	3,565	"
	Nippon Giga-Byte Corp.	Tokyo, Japan	"	3,495	-	1,000	100.00%	2,605 (	870) (	870)	"
	Gigabyte Technology s r o.	Brno, Czech	"	-	239	-	-	-	-	-	"
	G.B.T. Technology Trading GmbH	Hamburg, Germany	"	26,012	26,012	-	100.00%	27,613	5,786	5,786	"
	Giga-Byte Technology PTY Ltd.	Victoria AUS	"	9,345	9,345	400,000	100.00%	11,136	675	675	"
	Giga-Byte Technology (India) Ltd.	Goa State, India	"	US\$ 3,995	US\$ 3,995	4,600,000	100.00%	20,026 (	51,332) (	51,332)	"
	eRiver Precision Machining Co., Ltd.	Pinglhen, Taoyuan Taiwan, R.O.C.	Metalwork	\$ 90,001	\$ 50,001	9,000,100	100.00%	16,853 (	48,621) (	48,621)	"
	Giga Advance (Labuan) Limited	FT Labuan, Malaysia	Selling of motherboards	12,924	-	-	100.00%	14,682	4,326	4,326	"
	Nippon Giga-Byte Corp.	Tokyo, Japan	"	-	661	-	-	-	-	-	"
	G.B.T., Inc.	California, U.S.A.	"	3,938	3,938	10,000	48.63%	19,226	7,752	3,770	The Company's indirect subsidiary
Giga-Byte Technology B.V.	Gigabyte Technology France	Paris, France	"	US\$ 250	US\$ 250	200,000	100.00%	US\$ 349	EUR 4	NA	"
G.B.T. Technology Trading GmbH	Gigabyte Technology s r o.	Brno, Czech	"	-	EUR 594	-	-	-	-	-	"
Freedom International Group Ltd.	Charleston Investments Limited	Grand Cayman, Cayman Islands	"	US\$ 45,358	US\$ 45,358	45,357,927	100.00%	US\$ 51,886	(US\$ 5,552)	"	"
	G.B.T. LBN Inc.	FT Labuan, Malaysia	"	-	-	-	100.00%	US\$ 13,667	US\$ 11,054	"	"
	G.B.T., Inc.	California, U.S.A.	"	US\$ 965	US\$ 965	10,564	51.37%	US\$ 572	US\$ 246	"	"
	Giga Future Limited	Drake Chambers, Tortola, British Virgin Islands	Holding company	US\$ 77,700	US\$ 68,767	77,699,550	100.00%	US\$ 71,791	(US\$ 4,098)	"	"
	Best Quick Profits Limited	"	"	US\$ 3,778	US\$ 3,778	3,778,198	100.00%	US\$ 2,612	(US\$ 360)	"	"
	Gigabyte Singapore PTE Ltd.	Singapore	Selling of motherboards	US\$ 1,871	US\$ 1,871	3,073,000	100.00%	US\$ 983	(US\$ 15)	"	"
	Leby Technology Co., Ltd.	Drake Chambers, Tortola, British Virgin Islands	Holding company	US\$ 15,030	US\$ 15,030	50,000	100.00%	US\$ 15,553	-	"	Subsidiary's investee company accounted for under the equity method
	Advance Goal International Limited	"	"	US\$ 2,849	US\$ 2,849	2,849,000	44.45%	-	-	"	"
	Gigabyte International Operation (Labuan) Limited	FT Labuan, Malaysia	Selling of motherboards	US\$ 1,255	US\$ 1,255	10,000	100.00%	US\$ 1,059	(US\$ 4)	"	The Company's indirect subsidiary
Charleston Investments Ltd.	Dongguan Giga-Byte Electronics Co., Ltd.	Dong Guan, Guang Dong Province, P.R.C.	Manufacturing of motherboards	US\$ 29,526	US\$ 29,526	-	100.00%	US\$ 40,451	(US\$ 5,902)	"	"
	Ningbo Giga-Byte International Trade Co., Ltd.	Ningbo Zhejiang Province, P.R.C.	Selling of motherboards	US\$ 8,000	US\$ 8,000	-	100.00%	US\$ 10,139	US\$ 1,409	"	"
	Ningbo Best Yield Technology Services Co., Ltd.	"	Repairing of motherboards	US\$ 2,000	US\$ 2,000	-	100.00%	US\$ 1,454	(US\$ 460)	"	"
Giga Future Limited	Ningbo Giga-Byte Technology Co., Ltd.	"	Manufacturing of motherboards	US\$ 81,000	US\$ 70,004	-	100.00%	US\$ 69,932	(US\$ 4,581)	"	"
Ningbo Giga-Byte International Trade Co., Ltd.	Ningbo Zhongjia Technology Co., Ltd.	Ningbo, Zhejiang Province, P.R.C.	Selling of motherboards	RMB 28,000	RMB 20,500	-	100.00%	RMB 26,620	RMB 4,483	"	"
Leby Technology Co., Ltd.	Leby Technology (HK) Limited.	Leby Technology (H.K.) Limited.	Holding company	HKD 10	HKD 10	10,000	100.00%	HKD 5,322	-	"	Subsidiary's investee company accounted for under the equity method
Chi-Ga Investments Corp.	Gigatrend Technology Co., Ltd.	Hsin-Tien Taipei Taiwan, R.O.C.	Manufacturing and selling of semiconductor components and parts	\$ 100,000	\$ 100,000	10,000,000	100.00%	\$ 61,912 (	3,872)	"	The Company's indirect subsidiary
	Kuangung Investment Corporation	Taipei-Taiwan R.O.C.	Holding Company	200,000	200,000	20,000,000	100.00%	173,999 (	32,512)	"	"
	Giga-Trend International Management Group Ltd.	Hsin-Tien Taipei Taiwan, R.O.C.	Venture capital management and consulting company	6,250	6,250	625,000	62.50%	23,445	11,198	"	"
	Zonelan International IP Consulting Co., Ltd.	Taipei-Taiwan R.O.C.	Management and consulting company	9,000	9,000	900,000	90.00%	8,894 (	104)	"	"
	Info-Tek Corporation	Hukow, Hsinchu, Taipei, R.O.C.	Manufacturing and selling of motherboards	441,170	441,170	24,406,586	21.20%	389,788 (	311,535)	"	Subsidiary's investee company accounted for under the equity method
	Giga Win International Venture Investment Group Ltd.	Taipei-Taiwan R.O.C.	Venture capital management and consulting company	220,000	220,000	22,000,000	40.00%	206,269 (	11,925)	"	"
Giga-Byte Communication Inc.	G Smart Holding Limited	Drake Chambers, Tortola, British Virgin Islands	Holding company	3,998	3,227	100,000	100.00%	3,998	US\$ 1	"	The Company's indirect subsidiary
G Smart Holding Limited	Gigawin Limited	Mauritius	"	US\$ 124	US\$ 100	100,000	100.00%	US\$ 124	US\$ 1	"	"

Name of the company	Name of the investee company	Address	Major operating activities	(US\$)		Holding Status			(loss) of investee company	income (loss) recognized by the Company	Relationship with the Company
				(Unaudited-Note 2)		Shares	Percentage	Book value			
				Accumulated capital infusion as of 31st December							
2008	2007										
Giga-Byte Technology Co., Ltd.	Freedom International Group Ltd.	Drake Chambers, Tortola, British Virgin Islands	Holding company	\$ 138,057	\$ 129,125	138,057,477	100.00%	\$ 149,946	\$ 1,135	\$ 1,135	The Company's subsidiary
	Chi-Ga Investments Corp.	Taipei, Taiwan, R.O.C.	"	54,116	54,116	177,500,000	100.00%	47,493 (	5,663) (	5,663)	"
	G-Style Co., Ltd.	Hsin-Tien Taipei Taiwan, R.O.C.	Manufacturing and selling of notebook computers	6,098	6,098	20,000,000	100.00%	2,565 (	1,085) (	1,135)	"
	Giga-Byte Communication Inc.	"	Manufacturing and selling of communications	33,018	27,225	107,130,395	89.76%	(1,918) (	12,760) (	12,440)	"
	Giga-Zone International Co., Ltd.	Taipei, Taiwan, R.O.C.	Selling of PC peripherals	456	311	2,251,067	51.00%	1,197	910	464	"
	Giga-Byte Technology B.V.	Eindhoven, Netherlands	Selling of motherboards	792	792	850,000	100.00%	(1,913)	240	240	"
	G.B.T. Technology Co. Ltd.	London, UK	"	1,448	1,448	800,000	100.00%	124	109	109	"
	Nippon Giga-Byte Corp.	Tokyo, Japan	"	107	-	1,000	100.00%	79 (	27) (	27)	"
	Gigabyte Technology s.r.o.	Erno, Czech	"	-	7	-	-	-	-	-	"
	G.B.T. Technology Trading GmbH	Hamburg, Germany	"	793	793	-	100.00%	842	176	176	"
	Giga-Byte Technology PTY Ltd.	Victoria AUS	"	285	285	400,000	100.00%	340	21	21	"
	Giga-Byte Technology (India) Ltd.	Goa State, India	"	3,995	3,995	4,600,000	100.00%	611 (	1,565) (	1,565)	"
	eRiver Precision Machining Co., Ltd.	Pinglhen, Taoyuan Taiwan, R.O.C.	Metalwork	2,744	1,524	9,000,100	100.00%	514 (	1,482) (	1,482)	"
	Giga Advance (Labuan) Limited	FT Labuan, Malaysia	Selling of motherboards	394	-	-	100.00%	448	132	132	"
	Nippon Giga-Byte Corp.	Tokyo, Japan	"	-	20	-	-	-	-	-	"
	G.B.T., Inc.	California, U.S.A.	"	120	120	10,000	48.63%	586	236	115	The Company's indirect subsidiary
Giga-Byte Technology B.V.	Gigabyte Technology France	Paris, France	"	250	250	200,000	100.00%	349 EUR	4	NA	"
G.B.T. Technology Trading GmbH	Gigabyte Technology s.r.o.	Erno, Czech	"	-	EUR 594	-	-	-	-	"	"
Freedom International Group Ltd.	Charleston Investments Limited	Grand Cayman, Cayman Islands	"	45,358	45,358	45,357,927	100.00%	51,886 (	5,552) ("	"
	G.B.T. LBN Inc.	FT Labuan, Malaysia	"	-	-	-	100.00%	13,667	11,054	"	"
	G.B.T., Inc.	California, U.S.A.	"	965	965	10,564	51.37%	572	246	"	"
	Giga Future Limited	Drake Chambers, Tortola, British Virgin Islands	Holding company	77,700	68,767	77,699,550	100.00%	71,791 (	4,098)	"	"
	Best Quick Profits Limited	"	"	3,778	3,778	3,778,198	100.00%	2,612 (	360)	"	"
	Gigabyte Singapore PTE Ltd.	Singapore	Selling of motherboards	1,871	1,871	3,073,000	100.00%	983 (	15)	"	"
	Leby Technology Co., Ltd.	Drake Chambers, Tortola, British Virgin Islands	Holding company	15,030	15,030	50,000	50.00%	15,553	-	"	Subsidiary's investee company accounted for under the equity method
	Advance Goal International Limited	"	"	2,849	2,849	2,849,000	44.45%	-	-	"	"
	Gigabyte International Operation (Labuan) Limited	FT Labuan, Malaysia	Selling of motherboards	1,255	1,255	10,000	100.00%	1,059 (	4)	"	The Company's indirect subsidiary
Charleston Investments Ltd.	Dongguan Giga-Byte Electronics Co., Ltd.	Dong Guan, Guang Dong Province, P.R.C.	Manufacturing of motherboards	29,526	29,526	-	100.00%	40,451 (	5,902)	"	"
	Ningbo Giga-Byte International Trade Co., Ltd.	Ningbo Zhejiang Province, P.R.C.	Selling of motherboards	8,000	8,000	-	100.00%	10,139	1,409	"	"
	Ningbo Best Yield Technology Services Co., Ltd.	"	Repairing of motherboards	2,000	2,000	-	100.00%	1,454 (	460)	"	"
Giga Future Limited	Ningbo Giga-Byte Technology Co., Ltd.	"	Manufacturing of motherboards	81,000	70,004	-	100.00%	69,932 (	4,581)	"	"
Ningbo Giga-Byte International Trade Co., Ltd.	Ningbo Zhongjia Technology Co., Ltd.	Ningbo, Zhejiang Province, P.R.C.	Selling of motherboards	RMB 28,000	RMB 20,500	-	100.00%	RMB 26,620	RMB 4,483	"	"
Leby Technology Co., Ltd.	Leby Technology (HK) Limited	Leby Technology (H.K.) Limited	Holding company	HKD 10	HED 10	10,000	100.00%	HKD 5,322	-	"	Subsidiary's investee company accounted for under the equity method
Chi-Ga Investments Corp.	Gigatrend Technology Co., Ltd.	Hsin-Tien Taipei Taiwan, R.O.C.	Manufacturing and selling of semiconductor components and parts	\$ 3,049	\$ 3,049	10,000,000	100.00%	\$ 1,888 (	118)	"	The Company's indirect subsidiary
	Kuangung Investment Corporation	Taipei-Taiwan R.O.C.	Holding Company	6,098	6,098	20,000,000	100.00%	5,305 (	991)	"	"
	Giga-Trend International Management Group Ltd.	Hsin-Tien Taipei Taiwan, R.O.C.	Venture capital management and consulting company	191	191	625,000	62.50%	715	341	"	"
	Zonelan International IP Consulting Co., Ltd.	Taipei-Taiwan R.O.C.	Management and consulting company	274	274	900,000	90.00%	271 (	3)	"	"
	Info-Tek Corporation	Hukow, Hsinchu, Taipei, R.O.C.	Manufacturing and selling of motherboards	13,450	13,450	24,406,586	21.20%	11,884 (	9,498)	"	Subsidiary's investee company accounted for under the equity method
	Giga Win International Venture Investment Group Ltd.	Taipei-Taiwan R.O.C.	Venture capital management and consulting company	6,707	6,707	22,000,000	40.00%	6,289 (	364)	"	"
Giga-Byte Communication Inc.	G Smart Holding Limited	Drake Chambers, Tortola, British Virgin Islands	Holding Company	122	98	100,000	100.00%	122	1	"	The Company's indirect subsidiary
G Smart Holding Limited	Gigawin Limited	Mauritius	"	124	100	100,000	100.00%	124	1	"	"

2) The related information of the investee companies in which the Company has direct or indirect control is as follows:

(1) Lending to others:

Number	Creditor	Borrower	General ledger account	Maximum outstanding balance during the year ended		Balance at 31st December 2008	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note B)	Ceiling on total loans granted (Note B)
				31st December 2008	2008							Item	Value		
0	G.E.T. LBN Inc.	Gigatrend Technology Co., Ltd.	Other receivable	US\$	255	US\$ -	-	(Note A)	\$ -	-	\$ -	-	-	US\$ 1,426	US\$ 4,279
1	Ningbo Giga-Byte International Trade Co., Ltd.	Ningbo Best Yield Technology Services Co., Ltd.	"	RMB	1,402	RMB 1,402	-	"	-	-	-	-	-	RMB 6,797	RMB 20,390
2	Freedom International Group Ltd.	Giga Future Limited	"	US\$	3,900	US\$ 3,900	3.82%	-	-	For operating purposes	-	-	-	US\$ 14,995	US\$ 29,989
3	Giga Future Limited	Ningbo Giga-byte Technology Co., Ltd.	"	US\$	5,500	US\$ 5,500	3.82%	-	-	"	-	-	-	US\$ 7,179	US\$ 14,358

Note A: In accordance with JIN-GUAN-ZHENG (6) No. 0960011409, the overdue receivables should be regarded as loans to the related parties and reclassified to other receivables, if the credit terms of the related parties are obviously longer than the normal terms.

Note B: The credit limit for all borrowers from the lending company is 30% of the lending company's net worth. However, if it is for short-term financing, the credit limit for all borrowers from the lending company is 20% of the lending company's net worth. The credit limit for each individual borrower is 10% of the lending company's net worth.

(2) Endorsements and guarantees for others: None.
(3) Marketable securities held at 31st December 2008:

				31st December 2008				
Name of the company	Name of marketable securities	Relationship of the issuers with the Company	General ledger account	Number of shares	Book value	Percentage	Market value	
Chi-Ga Investment Corp.	Walsin Technology Corporation	None	Financial assets at fair value through profit or loss-current	9,039,801	\$ 198,644	1.36%	\$ 58,307	
	Jih Sun Bond Fund	"	"	4,223,983	59,000	-	59,386	
	NITC Bond Fund	"	"	11,286,132	161,519	-	164,245	
							419,163	
				Loss on valuation of financial assets		(137,225)		
							<u>\$ 281,938</u>	
	Info-Tek Corp.	Investee company accounted for under the equity method	Long-term equity investments accounted for under the equity method	24,406,586	\$ 389,788	21.20%	\$ 93,965	
	Gigatrend Technology Co., Ltd.	The Company's subsidiary	"	10,000,000	61,912	100.00%	61,912	
	Kuangtung Investment Corporation	"	"	20,000,000	173,999	100.00%	173,999	
	Zonelan International IP Consulting Co., Ltd.	"	"	900,000	8,894	90.00%	8,894	
Giga-Trend International Management Group Ltd.	"	"	625,000	23,445	62.50%	23,445		
Giga Win International Venture Investment Group Ltd.	Investee company accounted for under the equity method	"	22,000,000	206,269	40.00%	206,269		
						<u>\$ 864,307</u>		
Hui Yang Venture Capital Co., Ltd.	None	Financial assets carried at cost-non-current	15,000,000	\$ 150,000	7.69%	None		
Giga-Trend International Venture Investment Corp. etc.	-	-	-	211,559	0.11%~13.39%	-		
						<u>\$ 361,559</u>		
Kuangtung Investment Corp.	PCA Well Pool Fund	None	Financial assets at fair value through profit or loss-current	288,517	\$ 3,734	-	\$ 3,734	
	COXON Precise Industrial Co., Ltd. etc.	-	Financial assets carried at cost-non-current	-	\$ 168,258	-	None	
	Tahan Precision Technology Co., Ltd. etc.	-	Available-for-sale financial assets - current	-	\$ 16,148	-	"	
Ningbo Giga-Byte International Trade Co., Ltd.	Ningbo Zhongjia Technology Co., Ltd.	The Company's subsidiary	Long-term equity investments accounted for under the equity method	-	RMB 26,620	100%	RMB 26,620	
Giga-Byte Technology B.V.	Gigabyte Technology France	"	"	200,000	US\$ 349	100%	US\$ 349	
Freedom International Group Ltd.	Charleston Investments Limited	"	"	45,357,927	US\$ 51,886	100%	US\$ 51,886	
	Giga Future Limited	"	"	77,699,550	US\$ 71,791	100%	US\$ 71,791	
	Best Quick Profits Limited	"	"	3,778,198	US\$ 2,612	100%	US\$ 2,612	
	Leby Technology Co., Ltd.	"	"	50,000	US\$ 15,553	50%	US\$ 15,553	
	G.B.T. LBN Inc.	"	"	-	US\$ 13,667	100%	US\$ 13,667	
	G.B.T. Inc etc.	"	"	-	US\$ 2,614	51.37%~100%	US\$ 2,614	
						<u>US\$ 158,123</u>		
Charleston Investments Limited	Dongguan Giga-Byte Electronics Co., Ltd.	The Company's subsidiary	Long-term equity investments accounted for under the equity method	-	US\$ 40,451	100%	US\$ 40,451	
	Ningbo Giga-Byte International Trade Co., Ltd. etc.	"	"	-	US\$ 10,139	100%	US\$ 10,139	
	Ningbo Best Yield Technology Services Co., Ltd.	"	"	-	US\$ 1,454	100%	US\$ 1,454	
						<u>US\$ 52,044</u>		
Giga Future Limited	Ningbo Giga-Byte Technology Co., Ltd.	The Company's subsidiary	Long-term equity investments accounted for under the equity method	-	US\$ 69,932	100%	US\$ 69,932	
Leby Technology Co., Ltd.	Leby Technology (HK) Limited	"	"	10,000	HKD 5,322	100%	HKD 5,322	
Giga-Byte Communication Inc.	G Smart Holding Limited	"	"	100,000	\$ 3,998	100%	3,988	
	Zonelan International IP Consulting Co., Ltd.	Affiliates	Financial assets carried at cost-non-current	100,000	\$ 1,000	10%	988	
G Smart Holding Limited	Gigawin Limited	The Company's subsidiary	Long-term equity investments accounted for under the equity method	100,000	US\$ 124	100%	US\$ 124	

(US\$)				31st December 2008				
(Unaudited-Note 2)								
Name of the company	Name of marketable securities	Relationship of the issuers with the Company	General ledger account	Number of shares	Book value	Percentage	Market value	
Chi-Ga Investment Corp.	Walsin Technology Corporation	None	Financial assets at fair value through profit or loss-current	9,039,801	\$ 6,056	1.36%	\$ 1,778	
	Jih Sun Bond Fund	"	"	4,223,983	1,799	-	1,811	
	NITC Bond Fund	"	"	11,286,132	4,924	-	5,007	
						12,779		
				Loss on valuation of financial assets		(4,184)		
						\$ 8,595		
			Investee company accounted for under the equity method	Long-term equity investments accounted for under the equity method	24,406,586	\$ 11,884	21.20%	\$ 2,865
		Info-Tek Corp.	The Company's subsidiary	"	10,000,000	1,888	100.00%	1,888
		Gigatrend Technology Co., Ltd.	"	"	20,000,000	5,305	100.00%	5,305
		Kuangtung Investment Corporation	"	"	900,000	271	90.00%	271
	Zonelan International IP Consulting Co., Ltd.	"	"					
	Giga-Trend International Management Group Ltd.	"	"	625,000	715	62.50%	715	
	Giga Win International Venture Investment Group Ltd.	Investee company accounted for under the equity method	"	22,000,000	6,289	40.00%	6,289	
					\$ 26,352			
	Hui Yang Venture Capital Co., Ltd.	None	Financial assets carried at cost-non-current	15,000,000	\$ 4,573	7.69%	None	
	Giga-Trend International Venture Investment Corp. etc.	-	-	-	6,450	0.11%-13.39%	-	
					\$ 11,023			
Kuangtung Investment Corp.	PCA Well Pool Fund	None	Financial assets at fair value through profit or loss-current	288,517	\$ 114	-	\$ 114	
	COXON Precise Industrial Co., Ltd. etc.	-	Financial assets carried at cost-non-current	-	\$ 5,130	-	None	
	Tahan Precision Technology Co., Ltd. etc.	-	Available-for-sale financial assets - current	-	\$ 492	-	"	
Ningbo Giga-Byte International Trade Co., Ltd.	Ningbo Zhongnia Technology Co., Ltd.	The Company's subsidiary	Long-term equity investments accounted for under the equity method	-	RMB 26,620	100%	RMB 26,620	
	Giga-Byte Technology B.V.	"	"	200,000	\$ 349	100%	\$ 349	
	Freedom International Group Ltd.	"	"	45,357,927	\$ 51,886	100%	\$ 51,886	
		"	"	77,699,550	71,791	100%	71,791	
		"	"	3,778,198	2,612	100%	2,612	
		"	"	50,000	15,553	50%	15,553	
		"	"	-	13,667	100%	13,667	
		"	"	-	2,614	51.37%-100%	2,614	
		"	"		\$ 158,123			
Charleston Investments Limited	Dongguan Giga-Byte Electronics Co., Ltd.	The Company's subsidiary	Long-term equity investments accounted for under the equity method	-	\$ 40,451	100%	\$ 40,451	
	Ningbo Giga-Byte International Trade Co., Ltd. etc.	"	"	-	10,139	100%	10,139	
	Ningbo Best Yield Technology Services Co., Ltd.	"	"	-	1,454	100%	1,454	
					\$ 52,044			
Giga Future Limited	Ningbo Giga-Byte Technology Co., Ltd.	The Company's subsidiary	Long-term equity investments accounted for under the equity method	-	\$ 69,932	100%	\$ 69,932	
	Leby Technology Co., Ltd.	"	"	10,000	HKD 5,322	100%	HKD 5,322	
	Giga-Byte Communication Inc.	"	"	100,000	\$ 122	100%	122	
	Zonelan International IP Consulting Co., Ltd.	Affiliates	Financial assets carried at cost-non-current	100,000	\$ 30	10%	30	
G Smart Holding Limited	Gigawin Limited	The Company's subsidiary	Long-term equity investments accounted for under the equity method	100,000	\$ 124	100%	124	

4) Accumulated additions and disposals of marketable securities exceeding NT\$100,000 or 20% of contributed capital:

						(NT\$)									
				Beginning balance		Additions		Disposals			Ending balance				
Name of the company	Name of marketable securities	General ledger account	Counterparties	Relationship	Number of shares	Amount	Number of shares	Amount	Number of shares	Proceeds from disposal	Book value	Other adjustment	Gain (loss) on disposal	Number of shares	Amount
Freedom International Group Ltd.	Giga Future Limited	Long-term equity investments accounted for under the equity method	Additional investment	"	68,766,738	US\$ 62,504	8,932,812	US\$ 9,287 (Note)	-	-	-	-	-	77,699,550	US\$ 71,791
Giga Future Limited	Ningbo Giga-Byte Technology Co., Ltd.	"	"	"	-	US\$ 58,729	-	US\$ 11,203 (Note)	-	-	-	-	-	-	US\$ 69,932

Note: The amount includes the investment loss accounted for under the equity method and cumulative translation adjustments.

5) Real estate acquired exceeding NT\$100,000 or 20% of contributed capital: None.

- 6) Proceeds from disposals of real estate exceeding NT\$100,000 or 20% of contributed capital: None
7) Purchases from and sales to related parties exceeding NT\$100,000 or 20% of contributed capital:
(For the year ended 31st December 2008)

(NT\$)

Name of the Company	Name of the counterparty	Relationship with the counterparty	Description of the transactions				Disclosure of non-standard transaction terms		Accounts or notes receivable (payable)		Note
			Purchases (sales)	Amount (Note)	% of total purchases (sales)	Credit terms	Price	Terms	Balance (Note)	% of total accounts or notes receivable (payable)	
Giga-Byte Technology B.V.	Giga-Byte Technology Co., Ltd.	The company's subsidiary	Purchases	US\$ 412,903	99%	90 days after receipt of goods	The sales price was based on the contract price	Normal	(US\$ 50,760)	95%	
"	Giga-Zone International Co., Ltd.	Affiliates	"	US\$ 3,293	-	90 days after billing	"	"	(US\$ 1,153)	2%	
Gigabyte Technology (India) Ltd.	Giga-Byte Technology Co., Ltd.	The company's subsidiary	"	US\$ 29,283	99%	75 days after receipt of goods	"	"	(US\$ 7,193)	97%	
G.B.T., Inc.	"	"	"	US\$ 90,802	99%	"	"	"	(US\$ 12,725)	96%	
G-Style Co., Ltd.	"	"	"	\$ 132,625	22%	90 days after receipt of goods	"	"	(\$ 58,321)	65%	
Giga-Zone International Co., Ltd.	Gita-Byte Technology B.V.	Affiliates	Sales	112,017	16%	90 days after billing	"	"	47,856	40%	
Info-tek Copopration	Giga-Byte Technology Co., Ltd.	"	"	117,338	3%	30 days after receipt of goods	No significant difference	"	-	-	
Giga Advance (Labuan) Limited	"	The company's subsidiary	Purchases	US\$ 188,853	96%	30 days after billing	The sales price was based on the contract price	"	(US\$ 8,569)	95%	
"	G.B.T. LBN Inc.	Affiliates	"	US\$ 7,251	4%	60 days after billing	"	"	(US\$ 398)	4%	
"	Giga-Byte Technology Co., Ltd.	"	Sales	US\$ 7,877	4%	"	"	"	US\$ 442	5%	
"	Ningbo Zhongjia Technology Co., Ltd.	"	"	US\$ 187,634	95%	30 days after billing	"	"	US\$ 8,461	94%	
G.B.T. LBN Inc.	Ningbo Giga-Byte Technology Co., Ltd.	"	Purchases	US\$ 22,830	57%	60 days after billing	"	"	(US\$ 6,573)	64%	
"	Dongguan Giga-Byte Electronic Co., Ltd.	"	"	US\$ 16,527	41%	"	"	"	(US\$ 1,144)	11%	
"	Gigabyte Advance (Labuan) Limited	"	Sales	US\$ 7,251	14%	"	"	"	US\$ 759	8%	
Ningbo Zhongjia Technology Co., Ltd.	Gigabyte Advance (Labuan) Limited	"	Purchases	RMB 1,326,757	96%	"	"	"	(RMB 57,915)	83%	
Ningbo Giga-Byte Technology Co., Ltd.	G.B.T., LBN Inc.	"	Sales	RMB 158,657	43%	"	"	"	RMB 44,847	89%	
Dongguan Giga-Byte Electronic Co., Ltd.	"	"	"	RMB 113,734	99%	"	"	"	RMB 7,808	90%	

Note: The balances are not adjusted in accordance with the rules prescribed in the Tai-Tsai-Tseng (Ch) Letter No. 01644 issued by the Securities and Futures Bureau, Financial Supervisory Commission, Executive Yuan.

- 6) Proceeds from disposals of real estate exceeding NT\$100,000 or 20% of contributed capital: None
 7) Purchases from and sales to related parties exceeding NT\$100,000 or 20% of contributed capital:
 (For the year ended 31st December 2008)

		(US\$) (Unaudited-Note 2)									
		Description of the transactions						Accounts or notes receivable (payable)			
Name of the Company	Name of the counterparty	Relationship with the counterparty	Purchases (sales)	Amount (Note)	% of total purchases (sales)	Credit terms	Disclosure of non-standard transaction terms		Balance (Note)	% of total accounts or notes receivable (payable)	Note
							Price	Terms			
Giga-Byte Technology B.V.	Giga-Byte Technology Co., Ltd.	The company's subsidiary	Purchases	\$ 412,903	99%	90 days after receipt of goods	The sales price was based on the contract price	Normal	(\$ 50,760)	95%	
"	Giga-Zone International Co., Ltd.	Affiliates	"	3,293	-	90 days after billing	"	"	(1,153)	2%	
Gigabyte Technology (India) Ltd.	Giga-Byte Technology Co., Ltd.	The company's subsidiary	"	29,283	99%	75 days after receipt of goods	"	"	(7,193)	97%	
G.B.T., Inc.	"	"	"	90,802	99%	"	"	"	(12,725)	96%	
G-Style Co., Ltd.	"	"	"	4,043	22%	90 days after receipt of goods	"	"	(1,778)	65%	
Giga-Zone International Co., Ltd.	Gita-Byte Technology B.V.	Affiliates	Sales	3,415	16%	90 days after billing	"	"	1,459	40%	
Info-tek Copopration	Giga-Byte Technology Co., Ltd.	"	"	3,577	3%	30 days after receipt of goods	No significant difference	"	-	-	
Giga Advance (Labuan) Limited	"	The company's subsidiary	Purchases	188,853	96%	30 days after billing	The sales price was based on the contract price	"	(8,569)	95%	
"	G.B.T. LBN Inc.	Affiliates	"	7,251	4%	60 days after billing	"	"	(398)	4%	
"	Giga-Byte Technology Co., Ltd.	"	Sales	7,877	4%	"	"	"	442	5%	
"	Ningbo Zhongjia Technology Co., Ltd.	"	"	187,634	95%	30 days after billing	"	"	8,461	94%	
G.B.T. LBN Inc.	Ningbo Giga-Byte Technology Co., Ltd.	"	Purchases	22,830	57%	60 days after billing	"	"	(6,573)	64%	
"	Dongguan Giga-Byte Electronic Co., Ltd.	"	"	16,527	41%	"	"	"	(1,144)	11%	
"	Gigabyte Advance (Labuan) Limited	"	Sales	7,251	14%	"	"	"	759	8%	
Ningbo Zhongjia Technology Co., Ltd.	Gigabyte Advance (Labuan) Limited	"	Purchases	RMB 1,326,757	96%	"	"	"	(RMB 57,915)	83%	
Ningbo Giga-Byte Technology Co., Ltd.	G.B.T., LBN Inc.	"	Sales	RMB 158,657	43%	"	"	"	RMB 44,847	89%	
Dongguan Giga-Byte Electronic Co., Ltd.	"	"	"	RMB 113,734	99%	"	"	"	RMB 7,808	90%	

Note: The balances are not adjusted in accordance with the rules prescribed in the Tai-Tsai-Tseng (Ch) Letter No. 01644 issued by the Securities and Futures Bureau, Financial Supervisory Commission, Executive Yuan.

8) Receivables from related parties exceeding NT\$100,000 or 20% of the contributed capital:

Name of the Company	Name of the counterparty	Relationship with the counterparty	Balance of receivables from related parties at 31st December 2008 (Note)		Turnover rate	Overdue receivables		Subsequent collections	Bad debts allowance provided
						Amount	Action adopted for overdue accounts		
Giga Advance (Labuan) Limited	Ningbo Zhongjia Technology Co., Ltd.	Affiliates	Accounts receivable	US\$ 8,461	12.92	-	-	US\$ 8,461	-
Ningbo Giga-Byte Technology Co., Ltd.	G.B.T. LBN Inc.	"	Accounts receivable	RMB 44,847	2.09	-	-	RMB 39,890	-
G.B.T. LBN Inc.	Giga-Byte Technology Co., Ltd.	"	Accounts receivable	US\$ 6,193	5.87			US\$ 4,171	-

Note: The balances are not adjusted in accordance with the rules prescribed in the Tai-Tsai-Tseng (Chi) Letter No. 01644 issued by the Securities and Futures Bureau, Financial Supervisory Commission, Executive Yuan.

9) Transaction of financial instruments: None.

C. Disclosure of investment in Mainland China:

1. Basic information as of and for the year ended 31st December 2008:

Name of the investee company in Mainland China	Main activities of investee company	Capital	Investment method	Accumulated amount remitted out from Taiwan at the beginning of the year	Transactions during the year		Accumulated amount remitted out from Taiwan at the end of the year	Percentage directly or indirectly owned by the Company	Investment income (loss) recognized during the year (Note 2)	Book value of investment at the end of the year	Investment income collected as of the end of the year
					Remitted amount	Collected amount					
Dongguan Gigabyte Electronics Co., Ltd.	Manufacture of motherboards	US\$ 29,526	(Note 1)	US\$ 29,526	-	-	US\$ 29,526	100%	(US\$ 5,902)	US\$ 40,451	-
Ningbo Giga-Byte Technology Co., Ltd.	"	US\$ 81,000	"	US\$ 70,754	US\$ 10,246	-	US\$ 81,000	"	(US\$ 4,581)	US\$ 69,932	-
Ningbo Giga-Byte International Trade Co., Ltd.	Sales of motherboards	US\$ 8,000	"	US\$ 8,000	-	-	US\$ 8,000	"	US\$ 1,409	US\$ 10,139	-
Ningbo Best Yield Technology Services Co., Ltd.	Repair of motherboards	US\$ 2,000	"	US\$ 2,000	-	-	US\$ 2,000	"	(US\$ 460)	US\$ 1,454	-
Accumulated amount wired out from Taiwan to Mainland China as of the end of the year											
		Investment amount approved by FIC of MOEA	Ceiling of investment amount of the Company								
US\$ 120,526		US\$ 150,406	\$ 11,387,835								

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

Note 2: Investment income (loss) recognized was based on the audited financial statements of the investee companies.

2. Processing factory

Investment in subcontractors in Mainland China

As of 31st December 2008, the Company had invested in Best Quick Profits Limited through subsidiaries with machinery and equipment as paid-in capital. Best Quick Profits Limited leased a factory, which is not a legal entity, in Dongguan for the manufacture and processing of motherboards. (Note)

Note: Such information was disclosed in narrative as no forms were provided applicable for this type of operations.

3. Material transactions directly between the Company and its mainland investees and material transactions indirectly between the Company and its mainland investees via entities in other areas:

(1) Purchases for the year ended 31st December 2008, its percentage over total purchases and the balance of related payables as of 31st December 2008: None.

(2) Sales for the year ended 31st December 2008, its percentage over total sales and the balance of related receivables as of 31st December 2008:

Name of the sellers	Name of the mainland investees	Sales amount between the Company and its mainland investees via entities in other areas (Note)	% of total sales of the Company	Credit term	Accounts receivable		Unrealized gain
					Balance	% of total accounts receivable of the Company	
G.B.T. LBN Inc. and Gigabyte International Operation (Labuan) Limited	Ningbo Giga-Byte Technology Co., Ltd.	\$ 19,270 (US\$ 588)	-	30 days after receipt of goods	\$ -	-	\$ -
"	Ningbo Giga-Byte International Trade Co., Ltd.	38,126 (US\$ 1,162)	-	60 days after billing	3,497 (US\$ 107)	-	-
"	Ningbo Zhongjia Technology Co., Ltd.	5,909,033 (US\$ 180,153)	13%	30 days after receipt of goods	365,396 (US\$ 11,140)	9%	-
"	Dongguan Gigabyte Electronics Co., Ltd.	29,214 (US\$ 891)	-	"	13,327 (US\$ 406)	-	-
"	Ningbo Best Yield Technology Services Co., Ltd.	18,885 (US\$ 576)	-	"	5,212 (US\$ 159)	-	-

Note: The balances are not adjusted in accordance with the rules prescribed in the Tai-Tsai-Tseng (Chi) Letter No. 01644 issued by the Securities and Futures Bureau, Financial Supervisory Commission, Executive Yuan.

(3) Disposal or selling price of asset transactions and related gains or losses recognized during the year ended 31st December 2008: None.

(4) The purpose and the balance of endorsement, guarantee or collateral provided as of 31st December 2008: None.

(5) The maximum balance for the the year ended 31st December 2008, the ending balance as of 31st December 2008, the range of interest rate and interest income recognized during the year ended 31st December 2008 resulting from financing activities: None.

(6) Other significant direct transactions of the Company with the investee companies in Mainland China.

The Company agreed to pay a processing fee of NT\$1,215,779 (US\$37,066) to G.B.T. LBN Inc. and Gigabyte International Operation (Labuan) Limited for the year ended 31st December 2008, within 45 days after the month of billing, of which US\$13,454, and US\$16,396 were paid to Ningbo Giga-Byte Technology Co., Ltd., and Dongguan Gigabyte Electronics Co., Ltd., respectively.

12. SEGMENT INFORMATION

A. Operation in different industries: The Company operates in only one industry and its main activities are the manufacture and sales of motherboards and graphic cards.

B. Operation in different geographic areas: Not applicable as the Company has no branches outside the ROC.

C. The customers accounting for more than 10% of the Company's operating revenues for the years ended 31st December 2007 and 2008 are set forth below:

Export sales of the Company were as follows:

<u>Area</u>	<u>For the years ended 31st December</u>		
	<u>2007</u>	<u>2008</u>	<u>2008</u>
	<u>NT\$</u>	<u>NT\$</u>	<u>US\$</u>
			(Unaudited- Note 2)
Asia	\$ 20,235,286	\$ 18,630,467	\$ 568,002
Europe	14,408,408	15,310,367	466,779
North America	6,560,309	4,212,273	128,423
Others	<u>2,376,211</u>	<u>2,302,581</u>	<u>70,201</u>
	<u>\$ 43,580,214</u>	<u>\$ 40,455,688</u>	<u>\$ 1,233,405</u>

D. Information on major customers:

The customers accounting for more than 10% of the Company's operating revenues for the years ended 31st December 2007 and 2008 are set forth below:

<u>Customer</u>	<u>For the years ended 31st December</u>		
	<u>2007</u>	<u>2008</u>	<u>2008</u>
	<u>NT\$</u>	<u>NT\$</u>	<u>US\$</u>
			(Unaudited- Note 2)
Giga-Byte Technology B.V.	\$ 10,155,096	\$ 13,017,825	\$ 396,885
Giga advance (Labuan) Limited	<u>3,008,372</u>	<u>6,040,020</u>	<u>184,147</u>
	<u>\$ 13,163,468</u>	<u>\$ 19,057,845</u>	<u>\$ 581,032</u>