

GIGABYTE™

GIGA-BYTE TECHNOLOGY CO., LTD. ANNUAL REPORT, 2021



Motherboard / Graphic Card



Desktop PC / PC Peripherals



Laptop



Server / Storage



Embedded Computing



Automotive Electronics

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One. Report to Shareholders

Dear Shareholders:

There is no doubt that 2021 was an impressive year for all Gigabyte people.

In 2021, Gigabyte set a number of records in the history of the Group: the operating revenue exceeded NT\$120 billion, the gross profit margin reached 24.27%, the parent company's after-tax net profit exceeded NT\$13.3 billion, and the basic earnings per share reached NT\$21.01. Compared with the fairly good operating results in 2020, the indicators above achieved double-digit or even multiple growth respectively.

In particular, 2021 was still a challenging year when COVID-19 continued to rage around the world; other than affecting the life and consumption decisions of end customers, it had a great impact on the scheduling and cost control of the supply chain. In addition, the supply situation of suppliers was still tight, the trend of the virtual money market was unpredictable, and major countries continued to raise interest rates. All these uncertainties tested the operation of the Group in different aspects.

Being able to achieve unprecedented success in a challenging year shows the resilience of Gigabyte in the face of difficult environments. I would like to congratulate all my staff on the strength accumulated in the process of growing up with the Group, and thank all their families for understanding the inconvenience caused to the family life due to their work, as well as the full support and trust of all shareholders in the management team. The details of GIGABYTE's financial and operational performance are as follows:

Unit: NT\$100 million

Item	2021	2020	Difference	Percentage of Difference (%)
Operating income	1,219.05	846.03	+373.02	+44.09
Gross profit	295.90	144.64	+151.26	+104.58
Net profit after tax of the parent company	133.38	43.74	+89.64	+204.94

Item		2021	2020
Financial structure (%)	Debt to total assets (%)	45.79	44.54
	Long-term capital to property & equipment (%)	913.09	702.10
Solvency (%)	Current ratio (%)	196.09	198.08
	Quick ratio (%)	105.88	120.83
Profitability (%)	Return on assets (%)	22.50	10.06
	Return on equity (%)	41.11	16.92
	Profit margin (%)	10.94	5.17
	Basic EPS (NT\$)	21.01	6.88

The following summarizes GIGABYTE's various products and business performances in 2021, and its future outlook:

Motherboard and graphics card business

Relying on the keen market sense, stable upstream and downstream operation management, reliable manufacturing capacity and sophisticated R&D and product design technology established through decades of deep cultivation of motherboard and display card business, Gigabyte was able to launch motherboard and display card products with durable quality, super efficiency, innovative functions and extreme beauty in response to changes in market environment and user needs, and won various awards and user recognition. In 2020, Gigabyte launched a variety of direct-out 20+1+2-phase digital power supply designs supporting ultra-high-speed transmission architectures such as PCIe 5.0 and DDR5, integrated the third-generation fins-array stacked fins, the second-generation direct-contact heat pipe and advanced fan-less board cooling technology with the nano carbon cooling base plate, and various AORUS XTREME series motherboard products with 90-degree corner sockets and RGB LED lighting effects, which won the Red Dot Design Award, iF Design Award, Taiwan Boutique Award and many other awards at home and abroad. On display cards, Gigabyte's NVIDIA RTX30 series display cards and AMD RX 6000 series display cards widely use Gigabyte's wind power heat dissipation system. With three unique blade diversion fans, combined with positive and reverse function, high-efficiency pure copper heat pipe, large copper sheet direct-contact GPU heat conduction, fan stop function, screen cooling and other heat dissipation technologies, the display cards are kept in a low-temperature working environment at any time, resulting in higher and more stable product performance which is widely welcomed by the market. Moreover, the excellent product design of AORUS XTREME is also recognized by the Red Dot Design Award.

Also, faced with the rekindled craze of virtual currency mining in 2021, GIGABYTE, with its experience gained from the business impact in 2019 caused by the decline in virtual currency market, grasped the actual market demand of graphics card realistically, took active steps to identify and screen out downstream overorder so as to manage inventory risk, strengthened mutual trust with upstream chip suppliers, and established strategies to seek a balanced business development for graphics card and motherboard, responding steadily to this wave of market change in graphics card supply shortage.

In the future, GIGABYTE will continue to invest in resources on top of its existing foundation. By grasping market pulse, increasing its product capabilities and user satisfaction, developing and strengthening the working relationship with up and downstream partners, as well as continuing to evolve its power of manufacturing, it will continue to lay a solid foundation for the long-term growth of its motherboard and graphics card businesses.

Network and communications business

Since the setup of Network and Communication Business Unit by GIGABYTE in 2000, it has been dedicated in the research of server solutions, which play a key role in IT architecture. With 20 years of effort, the engineering team from Taiwan Head Office is now equipped with the capabilities to design, develop, sample and manufacture server products, providing customers with high quality, highly efficient and highly reliable data center solutions. Faced with data centers' rapidly increasing high-performance computing power, GIGABYTE G (GPU) Series, H (High-density) Series and R (Rack) Series servers, designed based on the concepts of high precision design and retaining scalability, ultra fast computing/memory/data storage, optimized heat dissipation function, smart power management, high flexibility and proper resources utilization, are very well received by local

and overseas industries. They have since been used overseas to assist car manufacturers in computational fluid dynamics simulation, and to increase the computing, storage and transmission capabilities required for automated vehicle's real-time recognition due to the huge amount of data, in forecast and simulation of climate and ocean modeling, and in nuclear research and development organizations for analyzing the huge amount of raw data generated from Large Hadron Collider (LHC) experiment. In Taiwan, the National Center for High-performance Computing (NCHC), Industrial Technology Research Institute (ITRI) and National Taiwan Normal University also work closely with GIGABYTE team by using GIGABYTE's high performance servers to improve their research results.

In addition, as 5G related communication technologies continue to advance, Internet of Everything that brings convenience to life has transformed science fiction into reality. To realize the characteristics of 5G's Enhanced Mobile Broadband (eMBB), massive Machine Type Communications (mMTC), Ultra-Reliable and Low Latency Communications (URLLC) technologies, the applications brought about require network service architecture with large amount of Multi-access Edge Computing, also known as Mobile Edge Computing, to reduce the burden of the core network. High-resolution image processing and data sending are performed at the local end without having to wait for the remote server's response, thereby reducing latency. It is also flexible and new applications and services can be quickly provided, allowing users to have a better experience, as well as reduce network operating cost. Using edge computing technologies and infrastructure, GIGABYTE has developed immersive VR stadium experience solutions, smart city solutions which include but not limited to smart energy management, parking management and waste management, as well as automated car network solutions, and it will continue to develop other solutions that can create a better living environment. Gigabyte and its business partner ARM also demonstrated the solutions of network-in-a-box and enterprise private network at the MWC 2022 Conference. The ARM architecture server based on the Ampere Altra processor is used as the hardware platform to provide network operators with more convenient deployment of 5G.

The continuous development of cloud services will inevitably require a large amount of careful matching of software and hardware. Diversified and efficient cloud applications require more and more computing power, which further promotes the generation replacement and development of CPUs and related hardware. Although the process evolution of semiconductors can improve the performance of CPUs and GPUs, it seems that it cannot prevent the continuous increase of the thermal design power (TDP) of CPUs and GPUs. To solve this problem, we need to redesign the existing server hardware products by not only improving the internal heat dissipation architecture of the system, but also cooperating with external manufacturers to integrate the liquid cooling kit into the existing server system, and it is even necessary to design a new immersion cooling tank to realize the overall heat dissipation of the L10 server system. The innovation of heat dissipation related technologies becomes more and more urgent today with the rising awareness of energy conservation and carbon reduction.

In addition to continuously designing and developing hardware products related to cloud computing, Gigabyte is actively seeking to cooperate with external partners to provide solutions for software and hardware integration. In order to meet the needs of customers for rapid transformation to the cloud, Gigabyte cooperates with software partners to develop a self-built AI hybrid cloud platform that can conduct in-depth learning across cloud big data to help enterprises solve the data compatibility problem when expanding the data center and simplify resource management and reduce construction costs through software definition and storage. In addition, in response to the large number of AI applications that need to be developed in the future, Gigabyte has long cooperated with AI software partners to integrate the system that can build its own deep learning

environment, adjust automation parameters, and improve the accuracy of computing models with Gigabyte's efficient computing server to provide a DNN deep learning and training solution that can effectively improve computing efficiency and reduce training time.

In the era of 5G, cloud, artificial intelligence and software-defined technologies, GIGABYTE will continue to work closely with partners from different domains, provide solutions required by different industries, and grow together with the customers.

Laptops and peripherals business

To continue the positive consumer orientation in recent years and meet the needs of different ethnic groups such as players/creators, Gigabyte added its unique innovation in the software and hardware of laptop and computer peripheral products in 2021, and further launched a number of AORUS professional E-sports laptops and AERO creator laptops with "Reshape the game" and "Elevate your vision" as the theme respectively. With Gigabyte's commitment to providing better visual experience for players, they are equipped with 360Hz E-sports panel with extremely narrow borders on four sides, in order to meet the high standards required by professional E-sports players and professional players. Gigabyte created a new generation of AROUS professional E-sports laptop with fast computing efficiency, fast panel update and fast trigger, with the exclusively imported Microsoft Azure AI automatic tuning software to optimize the game experience with one click, which changed the game rules of E-sports laptops. On the other hand, Gigabyte also designed a new generation of AERO creator's laptop with higher expansibility, lighter weight, more lasting power, better efficiency, more effective heat dissipation, revolutionary thin body, and amazing and exciting 4K HDR vision with the posture of humanistic aesthetic technology, which strives to bring the creator an efficient, accurate and wonderful creative journey no matter in video editing, 3D model design or other creative work. The new-generation AORUS professional E-sports laptop and the AERO creator laptop won awards at home and abroad after their launch, and their product power was affirmed by professional evaluators.

Other than laptops, the e-sports screen is also a highlight of AORUS products. Many products with innovative and up-to-date technology were launched in 2021, which are equipped with the OLED panel with high-speed 1ms reaction time, AORUS FO48U screen with 10-bit ultra-fine color and 98% DCI-P3 ultra wide color gamut display. The AORUS FI32Q X screen provides users with the latest panel technology and the highest E-sports performance to continue Gigabyte's unique SuperSpeed IPS display technology. Through the liquid crystal molecule arrangement with high reaction speed, the reaction time even reaches 0.4ms, and the screen update frequency is also increased to 240Hz to make the product more competitive.

At the same time, the launch of FI32U also pushes the e-sports screen to the 4K world with high resolution and brings users a better feeling of use.

For the business of laptop and computer peripheral products, Gigabyte will not only continue to develop evolutionary products, but also integrate various online and offline resources of the Group, strengthen product marketing and promotion, and expand product market share.

Corporate social responsibilities and sustainable development

Gigabyte has long been investing in the Company's sustainable governance and development, giving full play to our influence in the economy, environment and society, and actively practicing our commitments to stakeholders. With the Company's core concept of "Innovating science and technology to beautify life" as the corporate purpose, and integrating the concern of stakeholders, Gigabyte summed up four CSR visions – zero waste and zero pollution, low-carbon technology

transformation, leading a sustainable cycle, and realizing humanistic values – which have become the long-term goals of the sustainable development of Gigabyte. We further outlined the expected values to be created according to the vision – reducing the operating footprint, cultivating innovation strength, establishing a friendly brand and creating shared value; by examining the current situation and practices of the Company’s operation, we formulated four operational strategies to respond to the economic value and ESG to create a perfect blueprint for sustainable governance.

In response to the sustainable development goals of the United Nations, Gigabyte promotes the “Make Earth Green Again” project, cooperates with the German Plant-for-the-Planet Foundation to plant 75,000 trees in Mexico, creates local employment opportunities, contributes to the sustainability of the earth, organizes and supports climatology parks, and trained 1,367 Climate Justice Ambassadors at home and abroad; since 2020, with the concept of “planting trees to give back to the earth” of the Vice Chairman, the focus was moved back to Taiwan to continue adopting the forest land of the Forestry Bureau. At present, 2,860 native trees have been planted in Taiwan to continue to conserve water and restore ecology for Taiwan’s mountains. We promoted the project of “Never Forget That the Sea Cultivated Gigabyte,” adopted Taoyuan Dayuan Beach and promised to protect the ocean for a long time; we also expect to invest in solar power plants to respond to climate risks and the requirements of the renewable energy initiative organization RE100. Gigabyte won the 2020 Vision Magazine’s Electronic Technology Industry Model Award in its “CSR Survey” on CSR corporate social responsibilities, was nominated among the top ten in ESG Comprehensive Performance – Electronic Technology Industry for five consecutive years, and won the honor of No. 649 in the world’s best employer in 2020 and No. 9 in Taiwan.

Looking forward to 2022, although some countries have begun to try to coexist with COVID-19 to stabilize people’s consumption patterns and business operation arrangements, the operation of the main production bases of Gigabyte Group and many suppliers may still be affected by the pandemic control measures of the local government. In addition, the war between Ukraine and Russia has directly affected manufacturers’ shipments to and the market development of the two countries, and there is still considerable uncertainty regarding whether it will further evolve into a trade or technology war between groups of different countries, and then affect the reorganization of the global supply chain. Moreover, the trend of the United States to raise interest rates to fight inflation in 2022 has been basically determined, which is expected to affect the investment decision of Gigabyte customers, and AI, 5G, Internet of Things, cloud computing technology and related applications are expected to still usher in a new wave of growth momentum for computer, information and communication related software and hardware manufacturers. Facing the environment where opportunities and challenges coexist, Gigabyte will adhere to the principle of steady operation, compete for growth opportunities with other manufacturers, and properly manage risks. In the process of pursuing brand development, R&D innovation and sustainable development, Gigabyte will continue to create value for shareholders and fulfill its obligations as a social citizen to benefit mankind and give back to society.

Wish You Health and Happiness.

Dandy Yeh
Chairman

Chairman: Pei-Cheng Yeh

General Manger: E-Tay Li

CFO: Chun-Ying Chen

Two. The Company

I. Date established: April 30, 1986

II. Company History

March 1986	Gigabyte Industrial Co., Ltd. established with NT\$700,000 in paid-in capital. Commenced manufacturing and sale of motherboards.
September 1986	Capital increased to NT\$5 million; relocated to Xinyi Road in Taipei.
August 1987	R&D and international sales departments established for proper control of product R&D and expansion of global marketing network. Relocated to Ren-ai Rd. Sec. 4.
November 1987	Successfully developed the new 2MB EMS card product. Focus now on the development of high value-added products.
March 1989	Successfully developed the new 8MB EMS card product. In-house R&D capability recognized by the market.
May 1989	Entered into agreement with AMI, a US company, on the 386 BIOS. The improvement to hardware and software integration helped increase future market share.
June 1989	Company name changed to "Gigabyte Corporation".
September 1989	Purchased and relocated to new plant site at 4F No. 3 4F Alley 6, Lane 45, Baoxing Rd., Xindian City.
March 1992	Purchased additional workshop space on 4F and 5F of No. 9, Alley 6, Lane 45, Baoxing Rd., Xindian City, to accommodate new production capacity.
July 1993	Joint venture with Intel for the development of Pentium motherboards. R&D capacity recognized by the industry again.
March 1994	Signed agreement with Award Software Inc., a US company, for the right to use its BIOS.
October 1994	Our Pentium motherboard was recommended by PC Magazine in the US as the Editor's Choice. This represented recognition by the international media on the reliability of our product.
March 1996	Passed ISO-9002 quality system certification by RWTUV of Germany.
July 1996	Public offering of company stock approved.
December 1996	Xindian plant relocated to Pingzhen City in Taoyuan County and commenced operations. The new site has 9,585m ² of floor space and the latest automated production equipment.
November 1997	Presented with the "6th Fine Product of Taiwan Award" by CETRA.
August 1998	Approval granted for investing in a new plant in China by the Board of Investment of Ministry of Economic Affairs.
September 1998	Successfully listed on the TSE at NT\$172.5 per share.
November 1998	Presented with the "Fine Product of Taiwan Award" for a second time. This was the first time that the award had ever been presented a second time to the same company for the same product.
November 1998	Dongguan Gigabyte Electronics Co., Ltd. established for the manufacturing of computer/IT products and parts.
January 1999	Revolutionized the motherboard industry with the launch of patented Dual BIOS technology.

June 1999	Ranked 41 by the US <i>Business Week</i> magazine among the world's top 100 IT companies.
September 1999	GA-BX2000 and GA-660 ranked No. 1 by the PC Magazine in the Netherlands.
April 2000	New corporate headquarters at No. 6 Baoqiang Rd. in Xindian completed and put into service.
June 2000	Retained earnings were capitalized increasing paid-in capital to \$3,281,352,600.
July 2000	GDRs (30,000,000 shares of common stock) issued for cash capital increase. The GDRs were offered to the public in Luxemburg on July 17 and paid-in capital subsequently increased to \$3,581,352,600.
September 2000	Pingzheng 2nd Plant and Nanping Plant completed.
October 2000	Gigabyte formed a strategic alliance with Conventive Advance, a Linux vendor, and jointly announced the "Appliance Server" and "IU Rackmount Server" for the Linux platform. The two new products were designed to provide small and medium enterprise users as well as general users with powerful and highly efficient total network solutions.
March 2001	Successfully issued US\$115 million in ECB.
March 2001	Gigabyte Ningbo Co., Ltd. established for the manufacturing of computer and IT products.
June 2001	Presented with the "1st Outstanding Promotion of Fine Taiwan Product Award".
June 2001	Gigabyte Maintenance Ningbo Ltd. established for the maintenance of computer and IT products.
June 2001	Gigabyte International Trading Ningbo Co., Ltd. established for the importing and exporting of computer/IT products and parts.
September 2001	Won the Gold Mind Award at the "2001 National Inventions Exhibition".
September 2001	Gigabyte and the Legend Group of China set up a joint venture in Hong Kong to engage in Contract Electronics Manufacturing (CEM). This expanded our production capacity, reduced production costs and increased competitiveness.
January 2002	Gigabyte became the only motherboard maker in Taiwan to receive the "Fine Product of Award" for five consecutive years.
March 2002	GDRs converted by bearers into 291,886 common shares, increasing paid-in capital to NT\$4,594,133,440.
May 2002	Presented with the "National Product Image Award".
May 2002	Held new product conference for the announcement of P4, Maya graphic card, ZYGMA and IA products.
June 2002	Presented with a number of product awards from online media in New Zealand, Hungary, Russia, the U.S., Denmark, Singapore, the U.K., Germany and France.
January 2003	Wireless communications R&D team formed at Tainan Science-based Industrial Park.
March 2003	Established Russia Office in Moscow.
June 2003	Hosted joint conference announcing all of the products for 2003 from three business units.
June 2003	Set up Ningbo Zhongjia Technology & Trading Co., Ltd. to handle all sales in China.

October 2003	Ningbo plant completed and commissioned. The plant is used for motherboard manufacturing as well as IA and system assembly.
December 2003	Gigabyte voted the champion of the "Superior Products of the Year" for three consecutive years.
May 2004	Hosted product conference for the G-MAX series of new products that "Transcend the Limit".
May 2004	Gigabyte Communications Inc. established for R&D and sales of communications products.
July 2004	G-MAX NB-1401 won the "National Image Product Gold Award", the top industry award.
October 2004	Gigabyte was once again recognized by the industry at the 15th "National Quality Awards".
December 2004	Gigabyte award ceremony at the National Quality Awards.
January 2005	Gigabyte became the only company to achieve 100% win rate at the Taiwan Excellence Awards for 8 consecutive years.
March 2005	Launched the AirCruiser G Desktop Router, the world's first 54 Mbps PCI wireless router.
March 2005	Presented the first Gigabyte-designed streamlined cell phone at CeBIT 2005.
June 2005	Notebook computer and expandable wireless base station presented with the "13th National Product Image Award", making this the 4th consecutive year that Gigabyte has won this award.
December 2005	Gigabyte releases the Windows Mobile 5.0 PDA, the first to feature TV service.
December 2005	Launched the Gigabyte g-Cam, the first mobile phone with 7-Megapixel camera.
December 2005	First company to pass IECQ QC 080000 certification.
January 2006	Gigabyte, the leader in digital home motherboards, released the first motherboard in the world designed for Intel Viiv technology.
March 2006	Gigabyte's full product line-up attracted much attention at CeBIT 2006 in Hannover. For its 20th anniversary, the Company has successfully diversified into a variety of different fields.
March 2006	Gigabyte Communications partnered with Synergy Technology (Asia) to launch the g-Smart PDA running Windows Mobile 5.0 with TV support as well as the g-Cam, the first mobile phone with a 5-Megapixel CCD camera.
April 2006	New dual-core series of notebook products launched at Gigabyte product conference.
June 2006	The W251U notebook named Best Choice of Computex with its creative, user-friendly, slim and stylish design.
August 2006	Gigabyte presented with the 14th Gold Award Products of Taiwan special award for "Distinguished Performance Manufacturer --- with more than 100 Awards on Outstanding Products over the years". Five products also won the Silver Award, an unprecedented feat.
August 2006	Named "Outstanding Brand of Taiwan" by the Ministry of Economic Affairs for 2 consecutive years.
October 2006	Gigabyte won the National Design Award- Product Design Gold Award with its G-Pad, a cooling device for notebook PCs.
October 2006	Gigabyte won the Good Design Award in Japan with its g-Smart i and W251U.

November 2006	Successfully issued US\$100 million in ECB for a second time.
December 2006	Gigabyte Education Foundation held the 5th G-DESIGN Contest. The contest was officially renamed as the G-DESIGN Wild Thoughts Contests starting this year.
December 2006	Gigabyte United Inc. established. The new subsidiary takes over the existing Gigabyte branded channel desktop PC motherboard and graphic card business.
May 2007	Gigabyte's GV-NX76T256-RH graphics card won Best Choice at COMPUTEX Taipei 2007
June 2007	Gigabyte achieved a 100% win rate for 10 consecutive years at the 15th Taiwan Excellence Awards
July 2007	GIGABYTE named a Taiwan TOP 20 Global Brand for the 4th consecutive year
July 2007	GIGABYTE GSmart t600 PDA Phone won the Taiwan Excellence Gold Award
December 2007	GIGABYTE G-Pad, Roll Pad won the iF Product Design Award 2008.
April 2008	Gigabyte wins the 16th Taiwan Excellence Award for the 11th consecutive year.
May 2008	The Multi-Media IP-TV Box Glee Cube won the grand award in "Taiwan Golden Award 2008". Both the notebook cooler pad "Roll Pad" and smart phone "GSmart MS820" also won the "2008 Taiwan Excellence Award Silver Medal".
August 2008	Board Meeting approved the merger of "Gigabyte" motherboard and graphic card subsidiary "Gigabyte United Inc." effective from October 1.
October 2008	GA-EP45-UD 3P series P45 motherboard with "Ultra Durable 3" technology released.
November 2008	Strategic alliance of Gigabyte, Intel and Chunghwa Telecom launches the first MID (Mobile Internet Device) ---GIGABYTE M528.
April 2009	Gigabyte launched the Booktop M1022M, an innovative multi-purpose portable notebook that can be transformed into PC by using a plug and play dock.
April 2009	Gigabyte Intel X58 series motherboard authorized by n-Vidia to use SLI technology for increased graphical performance.
June 2009	Gigabyte ranked 19th in the "2009 Taiwan Info Tech 100" for its innovative value.
October 2009	Gigabyte's Booktop M1022 awarded the "2009 Golden Pin Design Award", making it the only laptop winner.
November 2009	Gigabyte is the first in the industry to roll out a USB 3.0 SATA 6 Gbps solution based on AMD platform.
December 2009	At 18th "Taiwan Excellence Award", Gigabyte achieved a 100% win rate for 12th consecutive years.
January 2010	Gigabyte's USB motherboard is the first to receive the USB-IF certification.
February 2010	Gigabyte rolls out its first P55 chipset UD7 mother board.
March 2010	Gigabyte rolls out the industry's lightest laptop and a Netbook powered by Intel's latest Pine Trail-M platform.
April 2010	Gigabyte is the first in the industry to roll out a mother board that possesses iPad USB power supply functionality.

July 2010	Gigabyte is the first in the industry to roll out a Mini-ITX motherboard featuring USB 3.0.
September 2010	Gigabyte ranked 17th in a survey of international Taiwanese brands value.
December 2010	At the 19th “Taiwan Excellence Award”, Gigabyte achieved a 100% win rate for the 13th consecutive year.
January 2011	Gigabyte rolls out new generation of motherboards that support Intel Core Duo (Sandy Bridge) processors.
February 2011	Gigabyte announced a new G1-Killer gaming motherboard, providing gamers superior graphics, superior audio, superior speed, and superior durability for ultimate performance.
March 2011	Gigabyte X58A-OC motherboard is the world's first motherboard designed specifically for overclocking. Gigabyte K8100 gaming keyboard won the Red Dot design award in Germany.
April 2011	Gigabyte GA-X58A-UD9 won the “19th Taiwan Excellence Awards Silver Medal”.
May 2011	Gigabyte G1 Assassin won the "Innovation and Design Award" at the 2012 Taipei International Computer Show.
July 2011	GIGABYTE named one of the 100 major brands in Taiwan.
November 2011	Gigabyte Education Foundation recognized for service to social education by the Ministry of Education.
January 2012	At the 20th “Taiwan Excellence Award”, Gigabyte achieved a 100% win rate for the 14th consecutive year.
February 2012	GIGABYTE passed AEO certification.
October 2012	In the Survey on Taiwan’s International Brands (2012), conducted by Interbrand, managed by the Taiwan External Trade Development Council, and sponsored by the Ministry of Economic Affairs, Gigabyte proved its solid brand prestige, ranking 22nd among Taiwan’s international brands.
November 2012	Gigabyte participated in the Best Business Paradigm Award sponsored by the Taoyuan County Government and received “Sensible Workplace – Best Business Paradigm Award.”
December 2012	At the 21th “Taiwan Excellence Award”, Gigabyte achieved a 100% win rate for the 15th consecutive year.
December 2012	The Company was awarded the Corporate Sustainability Award of Industry Elite Award in the information products and services category by the Industrial Development Bureau, MOEA.
April 2013	Gigabyte’s Aivia Neon won Germany’s 2013 Red Dot Product Design Award.
April 2013	Gigabyte’s P2542G gaming notebook and GTX 680 performance graphic card won the Silver Medal at the 21st Taiwan Excellence Awards.
June 2013	Gigabyte won the Innovation Design Award at Computex 2013.
December 2013	At the 22nd “Taiwan Excellence Award”, Gigabyte achieved a 100% win rate for the 16th consecutive year.
December 2013	The Company received the “2013 Carbon Reduction Mark Superior Award” from the Environmental Protection Administration, Executive Yuan
April 2014	Gigabyte’s BRIX super-micro PC system won the Silver Medal at the 22nd Taiwan Excellence Awards.

August 2014	Gigabyte won the New Star Award in the large-scale enterprise category in the 2014 <i>CommonWealth Magazine</i> "Corporate Citizenship Awards".
October 2014	Gigabyte won the Taoyuan County Government "8th Taoyuan Excellent Enterprise Award" and "2014 Excellent Employer Award".
November 2014	Gigabyte won the "Taiwan CSR Report Awards - Bronze Medal, Large Enterprises, Electronics Industry II" and "TCSA Climate Leadership Award".
December 2014	The "AORUS X3 Plus" 13" e-sports notebook and "GA-Z97X-Gaming G1 Multimedia Motherboard" were recognized at the 23rd Taiwan Excellence Awards.
March 2014	"AORUS Thunder K7 and M7" received the 2015 Red Dot Design Award in Germany
May 2015	Top 30 th enterprise and top 7 th enterprise in technology and traditional industries according to the CSR Survey by <i>Global View Magazine</i> .
June 2015	Excellence in the private sector category of the National Environmental Education Awards.
June 2015	"AORUS X5" won the COMPUTEX BC Award and D&I Award
December 2015	Perfect Score! 100% winning rate at the "Taiwan Excellence Awards".
January 2016	"AORUS X5 15-inch Gaming Laptop" and "AORUS X7 D.T. 17-inch Gaming Laptop" won the CES Innovation Award.
May 2016	Ranked Taiwan's top 40 th enterprise and top 16 th enterprise in the electronics industry in the CSR Survey by <i>Global View Magazine</i> .
December 2016	The AERO 14 and AROUS X7 DT gaming notebooks won the 25th Taiwan Excellence Awards. Total strike, perfect performance!
May 2017	The BRIX VR won the 2017 COMPUTEX d&i Award.
May 2017	Ranked Taiwan's top 40 th enterprise in the Model Enterprise in the electronics industry according to the CSR Survey by <i>Global View Magazine</i> .
November 2017	"AORUS X9 Gaming Laptop" wins the CES 2018 CES Innovation Award.
December 2017	"X299 AORUS Gaming 9 Top Gaming Motherboard" wins the 26th Taiwan Excellence Silver Award.
December 2017	The company wins the 10th Taiwan Corporate Sustainability Awards (TCSA) Recognizing "Taiwan Top 50 Corporate Sustainability Prize", "Climate Leadership Awards" and the "Gold Award from the Taiwan TOP50 Corporate Sustainability Report Awards".
February 2018	AORUS X7 Packaging featuring recycle fiber of plant and Environmental protection wins iF World Design Award 2018.
November 2018	The company wins the 11th Taiwan Corporate Sustainability Awards (TCSA) Recognizing "Taiwan Top 50 Corporate Sustainability Prize", "Climate Leadership Awards" and the "Gold Award from the Taiwan TOP50 Corporate Sustainability Report Awards".

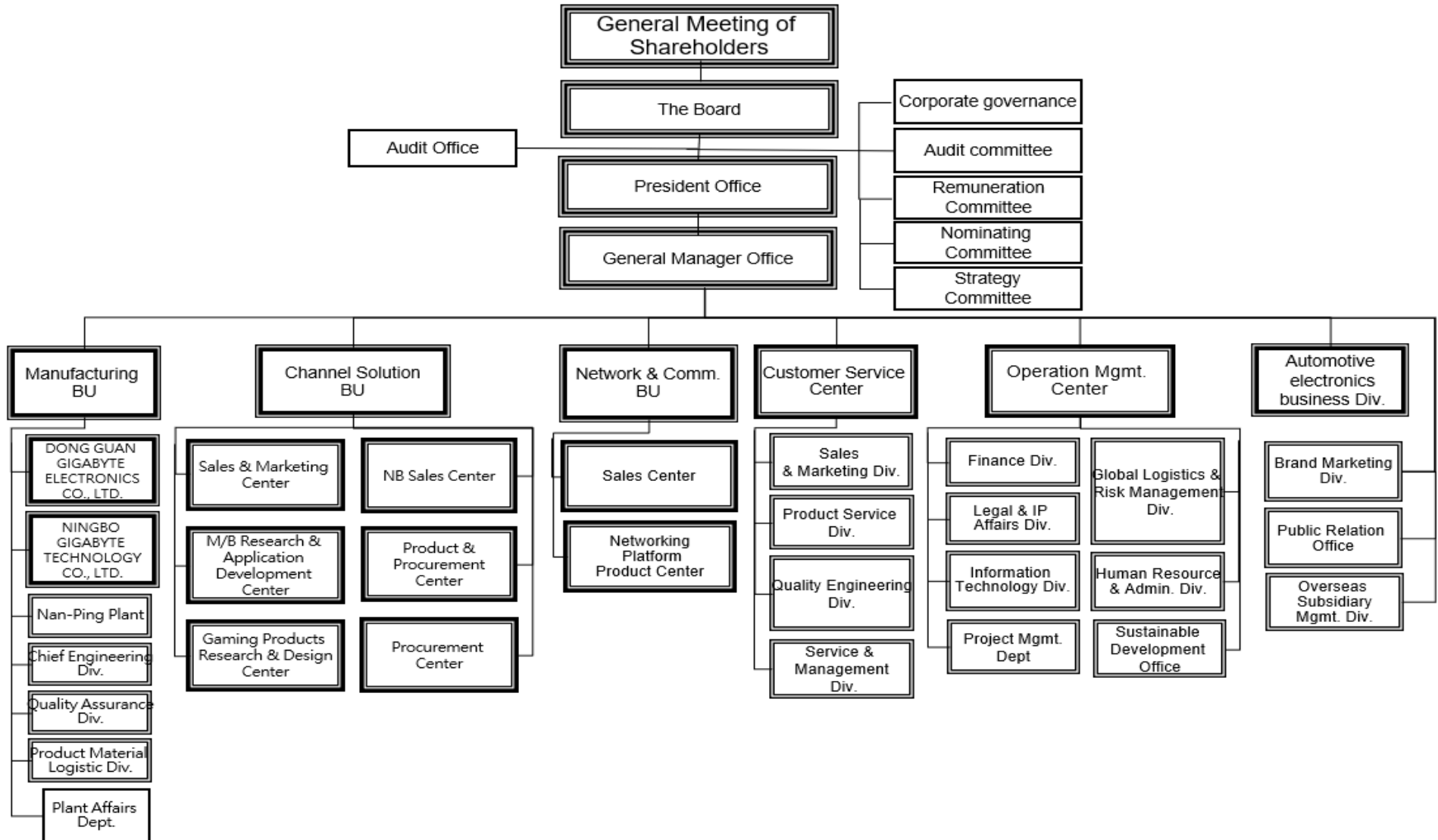
March 2019	"Z390 AORUS XTREME WATERFORCE Motherboard" wins the 2019 Red Dot Design Award.
April 2019	"X399 AORUS XTREME Top Gaming Motherboard " wins the 27th Taiwan Excellence Award.
May 2019	AORUS AD27QD won Computex 2019 Innovative Design Award and was rated as the Best Design in the Best Choice (BC) Award.
May 2019	AERO 15 won the Best Notebook of the Year Award in the European Hardware Association Awards 2019.
October 2019	The notebook of AERO creator won the Taiwan Excellence Awards.
November 2019	Z390 AORUS XTREME WATERFORCE All-In-One Gaming Motherboard won the Silver Award of the 28th Taiwan Excellence Awards.
February 2020	X570 AORUS XTREME Motherboard won the 2020 iF Design Award.
February 2020	AORUS CV27Q Tactical Gaming Monitor won the 2020 iF Product Design Award.
March 2020	GIGABYTE X570 AORUS XTREME motherboard won both the 2020 IF Design Award and the 2020 Red Dot Design Award.
April 2020	GIGABYTE high-quality motherboards X299X AORUS XTREME WATERFORCE, X299X DESIGNARE-10G, TRX40 AORUS XTREME, and X570 AORUS XTREME, as well as laptops AERO 15 OLED, AERO 17 Thin-and-Light, AORUS 17, and AORUS 15G Professional won the 2020 Red Dot Award: Product Design.
April 2020	GIGABYTE won the Corporate Social Responsibilities Survey, Electronic and Technology Category Model Award in the 16th Common Wealth CSR Award.
July 2020	GIGABYTE AORUS FI27Q won the 2020 European Hardware Award for Best Gaming Monitor.
October 2020	GIGABYTE ranked number 649 in Forbes the World's Best Employers 2020, which is the ninth highest in Taiwan.
October 2020	GIGABYTE AERO series creator laptops "AERO 15 OLED and AERO 17 HDR", the premium gaming AORUS motherboard "Z490 XTREME", and professional gaming laptops "AORUS 15G, AORUS 17G, and AORUS 17X" won the 29th Taiwan Excellence Awards.
December 2020	GIGABYTE won the "Epidemic Prevention Gold Award" given by Taiwan Immunization Vision and Strategy.
March 2021	GIGABYTE VISION series motherboards "Z590 VISION D and Z590 VISION G", AERO series creator laptops "AERO 15 OLED and AERO 17 HDR", the premium gaming AORUS graphics card "GeForce RTX™ 3080 XTREME 10G", and professional gaming laptops "AORUS 17X, AORUS 17G, AORUS 15P, and AORUS 15G" won the 2021 Red Dot Award: Product Design.
June 2021	GIGABYTE AERO series creator laptops "AERO 15 OLED and 17 HDR", professional gaming laptops "AORUS 17X/17G and AORUS GeForce RTX™ 3080 XTREME 10G" recognized by COMPUTEX d&i 2021 awards.
November 2021	GIGABYTE creator laptop "AERO 15 OLED, AERO 17 HDR", professional gaming laptop "AORUS 17G" and professional flagship "AORUS 17X" won the 30th Taiwan Excellence Awards.
November 2021	The AORUS P1200W 80+ Platinum Modular power supply won the CES 2022 Innovation Awards.

November 2021	GIGABYTE's "AORUS 17X Gaming Laptop" won the Silver Award at the 30th Taiwan Excellence Awards.
December 2021	Interbrand, a global brand value research organization, announced that GIGABYTE will be ranked 23rd among the "Taiwan International Brands" in 2021, with a brand value of US\$75 million.
April 2022	The motherboards "Z690 AERO D" and "Z690 AERO G" and the laptops "AERO 17" and "AORUS 15" were recognized by the 2022 Red Dot Design Award.

Three Corporate Governance Report

I. The Organization System

(1) Organization chart



(2) Major functional departments:

Office of the President	Coordinate the operation and management of the Company, map out and implement the objectives for corporate development and business plans.
General Manager Office	Develop the company's managerial strategies, set operating targets, monitor and evaluate the implementation and performance of operating targets.
Auditing Office	Investigate and evaluate the viability, reasonability and effectiveness of the Company control systems.
Operations Management Center	Coordinate the functions of finance, accounting, share registration, budgeting, general affairs, legal affairs and the maintenance of computer system, software and hardware.
Operations Management Center-Sustainable Development Office	An office for corporate social responsibility (CSR) strengthens the green supply chain management (GSCM), assists the business unit with the development of low-carbon technology for the dedication of developing low carbon products, thus promoting sustainable development in accordance with high ethical standards and norms.
Manufacturing BU	Responsible for the production and manufacturing of computer mainboards, graphic cards and Internet products, and the assembly of PC systems.
Channel Solution BU	Responsible for design and R&D and sales of motherboard, multimedia products, video adapter and notebook products.
Network & Comm. BU	BU Responsible for design and R&D and sales of Network and Communication products and ODM products.
Customer Service Center	Responsible for nationwide and worldwide after-sales support and service for all products.
Automotive Electronics Business Division	Responsible for automated driving assistance and fleet management systems design and development of high value-added safety assisted driving kits and car networking products.

II. Profiles of directors, supervisors, the president, vice president, managers, heads of departments and branches

(I) Profiles of directors (1)

April 16, 2022

Title (Note 1)	Nationality/ Registration	Name	Gender Age	Elected date	Tenure	Initial date of office	Shareholdings at the time of elected office		Current shareholdings		Representative Current shareholdings		Shareholdings by spouse and underage children		Shareholdings under the title of a third party		Education and experience	Other positions in the Company or in other companies	Spouse or relative at the 2 nd level under the Civil Law who is also an executive, director, or supervisor of the Company			Remark(s)
							Quantity	Proportion	Quantity	Proportion	Quantity	Proportion	Quantity	Proportion	Quantity	Proportion			Title	Name	Relation- ship	
							Chairman	Republic of China	Yeh, Pei-Chen	Male 61-70	July 2, 2021	3 years	April 30, 1986	30,151,237	4.74%	30,201,237			4.75%	-	-	
Vice chairman	Republic of China	Ming Wei Investment Co., Ltd. Representative: Liu, Ming-Hsiung	Male 51-60	July 2, 2021	3 years	April 12, 2006	14,062,200	2.21%	14,062,200	2.21%	1,995,470	0.31%	615,000	0.01%	42,583,497	6.70%	EMBA, National Cheng Chi University	Senior VP of Gigabyte Director Representative of Giga Investment Corp. Director Representative of Giga-Byte Communications Inc. Chairman of G-Style Director of Info-Tek Corporation Director Representative of Giga-Trend International Investment Group Ltd. Director Representative of Hui Yang Venture Capital Co., Ltd. Supervisor Representative of BYTE International Co., Ltd. Director Representative of JM Material Technology, Inc. Supervisor Representative of Senyun Precise Optical Co., Ltd. Director Representative of Yuncheng Ltd.	-	-	-	-

Title (Note 1)	Nation ality/ Regist ration	Name	Gender Age	Elected date	Tenure	Initial date of office	Shareholdings at the time of elected office		Current shareholdings		Representative Current shareholdings		Shareholdings by spouse and underage children		Shareholdings under the title of a third party		Education and experience	Other positions in the Company or in other companies	Spouse or relative at the 2 nd level under the Civil Law who is also an executive, director, or supervisor of the Company			Remark (s)
							Quantity	Proportion	Quantity	Proportion	Quantity	Proportion	Quantity	Proportion	Quantity	Proportion			Title	Name	Relati onship	
Director	Repub lic of China	Shi Jia Investment Co., Ltd. Representative: Ma, Mou-Ming	Male 51-60	July 2, 2021	3 years	April 12, 2006	3,959,725	0.62%	3,959,725	0.62%	23,723,383	3.73%	470,914	0.07%	-	-	University graduate; Electronic & Computer Engineering, National Taiwan University of Technology	Senior VP of Gigabyte Director Representative of Giga Investment Corp. Director Representative of Giga-Byte Communications Inc. Director of Giga-Trend International Investment Group Ltd. Director Representative of MyelinTek Inc.	-	-	-	-
Director	Repub lic of China	Yuei-yei Kai Fa Investment Limited. Representative: Tseng, Chun-Ming	Male 61-70	July 2, 2021	3 years	June 16, 2009	2,192,200	0.34%	2,192,200	0.34%	4,200,647	0.66%	288,846	0.05%	-	-	Ming Hsin University of Science and Technology	Senior VP of Gigabyte Director Representative of Giga-Byte Communications Inc. Chairman, Selita Precision Co., Ltd.	-	-	-	-
Director	Repub lic of China	Shi Da Investment Limited Representative: Ko, Cong-Yuan	Male 61-70	July 2, 2021	3 years	June 18, 2012	9,219,000	1.45%	9,008,000	1.42%	-	-	1,000	0.01%	-	-	Master of Engineering Management, Tsinghua University	Chairman of Albatron technology Co., Ltd. Independent Director of Liwanli Innovation Co., Ltd.	-	-	-	-
Director	Repub lic of China	Xi Wei Investment Co., Ltd. Representative: Li, E-Tay	Male 51-60	July 2, 2021	3 years	June 11, 2018	9,063,075	1.43%	9,187,075	1.45%	206,062	0.03%	-	-	-	-	California State University (CSU), Chico Master of Computer Engineering	Group General Manger of Gigabyte Chairman of Gigaipac Co., Ltd. Director Representative of MyelinTek Inc.	-	-	-	-
Independent Director	Repub lic of China	Wang, Hwei-Min	Male 51-60	July 2, 2021	3 years	June 11, 2018	-	-	-	-	-	-	-	-	-	-	Chung Hua University Master of Industrial Management	Chairman, Moores Rowland CPAs Moores Rowland International Head of Taiwan Region	-	-	-	-
Independent Director	Repub lic of China	Chan, Yi-Hung	Male 51-60	July 2, 2021	3 years	June 17, 2015	-	-	-	-	-	-	1,102	0.00%	-	-	California State University, Fullerton EMBA, National Chengchi University	Chairman, Taisun Enterprise Co., Ltd. Supervisor, INFO-TEK Corporation	-	-	-	-
Independent Director	Repub lic of China	Yang, Cheng-Li	Male 61-70	July 2, 2021	3 years	July 2, 2021	-	-	-	-	-	-	-	-	-	-	MBA, Tulane University, USA. EMBA, National Chengchi University	Chairman, King Core Electronics Inc. Chairman, Allied Biotech Corporation Independent Director, Sciencetech Corporation	-	-	-	-

Note1: Where the company's Chairman and the President or person of an equivalent post (the highest level manager) are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of applicable information on the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (e.g., number of independent director seats added, and more than half of directors are not employees or managers of a company):

The Company's Chairman is also the President and oversees the company's operation strategies and sets the objectives for corporate development and business plans. To strengthen the supervision and functionality of the Board of Directors, the Chairman effectively communicates the company's business plans to each director. The Company is also planning to increase the number of independent director seats to improve the supervision and functionality of the Board of Directors. Presently, the Company arranges for each director to participate in professional courses every year to improve the effectiveness of board operations. Independent directors in each functional committee can fully discuss and provide recommendations to the Board of Directors to implement corporate governance.

The Major Shareholder of Institutional Shareholders

April 16, 2022

The Name of institutional shareholders	Major shareholder	Proportion
Ming Wei Investment Co., Ltd.	Liu, Keng-Wei	27.26%
	Liu, Hsiao-Yu	27.26%
	Yang, Hsueh-Ching	6.82%
	Liu, Ming-Hsiung	6.81%
Shi Jia Investment Co., Ltd.	Ma, Shih-Jie	93.33%
Yuueyeh Development Investment Limited.	Tseng, Chun-Ming	95.00%
Shi Da Investment Limited	Ko, Cong-Yuan	80.00%
Xi Wei Investment Co., Ltd.	Yeh, Pei-Chen	7.75%
	Tsai, Li-Mei	7.74%
	Yeh, Yu-Chang	28.17%
	Yeh, Yu-Ting	28.17%
	Yeh, Yu--Ren	28.17%

Profiles of Directors (2)

1. Disclosure of professional qualifications of directors and independence of independent directors:

Name	Qualifications	Professional Qualification and Work Experience	Independence	Number of other Taiwanese public companies concurrently serving as an Independent Director Number of independent directors
Chairman Yeh, Pei-Chen		For Directors' professional qualification and experience, please refer to II(I) Profiles of directors (1) of this Annual Report. None of the Directors has been in or is under any circumstances stated in Article 30 of the Company Law.	N/A	0
Director Ming Wei Investment Co., Ltd. Representative: Liu, Ming-Hsiung				0
Director Shi Jia Investment Co., Ltd. Representative: Ma, Mou-Ming				0
Director Yuei-yei Kai Fa Investment Limited. Representative: Tseng, Chun-Ming				0
Director Shi Da Investment Limited Representative: Ko, Cong-Yuan				1
Director Xi Wei Investment Co., Ltd. Representative: Li, E-Tay				0
Independent Director Wang, Hwei-Min				All the following situations apply to each and every of the Independent Directors: (1)Not an employee of the Company or its affiliates. (2)Not a director or supervisor of the company or any of its affiliates (the same does not apply, however, in cases where the person is an independent director of the company, its parent company, subsidiary or any subsidiary of the same parent company established pursuant to this act or local regulations). (3)Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings. (4)Not a manager listed in (1) or a spouse, second degree kin or closer, or a direct blood relative of third degree or closer to anyone listed in (2)

Name Qualifications	Professional Qualification and Work Experience	Independence	Number of other Taiwanese public companies concurrently serving as an Independent Director Number of independent directors
Independent Director Chan, Yi-Hung		<p>and (3).</p> <p>(5)Not a director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total number of issued shares of the company or of a corporate shareholder that ranks among the top five in shareholdings or of a corporate shareholder that appoints a representative, as provided in Paragraphs 1 or 2, Article 27 of the Company Act, to act as a director or supervisor of the company (the same does not apply, however, in cases where the person is an independent director of the company, its parent company, subsidiary or any subsidiary of the same parent company established pursuant to this act or local regulations).</p> <p>(6)Not a director, supervisor, or employee of other companies controlled by the same person with more than half of the company's director seat or voting shares (the same does not apply, however, in cases where the person is an independent director of the company, its parent company, subsidiary or any subsidiary of the same parent company established pursuant to the act or local regulations).</p> <p>(7)Not a director, supervisor, or employee of another company or institution of the same person or spouse who is the company's chairman, president, or persons with equivalent position (the same does not apply, however, in cases where the person is an independent director of the company, its parent company, subsidiary or any subsidiary of the same parent company established pursuant to this act or local regulations).</p> <p>(8) Not a director, supervisor, manager or shareholder holding 5% or more of the shares, of a specified company or institution that has a financial or business relationship with the company (the same does not apply, however, in cases where the specified company or institution hold 20% or more but less than 50% of the company's shares and the person is an independent director of the company, its parent company, subsidiary or any subsidiary of the same parent company established pursuant to this act or local regulations).</p> <p>(9) Not a professional who provides auditing service or provides commercial, legal, financial, accounting services or consultation, for which a cumulative compensation of less than NT\$500,000 is obtained in the past two years, to the Company or its affiliates, nor is an owner, partner, director, supervisor, or manager, or the spouse of any of the above, of a sole proprietorship, partnership, company, or institution that provides such services to the Company or its affiliates; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Securities and Exchange Act or to the Business Mergers and Acquisitions Act or related laws or regulations.</p> <p>(10)Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company.</p> <p>(11)Not under any of the categories stated in Article 30 of the Company Act.</p> <p>(12)Not being elected as representative to the government or an institution under Article 27 of the Company Act.</p>	0
Independent Director Yang, Cheng-Li		<p>(10)Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company.</p> <p>(11)Not under any of the categories stated in Article 30 of the Company Act.</p> <p>(12)Not being elected as representative to the government or an institution under Article 27 of the Company Act.</p>	1

2. Diversity and Independence of the Board of Directors:

A. Diversity:

In order to strengthen corporate governance and promote the sound development of the composition and structure of the Board of Directors, the Company advocates board diversity policy to improve the overall performance of the Company. The composition of the board of directors should consider various needs such as the company's operating structure, business development direction, and future development trends, and should evaluate various aspects of diversity, such as: basic composition, professional experience, professional knowledge and skills. In order to strengthen the functions of the board of directors and achieve the ideal goals of corporate governance, the company has formulated the "Code of Practice for Corporate Governance", which stipulates that the board of directors should have the following capabilities as a whole: 1. operation judgment ability; 2. accounting and financial analysis ability 3. operation and management ability; 4. crisis management ability; 5. Industry knowledge ability; 6. legal ability; 7. leadership; 8. decision-making ability.

The current diversity policy of the Board of Directors of the Company and its implementation are as follows:

Name	Basic composition						Professional Experience				Expertise						
	Nationality	Gender	Employee status	Age		Seniority of Independent Director	Business	Technology	Financial Accounting	Marketing	The ability to make judgments about operations	Accounting and financial analysis ability	Business management ability	Crisis management ability	Industrial expertise	Leadership	Decision-making ability
				51-60	61-70												
Chairman Yeh, Pei-Chen	Republic of China	Male	✓		✓		✓	✓		✓		✓	✓	✓	✓	✓	✓
Representative: Liu, Ming-Hsiung	Republic of China	Male	✓	✓			✓	✓		✓		✓	✓	✓	✓	✓	✓
Representative: Ma, Mou-Ming	Republic of China	Male	✓	✓			✓	✓		✓		✓	✓	✓	✓	✓	✓
Representative: Tseng, Chun-Ming	Republic of China	Male	✓		✓		✓	✓		✓		✓	✓	✓	✓	✓	✓
Representative: Ko, Cong-Yuan	Republic of China	Male			✓		✓	✓		✓		✓	✓	✓	✓	✓	✓
Representative: Li, E-Tay	Republic of China	Male	✓	✓			✓	✓		✓		✓	✓	✓	✓	✓	✓
Independent Director Wang, Hwei-Min	Republic of China	Male		✓		✓			✓	✓	✓	✓	✓	✓	✓	✓	✓
Independent Director Chan, Yi-Hung	Republic of China	Male		✓		✓	✓			✓	✓	✓	✓	✓	✓	✓	✓
Independent Director Yang, Cheng-Li	Republic of China	Male			✓	✓	✓			✓	✓	✓	✓	✓	✓	✓	✓

B. Independence:

There are 9 members of the board of directors of the company, including 6 directors and 3 independent directors. Independent directors account for 1/3 of the entire board of directors. The company's independent directors are all in compliance with the "Regulations on the establishment of independent directors of public companies and matters to be followed", and there are no matters stipulated in paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act between each director and independent director. The Board of Directors of the Company is independent.

(II) Profiles of the managers

April 16 2022

Title	Nationality	Name	Gender	Date of office	Shareholdings		Shareholdings by spouse and underage children		Shareholdings under the title of a third party		Education and experience	Other positions in the Company	Manager who is a spouse or relative at the 2 nd level under the Civil Law			Remark(s)
					Quantity	Proportion	Quantity	Proportion	Quantity	Proportion			Title	Name	Relationship	
President of Gigabyte	Republic of China	Yeh, Pei-Chen	Male	Mar. 15, 1986	30,201,237	4.75%	5,821,063	0.92%	-	-	EMBA, National Chengchi University Ming Hsin University of Science and Technology engineer at ITRI	Chairman, Giga Investment Corp. Chairman, Giga-Byte Communications Inc. Director Representative of G-Style Chairman, Giga-Trend International Investment Group Ltd. Chairman, PG Union Director of Walsin Technology Corporation Director Representative of BYTE International Co., Ltd. Director of Albatron technology CO., LTD. Director Representative of Shun on Electronic Co., Limited Director Representative of Spirox Corporation Director Representative of AMIDA Technology, Inc.	-	-	-	Note1
Senior VP of Gigabyte	Republic of China	Liu, Ming-Hsiung	Male	Mar. 15, 1986	1,995,470	0.31%	615,000	0.10%	42,583,497	6.70%	EMBA, National Cheng Chi University Engineer of G-COLOR ENTERPRISE CO., LTD.	Director Representative, Giga Investment Corp. Director Representative, Giga-Byte Communications Inc. Chairman, G-Style Director of Info-Tek Corporation Director Representative, Giga-Trend International Investment Group Ltd. Director Representative, Hui Yang Venture Capital Co., Ltd. Supervisor representative, BYTE International Co., Ltd. Director Representative, JM Material Technology, Inc. Supervisor representative, Senyun Precise Optical Co., Ltd. Director Representative of Yuncheng Ltd.	-	-	-	-
Senior VP of Gigabyte	Republic of China	Ma, Mou-Ming	Male	Mar. 26, 1988	23,723,383	3.73%	470,914	0.07%	-	-	Electronic & Computer Engineering, National Taiwan University of Technology, engineer at Acer Systems	Director Representative, Giga Investment Corp. Director Representative, Giga-Byte Communications Inc. Director Representative of MyelinTek Inc. Director Representative, Giga-Trend International Investment Group Ltd.	-	-	-	-
Manufacturing Business Unit Senior VP	Republic of China	Tseng, Chun-Ming	Male	Jun. 1, 1993	4,200,647	0.66%	288,846	0.05%	-	-	Ming Hsin University of Science and Technology General Manager at Jpjohn	Director Representative of Giga-Byte Communications Inc. Chairman, Selita Precision Co., Ltd.	-	-	-	-

Title	Nationality	Name	Gender	Date of office	Shareholdings		Shareholdings by spouse and underage children		Shareholdings under the title of a third party		Education and experience	Other positions in the Company	Manager who is a spouse or relative at the 2 nd level under the Civil Law			Remark(s)
					Quantity	Proportion	Quantity	Proportion	Quantity	Proportion			Title	Name	Relationship	
Group General Manager	Republic of China	Li, E-Tay	Male	Apr. 24, 2000	206,062	0.03%	-	-	-	-	California State University (CSU), Chico Master of Computer Engineering, Manager at Intel, Engineer at Siemens, Engineer at Texas Instruments	Chairman of Gigaipc Co., Ltd. Director Representative of MyelinTek Inc.	-	-	-	-
General Manager, Manufacturing BU	Republic of China	Meng, Hsian-Ming	Male	Oct. 2, 2000	1,797	0.00%	-	-	-	-	PhD, VP at D-Link Q-Run Corp. Director CTX USA Director	-	-	-	-	-
Channel Solution Business Unit Senior Special Assistant	Republic of China	Hong, Wen-Chi	Male	Jun. 16, 1999	-	-	-	-	-	-	University graduate, SHIN TAI INDUSTRY CO., LTD. Manager, First International Computer	-	-	-	-	-
C.F.O., Finance and Accounting Division, Operations Management Center & Corporate governance officer	Republic of China	Chen, Chun-Ying	Female	Apr. 6, 1994	60,191	0.01%	31,742	0.01%	-	-	University of South Australia MBA Senior Accountant, Chao Da Communications Technology Section Manager, SUPERWAVE ELECTRONIC CO., LTD.	Supervisor Representative, Giga-Byte Communications Inc. Supervisor Representative, Senyun Precise Optical Co., Ltd.	-	-	-	-
Operations Management Center Overseas Subsidiary Management Division. Vice General Manager of the US Platform	Republic of China	Lu, Zheng-Wei	Male	Jun. 1, 1990	35,000	0.01%	-	-	-	-	Northrop University MBA	-	-	-	-	-
C.O.O., Operation Management Center	Republic of China	Bai, Guang-Hua	Male	Apr. 1, 2005	50,000	0.01%	-	-	-	-	Master degree Supervisor, Huaxia Technology Consulting AVP, A-TREND TECHNOLOGY CO., LTD	Director Representative, Senyun Precise Optical Co., Ltd. Director Representative, Yuncheng Ltd. Director Representative, Selita Precision Co., Ltd. Director Representative of Gigaipc Co., Ltd.	-	-	-	-
Brand Marketing Division V.P. & Special Assistant to President Spokesman, Public Relationship Department	Republic of China	Chen, Jing-Ting	Female	Jun. 12, 2000	60,071	0.01%	-	-	-	-	Simon Fraser University Advanced Interpreter Program Benchmark Corp. Evergrace & Benly Intel	-	-	-	-	-
Network & Comm. BU, AVP	Republic of China	Chen, Zhang-Xiang	Male	Jun. 16, 1999	-	-	-	-	-	-	College graduate Manager, First International Computer MIRCO STAR INTERNATIONAL	-	-	-	-	-

Title	Nationality	Name	Gender	Date of office	Shareholdings		Shareholdings by spouse and underage children		Shareholdings under the title of a third party		Education and experience	Other positions in the Company	Manager who is a spouse or relative at the 2 nd level under the Civil Law			Remark(s)
					Quantity	Proportion	Quantity	Proportion	Quantity	Proportion			Title	Name	Relationship	
President's office, Chairman special assistant	Republic of China	Chen, Shi-Cheng	Male	Nov. 27 2000	-	-	-	-	-	-	Syracuse University computer engineer Engineer at BenQ Engineer at Motorola	Director Representative of Selita Precision Co., Ltd.	-	-	-	-
Network and Communications Business Group, Vice General Manager	Republic of China	Hou, Chih-Jen	Male	Apr. 14, 2000	141,291	0.02%	-	-	-	-	EECS - Northwestern University Senior Manager, Acer	-	-	-	-	
Channel Solution Business Unit M/B Research & Development Center, Vice General Manager	Republic of China	Chen, Chen-Shun	Male	Sep. 1, 2000	100,000	0.00%	-	-	-	-	University graduate Engineer, Nan Ya Technology Asst VP Phoenix Technologies Ltd.	-	-	-	-	
Channel Solution Business Unit Sales and Marketing Center, America & Asia Platform, Vice General Manager	Republic of China	Liao, Chi-Li	Male	Oct. 1, 1998	50,000	0.01%	784	0.00%	-	-	Master degree ASUSTEK COMPUTER INC.	-	-	-	-	
Channel Solution Business Unit Sales and Marketing Center, Europe Platform, Vice General Manager	Republic of China	Hsiao, Wen-Ta	Male	Feb. 11, 1998	150,714	0.02%	-	-	-	-	University graduate D-LINK CORPORATION	-	-	-	-	
Overseas Subsidiary Management Division APAC Platform Senior AVP	Republic of China	Liu, Wen-Chung	Male	Apr. 1, 1999	-	-	-	-	-	-	University graduate First International Computer, Inc	-	-	-	-	
Channel Solution Business Unit, M/B Research & Development Center, software office, AVP	Republic of China	Deng, Yi-Ming	Male	Mar. 11, 1997	-	-	-	-	-	-	University graduate First International Computer Co., Ltd. BIOS section manager	-	-	-	-	
Channel Solution Business Unit, M/B Research & Development Center, Firmware Division II, Senior AVP	Republic of China	Tseng, Wei-Wen	Male	Sep. 1, 2003	5,000	0.00%	-	-	-	-	University graduate Phoenix Tech. Senior AVP VIA TECHNOLOGIES, INC.	-	-	-	-	
Channel Solution Business Unit, M/B Research & Development Center, Senior AVP	Republic of China	Liao, Che-Hsien	Male	Jun. 16, 1997	9,000	0.00%	-	-	-	-	Master degree	-	-	-	-	
Channel Solution Business Unit, Product & Procurement Center Vice General Manager	Republic of China	Lan, Jun-Kun	Male	Nov 13, 2000	50,000	0.01%	-	-	-	-	Master degree Manager at Intel	-	-	-	-	

Title	Nationality	Name	Gender	Date of office	Shareholdings		Shareholdings by spouse and underage children		Shareholdings under the title of a third party		Education and experience	Other positions in the Company	Manager who is a spouse or relative at the 2 nd level under the Civil Law			Remark(s)
					Quantity	Proportion	Quantity	Proportion	Quantity	Proportion			Title	Name	Relationship	
Network & Comm. BU Product Center, AVP	Republic of China	Chen, Yun Di	Male	May 2, 2000	30,115	0.00%	-	-	-	-	Master degree Manager at Siemens GTE	-	-	-	-	-
AVP, Overseas Manufacturing Dongguan Gigabyte Ningbo Gigabyte	Republic of China	Ko, Wei-Di	Male	Jun. 26, 2000	196,258	0.03%	-	-	-	-	EMBA Yuan Ze University Special assistant to the Vice President/Section manager at Gold Circuit Electronics Manager at Unimicron	-	-	-	-	-
General Counsel, Legal and IP Affairs Division, Operation Management Center	Republic of China	Chiu, Chih Peng	Male	Jan. 2, 2014	-	-	-	-	-	-	People's University China, Civil and Business Law (Doctor) University of London, MBA University of Exeter, L.L.M. Attorney at Law, Lin & Associates, Maritime Law Office AVP, Info-Tek Corporation	Director Representative of Gigaipc Co., Ltd.	-	-	-	-
AVP, Chief Engineering Division, Manufacturing Business Unit	Republic of China	Sun, Wu Hsiung	Male	Aug. 28, 2000	10,026	0.00%	1,000	0.00%	-	-	Department of electronics, Yunlin Institute of Technology Vice manager of engineering technology at Chih Fu Corp.	-	-	-	-	-
Vice General Manager, Channel Solution Business Unit, Gaming Products Research & Design Center	Republic of China	Huang, Shun Chih	Male	Nov 20, 2003	50,000	0.01%	-	-	-	-	Department of Electronics Engineering, Taiwan Institute of Technology Engineer at First International Computer Manager at Shengchuan Technology Manager at Universal Scientific Industrial	-	-	-	-	-
Vice General Manager, Channel Solution Business Unit	Republic of China	Lin, Ying Yu	Male	Nov 3, 2003	258,000	0.04%	-	-	-	-	MBA, National Chung Hsing University Vice manager at TUL Corporation Vice manager at Elitegroup Computer Systems	Director Representative of G-Style	-	-	-	-
AVP, Customer Service Center	Republic of China	Lin, Chi-ching	Male	Jun 18, 1991	51,689	0.01%	-	-	-	-	Department of Electronics, Van Nung Institute of Industry Repair Technician, Liloy Electronics Technology Ltd. Repair Engineer, Zenith Electronics	Chairman of BYTE International Co., Ltd.	-	-	-	-
Senior AVP, Automotive Electronics Business Division	Republic of China	Gu, Rui-Lin	Male	June. 29, 2018	252	0.00%	-	-	-	-	National Taiwan University, Department of Electrical Engineering GM, ETOP Electronics Inc. Sales Manager, Intel Microelectronics Asia LLC	-	-	-	-	-

Title	Nationality	Name	Gender	Date of office	Shareholdings		Shareholdings by spouse and underage children		Shareholdings under the title of a third party		Education and experience	Other positions in the Company	Manager who is a spouse or relative at the 2 nd level under the Civil Law			Remark(s)
					Quantity	Proportion	Quantity	Proportion	Quantity	Proportion			Title	Name	Relationship	
AVP, Information Technology Division, Operation Management Center	Republic of China	Sun, Guo-Ren	Male	Jul. 26, 2019	15,000	0.00%	-	-	-	-	Pennsylvania Widener U. Computer & Telecommunication @Network Inc IT Manager	Chairman of Yuncheng Ltd.	-	-	-	-
AVP, Channel Solution Business Unit, M/B Research& Development Center, Firmware Division I,	Republic of China	Gao, Sheng-Liang	Male	Jul. 26, 2020	8,570	0.00%	-	-	-	-	National Taiwan University, Information Engineering Master degree	-	-	-	-	-
AVP, Channel Solution Business Unit, Sales & Marketing Center, America Asia Platform	Republic of China	Liu, Jia-Yi	Female	Jul. 26, 2021	50,000	0.01%	-	-	-	-	Taipei University MBA	-	-	-	-	-
AVP, Channel Solution Business Unit, Sales & Marketing Center, Europe Platform	Republic of China	You, Hong-Dao	Male	Jul. 26, 2021	50,000	0.01%	-	-	-	-	BOSTON UNIVERISTY Graduate Institute of Mass Communication	-	-	-	-	-
AVP, President's office, Strategic Investment Division	Republic of China	Li, You-Xin	Male	Jul. 26, 2021	-	-	-	-	-	-	Fu Jen Catholic University Institute of Institute of Management	-	-	-	-	-
AVP, Network & Comm. BU Sales Center	Republic of China	Wang, Jun-Min	Male	Jul. 26, 2021	30,000	0.00%	-	-	-	-	New York Institute of Technology Marketing	-	-	-	-	-

Note1: Where the company's Chairman and the President or person of an equivalent post (the highest level manager) are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of applicable information on the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (e.g., number of independent director seats added, and more than half of directors are not employees or managers of a company):

The Company's Chairman is also the President and oversees the company's operation strategies and sets the objectives for corporate development and business plans. To strengthen the supervision and functionality of the Board of Directors, the Chairman effectively communicates the company's business plans to each director. The Company is also planning to increase the number of independent director seats to improve the supervision and functionality of the Board of Directors. Presently, the Company arranges for each director to participate in professional courses every year to improve the effectiveness of board operations. Independent directors in each functional committee can fully discuss and provide recommendations to the Board of Directors to implement corporate governance.

(III) Remuneration for the directors, supervisors, president, and vice presidents

(1) Fees for the directors and independent directors (on the same scale and disclosed collectively)

December 31, 2021; Unit: NTD1,000/1,000 shares

Title	Name	Director								The director may also be an employee								Ratio of the total ABCDEFG to the net earnings after tax (*10)		Related remuneration from investors other than the subsidiaries or from the parent company (*11)			
		Remuneration (A) (*2)		Pensions (B)		Remuneration to directors (C) (*3)		Expenses incurred for business purposes (D) (*4)		Ratio of the total ABCD to the net earnings after tax (*10)		Salaries, awards and special subsidies etc. (E) (*5)		Pensions (F)		Bonus to employees (G) (*6)							
		Giga-Byte	All firms covered I the consolidated financial statements (*7)	Giga-Byte	All firms covered I the consolidated financial statements (*7)	Giga-Byte	All firms covered I the consolidated financial statements (*7)	Giga-Byte	All firms covered I the consolidated financial statements (*7)	Giga-Byte	All firms covered I the consolidated financial statements (*7)	Giga-Byte	All firms covered I the consolidated financial statements (*7)	Giga-Byte	All firms covered I the consolidated financial statements (*7)	Cash amount	Stock amount	Cash amount	Stock amount		Giga-Byte	All firms covered I the consolidated financial statements (*7)	
Director	Chairman	Yeh, Pei-Chen																					
	Corporate representative, Ming Wei Investment Co., Ltd.	Liu, Ming-Hsiung																					
	Corporate representative, Shih Chia Investment Co., Ltd.	Ma, Mou-Ming																					
	Corporate representative, Yue Yeh Investment Co., Ltd.	Tseng, Chun-Ming																					
	Corporate representative, Shih Da Investment Co., Ltd.	0	0	0	0	46,000	46,000	2,560	2,560	0.36%	0.36%	597,633	597,633	152	152	176,600	0	176,600	0	6.17%	6.17%	None	
	Corporate representative, Xi Wei Investment Co., Ltd.	Li, E-Tay																					
Independent Director	Independent Director	Wang, Hwei-Min																					
	Independent Director	Chan, Yi-Hung																					
	Independent Director	Yang, Cheng-Li (Note)																					

1. Please describe the policy, system, standard and structures of remuneration payment for independent directors, and their association with the amount of remuneration payment according to their responsibilities, risks, and the time spent by independent directors, among other factors:

The Company pays remuneration to directors in accordance with the Articles of Incorporation; Transportation and meeting attendance allowances for independent directors are determined by the Board of Directors with reference to industry standards.

2. In addition to the information disclosed in the above table, remuneration to directors for offering services (e.g. non-staff consultants) to all companies mentioned in the financial statement: None.

Note: On July 2, 2021, the independent director Yang, Cheng-Li was appointed as a new one, and the remaining directors and independent directors were appointed successively.

Tiers of Remuneration

Scale of remuneration to Giga-Byte's directors	Number of directors			
	Sum of the First Four Types of Remuneration (A+B+C+D)		Sum of the First Seven Types of Remuneration(A+B+C+D+E+F+G)	
	Our Company (Note 8)	All Companies in the Financial Statements (Note 9) H	Giga-Byte (*8)	All firms covered I the consolidated financial statements (*9) I
Below NTD1,000,000				
NTD1,000,000~2,000,000	Wang, Hwei-Min; Chan, Yi-Hung; Yang, Cheng-Li	Wang, Hwei-Min; Chan, Yi-Hung; Yang, Cheng-Li	Wang, Hwei-Min; Chan, Yi-Hung; Yang, Cheng-Li	Wang, Hwei-Min; Chan, Yi-Hung; Yang, Cheng-Li
NTD2,000,000~3,500,000	Ko, Cong-Yuan	Ko, Cong-Yuan	Ko, Cong-Yuan	Ko, Cong-Yuan
NTD3,500,000~5,000,000				
NTD5,000,000~10,000,000	Yeh, Pei-Chen, Liu, Ming-Hsiung, Ma Mou-Ming, Tseng, Chun-Ming, Li, E-Tay	Yeh, Pei-Chen, Liu, Ming-Hsiung, Ma Mou-Ming, Tseng, Chun-Ming, Li, E-Tay		
NTD10,000,000~15,000,000				
NTD15,000,000~30,000,000				
NTD30,000,000~50,000,000				
NTD50,000,000~100,000,000			Ma Mou-Ming	Ma Mou-Ming
Over NTD100,000,000			Yeh, Pei-Chen, Liu, Ming-Hsiung, Tseng, Chun-Ming, Li, E-Tay	Yeh, Pei-Chen, Liu, Ming-Hsiung, Tseng, Chun-Ming, Li, E-Tay
Total				

Note 1: Directors' names shall be presented separately (for corporate shareholders, the name of the corporate shareholder and its representative are presented separately) and distinguished between directors and independent directors, while the amount of payment is presented in aggregate sums.

Note 2: The total amount of traveling subsidies and remuneration disbursed in the most recent year (including the salaries, subsidies, bonuses and awards).

- Note 3: The amount of remuneration to directors for the most recent year resolved by the Board.
- Note 4: This refers to the expenses incurred for business purposes by directors (including, traveling subsidy, special subsidy, all forms of subsidies, housing, company car and other subsidies in kind). If the Company provides housing, company car and other means of transportation or the spending is exclusive to a particular person, disclose the nature of the property and the cost, the actual rent or rent assessed with reference to fair market price, fuel subsidies and other payments. When drivers are assigned to directors, please specify the pay of such drivers. Such pay shall not be included in the remuneration to directors.
- Note 5: When a specific director may also be an employee (refers to the position of President, Vice President, manger or employee) the salaries, occupational subsidies, pensions, compensation on discharge, bonus, awards, traveling subsidy, special subsidies, different forms of subsidies, housing, company car and other means of transportation or the spending is exclusive to particular person, disclose the nature of the property and the cost, the actual rent or rent assessed with reference to fair market price, fuel subsidies and other payments. If a chauffeur is provided, specify the remuneration thereto but do not include as the remuneration to directors. In addition, the salary payment adopted under IFRS 2 “Share-based Payment” includes employee stock option certificates, restricted stock awards, and subscription of common stocks issued for cash. They shall be included in the compensation for employees.
- Note 6: Whenever directors are also employees (including serving as the president, vice president, other managers, and regular employees) and receive employee compensation (including stock and cash) in the most recent year, the Company must disclose the proposed amount of employee compensation approved by the Board resolution in the most recent year. If the compensation cannot be estimated, the Company calculates the proposed distribution balance this year based on the amount of actual distribution last year.
- Note 7: Disclose the total remuneration to all directors of the Company from all companies stated in the consolidated financial statement (including the Company).
- Note 8: The number of directors at each bracket of the remuneration scale. For remuneration to institutional directors, divide the remuneration by the number of representatives appointed. If the Company is willing to disclose the names of directors in all brackets on a list, Change the name of the field marked “number of directors” to “names of directors”.
- Note 9: The number of directors at each bracket of the remuneration scale paid by companies included in the consolidated financial statements (including the Company). If the Company is willing to disclose the names of directors in all brackets on a list, Change the name of the field marked “number of directors” to “names of directors”.
- Note 10: Net profit after tax refers to the net profit after tax in the most recent year. For entities that have adopted IFRSs, net profit after tax refers to the entity’s or the individual financial statement’s net profit after tax in the most recent year.
- Note 11: a. Explicitly state if the directors of the Company “have” or “have not” receive related remuneration from investees other than the subsidiaries or from the parent company.
- b. Where the Company's directors received relevant remuneration from ventures other than subsidiaries or from the parent company, the remuneration received by the Company's directors from ventures other than subsidiaries or from the parent company shall be included in the "I" column of the remuneration bracket table with the column name changed to "the parent company and all invested companies.
- c. The remuneration means pay, compensation (including compensation of employees, directors and supervisors) and business expenses received by the director serving as a director, supervisor or manager of ventures other than subsidiaries or of the parent company.

* The content of remuneration disclosed in this table may vary with the concept of remuneration as applied to Tax Code. As such, information contained in the table is only for disclosure and not intended for income tax purposes.

(2) Fees for the supervisors: Not applicable.

(3) Remuneration for General Managers and the Vice General Managers (on the same scale and disclosed collectively)

December 31, 2021 Unit: NTD1,000/1,000 shares

Title	Name	Salary (A) (*2)		Pensions (B)		Award, special subsidy and other subsidy in kind (C) (*3)		Compensation for Employees (D) (*4)				Ratio of the total ABCD to the net earnings after tax (%) (*8)		Related remuneration from investees other than the subsidiaries or from the parent company (*9)
		Giga-Byte	All firms covered I the consolidat ed financial statements (*5)	Giga-Byte	All firms covered I the consolidat ed financial statements (*5)	Giga-Byte	All firms covered I the consolidat ed financial statements (*5)	Giga-Byte		All firms covered I the consolidated financial statements (*5)		Giga-Byte	All firms covered I the consolidated financial statements (*5)	
								Cash dividends	Stock dividends	Cash dividends	Stock dividends			
President	Yeh, Pei-Chen													
Senior VP	Liu, Ming-Hsiung													
Senior VP	Ma, Mou-Ming													
Senior VP	Tseng, Chun-Ming													
Group General Manager	Li, E-Tay													
General Manager of BU	Meng, Hsian-Ming													
Vice General Manager of the US Platform	Lu, Zheng-wei													
Vice General Manager and Special Assistant to Chairman	Chen, Jin-Ting													
Business Unit Vice General Manager	Chen, Chen-Shun													
Business Unit Vice General Manager	Lin, Ying Yu	44,978	44,978	1,490	1,490	757,242	757,242	353,200	0	353,200	0	8.67%	8.67%	None
Business Unit Vice General Manager	Huang, Shun Chih													
Business Unit Vice General Manager	Chen, Jun-Cheng (Note1)													
Business Unit Vice General Manager	Hou, Chih-Jen													
C.O.O.	Bai, Guang-Hua													
C.F.O. Corporate governance officer	Chen, Chun-Ying													
General Counsel	Chiu, Chih Peng													
Business Unit Vice General Manager	Lan, Jun Kun													
Business Unit Vice General Manager	Liao, Chi- Li (Note2)													
Business Unit Vice General Manager	Hsiao, Wen-Ta (Note2)													

* regardless of title, where the position equivalent to president, vice president (for example: President, CEO, Director, ... etc.), all should be exposed.

Note1: BU Vice General Manager Chen, Jun-Cheng's employment contract and appointment were terminated on May 17, 2021.

Note2: BU Vice General Manager Liao, Chi- Li and Hsiao, Wen-Ta were promoted on August 26, 2021.

Tiers of Remuneration

Scale of remuneration to Giga-Byte's General Managers and the Vice General Managers	Name of GM & Vice GM	
	Giga-Byte (*6)	All firms covered I the consolidated financial statements (*7) E
Below NTD1,000,000		
NTD 1,000,000~2,000,000		
NTD 2,000,000~3,500,000		
NTD 3,500,000~5,000,000		
NTD 5,000,000~10,000,000	Chen, Jin-Ting, Chen, Chun-Ying, Bai, Guang-Hua, Meng, Hsian-Ming, Hou, Chih-Jen, Chiu, Chih Peng, Lan, Jun Kun, Lu, Zheng-Wei, Chen, Jun-Cheng,	Chen, Jin-Ting, Chen, Chun-Ying, Bai, Guang-Hua, Meng, Hsian-Ming, Lu, Zheng-Wei, Hou, Chih-Jen, Chiu, Chih Peng, Lan, Jun Kun, Chen, Jun-Cheng
NTD 10,000,000~15,000,000		
NTD 15,000,000~30,000,000	Chen, Chen-Shun, Liao, Chi- Li, Hsiao, Wen-Ta	Chen, Chen-Shun, Liao, Chi- Li, Hsiao, Wen-Ta
NTD 30,000,000~50,000,000		
NTD 50,000,000~100,000,000	Huang, Shun Chih, Ma, Mou-Ming	Huang, Shun Chih, Ma, Mou-Ming
Over NTD 100,000,000	Yeh, Pei-Chen, Liu Ming-Hsiun, Tseng, Chun-Ming, Li, E-Tay, Lin, Ying Yu,	Yeh, Pei-Chen, Liu Ming-Hsiun, Tseng, Chun-Ming, Li, E-Tay, Lin, Ying Yu,
Total		

Note 1: The name of each General Manager(GM) and the Vice General Manager (Vice GM) shall be stated separately and the amount of remuneration to each is disclosed in aggregate.

Note 2: The total amount of traveling subsidies and remuneration disbursed in the most recent year (including the salaries, subsidies, bonus and awards).

Note 3 This refers to the expenses incurred for business purposes by GMs or Vice GMs (including, traveling subsidy, special subsidy, all forms of subsidies, housing, company car and other subsidies in kind). If the Company provides housing, company car and other means of transportation or the spending is exclusive to a particular person, disclose the nature of the property and the cost, the actual rent or rent assessed with reference to fair market price, fuel subsidies and other payments. When drivers are assigned to directors, please specify the pay of such drivers. Such pay shall not be included in the remuneration to directors. In addition, the salary payment adopted under IFRS 2 "Share-based Payment" includes employee stock option certificates, restricted stock awards, and

subscription of common stocks issued for cash. They shall be included in the compensation for employees.

- Note 4: The Company must fill out the employee compensation (including stock and cash) proposed to be distributed to the GM and Vice GM that is approved by the Board in the most recent year before the shareholders' meeting. If this value cannot be estimated, the ratio of actual distribution from the last year is used for the calculation of proposed distribution this year.
- Note 5: Disclose the total remuneration to all GMs or Vice GMs of the Company from all companies stated in the consolidated financial statement (including the Company).
- Note 6: The number of GMs and Vice GMs at each bracket of the remuneration scale. For remuneration to institutional directors, divide the remuneration by the number of representatives appointed. If the Company is willing to disclose the names of GMs and Vice GMs in all brackets on a list, Change the name of the field marked "number of GMs and Vice GMs" to "names of GMs and Vice GMs".
- Note 7: The number of GMs and Vice GMs at each bracket of the remuneration scale paid by companies included in the consolidated financial statements (including the Company). If the Company is willing to disclose the names of GMs and Vice GMs in all brackets on a list, Change the name of the field marked "number of GMs and Vice GMs" to "names of GMs and Vice GMs".
- Note 8: Net profit after tax refers to the net profit after tax in the most recent year. For entities that have adopted IFRSs, net profit after tax refers to the entity's or the individual financial statement's net profit after tax in the most recent year.
- Note 9:
- a. Explicitly state if GMs and Vice GMs of the Company "have" or "have not" receive related remuneration from investees other than the subsidiaries or from the parent company.
 - b. Where the Company's president and vice president received relevant remuneration from ventures other than subsidiaries or from the parent company, the remuneration received by the Company's president and vice president from ventures other than subsidiaries or from the parent company shall be included in the "E" column of the remuneration bracket table with the column name changed to "the parent company and all invested companies."
 - c. The remuneration means pay, compensation (including compensation of employees, directors and supervisors) and business expense received by the president or vice president serving as a director, supervisor or manager of ventures other than subsidiaries or of the parent company.
- * The content of remuneration disclosed in this table may vary with the concept of remuneration as applied to Tax Code. As such, information contained in the table is only for disclosure and not intended for income tax purposes.

(4) Compensation for Managers

December 31, 2021; Unit: NTD1,000/1,000 shares

	Title (*1)	Name (*1)	Stock dividends	Cash dividends	TOTAL	Ratio of the total to the net earnings after tax(%)
Manager	President	Yeh, Pei-Chen	0	353,200	353,200	2.65%
	Senior VP	Liu, Ming-Hsiung				
	Senior VP	Ma, Mou-Ming				
	Senior VP	Tseng, Chun-Ming				
	Group General Manager	Li, E-Tay				
	General Manager of BU	Meng, Hsian-Ming				
	Vice General Manager of the US Platform	Lu, Zheng-Wei				
	Vice General Manager and Special Assistant to Chairman	Chen, Jin-Ting				
	Business Unit Vice General Manager	Chen, Chen-Shun				
	Business Unit Vice General Manager	Lin, Ying Yu				
	Business Unit Vice General Manager	Huang, Shun Chih				
	Business Unit Vice General Manager	Chen, Jun-Cheng				
	Business Unit Vice General Manager	Hou, Chih-Jen				
	C.O.O.	Bai, Guang-Hua				
	C.F.O.& Corporate Governance Officer	Chen, Chun-Ying				
	General Counsel	Chiu, Chih Peng				
	Business Unit Vice General Manager	Lan, Jun Kun				
	Business Unit Vice General Manager	Liao, Chi- Li				
Business Unit Vice General Manager	Hsiao, Wen-Ta					

Note 1: This refers to the scheduled profit (including stock and cash) to be allocated to managers that was approved by the board meeting before surplus is allocated to the shareholders, if, however, the allocation cannot be estimated, the allocation should then be calculated based on last year's actual distribution percentage. The stock of TWSE and TPEX companies should be calculated based on the fair value regulated by the Guidelines Governing the Preparation of Financial Reports by Securities Issuers. The surplus of non-TWSE and TPEX companies is calculated based on the net value of the closing day of the current accounting period. Net profit after tax refers to the net profit after tax in the most recent year. For entities that have adopted IFRSs, net profit after tax refers to the entity's or the individual financial statement's net profit after tax in the most recent year.

The name and title of each individual manager should be disclosed respectively, while surplus can be disclosed in summary.

According to the Taiwan-Finance-Securities-III-0920001301 issued on March 27, 2003, the applicable scope of the managers is as follows:

- (1) General Manager and equivalent level;
- (2) Vice General Manager and equivalent level;
- (3) Director and equivalent level;
- (4) Financial supervisor;
- (5) Accounting supervisor;
- (6) Other managers and authorized personnel.

- (IV) A comparative description with analysis on the ratio taken by the gross total of remuneration paid by Giga-Byte and all firms covered in the consolidated financial statements to Giga-Byte's directors, president and vice presidents to the net earnings after tax over the past two years. Please describe as well the policies, criteria and composition of remuneration, procedures to fix remuneration, their interrelationship with Giga-Byte's business performance and future risks.

Title and Description	2020		2021	
	Giga-Byte	All firms covered the consolidated financial statements	Giga-Byte	All firms covered the consolidated financial statements
Directors	10.42%	10.42%	9.04%	9.04%
GM & Vice GM				

Title Description	The remuneration of directors	The remuneration of president and vice presidents
1.Policies of remuneration	The remuneration of directors is calculated according to the Company's articles of incorporation. The approval of the meeting of shareholders is required, should there be any additional allocation and changes to remuneration to directors and supervisors.	Carried out in accordance with the Company's Remuneration Management Regulations, Employee Performance Review Regulations, Business Unit Financial Performance Calculation and Review Principles, and the Performance Bonus Evaluation and Distribution Rules.
2.Criteria and composition of remuneration	Based on the weight allocation of the business responsibility and guarantee responsibility of directors.	Includes base salary, living allowance, food allowance, duty allowance, travel allowance, holiday bonuses and performance bonuses.
3.Procedures to fix remuneration	The appropriation of surplus is proceeded in accordance with the Articles of Incorporation, resolved by the board meeting, and approved by the general meeting of shareholders.	Their salaries are fixed based on their educational and professional backgrounds, performance and service seniority and approved in accordance with the Company's delegation of authorization.
4.Interrelationship with Giga-Byte's business performance and future risks	Based on the Company's performance and profitability. Fulfilling business operation supervision responsibilities, detailing business operation direction, transforming crisis into new business opportunities.	Remuneration is paid based on target achievement rate, performance, profitability and contribution of the respective BU. Strengthening employees' loyalty to achieve the common goal of balancing gains and losses between employers and employees and tide over the risky economic landscape together.

III. Corporate Governance

(I) The operation of BOD

In 2021, BOD held 12 meeting (A), the attendance of the directors is as follows.

Title	Name(Note 1)	Actual attending B	Authorized attending	Ratio of actual attending (%) [B/A] (Note 2)	Remark
Chairman	Yeh, Pei-Chen	12	0	100%	Successive July 2, 2021 Re-election
Vice Chairman	Ming Wei Investment Co., Ltd. Representative: Liu, Ming-Hsiung	11	1	91.67%	Successive July 2, 2021 Re-election
Director	Shi Jia Investment Co., Ltd. Representative: Ma, Mou-Ming	11	1	91.67%	Successive July 2, 2021 Re-election
Director	Yuei-yei Kai Fa Investment Ltd. Representative: Tseng, Chun-Ming	12	0	100%	Successive July 2, 2021 Re-election
Director	Shi Da Investment Limited Representative: Ko, Cong-Yuan	12	0	100%	Successive July 2, 2021 Re-election
Director	Xi Wei Investment Co., Ltd. Representative: Li, E-Tay	12	0	100%	Successive July 2, 2021 Re-election
Independent Director	Wang, Hwei-Min	12	0	100%	Successive July 2, 2021 Re-election
Independent Director	Chan, Yi-Hung	12	0	100%	Successive July 2, 2021 Re-election
Independent Director	Yang, Cheng-Li	6	0	100%	New July 2, 2021 Re-election

Important notice

I. When BOD is under any one of the following circumstances, the date, session, and proposal of board meeting; the opinion of independent directors; and the BOD's response to such opinions shall be specified:

(I)Matters specified in Article 14-3 of the Securities and Exchange Act

Date of Meeting (Session)	Proposal and Resolutions	Matters Specified in Article 14-3 of the Securities and Exchange Act	Opinions or Objections of Independent Directors
January 15th, 2021 (The 12nd session of 19th)	1.Approval of 2021 annual accountant entrust and remuneration proposal. 2.Proposed purchase of real estate the Company's business use.	V	None
	Opinions of Independent Directors: For the second proposal, independent director Wang, Hwei-Min recommended paying no more than 30% of the total contractual amount between the signing of the contract to the actual handover in line with the standard payment terms for pre-sold property transactions. Material collateral should be provided if earlier payment is necessary. The independent directors have no comment for the other proposal.		
	Company's opinions to Independent Directors: Agreed with the independent director Hwei-Min, Wang's suggestion.		
	Resolution: The first proposal was passed by all attending directors as proposed. The second proposal was discussed by all attending directors and slated for further discussion at the next extraordinary session of the Board of Directors.		
March 15th, 2021 (The 20nd session of 12th)	1.Approval of 2020 Employee and director remuneration distribution proposal. 2.Amendment of the company's "Rules of Procedure for Meetings of Shareholders". 3.Amendment of the company's "Rules of Procedure for Board Meetings". 4.Amendment of the company's "Income and expenditure approval authority chart".	V	None
	Opinions of Independent Directors: None.		
	Company's opinions to Independent Directors: None.		
	Resolution: The first proposal was unanimously approved without objection by attending directors, except for directors who recused themselves due to a conflict of interest and have explained the contents in which they have an interest in the meeting and did not attend discussion and voting in person or on behalf of another member. The second to fourth proposals were passed by all attending directors as proposed.		
May 14th, 2021 (The 22nd session of 12th)	•Approval of evaluation and suggestions to 2020 distribution of remuneration to directors.	V	None
	Opinions of Independent Directors: None.		
	Company's opinions to Independent Directors: None.		
	Resolution: Due to the avoidance of interest relations, the directors have explained the important contents regarding their interest relations; also, they didn't attend or authorize any personnel to attend the discussion and voting. All the other directors present at the meeting approved the matter without any disagreement.		
July 2th, 2021 (The 1nd session of 13th)	•Appointment of the Company's 5th Remuneration Committee.	V	None
	Opinions of Independent Directors: None.		
	Company's opinions to Independent Directors: None.		
	Resolution: Due to the avoidance of interest relations, the directors Wang, Hwei-Min and Yang, Cheng-Li didn't attend or authorize any personnel to attend the discussion and voting. All the other directors present at the meeting approved the matter without any disagreement.		

August 13th, 2021 (The 4th session of 13th)	•Proposed appointment of the Company's first Nominating Committee.	V	None
	Opinions of Independent Directors: None.		
	Company's opinions to Independent Directors: None.		
	Resolution: Due to the avoidance of interest relations, the directors Wang, Hwei-Min and Yang, Cheng-Li didn't attend or authorize any personnel to attend the discussion and voting. All the other directors present at the meeting approved the matter without any disagreement.		
November 12th, 2021 (The 5th session of 13th)	•Independence evaluation of CPAs of the Company.	V	None
	Opinions of Independent Directors: None.		
	Company's opinions to Independent Directors: None.		
	Resolution: All the other directors present at the meeting approved the matter without any disagreement.		
November 25th, 2021 (The 6th session of 13th)	•Proposed participation in the private offering of Spirox by the Company or its subsidiaries.	V	None
	Opinions of Independent Directors: None.		
	Company's opinions to Independent Directors: None.		
	Resolution: Due to the avoidance of interest relations, the directors have explained the important contents regarding their interest relations; also, they didn't attend or authorize any personnel to attend the discussion and voting. All the other directors present at the meeting approved the matter without any disagreement.		
(II)Other BOD resolutions for the records or written statements regarding the objection or qualified opinion of independent directors: None.			
II. Status of directors' avoidance of conflicts of interest in relevant proposals:			
(1)The discussion focused on the distribution of remuneration to directors on March 13th, 2020 and May 14th, 2020. The relevant directors should not be involved in the discussion and voting of the matter regarding remuneration to director respectively.			
(2)Proposed appointment of Functional Committee members: The appointment of 5th Remuneration Committee and 1st Nominating Committee proposed by the Board of Directors on July 2 and August 13, 2021, involved the remuneration of individual directors. Affected directors did not participate in discussion or voting.			
(3) Salary of managers (annual salary adjustment): The salary of managers proposed by the Board of Directors on August 13, 2021 involves the salary of individual director's representative who is also a manager. Those directors involved do not participate in discussion and voting.			
III. Listed and over-the-counter companies shall disclose the evaluation cycle and periods, scope, method, and content of evaluation and other information relevant to the self (or peer) evaluation of board of directors : Please see Note 3.			
IV. An evaluation on the goal of improving the functions of the Board in the current year and the most recent year (such as forming an audit committee and improving information transparency) and its implementation: See below			
(1) Targets for improving the competency of the Board of Directors			
a. The BOD of this Company formed the Audit Committee on June 17, 2015 to replace the duty of supervisors and the re-election of the 2 nd Audit Committee on June 11 2018. The committee is formed by three independent directors and holds a committee meeting at least once a quarter. The major duties and functions of the Audit Committee are as follows: Audit the presentation adequacy of the Company's financial statements, selection (dismissal) and independency and performance of CPAs, the effectiveness of implementation of the Company's internal control, the Company's compliance with relevant laws and regulations and rules; and the Company's control of existing and potential risks.			

<p>b. The BOD of this Company established the Remuneration Committee in December 2011 and re-elected members of the fourth term on June 11, 2018. Mr. Wang, Hwei-Min(independent Director) was reelected as the chairman of the Remuneration Committee of the fourth term. The major duties and functions the Remuneration Committee are as follows:</p> <ul style="list-style-type: none"> * Regularly evaluate and advise on the policy, system, standards and structure of the annual and long-term performance targets and remuneration of Gigabyte directors, supervisors and executives. * Evaluate and advise on the meeting of performance targets by Gigabyte directors, supervisors and executives as well as the content and amount of individual remuneration. <p>c. The BOD of this Company established the "Internal Material Information Processing SOP" in October, 2011.</p> <p>d. The Nominating Committee was established by the Company's Board of Directors in August 2021. Yang, Cheng-Li (Independent Director) was elected as the convener of the 1st Nominating Committee by the rest of the committee on August 13, 2021. The main roles and responsibilities of the Remuneration Committee are as follow:</p> <ul style="list-style-type: none"> * Laying down the standards of independence and a diversified background covering the expertise, skills, experience, gender, etc. of members of the Board of Directors and the Group President, and finding, reviewing, and nominating candidates for directors and Group President * Establishing and developing the organizational structure of the Board and each committee, evaluating the performance of the Board, committees, directors and Group President, as well as evaluating the independence of the independent directors. <p>(2) Evaluation of execution</p> <ul style="list-style-type: none"> * The Audit, Remuneration, Nominating Committee are functioning well. * Gigabyte's disclosure of important information follows a principle of honesty and integrity. Disclosure has been accurate, timely and fair.

Note 1: For institutional directors, disclose the names and the names of their representatives.

- Note 2: (1) If directors leave their positions before the end of the year, the service termination day should be stated in the remarks section. The actual attendance rate (%) is calculated with the number of times the Board meets when they are on the Board and the actual number of times that member attends.
- (2) Before the end of the year, if there is an election of the Board, the names of new and old directors should both be filled out, and whether a director is old, new, or re-elected should be filled out in the remarks section in the remarks section, as should the re-election date. The actual attendance rate (%) is calculated with the number of times the Board meets when they are on the Board and the actual number of times that member attends.

Note 3: Implementation status of the evaluation of the Board of Directors:

(a) Implementation status of the evaluation of the Board of Directors in 2022 :

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Method	Content of Evaluation
Implemented once every year	2022/02/01 ~ 2023/01/31	(1)Board of Directors (2)Individual directors	(1)Board internal self-assessment (2)Director self-assessment	(1)Degree of participation in the Company's operations; quality of board decisions; board composition and structure; selection of suitable board directors and continuing professional education; and internal control. (2)Alignment of the goals and missions of the company; awareness of the duties of a director; participation in the operation of the company; management of internal relationship and communication; director's professionalism and continuing education;, internal control.

(b) Implementation status of the evaluation of the Board of Directors in 2021

The results of board internal self-assessment and board members self-assessment were reviewed and passed in the meeting of Remuneration Committee, March 2022 and were further approved by the Board of directors. Filing of assessment results on the specified website has been completed before the deadline (end of March, 2022).

(II) The operation of the Audit Committee

1. The operation of Audit Committee.

In 2021, the Audit Committee held 9 committee meetings (A), and the attendance of independent directors is as follows:

Title	Name	Actual attendance (B)	Proxy attendance	Actual attendance rate (%) [B/A] (note)	Remarks
Independent Director	Wang, Hwei-Min	9	0	100%	Successive July 2, 2021 Re-election
Independent Director	Chan, Yi-Hung	9	0	100%	Successive July 2, 2021 Re-election
Independent Director	Yang, Cheng-Li	6	0	100%	New July 2, 2021 Re-election

1. This Company formed the Audit Committee on June 17, 2015 to audit:
 - (1) the adequacy of presentation of the Company's financial statements,
 - (2) the selection (dismissal) and independency and performance of CPAs,
 - (3) the effectiveness of implementation of the Company's internal control,
 - (4) the Company's compliance with relevant laws and regulations and rules; and
 - (5) the Company's control of existing and potential risks. °
2. The duties and functions of the Audit Committee include:
 - (1) Establishment or amendment of an internal control system according to Article 14-1 of the Securities and Exchange Act.
 - (2) Evaluation of the internal control system.
 - (3) Establishment or amendment of operating procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others, according to Article 36-1 of the Securities and Exchange Act.
 - (4) Matters involving the personal interest of a director.
 - (5) Transactions of material assets or derivatives.
 - (6) A material monetary loan, endorsement, or provision of guarantee.
 - (7) The offering, issuance, or private placement of any equity-type securities.
 - (8) The appointment or dismissal of CPAs, or their compensation.
 - (9) The appointment or discharge of financial, accounting, or internal auditing officers.
 - (10) Annual financial statements or biannual financial statements.
 - (11) Any other material matter specified by the Company or competent authorities.
3. Other information to disclose:
 - (1) If one of the situations below occurs during Audit Committee operations, the Audit Committee meeting date, period, proposal content, content of objections, qualified opinions or material suggestions made by independent directors, the outcomes Audit Committee resolutions, and the Company's handling of the Audit Committee members' opinions should be described:
 - (I) Matters specified in Article 14-5 of the Securities and Exchange Act : Audit Committee's opinions or resolutions approved are as follows:

Date of Meeting (Session)	Proposal and Resolutions	Matters Specified in Article 14-5 of the Securities and Exchange Act	Matters not approved by all the members of Audit Committee, but approved by 2/3 of directors
January 15th, 2021 (The 17nd session of 2th)	1. Proposed purchase of real estate the Company's business use. 2. Approval of 2021 annual accountant entrust and remuneration proposal.	V	None
	The Resolution of Audit Committee: For proposal one, Independent Director Wang, Hwei-Min recommended paying no more than 30% of the total contractual amount between the signing of the contract and start of construction to the actual handover in line with the standard payment terms for pre-sold property transactions. Material collateral should be provided if earlier payment is necessary. was discussed by all		

	<p>attending directors and slated for further discussion at the next extraordinary session of the Board of Directors. Other proposals were unanimously approved without objection by all members of the Audit Committee after thorough discussion. Other proposals were unanimously approved without objection by all members of the Audit Committee after thorough discussion.</p> <p>The company's opinions proposed to Audit Committee: Approved by all the directors present at the meeting.</p>		
<p>March 15th, 2021 (The 18nd session of 2th)</p>	<p>1. Individual financial statements and consolidated financial statements of 2020. 2. 2020 statement on the internal audit system. 3. Amendment of the company's "Income and expenditure approval authority chart".</p>	V	None
	<p>The Resolution of Audit Committee: Approved by all the members of Audit Committee.</p> <p>The company's opinions proposed to Audit Committee: Approved by all the directors present at the meeting.</p>		
<p>April 16th, 2021 (The 19nd session of 2th)</p>	<p>1. Approval of the Company's 2020 profit distribution proposal. 2. Approval of capital reserve for cash dividend (NT\$1 per share) 3. Approval of the Company's 2020 Business reports.</p>	V	None
	<p>The Resolution of Audit Committee: Approved by all the members of Audit Committee.</p> <p>The company's opinions proposed to Audit Committee: Approved by all the directors present at the meeting.</p>		
<p>May 14th, 2021 (The 20nd session of 2th)</p>	<p>1. 2021Q1 consolidated financial statements of the Company. 2. Amendment of the company's "Income and expenditure approval authority chart".</p>	V	None
	<p>The Resolution of Audit Committee: Approved by all the members of Audit Committee.</p> <p>The company's opinions proposed to Audit Committee: Approved by all the directors present at the meeting.</p>		
<p>August 13th, 2021 (The 3rd session of 3th)</p>	<p>1. 2021Q2 consolidated financial statements of the Company. 2. Proposed participation in the private offering of Taiwan Truewin Technology Co., Ltd. by the Company or its subsidiaries.</p>	V	None
	<p>The Resolution of Audit Committee: Approved by all the members of Audit Committee.</p> <p>The company's opinions proposed to Audit Committee: Approved by all the directors present at the meeting.</p>		
<p>November 12th, 2021 (The 4nd session of 3th)</p>	<p>1. Independence evaluation of CPAs of the Company 2. Approval of 2022 Audit Plan. 3. 2021Q3 consolidated financial statements of the Company. 4. Proposal to amend the "Rules for First Buyback of Shares and their Transfer to Employees in 2021"</p>	V	None
	<p>The Resolution of Audit Committee: Approved by all the members of Audit Committee.</p> <p>The company's opinions proposed to Audit Committee: Approved by all the directors present at the meeting.</p>		

November 25th, 2021 (The 5nd session of 3th)	•Proposed participation in the private offering of Spirox by the Company or its subsidiaries.	V	None
	The Resolution of Audit Committee: Approved by all the members of Audit Committee.		
	The company's opinions proposed to Audit Committee: Approved by all the directors present at the meeting.		

(II) Matters other the above unapproved by the Audit Committee but resolved by over two thirds of all directors: None

(2) Specify the name of independent directors, proposal content, reasons for the need of avoidance of conflicts of interest, and involvement in voting for implementation of the avoidance of conflicts of interest in independent directors: None.

(3) Communication between independent directors and the internal chief auditor and accountant (shall include communication on the company’s material financial and sales affairs, including the topics, methods, and results of communication):

- 1) Apart from submitting the audit report to each independent director for review each month, the chief auditor will report material issues found in the audit to the BOD or board members.
- 2) When auditing or reviewing quarterly consolidated statements (annual and including individual financial statements) of this Company at the planning and completing stages, CPAs consolidate information and communicate with the Audit Committee in writing or face to face according to SAS No. 39 “Communications with Those Charged with Governance” and Letter Tai-Cai-Zheng-Liu-Zi No. 0930105373 issued by the Securities and Futures Bureau dated March 11, 2004.

Note: (1)When there are independent directors resign before the end of a fiscal year, the service termination day should be stated in the remarks section. The actual attendance rate (%) is calculated based on the number of Audit Committee meetings that have been held in that year and the actual number of meetings that have attended.

(2) Before the end of a fiscal year, if there is a re-election of independent directors, the names of new and current independent directors should both be listed in the remarks coolum and their status: current, new, or re-elected, and the date of re-election shall be specified. The actual attendance rate (%) is calculated based on the number of Audit Committee meetings that have been held in that year and the actual number of meetings that have attended.

(III) The Status of Corporate Governance to be enforced by listed companies, the variations and the causes of variations

Indicator	Status			Variation from Corporate Governance Best Practice Principles, and Reason
	Yes	No	Summary	
1. Has the Company defined and disclosed its corporate governance best practice principles in accordance with the "Corporate Governance Best-Practice Principles for TWSE/GTSM-Listed Companies"?	✓		The Company has established a "Corporate Governance Best-practice Principles" based on the "Corporate Governance Best-practice Principles" and disclosed it on the Company's website and the Market Observation Post System.	Conforms to the Corporate Governance Best-practice Principles
2. Structure of shareholdings and shareholder's equity (1) Does the Company have and enforce internal procedures for handling shareholder suggestions, questions, disputes and litigation? (2) Does the Company keep an effective list of its dominant shareholders and the parties with ultimate control over its dominant shareholders? (3) Has the Company established and enforced a risk control mechanism and firewall between its affiliates? (4) Does the Company have internal rules in place to prevent insider trading?	✓		(1) Our PR Office and Investor Services personnel are assigned to handle shareholder suggestions or disputes. (2) Our Investor Services personnel work closely with the "Transfer Agency Department of China Trust Securities" to effectively track the list of dominant shareholders and the parties with ultimate control over the dominant shareholders. (3) Our Company has defined regulations for "Supervision and Management of Subsidiaries" and "Management of Transactions with Group Companies, Designated Companies and Stakeholders". These establish an appropriate risk control mechanism and firewall between affiliates. (4) The BOD passed the "Internal Procedure for Major Disclosure" in October 2011, to establish an appropriate risk control mechanism.	Conforms to the Corporate Governance Best-practice Principles
3. The Organization and functions of the board of directors (1) Does the Board formulate diversity policies, specific management objectives and implement them? (2) In addition to the Remuneration Committee and Audit Committee required by law, has the Company voluntarily established any other functional committees? (3) Has the company established and implemented methods for assessing the performance of the Board of Directors, conducted performance evaluation annually, presented the performance evaluation results to the Board of Directors, and used the results as reference for individual director remuneration and re-election nomination?	✓		(1) The nomination and selection of members of the board of directors of the company follows the provisions of the company's articles of association and adopts a candidate nomination system. In addition to evaluating the educational experience and qualifications of each candidate, it also refers to the opinions of stakeholders, and abides by the "Rules for Director Election" and "Corporate Governance Code of Practice", diversity and independence of board members. There are 9 members of the board of directors of the company, including 6 directors and 3 independent directors. Independent directors account for 1/3 of the entire board of directors.	Conforms to the Corporate Governance Best-practice Principles

Indicator	Status			Variation from Corporate Governance Best Practice Principles, and Reason
	Yes	No	Summary	
(4) Does the Company regularly evaluate the independence of the public auditors?			<p>One independent director has a term of office of less than 3 years, and two independent directors have a term of office of 4 to 9 years. 4 directors are 61-70 years old, 5 directors are 51-60 years old.</p> <p>(2) Our Company established the Remuneration Committee on December 15, 2011, the Audit Committee on June 17, 2015 and the Nominating Committee on August 13, 2021. Other functional committees will be established as necessary in the future.</p> <p>(3) Our Company has defined the "Board of Director Management Rules" to manage the running of the Board.</p> <p>(4) When appointing CPAs and reviewing their compensation each year, the BOD evaluates the independence of these CPAs.</p>	
4. Does the listed company appoint a suitable number of designated personnel and supervisor to be in charge of corporate governance related affairs (including but not limited to furnishing information required for business execution by directors and supervisors, assisting directors and supervisors with legal compliance, handling matters relating to board meetings and shareholders meetings according to laws, processing company registration and change of registration, and producing minutes of board meetings and shareholders' meetings)?	✓		<p>The Company was approved by the resolution of the board of directors on January 15, 2021 and appointed Chen, Chun-Ying (CFO) as the chief corporate governance officer.</p> <p>The chief corporate governance officer's main responsibilities are to handle matters relevant to Board of directors and Shareholders' meeting in accordance with the law, to prepare minutes of Board meetings and Shareholders' meetings, to assist directors' inauguration and continuing professional education, to provide the directors with information required for performing their duties, and to assist the directors to act in compliance with the laws.</p>	Conforms with the Corporate Governance Best-Practice Principles
5. Has the Company established channels for stakeholder (including but not limited to shareholders, employees, customers, and suppliers) communication, set up a stakeholder section in the corporate website, and responded appropriately to important CSR issues material to shareholders?	✓		<p>Our Company has a spokesperson system in place for communication with shareholders.</p> <p>The Stakeholder section on the corporate website is expected to be completed by the end of 2015 to respond appropriately to important CSR issues material to stakeholders.</p>	Conforms to the Corporate Governance Best-practice Principles

Indicator	Status			Variation from Corporate Governance Best Practice Principles, and Reason
	Yes	No	Summary	
6. Has the Company appointed a transfer agency for organizing shareholder meetings?	✓		Our Company has appointed the "Transfer Agency Department of CTBC Securities" as the organizer of shareholder meetings.	Conforms to the Corporate Governance Best-practice Principles
7. Disclosed information (1) Has the Company set up a website to disclose its financial information and the status of corporate governance. (2) Are there other means for the Company on disclosure (such as English website, designated personnel to gather and disclose relevant information on the Company, effective implementation of the spokesperson system, and the online broadcast of institutional investor conferences)? (3) Does the company publicly disclose its annual financial report within two months after the end of the accounting year, and publicly disclose its Q1, Q2, and Q3 financial reports and monthly operation status ahead of the prescribed time limit?	✓		(1) Our corporate website: http://www.gigabyte.com/index.aspx . (2) Our corporate website is available in Chinese and English. It provides timely disclosure of company information including company profile, investor relations, CSR, products, services and current events for shareholders and consumers. (3) Pursuant to regulations, the Company has disclosed monthly operation status ahead of the prescribed time limit and included priority for improvement in the schedule for announcing and reporting financial reports.	Conforms to the Corporate Governance Best-practice Principles
8. Are there any other important information that will help with understanding corporate governance practices at the Company (including but not limited to employee rights, employee care, supplier relations, stakeholder rights, continuing education for directors and supervisors, the implementation of risk management policy and risk measurement measures, the implementation of customer policy, and the purchase of liability insurance for directors and supervisors)?	✓		(1) Employee benefits and employee care: Incentive schemes/ company facilities/company Organization and Services/Talent development (2) Investor relations: The Gigabyte website provides a disclosure platform that investors can access for financial information/ corporate governance / shareholder meeting/ shareholder services. (3) Supplier relations: Gigabyte received AEO certification as a quality enterprise in February, 2012. We have signed the Declaration of Supply Chain Safety with our suppliers and use external audits of suppliers to ensure conformity. (4) Stakeholder rights: Our Company has avoided conflicts of interest with stakeholders in accordance with the law. (5) Further education status of directors, accounting chiefs, audit chiefs and chief corporate governance officer: These personnel have completed further	Conforms to the Corporate Governance Best-practice Principles

Indicator	Status			Variation from Corporate Governance Best Practice Principles, and Reason
	Yes	No	Summary	
			<p>education at the regulatory length. Please refer to the annexe (Note) for details.</p> <p>(6) Risk management policy: Gigabyte has risk management policies in place for inventory, equipment, buildings and receivables. We are also insured against any potential losses.</p> <p>(7) Liability insurance for directors and supervisors: This Company buys liability insurance for all directors and supervisors by the Company.</p>	
<p>9. Please specify the status of improvements and prioritized improvements with reference to the Corporate Governance Evaluation results announced by the Corporate Governance Center of the Taiwan Stock Exchange Corporation in the previous year.</p> <p>Completed improvements: Information regarding the Company's financial, business, and corporate governance status are already disclosed on the corporate website.</p> <p>Prioritized improvements: Priority for improvement will be included in the schedule for establishing the Information Security Risk Management Framework and setting the Information Security Risk Policy as well as the Concrete Management Solution.</p>				

Note1: The evaluation criteria of accountant independence

The evaluation item for accountant independence	result of evaluation	Is it consistent with independence?
1. Does the accountant have a direct or significant indirect financial interest relationship with the company?	No	Yes
2. Whether Accountants, Spouses and Underage Children Hold GIGABYTE's Stock?	No	Yes
3. Does the accountant have financing or guarantee activities with the company or the company's directors and supervisors?	No	Yes
4. Does the accountant have close business relationship and potential employment relationship with the company?	No	Yes
5. The accountants and members of the audit service team are currently or in the last two years whether they act as directors, supervisors, managers or have significant influence on auditing cases in the company?	No	Yes
6. Does the accountant provide non-audit services to the company that may affect the audit work?	No	Yes
7. Does the accountant publicize or mediate shares or other securities issued by the company?	No	Yes
8. Whether the accountant acts as the defender of the company or coordinates the conflicts with other third parties on behalf of the company?	No	Yes
9. Whether the accountant has kinship with the company's directors, supervisors, managers, or persons who have significant influence on the auditing?	No	Yes
10. Whether the accountant is dismissed by a joint certified public accountant within one year as the supervisor or manager of the company or has a significant influence on the audit case?	No	Yes

Note2: Status of further education of directors, accounting chiefs, and audit chiefs in 2021.

Title	Name	Date	Course	Hours
Chairman	Yeh, Pei-Chen	March 15, 2021	Employee and directors' Compensation - How they are affected by the amendment to Article 14 of the Securities and Exchange Act	3
		Aug 13, 2021	The application and legal liability of business judgment rule in economic crime	3
Vice Chairman	Liu, Ming-Hsiung, Representative of Mingwei Investment Co., Ltd.	March 15, 2021	Employee and directors' Compensation - How they are affected by the amendment to Article 14 of the Securities and Exchange Act	3
		November 5, 2021	The 2021 Advocacy Briefing on Prevention of Insider Trading	3
Director	Ma, Mou-Ming Representative of Shih-Chia Investment Co., Ltd.	March 15, 2021	Employee and directors' Compensation - How they are affected by the amendment to Article 14 of the Securities and Exchange Act	3
		Aug 13, 2021	The application and legal liability of business judgment rule in economic crime	3
Director	Tseng, Chun-Ming Representative of Yuei-yei Kai Fa Investment Ltd.	March 15, 2021	Employee and directors' Compensation - How they are affected by the amendment to Article 14 of the Securities and Exchange Act	3
		Aug 13, 2021	The application and legal liability of business judgment rule in economic crime	3
Director	Ko, Cong-Yuan Representative of Shih Dah Investment Co., Ltd.	March 15, 2021	Employee and directors' Compensation - How they are affected by the amendment to Article 14 of the Securities and Exchange Act	3
		Aug 13, 2021	The application and legal liability of business judgment rule in economic crime	3

Title	Name	Date	Course	Hours
Director	Li, E-Tay Representative of Xi Wei Investment Co., Ltd.	March 15, 2021	Employee and directors' Compensation - How they are affected by the amendment to Article 14 of the Securities and Exchange Act	3
		Aug 13, 2021	The application and legal liability of business judgment rule in economic crime	3
Independent Director	Wang, Hwei-Min	March 15, 2021	Employee and directors' Compensation - How they are affected by the amendment to Article 14 of the Securities and Exchange Act	3
		Aug 13, 2021	The application and legal liability of business judgment rule in economic crime	3
Independent Director	Chan, Yi-Hung	March 15, 2021	Employee and directors' Compensation - How they are affected by the amendment to Article 14 of the Securities and Exchange Act	3
		Aug 13, 2021	The application and legal liability of business judgment rule in economic crime	3
Independent Director	Yang, Cheng-Li	May 7, 2021	Corporate governance and business management	3
		Aug 13, 2021	The application and legal liability of business judgment rule in economic crime	3
		Dec 10, 2021	Corporate social responsibility, sustainable management, as well as introduction to insider trading and anti-corruption	3
CFO	Chen, Chun-Ying	March 25-26 2021	Further Education Course for Accounting Chiefs of Issuers, Securities Companies, and Stock Exchanges	12
Chief corporate governance officer	Chen, Chun-Ying	Mar 15, 2021	Employee and directors' Compensation - How they are affected by the amendment to Article 14 of the Securities and Exchange Act	3
		Apr 13, 2021	Corporate Governance Lecture-Analysis of Practical Cases of Criminal Liability of Directors and Supervisors	3
		Apr 22, 2021	Analysis of Important Policies and Measures of the Latest Corporate Governance 3.0 Sustainable Development Blueprint	3
		May 28, 2021	The Role and Operational Practice of Independent Directors in Corporate Governance	3
		Jun 29, 2021	Corporate Governance Lecture No. 87	3
		Aug 13, 2021	The application and legal liability of business judgment rule in economic crime	3
Audit Chief	Ting, Yu-chi	Mar 19, 2021	Workshop on "Computer Audits" for Internal Auditors - "Sales and Collection Cycle"	6
		Nov 18, 2021	Cross-strait Tax Auditing and Regulations in Practice	6

IV) Composition, Duties, and Operations of the Remuneration Committee:

The Company's Board established the Compensation Committee in December 2011 and elected members for the fifth term of the committee on July 2, 2021. Mr. Wang, Hwei-Min(independent director) was consecutively elected to a fifth term of the chairman of the Compensation Committee.

1. Information on the members of the Compensation Committee

Identity Category (Note 1)	Qualification	Meet One of the Following Professional Qualification Requirements, Together with at Least Five Years Work Experience	Status of independence (Note 2)										Number of Other Public Companies in Which the Individual is Concurrently Serving as an Remuneration Committee Member	Remark			
			1	2	3	4	5	6	7	8	9	10					
	Name	An Instructor or Higher Position in a Department of Commerce, Law, Finance, Accounting, or Other Academic Department Related to the Business Needs of the Company in a Public or Private Junior College, College or University	A Judge, Public Prosecutor, Attorney, Certified Public Accountant, or Other Professional or Technical Specialist Who has Passed a National Examination and been Awarded a Certificate in a Profession Necessary for the Business of the Company	Have Work Experience in the Areas of Commerce, Law, Finance, or Accounting, or Otherwise Necessary for the Business of the Company													
Independent Director	Wang, Hwei-Min		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	None	Successive Appointed on July 2, 2021	
Independent Director	Chan, Yi-Hung			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	None	Dismissal of appointment on July 2, 2021		
Independent Director	Yang, Cheng-Li			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	None	Successive Appointed on July 2, 2021		
Other	Peng, Peng-Huang			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	None	New Appointed on July 2, 2021		

Note 1: Please fill out Department of directors, independent directors or other

Note 2: Respective director and supervisor who meet the following qualifications 2 years before assumption of office or at the time of assumption office shall put a "✓" in the appropriate space.

- (1) Not an employee of the Company or its affiliates.
- (2) Not a director or supervisor of the company or any of its affiliates (the same does not apply, however, in cases where the person is an independent director of the company, its parent company, subsidiary or any subsidiary of the same parent company established pursuant to this act or local regulations).
- (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings.
- (4) Not a manager listed in (1) or a spouse, second degree kin or closer, or a direct blood relative of third degree or closer to anyone listed in (2) and (3).
- (5) Not a director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total number of issued shares of the company or of a corporate shareholder that ranks among the top five in shareholdings or of a corporate shareholder that appoints a representative, as provided in Paragraphs 1 or 2, Article 27 of the Company Act, to act as a director or supervisor of the company (the same does not apply, however, in cases where the person is an independent director of the company, its parent company, subsidiary or any subsidiary of the same parent company established pursuant to this act or local regulations).
- (6) Not a director, supervisor, or employee of other companies controlled by the same person with more than half of the company's director seat or voting shares (the same does not apply, however, in cases where the person is an independent director of the company, its parent company, subsidiary or any subsidiary of the same parent company established pursuant to the this act or local regulations).
- (7) Not a director, supervisor, or employee of another company or institution of the same person or spouse who is the company's chairman, president, or persons with equivalent position (the same does not apply, however, in cases where the person is an independent director of the company, its parent company, subsidiary or any subsidiary of the same parent company established pursuant to this act or local regulations).

- (8) Not a director, supervisor, manager or shareholder holding 5% or more of the shares, of a specified company or institution that has a financial or business relationship with the company (the same does not apply, however, in cases where the specified company or institution hold 20% or more but less than 50% of the company's shares and the person is an independent director of the company, its parent company, subsidiary or any subsidiary of the same parent company established pursuant to this act or local regulations).
- (9) Not a professional who provides auditing service or provides commercial, legal, financial, accounting services or consultation, for which a cumulative compensation of less than NT\$500,000 is obtained in the past two years, to the Company or its affiliates, nor is an owner, partner, director, supervisor, or manager, or the spouse of any of the above, of a sole proprietorship, partnership, company, or institution that provides such services to the Company or its affiliates; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Securities and Exchange Act or to the Business Mergers and Acquisitions Act or related laws or regulations.
- (10) Not under any of the categories stated in Article 30 of the Company Act.

2. The powers and jurisdiction of the Compensation Committee

- * On a regular basis, evaluate and recommend on the Company's policies, institutions, standards, and structure of the annual and long-term performance targets and compensation for directors, supervisors, and managers.
- * Evaluate and recommend on the level of performance of the Company's directors, supervisors, and managers, and the nature and amount of their compensation.

3. The operation of the Compensation Committee

- (1) The Company's Compensation Committee consists of three members.
- (2) The duration of this term: June 11, 2018 to July 1, 2021(4th committee), the 5th committee is from July 2, 2021 to July 1, 2024. In 2021, the Compensation Committee held 5 committee meetings (A). The attendance record of members is as follows:

Title	Name	Actual attending B	Authorized attending	Ratio of actual attending (%) [B/A] (Note)	Remark
Convener	Wang, Hwei-Min	5	0	100%	Successive Appointed on July 2, 2021
Committee	Chan, Yi-Hung	3	0	100%	New Appointed on June 12, 2019
Committee	Yang, Cheng-Li	5	0	100%	Successive Appointed on July 2, 2021
Committee	Peng, Peng-Huang	2	0	100%	New Appointed on July 2, 2021

Other matters that should be documented:

I. Recommendations of the Compensation Committee rejected or modified by the Board: None.

II. Resolutions of the Compensation Committee that met opposition or reservation from members and have been documented: None.

III. Extracts from important agendas in the 2021 Remuneration Committee meeting:

Date of Meeting (Session)	Agenda and follow-up	Remarks and Other Recommendations
January 15th, 2021 (The 10 th session of 4 th)	1.Assessment and recommendation on the year-end bonus for managers of the Company. 2.Establishment of the Company's Regulations Governing Performance Evaluation of The Board of Directors. 3.The Company's regulations on the performance bonus of each business groups for 2021	None
	Resolutions adopted by the Remuneration Committee: Passed by all committee members as proposed.	
	Actions taken by the company in response to the opinion of the Remuneration Committee: Passed by all attending directors as proposed.	
March 13th, 2021 (The 11 th session of 4 th)	•Assessment and recommendation on the distribution of compensations to employees and directors in 2020.	None
	Resolutions adopted by the Remuneration Committee: Passed by all committee members as proposed.	
	Actions taken by the company in response to the opinion of the Remuneration Committee: Passed by all attending directors as proposed. The first proposal will be reported to the 2022 Annual Shareholders' Meeting.	
May 14th, 2021 (The 12 th session of 4 th)	•Assessment and recommendation on 2020 distribution of remuneration to directors.	None
	Resolutions adopted by the Remuneration Committee: Passed by all committee members as proposed.	
	Actions taken by the company in response to the opinion of the Remuneration Committee: Passed by all attending directors as proposed.	

August 13th, 2021 (The 1st session of 5th)	1.Assessment and recommendation on the Company's distribution of remuneration for managers in 2020 in accordance with business performance	None
	2.Assessment and recommendation on the salary (annual salary adjustment) for managers of the Company	
	Resolutions adopted by the Remuneration Committee: For proposal two on the Group's salary adjustments for 2021, alternative arranges will be made for loss-making subsidiaries and all others were approved as proposed. Proposal 1 passed by all members of the Remuneration Committee.	
Actions taken by the company in response to the opinion of the Remuneration Committee: Passed by all attending directors as proposed.		

- Note: (1) Before the end of the year, if a member of the compensation committee leaves his position, his termination date should be noted in the remarks section. The actual attendance percentage is calculated according to the number of meetings and actual attendance during the term of the committee.
- (2) Before the end of the year, if there is a re-election of the Compensation Committee, the former and current committee members should both be listed. In the remarks section, whether a member is newly elected or reelected should be noted, along with the election date. The actual attendance percentage is calculated according to the number of meetings and actual attendance during the term of the committee.

V) Composition and operating status of the Nominating Committee:

The Remuneration Committee was established by the Board of Directors in August 2021. The 1st Nominating Committee was chosen on August 13, 2021, with Independent Director Yang, Cheng-Li appointed as the convener of the 1st Nominating Committee.

1. Role and responsibility of the Nominating Committee:

- (1) Laying down the standards of independence and a diversified background covering the expertise, skills, experience, gender, etc. of members of the Board of Directors and the Group President, and finding, reviewing, and nominating candidates for directors and Group President.
- (2) Establishing and developing the organizational structure of the Board and each committee, evaluating the performance of the Board, committees, directors and Group President, as well as evaluating the independence of the independent directors.
- (3) Establishing and reviewing on a regular basis programs for directors' continuing education and the succession plans of directors and Group President.
- (4) Establishing corporate governance guidelines of the Company.

2. Professional qualifications and experience of Nominating Committee members, and the operation of the Committee:

- (1) There are three members in the Company's Nominating Committee.
- (2) Current term of office: From August 13, 2021 to July 1, 2024. The Nominating Committee met five times in the previous year [A]. The members' qualifications, experience, attendance and agenda were as follow:

Title	Name	Professional qualifications and experience	Attendance in Person [B]	By proxy	Attendance Rate in Person (%) [B/A] (note)	Remarks
Convener	Yang, Cheng-Li	•Independent Director •Extensive experience in business management, leadership, decision-making and the industry.	1	0	100%	
Committee Member	Yeh, Pei-Chen	•Company Chairman •Extensive experience in business management, leadership, decision-making and the industry.	1	0	100%	
Committee Member	Wang, Hwei-Min	•Independent Director •Professional business management ability along with knowledge of corporate governance trends and securities regulation	1	0	100%	
Other matters that require reporting:						
1. Recommendations of the Nominating Committee that were not adopted, or were amended, by the Board of Directors: None.						
2. Any objection or expression of reservations by an independent director of which there is a record or written statement: None.						

Note:

- (1) Where a member of the Nominating Committee separated from the Company before the end of the financial year the date of separation should be noted in the Remarks. Attendance rate in person (%) should be calculated based on the number of Nominating Committee meetings convened and their actual attendance while they were still with the Company.
- (2) Where by-elections for a member of the Nominating Committee was held before the end of the financial year, the outgoing and incoming member of the Nominating Committee should both be listed. Whether the Committee member is incoming, outgoing, re-elected, and their date of by-election should also be noted in the Remarks. Attendance rate in person (%) should be calculated based on the number of Nominating Committee meetings convened and their actual attendance while they were with the Company.

3. Summary of 2021 Nominating Committee agenda:

Date of meeting (Term)	Agenda and Follow-up	Remarks and Other Recommendations
November 12th, 2021 (The 1nd session of 1th)	•Election of Convener for the 1st Nominating Committee	None
	Result of Nominating Committee resolution: Passed by all Nominating Committee members as proposed.	
	The Company's response to the Nominating Committee's opinion: Passed by all attending directors as proposed.	

(VI) Promotion status of sustainable development, deviations from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons:

Gigabyte's vision of promoting sustainable development is based on the basic tenet "innovative technology optimizes the beauty of life" in the aspects of operating, product, environment and society, thus setting up the 4 major directions to promote the policy of sustainable development including the excellent industrial capabilities of research and development (R & D) and innovation, the development of low carbon technology making Gigabyte provide friendly product services and sincere caring for the society as well as achieving the goal of mutual benefits and common good by the means of actively creating the sustainable value for the company, for the environment and for the society. Nevertheless, ever since the United Nation has announced its sustainable development goals in 2015, we have also reviewed our global influence by the means of promoting sustainable development. Consequently, among the 17 goals of sustainable development, we have chosen 6 goals and 2 self-responsive targets that highly link to Gigabyte's operation management. By integrating with promoting directions in regard to the policies of corporate social responsibilities established by the Gigabyte Green sustainable development committee, it's expected that future facilitation of the relevant special projects and acts will broaden the company's vision and ambitions, thus promoting more forward-looking and influential acts to the society.

Sustainable Development Policy

1. Strive to improve the efficiency of our energy and resource use, eliminate hazardous substances, make zero waste and emissions our goal.
2. Implement clean production and strengthen green supply chain management to push for sustainable development based on the highest ethical standards and guidelines.
3. Develop low-carbon technologies and green products, promote green consumption, build a green brand.
4. Care for the environment and ecology and achieve symbiosis with planet Earth.
5. Care for culture and society

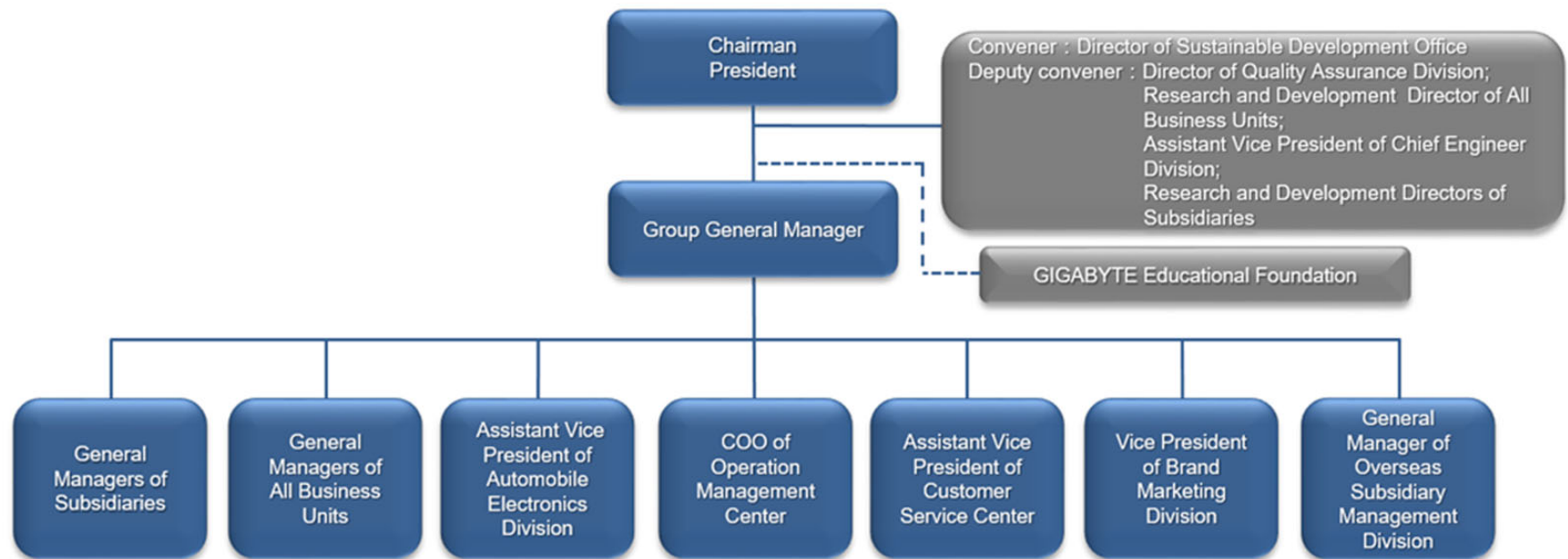
Gigabyte Green Sustainable Development Committee:

Gigabyte has established the "WEEE/RoHS Committee" in 2005 on the basis of operation risk control. The committee is mainly responsible for framing kinds of policies such as WEEE and RoHS to comply with environmental regulations, promoting the group to pay attention on environmental issues and to carry out relevant policies, and conducting education training. In 2009, in order to further extend its management scope, Gigabyte not only set sustainable development as an important management goal of the Company in the future but also changed the committee's name to "Green Sustainable Development Committee", which has become a committee in charge of the overall planning, decision-making and operation of Gigabyte's promotion of sustainable development.

The current chairman of the committee is the Company's CEO; the convener is the supervisor of the sustainable development office; while the vice conveners are the supervisors of the R&D management office, general engineering office and quality office from each group company and subsidiary of the Company. A meeting among group companies, factories and subsidiaries is held every month. The representative from each organization will keep communicating with stakeholders during daily operation and collect their feedbacks to manage various stakeholder issues. They will also report the conclusion of each monthly meeting and communication items to chief executive's office regularly during Gigabyte's meetings to facilitate the management team to control Gigabyte's operation, corporate social

responsibilities commitment link and the progress of sustainable development policy's practice. The Board of Directors is briefed by the GIGABYTE Green Sustainable Development Committee. The Board should determine the feasibility of the strategy, review its progress, and require changes to be made by the Committee where necessary. The goal is to ensure that GIGABYTE's promotion of Environmental, Social, and Governance (ESG) sustainability factors are in line with the latest standards.

Organization Chart:



Sustainable Development Goals and Results

Term	Goals	Practice and Effectiveness
•Short	<ul style="list-style-type: none"> •Optimize environmental and safety policies and commitments •Ensure compliance with customer and environmental requirements of products. •Strengthen employee awareness and the urgency of environmental protection and spread from the enterprise through the family to society from: Love for Earth with True Environmental Protection. 	<ul style="list-style-type: none"> •Obtained ISO14001 and OHSAS 18001 (currently ISO45001 Occupational Health and Safety Management System) and improved the environmental monitoring practices of Gigabyte and employees' work environment. •Focused on the R&D and innovation of green product and green technology and produced high-quality products to satisfy customers. •Activated the 2009 Green Action Plan for employees to fully understand the importance of sustainable environment cumulative number of participant 114,315. •Established the Gigabyte to Green Club .At the environmental services event where participants walked around the island to help clear rubbish, here were 1,740 participants, each clocking in 999.04 kilometers on the road with 12,326.05 kilograms of plastic waste collected.
•Medium	<ul style="list-style-type: none"> •Promote business ethics and CSR •Establish the organization level GHG and product carbon footprint performance indicator system •Continuingly reduce the carbon emissions and environmental impacts of products. 	<ul style="list-style-type: none"> •Published the sustainable development report on an annual basis and the code of business conduct in 2010. •Began promoting ISO14064 GHG inventory in 2009. Across the entire corporation, emission for 2019 was 28,458.54 metric tonnes of CO₂e; 28,649.86 metric tonnes of CO₂e in 2020. The 41.48% decrease from 48,957.14 metric tonnes emitted in 2009 was due to indirect emissions in Category II. •Expanded the scope of GHG inventory to Scope 3 in 2015. In 2021, indicators and guidelines were set for assessing the significance of indirect greenhouse gas (GHG) emission from Scope 3 to Scope 6 in accordance with the ISO 2018 standard. After the identification and weighted analysis of emission sources, those that scored more than 3 were listed as material indirect emission sources prioritized for quantitative inventory. The externally verified total GHG emissions for the year was 5,797,836.671 tons. •Implemented LCA assessment on all products to develop a product EIA system and database.
•Long	<ul style="list-style-type: none"> •Share value with society through “Upgrade Your Life” •Create customer value and eco-friendly products to build a green brand. 	<ul style="list-style-type: none"> •Promoted SROI assessment in 2016 to value Gigabyte’s social influence. •Promoted the Green Action Plan 2.0 to extend Gigabyte’s value sharing. •In 2018, issued the first Gigabyte Product Environment Report in Taiwan. In 2019, extended the number of disclosure items to 12 and fully disclosed the data of its products’ influence to the environment,

Term	Goals	Practice and Effectiveness
		<p>community and human bodies. By this report, Gigabyte protects the environment together with its consumers.</p> <ul style="list-style-type: none"> •Established the motto “Reduce, Share, Love the Earth, Collaborate” to share our love for the Earth with our suppliers. Organized a large-scale suppliers meeting to raise awareness among the suppliers of Gigabyte’s sustainability movement and create a win-win situation as we grow with them. •Launched the “Remembering the Sea is Our Home” project to adopt Dayuan Beach in Taoyuan.

Major CSR Events:

- 2009 Established the Gigabyte Sustainable Development Committee to make commitments to promote sustainable development.
- 2009 Activated the “Green Action Plan from the Heart” to plan short-, medium-, and long-term strategies to confirm sustainable development goals.
- 2009 Organized the “Gigabyte Technology Environmental Policy Presentation” and held supplier conferences to explain Gigabyte’s environmental policy to work for environmental protection together with suppliers.
- 2009 Organized a conference on the “Promotion Procedure for Product Carbon Footprint Declaration”.
- 2010 Published Gigabyte’s first sustainability report to disclose ESG performance and demonstrate the company’s determination to promote sustainable development.
- 2011 Invited employees to make commitments to contribute to mitigate climate change.
- 2011 Organized the “Green Ideas” creativity activity to encourage total participation, multiple development, and energy saving education to disseminate sustainable development.
- 2012 Awarded the “Industrial Sustainable Excellence Award” at the 13th Industrial Sustainable Excellence Awards organized by the Industrial Development Bureau, Ministry of Economic Affairs.
- 2012 Developed the sustainable supply chain evaluation to extend CSR, environmental protection, labor rights, fair commercial practice, supply chain responsibility, and social and local contributions, so as to work for a sustainable future.
- 2012 Promoted the recycling of waste electrical and electronic equipment at all service locations regardless of brands to reduce load and hazards on the environment.
- 2013 Organized the “Green Product Innovation” activity to set the foundation toward sustainable development based on sustainability, innovation, and value.
- 2013 Pioneered the green roof on office buildings for protecting Earth and promoting employee health by growing trees to promote sustainability and environmental education.
- 2013 Formed the volunteer service team, Gigabyte Green Club, to promote enterprise volunteer service for the environment and society.
- 2013 Promoted the “eco working holiday” to contribute ourselves to realize environmental protection to protect our home.
- 2013 Awarded the “Excellence Award for Energy-Saving & Emission Reduction Mark” in the office category by the Environmental Protection Administration, Executive Yuan.
- 2014 Organized the “Meeting Green Happiness” serial activities: family guided tour, family painting competition, and

- eco-photography contest to indigenize environmental protection and sustainable development in daily life.
- 2014 Ranked the top 18th in the large enterprise category in the “Excellence in Corporate Social Responsibility Survey” organized by the Common Wealth Magazine and the TCSA Climate Leader Award.
- 2014 Awarded the “Excellence Award for Environmental Education in New Taipei City” in the private sector category.
- 2014 Organized the “Reducing Operational Risk in Green Supply Chain and the Waste of Resources” conference to emphasize product responsibility, so as to create a win-win situation with suppliers.
- 2014 Promoted the GMCP (Green Material Cloud Platform) with Green Share Technology to reduce the management risk of hazardous substances, enhance management efficiency, and cope with future legal trends. Organized the GMCP supplier conference to work for environmental protection with suppliers.
- 2015 Won the “Excellence Award” in the private sector category of the National Environmental Education Awards.
- 2015 Promoted the legislation of green roof and built the urban eco-corridor to reduce the urban heat island effect and relieve electricity consumption at summer peak hours to reduce the demand for nuclear energy.
- 2015 Rated as the top 30 in CSR in the CSR Survey conducted by the *Global View Magazine*.
- 2015 Ranked Taiwan’s top 36th enterprise and top 17th in the social aspect at the Excellence in Corporate Social Responsibility Award by Common Wealth Magazine.
- 2016 Ranked Taiwan’s top 40th enterprise and top 16th enterprise in the electronics industry in the CSR Survey by Global View Magazine.
- 2016 Ranked Taiwan’s top 32nd enterprise and top 14th in the environmental aspect at the Excellence in Corporate Social Responsibility Award by Common Wealth Magazine.
- 2016 10th Excellent Enterprise Award by the Taoyuan City Government.
- 2017 The Global View Magazine released the "CSR Survey 2017", which listed Gigabyte the top 40th enterprise and the winner of the award of Model Enterprise in Electronics industry.
- 2017 The Common Wealth Magazine listed Gigabyte the top 18th enterprise and the winner of "Corporate Citizenship Awards 2017".
- 2017 Gigabyte was awarded "TCSA Climate Leadership Award 2017" (There were only ten enterprises winning the award, listed as Taiwan Top 50 Sustainable Enterprise (including 9 enterprises in the technology industry, and Gigabyte ranked the 6th place) and awarded Top 50 Sustainable report Gold Medal.
- 2017 Gigabyte was awarded "2017 ISO 14001+ Award Model Enterprise in Environmental Performance".
- 2018 Top 5 electronics & technology companies listed in the 2018 CSR Survey by Vision magazine; Top 6 in education & promotion of CSR.
- 2018 In 2018, listed in the top 21 Taiwanese corporations for the world corporate citizen award.
- 2018 In 2018, received the TCSA Climate Leadership Award (13 companies received the award). Top 50 sustainable businesses (placed 5th of 14 technology companies). Top 50 sustainability report gold award.
- 2018 Organized the “Reduce, Share, Love the Earth, Collaborate” supplier meeting in 2018 to share Gigabyte’s sustainable business activities and work with suppliers to develop growth opportunities with focus on sustainability.
- 2018 Issued our first Gigabyte Technology Environmental Report in 2018, working together with the consumers to protect our environment.
- 2019 Ranked Top 5 of Electronics and Technology Industry in the Common Wealth CSR Survey

- 2019 Ranked top 33 of corporate citizens in Taiwan in the Commonwealth Corporate Citizenship Award
- 2019 Won the Taoyuan City Excellent Enterprise Award
- 2019 Won the 2019 Award of Excellence in Corporate Promotion of Family-Friendly Workplace in New Taipei City
- 2020 Won the Model Award of Electronics and Technology Industry in the Common Wealth CSR Survey
- 2020 Ranked top 26 of corporate citizens in Taiwan in the Commonwealth Corporate Citizenship Award
- 2020 Ranked number 649 in Forbes the World's Best Employers 2020, which is the ninth highest in Taiwan.
- 2020 Won the “Epidemic Prevention Gold Award” given by Taiwan Immunization Vision and Strategy.
- 2021 Ranked Top 6 in the Electronic Technology Industry and Top 8 in the Social Innovation category of the 2021 Global Views Magazine CSR Awards.

Gigabyte Technology’s Sustainability Program:

As a member of the global village, we not only want to bring high-quality and high-value products to our consumers, but also bear the responsibility to protect our world. In 2019, we actively carried out the sustainable development strategy “Reduction, Sharing, Love for Earth” on the basis of Green Action Plan 2.0. Furthermore, we have shown GIGABYTE’s philosophy and values on various perspectives such as responsible consumption and production, climate action, sustainable cities and communities, and quality education to reflect UN Sustainable development goals. In terms of products, the carbon footprint evaluation system for products in the whole group is officially launched. Impact of carbon emissions have been taken into consideration when designing products, and the environmental friendly package which is 100% made by rice hulls (recycle fiber of plant) has also been introduced to gaming laptops AORUS X7 and X9. In 2019, we extended the number of disclosure items in Product Environment Report to 12 and fully disclosed the data of our products’ effect to environment, community and human bodies, which is an important milestone for our goal to achieve zero carbon, zero waste, environmental friendly, and society friendly. In terms of the environment, we continue the idea used when establishing G-HOME - Plant for the Planet. We also cooperate with the UNEP authorized foundation Plant-for-the-Planet, initiated the project “Make Earth Green Again”, in which an action promotion project lasting for at least three years is planned. We, together with our consumers, business partners, students and all the other fellows caring about our planet will devote ourselves in the project. In 2020, we adopted Forestry Bureau’s forest land in Pinglin and planted 1,500 indigenous species trees for Taiwan. In terms of the society, G-HOME has obtained the authentication “Environmental Education Facilities and Venues” from Environmental Protection Administration and become the first building rooftop recognized as an environmental education venue, spreading the positive influence of GIGABYTE’s sustainable green rooftop. Additionally, we held the “Reduction, Sharing, Love for Earth” Green Product Design Competition and sponsored UX Trans-Action Award, hoping to encourage college students to express their sustainable concept, novelty and ingenuity and design consumer friendly, environmental friendly and society friendly works.

Please visit the Gigabyte CSR website for more information: <https://csr.gigabyte.tw/>

Gigabyte Education Foundation

The “Gigabyte Education Foundation” was set up in March 2002 to achieve harmonious progress in the society by promoting technology education, arts and humanities, and enhancing lives. We aim to realize our goal of giving back to society through the elevation of technology education, creativity, the arts and humanities, and social programs like caring for the marginalized. Leading by example, we hope to guide our employees and partners to participate in charitable and social activities, ensuring that the communities that we live in benefit from the active involvement of Gigabyte personnel.

Please refer to the Gigabyte Education Foundation site for more information: <http://www.gigabyte.org.tw/>

Promotion status of sustainable development, deviations from Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies":

Indicator	Implementation			Variation from Corporate Sustainable Development Best Practice Principles, and Reason
	Yes	No	Summary	
1. Whether the Company set up to promote a sustainable development management structure, namely a full-time (part-time) unit, which is authorized and supervised by the Board of Directors for senior management level handling?	√		Our Company has established a “Gigabyte Green Sustainability Development Committee” headed by the executive president for promoting corporate social responsibility policies. Monthly meetings are held to review results and conduct improvements. Progress is reported to three Board directors each week. The Board of Directors is briefed by the GIGABYTE Green Sustainable Development Committee. The Board should determine the feasibility of the strategy, review its progress, and require changes to be made by the Committee where necessary.	Conforms to the Corporate Sustainable Development Best Practice Principles for TWSE/GTSM-Listed Companies.
2. Exercising Corporate Governance Does the Company conduct risk assessment on environmental, social, and corporate governance issues related to the Company's operation in accordance with the principle of materiality and then formulate relevant risk management policies or strategies?	√		The Gigabyte Green Sustainable Development Committee is responsible for assessing environmental and social risk as well as the setting of their management policy in accordance with the Company’s principle of materiality. Global Operations and Risk Management Division is responsible for assessing operating risk policy and the setting of its management policy. The Financial and Accounting Division is responsible for assessing corporate governance risk and the setting of its management policy. The Audit Committee is responsible for supervising the control of existing or potential corporate risks; the establishment of risk management mechanism for early identification, effective monitoring and control that is continuously adjusted in response to changes in the internal and external environment serves to	Conforms to the Corporate Sustainable Development Best Practice Principles for TWSE/GTSM-Listed Companies.

		<p>safeguard to interests of stakeholders and create value for the Company. For details, please refer to the 2021 Gigabyte Sustainable Development Report, sections 2.3 Risk Management, 3.2 Climate Change Mitigation and Adaptation, and 4.12 Supplier Risk Management. For information on corporate governance, please visit the Corporate Governance website https://www.gigabyte.com/tw/Investor/81.</p>	
<p>3. Environmental Issues</p> <p>(1) Has the Company established a proper environmental management system based on the characteristics of the industry?</p> <p>(2) Is the Company committed to improving the efficiency of the various resources and using recycled materials which have a low impact on the environment?</p> <p>(3) Does the Company assess the current and future potential risks and opportunities of climate change for the company and take measures to address climate-related issues?</p> <p>(4) Does the Company calculate the greenhouse gas emissions, water consumption, and total weight of waste in the past two years, and establish energy conservation and carbon reduction, greenhouse gas reduction, water consumption reduction, or other waste management policies?</p>	√	<p>(1) Gigabyte is committed to promoting environmental sustainability through the strengthening of corporate sustainability and environmental sustainability policies. Management systems are used to form the basis for implementing environmental and quality initiatives at each site. Gigabyte believes that the constantly changing issues on green management can only be addressed by creating a systematic management approach. In 1998, Gigabyte received ISO14001 and ISO9001 certifications and in 2005, the Company became the world's first system manufacturer to pass the IECQ QC 080000 verification. Since then, we have introduced ISO 14064 and PAS 2050 standards to achieve the environmental goal of low-carbon management. Regarding hazardous substance management, Gigabyte constantly monitors the status of environmental laws around the world, such as: REACH, EU Batteries Directive, EU Packaging Directive, and China RoHS, in order to provide consumers with safe products that meet international laws and customer requirements. Currently, Gigabyte's products including motherboard, graphics card, optical disc drive, chassis, and</p>	<p>Conforms to the Corporate Sustainable Development Best Practice Principles for TWSE/GTSM-Listed Companies.</p>

		<p>power supply, are compliant with the EU RoHS Directive. In addition, Gigabyte has established the Gigabyte Harmful Chemical-Substances Requirements (HCSR). We ask our partners to comply with these requirements. By following the principle of "mastering the present and monitoring the future", we classify hazardous substances to systematically manage them and, where appropriate, we include hazardous substances that are regulated by law in our list of controlled highly hazardous substances and further restrict or prohibit their use to meet regulatory requirements regarding elimination of hazardous substances. In 2019, Gigabyte updated its HCSR to Version 4.5, in which PVC and its mixture are upgraded to Level A. After confirmation with its business groups and announcement of applicable regulations in California, USA, Gigabyte included TDCPP and TECP in its product regulation to more comprehensively manage all potential chemical substances, even though Gigabyte products do not contain TDCPP and TECP. In 2020, HCSR has been updated to version 4.6, mainly revised the Directive 2013/56/EU; Gigabyte has already continued to track and audit all of its suppliers to ensure that they meet the HCSR of Gigabyte. The Harmful Chemical-Substances Requirement (HCSR) was updated to version 4.7 in 2021 based on the US Toxic Substances Control Act (TSCA) and Model Toxics in Packaging Legislation (TPCH). Gigabyte is continuing to track and audit all suppliers to ensure compliance with Gigabyte HCSR.</p> <p>(2) Right at the product design stage, our Company begins to consider probable environmental impacts and designs products from the</p>	
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		<p>viewpoint of “minimizing environmental load” to realize an eco-design from the source to end-users. Our Company is also committed to implementing factory waste reduction and recycling to reduce resource depletion. Continuous process improvements and automation are also practiced. Gigabyte aims to improve resource utilization and realize responsible production throughout the development, production, use, and disposal of products. Launched RFP (Recycle Fiber of Plant) in 2017, successfully producing environmentally friendly bags 100% made from grain husks. Launched MFCA (material flow cost accounting) in 2018 to enable sustainable recycling. In 2019, the Company established the Reduction Award System to encourage employees in the group to get creative for increasing the group’s motive to reduce carbon, water and waste, creating diversity to the group and the environment.</p> <p>(3) As the "climate risk measurement" has a critical impact on the sustainable operation of modern enterprises. Gigabyte Technology deeply agrees that enterprises are entrusted with the task of protecting the Earth, responding to the climate change is the key link to the enterprise's sustainable operation. From day-to-day operations, product research and development to providing services, those measures are to actively reduce environmental impact and continuously put efforts on fulfilling the green production target. In the face of climate change, Gigabyte Technology has established the Green Sustainable Development Committee and the Green Energy Plan for implementing</p>	
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		<p>management strategy in the five directions as follows:</p> <ol style="list-style-type: none"> 1. Trend Mastery: Monitoring the risk issues in regard to climate change management. 2. Current situation analysis and prevention: Current inventory operation status and the fulfillment of management targets. 3. Product Management and Innovation: Mastering market trends and developing innovative products. 4. Environmental education: To create environmental protection atmosphere and establish the internal concept in regard to environmental sustainability. 5. Innovation Management Program: Urban adjustment and adaptation action, building up new pipe Strategy. <p>Financial Stability Board officially released the Task Force on Climate-related Financial Disclosures in June, 2017, which requires enterprises to provide relevant and reliable financial measurement information for stakeholders. Gigabyte disclosed potential risks and opportunities brought by the climate change in its sustainable development report as required by TCFD.</p> <p>(4) Gigabyte has conducted inventory of the Group's greenhouse gas data since 2007, collected statistics on the Group's water consumption and waste data since 2010, and disclosed relevant data and management policies in its CSR report. For details, please refer to the 2021 Gigabyte sustainable development Report, section 3.1 Environmental</p>	
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			Management Policies.	
<p>4. Social Issues</p> <p>(1) Has the Company drafted management policies and procedures in accordance with the relevant laws and international conventions on human rights?</p> <p>(2) Does the company formulate and implement reasonable employee benefits measures(including compensation, leave, and other benefits)) and appropriately reflect its business performance or achievement in employee compensation?</p> <p>(3) Does the Company provide employees with a safe and healthy work environment? Do employees receive regular safety and health education?</p> <p>(4) Has the Company established an effective career development plan for employees?</p> <p>(5) Does the company comply with relevant laws and international standards in relation to customer health and safety, customer privacy, marketing, and labeling of products and services, and does it establish relevant consumer or custom protection policies and grievance procedures?</p> <p>(6) Does the company establish supplier management policies, which require suppliers to observe relevant regulations on environmental protection, occupational safety and hygiene, or labor and human rights? If so, describe the implementation results.</p>	√		<p>(1) Gigabyte embraces the philosophy of "A happy workplace for a better life". We believe that every employee should be treated equally and with respect. We strive to uphold and respect internationally recognized human rights (including the UN Declaration of Human Rights, and the International Labor Organization's core labor standards) such as freedom from discrimination and abuse, illegal employment, and promises to abide by the highest ethical standards in our compliance with local laws and the 《Responsible Business Alliance (RBA) Code of Conduct》. We also request suppliers to comply with the 《Responsible Business Alliance (RBA) Code of Conduct》 so as to fulfill CSR together. We have therefore defined various management policies and procedures including the "Employee Code of Conduct", salary & benefits, training & development, attendance system, business travel management, labor safety and more.</p> <p>(2) Employees are a business' most important partners in sustainability. In addition to protecting the working rights of employees, Gigabyte also offers competitive compensation and benefits. The Company has established a Remuneration Management Committee that professionally and objectively evaluates and recommends periodically the Company's annual and long-term performance goals as well as remuneration policies, systems, standards, and structures. For information on remuneration, leave, and other benefits, please visit the CSR website, section Employee care and</p>	Conforms to the Corporate Sustainable Development Best Practice Principles for TWSE/GTSM-Listed Companies.

		<p>development https://csr.gigabyte.tw/talent-management/、 https://csr.gigabyte.tw/employee-education-and-welfare/ and https://csr.gigabyte.tw/employee-health-care/</p> <p>(3) Gigabyte has passed ISO 14001 and ISO 45001 certification. Work environments are tested every 6 months to ensure work environment safety. The Company also arranges annual employee health exams and organizes occupational safety and first aid training, fire evacuation training, emergency response training, art and culture talks, as well as workshops on health topics conducted by experts to improve employee health awareness. In 2015, the launched of a comprehensive integration strategy of the Employee Assistance Program (EAP), which assisted employees to deal with various intangible personal, family, life or work pressure. It's hoped that through active care and timely assistance, each colleague can keep the best physical and mental state at any time, welcome each day happily and deal with the source of pressure with positive thinking to maintain working efficiency and quality. Please visit our CSR site for details on occupational health and safety. https://csr.gigabyte.tw/occupational-safety/ and https://csr.gigabyte.tw/employee-health-care/.</p> <p>(4) The learning and development system at Gigabyte is based on the Company's organizational strategy, vision, and corporate vision. A holistic curriculum enables the adaptive development of employees. New employees receive 1-day of orientation training as well as other internal or external specialist training based on their job requirements.</p>	
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		<p>Managers also take part in the "Groups Consensus Conference" and management competency courses every year so they can continue to strengthen their professional know-how and make the Company more competitive. These include : management competency, core competency, foreign languages, external training, the e-learning system and library.</p> <p>(5) Gigabyte places value on responsible consumption and production and upholds a consumer-centric business philosophy to provide customers with world-class services, while imparting protection of the highest specifications to customers' confidential information. We offer three-year warranty for our entire line of motherboard products and establish a complete network of services globally to render efficient and considerate after-sales service. Consumers can provide feedback via email or telephone. Dedicated department is set up in Taiwan, mainland China, and overseas to provide consumers with product inquiry and product feedback services.</p> <p>1. Customer Service: Technical support hotline in Taiwan: 0800-079-800; service website in Taiwan: http://service.gigabyte.tw/.</p> <p>2. Investors: Stock Affairs Department Hotline: (02)8912-4000 ext1042 Email : stockholder@gigabyte.com</p> <p>3. Suppliers: Gigabyte CSR email: CSR@gigabyte.com</p> <p>In addition, the Company has formulated standard corporate identity (CI) rules and</p>	
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			<p>applicable regulations. All materials made internally or externally using CI must be submitted by the responsible unit for review. The material can be printed and distributed only after approval is obtained. The Company faithfully complies with ethical management rules and applicable laws and international regulations in relation to marketing and labeling of products and services so that consumers are made fully aware of the Company's products and services.</p> <p>(6) The company regards the supplier as a long-term partner in order to jointly establish a stable and sustainable supply chain. Gigabyte Technology Group requires all First-Tier suppliers to join in adhering to the Responsible Business Alliance Code of Conduct (RBA CoC) and to build an environmental management system. At present, all Gigabyte's First-Tier suppliers are verified by ISO14001 verification. In terms of products, all suppliers should comply with Gigabyte Eco products requirements as well as International standards, such as EU RoHS Directive and REACH Decree; in addition, the Supplier Assessment Form including corporate social responsibility management, environmental protection, labor practices and human rights, fair business practices, supply chain responsibility, social and local contributions. Suppliers are urged to respect internationally recognized human rights and focus on global environmental issues to optimize the reduction of product life cycle to the society and improving supply chain performance and reducing operating risk, Gigabyte hopes that a long-term partnership can be established. Please visit the CSR Website, section responsible</p>	
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5. Does the company adopt internationally widely recognized standards or guidelines when producing corporate sustainable development reports and reports disclosing the company's non-financial information? Have the aforementioned disclosures been assured, verified or certified by a third party?	√	<p>The Company's sustainable development reports are prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core Option and the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, with due reference to the UN's Sustainable Development Goals and other international guiding principles to disclose the Company's commitment, strategies, and management approach in relation to corporate sustainable development during the reporting period. This report has not yet been assured or verified by a third party. However, the financial data disclosed herein are information from CPA-certified annual reports. The ISO14064 organization level GHG inventory and reduction data, ISO14001, QC080000, and ISO45001 have been certified by SGS Taiwan Ltd. The indicators include our Xindian headquarters, Taoyuan Nanping plant, China Dongguan plant, and China Ningbo plant and are detailed in this report.</p> <p>The Company's sustainable development reports please visit to the website: https://csr.gigabyte.tw/sustainability-report/</p>	Conforms to the Corporate Sustainable Development Best Practice Principles for TWSE/GTSM-Listed Companies.
6. If the Company has drafted its own corporate sustainable development guidelines according to “Corporate Sustainable Development Best Practice Principles for TWSE/TPEX-Listed Companies,” the Company should clarify the difference between its operation and the codified principle: No difference. The Company has established a “Corporate Social Responsibility Practice Principles” based on the “Corporate Sustainable Development Best Practice Principles for TWSE/GTSM-Listed Companies” and related laws and regulations.			
7. Other pertinent Information that helps the general public understand sustainable development operations: Please visit our sustainable development website at https://csr.gigabyte.tw/ for more information about our CSR practice and sustainable development.			

(VI) Our Company's implementation of ethical corporate management

1. Our Company's management upholds our belief in prudent, sustainable management and accountability and has drafted management policies based on ethical practice. Our management is in compliance with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies.
2. Implementation of Ethical Corporate Management and Departure from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons:

Indicator	Operation			Variation from Ethical Corporate Management Best Practice Principles, and Reason
	Yes	No	Summary	
<p>1. Codify Ethical Management Policies and Plans</p> <p>(1) Does the company formulate ethical corporate management policies that have been approved by the Board of Directors and declare its ethical corporate management policies and procedures in its guidelines and external documents, as well as the commitment from its Board of Directors and management team to implementing policies?</p> <p>(2) Does the company establish a mechanism for assessing the risk of unethical conduct, regularly analyze and evaluate business operations at a relatively high risk of unethical conduct, and accordingly formulate solutions to prevent unethical conducts, which covers at least preventive measures against conducts as indicated in Article 7 Paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies?</p> <p>(3) Does the company have any measures against unethical conducts? Are these measures supported by proper procedures, behavioral guidelines, disciplinary actions and complaint systems? Does the company implement and regularly review and revise such measures?</p>	√		<p>The Company has established a "Ethical Corporate Management Best Practice Principles" based on the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and disclosed it on the Company's website and the Market Observation Post System.</p> <p>The management follows ethical management principles and has codified policies based on ethics, ensuring that the Board, supervisors, and employees abide by the Company Act, Securities and ExChange Act, Business Entity Accounting Act, laws that pertain to publicly traded companies, and other laws that govern business transaction, while discharging their duties.</p>	<p>In compliance with "Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies"</p>
<p>2. Implementing ethical management</p> <p>(1) Does the Company evaluate the ethical record of its transaction parties and explicitly include clauses on ethical behavior in contracts?</p>	√		<p>(1) Our Company maintains a registry of all vendors we deal with. For key suppliers and customers we also inspect their credit profile to avoid losses due to breaches of contract.</p>	<p>In compliance with "Ethical Corporate Management Best Practice Principles for</p>

Indicator	Operation			Variation from Ethical Corporate Management Best Practice Principles, and Reason
	Yes	No	Summary	
<p>(2) Does the company establish a dedicated unit supervised by the board, to be in charge of corporate integrity, report it integrity policy and unethical conduct prevention solutions as well as supervision implementation status to the board of directors on a regular basis (at least once a year)?</p> <p>(3) Does the Company have a conflict-of-interest prevention policy with suitable channels for reporting such conflicts, and enforces such a policy?</p> <p>(4) Has the company implemented effective accounting and internal control systems for the purpose of maintaining business integrity? Does the internal audit unit establish applicable audit plans based on the results of unethical conduct risk assessment, and use the plans to audit unethical conduct prevention solutions or engage a CPA to carry out the audit?</p> <p>(5) Does the Company regularly host internal and external training on ethical management?</p>			<p>(2) Our Company does not yet have a dedicated (concurrent) unit for promoting ethical corporate management. This is currently performed by each department to the best of their ability.</p> <p>(3) Our Company completed the stakeholder section on our website at the end of 2015 to respond to important CSR issues material to our stakeholders.</p> <p>(4) Our Company's accounting system and internal control system both conform to the spirit of ethical management. Internal auditors also carry out audits in accordance with the law.</p> <p>(5) Our Company does not regularly host internal and external training on ethical management. Related courses will be organized as necessary in the future.</p>	TWSE/GTSM-Listed Companies”
<p>3. Operation of the corporate whistleblower system</p> <p>(1) Does the Company have an explicit whistleblower and incentive scheme in place that protects whistleblowers and assigns appropriate personnel for investigating the target of the whistleblower complaint?</p> <p>(2) Has the company implemented any standard operating procedures, post-investigation measures, or confidentiality measures for handling reported matters?</p> <p>(3) Does the Company have measures to protect whistleblowers against retaliation?</p>	√		<p>(1) If any company personnel harms the Company's interests by violating the Company regulations or ethical principles, employees can report this through the proper channels to their direct manager, the internal audit manager or administrative unit. Disciplinary action will be taken by the decision-maker or Human Resources unit based on the severity of the offense.</p> <p>(2) Handled in accordance with the relevant HR management regulations.</p> <p>(3) Once a complaint is received by the head of the relevant unit, it is treated confidentially to protect the background of the whistleblower and the provided information.</p>	In compliance with “Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies”

Indicator	Operation			Variation from Ethical Corporate Management Best Practice Principles, and Reason
	Yes	No	Summary	
4. Greater disclosure Does the Company disclose its ethical management principles and progress on its promotion through its website or the Market Observation Post System website?	√		We have a corporate website on which we disclose any information we have related to ethical management.	In compliance with “Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies”
5. If the Company has drafted an ethical management principle according to “Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies,” the operation of the principle and the deviation from the principle should be clearly stated: No difference. The Company has established a “Ethical Corporate Management Best Practice Principles” based on the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and related laws and regulations.				
6. Other material information that helps to understand the operation of the Company’s ethical management (such as the Company’s declaration of its resolve and policies to its business partners; the Company’s invitation of training to its partners; and the Company’s revision of its ethical management principles): None				

- (VII) If the Company has codified corporate governance guidelines and applicable regulations, the Company should disclose the method by which such regulations can be accessed: For information on the Company’s governance principles and related regulations, please visit our corporate website <http://www.gigabyte.com/index.aspx> and Market Observation Post System.
- (VIII) Other important information that is helpful for understanding the implementation status of corporate Governance may be disclosed together: <http://csr.gigabyte.tw/Home/content/190>.

(IX) Status of Enforcement of Internal Control System:

Gigabyte Technology Co., Ltd.
Statement of Internal Control

Date: March 11, 2022

Gigabyte Technology Co., Ltd. has conducted an internal audit in accordance with its Internal Control Regulation covering the period from January 1 to December 31, 2021 and hereby declares as follows:

- I. The Company acknowledges and understands that, the establishment, enforcement and preservation of internal control system is the responsibility of the Board and the managers, and that the Company has already established such system. The purpose is to reasonably ensure the effect and efficiency of operation (including profitability, performance and security of assets), the reliability of financial reporting and the compliance with relevant legal rules
- II. There is limitation inherent to an internal control system, no matter how perfect the design. As such, effective internal control system may only reasonably ensure the achievement of the aforementioned goals. Further, the operation environment and situation may vary, and hence the effectiveness of the internal controls system. The internal control system of the Company features a self-monitoring mechanism. Once identified, any shortcoming will be corrected immediately.
- III. The Company judges the effectiveness of the internal control system in design and enforcement in accordance with the “Criteria for the Establishment of Internal Control System of Public Offering Companies” (hereinafter referred to as “the Criteria”). The Criteria is instituted for judging the effectiveness of the design and enforcement of the internal control system. There are five components of effective internal control as specified in the Criteria with which the procedure for effective internal control is composed by five elements, namely: 1. Control environment, 2. Risk Evaluation and feedback, 3. Control Operation, 4. Information and Communication, and 5. Monitoring. Each of the elements in turn contains certain audit items and shall be referred to the Criteria for details.
- IV. The Company has adopted the aforementioned internal control system for internal audit on the effectiveness of the design and enforcement of the internal control system
- V. Based on the aforementioned audit findings, the Company holds that it has reasonably preserved the achievement of the aforementioned goals at December 31, 2021(including the monitoring over the subsidiaries), including the effectiveness and efficiency in operation, reliability in financial reporting and compliance with relevant legal rules, and that the design and enforcement of internal control are effective.
- VI. This statement of declaration shall form an integral part of the annual report and prospectus on the Company and will be announced. If there is any fraud, concealment and unlawful practice discovered in the content of the aforementioned information, the Company shall be liable to legal consequences under Article 20, Article 32, Article 171 and Article 174 of the Securities and Exchange Act.
- VII. This statement of declaration has been approved unanimously by the Board in a session held on March 11, 2022 with the presence of night directors (including proxies).

Gigabyte Technology Co., Ltd.

Chairman: Yeh, Pei-Chen

General Manger: Li, E-Tay

Note 1: For public companies, when there is a shortage in the design or implementation of the internal control system in any period of the year, companies should state and explain the shortage they noted in the 4th item in Statement of Internal Control by adding an explanatory paragraph and also state the plans and execution status before balance sheet date.

Note 2: The date of the statement will be the “the day the fiscal year ends”.

2. Where the Company may be requested to conduct an audit on its internal control system by external auditors, is there any audit report for disclosure: None.
- (X) Any personnel of the Company sentenced by law, punished by internal regulation due to violation of internal control system, major shortcomings and status of corrective action in the most recent year to the day this report was printed: None.
- (XI) Important resolutions at the shareholders' meeting and the meeting of Board of Directors in recent years and in the current year (till printing of the annual report):
1. Significant Resolutions from Shareholders' General Meeting and Their Implementation

Date	Significant Agenda	Implementation
2021.07.02	1. Recognize our Company's business report and financial statements from 2020.	Approved.
	2. Recognize our Company's earnings distribution for 2020.	Approved. 2021.7.14 has been ratified as the stock dividend distribution date, and the cash dividend has been distributed on 2021.8.6(NT\$4 cash dividends per share)
	3. Approval of amendment of the company's "Rules of Procedure for Shareholder Meetings"	Approved. The agenda has been carried out as resolved in the shareholders' meeting.
	4. Amendment to the Company's "Rules for Director Election"	Approved. The agenda has been carried out as resolved in the shareholders' meeting.
	5. To elect Directors	Election of the 13th Board of Directors approved unanimously.
	6. Releasing the restriction of the non-compete clause for new directors	Approved.

2. Important Resolutions of Meetings of the Board of Directors

Date	Important Resolution
2021.01.15	Resolution of assessment and recommendation on the year-end bonus for managers of the Company.
	Resolution of 2021 self-assessment of the Company's Board of directors and individual director.
	Change of the Company's chief governance officer.
	Resolution of the company's 2021 Certified Public Accountants (CPA) entrust and remuneration.
	Resolution of the Company's purchase of real estate for business use.

Date	Important Resolution
2021.03.15	2020 Annual Internal Control System declaration.
	Resolution of 2020 individual and consolidated financial reports.
	Resolution of 2021 shareholder's regular session regarding the place and period accepting shareholder's proposal.
	Resolution of 2021 shareholder's regular session regarding the period and the place of accepting the application.
	Resolution of issues relevant to the nomination of directors (including independent directors) candidates for 2021 Shareholders' annual meeting.
	Amendment to the Company's "Rules of Procedure for Shareholder Meetings".
	Amendment to the Company's "Rules of Procedure for Board Meetings".
	The company's 2021 Budget proposal.
	Approval of election for Directors.
	Approval of the directors (including independent directors) candidate list proposed by the Board of directors.
	Releasing the restriction of the non-compete clause for new directors.
	Enactment of the Company's "Regulations Governing the Organization of the Strategy Committee".
	Resolution of 2021 self-assessment of the Company's Board of directors and individual director.
	Resolution of 2020 the distribution of remuneration to employees and directors.
2021.04.16	Approval of the Company's 2020 profit distribution proposal.
	Approval of capital reserve for cash dividend (NT\$1 per share).
	Approval of the Company's 2020 Business reports.
	Resolution of the new agenda of the 2021 shareholders' meeting.
2021.05.14	2021Q1 consolidated financial statements of the Company.
	Amendment of the company's "Income and expenditure approval authority chart".
	Approval of evaluation and suggestions to 2020 distribution of remuneration to directors.
2021.06.16	Determination of the baseline date for distribution of the Company's 2021 cash dividend/capital surplus.
	Change of date and location for the 2021 Annual Shareholders' Meeting.
2021.07.02	Election of new Company Chairman and Vice Chairman for the Board of Directors.
	Appointment of the Company's 5th Remuneration Committee.
2021.08.06	Buyback of treasury stock.
	Rules for first buyback of shares and their transfer to employees.

Date	Important Resolution
2021.08.13	2021Q2 consolidated financial statements of the Company.
	Resolution of the company's proposal of continuing the credit transactions with China Trust Commercial Bank (CTBC Bank).
	Establishment of the Company's Nominating Committee and formulation of the "Organic Charter of the Nominating Committee".
	Proposed appointment of the Company's first Nominating Committee.
	Proposed participation in the private offering of Taiwan Truewin Technology Co., Ltd. by the Company or its subsidiaries.
	Assessment and recommendation on the salary (annual salary adjustment) for managers of the Company.
	Assessment and recommendation on the Company's distribution of remuneration for managers in 2020 in accordance with business performance.
2021.11.12	Approval of 2021 Audit Plan.
	2021Q3 consolidated financial statements of the Company.
	The evaluation of the company's CPA independence.
	Resolution of the company's proposal of continuing the credit transactions with Xindian Branch of Mega International Commercial Bank.
	Amendment of the "Rules for First Buyback of Shares and their Transfer to Employees in 2021".
	Recommendation on first buyback of shares and their transfer to employees.
2021.11.25	Proposed participation in the private offering of Spirox by the Company or its subsidiaries.
2022.01.12	Proposed Change of the Company's financial report audit certified accountant.
	Resolution of the company's 2021 Certified Public Accountants (CPA) entrust and remuneration.
	Amendment of the Company "Rules Governing Functional Committee Remuneration and Compensation for Directors and Managerial Officers".
	Resolution of assessment and recommendation on the year-end bonus for managers of the Company .
	Amendment of the Company "Corporate Governance Best Practice Principles" and "Management Rules for Prevention of Insider Training".
	Proposed establishment of Canadian subsidiary by the Company or a group subsidiary.
	The company intends to continue the credit extension case with Changhua Commercial Bank Beixin Branch.
	Resolution of 2022 self-assessment of the Company's Board of directors and individual director.
	Proposed loan of up to USD 17 million by HQ to Freedom, a key subsidiary, for purchase of a factory and office building in the USA.

Date	Important Resolution
2022.03.03	Establishment of new subsidiary by the Company.
2022.03.11	The company spin off its network communication business to 100% owned subsidiary.
	Resolution of 2021 individual financial reports.
	Resolution of 2021 consolidated financial reports.
	Resolution of 2022 shareholder's regular session regarding the place and period accepting shareholder's proposal.
	Resolution of 2022 shareholder's regular session regarding the period and the place of accepting the application.
	Amendment to the Company's "Articles of Incorporation".
	Amendment to the Company's "Asset Acquisition and Disposal Operating and Handling Procedure".
	The company's 2022 Budget proposal.
	Resolution of 2021 self-assessment of the Company's Board of directors and individual director.
	Succession plan for the management of Gigabyte Group.
	Resolution of 2021 the distribution of remuneration to employees and directors.
	2021 Annual Internal Control System declaration.
2022.03.18	Approval of the Company's 2021 profit distribution proposal.
	The Company's 2021 cash dividend distribution proposal.
	Amendment to the Company's "Rules of Procedure for Shareholder Meetings"
2022.04.18	Approval of the Company's 2021 Business reports.

(XII) Dissents from directors or supervisors on major resolutions of the Board that have been recorded or provided with written statement in the most recent year and up to the publication date of the annual report: None.

(XIII) Resignation or Dismissal of the Company's Key Individuals, Including the Chairman, CEO, and Heads of Accounting, Finance, Internal Audit, Corporate Governance and R&D in the most recent year to the day this report was printed:

04/16/2022

Title	Name	Date of Appointment	Date of Termination	Reasons for Resignation or Dismissal
Corporate Governance Officer	Simon Huang	2020/11/13	2021/01/15	Adjustment of position

IV.Information regarding CPA auditing fee:

In NTD 1,000

CPA Firm	CPA	Auditing Period	Auditing Fees	Non-Auditing Fees	Total	Note
PWC Public Accountants	Lin, Se-Kai	110/1/1~ 110/12/31	10,743	2,180	12,923	Non-audit fee services include transfer pricing and taxation services
	Wang, Fang-yu					

V.Information regarding replacement of CPAs: None.

VI.Service by Giga-Byte's chairman, president, managerial officers in charge of finance or accounting having served with the office(s) or affiliate(s) of the auditing CPAs: None.

VII. Transfer of and lien on shares by directors, supervisors, managers and shareholders holding more than 10% of the outstanding shares in the most recent year until the date this report is printed:

Title	Name	2021		By April 16, 2022	
		Change in the quantity of shares held	Change in the quantity of shares under lien	Change in the quantity of shares held	Change in the quantity of shares under lien
Chairman and President, Gigabyte	Yeh, Pei-Chen	50,000 0	0 0	0 0	0 0
Vice Chairman	Ming Wei Investment Co., Ltd. Representative: Liu, Ming-Hsiung	0	0	0	0
Director	Yuei-yei Kai Fa Investment Ltd. Representative: Tseng, Chun-Ming	0	0	0	0
Director	Shih-Chia Investment Co., Ltd. corporate representative: Ma, Mou-Ming	0	0	0	0
Director	Shih Dah Investment Co., Ltd. corporate representative: Ko, Cong-Yuan	0 (249,000)	3,000,000 0	0 0	2,000,000 0
Director	Xi Wei Investment Co., Ltd. corporate representative: Li, E-Tay	124,000 0	0 0	0 0	0 0
Independent Director	Wang, Hwei-Min	0	0	0	0
Independent Director	Chan, Yi-Hung	0	0	0	0
Independent Director	Yang, Cheng-Li	0	0	0	0
Gigabyte Senior Vice President	Ma, Mou-Ming	50,000 0	0 0	0 0	0 0
Senior VP of Gigabyte	Liu, Ming-Hsiung	852,470 (40,025,918)	0 0	0 0	0 0

Title	Name	2021		By April 16, 2022	
		Change in the quantity of shares held	Change in the quantity of shares under lien	Change in the quantity of shares held	Change in the quantity of shares under lien
Manufacturing Business Unit Senior VP	Cheng, Chun-Ming	140,000 0	0 0	0 0	0 0
Group General Manger	Li, E-Tay	200,000 0	0 0	0 0	0 0
Manufacturing Business Unit President	Meng, Hsian-Ming	0	0	0	0
Channel Solution Business Unit Senior Special Assistant	Hong, Wen-Chi	0	0	0	0
CFO, Operations Management Center and Financial & Accounting HQ Corporate Governance Officer	Chen, Chun-Ying	70,000 0	0 0	0 (10,000)	0 0
Operations Management Center Overseas Subsidiary Management Division. Vice General Manager of the US Platform	Lu, Zheng-Wei	35,000 0	0 0	0 0	0 0
C.O.O. , Operation Management Center	Bai, Guang-Hua	50,000 0	0 0	0 0	0 0
Brand Marketing Division, Vice President and Special Assistant to the President	Chen, Jin-Ting	50,000 0	0 0	0 0	0 0
Network and Communications Business Unit Product Center AVP	Chen, Zhang-Xiang	0	0	0	0
President's office, manager special assistant	Chen, Shi-Cheng	0	0	0	0
Network and Communications BU Vice General Manager	Hou, Chi-Ren	100,000 (27,000)	0 0	0 0	0 0

Title	Name	2021		By April 16, 2022	
		Change in the quantity of shares held	Change in the quantity of shares under lien	Change in the quantity of shares held	Change in the quantity of shares under lien
Channel Solution Business Unit M/B Research& Development Center, Vice General Manager	Chen, Chen-shun	10,000 0	0 0	0 0	0 0
Channel Solution Business Unit, Sales Marketing Center, America& Asia Platform, Vice General Manager	Liao, Chi- Li	50,000 0	0 0	0 0	0 0
Channel Solution Business Unit, Sales Marketing Center, Europe Platform, Vice General Manager	Hsiao, Wen-Ta	50,000 0	0 0	0 0	0 0
Overseas Subsidiary Management Division APAC Platform Senior AVP	Liu, Wen- Chung	0	0	0	0
Channel Solution Business Unit, M/B Research& Development Center, software office, AVP	Deng, Yi-Ming	0	0	0	0
Channel Solution Business Unit, M/B Research& Development Center, Firmware Division II, Senior AVP	Tseng, Wei-Wen	5,000 0	0 0	0 0	0 0
Channel Solution Business Unit, M/B Research& Development Center, Senior AVP	Liao, Che-Hsien	5,000 0	0 0	0 0	0 0
Channel Solution Business Unit, Product & Procurement Center Vice General Manager	Lan, Jun-Kun	50,000 0	0 0	0 0	0 0

Title	Name	2021		By April 16, 2022	
		Change in the quantity of shares held	Change in the quantity of shares under lien	Change in the quantity of shares held	Change in the quantity of shares under lien
Network and Communications Business Unit Product Center AVP	Chen, Yun-Di	0	0	0	0
AVP Overseas Manufacturing Dongguan Gigabyte Ningbo Gigabyte	Ko, Wei-Ti	0 0	0 0	196,258 0	0 0
Operation Management Center Legal and IP Affairs Div. General Counsel	Chiu, Chih-Peng	0	0	0	0
Manufacturing Business Unit Chief Engineering Division AVP	Sun, Wu-Hsiung	0	0	0	0
Vice General Manager, Channel Solution Business Unit, Gaming Products Research & Design Center	Huang, Shun-Chih	50,000 0	0 0	0 0	0 0
Vice General Manager, Channel Solution Business Unit	Lin, Ying-Yu	235,000 0	0 0	0 0	0 0
AVP, Customer Service Center	Lin, Chi-Ching	50,000 0	0 0	0 0	0 0
Senior AVP, Advanced E-Auto Research Center	Gu Rui-Lin	0	0	0	0
Vice General Manager, Mobility Product BU	Chen Jun-Cheng (Note1)	0	0	-	-
AVP, Information Technology Division, Operation Management Center	Sun, Guo-Ren	15,000 0	0 0	0 0	0 0
AVP, Channel Solution Business Unit, M/B Research & Development Center, Firmware Division I,	Gao, Sheng-Liang	5,000 0	0 0	0 0	0 0

Title	Name	2021		By April 16, 2022	
		Change in the quantity of shares held	Change in the quantity of shares under lien	Change in the quantity of shares held	Change in the quantity of shares under lien
AVP, Channel Solution Business Unit, Sales & Marketing Center, America Asia Platform	Liu, Jia-Yi	50,000 0	0 0	0 0	0 0
AVP, Channel Solution Business Unit, Sales & Marketing Center, Europe Platform	You, Hong-Dao	50,000 0	0 0	0 0	0 0
AVP, President's office, Strategic Investment Division	Li, You-Xin	0	0	0	0
AVP, Network & Comm. BU Sales Center	Wang, Jun-Min	30,000 0	0 0	0 0	0 0
Corporate Governance Officer	Simon Huang (Note 2)	0	0	-	-

Note1: Dismissed on May 17, 2021.

Note2: Adjustment of position on January 15, 2021.

Information on counterparties of share transfers or pledges who are related parties by directors, supervisors, managers, and shareholders owning more than 10% of shares outstanding:

Name	Reason for equity transfer	Transaction date	Counterparty	The relationship between the counterparty and the director, supervisor or shareholder who holds more than 10% of the Company's shares	Number of shares	Price (TWD)
Liu, Ming-Hsiung	Gift	2021.12.15	Liu, Hsiao-Yu	Father and daughter	325,000	83.5
Liu, Ming-Hsiung	Establishment via offset	2021.11.03	Ming Wei Global Co., Ltd	Shareholdings under the title of a third party	39,700,918	110

VIII. Top ten shareholders and relationship between the shareholders

NAME (*1)	SHAREHOLDINGS BY SELF-OWNED		SHAREHOLDINGS BY SPOUSE AND UNDERAGE CHILDREN		SHAREHOLDINGS UNDER THE TITLE OF A THIRD PARTY		TOP 10 OF SHAREHOLDERS TO CONFORM TO THE ROC STATEMENT OF FINANCIAL ACCOUNTING STANDARDS NO. 3		REMARK
	Shares	Ratio	Shares	Ratio	Shares	Ratio	Name	Relationship	
Ming Wei Global Co., Ltd	42,583,497	6.70%							
Representative: Yang, Xue-Qing	615,000	0.10%	44,578,967	7.01%			Ming Wei Investment Co., Ltd.	Chairman	
Yeh, Pei-Chen	30,201,237	4.75%	5,821,063	0.92%			Ming Wei Investment Co., Ltd.	Director	
Ma, Mou-Ming	23,723,383	3.73%	470,914	0.07%					
Nan Shan Life Insurance Co., Ltd.	22,694,000	3.57%							
Representative: Chen, Tang	-	-							
Yuanta Funds	19,382,031	3.05%							
Fubon Life Insurance Co., Ltd.	14,545,000	2.29%							
Representative: Tsai, Ming-Hsing	-	-							
Ming Wei Investment Co., Ltd.	14,062,200	2.21%					Ming Wei Global Co., Ltd	The same Representative	
							Yeh, Pei-Chen	Director	
Representative: Yang, Xue-Qing	615,000	0.10%	44,578,967	7.01%			Ming Wei Global Co., Ltd	Chairman	
American JPMorgan Chase Bank N.A. Taipei Branch in custody for JP Morgan Securities Investment Account	11,917,795	1.87%							
Xi Wei Investment Co., Ltd.	9,187,075	1.45%					Yeh, Pei-Chen	Chairman	
Representative: Yeh, Pei-Chen	30,201,237	4.75%	5,821,063	0.92%			Ming Wei Investment Co., Ltd.	Director	
Shi Da Investment Limited	9,008,000	1.42%							
Representative: Yang, Ya-Ting	-	-	1,000	0.00%					

Note 1: All of the top ten shareholders should be listed. Names of the corporate shareholders and the representatives thereof should be listed separately.

Note 2: Ratio means the shareholding by self-owned, spouse and underage children, and the title of a third party as of total these three titles of shares.

Note 3: Relationship between shareholders listed above, including corporations and natural persons, should be disclosed

IX. Companies directly or indirectly invested by the Company, the directors and supervisors of the Company, managers and the proportion and quantity of shareholdings on the same company

December 31, 2021/Unit: share; %

Invested companies	Invested by the Company		Invested by directors, supervisors, managers, or by direct or indirect subsidiaries		Total investment	
	Quantity of shares	Proportion of holdings	Quantity of shares	Proportion of holdings	Proportion of shares	Proportion of holdings
GB.T., Inc.	54,116	48.63%	57,169	51.37%	111,285	100%
G.B.T. Technology Trading GmbH	0	100%	0	-	0	100%
Freedom International Group Ltd.	146,071,691.54	100%	0	-	146,071,691.54	100%
Charleston Investments Limited	0	-	57,032,141.68	100%	57,032,141.68	100%
Dongguan Gigabyte Electronics Co., Ltd.	0	-	0	100%	0	100%
GBT Tech. Co. Ltd.	800,000	100%	0	-	800,000	100%
Giga Investment Corp.	297,756,500	100%	0	-	297,756,500	297,756,500
GB.T. LBN Inc.	0	-	14,000,000	100%	14,000,000	100%
Giga Future Limited	0	-	82,819,549.86	100%	82,819,549.86	100%
Ningbo Gigabyte Co., Ltd.	0	-	0	100%	0	100%
Ningbo Best-Yield Repair and Maintenance Co., Ltd.	0	-	0	100%	0	100%
Ningbo Gigabyte International Trading Co.	0	-	0	100%	0	100%
Giga-Byte Technology B.V.	8,500	100%	0	-	8,500	100%
Giga-Trend International Investment Group Ltd.	0	-	45,290,000	100%	45,290,000	100%
Ningbo Zhong Jia Technology Trading Co.,Ltd.	0	-	0	100%	0	100%
Gigabyte Technology Pty. Ltd.	2,400,000	100%	0	-	2,400,000	100%
Aorus Pte. Ltd.	0	-	3,073,000	100%	3,073,000	100%
Giga-Byte Communications Inc.	2,145,880	99.86%	7	-	2,145,887	99.86%
Giga-Trend International Management Group Ltd.	0	-	1,000,000	100%	1,000,000	100%
Gigabyte Technology (India) Private Limited	4,600,000	100%	0	-	4,600,000	100%
G-Style Co., Ltd.	12,000,000	100%	0	-	12,000,000	100%
BYTE International Co., Ltd.	31,000,000	100%	0	-	31,000,000	100%
Nippon Giga-Byte Corp.	1,000	100%	0	-	1,000	100%
Gigabyte Technology Poland SP Z.O.O.	0	-	100	100%	100	100%
Gigabyte Technology ESPANA S.L.U.	5,000	100%	0	-	5,000	100%
Gigabyte Information Technology Commerce Limited Company	8,000	100%	0	-	8,000	100%
Gigabyte Technology LLC.	168,000	100%	0	-	168,000	100%
Senyun Precise Optical Co., Ltd.	0	-	324,586,585	96.41%	324,586,585	96.41%
OGS Europe B.V.	0	-	3,000	100%	3,000	100%
Shenzhen Best Yield Service Co., Ltd.	0	-	0	100%	0	100%
Selita Precision Co., Ltd.	0	-	5,000,000	100%	5,000,000	100%
SenYun Precision Optical (Dongguan) Co., Ltd.	0	-	0	100%	0	100%
Gigaipc Co., Ltd.	20,000,000	100%	0	-	20,000,000	100%
Zaozhuang Bestyield Resources Recycling Co., Ltd.	0	-	0	100%	0	100%

Note 1: If the invested companies are limited liability companies, only the amount of investments and proportion of shareholdings are shown in the above table.

Four. Equity Capital and Shares

I. Equity capital and shares

(I) Sources of equity capital

Month and year	Issuing price	Authorized capital		Paid in capital		Sources of equity capital	Remarks	
		Quantity of shares	Amount	Quantity of shares	Amount		Utilization of assets other than cash for payment	Other
April 1986	\$1000/share	700	700,000	700	700,000	Initial capital	None	Apr. 30, 1986 Chien Yi Tze No.211834
September 1986	\$1000/share	5,000	5,000,000	5,000	5,000,000	Issuing new shares amounted to \$4,300,000	None	Sep. 30, 1986 Chien Yi Tze No. 185285
June 1991	\$1000/share	20,000	20,000,000	20,000	20,000,000	Issuing new shares amounted to \$15,000,000	None	Jun. 26, 1991 80Chien San Yi Tze No. 242795
July 1995	\$1000/share	96,000	96,000,000	96,000	96,000,000	Issuing new shares amounted to \$76,000,000	None	Jul. 20, 1995 84Chien San Ren Tze No. 402912
October 1996	\$10/share	30,600,000	306,000,000	30,600,000	306,000,000	Capitalization of retained earnings at \$60,000,000 Issuing new shares amounted to \$150,000,000	None	Jul. 06, 1996(85) Taiwan-Finance- Securities-I No. 41051
July 1997	\$10/share	57,820,000	578,200,000	57,820,000	578,200,000	Capitalization of retained earnings at \$183,600,000, of capital surplus at \$30,600,000, and employee bonus at \$18,000,000 Issuing new shares amounted to \$40,000,000	None	May 21, 1997(86) Taiwan-Finance- Securities-I No. 40522
April 1998	\$10/share	280,000,000	2,800,000,000	113,858,000	1,138,580,000	Capitalization of retained earnings at \$462,560,000, of capital surplus at \$57,820,000, and employee bonus at \$40,000,000	None	Apr. 04, 1998(87) Taiwan-Finance- Securities-I 29875
October 1998	\$172.5/share	280,000,000	2,800,000,000	123,858,000	1,238,580,000	Issuing new shares amounted to \$100,000,000	None	Oct. 22, 1998(87) Taiwan-Finance- Securities-I No. 85746

Month and year	Issuing price	Authorized capital		Paid in capital		Remarks		
		Quantity of shares	Amount	Quantity of shares	Amount	Sources of equity capital	Utilization of assets other than cash for payment	Other
July 1999	\$120/share	280,000,000	2,800,000,000	126,358,000	1,263,580,000	Issuing new shares amounted to 25,000,000	None	Jun. 16, 1999(88) Taiwan-Finance- Securities-I No. 57028
July 1999	\$10/share	280,000,000	2,800,000,000	220,158,600	2,201,586,000	Capitalization of retained earnings at \$867,006,000, and of employee bonus at \$71,000,000	None	May 29, 1999(88) Taiwan-Finance- Securities-I No. 50319
June 2000	\$10/share	460,000,000	4,600,000,000	328,135,260	3,281,352,600	Capitalization of retained earnings at \$770,555,100, of capital surplus at \$220,158,600 and employee bonus at \$89,052,900	None	May 18, 2000(89) Taiwan-Finance- Securities-I No. 42789
July 2000	\$129.25/share	460,000,000	4,600,000,000	358,135,260	3,581,352,600	Issuing new shares for the subsequent issuing of GDR amounted to \$300,000,000	None	Jun. 27, 2000(89) Taiwan-Finance- Securities-I No. 46526
July 2001	\$10/share	800,000,000	8,000,000,000	458,936,251	4,589,362,510	Capitalization of retained earnings at \$537,202,980, of capital surplus at \$358,135,260 and employee bonus at \$112,671,670	None	May 31, 2001(90) Taiwan-Finance- Securities-I No. 134160
January 2002	\$88.7/share	800,000,000	8,000,000,000	459,121,458	4,591,214,580	Issuing of ECB amounted to \$1,852,070	None	Feb. 21, 2001(90) Taiwan-Finance- Securities-I No. 105452
March 2002	\$88.7/share	800,000,000	8,000,000,000	459,413,344	4,594,133,440	Issuing of ECB amounted to \$2,918,860	None	Feb. 21, 2001(90) Taiwan-Finance- Securities-I No. 105452
September 2002	\$10/share	800,000,000	8,000,000,000	549,447,798	5,494,477,980	Capitalization of retained earnings at \$689,120,020 and of employee bonus at \$211,224,520	None	Jun. 19, 2002 Taiwan-Finance- Securities-I No. 0910133363

Month and year	Issuing price	Authorized capital		Paid in capital		Remarks		
		Quantity of shares	Amount	Quantity of shares	Amount	Sources of equity capital	Utilization of assets other than cash for payment	Other
September 2003	\$10/share	800,000,000	8,000,000,000	592,655,610	5,926,556,610	Capitalization of retained earnings at \$274,723,890 and of employee bonus at \$151,571,800 Issuing ECB amounted to \$5,782,940	None	Jul. 14, 2003 Taiwan-Finance- Securities-I No. 091021455
September 2004	\$10/share	950,000,000	9,500,000,000	624,509,332	6,245,093,320	Capitalization of retained earnings at \$289,772,330 and of employee bonus at \$159,874,380. Cancellation of treasury stocks amounting to \$131,110,000	None	Jul. 13, 2004 Financial-Supervisory Securities I-No. 0930131089
September 2005	\$10/share	950,000,000	9,500,000,000	671,885,898	6,718,858,980	Capitalization of retained earnings at \$312,254,660 and of employee bonus at \$161,511,000.	None	Jul. 7, 2005 Financial-Supervisory Securities No. 0940127429
September 2006	\$10/share	950,000,000	9,500,000,000	671,471,898	6,714,718,980	Cancellation of treasury stocks amounting to \$4,140,000 Employee bonus at \$46,308,407.	None	Aug. 24, 2006 Financial-Supervisory Securities No. 0950138850
December 2007	\$26.42/share	950,000,000	9,500,000,000	672,725,490	6,727,254,900	ECB 12,535,920	None	May 16, 2006 Financial-Supervisory Securities No. 0950115553
May 2008	\$10/share	950,000,000	9,500,000,000	644,755,490	6,447,554,900	Cancellation of treasury stocks amounting to \$279,700,000	None	May 7, 2008 Financial-Supervisory Securities III-No. 0970023166
October 2008	\$25.28/share	950,000,000	9,500,000,000	653,091,886	6,530,918,860	ECB 83,363,960	None	May 16, 2006 Financial-Supervisory Securities No. 0950115553

Month and year	Issuing price	Authorized capital		Paid in capital		Remarks		
		Quantity of shares	Amount	Quantity of shares	Amount	Sources of equity capital	Utilization of assets other than cash for payment	Other
December 2008	\$10/share	950,000,000	9,500,000,000	633,091,886	6,330,918,860	Cancellation of treasury stocks amounting to \$200,000,000	None	Oct. 20, 2008 Financial-Supervisory Securities III-No. 0970055414
July 2009	\$10/share	950,000,000	9,500,000,000	629,133,886	6,291,338,860	Cancellation of treasury stocks amounting to \$39,580,000	None	Apr. 22, 2009 Financial-Supervisory Securities III-No. 0980017260
January 2010	\$17.39/share	950,000,000	9,500,000,000	633,150,386	6,331,503,860	Exercise of 40,165,000 shares of employee stock option issued in 2007 (First)	None	Dec. 18, 2007 Financial-Supervisory Securities I-No. 0960070711
May 2011	\$17.39/share	950,000,000	9,500,000,000	642,565,886	6,425,658,860	Exercise of 94,155,000 shares of employee stock option issued in 2007 (First)	None	Dec. 18, 2007 Financial-Supervisory Securities I-No. 0960070711
August 2010	\$17.39/share	950,000,000	9,500,000,000	643,114,886	6,431,148,860	Exercise of 5,490,000 shares of employee stock option issued in 2007 (First)	None	Dec. 18, 2007 Financial-Supervisory Securities I-No. 0960070711
November 2010	\$17.39/share	950,000,000	9,500,000,000	633,719,886	6,337,198,860	Exercise of 2,050,000 shares of employee stock option issued in 2007 (First); Cancellation of treasury stocks amounting to \$96,000,000	None	Dec. 18, 2007 Financial-Supervisory Securities I-No. 0960070711 Oct. 11, 2010 Financial-Supervisory Securities No. 0990055818
February 2010	\$16.10/share	950,000,000	9,500,000,000	634,610,386	6,346,103,860	Exercise of 8,905,000 shares of employee stock option issued in 2007 (First)	None	Dec. 18, 2007 Financial-Supervisory Securities I-No. 0960070711
April 2011	\$16.10/share	950,000,000	9,500,000,000	637,005,386	6,370,053,860	Exercise of 23,950,000 shares of employee stock option issued in 2007 (First)	None	Dec. 18, 2007 Financial-Supervisory Securities I-No. 0960070711
August 2011	\$16.10/share	950,000,000	9,500,000,000	637,413,386	6,374,133,860	Exercise of 4,080,000 shares of employee stock option issued in 2007 (First)	None	Dec. 18, 2007 Financial-Supervisory Securities I-No. 0960070711
November 2011	\$14.80/share	950,000,000	9,500,000,000	637,922,386	6,379,223,860	Exercise of 5,090,000 shares of employee stock option issued in 2007 (First)	None	Dec. 18, 2007 Financial-Supervisory Securities I-No. 0960070711

Month and year	Issuing price	Authorized capital		Paid in capital		Remarks		
		Quantity of shares	Amount	Quantity of shares	Amount	Sources of equity capital	Utilization of assets other than cash for payment	Other
February 2012	\$14.80/share	950,000,000	9,500,000,000	638,306,386	6,383,063,860	Exercise of 3,840,000 shares of employee stock option issued in 2007 (First)	None	Dec. 18, 2007 Financial-Supervisory Securities I-No. 0960070711
April 2012	\$14.80/share	950,000,000	9,500,000,000	624,060,386	6,240,603,860	Exercise of 33,140,000 shares of employee stock option issued in 2007 (First) ; Cancellation of treasury stocks amounting to \$175,600,000	None	Dec. 18, 2007 Financial-Supervisory Securities I-No. 0960070711
August 2012	\$14.80/share	950,000,000	9,500,000,000	624,548,386	6,245,483,860	Exercise of 488,000 shares of employee stock option issued in 2007 (First)	None	Dec. 18, 2007 Financial-Supervisory Securities I-No. 0960070711
November 2012	\$14.80 and \$13.68 per share	950,000,000	9,500,000,000	625,401,386	6,254,013,860	Exercise of 853,000 shares of employee stock option issued in 2007 (First)	None	Dec. 18, 2007 Financial-Supervisory Securities I-No. 0960070711
January 2013	\$13.68/share	950,000,000	9,500,000,000	625,891,386	6,258,913,860	Exercise of 490,000 shares of employee stock option issued in 2007 (First)	None	Dec. 18, 2007 Financial-Supervisory Securities I-No. 0960070711
April 2013	\$13.68/share	950,000,000	9,500,000,000	626,137,386	6,261,373,860	Exercise of 246,000 shares of employee stock option issued in 2007 (First)	None	Dec. 18, 2007 Financial-Supervisory Securities I-No. 0960070711
August 2013	\$13.68/share	950,000,000	9,500,000,000	626,253,386	6,262,533,860	Exercise of 116,000 shares of employee stock option issued in 2007 (First)	None	Dec. 18, 2007 Financial-Supervisory Securities -I No.0960070711
November 2013	\$12.70/share	950,000,000	9,500,000,000	626,323,386	6,263,233,860	Exercise of 70,000 shares of employee stock option issued in 2007 (First)	None	Dec. 18, 2007 Financial-Supervisory Securities -I No.0960070711
February 2014	\$12.70/share	950,000,000	9,500,000,000	626,571,386	6,265,713,860	Exercise of 248,000 shares of employee stock option issued in 2007 (First)	None	Dec. 18, 2007 Financial-Supervisory Securities -I No.0960070711
April 2014	\$12.70/share	950,000,000	9,500,000,000	626,822,886	6,268,228,860	Exercise of 251,500 shares of employee stock option issued in 2007 (First)	None	Dec. 18, 2007 Financial-Supervisory Securities -I No.0960070711

Month and year	Issuing price	Authorized capital		Paid in capital		Remarks		
		Quantity of shares	Amount	Quantity of shares	Amount	Sources of equity capital	Utilization of assets other than cash for payment	Other
November 2014	\$11.90/share	950,000,000	9,500,000,000	626,832,886	6,268,328,860	Exercise of 10,000 shares of employee stock option issued in 2007 (First)	None	Dec. 18, 2007 Financial-Supervisory Securities -I No.0960070711
February 2015	\$11.90/share	950,000,000	9,500,000,000	628,882,886	6,288,828,860	Exercise of 2,050,000 shares of employee stock option issued in 2007 (First)	None	Dec. 18, 2007 Financial-Supervisory Securities -I No.0960070711
April 2015	\$11.90/share	950,000,000	9,500,000,000	629,012,886	6,290,128,860	Exercise of 130,000 shares of employee stock option issued in 2007 (First)	None	Dec. 18, 2007 Financial-Supervisory Securities -I No.0960070711
September 2015	\$10.90/share	950,000,000	9,500,000,000	629,062,886	6,290,628,860	Exercise of 50,000 shares of employee stock option issued in 2007 (First)	None	Dec. 18, 2007 Financial-Supervisory Securities -I No.0960070711
November 2016	\$10.20/share	950,000,000	9,500,000,000	629,067,886	6,290,678,860	Exercise of 5,000 shares of employee stock option issued in 2007 (First)	None	Dec. 18, 2007 Financial-Supervisory Securities -I No.0960070711
January 2017	\$10.20/share	950,000,000	9,500,000,000	629,117,886	6,291,178,860	Exercise of 50,000 shares of employee stock option issued in 2007 (First)	None	Dec. 18, 2007 Financial-Supervisory Securities -I No.0960070711
August 2017	\$10.20/share	950,000,000	9,500,000,000	629,719,886	6,297,198,860	Exercise of 602,000 shares of employee stock option issued in 2007 (First)	None	Dec. 18, 2007 Financial-Supervisory Securities -I No.0960070711
December 2017	\$ 9.55/share	950,000,000	9,500,000,000	633,193,886	6,331,938,860	Exercise of 3,474,000 shares of employee stock option issued in 2007 (First)	None	Dec. 18, 2007 Financial-Supervisory Securities -I No.0960070711
February 2018	\$ 9.55/share	950,000,000	9,500,000,000	635,688,886	6,356,888,860	Exercise of 2,495,000 shares of employee stock option issued in 2007 (First)	None	Dec. 18, 2007 Financial-Supervisory Securities -I No.0960070711

Types of shares

Types of shares	Authorized capital (share)			Remarks
	Outstanding shares	Unissued shares	Total	
Common shares	605,688,886	314,311,114	920,000,000	
GDR	30,000,000	None	30,000,000	

Information of overall declaration system: Nil.

(II)The structure of shareholdings

April 16, 2022

Shareholder	Government agencies	Financial institutions	Other institutional investors	FINI and FIDI	Natural persons	Treasury stock	Total
Quantity							
Number of shareholders	0	27	342	437	73,342	1	74,149
Quantity of shares held	0	68,986,517	166,546,588	130,151,245	269,299,536	705,000	635,688,886
Proportion of holdings	0%	10.85%	26.20%	20.47%	42.37%	0.11%	100.00%

(III)The diversification of shareholdings

Face amount at NTD10/share

April 16, 2022

Ranking of shareholding	Number of shareholders	Quantity of shares held	Proportion of holdings
1-999	27,402	3,461,994	0.54%
1,000-5,000	39,915	75,050,643	11.82%
5,001-10,000	3,858	30,001,308	4.72%
10,001-15,000	942	12,094,941	1.90%
15,001-20,000	593	11,019,970	1.73%
20,001-30,000	482	12,291,303	1.93%
30,001-40,000	200	7,184,868	1.13%
40,001-50,000	165	7,712,041	1.21%
50,001-100,000	249	18,060,613	2.84%
100,001-200,000	127	18,122,846	2.85%
200,001-400,000	72	20,175,247	3.17%
400,001-600,000	29	13,618,406	2.14%
600,001-800,000	21	14,804,832	2.33%
800,001-1,000,000	15	13,688,077	2.15%
1,000,001 and more	79	378,401,797	59.54%
Total	74,149	635,688,886	100.00%

(IV)List of dominant shareholders

April 16, 2022

Name of dominant shareholders	Shares	Quantity of shares held	Proportion of shareholdings
Ming Wei Global Co., Ltd		42,583,497	6.70%
Yeh, Pei-Chen		30,201,237	4.75%
Ma, Mou-Ming		23,723,383	3.73%
Nan Shan Life Insurance Co., Ltd.		22,694,000	3.57%
Yuanta Funds		19,382,031	3.05%
Fubon Life Insurance Co., Ltd.		14,545,000	2.29%
Ming Wei Investment Co., Ltd.		14,062,200	2.21%
American JPMorgan Chase Bank N.A. Taipei Branch in custody for JP Morgan Securities Investment Account		11,917,795	1.87%
Xi Wei Investment Co., Ltd.		9,187,075	1.45%
Shi Da Investment Limited		9,008,000	1.42%

(V) The market price, net value, earning and dividend per share and related information in the last two years

Subject		Year			
		2020	2021	By March 31, 2022	
Market price per share (Note 1)	Highest	94.70	165.00	160.00	
	Lowest	36.35	74.60	124.50	
	Average	67.15	105.53	141.61	
Net value per share	Cum-dividend	43.10	59.04	-	
	Ex-dividend	38.10	47.04 (Note 7)	-	
EPS	Weighted average number of shares	635,688,886	634,755,136	-	
	EPS (Note 3)	6.88	21.01	-	
Dividend per share	Cash dividend (Dollar)		5.00 (Note 8)	12.00 (Note 9)	-
	Stock dividend	From retained earnings	-	-	-
		From capital reserve	-	-	-
	Accumulated unpaid dividends		-	-	-
Analysis on ROI	P/E ratio(Note 4)		9.76	5.02	-
	P/P ratio(Note 5)		13.43	8.79	-
	Cash dividend yield(Note 6)		7.45%	11.37%	-

Note 1: The information comes from TWSE's after-market trading information.

Note 2: The basis is the number of shares already occurred in previous years and filled out according to the distribution resolved by the shareholders' meeting next year.

Note 3: If retrospective adjustments are required for share distribution without consideration, earnings per share before and after the adjustment should be listed.

Note 4: P/E Ratio = Average closing price per share over the year / earnings per share.

Note 5: Price / Dividend Ratio = Average closing price per share over the year / cash dividend per share.

Note 6: Cash Dividend Yield = Cash Dividend per Share / Average closing price per share over the year.

Note 7: Distribution for 2021 is based on the resolution of the Board of Directors on March 18, 2022.

Note 8: The Board of directors resolved to grant NT\$5 of cash dividend for each share, composed of NT\$1 based on capital surplus and NT\$4 based on earnings.

Note 9: The Board of directors resolved to grant NT\$12 of cash dividend for each share based on earnings.

(VI) Dividend policy and implementation

1. Dividend policy:

The Company is under an environment of keen competition in the industry and a high level of uncertainty. In addition, the enterprise is at the mature stage of the life cycle. In consideration of the capital requirement for operation and long-term financial planning and meeting the needs of the shareholders in cash inflow, the Company, as a matter of principle, will appropriate 5% to 80% of the accumulated unpaid income as dividend for the shareholders. Cash dividend will be paid at no less than 5% of the total amount of dividend to be paid out, and such proportion will be adjusted by the resolution of the General Meeting depending on the actual profit position and availability of capital. The proposal of dividend payment presented by the board will be based on the industry level in dividend payment for maintaining proper balance and stability. Stock dividend will be paid out by the capitalization of capital surplus, and will be made in conjunction with cash dividend and in accordance with applicable legal rules.

2. The dividend payment plan as proposed in this General Meeting:

Unit: Share; NTD

Subject	New shares	Amount
Accumulated unpaid income (20,415,653,031)		
5%	-	1,020,782,652
80%		16,332,522,424
Cash dividend from retain earnings (@\$12)	-	7,619,806,632

(VII) The impact on the Company's operations and EPS of the stock dividend proposed by this shareholders' meeting: None.

As proposed at the present shareholders' meeting, cash dividend from retained earnings and capital reserve shall be distributed, without the issuance of bonus shares.

(VIII) Compensation for Employees and Fees for Directors and Supervisors

1. The percentage or range of compensation for employees and remuneration for directors stated in the Company's Articles of Incorporation:

If there is a profit after the annual closing of books, this Company shall appropriate 3-10% as compensation for employees and not more than 3% as remuneration for directors. If there are accumulative deficits, the amount for covering the losses of previous years shall first be retained. The compensation for employees described above shall be distributed in either stock or cash, and the remuneration for directors shall be distributed in cash. Compensation shall be approved by over half of the directors at a board meeting attended by two-third of the board members. In addition, the compensation for employees and directors shall be reported to the meeting of shareholders

2. Bases for estimating the compensation for employees and remuneration for directors this period, calculating compensation for employees in stock, and accounting solution for differences between actually distributed amount and estimated amount:

The compensation for employees and remuneration for directors and supervisors are estimated based on the balance from deducting accumulative losses in previous years from the income. If there is balance, this Company shall appropriate 3-10% as compensation for employees and not more than 3% as remuneration for directors. The compensation for employees is calculated at the closing price one day before the date of the resolution made by the meeting of BOD and in consideration of the impact on the ex-right and ex-dividend date.

There is no difference between the actual distribution amount of 2021 compensation for employees and remuneration for directors resolved by the BOD and the adopted estimates. Where there is a difference between the actual distribution amount and the estimates, the difference will be listed as a loss of the distribution year.

3. Information on the proposal on compensation for employees made by the board:

The board resolved in favor of the motion presented for the paid out of retained earnings for 2021 and the details are described as follows:

Unit: NTD/share

Subject	Quantity	Amount
Compensation for employee (10%):		
Compensation for employee -cash	-	1,766,530,344
Fees for directors (0.26%)	-	46,000,000

Note: The above amounts are the same as that estimates for 2021.

4. Retained earnings 2020 released as cash dividend to employees and fees for directors and supervisors:

Unit: NTD/share

Subject	Quantity	Amount
Compensation for employee (10%): Compensation for employee -cash	-	583,127,434
Fees for directors (0.79%)	-	46,000,000

Note: The amounts of remuneration actually paid to the abovementioned employees and directors are consistent with those presented in the financial statements for 2020, i.e. TWD 583,127,434 for employees and TWD 46,000,000 for directors.

(IX) Stock buyback (Completed)

Repurchase period	11th time (For the first time in 2021)
Purpose of the share repurchase	Transfer to employee
Scheduled period for the repurchase	2021/08/09-2021/10/05
Repurchase price range	NT\$ 75 至 NT\$ 130
Type and number of shares currently repurchased	common stock 3,000,000 shares
Total monetary amount of shares currently repurchased	NT\$ 280,919,362
Ratio of quantity repurchased to scheduled repurchase quantity	100%
Number of shares cancelled and transferred	2,295,000 shares
Cumulative number of the company's own shares held (shares)	705,000 shares
Cumulative number of the company's own shares as a percentage of the total number of the company's issued shares (%)	0.11%

II. Corporate bonds

No corporate bonds that have not expired yet.

III. Status of preferred stock

None.

IV. Condition of GDRs

None.

V. Employee Stock Options:

The Company completed the employee stock options issuance in 2017. From 2021 through to the publication date of this year's annual report, no employee stock options had been issued.

VI. Issuance of New Restricted Stock for Employees

None.

VII. Issuance of New Stock from Merger or Acquisition of Other Companies' Stock

None.

VIII. Status of Capital Utilization Plan

Not applicable.

Five. Review of Operation

I. The business

(I) Scope of Operation

1. Content of business
 - (1) Manufacturing of computers and related components
 - (2) Information software services.
 - (3) Machinery wholesaling.
 - (4) Manufacturing of electronic parts and components.
 - (5) Digital information supply services.
 - (6) Manufacturing of wireless communications machines and devices.
 - (7) Manufacturing of prohibited telecommunications transmitters and equipment.
 - (8) Importing of prohibited telecommunications transmitters and equipment.
 - (9) Information software wholesaling.
 - (10) Computers and business machine and equipment wholesaling.
 - (11) Telecommunication equipment wholesaling
 - (12) Telecommunication equipment retailing.
 - (13) Any other business not banned or restricted by law with the exception of business that required special permission.
2. Business distribution:

Unit: NTD1,000

Proportion Primary Products	2019		2020		2021	
	Sales value	%	Sales value	%	Sales value	%
Mother boards& graphic cards	48,874,963	79.11	68,618,983	81.11	90,518,642	74.25
Others	12,906,291	20.89	15,983,858	18.89	31,386,715	25.75
Total	61,781,254	100.00	84,602,841	100.00	121,905,357	100.00

Note 1: The above table shows net sales revenues.

3. Current products:
 - (1) AORUS gaming tactical products.
 - (2) High-performance motherboard with exceptional low-temperature overclockability.
 - (3) Real Time Ray Tracing Technology High Performance Graphics Card.
 - (4) AI smart pens, notebook computers.
 - (5) AI solution cloud server.
 - (6) 5G architecture integrated solution server.
 - (7) Ultra illuminating peripheral products.
 - (8) Optoelectronic products.
 - (9) IoT application system solution.
 - (10) Automotive electronics
 - (11) Smart living application product.

4. New product development plans:

- (1) AORUS gaming tactical products.
- (2) High-end mainboard product range based on next-generation platform architecture.
- (3) New-generation super series professional graphics card.
- (4) New-generation AI premium creator laptop.
- (5) New-generation AI high-performance gaming laptop.
- (6) New-generation Intel, AMD, ARM64 server series.
- (6) Ultra illuminating peripheral products.
- (7) Latest AI cloud solution.
- (8) Innovative PC peripherals.
- (9) Optoelectronic products.
- (10) IoT application system solution.
- (11) Automotive electronics
- (12) Smart living application product.

(II) Industry Overview:

1. Industry status and developments

The global market in 2020 was affected by the coronavirus disease. Work from home, study from home and “Stay-at-Home Economy” have become the mainstream. Consumer electronics, which are used to be considered unnecessary, have turned into necessary means of production, social media and entertainment. Market research institutions IDC and Gartner respectively reported in 2020 that the global PC market saw rapid record-breaking growth. According to IDC’s preliminary estimation, the global output volume of PCs (including traditional desktop computers, laptops, and workstations) will exceed 300 million units, with the annual increase of 13.1%; the last time such substantial growth appeared is in 2010, and the annual increase for PC market of that year is 13.7%. On the other hand, according to Gartner’s preliminary estimation, the global output volume of PCs will exceed 275 million units, with annual increase of 4.8%, which is also the highest in 10 years. Although the numbers differed slightly, the two market research institutions drew the same conclusion with regards to the development trend of the PC market: The trend to use mobile devices such as smart phones for work, study and entertainment temporarily slows down, and PC will become daily necessities again. Whether this trend will continue after the pandemic or not requires further observation.

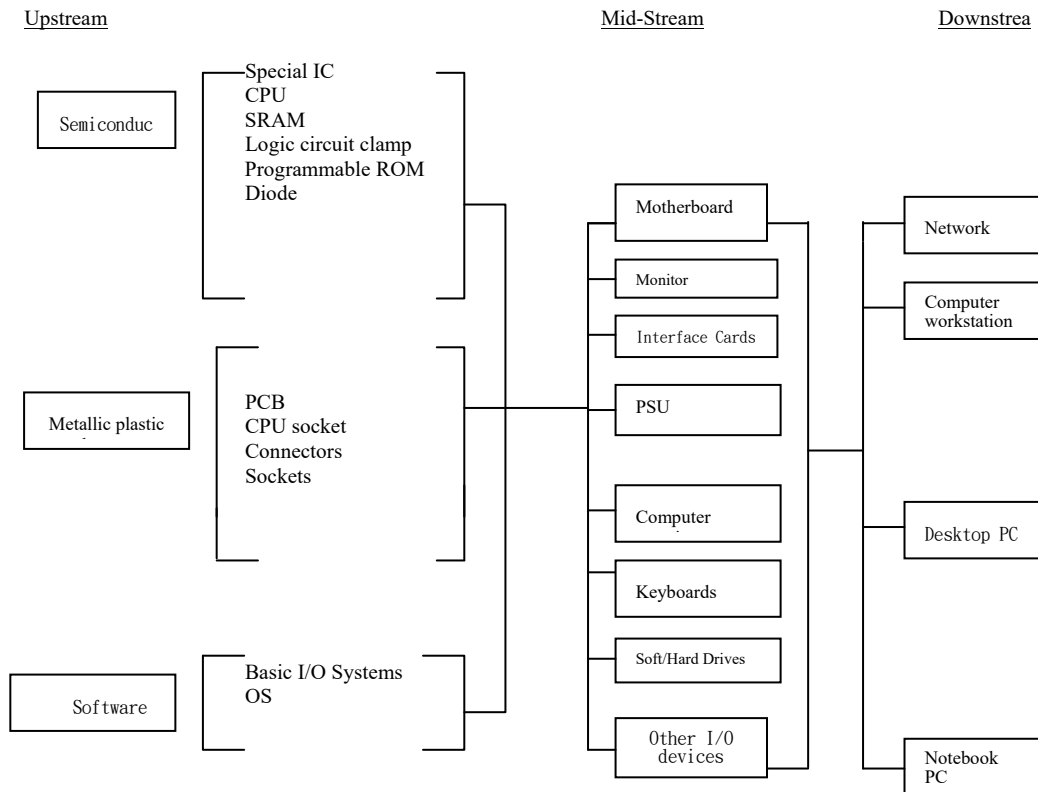
In 2020, many eSports competitions were postponed or canceled due to the pandemic. However, compared with other activities, eSports is easier to be held online, so the adverse effect caused by the pandemic on it is slighter. With pandemic boosting “Stay-at-Home Economy”, companies such as Intel®, NVIDIA® and AMD® have launched new-generation products. Highly expected 3A games are also being issued

one by another, resulting in the growth of the PC hardware industry. Take America market for example, market research institution The NPD Group reported in 2020 that the consumption spending on PC game hardware and peripherals in America has reached to 4.5 billion dollars, with the annual increase more than 60%; the consumption spending on PC game software has reached to 7.5 billion dollars, with the annual increase of approximately 20%. The report shows that both PC game hardware and peripherals saw double-digit growth. The growth of gaming monitors, keyboards and earphones is especially rapid. To respond the demand for PC game hardware and peripherals, Gigabyte launched many kinds of PC gaming motherboards, graphics cards and gaming peripherals, and some of them are well reputed products, include X570 AORUS XTREME motherboard, which won the Red Dot Design Award and the IF Design Award, gaming monitor AORUS CV27Q, which won the IF Design Award, and gaming monitor AORUS FI27Q, which won the European Hardware Award.

The COVID-19 pandemic that started in 2020 has continued to play havoc with semiconductor and server component supply chains. As a result, production at many CPU and component makers failed to keep up with demand. Epidemic prevention efforts led to new ways of living and working such as distance education and working from home. Demand from the 5G and AI markets remained strong as well so the server market continued to be plagued by supply shortages. In the spirit of continuous innovation, GIGABYTE continued to expand into new markets for server applications such as autonomous driving, 5G edge computing, transportation and AI. In addition maintaining our existing technical and product advantages in conventional server and X86 architecture, we also stepped up on our research, development and introduction of new server architectures based on CPU_GPU_DPU, the ARM64 architecture portfolio, liquid cooling and immersion cooling. These provide our clients with a greater range of high performance, eco-friendly and carbon-reducing solutions.

The Russian-Ukrainian war that broke out in early 2022 is posed to bring huge and unpredictable changes to the world. The new world order will dramatically change the landscape of the server industry and market. Despite these challenging conditions, GIGABYTE will continue to focus on enhancing the competitiveness of our own products and technology. We will continue to bring high-quality, high-performance X86 and ARM64 next-generation server products to the product as our global contribution to technological innovation, diversified applications, energy efficiency and environmental protection.

2. The associations of the upstream, mid-stream and downstream industries



Increased specialization in the supply chain of the IT manufacturing industry is leading to closer integration between all of its parts.

3. Product trends and competition

(1) Product development trend

Semiconductor technology keeps making progress. In 2021, industry leaders such as Intel®, NVIDIA® and AMD® continue to launch new-generation processors and platforms, which provide astonishing computing power. Users are able to have stunning experience that has never appeared before no matter when working or playing. New products launched by Gigabyte this year enable their users to control stronger computing power easily. Based on printed circuit boards. Gigabyte reaches out to its customers through innovative servers, laptops and gaming peripherals. Gigabyte brings out its main specializations, innovative research, development and high-quality performance. Coupled with its thorough understanding to kinds of scenarios, Gigabyte launched many products that can satisfy their users in one place. New products launched since the first season include Z690 AORUS series motherboards, which are equipped with 20 +1+2-phase whole IR pure digital power VRM design and the new generation Fins-Array II cooling plan, and are able to make the best of the 11th generation Intel® Core™ processor, whole new series AORUS ELITE high-order gaming graphics cards. In graphics card, GIGABYTE launched the GeForce RTX™ 3090 Ti premium graphics with our proprietary integrated water-cooling (WATERFORCE) and air-cooling (WINDFORCE) solutions to provide gaming enthusiasts with ultra-high performance requirements with different cooling options. To introduce more gamers to the world of desktop gaming, GIGABYTE also released the GeForce RTX™ 3050 and Radeon™ RX 6500 XT series of graphics card with WINDFORCE cooling technology to provide gamers with the best 1080p gaming experience.

Advanced technologies such as 5G, edge computing, AI and IoT applications continued to drive market developments in 2021. Server CPU and GPU are continuing to evolve however and an increasingly diverse array of products are breathing new life into this mature industry. The release of the AMD EPYC server processor in 2017 for example has since won the approval of the market with its outstanding performance. Omdia, a UK market analysis company, reported that AMD EPYC processors had a 16% share of the server market in 2022 Q3 and is continuing to see robust growth. As a key AMD partner, GIGABYTE is continuing to expand our line-up of AMD EPYC server products by introducing products based on different architectures to meet different customer requirements and market applications. Outside of CPUs, AMD is developing GPU products for data centers as well including the Instinct series of PCIe accelerator modules (OCP Accelerator Module, OAM). The G262-ZO0 GPU server based on the AMD Instinct™ MI250 was simultaneously launched by GIGABYTE at the SC21 online exhibition.

The ARM architecture has long been widely used in smart phones, industrial and network devices. The expansion of 5G applications however means that the server market now looks to the ARM64 architecture as a solution for providing even more performance. The “Ampere Altra” from US start-up Ultra is based on TSMC’s 7nm process and offers advantages in terms of core count, performance, and power consumption. GIGABYTE was one of Ampere’s earlier partners and released a full range of server products based on Ampere Altra/Altra Max at the COMPUTEX 2021 online exhibition and OCP Summit 2021 in two separate waves. GIGABYTE also partnered with NVIDIA to launch the Arm HPC Developer Kit and server products. During the NVIDIA GTC 2021 Developer Conference, GIGABYTE showed off the HPC Developer Kit based on the ARM architecture that it co-developed with NVIDIA, and look at the challenges posed by the ARM processing architecture for AI, high-performance computing (HPC), cloud services and edge computing.

In terms of HPC, products such as GIGABYTE H series high-density servers and G series GPU collaborative computing servers demonstrate the computing performance beyond teraFLOPS level, making them suitable for various fields, e.g. academic research, weather forecast, financial sector and entertainment industry. One of GIGABYTE’s clients is the German data company, Northern Data AG. It used GIGABYTE’s products to build a high-performance computing information center in Northern Europe, which has the computing power of 3.1 exaFLOPS. Taiwan National Center for High-performance Computer also uses GIGABYTE servers to build the first cloud render farm in Taiwan. It applies high-performance computing technology to many fields of services, including visual effects, 3D animation, VR and AR. Such computing power also meets content creators’ needs for high resolution and O2O vision.

GIGABYTE has made extensive inroads in server fields such as HPC, cloud storage and 5G edge in recent years. This included partnering with TSMC, the world’s top semiconductor foundry company from Taiwan, to create the all-new “Two-phase liquid immersion-cooled data center.” The “Two-phase liquid immersion-cooled data center” co-developed by GIGABYTE, Accton, and 3M features casing supplied by Delta Electronics, network switches from Accton, GIGABYTE’s high-density server products, immerse in non-conductive coolant developed by 3M. Using the high-density server product crafted by GIGABYTE as a processing node maximizes the number of computing components that in the design for improved computing density and performance. The operational stability and high-density design of the “Two-phase liquid immersion-cooled data center”

will help the top semiconductor foundry improve the yield and output of its advanced processes in order to further consolidate its leading position in the semiconductor industry.

As Gigabyte continues to pursue sustainable operations, “Upgrade Your Life” is the guiding principle and goal that we continuously aim to achieve, not only focusing on the industry but also on the sustainable values in the economical, environmental and social context. GIGABYTE cares about all its employees and is listed in Forbes the World's Best Employers 2020. GiGABYTE also actively carries out the sustainable development strategy “Reduction, Sharing, Love for Earth” and won awards like the Commonwealth Magazine Corporate Citizenship Award and the CSR Commonwealth Corporate Citizenship Award. The 2021 results of the “Taiwan Global Brands Value Survey” conducted by the global brand value research firm Interbrand on behalf of the Industrial Development Bureau of Ministry of Economic Affairs have now been revealed. GIGABYTE, renowned for its innovative research and technological inventions, emerged from the pack to rank No.23 among “Taiwan Global Brands” with a brand value of US\$75 million. In regards to products, starting from the original design, we have taken into account the effect of carbon emission, successfully implementing packaging for the eSports notebooks made of 100% agricultural waste like rice husks. In regards to the environment, we have continued working with the UNEP-approved Plant-for-the-Planet foundation to kick start the “Make Earth Green Again” program, working hand-in-hand with the consumers and collaborative partners to make the mission of “Upgrade Your Life” a focal point for all of us.

(2) Competition

In 2021, the coronavirus disease ravaged the world. Trend of work from home, study from home and stay-at-home economy enables the PC market to make a spurt of progress. Well liked gaming products continue to be the rage. Gaming PCs, peripherals and underlying software and eSports games have together formed a complete industrial ecology. In addition, business PC products have outstanding performance. Recent years, GIGABYTE cooperates with Intel to promote creator PCs, expecting creator PCs to form an independent industrial ecology and push circuit boards, laptops and peripherals to grow.

(III) Technology and R&D:

Continuing research and development is a Gigabyte legacy. Every year, we appropriate at least three per cent of sales revenue to research and development to secure key hardware and software technology for future growth and devote product value innovation and brand sustainable development. In recent years, our efforts have been rewarded by numerous international awards, such as iF and Red Dot. All these show Gigabyte’s solid technical capacity and R&D power.

1. Spending on research and development in the last two years until the date this report is printed:

Unit: NTD1,000

Subject	2020	2021	By March 31, 2022
R & D spending	2,360,903	4,091,372	858,944

Source: Consolidated financial report certified (audited) by CPA

2. Successful technologies or products developed over the two previous years up until the date of publication:

(1) 2021

a. Top notch mainboard on the planet

Continue to satisfy esports players with optimal gaming experience and meet overclocking enthusiasts' demand of product performance and high stability.

- ① In terms of power supply design, GIGABYTE's flagship Z690 mainboard became the first in the industry to feature 20+1+2 phase direct digital VRM design to support the advanced architecture of Intel's next-generation processor. When combined with the 8+8 solid core auxiliary CPU power supply connector, the mainboard can supply stable power to every key component with high precision to unleash the full performance of the latest Intel® 8-core processor. Having a mainboard that taps into the full potential of the new processor allows overclocking enthusiasts to hit record-breaking performance on all cores with ease.
 - ② Regarding heat dissipation design, the GIGABYTE Z590 AORUS XTREME WATERFORCE uses and makes better the well-reputed water-cooling design which has already been utilized in previous products. With an innovative all-in-one water-cooling thermal design, the product not only provides the most perfect heat dissipation solution for processors, VRM, chipset, and M.2 SSD to ensure system stability and low temperature under full loading application and gaming. With stylish exteriors and built-in dual lighting effect in digital RGB light design, the product can assist gamers or liquid cooling enthusiasts to build the most high-quality, personalized liquid cooling heat dissipation system. The 90-degree corner design of its full-board expansion connector not only makes machine assembly more convenient, but also improves the system heating by effectively optimizing winds in the case.
 - ③ A number of enhancements were incorporated into the GIGABYTE Z690 AORUS mainboard. The DD5 Unlocked Voltage over-voltage function utilizes a proprietary circuit design to unlock the voltage adjustment range of the native DD5 memory. For gamers, this translates into higher frequencies during overclocking and better stability. It is worth noting that GIGABYTE made several unique additions to the Z690 BIOS options too. DDR65 Auto Booster boosts the native frequency of DDR5 from 4800 MHz to 5000 MHz. Memory is also automatically boosted once Windows has been loaded so that performance is delivered during actual use. DDR5 XMP Booster can detect the brand of the memory chips in the BIOS to let the user switch quickly between the overclocking profiles for multiple memory types and enhance the speed of their native DDR5 or XMP DD5 memory.
 - ④ Launched different motherboards specially for different markets. For example, Tachyon motherboards help gamers to break the limit of performance by the idea of extreme-performance together with GIGABYTE's solid R&D ability and materials. As for VISION series motherboards, which are specially developed for professional creators, exert their product strengths by providing the most convenient functions to creators, enabling creators to turn their imaginations into real works.
- b. Industry-leading graphics card
- ① Continuously introduce premium AORUS high-order graphics cards. Research and develop the state-of-the-art max-covered cooling technology on our own. The technology integrates unique blade stack fans, special-designed wind claw fan blades, anti-turbulence alternate spinning fans, screen-cooling technique, vapor chambers, composite wick heat pipes and angle shape high low cooling fins to dissipate waste heat of the graphics processing unit effectively, therefore provides stable user experience to gamers. Multi-function LCD monitors are deployed in the side face of AORUS graphics cards. Such monitors are not only able to display information of the

graphics card, but also able to show custom GIF, words or pictures. In some modes, gamers can create their preferred appearance by adjusting the color and light effect through the software RGB FUSION 2.0.

- ② Keep researching and developing the windforce cooling system for GAMING and EAGLE series, mainstream gamers' favorite. Ahead of the industry, GIGABYTE applies nano graphite lubricating oil to the fan bearing. Such application extends the life span of sleeve bearing fans 2.1 times, makes them as durable as ball bearing fans but quieter. Moreover, the introduction of screen cooling technology and Dual BIOS quiet operational mode are especially features welcomed by gamers.
 - ③ To meet creators' requirement for graphics cards, GIGABYTE launched the brand new design VISION graphics cards. The graphics cards have elegant appearance on the basis of silver white along with lines of minimalist style and the high-performance windforce cooling system, which enables non-gamers are also able to enjoy high-performance computing power of graphics cards.
 - ④ The AORUS GeForce RTX™ 30 series open water-cooling graphics card, the first graphics card in the world to use the "liquid leakage detection" technology, a technology in the process of patent application, provides its users with good liquid leakage alarm function. As long as the graphics card detects any liquid leakage, it will immediately initiate the protection mechanism and flashing warning, enabling its users to turn off the computer within the shortest possible time to avoid loss incurred by water leakages. Those functions all make users rest assured when playing games.
 - ⑤ Launched the external graphics card box AORUS RTX 3090/3080 Ti/3080 GAMING BOX, which is the only one equipped with the water-cooling thermal design in the world. The built-in NVIDIA ampere architecture graphics card GeForce RTX 3090/3080 Ti/3080 and Thunderbolt™ 3 plug and play for high-speed transmission not only enable the 3D graphics capability of ultrabook laptop PC but it can also turn the ultrabook laptop PC into a gaming platform with real-time ray tracing and AI, allowing consumers to enjoy a new generation of ultimate gaming experience anytime, anywhere.
- c. Industry's innovative cloud server

① AI solutions research and development

GIGABYTE's G-series of products have made a name for themselves in AI and parallel computing. Product competitiveness is boosted through continuous innovation driven by cutting-edge technology. In the past, GPU server architectures were mainly based on GPU accelerator card with the standard PCIe interface. The release of the more powerful NVIDIA HGX A100 module and AMD Instinct™ MI250 OAM meant major changes to the GPU server architecture were necessary. A number of all new G492 and G262 series servers were subsequently launched with high-speed interconnection technology and high computing throughput to improve the performance and competitiveness of the G-series even more. The G242-P32 ARM HPC Developer Kit and server product co-developed with NVIDIA in particular with the CPU+GPU_DPU multi-processor module architecture in particular represented a major step forward in next-generation HPC and AI applications.

②5G architecture integrated solution

5G mobile network is not merely a simple hardware upgrade for improving network speed; it also involves multiple conditions and requirements, such as network speed, lag, the number of connected devices, and service quality. This network is a cross-domain network service architecture designed for future lifestyles. Currently, 5G architecture deployment is mainly driven from open-source software and hardware, followed by refurbishing the network architecture. It upgrades small cell technologies, deploys to the terminal and then gradually to SDN hardware with the server as the main body. GIGABYTE has 20 years of experience in hardware supply in vertical application, and cooperates with 5G chipset manufacturers, national research and development teams, and networking software startups. With its early preparation targeting compatibility and software and hardware optimization, it takes the lead in 5G commercial operations, and seizes business opportunities in Enhanced Mobile Broadband (eMBB) and business-critical services with terminals and SDN products. The network-in-a-box and enterprise private network solution unveiled by GIGABYTE and its partner ARM at MWC 2022 used the E252-P30 and G242-P32 ARM-based server based on the Ampere Altra processor as their hardware platform. These provide network operators with a more convenient method of 5G deployment.

③Cooperates with AMD in launching EPYC™ platform

Due to EPYC's excellent cost performance, GIGABYTE has since the launch of its first generation EPYC, made foresight planning in establishing EPYC product lines development, making GIGABYTE AMD's strong business partner in the server channel market. Following success of the first and the second generation products, in March, 2021, together with AMD, it launched the third generation EPYC server product lines such as computing, storage, high-performance computer, hyperconverged infrastructure, etc., in the world, as well as announced AMD third generation EPYC + Qualcomm Cloud AI100 high-performance GPU solutions.

Later on, GIGABYTE partnered with Qualcomm to submit its test rules to MLPerf Version 1.1 the AI performance leaderboard published by MLCommons, the AI industry association. The GIGABYTE G292-Z43 with 8 AI100 cards was benchmarked in the data center and edge category. on object recognition, object detection and natural language processing. Outstanding performance in inferences per second per Watt count was achieved.

④ Since the global launch of the first ARM64 server in 2013, Gigabyte has been the pioneer of ARM servers. For this reason, Ampere Computing the chip maker sought assistance from Gigabyte at the start of its product development. On March 3, Ampere unveiled its first Altra processor and provided clients with samples of the R272-P30 server for development. Apart from ARM64 CRB product, Gigabyte also cooperated with Ampere Computing in a chip development project to develop a series of products powered by the Altra platform, including terminal servers for 5G network edge computing. In addition to working with Ampere Computing to launch the world's first ARM64 server fitted with PCIe 4.0, Gigabyte also joined forces with other major manufacturers of ARM, such as NVIDIA®, to continuously introduce server products for network acceleration or AI computing.

During the OCP Summit in November 2021, GIGABYTE unveiled a 4-node ARM server equipped with two 128-core Ampere Altra Max processors per core.

Up to 1024 processing cores are therefore available on the server. In addition to launching various ARM server products, GIGABYTE formed a formal partnership with ARM to progressively obtain ARM SystemReady certification for all of them.

⑤ Cooperates with Intel in launching new-generation Xeon platform

Closely following the launch of Intel server CPU Roadmap, launches product lines improved based on the Intel Xeon 3rd Scalable Processor, the first Intel-launched platform supporting PCIe Gen4, which makes significant improvement in regard to the performance and extension applications.

d. AI gaming laptop

Gigabyte continues to pursue excellence in the research and development of AORUS gaming laptop PCs. In an increasingly saturated gaming laptop market, Gigabyte persists in their quest for high-end computing performance, with a focus on producing new product lines that meet customers' needs. The all-new AORUS 17 redefine the paradigm for premium e-sports notebook by delivering extreme performance and portability together. It comes equipped with the latest GeForce RTX™ 30 graphics card capable of running all Triple A gaming titles like silk. The four ultra-narrow bezel 360Hz e-sports panels, extremely high screen ration and refresh frequency combine to provide cinema-level immersion and the ultimate e-sports experience. The design aesthetics complement content creators as well. The curved lines and clean angles dispense with all frills to weave together a lifestyle of taste and refinement from the pure white glow of nature.

e. Gaming peripherals that won numerous awards

① AORUS series gaming monitors, which won multiple major media awards, feature many unique tactical characteristics like Black Equalizer 2.0, Aim Stabilizer, gamers-oriented specially designed GameAssist, hardware navigation panel AORUS Dashboard, OSD Sidekick, which can be directly controlled by mouses and keyboards, and the AORUS exclusive patent Active Noise Cancelling (ANC) 2.0. In addition, GIGABYTE also cooperates with upstream and downstream manufactures, such as NVIDIA, who provides G-SYNC compatible sync non-tearing technology, to bring gamers smoother, free rupture and free flicker gaming experience. What's more, to meet needs for different markets, GIGABYTE has launched various sizes of monitors, from 25 inch to 32 inch.

② AORUS Gen4 7000s SSD, featuring high-speed reading, which reaches the speed of 7GB/s, and excellent cooling design

With the advanced PCIe 4.0 control chip and flash memory chip, its performance is twice of traditional PCIe 3.0 NVMe SSD. Also, the arrangement of the specially designed cooling fins makes the best of peripheral quiet zone of M.2 SSD slot without intervening it. Furthermore, the heat dissipating surface of its cooling fins is maximized to avoid speed drop caused by overheat, which usually occurs in other SSD products. All of the above-mentioned features together enable AORUS Gen4 7000s SSD easily read and load information without dropping its speed. Players are also able to check and adjust the operation of SSD in real time with the application AORUS SSD Tool Box.

- ③ AORUS Memory Boost function enables easy performance upgrade, provide industry's ultimate lighting fluency

The latest AORUS RGB MEMORY adopts the design of DDR4 XMP 3733 16GB (8GB*2) and highly concerned overclocking chips, enabling players to have fun in experiencing overclocking. Besides attaching carefully selected GIGABYTE motherboards, which enables the use of the AORUS Memory Boost to accelerate DDR4 speeds to 3800MHz for superior memory performance, users can execute manual overlocking to boost the memory's performance. It also features the complete 12 default lighting modes and the manual lighting setting that allow gamers to customize lighting configuration for the memory, system and other components, creating unique personal styles for gamers.

- g. New Application of 5G

In recent years, various countries have been actively preparing infrastructures for 5G, looking forward to utilizing the three main features of 5G (high bandwidth, low delay and massive connectivity) to drive the smart city, smart transportation and eHealth, to make transmission of information faster, and to protect security of privacy. The features “high bandwidth and low delay” can especially make real-time remote of “Industry 4.0” possible, immediately connect machines and devices to enable human-machine collaboration, effectively boost efficiency and yield of production, and re-optimize manufacturing procedure by collecting data to edge computing industrial computers for further information analysis. GIGABYTE launched the first industry computer supporting 5G communication module in the industrial control industry. In the end of May, it even passed the field experiment in the CHT 5G laboratory of embedded high-performance fanless industrial computer control system, which is equipped with a variety of UI for industrial control, meeting the requirements for different industries such as smart factory, smart transportation, smart retail, e-Health and IoT edge computing. To make the best of the performance of 5G “high bandwidth and low delay” applications, design of miniature fanless is adopted, making it more flexible to plan the allocation of industrial control devices. The strict long-term supply management standard is applied to product management to provide products fitting the application environment of industrial computers.

- (2) By the report publication date

- a. Top notch mainboard on the planet

The GIGABYTE Z690 motherboard is based on the latest Intel® chipset. In addition to supporting the latest PCIe 5.0 super high-speed transfer architecture and ultra-fast DDR5 memory configurations, the motherboard comes with an extensive array of functions. The direct 20+1+2 phase all digital VDR design provides the most stable power supply management and control. Advanced cooling technologies including third-generation Fins-Array heat sink, second-generation Direct Touch heat pipe, and Nanocarbon baseplate have won praise for their ability to keep motherboard temperatures even under high load, maximizing high performance and overclock ability offered by the latest Intel® Core™ processors' with their hybrid core design! Tachyon motherboards designed by overclocking enthusiasts in particular help gamers and overclockers and gamers break down the limits of performance through GIGABYTE's solid R&D ability and materials. The AERO motherboard series developed for professional content creators incorporates the latest Vision Link technology while making full use of Thunderbolt™ 4 and USB Type C functionality to provide creators with excellent accessibility.

New products will use the above products as a basis for further enhancements to power supply, cooling configuration and energy efficiency. User experience will continue to be refined as well. New technologies and functions such as graphics card quick release, third generation finned M.2 SSD cooling armor, and Essential HEX USB DAC premium audio card all pave the way for next-generation products. The current product roadmap is as follows:

We expect to develop a new generation of high-order Intel® chipset motherboard.

We expect to develop a new generation of AMD® latest platform series motherboard.

New products will be launched simultaneously worldwide in collaboration with upstream vendors.

b. Industry-leading graphics card

Gigabyte has developed the new-generation NVIDIA GeForce RTX™ 30 series chip graphics cards featuring more CUDA core counts and better performance frequency. The graphics cards are built with max-covered cooling system, GIGABYTE WINDFORCE cooling system, anti-turbulence alternate spinning fans, unique blade fan, vapor chamber with direct contact GPU or composite heat-pipe with direct contact GPU, screen cooling technique, and 3D active fan. Gigabyte has created premium AORUS wind-cooled and water-cooled design series, mainstream gamer GAMING series, self-style design EAGLE series, creator style VISION series and professional computing TURBO series, providing users with more diversified choices to build their own battle station.

Gigabyte has developed the AORUS Radeon™ 6000 series premium gaming graphics cards, which are built upon the second generation RDNA™ architecture, and launched various series of it, such as AORUS, GAMING, and EAGLE. The products are equipped with the GIGABYTE max-covered cooling technique and WINDFORCE 3x cooling system with alternate spinning fans. It uses 7&6 nm processor technology and supports PCI Express 4.0 transmission interface, delivering excellent powerful performance. Coupled with RGB Fusion 2.0, protection metal backplate, and GIGABYTE certified ultra-durable materials, the AORUS Radeon™ RX5700 XT enables gamers to experience top computing performance of graphics cards and overwhelming aesthetics in a smooth working state.

c. Industry's innovative cloud server

GIGABYTE has always striven to provide the server market with a diverse range of innovative products. New application markets are constantly being opened up through our cutting-edge technology.

- Intel Xeon remains the dominant processor platform the in the server market. To counter the strong challenge mounted by AMD EPYC processors, Intel hopes that its next-generation “Intel 7” product based on the 7nm process will help it recapture lost market share. As a key Intel partner, GIGABYTE joined the server development effort during the early stages of platform development. We now plan a simultaneous global launch of the CPU along with a full range of products based on the new platform in order to expand our share of the Intel Xeon market.

- The success of AMD EPYC generated growth for both GIGABYTE servers and AMD EPYC, and helped revitalize the market. Since the first generation of AMD EPYC-Naples s processors were launched, GIGABYTE's product portfolio has been identified for their diversity and reliability. Further R&D investments have now upgraded and expanded the product line-up for second generation ROME and third generation Milan processors in order to maintain our advantage in the

AMD EPYC market. The next generation of AMD EPYC-based products are now in the pipeline. Performance and specifications will both be improved to support the new CPU. We are also overhauling the server architecture to introduce the latest water, oil and liquid immersion cooling technologies. Strong sales once they are released to the market in concert with AMD.

At the same time, GIGABYTE is also expanding our collaboration with AMD. In addition to the aforementioned partnership on server CPUs, GIGABYTE is continuing to innovate and develop new entry-level server products based on AMD Instinct GPU and Xilinx FPGA. These will be targeted at different customer requirements and make a contribution to the overall development of the industry.

- NVIDIA has established itself as a leading innovator in fields such as AI. The conventional GPU architecture based on the PCIe interface is however no longer adequate for the climbing market expectations on performance and processing speed. The market shares of the NVLink architecture and CPU+GPU+DPU modular architecture have begun to grow in recent years. Such new architectures have also proved very challenging to us in terms of server design. Major changes had to be made to the internal architecture and cooling. GIGABYTE is now working on a roadmap for NVIDIA's next-generation of G-series products. NVIDIA is also planning for compatibility and upgrades with the ARM CPU platform. As a leader in ARM servers, GIGABYTE will work with our partners to introduce even more GPU server products based on the ARM64 architecture.

- There has been a significant increase in demand and market acceptance for ARM servers during 2021. The Altra processor from Ampere is currently the only ARM server solution on the market. The Altra processor based on TSMC's 7nm process has been well-received by the market in terms of its performance and specifications. The ARM Neoverse roadmap proposed by ARM has given a boost to the ARM server ecosystem as well. As one of the earliest Ampere partners, GIGABYTE enjoys an advantage in terms of product range and time to market. The Altra and Altra Max product lines have now generated strong sales. We are now planning to develop a next-generation server product line based on Ampere's new Siryn processor in order to expand the market share of ARM servers.

d. Power Supply (PSU)

Launched the high-end AORUS range and ultra-durable UD range of PSU. AORUS P1200W 80+ Platinum Modular PSU won the CES 2022 Innovation award. Being declared the winner from a field of more than 1800 entries was no mean feat. The AORUS P1200W PSU has an integrated real-time digital monitoring function that keeps track of everything that happens within the PSU to ensure its stability. The extra-large LCD screen on the PSU can be used to display operating information in real-time or customized into different display modes. The top-of-the-range AORUS P1200W features 80 PLUS® Platinum certification, modular design, 100% Japanese capacitors, 140mm smart double ball bearing fan, single +12V rail design and multiple circuit protection. It aims to provide gamers with high-quality e-sports performance. In addition, its amazing compact size makes it compatible with any chassis without space constraints. The increasing power consumption of high-end CPUs and GPUs makes AORUS P1200W a must-have for top gamers.

The GIGABYTE UD series of PSUs (UD1000GM/ UD850GM/ UD750GM) inherits the spirit of GIGABYTE Ultra Durable product design by introducing a variety of high-quality materials and designs. Ultra Durable design combines high-quality main Japanese capacitors, enhanced thermal solution, 120mm smart

hydraulic bearing (HYB) fan, and VP/OPP/SCP/UVP/OCP/OTP circuit protection designs. It provides users with a stable, high-quality PSU rated for extended use. The three UD PSUs also feature 80 PLUS Gold certification, fully modular design, single +12V rail design and compact design. They provide the best choice for high-end gamers and overclockers.

The GIGABYTE UD1000GM PCIE 5.0 PSU supports the latest PCIe Gen 5.0 interface. The UD1000GM PCIe 5.0 PSU also incorporates a 16-pin connector and comes bundled with a high-quality native 16-pin cable capable of powering the latest PCIe Gen 5.0 graphics cards. The 16-pin cable is rated for a maximum power output of 600W and is therefore more than sufficient for the power demands of high-end next-generation graphics cards.

e. AI gaming laptop

Gigabyte is widely recognized as the developer of light high-performance creator laptops and professional gaming laptops. The AERO series of creator laptops and the AORUS series of eSports laptops equipped with Intel's 12th generation CPU and GeForce RTX 30 graphics chips were announced in early 2022.

- GIGABYTE finds that, no matter for creating or gaming, the key point of the experience is its computing performance. The whole new AORUS and AERO laptops equipped with RTX 30 series graphics processing units announced this year improve the whole performance, simultaneously optimize the unique sync WINDFORCE Infinity cooling design. With the Microsoft Azure AI, optimal setting will be automatically adjusted according to the program. The laptops not only keep their portability but also extract their full performance in large scale. Their overall performance is 30% better than products of the last generation, improving both the gaming performance and creators' work efficiency.
- The new AORUS 17 X, AORUS 17 and AORUS 5 professional eSports laptops not only come equipped with Intel 12th generation CPUs and GeForce RTX 30 graphics chips for next-generation performance. The inclusion of 360 Hz high refresh-rate panels provide gaming enthusiasts with a new level of performance provide gaming enthusiasts with a better all-round gaming experience
- Launch of the AERO 17 and AERO16 creator laptops. A revolutionary slim chassis combines aesthetic design with the 12th generation Intel® Core™ i9 processor and GeForce RTX 30 stand-alone graphics chip to deliver breathtaking 4K HDR panoramic visuals. High-performance in a stylish package helps content creators streamline their creative process while enhancing productivity, accuracy and excitement.

f. Gigabyte launched the world's first tactical gaming monitor:

AORUS AD27QD

-For gaming monitors, in addition to continuing the high-order product line of AORUS, GIGABYTE launched various large gaming monitors such as 32 inch, 43 inch and 48 inch monitors. In this way, players can enjoy the excellent gaming experience GIGABYTE brings when playing both PC games and console games! In addition, more than ten types of GIGABYTE M series monitors and Gaming series monitors apply the super-wide 21:9 curved monitor. Besides, they are also equipped with the uniquely innovative KVM cross-platform M series monitors, which enables users to conveniently operate different hardware platforms such as mobile phone, tablet computer, laptop, desktop PCs, etc, with different operating systems, including Windows, Mac OS, iOS, and Android by using one set of keyboard and mouse through Type-C technology, thereby becoming a true operating center equipped with all types of information equipment platform!

We launched more advanced high-end gaming products for the perfect gaming experience:

-We developed the AORUS K1 gaming keyboard with quality that matches the high quality requirements of previous products. AORUS K1 is equipped with the German CHERRY MX key-switch with a service life of up to 50 million keystrokes. The keyboard is simple and features floating key design for easy cleaning, braided cable and cable-routing design, multi-layer fast function keys, all key programmable with on-board memory, and RGB Fusion 2.0 lighting customizable function. Along with the entire AORUS system, the keyboard can be easily customized using a single software operating interface. AORUS K1 is crafted for professional gamers and provides better gaming experience.

-Gigabyte launched the flagship AORUS C700 GLASS case. In addition to different RGB lighting designs in the exterior, the glass case features a durable 4mm tempered glass side panel designed with elements symbolizing the spirit of AORUS, an attractive exterior, and an internal capacity that is greatly increased to not only provide maximum support to E-ATX motherboards but also satisfy the needs of advanced gamers. Furthermore, the case is compatible with up to 420 mm fans and liquid cooling radiators and features spacious interior and customizable configurations to eliminate installation and compatibility problems. Users can easily build a high-performance gaming platform with excellent cooling effect.

g. New Application of 5G

- 5th generation mobile networks (5G) is the newest generation mobile communication technology. The target of 5G is high data speed, reduction delay, saving energy, lowering the cost, enhancing system volume and connection of devices on a large scale.

- Integration technologies of the industrial computer system are listed as following:

- ① The Motherboard Design Supporting 5G Reception
- ② The Design of Miniature Fanless System
- ③ The System Heat Flow Analysis and Structural Design Integrating 5G
- ④ The 5G Rf Antenna Pattern Analysis and Rf test

(IV) Long- and short-term business development plan:

Short-term plan:

(1)Market

Target high-growth markets such as gaming and creators, continue to expand width and depth, develop products designed to meet user requirements, with features such as personalization, intelligentization, high efficiency and ease of use, and implement brand spirit, "Upgrade Your Life!" to all over the world! In terms of cloud server market, cloud and AI demand is still strong, and 5G application demand will grow. GIGABYTE is confident to continue to drive the growth in both revenue and profitability.

(2)Product

Expected to develop diverse new generation products and services on open platform: AORUS gaming peripherals, new generation top series motherboard, new generation high-end gaming graphics card, innovative computer peripherals and world's first tactical gaming monitor. System platform comprises: Brix ultra-slim laptop and AI laptop. Cloud applications comprises: Server products such as 5G application series, AI cloud computing series, hyper-converged infrastructure series, big data storage service series, enterprise IT architecture series, etc. Smart applications comprises:

AIoT application system solutions, smart recognition services, automotive electronics, photoelectric integration related application products, etc. Continue to integrate software and hardware, add new product elements, satisfy different user groups.

(3)Marketing

AORUS will continue to lead the gaming market with its passionate and stunning product trend, while GIGABYTE will adhere to produce high quality and high efficiency products in the channel. In recent years, it has successively developed 5G, cloud computing, AIoT and smart applications, so as to cater customers with comprehensive products.

(4)Sales Channel Establishment

In addition to strengthening traditional channel marketing of existing distributors, we also stepped up our cooperation with e-commerce vendors to use their platforms to expand sales and shopping guides, as well as carry out precision segment marketing and services. The new model effectively transforms competition into strength, while driving the growth of brand and operational performance at the same time.

(5)Manufacture

With long-term impact of the coronavirus disease, GIGABYTE continues to enhance automation and intelligentization in Taiwan manufactured products, resolve manpower problems in the short run, and reduce trade risk and production cost in the long run.

Long-term plan:

- (1) Gigabyte focuses on gaming and other durable high-performance markets. Leveraging the leading status of AORUS, we continue to translate consumers' expectation into high-end tactical products that create a full spectrum of product experience in tactical gaming and transform our advantages into a competitive edge for the company.
- (2) Gigabyte continues to engage in diversified development, using our years of R&D experience to introduce different innovative products, including smart living, and cloud application services, extend market opportunities from different areas, expand our business operation, and continue to create profit and growth opportunities for the company.
- (3) In a fast-changing market, Gigabyte continues to engage in smart transformation, integrate corporate operations with machine learning, big data, and other innovative technologies, and optimize business efficiency. Gigabyte upholds the principle of making use of innovative technologies as its basis for upgrading life, continues to make improvements, and became the winner of all time.
- (4) In response to the development of new technologies such as high-performance computing, AI, 5G, metaverse, eSports, and virtual currencies, organizational restructuring was implemented to enforce proper separation between B2C and B2B. The division of labor will help boost business performance.
- (5) Strengthen brand value and channel management.
- (6) Investment R&D resources into the development of new businesses.
- (7) Practice proper supply chain management and allocation of resources in response to inflation due to rising interest rates and the worsening COVID-19 situation.

II. Market and Sales

(I) Market Analysis

1. Main product (service) market regions:

To further expand company's performance, improve channel management and strengthen customers' satisfactions, we have service sites all around the globe including Western Europe, Eastern Europe, China, Northeast Asia, Southeast Asia, Australia, India, Middle East, North America, South America and Australia in order to provide after-sales, product and consulting services.

Sales volume and value over the last three years:

Unit: NT\$1,000

Region	2019		2020		2021	
	Amount	%	Amount	%	Amount	%
Asia	22,631,182	36.63	29,173,403	34.48	37,948,818	31.12
Europe	21,018,146	34.02	28,037,004	33.14	43,334,112	35.55
North America	12,903,626	20.89	20,548,814	24.29	28,143,175	23.09
Other regions	3,579,577	5.79	5,067,884	5.99	9,411,060	7.72
Domestic sales	1,648,723	2.67	1,775,736	2.10	3,068,192	2.52
Total	61,781,254	100.00	84,602,841	100.00	121,905,357	100.00

2. Market share, future supply & demand in the market, and growth potential:

(1) Market Share

Gigabyte is inherently committed to cultivating the sales market. Thanks to our positive brand image and word of mouth, we have always maintained the first or second place in the motherboard market. Our AORUS high-end gaming products and tactical series products have received multiple international awards, thereby further solidifying our leading position in the industry. Gigabyte actively develops 5G technologies along with AIoT, edge computing, hyperconverged computing architecture, and various smart cloud services to maintain continued growth in the cloud server market. We are now expanding beyond the ODM business into the channel-end market and seeking to become the most competitive brand in the market through satisfactory service, class-leading performance and innovative products.

(2) Market Supply

With the rapid advancement of semiconductor technology, in 2021, with the release of new generation products of Intel®, NVIDIA®, AMD®, the introduction of new e-sports games, the convergence of CPU supply shortages, and the high-end product ecosystems such as e-sports and content creators The continuous improvement of the market is expected to bring a new wave of business opportunities, and the market will have better growth momentum throughout the year.

The server market has been running red hot in recent years. The pace and scale of growth have been accelerated by the development of 5G and cloud applications, and these hold great promises for the future.

(3) Market Demand

The PC market as a whole was still affected by the COVID-19 pandemic in 2021. PCs became a domestic necessity once leading to record-breaking rates of market growth. The market research firm IDC preliminary estimates for 2021 suggested that the global output volume of PCs (including traditional desktop computers, laptops, and workstations) will still fail to keep up with demand.

3. Competition Niche; Advantageous and Disadvantageous Factors for the Prospects of Development; and Responding Strategies
a. Industry development and vision

Favorable Factors	Unfavorable Factors	Countermeasures
<ul style="list-style-type: none"> ●By dint of new operating mode, new platforms, new architecture, new technologies and new services, niche products of high quality, high performance and high value can be continuously introduced to meet market demand. ●With the advent of eSports development, Gigabyte’ s top-notch eSports brand AORUS continue to extend its reach and depth in the market, leading double digit growth. ●Market growth is facilitated by the rapid development of various smart cloud computing applications (e.g., 5G, IoT, block chain, big data, AI computing, hyperconverged computing architecture). ●We have production capacity that can provide high quality, great flexibility and low cost. ●Continue to strive towards “Reduce, Share, Love the Earth, Collaborate” and produce friendly products, services and care for the society. Actively create sustainable value to achieve our goal of mutual benefit for the greater good fo Gigabyte, the environment and society. 	<ul style="list-style-type: none"> ●Mobile computing has slowly transformed consumer habits, driving the merging of and and cloud computing or the switch from land-based to cloud based computing; making the market ecosystem more diverse and complex. ●The market and business operations have been challenged by the uncertainties from international politics and economics which have resulted in fluctuations especially in tax rates, exchange rates, prices of raw materials and logistics costs. ●Once the COVID-19 pandemic begins to wind down the Work from Home (WFH) demand for PCs will evaporate. 	<ul style="list-style-type: none"> ●Develop diverse and innovative productsbased on cloud technology, cloud application services, cloud servers and smart digital living. Respond to diverse market and application needs by providing specific solutions accordingly and enhance brand competitiveness. ●Prepare for responsive action to be taken in the face of uncertain international politics and economics by appropriate adjustment of regional proportion, the flexibility and cost of locations selected for production. ●The channel markets in various areas were scattered and were not vulnerable to fluctuations in a single area, resulting in operational dilemma. In order to reduce operational risks, in addition to improving the response speed of supply chains, it is necessary to pay close attention to market changes and strengthen the transfer of operational risks.

b. Product development and operational management

Favorable Factors	Unfavorable Factors	Countermeasures
<ul style="list-style-type: none"> ● We have the top-notch and most innovative R&D team in the industry, our products have won numerous international awards, and we can provide the most amazing product experience. ● Gigabyte's core competence is to provide a comprehensive suite of smart living applications focused on the customer's needs. Conduct R&D targeted at the software and hardware needs in diverse domains. Leverage digital interaction to create a fantasy space for an immersive user experience. ● Turn R&D and product advantages into brand and channel competitiveness to promote brand image. ● Excellent corporate image, comprehensive management systems, financially healthy with sufficient capital. ● Let green technology and product be the measures of our customers trust and reliance on Gigabyte. Increase the competitiveness of the Company's green technology and create more value for sustainable business operation. 	<ul style="list-style-type: none"> ● The stagnant growth of the PC market has reduced the profitability of the relevant industries. ● Shorter product lifespans, rapid price fluctuations, consumer market demand, component supply, exchange rate fluctuations, changing cost of raw materials have added to the challenges faced by the business. ● Export-oriented practice prone to Forex volatility. 	<ul style="list-style-type: none"> ● Continue diversified operations and the R&D of diverse equipment and services while focusing on the stars of tomorrow – eSports and cloud computing. Implement the product and market diversification strategy to improve profit. ● Leveraging our competence in R&D, excellence in channels management and rapid and flexible response to market changes, the business management team has segmented the various markets and products, collaborating with first-rate international suppliers and using technology, standards, scheduling and service to stay ahead of the competition and seize market opportunities. ● Pay close attention to Forex volatility and promptly adjust Forex position when appropriate to minimize exchange risk.

c. Marketing

Favorable Factors	Unfavorable Factors	Countermeasures
<ul style="list-style-type: none"> ● eSports cards and peripheral products have the top position in many countries across the world. Where we are placed in 1st position, continue to maintain the lead with intensive relationship management and building. ● Cloud applications and server market are developing vigorously. In future, integrating 5G and popular AIoT applications will facilitate market development. ● With the market trending towards diversification, Gigabyte will conduct R&R on the software and hardware needs of a diverse range of markets and professional domains to provide new and innovative products and solutions, for market satisfaction. ● Generate 100% customer satisfaction through segmented marketing and after-sales service. 	<ul style="list-style-type: none"> ● With rapidly evolving market dynamics, in addition to industry competitors, we are now faced with opponents that could come from any domain, intensifying the competition and causing adverse effect on profit. 	<ul style="list-style-type: none"> ● Further cultivate the channel markets, pays close attention to market trends and product development, respond to segregation of different markets and products with by providing intelligent, personalized and customized products. By providing products catering to consumers' needs for personalization, we can keep away from price competition and quickly respond to and capture market changes to improve profitability.

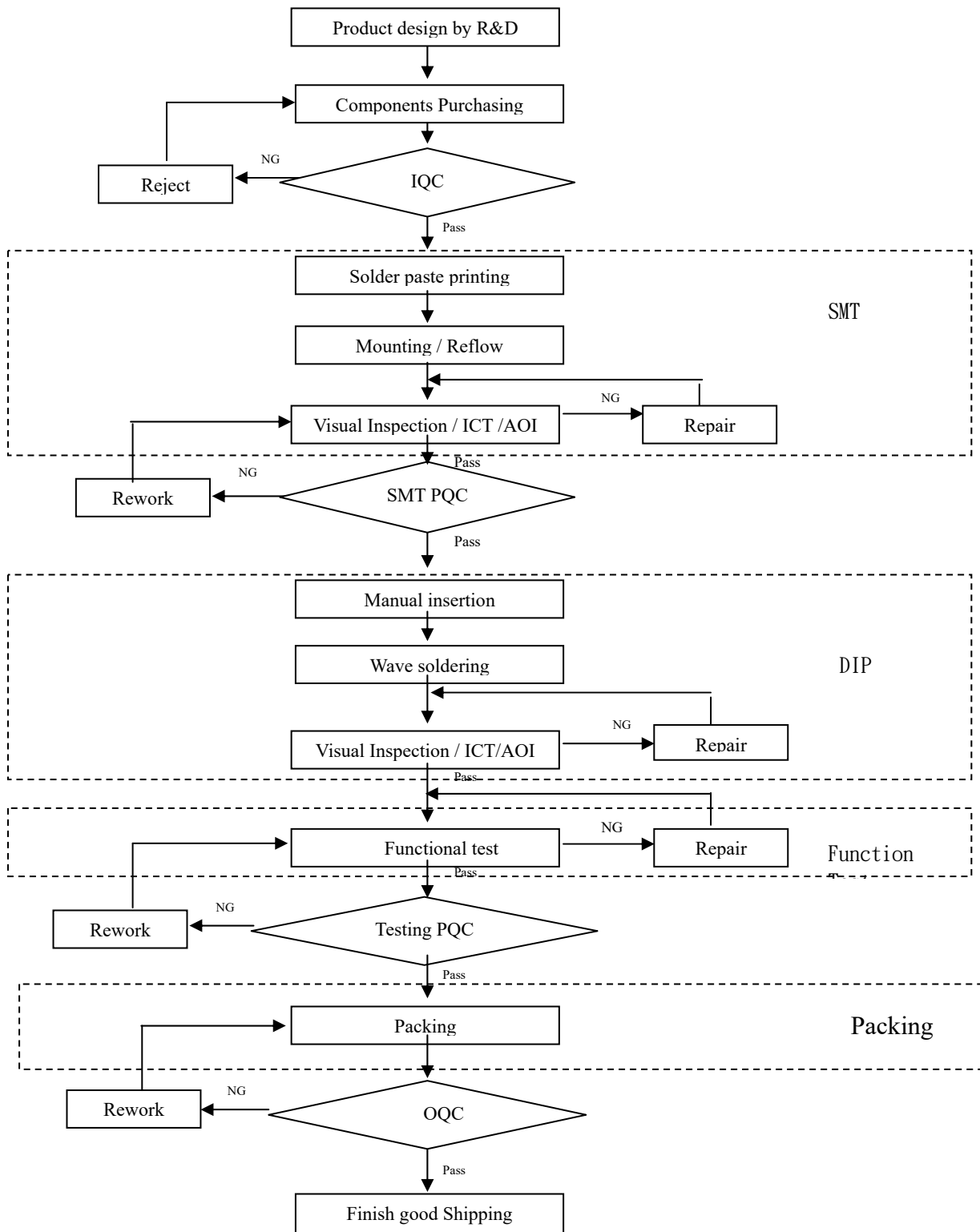
(II) Primary use and production process of premium products:

1. Primary functions of major products: computer motherboards and 3D drawing accelerator cards are the key core assembled in PCs.

The minicomputer system is Gigabyte's unique ultra-thin and lightweight computer with stylish appearance, maintaining the same upgradeability as high-performance desktops.

With high computing power, servers can provide various services to numerous Internet users and is an indispensable and important device in the cloud environment.

2. Production Process:



(III) The supply of key materials:

Name of product	Name of key materials	Primary source of supply	
		Primary source of supply	Status
Mother board & Graphic card	Chipset & IC	INTEL	Stable
		NVIDIA	Stable
		AMD	Stable
	Other key components	GLOBAL BRANDS MANUFACTURE LTD.	Stable
		Foxconn Interconnect Technology Ltd.	Stable
		LOTES CO., LTD	Stable
		Golden Elite Technology (Shenzhen) Ltd.	Stable

(IV) List of customers or suppliers representing more than 10% of the total purchase or sales in any of the last two years:

- List of customers that have imported an annual total of at least 10% of Gigabyte's sales volume in either year of the last two years:

Unit: NTD 1,000

No.	Name	2020			Relationship with the Company	2021			Relationship with the Company	2022 Q1		
		Amount	Percentage to annual purchase (%)	Relationship with the Company		Name	Amount	Percentage to annual purchase (%)		Relationship with the Company	Name	Amount
1	Company A	23,694,478	33.28	None	Company A	38,393,080	38.11	None	Company A	11,776,340	38.66	None
2	Company B	6,725,815	9.45	None	Company B	8,280,836	8.22	None	Company C	2,668,083	8.99	None
	Other	40,768,287	57.27		Other	54,057,801	53.67		Other	15,249,560	51.36	
	Total purchase	71,188,580	100.00		Total purchase	100,731,717	100.00		Total purchase	29,693,983	100.00	

Given the Change in the product portfolios and market environment, there are Changes in the suppliers, buyers, amount and proportions to total purchase and sales.

- List of buyers representing more than 10% of the total sales in any of the last two years: None.

(V) Production volume and value over the last two years:

Unit: 1,000 pieces; NTD million

Production volume and value	Production capacity	2020		2021		
		Production volume	Production value	Production capacity	Production volume	Production value
Mother boards & graphic cards	17,643	18,990	55,328	16,514	17,630	63,641
Others	380	1,630	12,895	2,748	3,646	32,216
Total	18,023	20,620	68,223	19,262	21,277	95,856

(VI) Sales volume and value over the last two years

Unit: 1,000 pieces; NTD million

Sales value and volume	2020				2021			
	Domestic sales		Export		Domestic sales		Export	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Mother boards & graphic cards	321	1,220	18,609	65,293	449	2,495	16,808	78,890
Others	-	556	-	17,534	-	573	-	39,947
Total	321	1,776	18,609	82,827	321	3,068	18,609	118,837

Note: This table lists net sales

III.Profiles on employees over the last two years as of the date of publication

March 31, 2022

Year		2020	2021	2022 March 31
Number of employees	Line personnel	698	645	633
	Supporting personnel	1,995	2,070	2,108
	Total	2,693	2,715	2,741
Average age		39	39.6	40.43
Average year of service		10.6	11.81	11.42
Education (%)	Doctorate	0.3%	0.3%	0.3%
	Master	15%	15.5%	15.8%
	University	68.4%	68.2%	67.89%
	High school	13.4%	13.4%	13.4%
	High school below	2.9%	2.7%	2.7%

Source: Statistical data compiled by Gigabyte

IV.Information on environmental protection expenditure in the most recent year and up to the publication date of the annual report

- (I) Losses and fines due to pollution in the most recent year: None.
- (II) Future responding strategies and possible expenditure:

In its 2021 Global Risk Report, Environmental risks continued to account for most of the top seven global risks. The probability assessment included extreme weather (No.1), failure of climate action (No.2), natural disasters (No.3) and loss of biodiversity and man-made environmental disasters (No.5); the impact severity assessment placed failure of climate action in No.2, loss of biodiversity in No.4, while No.5 and No. 6 were natural resource crises and man-made environmental damage respectively. All these are happening because the occurrence of climate change is far faster than predicted. The rate of species extinction has grown 10 or even 100 times in these one million years, and natural disasters have also become more severe and happened more frequently. The harm to economics, society and environment is foreseeable, so establishing countermeasures to deal with this problem will become the primary and necessary task. In addition, reducing human activities continuously is also a goal for everyone to work together to deal with environmental hazard. These events show us that the sustainable development of corporate operations requires a focus on climate risks.

Countries in the world have thus tightened their environmental regulation. Every year the EU increases the substances of very high concern (SVHC) in REACH and adds to RoHS2 four controlled items for plasticizer that will take effect on July 22, 2019. As of January 1, 2021, products entering into the UK market shall be in compliance with UKCA. Environmental and social issues have always been our concerns. To effectively mitigate and address to environmental and regulatory impacts, we began conducting assessments on supply chain sustainability in 2012. Apart from assessing and advising our existing suppliers on quality, punctuality, service, cost and hazardous substance management, we also require suppliers to conform to the Code of Conduct for Responsible Business Alliances and non-use of conflict minerals. In addition, we will promote energy saving, emission reduction, water saving, and waste reduction to protect Earth together with suppliers in pursuit of sustainable development and increased competitiveness.

Projected environmental protection spending three years ahead:

Currency: in NTD 1,000

	2019	2020	2021	2022
A. The content of anti-pollution equipment planned to procure or spending	<p>1. Launch Gigabyte's Reduce 333 program. Organize the "Reduce, Share, Love the Earth Alliance" supplier conference and share with the suppliers our "reduce" cases and our strategy and actions for sustainable development.</p> <p>2. Organize the "Friendly Product Design Competition" to coach and encourage tertiary students to be innovative use their creativity to design products that are friendly to the consumer, environment and society based on their concept of sustainability.</p> <p>3. Organize the "Climate Academy" to educate schoolchildren about the global climate crisis and inculcate in them the ability and courage to solve the crisis.</p>	<p>1. Promote sustainability funds to encourage consumption reduction within the group by providing awards and incentives such as Plant Reduction Award and rewards for those who propose reduction and low-carbon product ideas.</p> <p>2. Launch Gigabyte's Reduce 333 program. Organize the "Reduce, Share, Love the Earth Alliance" supplier conference and share with the suppliers our "reduce" cases and our strategy and actions for sustainable development.</p>	<p>1. Adopted Forestry Bureau's forest land in Pinglin, New Taipei and planted 1,500 Taiwanese indigenous species trees on the basis of the idea "Plant for the Planet".</p> <p>2. Keep promoting the Reduction Award System to encourage employees to get creative for reducing the Company's carbon, water and waste.</p> <p>3. Launch Gigabyte's Reduce 333 program. Organize the "Reduce, Share, Love the Earth Alliance" supplier conference and share with the suppliers our "reduce" cases and our strategy and actions for sustainable development.</p>	<p>1. Adopted Forestry Bureau's forest land in Pinglin, New Taipei and planted 1,500 Taiwanese indigenous species trees on the basis of the idea "Plant for the Planet".</p> <p>2. Launch Gigabyte's Reduce 333 program. Organize the "Reduce, Share, Love the Earth Alliance" supplier conference and share with the suppliers our "reduce" cases and our strategy and actions for sustainable development.</p> <p>3. Launched the "Remembering the Sea is Our Home" project to adopt Dayuan Beach in Taoyuan; a portable container for polystyrene waste reduction was donated to Lienjiang County as part of our long-term commitment to protecting the ocean.</p> <p>4. Investments in solar power plants, support for RE100 advocacy, as well as the commitment to the use of green electricity under the government's Renewable Energy Development Act.</p>
B. Expected improvement	Effectively cut cost, reduce waste quantity and carbon emissions, and enhance energy and resource efficiency.	Encourage partners in the value chain to work with us to reduce waste, water, carbon, and plastic, and bring	Encourage partners in the value chain to work with us to create diversified values for the company and	Environmental governance was strengthened to reduce environmental risks and reduce the

	2019	2020	2021	2022
		new opportunities and social value for the company.	society.	environmental impact of business operations. We also encouraged partners in the value chain to work with us to create diversified values for the company and society.
C. Amount				
- environmental protection spending	47,300	43,655	43,156	44,524
- procurement of equipment for environmental protection process	-	-	-	-

(III) The Impact of Environmental-Protection-Related Expenditure on the Company:

1. Impact on Net Profit

Promoting friendly design and sustainable development is our Company's established policy. Our Company considers the complete lifecycle of products covering raw material acquisition; product design, manufacture, and use; and recycling, to reduce environmental impact and environmental load, provide customers with high-quality and high-efficiency products, extend product lifespan, and reduce electronic waste. While pursuing environmental protection, we also improve product competitiveness. All Gigabyte products comply with our Harmful Chemical Substances Requirements (HCSR) to reduce the potential risks of products and pursue sustainable development for the enterprise and environment. Although implementing eco-design and sustainable development did not increase our Company's production capacity but reduced our Company's net profit, they enable our Company to secure market share and promote brand image.

We promoted the MFCA Material Flow Cost Analysis in 2017 as we knew that by using the "loss cost" approach, the "waste reduction analysis" could improve the efficiency of use of materials and save costs. At the same time, we took account of material flow cost analysis for the purpose of environmental protection, thereby providing the industry with the best practices on sustainable resource management process. Continue to promote the "Gigabyte Technology Reduce 333 Program", encouraging reduction in carbon, water and waste to improve resource efficiency and decrease operating costs. GIGABYTE has been adopting forest land since 2020 to plant native Taiwanese tree species. The "Reducing, Sharing, Love for Earth" alliance was also formed to share sustainability initiatives with suppliers. During 2021, GIGABYTE planned to invest in solar power plants to mitigate climate risk and support RE100 advocacy. Although it will increase our cost, they have positive influence on our brand image.

2. Impact on our Status in the Competition

In recent years, we have been promoting friendly design, elimination of hazardous substances, and ISO 14064. In response to the tightening international environmental regulations, we work together with suppliers through supplier management and supplier guidance. We also observe local laws and

《Responsible Business Alliance (RBA) Code of Conduct》 at a high moral standard. We also request suppliers on the supply chain to comply with environmental protection, safety and health, labor rights, and labor condition standards, including “Conflict-Mineral-Free” policy; respect for employees; fair treatment of female and male employees; accountability toward production process and the environment. Besides improving organizational competitiveness, such awareness will be beneficial to enhance the global market share of Taiwan’s 3C industries, so as to prevent measures to promote environmental protection and sustainable development from reducing our global competitiveness. Establish “Reduce, Share, Love the earth, Alliance” and convene the supplier conference to share with the supplies Gigabyte’s actions to reduce carbon, waste, water, plastic and the sustainability trend. Growing together with the supplier, generating win-win together. In 2022, GIGABYTE plans to mentor suppliers on GHG inventories and help them use the inventory process to identify hot spots for GHG reduction so that actual carbon reduction action can be taken.

In 2020, COVID-19 ravaged the world. Gigabyte therefore issued “The Sustainable Operation Guide for Enterprise” to help our supply chain to overcome the operation difficulty together. Furthermore, Gigabyte gave several awards such as the Sustainable Award, the Excellence Golden Award and the Best Partner Award to encourage its suppliers.

3. Impact on the Company’s Image

Since 2010, we have voluntarily published the “Gigabyte Corporate Social Responsibility Report” according to the Global Reporting Initiative (GRI) in both Chinese and English to report to all stakeholders Gigabyte’s efforts, determination, and achievements in sustainable development. After winning in 2014 the Excellence in National Environmental Education from New Taipei City, we won in 2015 again the Excellence in National Environmental Education in the private sector category; in 2017, we were rated as a Model Enterprise in the electronics industry according to the CSR Survey by Global View Magazine, TCSA Climate Leader Award (as one of the 10 award winning enterprises), TOP50 Taiwan Sustainable Enterprise Award (among the 9 enterprises in technology sector, we ranked the 6th place), TOP50 Enterprise Sustainable Report Gold Award and ISO 14001+ Award. In 2020, the Vision “CSR Survey” published the Top 5 in the technology industry. The Top 50 gold award for corporate sustainability once again confirmed Gigabyte’s progress made in driving sustainable development. “The calling of the corporation is to provide the consumer with products that are safe and of high quality. Helping the consumer to safeguard the environmental impact of our products is the corporation’s responsibility.” All products bearing the Gigabyte brand are produced with the principle of being environmentally friendly, actively pursuing the goals of low carbon, no contamination and zero waste. In 2018, we published Taiwan’s first ever product environment report to describe the effect of the raw materials used and the production process of Gigabyte’s products on the environment. We affirm the Company’s practice in sustainable development. We will make continuous efforts to spread our social influence to make Gigabyte the industry’s perpetual leader.

(IV) Our Company’s Committed Environmental Protection Expenditures and Our Response to EU Environmental Guidelines Are Listed as Follows:

1. Committed Significant Environmental Protection Expenditures:

- (1) Our Company has passed ISO 14001 environmental management system certification, requiring first level suppliers to install environmental management systems. Currently, all first level suppliers of Gigabyte have earned the ISO

- 14001 certification and are striving for pollution prevention and clean production.
- (2) In 2005, our company became the first system brand company in the world that received the IECQ QC 080000 standard certification. Our products went through a lead-free manufacturing process. We also introduced green material management system and established a green supply chain. Through Green Supply Chain Management (GSCM), we coordinated systematically with suppliers and connect ourselves to relevant standard evaluation and recognition processes. We effectively communicate with suppliers. We trace, manage, and even eliminate components that contain restricted or banned chemical substances.
 - (3) The Company has passed the ISO45001 occupational health and safety management system verification. We will continuously improve the Company's safety and health systems to prevent accidents and keep them under control, and strive for sustainable operations with zero occupational hazards.
 - (4) The lifecycle carbon emission audit based on PAS 2050 carbon footprint standard has been completed for MD-300 Set-Top Box, one of our Company's Chennel sales products. The British Standard Institute (BSI) has issued a certificate of product carbon footprint verification for this audit engagement.
 - (5) Our Company promotes green design and recycling processes that are in compliance with all international environmental regulations.
 - (6) Apart from developing the clean production mechanism, developing energy-saving products, improving production process, and enhancing efficiency, we specifically implemented the ISO14064 GHG inventory system to disclose the GHG inventory and management information of this Company with the GHG report, so as to exactly capture the sources of GHG emissions, promote total participation and consensus, and continuously promote GHG emissions, mitigate global warming, and fulfill CSR.
 - (7) We activated the "Green Action Program" in 2009 to organize celebrity talks, sustainability and environment education, eco working holiday, and "One Thousand Miles" environmental service events. With these activities, we have enabled employees to understand the importance of environmental protection, improved their awareness of sustainability and environmental protection, and equipped them with the basic knowledge, attitude, and skill for environmental protection. By activating the "Green Action Program 2.0" in 2016, we have established the Gigabyte Green Action Culture and promoted the eco-design concept to all employees to create new value for green products and pursue sustainable development for the enterprise and environment.
 - (8) We organized the "Green Product Innovation Activity: Innovation · Value · Sustainability". Based on the main theme "going green is free", we encourage employees to design green product with "Innovation · Value · Sustainability". As long as we are on the right track, "going green is free!" In 2016, we organized the "Save the Ocean; Reduce Plastics Movement" poster design competition. This was followed in 2017 by the "Reduce, Share, Love the Earth" friendly product design competition to develop tertiary students, letting them present innovative and creative ideas on sustainability, incorporating the economic principles of recycling. Starting at the origin, introducing the economics of recycling from the design phase of the product right through to the end phase of recycling, targeting the environment, society and the consumer to create friendly products.
 - (9) We put the mitigation and adaptation of climate change as part of enterprise sustainable operations and implement countermeasures in terms of GHG

management and routine operations. We also build the eco-design-focus “G-Home Sustainable Eco-Roof” and promote it through industry-government-academia cooperation in order to provide a reference for an integrated, multifunctional solution for the mitigation and adaptation of climate change, aggressively reduce environmental load, and fulfill corporate social responsibility.

In June 2017, G-HOME, Gigabyte's sustainable living roof project, was certified by the Environmental Protection Administration, Executive Yuan. This did not only let G-HOME serve the purpose of promoting green roofs, but also turned Gigabyte into a great corporate citizen in the education field and called on everyone to cherish the seeds of caring love of the environment and achieve harmony between man and the environment.

- (10) For continuous reduction of product carbon emissions, we activated the carbon footprint calculation system for all products in 2016. By implementing this system, we hope to simplify the calculation of process of product carbon emissions and review the carbon emissions of products at each stage of the product life cycle. Apart from comparing the environmental impacts of each raw material and production process and finding opportunities and methods to reduce carbon emissions, we hope to provide a reference for developing friendly products. In 2018, we published Taiwan's first ever environmental product report, expanding the impact assessment data to include the effect on air quality and acidification of land/water domains. R&D personnel use this data to examine the environmental impact of the various products as they move through the different phases in their lifespan. The results of the study will form the basis identifying opportunities for reducing the environmental impact and develop plans for operationalization. We hope that you will join us in protecting the environment. To that end, Gigabyte Technology has compiled the environmental impact of our products and the recycle data in this environmental product report. We hope that this open sharing of information will help all of us to understand the environmental characteristics of each category of product and motivate each of us, be it the manufacturer or the consumer, to do our bit for a sustainable environment.
 - (11) Promote the project “Make Earth Green Again” on the basis of the idea Plant for the Planet, and has already planted 75,000 trees in Mexico and 2,860 Taiwanese indigenous species trees in Pinglin, New Taipei. Gigabyte plants hope and love for our planet with action.
2. The Company sell its products directly and indirectly to EU, or areas governed by RoHS.
 3. The compliance of the Company with RoHS is 100%. In 2017, in response to the RoHS 2 restriction on phthalates and the amended REACH regulations, we officially updated the HCSR to version 4.3, adjusting the control levels (Level B → Level A) of the 4 restricted phthalates (DEHP, BBP, DBP, DIBP) and added 2 restricted materials (DBB, PFOSF). All suppliers will be required to comply with Gigabyte's guidelines on the control of hazardous materials and be subjected to audit by Gigabyte.
 4. The Company has been granted by the following companies or agencies the green product accreditation on environmental protection and ODM customer accreditation rate: 100%.
 - (1) The first company in Taiwan being accredited the SGS IECQ QC080000 RoHS green product.
 - (2) Approved by MOEA for a grant for supervision in Green Project in 2006, and complete the establishment and adaptation of GP system in 2007.

- (3) Recognition by international giant firms: Lenovo (IBM), Fujitsu, Hitachi, NEC, Toshiba, Samsung, LG, Acer, HP.
- (4) Equipment, production process, inspection standards and points of control are in place. There are also the ODM Mass Production and inspection for delivery locations with yield rate meeting the requirements of the customers.
- (5) By the end of Q1 2006, the Company has attained to full compliance with RoHS and has met the requirement of EU as early as July 2006.
- (6) Complete the process and product evaluation of Halogen Free in 2008 to respond to the requirement of future environment protection law.
- (7) As the first company in the world, we passed the third-party certification (BSI) of carbon footprint inventory with our STB (MD-300) according to PAS2050 on September 29, 2010. We also cooperated with 15 suppliers to arrange carbon footprint and inventory training for (raw) materials with the purpose of understanding the impact of the product on the environment at each phase of its life cycle. We also hope to build a basic database and use it as a basis for the development of green products to reduce impact on the environment and fulfill our responsibility to society.

V.Labor-Management Relation in the most recent year until the date this report is printed

- (I) The status of employee welfare, continuing education, training, retirement system and others, and the agreement between the labor and the management and protection of employee benefits and rights:

1. Employee insurance:

In addition to labor insurance and health insurance for employees and their dependents, we take out group insurance for each employee including life insurance, accident insurance, hospitalization insurance and medical payment for accidents and cancer as well as overseas travel insurance to protect the lives of employees and their families.

2. Annual wage adjustment and bonus:

The wage adjustment will be implemented in accordance with annual price index, the wage adjustment ratio of the civil servant, the wage adjustment standard in the industry and the performance appraisal result. In addition, there is a bonus when sales targets are achieved.

3. Holiday bonuses

Gigabyte provides employees with holiday bonuses ever Duanwu Festival and Mid-autumn Festival as well as end-of-year bonuses before the Chinese Lunar New Year.

4. Fringe benefits provided by the employee welfare committee

The employee welfare committee of the Company is organized under law and by elected representatives of the employees. They will be responsible for the planning and execution of employee welfare. Examples are the organization for local and overseas traveling trips, gifts for the three major festivals, birthday gift vouchers, subsidized for matrimonial, celebration and funeral occasions, scholarships for the children of employees, special offers by participating shops, recreation and entertainments, social functions, language training programs, and the Company will subsidize employees in taking local or overseas trips for pleasure. The amount of subsidy will vary with the years of service

5. Training and development of employees: according to the training system of the career development

Develop training development system using core career as mainstream and emphasis on the cultivation of professional management, at the same time, host

arts and humanity seminars irregularly to widen employees' views and balance out career and life. Establish e-learning platform to provide an irregular learning environment. Our scheduled training includes educational training for newcomers, professional management training, pre career training, specialized skill training, product enhancement training, general training, English language lessons and e-learning program.

6. Employee stock ownership program

Since 2010, Gigabyte has provided stock ownership for employees above a certain rank. These employees may convert a percentage of their monthly salaries or bonuses to a trust to acquire company shares. Gigabyte will also provide additional funds for encouragement so that employees can also benefit from the Company's profits and strengthen the loyalty and bond with the employees.

7. Reward for innovation

Any new idea for positive contribution to the Company proposed by employees will be rewarded, including management, marketing planning, research and development and production.

8. Feedback:

The opinion of staff is important. Therefore, the suggestion box and message board are used to find out the opinion of staff on the management system, executive leadership, welfare system and work environment for good labor relations. There has never been a labor dispute in the history of our company.

9. After July 2005, the employer contributes labor pension that is six percent of monthly wages of the employee into the individual account of the employee at Labor Insurance Bureau due the change in policy that requires individual retirement account. The retirement system of the Company has been instituted in accordance with the Labor Standards Law. The Company hires an actuarial expert to work on the job, and appropriate 2% to 15% of the total salaries disbursed for each month as a contribution to the pension fund liability at the approval of the Taipei County Government. Such contribution, which is 2% for current period, will be deposited at the trustee account at the Bank of Taiwan under the title of the Pension Fund Supervisory Committee.

- (II) Any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to labor disputes (including labor inspection results found in violation of the Labor Standards Act, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions): The labor-management relation has been harmonious since the establishment of the Company in 1986. No loss has ever been inflicted from this cause.

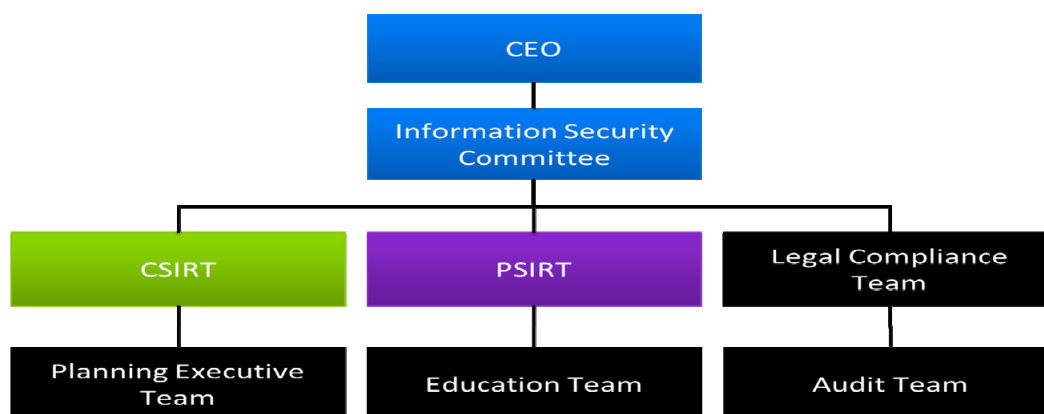
VI. Information security management:

(1) Management organization and strategy

1. Vision

In keeping with the GIGABYTE philosophy of "Upgrade Your Life", corporate information security governance has been introduced to our continued pursuit of corporate sustainability. The Information Security Committee was set up to devise an information security policy and management framework that takes international standards, regulatory requirements, privacy protection, risk management and crisis management into account. A total approach to information security management, planning, oversight and execution has been put into place. The Committee also reports regularly to the President on information security management activities and overall effectiveness of information security management organization.

2. Governance Organizational Framework:



3. Security Policy

- (1) Information security management rules are reviewed and updated every year in accordance with international information security standards (NIST Cybersecurity Framework) and domestic/overseas information security regulations.
- (2) Ensure the Confidentiality, Integrity and Availability of information so that they can be applied to the planning, management and execution of Group business targets in a secure, proper, appropriate and reliable manner.
- (3) To continue providing customers with a safe and quality product experience, GIGABYTE must ensure that our information security management for R&D processes, product development, cloud services, and manufacturing supply chain all comply with our information security policy. The goal is the effective reduction of management risk and continued improvement to the overall maturity of information security.
- (4) Conduct regular offensive and defensive information security drills, strengthen internal information security awareness through employee training, and implement information security throughout all processes.

4. Management goals and outcomes

- (1) One information security incident reporting and response drill was conducted to ensure proper division of labor and improve responsiveness.
- (2) In response to the growing number of BEC e-mail fraud, the following measure was adopted at the system level: Anti-fraud e-mail protect was implemented. For employee information security education and training: Two social engineering rehearsals were conducted.
- (3) Rigorous security measures were implemented due to employees working from home during the COVID-19 pandemic. Multi-factor authentication (MFA) was also introduced to ensure the security and integrity of information operations.

(2) Management framework

Information security management standards based on the National Institute of Standards and Technology Framework for Improvement Critical Infrastructure Cybersecurity (NIST CSF) were introduced across the board in accordance with our security policy. An information security management framework and Information Security Incident Response Team were set up to support identification, protection, detection, response and recovery. These five core functions cover the entire information risk management cycle.

1. Identification

The identification of the Company's protected information assets and value processes. Information asset identification is carried out every year along with a risk assessment of operating environment governance. A risk management plan is then developed and risk prevention measures employed to continue reducing operating risk.

2. Protection

Successful external attacks usually target weaknesses in a corporate information systems. A total approach to information security protection and defense that encompassed products, services, equipment, employees and supply chains was adopted and enforced throughout each process with a zero-trust architecture. Information security awareness was also raised with information security training held at various times each year. Due to the flood of corporate e-mail fraud, two social engineering rehearsals were also held during 2021. Reinforcement seminars were conducted for high-risk employees as well. These not only improved employee compliance with the Company's information security policy but also reduced information security management risks for the Company.

3. Detection

Advanced AI technology is used by the Company to monitor incoming attacks in real-time. External sources of intelligence on information security incidents and attack signatures enable rapid and effective response to external malicious attacks. Real-time detection by the network and nodes can warn of suspicious software and malicious behavior, effectively reducing the risk of malicious attacks.

4. Response

Set up an information security response team that taps into the international information security community as well as threat intelligence from international information security vendors. An emergency response reporting mechanism was put into place and integrated with the supply chain to facilitate collaboration on products, intelligence and reporting. Information security incidents are routinely rehearsed by the team to ensure that incidents are handled in the optimal manner to minimize their impact.

5. Recovery

The response and recovery plan underwent a thorough review and upgrade in 2021 in response to the expansion of the Company's channel business, growth in network communications business, as well as new products and service upgrades. In addition to ensuring the integrity and availability of the plan, training rehearsals and validation testing were carried out to minimize the risk to business continuity due to anomalies in the Company's information system.

(3)Description of information security incident

1. Incident and response

A problem with system services was detected in-house on August 6, 2021, early in the morning. This was determined to be a hacker attack. The hacker was launching a ransomware attack and once an attack was detected emergency response was implemented. A small number of servers came under attack and some of their files were encrypted. Information collected from the attack has been reported to the relevant law enforcement authorities.

2. Affected stakeholders and degree of impact

A small number of internal servers and files were damaged. Timely detection of the attack however meant that all systems have since been restored. The Company's production, sales and routine operations were not affected.

(4)Corresponding improvement measures

- 1.Implementation of zero-trust security framework as well strengthening the scope of defenses.
2. AI monitoring of malicious online activity
3. Encryption and protection of information
- 4.Improved information security awareness among employees through further reinforcement training and social engineering rehearsals.

VII. Major agreements

(I) Agreements expiring within one year: None.

(II) Agreements still in force:

Type of contract	Contracting parties	Term of agreements	Content	Restriction
License Agreement	HDMI Licensing, LLC	2006/8/9, automatically renews for 5 years periods, upcoming renewal will be Aug 9 2021	Patent authorization	Prohibition on assignment of rights
License Agreement	DTS , Inc.	2019/9/1- automatic renewals every year unless terminated	Patent authorization	Prohibition on assignment of rights
License Agreement	AMI, Taiwan Branch	2018/01/01-2023/12/29	Patent authorization	Prohibition on assignment of rights

Six. Financial Position

I. Condensed balance sheet, income statement and auditors' opinions covering the period of last five years

(1) Condensed Balance Sheet and Statement of Comprehensive Income -IFRS Condensed Balance Sheet (Entity) - IFRS

Unit: NT\$1000

Year		Financial information covering the last five years (Note1)				
		2017	2018	2019	2020	2021
Item						
Current assets		26,488,634	22,746,564	24,581,192	36,876,121	56,066,852
Property, plant and equipment(Note2)		2,160,918	2,462,212	2,519,945	2,431,447	2,685,920
Intangible assets		14,014	41,766	22,861	24,679	27,438
Other assets(Note2)		9,398,723	10,543,158	11,279,156	12,393,089	13,158,277
Total assets		38,062,289	35,793,700	38,403,154	51,725,336	71,938,487
Current liabilities	Cum-dividend	13,402,546	11,165,092	13,511,756	23,334,617	33,352,547
	Ex-dividend	15,945,302	13,072,159	14,910,272	26,513,061	Not distributed yet
Non-current liabilities		569,842	545,133	593,587	995,528	1,097,956
Total liabilities	Cum-dividend	13,972,388	11,710,225	14,105,343	24,330,145	34,450,503
	Ex-dividend	16,515,144	13,617,292	15,503,859	27,508,589	Not distributed yet
Equity attributable to owners of the parent		24,089,901	24,083,475	24,297,811	27,395,191	37,487,984
Equity		6,356,889	6,356,889	6,356,889	6,356,889	6,356,889
Capital surplus	Cum-dividend	3,962,314	3,924,357	3,896,889	3,884,904	3,279,731
	Ex-dividend	3,962,314	3,924,357	3,896,889	3,249,216	Not distributed yet
Retained earnings	Cum-dividend	13,840,935	13,417,437	13,426,344	16,382,101	27,188,132
	Ex-dividend	11,298,179	11,510,370	12,027,828	13,839,345	Not distributed yet
Other Equity		-70,237	384,792	617,689	771,297	729,248
Treasury stock		0	0	0	0	-66,016
Non control Equity		0	0	0	0	0
Total equity	Cum-dividend	24,089,901	24,083,475	24,297,811	27,395,191	37,487,984
	Ex-dividend	21,547,145	22,176,408	22,899,295	24,216,747	Not distributed yet

* If the Company compiles financial statements on an entity basis, the Company should additionally compile the entities' condensed balance sheets and consolidated profit & loss statements for the last 5 years.

* For companies that have adopted IFRSs for less than five years, the companies should also compile the following table (2) under ROC GAAP.

Note 1: Years during which the financial statements have not been audited by CPAs should be noted.

Note 2: If the Company has performed asset revaluation in the current year, the Company should state the date when the revaluation was performed and the revaluation gain amount.

Note 3: The figures after the aforementioned distribution are based on the board of directors or shareholders' meeting resolution in the following year.

Note 4: If the financial information have been revised or compiled as directed by the competent authorities, list the amended or re-compiled data with clear annotations and explanation.

Condensed Statement of Comprehensive Income (Entity) - IFRS

Unit: 1000 NTD

Item \ Year	Financial Information covering the last five years (Note 1)				
	2017	2018	2019	2020	2021
Revenue	57,213,666	57,984,926	62,383,990	84,087,874	121,741,896
Gross profit	8,089,336	7,650,552	7,209,865	11,944,309	27,274,078
Operating income	1,974,088	1,756,180	1,390,845	4,110,707	14,703,364
Non-operating income & expenses	1,066,623	1,152,727	771,621	1,091,440	1,149,409
Pre-tax profit	3,040,711	2,908,907	2,162,466	5,202,147	15,852,773
Net Income from continuing operations	2,786,411	2,566,512	1,939,241	4,374,329	13,337,960
Earning of discontinued operation	—	—	—	—	—
Net income (loss)	2,786,411	2,566,512	1,939,241	4,374,329	13,337,960
Other comprehensive income (net after tax)	74,414	15,130	209,630	133,552	-31,222
Total comprehensive income for the period	2,860,825	2,581,642	2,148,871	4,507,881	13,306,738
Net profit attributable to owner of parent	2,786,411	2,566,512	1,939,241	4,374,329	13,337,960
Net profit attributable to non-controlling interests	—	—	—	—	—
Total comprehensive income attributable to owner of parent	2,860,825	2,581,642	2,148,871	4,507,881	13,306,738
Total comprehensive income attributable to non-controlling interests	—	—	—	—	—
EPS (\$)	4.41	4.04	3.05	6.88	21.01

* If the Company compiles financial statements on an entity basis, the Company should additionally compile the entities' condensed balance sheets and consolidated profit & loss statements for the last 5 years.

* For companies that have adopted IFRSs for less than five years, the companies should also compile the following table (2) under ROC GAAP.

Note 1: CPAs have audited the consolidated financial information in previous years referred to above.

Note 2: Losses from discontinued units are shown as net earnings after deduction of income tax.

Note 3: If the financial information have been revised or compiled as directed by the competent authorities, list the amended or re-compiled data with clear annotations and explanation.

Condensed Balance Sheet (Consolidated) - IFRS

Unit: 1000 NTD

Item	Year	Financial information covering the last five years (Note 1)					Financial information as of March 31, 2022 (Note 3)
		2017	2018	2019	2020	2021	
Current assets		33,623,284	28,959,419	30,109,160	41,565,460	60,298,149	62,835,302
Property, plant and equipment(Note2)		3,876,017	4,131,468	4,085,922	4,048,823	4,206,997	4,218,806
Intangible assets		33,056	51,998	30,789	31,990	29,329	113,432
Other assets(Note2)		1,265,315	2,591,710	3,485,670	3,782,884	4,643,715	4,610,057
Total assets		38,797,672	35,734,595	37,711,541	49,429,157	69,178,190	71,777,597
Current liabilities	Cum-dividend	13,983,138	10,955,638	12,665,285	20,984,364	30,749,578	30,220,217
	Ex-dividend	16,525,894	12,862,705	14,063,801	24,162,808	Not distributed yet	Not distributed yet
Non-current liabilities		582,210	610,291	693,145	1,031,671	925,512	953,933
Total liabilities	Cum-dividend	14,565,348	11,565,929	13,358,430	22,016,035	31,675,090	31,174,150
	Ex-dividend	17,108,104	13,472,996	14,756,946	25,194,479	Not distributed yet	Not distributed yet
Equity attributable to owners of the parent		24,089,901	24,083,475	24,297,811	27,395,191	37,487,984	40,589,071
Equity		6,356,889	6,356,889	6,356,889	6,356,889	6,356,889	6,356,889
Capital surplus	Cum-dividend	3,962,314	3,924,357	3,896,889	3,884,904	3,279,731	3,279,731
	Ex-dividend	3,962,314	3,924,357	3,896,889	3,249,216	Not distributed yet	Not distributed yet
Retained earnings	Cum-dividend	13,840,935	13,417,437	13,426,344	16,382,101	27,188,132	30,255,050
	Ex-dividend	11,298,179	11,510,370	12,027,828	13,839,345	Not distributed yet	Not distributed yet
Other Equity		-70,237	384,792	617,689	771,297	729,248	763,417
Treasury stock		0	0	0	0	-66,016	-66,016
Non control Equity		142,423	85,191	55,300	17,931	15,116	14,376
Total shareholder's equity	Cum-dividend	24,232,324	24,168,666	24,353,111	27,413,122	37,503,100	40,603,447
	Ex-dividend	21,689,568	22,261,599	22,954,595	24,234,678	Not distributed yet	Not distributed yet

* If the Company compiles financial statements on an entity basis, the Company should additionally compile the entities' condensed balance sheets and consolidated profit & loss statements for the last 5 years.

* For companies that have adopted IFRSs for less than five years, the companies should also compile the following table (2) under ROC GAAP.

Note 1: Years during which the financial statements have not been audited by CPAs should be noted.

Note 2: If the Company has performed asset revaluation in the current year, the Company should state the date when the revaluation was performed and the revaluation gain amount.

Note 3: CPAs have reviewed the consolidated financial information in the current quarter referred to above.

Note 4: The figures after the aforementioned distribution are based on the board of directors or shareholders' meeting resolution in the following year.

Note 5: If the financial information have been revised or compiled as directed by the competent authorities, list the amended or re-compiled data with clear annotations and explanation.

Condensed Statement of Comprehensive Income (Consolidated) - IFRS

Unit: 1000 NTD

Item \ Year	Financial information covering the last five years (Note 1)					Financial information as of March 31, 2022 (Note 2)
	2017	2018	2019	2020	2021	
Revenue	59,884,781	60,923,590	61,781,254	84,602,841	121,905,357	32,610,245
Gross profit	10,198,857	10,123,214	9,590,869	14,464,437	29,590,032	7,875,469
Operating income	2,226,350	2,275,588	1,447,233	4,217,835	14,486,513	3,449,864
Non-operating income & expenses	949,277	677,183	816,015	1,232,970	1,626,859	485,406
Pre-tax profit	3,175,627	2,952,771	2,263,248	5,450,805	16,113,372	3,935,270
Net Income from counting operations	2,713,506	2,496,125	1,907,543	4,331,235	13,335,146	3,066,178
Earning of discontinued operation	—	—	—	—	—	—
Net income(loss)	2,713,506	2,496,125	1,907,543	4,331,235	13,335,146	3,066,178
Other comprehensive income(net of tax)	74,409	15,127	209,630	133,555	-31,223	34,169
Total comprehensive income for the period	2,787,915	2,511,252	2,117,173	4,464,790	13,303,923	3,100,347
Net profit attributable to owner of parent	2,786,411	2,566,512	1,939,241	4,374,329	13,337,960	3,066,918
Net profit attributable to non-controlling interests	-72,905	-70,387	-31,698	-43,094	-2,814	-740
Total comprehensive income attributable to owner of parent	2,860,825	2,581,642	2,148,871	4,507,881	13,306,738	3,101,087
Total comprehensive income attributable to non-controlling interests	-72,910	-70,390	-31,698	-43,091	-2,815	-740
EPS (\$)	4.41	4.04	3.05	6.88	21.01	4.83

* If the Company compiles financial statements on an entity basis, the Company should additionally compile the entities' condensed balance sheets and consolidated profit & loss statements for the last 5 years.

* For companies that have adopted IFRSs for less than five years, the companies should also compile the following table (2) under ROC GAAP.

Note 1: CPAs have audited the consolidated financial information in previous years referred to above.

Note 2: CPAs have reviewed the consolidated financial information in the current quarter referred to above

Note 3: Losses from discontinued units are shown as net earnings after deduction of income tax.

Note 4: If the financial information have been revised or compiled as directed by the competent authorities, list the amended or re-compiled data with clear annotations and explanation.

(II) Name of Certified Public Accountants in the last five years and opinions:

Year	Public auditors	Opinion
2017	Xiao, Chun-Yuan; Wang, Fang-yu	Unqualified opinion with explanatory paragraph
2018	Xiao, Chun-Yuan; Wang, Fang-yu	Unqualified opinion with explanatory paragraph
2019	Lin, Se-Kai; Wang, Fang-yu(Note1)	Unqualified opinion with explanatory paragraph
2020	Lin, Se-Kai; Wang, Fang-yu	Unqualified opinion with explanatory paragraph
2021	Lin, Se-Kai; Wang, Fang-yu	Unqualified opinion with explanatory paragraph

Note 1: There has been reorganization of the PWC Certified Public Accountants. Therefore, Xiao, Chun-Yuan, CPA and Wang, Fang-yu, CPA were changed to Lin, Se-Kai, CPA and Wang, Fang-yu, CPA as the public auditors to the Company in 2019.

II. Financial analysis for the past five years

(1) Financial Analysis (Entity) - IFRS

Year (Note 1)		Financial analysis for the past five years				
		2017	2018	2019	2020	2021
Subject (Note 3)						
Financial structure	Liabilities to assets ratio (%)	36.71	32.72	36.73	47.04	47.89
	Long-term capital to Property, plant and equipment ratio (%)	1,141.17	1,000.26	987.78	1,167.65	1,436.6
Ability to repay debt	Current ratio (%)	197.64	203.73	181.92	158.03	168.1
	Quick ratio (%)	134.65	96.05	114.39	108.08	106.05
	Debt service coverage ratio	10,632.86	10,464.69	988.88	2,539.87	7,313.16
Utility	A/R turnover (time)	9.76	9.75	8.23	7.37	7.53
	Average days of payment	37	37	44	50	48
	Inventory turnover (time)	5.57	5.02	5.38	7.08	5.99
	A/P turnover (time)	5.71	6.41	7.11	6.59	5.8
	Average daily sales	66	73	68	52	61
	Property, plant and equipment turnover (time)	26.16	25.08	25.04	33.97	47.58
	Total assets turnover (time)	1.56	1.57	1.68	1.87	1.97
Profitability	Return on Assets (%)	7.60	6.95	5.23	9.71	21.57
	Return on equity (%)	11.88	10.66	8.02	16.92	41.11
	Net income before tax as a percentage of paid-in capital (%) (Note 7)	47.83	45.76	34.02	81.83	249.38
	Net profit rate (%)	4.87	4.43	3.11	5.20	10.96
	EPS (\$)	4.41	4.04	3.05	6.88	21.01
Cash flow	Cash flow ratio (%)	28.80	-23.69	24.68	35.38	23.29
	Cash flow adequacy ratio (%)	118.78	63.27	70.48	79.15	86.18
	Cash reinvestment ratio (%)	8.45	-19.72	5.40	23.09	11.56
Leverage	Operation leverage	1.19	1.22	1.27	1.10	1.03
	Financial leverage	1.00	1.00	1.00	1.00	1.00

Reasons for Changes in financial ratios in the last 2 years: (for changes of 20% or more)

1. Financial structure: The main reasons for the profit this year hit a new high, so the long-term funds increased.
2. Ability to repay debt: Interest to be paid by the Company is extremely low because the Company earned more profits this year, thus increased the Times Interest Earned.
3. Utility: Significant increase in revenue this year led to improved fixed asset turnover rate.
4. Profitability: Increase in end-user demand boosted operating income from related products this year, leading to a jump in returns and profits compared to the previous year.
5. Cash flow: Business expansion during the year led to a decrease in cash flow from operating activities. The increase in current liabilities and the issuing of higher cash dividends meant a reduction in cash flow and reinvestment rate compared to the previous year.

* If the Company compiles financial statements on an entity basis, the Company should compile a separate financial analysis for each entity.

* For companies that have adopted IFRSs for less than five years, the companies should also compile the following table (2) under ROC GAAP.

Note 1: CPAs have audited financial information for the years listed above.

Note 2: Publicly traded companies or companies whose stocks are traded over the counter of securities dealers should also include the current year financial information as of the quarter before the publication date of the annual report in the analysis.

Note3: The equation for calculation shall be stated at the end of this table in the annual report.

1. Financial structure
 - (1) Liabilities to assets ratio = total liabilities/ total assets.
 - (2) Long-term capital to Property, plant and equipment ratio = (Gross shareholder's equity + Non-current liabilities)/ Net Property, plant and equipment.
2. Ability to repay debt
 - (1) Current ratio = current assets/current liabilities
 - (2) Quick ratio = (current assets- inventory – prepayments)/current liabilities
 - (3) Debt service coverage ratio=EBIT/interest expense for current period.
3. Utility
 - (1) Account receivable (including account receivable and note receivable from business) turnover = net sales/average balance of account receivable (including account receivable and note receivable from operation).
 - (2) Average daily payment=365/account receivable turnover
 - (3) Inventory turnover= cost of goods sold/average inventory
 - (4) Account payable (including account payable and note payable from operation) turnover = cost of goods sold/average balance of account payable (including account payable and note payable from operation).
 - (5) Average daily sales = 365/inventory turnover
 - (6) Property, plant and equipment turnover = net sales /Average Net Property, plant and equipment.
 - (7) Total assets turnover = net sales/ Average total assets.
4. Profitability
 - (1) Return on Assets = [Earning + interest expenses x (1-tax rate)]/average total assets.
 - (2) Return on Equity = Earning /average net equity
 - (3) Net profit rate = Earning/net sales
 - (4) Earning per share = (Equity attributable to owners of the parent – dividend from preferred shares)/weighed average number of outstanding shares (Note 4).
5. Cash Flow
 - (1) Cash flow ratio = (net sales – variable cost and expenses from operation)/operating income.
 - (2) Cash flow adequacy ratio = net cash flow from operation over the last five years/(capital spending +addition to inventory + cash dividend) over the last five years.
 - (3) Cash reinvestment ratio = (net cash flow from operation – cash dividend)/ (gross Property, plant and equipment + long-term investment + other Non-current assets + working capital) (Note 5).
6. Leverage:
 - (1) Operation leverage= (net sales – variable cost and expenses from operation)/operating income (Note 6).
 - (2) Financial leverage= operating income/(operating income-operating expenses).

Note 4. While evaluating the formulas for EPS mentioned above, the following factors must be taken into consideration:

1. The number of common shares shall be based on the weighed average method and not the outstanding shares as of the end of the year.
2. Where there may be additional capital raised from the issuance of new shares or may be treasury shares trade, the outstanding period of the shares shall be considered in calculating the weighed average number of outstanding shares.
3. Where there may be the capitalization of retained earnings or of capital surplus, adjustment shall be made in proportion to the amount capitalized when calculating the earning per share for the previous year and the interim period. The term of the capitalization of retained earnings or capital surplus for new capital is not required for consideration.
4. If the preferred shares are non-convertible accumulated preferred shares, the dividend for current period (whether or not being paid out) should be deducted from earning or added to earning. If the preferred shares are not accumulative, dividend for preferred shares should be deducted from earning if there is a surplus. If there is loss after taxation, no adjustment is required.

Note 5: When conducting analysis on cash flow, pay attention to the followings:

1. Cash flow from operation shall be referred to the net cash inflow from operation as stated in the statement of cash flow.
2. Capital spending shall be referred to cash outflow for capital investment each year.
3. Addition to inventory shall be referred to the value at the end of the ending period is greater than that of the beginning period. If there is decrease in inventory, put a zero.
4. Cash dividend includes cash dividend for common and preferred stocks.
5. The gross amount of property, plant, and equipment is the total balance of property, plant, and equipment before subtracting accumulated depreciation.

Note 6: The securities issuer should classify operating costs and operating expenses as fixed or variable. If estimates or subjective judgment is involved in such classification, the accounting staff must pay attention to the reasonableness and maintain the consistency of such classification.

Note 7: If the stocks of the Company do not have par value or have par values other than NT\$10, the calculation of percentage of paid-in capital is calculated with the ratio of equity attributable to the parent company in the balance sheet.

Financial Analysis (Consolidated) - IFRS

Year (Note 1)		Financial analysis for the past five years					Financial analysis as of March 31, 2022 (Note 2)
		2017	2018	2019	2020	2021	
Subject (Note 3)							
Financial structure	Liabilities to assets ratio (%)	37.54	32.37	35.42	44.54	45.79	43.43
	Long-term capital to Property, plant and equipment ratio (%)	636.53	597.70	611.64	702.10	913.09	984.71
Ability to repay debt	Current ratio (%)	240.46	264.33	237.73	198.08	196.09	207.92
	Quick ratio (%)	177.65	151.40	143.22	120.83	105.88	94.36
	Debt service coverage ratio	814.22	699.22	209.69	513.82	2,985.51	3,393.47
Utility	A/R turnover (time)	9.90	9.74	9.93	11.66	13.03	11.17
	Average days of payment	37	37	37	31	28	33
	Inventory turnover (time)	5.45	5.03	4.57	5.10	4.29	3.22
	A/P turnover (time)	6.01	7.31	8.30	8.60	7.40	6.71
	Average daily sales	67	73	80	72	85	113
	Property, plant and equipment turnover (time)	15.39	15.22	15.04	20.80	29.53	30.96
	Total assets turnover (time)	1.60	1.63	1.68	1.94	2.06	1.85
Profitability	Return on Assets (%)	7.44	6.90	5.30	10.06	22.50	17.41
	Return on equity (%)	11.88	10.66	8.02	16.92	41.11	31.42
	Net income before tax as a percentage of paid-in capital (%) (Note 7)	49.96	46.45	35.60	85.75	253.48	247.62
	Net profit rate (%)	4.65	4.21	3.14	5.17	10.94	9.4
	EPS (\$)	4.41	4.04	3.05	6.88	21.01	4.83
Cash flow	Cash flow ratio (%)	27.92	-21.31	30.68	37.65	27.17	-18.7
	Cash flow adequacy ratio (%)	132.38	80.06	84.83	112.94	77.32	37.35
	Cash reinvestment ratio (%)	7.94	-18.04	7.44	22.01	13.17	-13.29
Leverage	Operation leverage	1.35	1.36	1.55	1.19	1.06	1.06
	Financial leverage	1.00	1.00	1.01	1.00	1.00	1.00

Reasons for Changes in financial ratios in the last 2 years: (for changes of 20% or more)

1. Financial structure: The main reasons for the profit this year hit a new high, so the long-term funds increased.
2. Ability to repay debt: Interest to be paid by the Company is extremely low because the Company earned more profits this year, thus increased the Times Interest Earned.
3. Utility: Significant increase in revenue this year led to improved fixed asset turnover rate.
4. Profitability: Increase in end-user demand boosted operating income from related products this year, leading to a jump in returns and profits compared to the previous year.
5. Cash flow: Business expansion during the year led to a decrease in cash flow from operating activities. The increase in current liabilities and the issuing of higher cash dividends meant a reduction in cash flow and reinvestment rate compared to the previous year.

* If the Company compiles financial statements on an entity basis, the Company should compile a separate financial analysis for each entity.

* For companies that have adopted IFRSs for less than five years, the companies should also compile the following table (2) under ROC GAAP.

Note 1: CPAs have audited financial information for the years listed above.

Note 2: Publicly traded companies or companies whose stocks are traded over the counter of securities dealers should also include the current year financial information as of the quarter before the publication date of the annual report in the analysis.

Note3: The equation for calculation shall be stated at the end of this table in the annual report.

1. Financial structure
 - (1) Liabilities to assets ratio = total liabilities/ total assets.
 - (2) Long-term capital to Property, plant and equipment ratio = (Gross shareholder's equity + Non-current liabilities)/ Net Property, plant and equipment.
2. Ability to repay debt
 - (1) Current ratio = current assets/current liabilities
 - (2) Quick ratio = (current assets- inventory – prepayments)/current liabilities
 - (3) Debt service coverage ratio=EBIT/interest expense for current period.
3. Utility
 - (1) Account receivable (including account receivable and note receivable from business) turnover = net sales/average balance of account receivable (including account receivable and note receivable from operation).
 - (2) Average daily payment=365/account receivable turnover
 - (3) Inventory turnover= cost of goods sold/average inventory
 - (4) Account payable (including account payable and note payable from operation) turnover = cost of goods sold/average balance of account payable (including account payable and note payable from operation).
 - (5) Average daily sales = 365/inventory turnover
 - (6) Property, plant and equipment turnover = net sales /Average Net Property, plant and equipment.
 - (7) Total assets turnover = net sales/ Average total assets.
4. Profitability
 - (1) Return on Assets = [Earning + interest expenses x (1-tax rate)]/average total assets.
 - (2) Return on Equity = Earning /average net equity
 - (3) Net profit rate = Earning/net sales
 - (4) Earning per share = (Equity attributable to owners of the parent – dividend from preferred shares)/weighed average number of outstanding shares (Note 4).
5. Cash Flow
 - (1) Cash flow ratio = (net sales – variable cost and expenses from operation)/operating income.
 - (2) Cash flow adequacy ratio = net cash flow from operation over the last five years/(capital spending +addition to inventory + cash dividend) over the last five years.
 - (3) Cash reinvestment ratio = (net cash flow from operation – cash dividend)/ (gross Property, plant and equipment + long-term investment + other Non-current assets + working capital) (Note 5).
6. Leverage:
 - (1) Operation leverage= (net sales – variable cost and expenses from operation)/operating income (Note 6).
 - (2) Financial leverage= operating income/(operating income-operating expenses).

Note 4. While evaluating the formulas for EPS mentioned above, the following factors must be taken into consideration:

1. The number of common shares shall be based on the weighed average method and not the outstanding shares as of the end of the year.
2. Where there may be additional capital raised from the issuance of new shares or may be treasury shares trade, the outstanding period of the shares shall be considered in calculating the weighed average number of outstanding shares.
3. Where there may be the capitalization of retained earnings or of capital surplus, adjustment shall be made in proportion to the amount capitalized when calculating the earning per share for the previous year and the interim period. The term of the capitalization of retained earnings or capital surplus for new capital is not required for consideration.
4. If the preferred shares are non-convertible accumulated preferred shares, the dividend for current period (whether or not being paid out) should be deducted from earning or added to earning. If the preferred shares are not accumulative, dividend for preferred shares should be deducted from earning if there is a surplus. If there is loss after taxation, no adjustment is required.

Note 5: When conducting analysis on cash flow, pay attention to the followings:

1. Cash flow from operation shall be referred to the net cash inflow from operation as stated in the statement of cash flow.
2. Capital spending shall be referred to cash outflow for capital investment each year.
3. Addition to inventory shall be referred to the value at the end of the ending period is greater than that of the beginning period. If there is decrease in inventory, put a zero.
4. Cash dividend includes cash dividend for common and preferred stocks.
5. The gross amount of property, plant, and equipment is the total balance of property, plant, and equipment before subtracting accumulated depreciation.

Note 6: The securities issuer should classify operating costs and operating expenses as fixed or variable. If estimates or subjective judgment is involved in such classification, the accounting staff must pay attention to the reasonableness and maintain the consistency of such classification.

Note 7: If the stocks of the Company do not have par value or have par values other than NT\$10, the calculation of percentage of paid-in capital is calculated with the ratio of equity attributable to the parent company in the balance sheet.

III. Audit Committee's Review Report on 2021 Financial Statement

Audit Committee Approval/Audit Report

This Audit Committee has approved the individual financial statements of the Company and the consolidated financial statements of the Group for fiscal year 2021 that have been passed by the Board of Directors. The CPA firm PwC Taiwan was then retained to audit such statements by CPAs Se-Kai Lin and Fang-yu Wang and issued the "unqualified opinion with explanatory paragraph" audit report. These statements have been reviewed and determined to be compliant with all relevant laws and regulations. In addition, this Audit Committee has audited the business report and earnings allocation proposal of fiscal year 2021 passed by the Board of Directors and determined they have complied with relevant laws and regulations. This report is thus issued in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

To

Annual Meeting of Shareholders of GIGA-BYTE TECHNOLOGY CO., LTD.

Hwei-Min Wang
Convener
Audit Committee

18 April 2022

IV. Audited Unconsolidated Financial Statements in the most recent year

INDEPENDENT AUDITORS' REPORT

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

Opinion

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

In our opinion, based on our audits and the report of other auditors, as described in the Other matters section of our report, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as at December 31, 2021 and 2020, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's 2021 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2021 parent company only financial statements are stated as follows:

Occurrence of revenue from significant new counterparty

Description

Please refer to Note 4(28) for the accounting policies on revenue recognition. For the year ended December 31, 2021, the parent company only operating revenue amounted to NT\$121,741,896 thousand.

The Company's revenue is derived from numerous customers from different countries and there was no revenue from a single customer that exceeded 10% of the parent company only operating revenue. Given that the verification of the existence of the transaction counterparty is critical to the revenue recognition, the occurrence of revenue from significant new counterparty was identified as a key audit matter.

How our audit addressed the matter

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

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

Assessment of allowance for valuation of inventory loss

Description

Please refer to Note 4(12) for the accounting policies on evaluation of inventories; Note 5(2) for uncertainty of accounting estimates and assumption on inventory evaluation; and Note 6(5) for the details of the inventories. As of December 31, 2021, the inventories and allowance for valuation loss amounted to NT\$20,249,239 thousand and NT\$304,360 thousand, respectively.

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

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

How our audit addressed the matter

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

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

5. For inventories which exceeded a certain period of aging and individually identified as obsolete and damaged, discussed with management and obtained supporting documentation of the evaluation on net realisable value, and performed recalculation.

Other matter – Report of other auditors

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

Responsibilities of management and those charged with governance for the parent company only financial statements

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

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

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

Auditors' responsibilities for the audit of the parent company only financial statements

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

be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

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

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

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

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

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

Se-Kai Lin
For and on behalf of PricewaterhouseCoopers, Taiwan
March 11, 2022

Fang-Yu Wang

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

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

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

Assets	Notes	December 31, 2021		December 31, 2020		
		Amount	%	Amount	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 14,145,435	20	\$ 10,777,615	21
1110	Financial assets at fair value through profit or loss - current	6(2)	1,131,758	1	545,764	1
1136	Financial assets at amortized cost-current	6(3)	619,516	1	590,000	1
1150	Notes receivable, net	6(4)	2,725	-	2,897	-
1170	Accounts receivable, net	6(4)	6,200,375	9	4,387,759	9
1180	Accounts receivable-related parties, net	7	12,882,184	18	8,843,389	17
1200	Other receivables	7	389,364	-	73,125	-
130X	Inventories, net	6(5)	19,944,879	28	11,107,195	21
1410	Prepayments		479,964	1	546,894	1
1470	Other current assets		270,652	-	1,483	-
11XX	Total current assets		<u>56,066,852</u>	<u>78</u>	<u>36,876,121</u>	<u>71</u>
Non-current assets						
1535	Financial assets at amortized cost-non-current	6(3) and 8	151,078	-	153,413	1
1550	Investments accounted for using equity method	6(6) and 7	12,022,295	17	11,487,898	22
1600	Property, plant and equipment, net	6(7)	2,685,920	4	2,431,447	5
1755	Right-of-use assets	6(8)	79,913	-	74,109	-
1780	Intangible assets		27,438	-	24,679	-
1840	Deferred income tax assets	6(25)	847,135	1	520,795	1
1900	Other non-current assets		57,856	-	156,874	-
15XX	Total non-current assets		<u>15,871,635</u>	<u>22</u>	<u>14,849,215</u>	<u>29</u>
1XXX	Total assets		<u>\$ 71,938,487</u>	<u>100</u>	<u>\$ 51,725,336</u>	<u>100</u>

(Continued)

GIGA-BYTE TECHNOLOGY CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2021 AND 2020

(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2021		December 31, 2020		
		Amount	%	Amount	%	
Liabilities						
Current liabilities						
2130	Contract liabilities - current	6(18)	\$ 1,051,029	1	\$ 3,847,245	7
2150	Notes payable		18,966	-	257	-
2170	Accounts payable		15,449,011	22	8,641,802	17
2180	Accounts payable-related parties	7	4,309,837	6	4,180,167	8
2200	Other payables	6(10) and 7	9,172,314	13	4,996,254	10
2230	Current income tax liabilities		2,378,159	3	709,676	1
2250	Provisions for liabilities - current	6(11)	725,193	1	776,454	2
2280	Lease liabilities-current		48,403	-	38,968	-
2300	Other current liabilities		199,635	-	143,794	-
21XX	Total current liabilities		<u>33,352,547</u>	<u>46</u>	<u>23,334,617</u>	<u>45</u>
Non-current liabilities						
2540	Long-term borrowings	6(12)	200,000	1	200,000	-
2570	Deferred income tax liabilities	6(25)	-	-	35,958	-
2580	Lease liabilities-non-current		32,169	-	35,468	-
2600	Other non-current liabilities	6(6)(13)	865,787	1	724,102	2
25XX	Total non-current liabilities		<u>1,097,956</u>	<u>2</u>	<u>995,528</u>	<u>2</u>
2XXX	Total liabilities		<u>34,450,503</u>	<u>48</u>	<u>24,330,145</u>	<u>47</u>
Equity						
Capital stock						
3110	Common stock	6(15)	6,356,889	9	6,356,889	12
Capital surplus						
3200	Capital surplus	6(16)	3,279,731	5	3,884,904	7
Retained earnings						
3310	Legal reserve	6(17)	5,011,247	7	4,575,820	9
3320	Special reserve		426,354	-	426,354	1
3350	Unappropriated retained earnings		21,750,531	30	11,379,927	22
Other equity						
3400	Other equity		729,248	1	771,297	2
3500	Treasury shares	6(14)(15)	(66,016)	-	-	-
3XXX	Total equity		<u>37,487,984</u>	<u>52</u>	<u>27,395,191</u>	<u>53</u>
Significant events after the balance sheet date 11						
3X2X	Total liabilities and equity		<u>\$ 71,938,487</u>	<u>100</u>	<u>\$ 51,725,336</u>	<u>100</u>

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

GIGA-BYTE TECHNOLOGY CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2021 AND 2020

(Expressed in thousands of New Taiwan dollars, except for earnings per share)

Items	Notes	2021		2020	
		Amount	%	Amount	%
4000 Operating revenue	6(17) and 7	\$ 121,741,896	100	\$ 84,087,874	100
5000 Operating costs	6(5)(23) and 7	(94,467,818)	(78)	(72,143,565)	(86)
5900 Gross profit		<u>27,274,078</u>	<u>22</u>	<u>11,944,309</u>	<u>14</u>
Operating expenses	6(23) and 7				
6100 Selling expenses		(6,290,855)	(5)	(3,715,471)	(4)
6200 General and administrative expenses		(2,227,585)	(2)	(1,845,842)	(2)
6300 Research and development expenses		(4,045,591)	(3)	(2,261,837)	(3)
6450 Expected credit losses	6(23)	(6,683)	-	(10,452)	-
6000 Total operating expenses		<u>(12,570,714)</u>	<u>(10)</u>	<u>(7,833,602)</u>	<u>(9)</u>
6900 Operating profit		<u>14,703,364</u>	<u>12</u>	<u>4,110,707</u>	<u>5</u>
Non-operating income and expenses					
7100 Interest revenue	6(19)	36,858	-	46,186	-
7010 Other income	6(20)	1,044,689	1	798,896	1
7020 Other gains and losses	6(21)	232,283	-	220,838	-
7050 Finance costs	6(22)	(2,168)	-	(2,049)	-
7070 Share of profit of subsidiaries, associates and joint ventures accounted for under the equity method	6(6)	(162,253)	-	27,569	-
7000 Total non-operating income and expenses		<u>1,149,409</u>	<u>1</u>	<u>1,091,440</u>	<u>1</u>
7900 Profit before income tax		<u>15,852,773</u>	<u>13</u>	<u>5,202,147</u>	<u>6</u>
7950 Income tax expense	6(25)	(2,514,813)	(2)	(827,818)	(1)
8200 Profit for the year		<u>\$ 13,337,960</u>	<u>11</u>	<u>\$ 4,374,329</u>	<u>5</u>
Other comprehensive income (loss), net					
Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
8311 Remeasurements of defined benefit plans	6(13)	\$ 13,534	-	(\$ 25,070)	-
8330 Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss		94,333	-	87,222	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(25)	(2,707)	-	5,014	-
8310 Components of other comprehensive income that will not be reclassified to profit or loss		<u>105,160</u>	<u>-</u>	<u>67,166</u>	<u>-</u>
Components of other comprehensive income (loss) that will subsequently be reclassified to profit or loss					
8361 Exchange differences arising from translation of foreign operations		(136,382)	-	66,386	-
8360 Components of other comprehensive income (loss) that will be reclassified to profit or loss		<u>(136,382)</u>	<u>-</u>	<u>66,386</u>	<u>-</u>
8300 Other comprehensive income(loss) for the year, net		<u>(\$ 31,222)</u>	<u>-</u>	<u>\$ 133,552</u>	<u>-</u>
8500 Total comprehensive income for the year		<u>\$ 13,306,738</u>	<u>11</u>	<u>\$ 4,507,881</u>	<u>5</u>
9750 Basic earnings per share	6(26)	\$	21.01	\$	6.88
9850 Diluted earnings per share	6(26)	\$	20.60	\$	6.79

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

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

	Notes	Common stock	Retained earnings			Other equity			Treasury shares	Total equity
			Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences arising from translation of foreign operations	Unrealized gain or loss on valuation of financial assets at fair value through other comprehensive income		
<u>Year 2020</u>										
Balance at January 1, 2020		\$ 6,356,889	\$ 4,381,896	\$ 426,354	\$ 8,618,094	(\$ 673,470)	\$ 1,291,159	\$ -	\$ 24,297,811	
Profit for the year		-	-	-	4,374,329	-	-	-	4,374,329	
Other comprehensive (loss) income for the year		-	-	-	(20,056)	66,386	87,222	-	133,552	
Total comprehensive income for the year		-	-	-	4,354,273	66,386	87,222	-	4,507,881	
Appropriations of 2019 earnings:	6(17)									
Legal reserve		-	193,924	-	(193,924)	-	-	-	-	
Cash dividends		-	-	-	(1,398,516)	-	-	-	(1,398,516)	
Changes in equity of associates accounted for using equity method		-	-	-	-	-	-	-	-	
Balance at December 31, 2020		\$ 6,356,889	\$ 4,575,820	\$ 426,354	\$ 11,379,927	(\$ 607,084)	\$ 1,378,381	\$ -	\$ 27,395,191	
<u>Year 2021</u>										
Balance at January 1, 2021		\$ 6,356,889	\$ 4,575,820	\$ 426,354	\$ 11,379,927	(\$ 607,084)	\$ 1,378,381	\$ -	\$ 27,395,191	
Profit for the year		-	-	-	13,337,960	-	-	-	13,337,960	
Other comprehensive (loss) income for the year		-	-	-	10,827	(136,382)	94,333	-	(31,222)	
Total comprehensive income (loss) for the year		-	-	-	13,348,787	(136,382)	94,333	-	13,306,738	
Appropriations of 2020 earnings:	6(17)									
Legal reserve		-	435,427	-	(435,427)	-	-	-	-	
Cash dividends		-	-	-	(2,542,756)	-	-	-	(2,542,756)	
Cash dividends from capital surplus	6(17)	-	-	-	-	-	-	-	(635,688)	
Changes in equity of associates accounted for using equity method		-	-	-	-	-	-	-	-	
Purchase of treasury shares	6(15)	-	-	-	-	-	-	-	2,281	
Share-based payment transactions	6(14)	-	-	-	-	-	-	(280,919)	(280,919)	
Balance at December 31, 2021		\$ 6,356,889	\$ 5,011,247	\$ 426,354	\$ 21,750,531	(\$ 743,466)	\$ 1,472,714	(\$ 66,016)	\$ 37,487,984	

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

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

	Notes	2021	2020
<u>Cash flows from operating activities</u>			
Profit before income tax		\$ 15,852,773	\$ 5,202,147
Adjustments to reconcile profit before income tax to net cash provided by operating activities			
Income and expenses having no effect on cash flows			
Depreciation	6(7)(8)(23)	325,548	313,233
Amortization	6(23)	52,928	53,018
Profit from lease modification	6(8)(21)	(88)	(235)
Expected credit losses	6(23)and12(2)	6,683	10,452
Net loss on valuation of financial assets at fair value through profit or loss	6(21)	12,338	1,264
Interest expense	6(22)	2,168	2,049
Interest income	6(19)	(36,858)	(46,186)
Share of profit(loss) of subsidiaries and associates accounted for using the equity method	6(6)	162,253	(27,569)
Gain on disposal of property, plant and equipment	6(21)	-	(4,101)
Share-based payments	6(14)	28,234	-
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Financial assets at fair value through profit or loss		(598,332)	(73,811)
Notes receivable		172	98
Accounts receivable		(5,858,094)	(3,674,522)
Other receivables		(317,564)	12,999
Inventories		(8,837,684)	(2,276,341)
Prepayments		66,930	(253,520)
Other current assets		(269,169)	(571)
Net changes in liabilities relating to operating activities			
Contract liabilities		(2,796,216)	3,476,551
Notes payable		18,709	(53,835)
Accounts payable		6,936,879	3,797,099
Other payables		4,185,735	1,622,260
Provisions for liabilities		(51,261)	262,886
Other current liabilities		55,841	18,527
Other non-current liabilities		2,433	8,518
Cash generated from operations		8,944,358	8,370,410
Interest received		38,183	44,125
Dividends received		158	27,578
Interest paid		(2,168)	(2,049)
Income tax paid		(1,211,335)	(185,088)
Net cash generated from operating activities		7,769,196	8,254,976

(Continued)

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

	<u>Notes</u>	<u>2021</u>	<u>2020</u>
<u>Cash flows from investing activities</u>			
Acquisition of financial assets at amortized cost		(\$ 27,181)	(\$ 495,373)
Acquisition of investments accounted for using equity method	6(6) and 7(2)	(740,000)	(730,481)
Proceeds from disposal of investments accounted for using equity method	6(6)	200,000	-
Acquisition of property, plant and equipment	6(27)	(530,325)	(137,936)
Proceeds from disposal of property, plant and equipment		-	7,246
Decrease (increase) in guarantee deposit paid		836	(5,056)
Acquisition of intangible assets		(56,378)	(57,999)
Decrease (increase) in other non-current assets		90,679	(49,456)
Net cash used in investing activities		<u>(1,062,369)</u>	<u>(1,469,055)</u>
<u>Cash flows from financing activities</u>			
Proceeds from long-term borrowings	6(28)	-	200,000
Decrease (increase) in deposit received	6(28)	(43,790)	43,308
Repayments of principal portion of lease liabilities	6(28)	(50,757)	(50,374)
Cash dividends paid	6(17)(28)	(2,542,756)	(1,398,516)
Cash dividends from capital surplus	6(17)(28)	(635,688)	-
Purchase of treasury shares	6(15)	(280,919)	-
Treasury shares sold to employees	6(14)(15)	214,903	-
Net cash used in financing activities		<u>(3,339,007)</u>	<u>(1,205,582)</u>
Net increase in cash and cash equivalents		3,367,820	5,580,339
Cash and cash equivalents at beginning of year		10,777,615	5,197,276
Cash and cash equivalents at end of year		<u>\$ 14,145,435</u>	<u>\$ 10,777,615</u>

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

GIGA-BYTE TECHNOLOGY CO., LTD.
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

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

1. HISTORY AND ORGANISATION

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

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE PARENT COMPANY ONLY FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These parent company only financial statements were authorized for issuance by the Board of Directors on March 11, 2022.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(1) Compliance statement

The parent company only financial statements have been prepared in accordance with the

‘Regulations Governing the Preparation of Financial Reports by Securities Issuers’.

(2) Basis of preparation

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

- (a) Financial assets at fair value through profit or loss.
- (b) Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

(3) Foreign currency translation

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the “functional currency”). The parent company only financial statements are presented in New Taiwan dollars, which is the Company’s functional currency.

A. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.
- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized in profit or loss.
- (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- (d) All other foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within ‘other gains and losses’.

B. Translation of foreign operations

- (a) The operating results and financial position of all the subsidiaries and associates that have

a functional currency different from the presentation currency are translated into the presentation currency as follows:

- i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
- ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
- iii. All resulting exchange differences are recognized in other comprehensive income.

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

(4) Classification of current and non-current items

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

- (a) Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;
- (b) Assets held mainly for trading purposes;
- (c) Assets that are expected to be 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 settle liabilities more than twelve months after the balance sheet date.

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

- (a) Liabilities that are expected to be settled within the normal operating cycle;
- (b) Liabilities arising mainly from trading activities;
- (c) Liabilities that are to be settled within twelve months from the balance sheet date;
- (d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(5) Cash equivalents

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

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

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortized cost or fair value through other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognized and derecognized using settlement date accounting.
- C. At initial recognition, the Company measures the financial assets at fair value and recognizes the transaction costs in profit or loss. The Company subsequently measures the financial assets at fair value, and recognizes the gain or loss in profit or loss.
- D. The Company recognizes the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(7) Financial assets at amortized cost

- A. Financial assets at amortized cost are those that meet all of the following criteria:
 - (a) The objective of the Company's business model is achieved by collecting contractual cash flows.
 - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at amortized cost are recognized and derecognized using settlement date accounting.
- C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognized in profit or loss when the asset is derecognized or impaired.
- D. The Company's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(8) Accounts and notes receivable

- A. Accounts and notes receivable entitle the Company a legal right to receive consideration in exchange for transferred goods or rendered services.
- B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(9) Impairment of financial assets

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

(10) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(11) Leasing arrangements (lessor) – operating leases

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

(12) Inventories

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

(13) Investments accounted for using equity method subsidiaries

- A. Subsidiaries are all entities controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.
- B. Unrealized gains or losses occurred from the transactions between the Company and subsidiaries have been offset. The accounting policies of the subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
- C. The Company's share of its subsidiaries' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company continues to recognize losses proportionate to its ownership.
- D. Pursuant to the "Regulations Governing the Preparation of Financial Reports by Securities Issuers," profit (loss) for the year and other comprehensive income (loss) for the year reported in the parent company only financial statements, shall be equal to profit (loss) for the year and other comprehensive income (loss) attributable to owners of the parent reported in the consolidated financial statements, equity reported in the parent company only financial statements shall be equal to equity attributable to owners of parent reported in the consolidated financial statements.

(14) Investments accounted for using equity method- joint ventures

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

(15) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.
- B. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	3~55 years
Machinery and equipment	2~10 years
Research and development equipment	3~ 6 years
Office equipment	5~ 6 years
Other tangible operating assets	2~10 years

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

- A. Leases are recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. For short-term leases or leases of low-value assets, lease payments are recognized as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of fixed payments, less any lease incentives receivable.
- The Company subsequently measures the lease liability at amortized cost using the interest method and recognizes interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognized as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.
- C. At the commencement date, the right-of-use asset is stated at cost comprising the following:
- The amount of the initial measurement of lease liability;
 - Any lease payments made at or before the commencement date; and
 - Any initial direct costs incurred by the lessee.

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

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

(17) Intangible assets

A. Computer software

Computer software is stated at cost and amortized on a straight-line basis over its estimated useful life of 1 to 2 years.

B. Trademark right (indefinite useful life)

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

(18) Impairment of non-financial assets

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

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

(19) Borrowings

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

(20) Notes and accounts payable

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

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

(21) Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability specified in the

contract is discharged or cancelled or expires.

(22) Provisions

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

(23) Employee benefits

A. Short-term employee benefits

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

B. Pensions

(a) Defined contribution plans

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

(b) Defined benefit plans

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

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

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

C. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Company's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer

of redundancy benefits in exchange for the termination of employment. The Company recognizes expense as it can no longer withdraw an offer of termination benefits or it recognizes relating restructuring costs, whichever is earlier. Benefits that are expected to be due more than 12 months after balance sheet date shall be discounted to their present value.

D. Employees' compensation and directors' remuneration

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

(24) Employee share-based payment

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

(25) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred income tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the parent company only balance sheet. However, the deferred income tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is provided on temporary

differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

- D. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred income tax assets are reassessed.
- E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.
- F. A deferred tax asset shall be recognized for the carryforward of unused tax credits resulting from acquisitions of equipment or technology, research and development expenditures and equity investments to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilized.

(26) Share capital

- A. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.
- B. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(27) Dividends

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

(28) Revenue recognition

Sales of goods

- A. The Company manufactures and sells computer peripheral and component parts. Sales are recognized when control of the products has transferred, being when the products are delivered to the customers. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customers,

and either the customers has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied.

- B. Revenue from these sales is recognized based on the price specified in the contract, net of the estimated indirect tax, volume discounts, sales returns and allowances. Accumulated experience is used to estimate and provide for the volume discounts and sales allowances, using the expected value method, and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. The estimation is subject to an assessment at each reporting date. The sales usually are made as the time interval between the transfer of committed goods or service and the payment of customer does not exceed one year, the Company does not adjust the transaction price to reflect the time value of money.
- C. The Company's obligation to provide a repair for faulty products under the standard warranty terms is recognized as a provision.
- D. A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

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

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

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

None.

(2) Critical accounting estimates and assumptions

Evaluation of inventories

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

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Cash on hand and petty cash	\$ 2,500	\$ 2,647
Checking accounts and demand deposits	7,243,435	3,527,694
Time deposits	<u>6,899,500</u>	<u>7,247,274</u>
	<u>\$ 14,145,435</u>	<u>\$ 10,777,615</u>

- A. The Company transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.
- B. The Company reclassified the pledged bank deposits with more than three months maturity to “Financial assets at amortized cost”, please refer to Notes 6(3) and 8 for the details.

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

<u>Financial assets mandatorily measured at fair value through profit or loss</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Beneficiary certificates	\$ 1,130,429	\$ 533,221
Government bonds	<u>16,298</u>	<u>16,298</u>
	1,146,727	549,519
Valuation adjustment	(<u>14,969</u>)	(<u>3,755</u>)
	<u>\$ 1,131,758</u>	<u>\$ 545,764</u>

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

<u>Financial assets mandatorily measured at fair value through profit or loss</u>	<u>2021</u>	<u>2020</u>
Beneficiary certificates	(\$ 9,765)	(\$ 844)
Debt instruments	(<u>486</u>)	<u>423</u>
	<u>(\$ 10,251)</u>	<u>(\$ 421)</u>

- B. The Company has no financial assets at fair value through profit or loss pledged to others.
- C. Information relating to credit risk of financial assets at fair value through profit or loss is provided in Note 12(2).

(3) Financial assets at amortized cost

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Current items:</u>		
Time deposits with more than three months maturity	<u>\$ 619,516</u>	<u>\$ 590,000</u>
<u>Non-current items:</u>		
Pledged bank deposits	<u>\$ 151,078</u>	<u>\$ 153,413</u>

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

	<u>2021</u>	<u>2020</u>
Interest income	<u>\$ 3,231</u>	<u>\$ 2,545</u>

- B. As at December 31, 2021 and 2020, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortized cost held by the Company was \$770,594 and \$743,413, respectively.

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

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

(4) Notes and accounts receivable

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Notes receivable	\$ <u>2,725</u>	\$ <u>2,897</u>
Accounts receivable	\$ 6,234,322	\$ 4,420,655
Less: Allowance for uncollectible accounts	(<u>33,947</u>)	(<u>32,896</u>)
	<u>\$ 6,200,375</u>	<u>\$ 4,387,759</u>

A. No notes receivable of the Company was overdue, and the ageing analysis of accounts receivable was based on past due date. Please refer to Note 12(2) for further information.

B. As at December 31, 2021 and 2020, and January 1, 2020, the balances of receivables (including notes receivable) from contracts with customers amounted to \$6,237,047, \$4,423,552, and \$3,653,982, respectively.

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

D. As at December 31, 2021 and 2020, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Company's notes and accounts receivable were \$2,725 and \$2,897; \$6,200,375 and \$4,387,759, respectively.

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

(5) Inventories

	<u>December 31, 2021</u>		
	<u>Cost</u>	<u>Allowance for valuation loss</u>	<u>Book value</u>
Raw materials and supplies	\$ 11,634,585	(\$ 167,810)	\$ 11,466,775
Work in progress	2,099,320	(759)	2,098,561
Finished goods and merchandise inventories	<u>6,515,334</u>	<u>(135,791)</u>	<u>6,379,543</u>
	<u>\$ 20,249,239</u>	<u>(\$ 304,360)</u>	<u>\$ 19,944,879</u>

	<u>December 31, 2020</u>		
	<u>Cost</u>	<u>Allowance for valuation loss</u>	<u>Book value</u>
Raw materials and supplies	\$ 6,441,564	(\$ 109,694)	\$ 6,331,870
Work in progress	1,377,683	(604)	1,377,079
Finished goods and merchandise inventories	<u>3,498,622</u>	<u>(100,376)</u>	<u>3,398,246</u>

\$ 11,317,869 (\$ 210,674) \$ 11,107,195

The cost of inventories recognized as expense for the period:

	Year ended December 31	
	2021	2020
Cost of inventories sold	\$ 93,544,979	\$ 71,215,856
Cost of warranty	829,153	959,800
Gain on reversal of valuation	93,686	(32,091)
	\$ 94,467,818	\$ 72,143,565

For the years ended December 31, 2020, the Company reversed a previous inventory write-down and accounted for as reduction of cost of goods sold because of the sale of obsolete inventories.

(6) Investments accounted for using the equity method

	December 31, 2021	December 31, 2020
<u>Subsidiaries</u>		
Freedom International Group Ltd.	\$ 6,160,727	\$ 6,423,710
Giga Investment Co.	4,535,930	3,559,767
G.B.T. Technology Trading GmbH	368,461	400,468
BYTE International Co., Ltd.	398,503	340,453
G-Style Co., Ltd.	1,513	261,118
GIGAIPC CO., LTD.	226,919	190,830
Giga-Byte Technology B.V.	111,488	83,111
G.B.T. Inc.	(268,836)	(72,260)
Giga-Byte Communication Inc.	21,955	22,420
G.B.T. Technology LLC others	133,801	138,635
<u>Joint ventures:</u>		
MyelinTek Inc.	62,998	67,386
	11,753,459	11,415,638
Add : Reclassified to other liabilities, others (shown as other non-current liabilities)	268,836	72,260
	\$ 12,022,295	\$ 11,487,898

A. Please refer to Note 4(3) in the consolidated financial statements for the year ended December 31, 2021 for more information on the Company's subsidiary.

B. For the years ended December 31, 2021 and 2020, shares of profit from subsidiaries accounted for using equity method were (\$162,253) and \$27,569, respectively, based on the audited financial statements.

C. The Company participated in the capital increase raised by Giga Investment Co. with

\$290,000 and \$450,000 on March 24, 2021 and August 9, 2021, respectively. The share interest remains 100% after the capital increase.

- D. G-Style Co., Ltd. decreased its capital on November 25, 2021 and returned capital amounting to \$200,000 to the Company.
- E. The Company participated in the capital increase raised by Freedom International Group Ltd. with \$102,850 on February 5, 2020. The share interest remains 100% after the capital increase.
- F. The Company participated in the capital increase of MyelinTek Inc. in the amount of \$70,000 on April 6, 2020, and the shareholding ratio was 40%.
- G. The Company participated in the capital increase raised by G.B.T. Technology Trading GmbH with \$79,793 on May 26, 2020. The share interest remains 100% after the capital increase.
- H. The Company participated in the capital increase raised by BYTE International Co., Ltd. with \$190,000 and \$90,000 on July 24, 2020 and November 25, 2020, respectively. The share interest remains 100% after the capital increase.
- I. On September 15, 2020, the Company acquired a 100% equity interest in the second-tier subsidiary, GIGA IPC Co., Ltd., from the subsidiary, Giga Investment Corp., in the amount of \$197,838, and the cash consideration was calculated based on the net assets of the second-tier subsidiary on August 31, 2020.
- J. The Company had no significant joint venture. The Company's share of operating results of individual insignificant joint venture are as follows:

	<u>Years ended December 31</u>	
	<u>2021</u>	<u>2020</u>
Total comprehensive loss	(\$ 4,388)	(\$ 2,614)

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(7) Property, plant and equipment

	2021								
	Land		Buildings and structures		Machinery		Others		
	Owner-occupied	Lease	Owner-occupied	Lease	Owner-occupied	Lease	Owner-occupied	Lease	
<u>At January 1</u>									
Cost	\$ 926,088	\$ 1,08,924	\$ 1,559,383	\$ 62,137	\$ 1,621,520	\$ 965,839	\$ 885,834	\$ 4,508,205	
Accumulated depreciation	-	-	(661,267)	(11,930)	(673,197)	(648,529)	(755,032)	(2,076,758)	
	<u>\$ 926,088</u>	<u>\$ 1,08,924</u>	<u>\$ 898,116</u>	<u>\$ 50,207</u>	<u>\$ 948,323</u>	<u>\$ 317,310</u>	<u>\$ 130,802</u>	<u>\$ 2,431,447</u>	
Opening net book amount as at January 1	\$ 926,088	\$ 1,08,924	\$ 896,116	\$ 50,207	\$ 948,323	\$ 317,310	\$ 130,802	\$ 2,431,447	
Additions	131,333	64,691	46,298	14,881	61,179	37,611	227,386	522,200	
Reclassifications	(2,999)	2,999	(40,417)	40,417	-	100	8,094	8,194	
Depreciation charge	-	-	(25,065)	(19,689)	(44,754)	(87,715)	(143,452)	(275,921)	
Closing net book amount as at December 31	<u>\$ 1,054,422</u>	<u>\$ 176,614</u>	<u>\$ 878,932</u>	<u>\$ 85,816</u>	<u>\$ 964,748</u>	<u>\$ 267,306</u>	<u>\$ 222,830</u>	<u>\$ 2,685,920</u>	
<u>At December 31</u>									
Cost	\$ 1,054,422	\$ 176,614	\$ 1,565,263	\$ 117,436	\$ 1,682,699	\$ 996,537	\$ 1,009,836	\$ 4,920,108	
Accumulated depreciation	-	-	(686,331)	(31,620)	(717,951)	(729,231)	(787,006)	(2,234,188)	
	<u>\$ 1,054,422</u>	<u>\$ 176,614</u>	<u>\$ 878,932</u>	<u>\$ 85,816</u>	<u>\$ 964,748</u>	<u>\$ 267,306</u>	<u>\$ 222,830</u>	<u>\$ 2,685,920</u>	

2020

	Land		Buildings and structures			Machinery		Others	
	Owner-occupied	Lease	Subtotal	Owner-occupied	Lease	Subtotal	Owner-occupied	Owner-occupied	Total
<u>At January 1</u>									
Cost	\$ 926,088	\$ 108,924	\$ 1,035,012	\$ 1,553,000	\$ 62,137	\$ 1,615,137	\$ 1,025,486	\$ 1,003,059	\$ 4,678,694
Accumulated depreciation	-	-	-	(612,478)	(10,714)	(623,192)	(837,546)	(698,011)	(2,158,749)
	<u>\$ 926,088</u>	<u>\$ 108,924</u>	<u>\$ 1,035,012</u>	<u>\$ 940,522</u>	<u>\$ 51,423</u>	<u>\$ 991,945</u>	<u>\$ 187,940</u>	<u>\$ 305,048</u>	<u>\$ 2,519,945</u>
Opening net book amount as at January 1	\$ 926,088	\$ 108,924	\$ 1,035,012	\$ 940,522	\$ 51,423	\$ 991,945	\$ 187,940	\$ 305,048	\$ 2,519,945
Additions	-	-	-	6,561	-	6,561	63,569	62,085	132,215
Disposals	-	-	-	-	-	-	(3,145)	-	(3,145)
Reclassifications	-	-	-	452	-	452	161,058	(116,117)	45,393
Depreciation charge	-	-	-	(49,419)	(1,216)	(50,635)	(92,112)	(120,214)	(262,961)
Closing net book amount as at December 31	<u>\$ 926,088</u>	<u>\$ 108,924</u>	<u>\$ 1,035,012</u>	<u>\$ 898,116</u>	<u>\$ 50,207</u>	<u>\$ 948,323</u>	<u>\$ 317,310</u>	<u>\$ 130,802</u>	<u>\$ 2,431,447</u>
<u>At December 31</u>									
Cost	\$ 926,088	\$ 108,924	\$ 1,035,012	\$ 1,559,383	\$ 62,137	\$ 1,621,520	\$ 965,839	\$ 885,834	\$ 4,508,205
Accumulated depreciation	-	-	-	(661,267)	(11,930)	(673,197)	(648,529)	(755,032)	(2,076,758)
	<u>\$ 926,088</u>	<u>\$ 108,924</u>	<u>\$ 1,035,012</u>	<u>\$ 898,116</u>	<u>\$ 50,207</u>	<u>\$ 948,323</u>	<u>\$ 317,310</u>	<u>\$ 130,802</u>	<u>\$ 2,431,447</u>

A. The significant components of buildings include main plants and renovation projects, which are depreciated over 50~55 and 3~55 years, respectively.

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

(8) Leasing arrangements— lessee

- A. The Company leases various assets including buildings and transportation equipment. Rental contracts are typically made for periods of 1 to 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.
- B. Short-term leases with a lease term of 12 months or less comprise of buildings and business vehicles. Low-value assets comprise multifunction printers, etc.
- C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>
Buildings	\$ 32,841	\$ 29,269
Transportation equipment	<u>47,072</u>	<u>44,840</u>
	<u>\$ 79,913</u>	<u>\$ 74,109</u>

	<u>Year ended December 31</u>	
	<u>2021</u>	<u>2020</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Buildings	\$ 21,347	\$ 25,946
Transportation equipment	<u>28,280</u>	<u>24,326</u>
	<u>\$ 49,627</u>	<u>\$ 50,272</u>

- D. For the years ended December 31, 2021 and 2020, the additions to right-of-use assets were \$60,320 and \$72,178, respectively.
- E. The information on profit and loss accounts relating to lease contracts is as follows:

	<u>Year ended December 31</u>	
	<u>2021</u>	<u>2020</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 1,550	\$ 1,176
Expense on short-term lease contracts	51,001	17,645
Expense on leases of low-value assets	3,671	11,665
Gain on lease modification	88	235

- F. For the years ended December 31, 2021 and 2020, the Company's total cash outflow for leases were \$106,979 and \$80,860, respectively.

(9) Leasing arrangements – lessor

- A. The Company leases various assets including land and buildings. Rental contracts are typically made for periods of 1 to 7 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.
- B. For the years ended December 31, 2021 and 2020, the Company recognized rent income in the amount of \$17,148 and \$16,176, respectively, based on the operating lease agreement, which does not include variable lease payments.

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

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
2021	\$ -	\$ 10,574
2022	10,612	8,648
2023	3,202	2,781
2024	207	-
2025	171	-
2026	<u>86</u>	<u>-</u>
	<u>\$ 14,278</u>	<u>\$ 22,003</u>

(10) Other payables

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Wages, salaries and bonus payable	\$ 6,196,956	\$ 3,301,260
Employees' compensation and remuneration for directors and supervisors	1,813,289	629,127
Marketing payable	242,046	295,133
Shipping and freight-in payable	636,934	307,860
Royalties payable	77,264	80,093
Others	<u>205,825</u>	<u>382,781</u>
	<u>\$ 9,172,314</u>	<u>\$ 4,996,254</u>

(11) Provisions

A. Movement analysis of the provision for warranty is as follows:

	<u>2021</u>	<u>2020</u>
At January 1	\$ 776,454	\$ 513,568
Additional provisions	829,153	959,800
Used during the period	<u>(880,414)</u>	<u>(696,914)</u>
At December 31	<u>\$ 725,193</u>	<u>\$ 776,454</u>

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

(12) Long-term borrowings

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Interest</u>	<u>Collateral</u>	<u>December 31, 2021</u>
Unsecured borrowings	Borrowing period is from February 13, 2020 to February 13, 2025; principal is repayable monthly starting from February 15, 2023.	0.30%	None	\$ 115,000
Borrowing for purchasing materials	Borrowing period is from February 13, 2020 to February 13, 2025; principal is repayable monthly starting from February 15, 2023.	0.30%	None	<u>85,000</u>
				<u>\$ 200,000</u>

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>December 31, 2020</u>
Unsecured borrowings	Borrowing period is from February 13, 2020 to February 13, 2025; principal is repayable monthly starting from February 15, 2023.	0.30%	None	\$ 115,000
Borrowing for purchasing materials	Borrowing period is from February 13, 2020 to February 13, 2025; principal is repayable monthly starting from February 15, 2023.	0.30%	None	<u>85,000</u>
				<u>\$ 200,000</u>

(13) Pensions

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

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

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

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

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

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

(c) The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit

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

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

	<u>Years ended December 31</u>	
	<u>2021</u>	<u>2020</u>
Discount rate	<u>0.70%</u>	<u>0.35%</u>
Future salary increases	<u>3.00%</u>	<u>3.00%</u>

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

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

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

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

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

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

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

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

B. Effective July 1, 2005, the Company has established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. The pension costs under the defined contribution pension plans of the Company for the years ended December 31, 2021 and 2020 were \$92,091 and \$87,452, respectively.

(14) Share-based payment

A. For the year ended December 31, 2021, the Group’s share-based payment arrangements were as follows:

<u>Type of arrangement</u>	<u>Grant date</u>	<u>Quantity granted</u>	<u>Contract period</u>	<u>Vesting conditions</u>
Treasury stock transferred to employees	2021.11.18	2,295,000 shares	2021.11.25-2021.12.3	Immediately vested

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

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

<u>Type of arrangement</u>	<u>Grant date</u>	<u>Stock price</u>	<u>Exercise price</u>	<u>Price volatility</u>	<u>Option life</u>	<u>Dividends</u>	<u>Interest rate</u>	<u>Fair value per unit</u>
Treasury stock transferred to employees	2021.11.18	\$105.59	\$ 93.64	43.83%	0.04 years	-	0.34%	\$ 12.3026

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

	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Equity delivery	<u>\$ 28,234</u>	<u>\$ -</u>

(15) Share capital

A. As of December 31, 2021, the Company’s authorized capital was \$9,500,000, consisting of 950,000 thousand shares of ordinary stock (including 250,000 thousand shares reserved for

employee stock options and for convertible bonds issued by the Company), and the paid-in capital was \$6,356,889 with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

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

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

B. Treasury shares

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

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

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

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

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

(16) Capital surplus

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

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

(17) Retained earnings

A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior year's operating losses and then 10% of the remaining

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

- B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the balance of the reserve exceeds 25% of the Company's paid-in capital.
- C. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

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

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

	Years ended December 31			
	2020		2019	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ 435,427		\$ 193,924	
Cash dividends	3,178,444	\$ 5.00	1,398,516	\$ 2.20

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

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

(18) Operating revenue

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Revenue from contracts with customers	\$ <u>121,741,896</u>	\$ <u>84,087,874</u>

A. Disaggregation of revenue from contracts with customers

The Company derives revenue from the transfer of goods and services at a point in time in the following major product lines and segments:

<u>Product Types</u>	<u>Year ended December 31, 2021</u>		
	<u>Global brand business group</u>	<u>Other business group</u>	<u>Total</u>
Computer parts	\$ 88,146,083	\$ 1,764,553	\$ 89,910,636
Networking communication products	-	15,016,837	15,016,837
Others	<u>13,315,256</u>	<u>3,499,167</u>	<u>16,814,423</u>
	<u>\$ 101,461,339</u>	<u>\$ 20,280,557</u>	<u>\$ 121,741,896</u>

<u>Product Types</u>	<u>Year ended December 31, 2020</u>		
	<u>Global brand business group</u>	<u>Other business group</u>	<u>Total</u>
Computer parts	\$ 67,038,067	\$ 1,861,047	\$ 68,899,114
Networking communication products	-	8,517,887	8,517,887
Others	<u>4,999,569</u>	<u>1,671,304</u>	<u>6,670,873</u>
	<u>\$ 72,037,636</u>	<u>\$ 12,050,238</u>	<u>\$ 84,087,874</u>

B. Contract liabilities

The Company has recognized unearned receipts as revenue-related contract liabilities amounting to \$1,051,029, \$3,847,245 and \$370,694 as of December 31, 2021 and 2020 and January 1, 2020, respectively.

Revenue recognized that was included in the contract liability balance at the beginning of the period is as follows:

	<u>Year ended December 31</u>	
	<u>2021</u>	<u>2020</u>
Revenue recognized that was included in the contract liability balance at the beginning of the period		
Unearned receipts	<u>\$ 3,847,245</u>	<u>\$ 320,360</u>

(19) Interest income

	<u>Year ended December 31</u>	
	<u>2021</u>	<u>2020</u>
Interest income from bank deposits	\$ 29,153	\$ 39,993
Interest income from financial assets measured at amortized cost	3,231	2,545
Interest income from financial assets at fair value through profit or loss	2,087	843
Other interest income	<u>2,387</u>	<u>2,805</u>
	<u>\$ 36,858</u>	<u>\$ 46,186</u>

(20) Other income

	Year ended December 31	
	2021	2020
Rent income	\$ 17,148	\$ 16,176
Other income, others	1,027,541	782,720
	<u>\$ 1,044,689</u>	<u>\$ 798,896</u>

(21) Other gains and losses

	Year ended December 31	
	2021	2020
Foreign exchange gains	\$ 244,533	\$ 220,442
Losses on financial assets at fair value through profit or loss (12,338)	(1,264)
Gains on disposal of property, plant and equipment	-	4,101
Gains arising from lease modification	88	235
Other losses	-	(2,676)
	<u>\$ 232,283</u>	<u>\$ 220,838</u>

(22) Finance costs

	Year ended December 31	
	2021	2020
Interest expense		
Interest from borrowings	\$ 600	\$ 617
Interest from lease liabilities	1,550	1,176
Financial expense, others	18	256
	<u>\$ 2,168</u>	<u>\$ 2,049</u>

(23) Expenses by nature

	Year ended December 31	
	2021	2020
Cost of goods sold	\$ 92,622,877	\$ 70,367,690
Employee benefit expense	8,522,183	4,742,400
Export expense	1,654,309	775,801
Warranty cost of after-sale service	829,153	959,800
Marketing service charge	470,350	472,740
Depreciation and amortisation	378,476	366,251
Transportation expenses	414,546	276,969
Expected credit losses	6,683	10,452
Other costs and expenses	2,139,955	2,005,064
	<u>\$ 107,038,532</u>	<u>\$ 79,977,167</u>

(24) Employee benefit expense

	<u>Year ended December 31</u>	
	<u>2021</u>	<u>2020</u>
Wages and salaries	\$ 8,001,940	\$ 4,280,711
Labor and health insurance fees	232,796	196,377
Pension costs	98,261	96,322
Directors' remuneration	52,602	53,601
Other personnel expenses	<u>136,584</u>	<u>115,389</u>
	<u>\$ 8,522,183</u>	<u>\$ 4,742,400</u>

- A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall be 3%~10% for employees' compensation and shall not be higher than 3% for directors' remuneration.
- B. For the years ended December 31, 2021 and 2020, employees' compensation was accrued at \$1,766,530 and \$583,127, respectively; while directors' remuneration was both accrued at \$46,000. The aforementioned amounts were recognized in salary expenses.

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

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

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

(25) Income tax

A. Income tax expense

(a) Components of income tax expense:

	<u>Year ended December 31</u>	
	<u>2021</u>	<u>2020</u>
Current tax:		
Current tax on profits for the period	\$ 2,904,928	\$ 941,717
Tax on undistributed surplus earnings	59,786	16,177
Prior year income tax overestimation	(84,896)	(21,417)
Total current tax	<u>2,879,818</u>	<u>936,477</u>
Deferred tax:		
Origination and reversal of temporary differences	(365,005)	(108,659)
Income tax expense	<u>\$ 2,514,813</u>	<u>\$ 827,818</u>

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

	<u>Year ended December 31</u>	
	<u>2021</u>	<u>2020</u>
Remeasurement of defined benefit obligations	\$ <u>2,707</u>	(\$ <u>5,014</u>)

B. Reconciliation between income tax expense and accounting profit:

	<u>Year ended December 31</u>	
	<u>2021</u>	<u>2020</u>
Tax calculated based on profit before tax and statutory tax rate	\$ 3,170,555	\$ 1,040,429
Expenses disallowed by tax regulation	(250,822)	43,390
Effect from investment tax credits	(146,852)	(98,153)
Changes in assessment of realisation of deferred tax assets	(232,958)	(152,608)
Prior year income tax overestimation	(84,896)	(21,417)
Tax on undistributed surplus earnings	<u>59,786</u>	<u>16,177</u>
Income tax expense	<u>\$ 2,514,813</u>	<u>\$ 827,818</u>

C. Amounts of deferred tax assets or liabilities as a result of temporary difference are as follows:

	<u>Year ended December 31, 2021</u>			
	<u>January 1</u>	<u>Recognized in profit or loss</u>	<u>Recognized in other comprehensive income</u>	<u>December 31</u>
<u>Deferred tax assets</u>				
Provision for warranty expense	\$ 155,291	(\$ 10,252)	\$ -	\$ 145,039
Loss on inventory	42,135	18,737	-	60,872
Pension expense	48,529	2,701	-	51,230
Unrealized profit on intercompany sales	187,781	295,767	-	483,548
Unrealized exchange loss	-	21,350	-	21,350
Remeasurement of defined benefit obligations	32,191	-	(2,707)	29,484
Others	<u>54,868</u>	<u>744</u>	<u>-</u>	<u>55,612</u>
	<u>520,795</u>	<u>329,047</u>	<u>(2,707)</u>	<u>847,135</u>
<u>Deferred tax liabilities</u>				
Unrealized exchange profit	(35,958)	35,958	-	-
	<u>\$ 484,837</u>	<u>\$ 365,005</u>	<u>(\$ 2,707)</u>	<u>\$ 847,135</u>

	Year ended December 31, 2020			
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
<u>Deferred tax assets</u>				
Provision for warranty expense	\$ 102,714	\$ 52,577	\$ -	\$ 155,291
Loss on inventory	48,553	(6,418)	-	42,135
Pension expense	46,825	1,704	-	48,529
Unrealized profit on intercompany sales	83,649	104,132	-	187,781
Unrealized exchange loss	10,713	(10,713)	-	-
Remeasurement of defined benefit obligations	27,177	-	5,014	32,191
Others	51,533	3,335	-	54,868
	<u>\$ 371,164</u>	<u>\$ 144,617</u>	<u>\$ 5,014</u>	<u>\$ 520,795</u>
<u>Deferred tax liabilities</u>				
Unrealized exchange profit	-	(35,958)	-	(35,958)
	<u>\$ 37,164</u>	<u>\$ 108,659</u>	<u>\$ 5,014</u>	<u>\$ 484,837</u>

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

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

(26) Earnings per share

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

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

(27) Supplemental cash flow information

Investing activities with partial cash payments

	Year ended December 31	
	2021	2020
Purchase of property, plant and equipment	\$ 522,200	\$ 132,215
Add: Opening balance of payable on equipment	10,333	16,054
Less: Ending balance of payable on equipment	(2,208)	(10,333)
Cash paid during the year	\$ <u>530,325</u>	\$ <u>137,936</u>

(28) Changes in liabilities from financing activities

	2021				
	Long-term borrowings	Lease liability	Guarantee deposits received	Dividend payable	Liabilities from financing activities-gross
At January 1	\$ 200,000	\$ 74,436	\$ 45,697	\$ -	\$ 320,133
Changes in cash flow from financing activities	-	(50,757)	(43,790)	(3,178,444)	(3,272,991)
Payment of interest expense on lease liabilities(Note)	-	(1,550)	-	-	(1,550)
Changes in other non-cash items	-	58,443	-	3,178,444	3,236,887
At December 31	\$ <u>200,000</u>	\$ <u>80,572</u>	\$ <u>1,907</u>	\$ <u>-</u>	\$ <u>282,479</u>

	2020				
	Long-term borrowings	Lease liability	Guarantee deposits received	Dividend payable	Liabilities from financing activities-gross
At January 1	\$ -	\$ 62,190	\$ 2,389	\$ -	\$ 64,579
Changes in cash flow from financing activities	200,000	(50,374)	43,308	(1,398,516)	(1,205,582)
Payment of interest expense on lease liabilities(Note)	-	(1,176)	-	-	(1,176)
Changes in other non-cash items	-	63,796	-	1,398,516	1,462,312
At December 31	<u>\$ 200,000</u>	<u>\$ 74,436</u>	<u>\$ 45,697</u>	<u>\$ -</u>	<u>\$ 320,133</u>

Note: Listed under cash flows from operating activities.

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

Names of related parties	Relationship with the Company
Freedom International Group Ltd.(Freedom)	The Company's subsidiary
Gigabyte Technology Pty. Ltd. (G.B.T.-AU)	"
Giga-Byte Technology B.V. (G.B.T.-NL)	"
Giga-Byte Technology (India) Private Limited (G.B.T.-India)	"
Giga-Byte Technology Trading GmbH (G.B.T.-GmbH)	"
Nippon Giga-Byte Corp. (G.B.T.-Japan)	"
Gigabyte Information Technology Commerce Limited Company (G.B.T.-Turkey)	"
Gigabyte Technology LLC (G.B.T.-Korea)	"
G-Style Co., Ltd. (G-Style)	"
BYTE International Co., Ltd. (BYTE International)	"
Giga Investment Corp. (Giga Investment)	"
G.B.T., Inc. (G.B.T.-USA)	"
GIGAIPC CO., LTD. (GIGAIPC)	"
G.B.T. LBN Inc. (G.B.T.-LBN)	The Company's indirect subsidiary
Selita Precision Co., Ltd. (Selita Precision)	"
Ningbo Giga-Byte International Trade Co., Ltd. (Ningbo Giga-Byte International Trade)	"
Ningbo BestYield Tech. Services Co., Ltd. (Ningbo BestYield)	"
Ningbo Zhongjia Technology Co. Ltd. (Ningbo Zhongjia)	"
Ningbo Gigabyte Technology Co., Ltd. (Ningbo Gigabyte)	"

Names of related parties	Relationship with the Company
Dongguan Gigabyte Electronics Co., Ltd. (Dongguan Gigabyte)	"
MyelinTek Inc.	The Company's joint venture

(2) Significant related party transactions

A. Operating revenue

	Year ended December 31	
	2021	2020
Sales of goods:		
G.B.T.-USA	\$ 23,903,620	\$ 18,993,954
Ningbo Zhongjia	21,427,573	15,763,934
Subsidiaries	7,052,153	3,149,164
Indirect subsidiaries	<u>101,171</u>	<u>91,620</u>
	<u>\$ 52,484,517</u>	<u>\$ 37,998,672</u>

The sales prices to related parties were based on the agreed contracts. Credit terms to related parties were within 30~120 days after receipt of goods or 60 days for monthly billings. Credit terms to third parties were up to 120 days after receipt of goods purchases.

B. Purchases

	Year ended December 31	
	2021	2020
Purchases of goods:		
Dongguan Gigabyte	\$ 823,486	\$ 1,186,097
Ningbo Gigabyte	610,242	1,669,421
Subsidiaries	<u>14,604</u>	<u>1,963</u>
	<u>\$ 1,448,332</u>	<u>\$ 2,857,481</u>

All 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 related parties are 60 days after receipt of goods that would be available to third parties. The payment term for third parties is 30 days after receipt of goods or 60~90 days for monthly billings.

C. Warranty expense

	<u>Year ended December 31</u>	
	<u>2021</u>	<u>2020</u>
Ningbo BestYield	\$ 367,922	\$ 314,349
G.B.T.-USA	91,355	71,340
G.B.T.-NL	59,303	37,582
Subsidiaries	59,298	42,181
Indirect subsidiaries	<u>9,514</u>	<u>1,848</u>
	<u>\$ 587,392</u>	<u>\$ 467,300</u>

Warranty expense is the expenditure arising from the after-sales maintenance service provided by the related party in the area where the related party is. The price is calculated based on the actual incurred cost, and the payment term is 30 days for monthly billings.

D. Marketing service charge (Shown as “Selling expenses”)

	<u>Year ended December 31</u>	
	<u>2021</u>	<u>2020</u>
G.B.T.-NL	\$ 162,538	\$ 156,625
G.B.T.-AU	108,025	83,934
G.B.T.-Japan	38,190	34,939
Subsidiaries	<u>68,223</u>	<u>53,890</u>
	<u>\$ 376,976</u>	<u>\$ 329,388</u>

Marketing service charge is the expenditure arising from the business development rendered by the related party in the area where the related party is located. The price is calculated based on the actual incurred cost, and the payment term is 30 days for monthly billings.

E. Professional service fees (Shown as “Selling expenses”)

	<u>Year ended December 31</u>	
	<u>2021</u>	<u>2020</u>
G.B.T.-NL	\$ 183,814	\$ 175,380
Subsidiaries	-	7,450
Indirect subsidiaries	<u>7,064</u>	<u>5,554</u>
	<u>\$ 190,878</u>	<u>\$ 188,384</u>

Professional service fee is the service expenditure arising from the staff who provided business development and after-sales maintenance services in the area where the related party is located. The price is calculated based on the actual incurred cost, and the payment term is 30 days for monthly billings.

F. Accounts receivable

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
G.B.T.-USA	\$ 7,969,037	\$ 5,408,842
Ningbo Zhongjia	3,222,328	2,062,836
Subsidiaries	1,104,844	653,115
Indirect subsidiaries	<u>585,975</u>	<u>718,596</u>
	<u>\$ 12,882,184</u>	<u>\$ 8,843,389</u>

G. Other receivables

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
G-Style Co., Ltd.	\$ 201,965	\$ 807
Subsidiaries	1,711	1,437
Indirect subsidiaries	<u>249</u>	<u>-</u>
	<u>\$ 203,925</u>	<u>\$ 2,244</u>

H. Accounts payable

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Dongguan Gigabyte	\$ 2,430,588	\$ 1,630,840
Ningbo Gigabyte	1,873,743	2,548,600
Subsidiaries	<u>5,506</u>	<u>727</u>
	<u>\$ 4,309,837</u>	<u>\$ 4,180,167</u>

I. Other payables

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
G.B.T. -NL	\$ 60,224	\$ 54,729
Ningbo BestYield	36,854	71,692
Subsidiaries	54,456	42,903
Indirect subsidiaries	5,895	765
Other related parties	<u>-</u>	<u>122</u>
	<u>\$ 157,429</u>	<u>\$ 170,211</u>

J. Property transactions - Acquisition of investments accounted for using equity method

	<u>No. of shares</u>	<u>Objects</u>	<u>Years ended December 31</u>	
			<u>2021</u>	<u>2020</u>
			<u>Consideration</u>	<u>Consideration</u>
Giga Investment	74,000,000	Stock	\$ 740,000	\$ -
BYTE International	28,000,000	"	-	280,000
GIGAIPC	20,000,000	"	-	197,838
Freedom	3,400,000	"	-	102,850
G.B.T. -GmbH	-	"	-	79,793
MyelinTek Inc.	299,999,995	"	-	70,000
			<u>\$ 740,000</u>	<u>\$ 730,481</u>

(3) Key management compensation

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

8. PLEDGED ASSETS

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

<u>Pledged asset</u>	<u>Book value</u>		<u>Purpose</u>
	<u>December 31, 2021</u>	<u>December 31, 2020</u>	
Pledged assets - non-current (accounted for as "Financial assets at amortized cost - non-current")			
- Demand deposits	\$ 89,828	\$ 92,229	Repatriated offshore funds
- Time deposits	<u>61,250</u>	<u>61,184</u>	Guarantee for the customs duties
	<u>\$ 151,078</u>	<u>\$ 153,413</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

None.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

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

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

12. OTHERS

(1) Capital management

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

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Financial assets</u>		
Financial assets mandatorily measured at fair value through profit or loss	\$ 1,131,758	\$ 545,764
Financial assets at amortized cost		
Cash and cash equivalents	14,145,435	10,777,615
Financial assets at amortized cost	770,594	743,413
Notes receivable	2,725	2,897
Accounts receivable (including related parties)	19,082,559	13,231,148
Other receivables	389,364	73,125
Guarantee deposits paid	29,536	30,372
	<u>\$ 35,551,971</u>	<u>\$ 25,404,334</u>

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Financial liabilities</u>		
Financial liabilities at amortized cost		
Notes payable	\$ 18,966	\$ 257
Accounts payable (including related parties)	19,758,848	12,821,969
Other payables	9,172,314	4,996,254
Long-term borrowings	200,000	200,000
Guarantee deposits received	1,907	45,697
Lease liabilities	80,572	74,436
	<u>\$ 29,232,607</u>	<u>\$ 18,138,613</u>

B. Financial risk management policies

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

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD and RMB. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations.
- ii. Management has set up a policy to require divisions to manage their foreign exchange risk against their functional currency.
- iii. The Company's businesses involve some non-functional currency operations (the Company's functional currency is NTD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

				December 31, 2021		
				Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)						
<u>Financial assets</u>						
<u>Monetary items</u>						
	USD:NTD	\$	825,435	27.690	\$	22,856,295
	RMB:NTD		250,588	4.347		1,089,306
<u>Non-monetary items</u>						
	USD:NTD	\$	13,294	27.690	\$	368,111
<u>Investments accounted for using equity method</u>						
	USD:NTD	\$	216,807	27,690	\$	6,003,379
<u>Financial liabilities</u>						
<u>Monetary items</u>						
	USD:NTD	\$	605,565	27.690	\$	16,768,095
	RMB:NTD		582,198	4.347		2,530,815
				December 31, 2020		
				Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)						
<u>Financial assets</u>						
<u>Monetary items</u>						
	USD:NTD	\$	680,031	28.508	\$	19,386,324
	RMB:NTD		129,421	4.382		567,123
<u>Non-monetary items</u>						
	USD:NTD	\$	8,716	28.508	\$	248,476
<u>Investments accounted for using equity method</u>						
	USD:NTD	\$	225,711	28.508	\$	6,434,561
<u>Financial liabilities</u>						
<u>Monetary items</u>						
	USD:NTD	\$	395,665	28.508	\$	11,279,618
	RMB:NTD		290,238	4.382		1,271,823

- iv. The total exchange gain (loss), including realized and unrealized arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2021 and 2020 amounted to \$244,533 and \$220,442, respectively.

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

<u>Year ended December 31, 2021</u>			
<u>Sensitivity analysis</u>			
	<u>Degree of variation</u>	<u>Effect on profit or loss</u>	<u>Effect on other comprehensive income</u>
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 228,563	\$ -
RMB:NTD	1%	10,893	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 167,681	-
RMB:NTD	1%	25,308	-
<u>Year ended December 31, 2020</u>			
<u>Sensitivity analysis</u>			
	<u>Degree of variation</u>	<u>Effect on profit or loss</u>	<u>Effect on other comprehensive income</u>
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 193,863	\$ -
RMB:NTD	1%	5,671	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 112,796	\$ -
RMB:NTD	1%	12,718	-

Price risk

- i. The Company's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss. To manage its price risk arising from investment in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.
- ii. The Company invests in beneficiary certificates. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1 % with all other variables held constant, pre-tax profit for the years ended December 31, 2021 and 2020 would have increased/decreased by \$11,169 and \$5,298, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss.

Cash flow and fair value interest rate risk

- i. The bond funds and fixed interest rate bond invested by the Company was held mainly for trading purposes, and the cash flow of which are affected by the market interest rate.
- ii. For fixed interest rate bond investments held by the Company classified as financial assets mandatorily measured at fair value through profit or loss, changing in market interest rates would affect their fair values. As at December 31, 2021 and 2020, if market interest rates had increased/decreased by 1 % with all other variables held constant, pre-tax profit for the years ended December 31, 2021 and 2020 would have increased/decreased by \$149 and \$160, respectively.
- iii. As December 31, 2021 and 2020, if the borrowing interest rate had increased/decreased by 0.1% with all other variables held constant, pre-tax profit for the year ended December 31, 2021 and 2020 would have increased/decreased by \$200. The main factor is that floating-rate borrowings result in the change of interest expense.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments at fair value through profit or loss.
- ii. 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, the credit risk is relatively low.
- iii. The corporate bonds and financial bonds invested by the Company have been evaluated to have a good credit rating, and it is expected that the counterparty will not default, so the credit risk is extremely low. The maximum loss to the Company is the total amount of all book value.
- iv. The Company manages their credit risk taking into consideration the entire Company's concern. According to the Company's credit policy, each local entity in the Company is responsible for managing and analyzing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk

control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilization of credit limits is regularly monitored.

- v. The Company adopts the assumptions under IFRS 9, the default occurs when the contract payments are not expected to be recovered.
- vi. The Company adopts following assumptions under IFRS 9 to assess whether these has been a significant increase in credit risk on that instrument since initial recognition:
If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- vii. The Company classifies customers' accounts receivable in accordance with credit rating of customer, insurance coverage and collaterals. The Company applies the modified approach using provision matrix to estimate expected credit loss under the provision matrix basis.
- viii. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
 - (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;
 - (ii) The disappearance of an active market for that financial asset because of financial difficulties;
 - (iii) Default or delinquency in interest or principal repayment; and
 - (iv) Adverse changes in national or regional economic conditions that are expected to cause a default.
- ix. The Company used the forecast ability of macroeconomic growth by the International Monetary Fund to adjust historical and timely information to assess the default possibility of accounts receivable. As at December 31, 2021 and 2020, the provision matrix is as follows:

	<u>Not past due</u>	<u>Up to 30 days past due</u>	<u>31 to 60 days past due</u>
<u>December 31, 2021</u>			
Expected loss rate	1.87%	2.60%	13.43%
Total book value	\$ 5,303,812	\$ 871,873	\$ 29,982
Loss allowance	\$ 21,634	\$ 6,743	\$ 2,498
	<u>61 to 90 days past due</u>	<u>Over 90 days</u>	<u>Total</u>
Expected loss rate	49.07%	100%	
Total book value	\$ 3,034	\$ 25,621	\$ 6,234,322
Loss allowance	\$ 441	\$ 2,631	\$ 33,947

	<u>Not past due</u>	<u>Up to 30 days past due</u>	<u>31 to 60 days past due</u>
<u>December 31, 2020</u>			
Expected loss rate	1.34%	1.48%	4.53%
Total book value	<u>\$ 3,679,912</u>	<u>\$ 699,638</u>	<u>\$ 29,092</u>
Loss allowance	<u>\$ 20,752</u>	<u>\$ 2,264</u>	<u>\$ 947</u>
	<u>61 to 90 days past due</u>	<u>Over 90 days</u>	<u>Total</u>
Expected loss rate	27.08%	100%	
Total book value	<u>\$ 4,209</u>	<u>\$ 7,804</u>	<u>\$ 4,420,655</u>
Loss allowance	<u>\$ 1,129</u>	<u>\$ 7,804</u>	<u>\$ 32,896</u>

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

	<u>2021</u>		
	<u>Notes receivable</u>	<u>Accounts receivable</u>	<u>Total</u>
At January 1	\$ -	\$ 32,896	\$ 32,896
Provision for impairment	-	6,683	6,683
Write-offs	-	(5,632)	(5,632)
At December 31	<u>\$ -</u>	<u>\$ 33,947</u>	<u>\$ 33,947</u>
	<u>2020</u>		
	<u>Notes receivable</u>	<u>Accounts receivable</u>	<u>Total</u>
At January 1	\$ -	\$ 22,444	\$ 22,444
Provision for impairment	-	10,452	10,452
At December 31	<u>\$ -</u>	<u>\$ 32,896</u>	<u>\$ 32,896</u>

Considering the credit insurance on accounts receivable, the above mentioning amounts were not recognized as allowance for uncollectible accounts amounting to \$82,791 and \$39,097 at December 31, 2021 and 2020, respectively.

For provisioned loss in 2021 and 2020, the impairment losses arising from customers' contracts amounted to \$6,683 and \$10,452, respectively.

(c) Liquidity risk

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

- ii. Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the treasury of the company. Company treasury invests surplus cash in interest bearing current accounts, time deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts.
- iii. The Company had no undrawn borrowing facilities for fixed rate long-term borrowings.
- iv. The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. Except that the contractual undiscounted cash flows of notes payable, accounts payable, other payables and guarantee deposits received, are equal to its book value and matured within one year. The amounts disclosed in the table are the contractual undiscounted cash flows of financial liabilities as follows:

<u>December 31, 2021</u>		<u>Between 1</u>			
	<u>Less than 1 year</u>	<u>and 2 years</u>	<u>Over 2 years</u>	<u>Total</u>	
Lease liability	\$ 49,576	\$ 23,780	\$ 8,641	\$ 81,997	
Long-term borrowings	607	92,273	108,968	201,848	
<u>December 31, 2021</u>		<u>Between 1</u>			
	<u>Less than 1 year</u>	<u>and 2 years</u>	<u>Over 2 years</u>	<u>Total</u>	
Lease liability	\$ 40,186	\$ 27,596	\$ 8,226	\$ 76,008	
Long-term borrowings	608	607	201,242	202,457	

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

(3) Fair value information

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

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

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

Level 3: Unobservable inputs for the asset or liability.

B. The carrying amounts of the Company's financial instruments not measured at fair value (including cash and cash equivalents, financial assets at amortized cost (Cash in banks), notes receivable, accounts receivable (including related parties), other receivables, guarantee deposits paid, notes payable, accounts payable (including related parties), other payables, long-term borrowings and guarantee deposits received) are approximate to their fair values.

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

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

December 31, 2021	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Beneficiary certificates	\$ 1,116,854	\$ -	\$ -	\$ 1,116,854
Debt instrument	<u>14,904</u>	<u>-</u>	<u>-</u>	<u>14,904</u>
	<u>\$ 1,131,758</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,131,758</u>
December 31, 2020	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Beneficiary certificates	\$ 529,793	\$ -	\$ -	\$ 529,793
Debt instrument	<u>15,971</u>	<u>-</u>	<u>-</u>	<u>15,971</u>
	<u>\$ 545,764</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 545,764</u>

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

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

	<u>Listed shares</u>	<u>Open-end fund</u>	<u>Government bonds and corporate bonds</u>
Market quoted price	Closing price	Net asset value	Weighted average quoted price

- ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the balance sheet date.
- iii. When assessing non-standard and low-complexity financial instruments, for example, debt instruments without active market, the Company adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.
- iv. For high-complexity financial instruments, the fair value is measured by using self-developed valuation model based on the valuation method and technique widely used within the same industry. The valuation model is normally applied to derivative financial instruments, debt instruments with embedded derivatives or securitised instruments.

Certain inputs used in the valuation model are not observable at market, and the Company must make reasonable estimates based on its assumptions.

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

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

E. For the years ended December 31, 2021 and 2020, there was no transfer into or out from Level 3.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

- A. Loans to others: None.
- B. Provision of endorsements and guarantees to others: None.
- C. Holding of marketable securities at the end of the year (not including subsidiaries, associates and joint ventures): Please refer to table 1.
- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: Please refer to table 2.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 3.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 4.
- I. Trading in derivative instruments undertaken during the reporting periods: None.
- J. Significant inter-company transactions during the reporting periods: Please refer to table 5.

(2) Information on investees

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

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 7.

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

(4) Major shareholders information

Major shareholders information: Please refer to table 9.

14. OPERATING SEGMENTS

None.

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

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

Table 1

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

GIGA-BYTE TECHNOLOGY CO., LTD.

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

Expressed in thousands of NTD
 (Except as otherwise indicated)

Table 2

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

GIGA-BYTE TECHNOLOGY CO., LTD.

Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more

Year ended December 31, 2021

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

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

GIGA-BYTE TECHNOLOGY CO., LTD.

Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more
Year ended December 31, 2021

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

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

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

Expressed in thousands of NTD
(Except as otherwise indicated)

Table 5

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

Note 1 : Credit terms were 90 days upon receipt of goods.

Note 2 : Credit terms were 60 days after billing.

Note 3 : Credit terms were 30 days after billing.

Note 4 : Credit terms were 180 days upon receipt of goods.

Note 5 : Credit terms were 60 days upon receipt of goods.

Note 6 : Credit terms were 30 days upon receipt of goods.

Note 7 : Credit terms were 45 days upon receipt of goods.

GIGA-BYTE TECHNOLOGY CO., LTD.

Information on investees

Year ended December 31, 2021

Expressed in thousands of NTD
(Except as otherwise indicated)

Table 6

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

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

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

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2021	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2021		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2021	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2021	Book value of investments in Mainland China as of December 31, 2021	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2021	Footnote
					Remitted to Mainland China	Remitted back to Taiwan						
Dongguan Gigabyte Electronics Co., Ltd.	Main business activities Manufacturing of computer information products	1,180,938	Note 1	\$ 1,180,938	\$ -	\$ -	\$ 1,180,938	100.00	\$ 109,467	\$ 1,717,782	\$ -	The Company's indirect subsidiary
Ningbo Giga-Byte International Trade Co., Ltd.	Sales of computer information products	259,752	Note 1	259,752	-	-	259,752	100.00	229,422	1,564,832	-	The Company's indirect subsidiary
Ningbo BestYield Tech. Services Co., Ltd.	Maintenance of computer products	181,923	Note 2	165,515	-	-	165,515	100.00	31,012	212,357	-	The Company's indirect subsidiary
Ningbo Zhongjia Technology Co., Ltd.	Sales of computer information products	109,853	Note 3	-	-	-	-	100.00	233,661	466,360	-	The Company's indirect subsidiary
Ningbo Gigabyte Technology Co., Ltd.	Manufacturing of computer information products	2,780,313	Note 1	2,780,313	-	-	2,780,313	100.00	181,720	3,511,913	-	The Company's indirect subsidiary
Shenzhen BestYield Tech. Services Co., Ltd.	Maintenance of computer information products	15,841	Note 3	-	-	-	-	100.00	573	14,473	-	The Company's indirect subsidiary
Dongguan Senyum Precision Optical Co., Ltd.	Selling of mold and industrial plastic products	4,539	Note 2	1,609	2,930	-	4,539	96.41	(5,122)	(1,514)	-	The Company's indirect subsidiary
Zaozhuang BestYield Resources Recycling Co., Ltd.	Recycling and selling of renewable resources	5,507	Note 3	-	-	-	-	100.00	555	8,061	-	The Company's indirect subsidiary

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

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

Note 3: Others.

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

GIGA-BYTE TECHNOLOGY CO., LTD.

Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area
Year ended December 31, 2021

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

Table 8

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

After-sales service costs
paid at \$367,922

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

Table 9

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

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

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

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

V. Audited Consolidated Financial Statements in the most recent year

GIGA-BYTE TECHNOLOGY CO., LTD. AND SUBSIDIARIES

Declaration of Consolidated Financial Statements of Affiliated Enterprises

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

Hereby declare,

GIGA-BYTE TECHNOLOGY CO., LTD.

Dandy Yeh

March 11, 2022

INDEPENDENT AUDITORS' REPORT

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

Opinion

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

In our opinion, based on our audits and the report of other independent auditors, as described in the Other matters section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

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

Occurrence of revenue from significant new counterparties

Description

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

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

How our audit addressed the matter

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

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

Assessment of allowance for valuation of inventory loss

Description

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

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

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

How our audit addressed the matter

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

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

Other matter – Report of other independent auditors

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

Other matter – Parent company only financial statements

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

Responsibilities of management and those charged with governance for the consolidated financial statements

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

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

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

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors'

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

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

We also:

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

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

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

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

Se-Kai Lin

Fang-Yu Wang

For and on behalf of PricewaterhouseCoopers, Taiwan

March 11, 2022

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

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

GIGA-BYTE TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2021 AND 2020

(Expressed in thousands of New Taiwan dollars)

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

(Continued)

GIGA-BYTE TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2021 AND 2020

(Expressed in thousands of New Taiwan dollars)

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

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

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

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

(Continued)

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

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

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

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

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

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

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

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

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

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

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

GIGA-BYTE TECHNOLOGY CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

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

1. HISTORY AND ORGANISATION

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

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

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

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(1) Compliance statement

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

(2) Basis of preparation

- A. Except for the following items, these consolidated financial statements have been prepared under the historical cost convention:
- (a) Financial assets and at fair value through profit or loss.
 - (b) Financial assets at fair value through other comprehensive income.
 - (c) Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.
- B. The preparation of financial statements in compliance with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

- A. Basis for preparation of consolidated financial statements:
- (a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
 - (b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
 - (c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
 - (d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.
 - (e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognized in profit or loss. All amounts previously recognized in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognized in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

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

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

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

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

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

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

E. Significant restrictions: None.

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

(4)Foreign currency translation

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

A. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.
- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized in profit or loss.
- (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- (d) All other foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

- (a) The operating results and financial position of all the group entities and joint arrangements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
 - i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
 - ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
 - iii. All resulting exchange differences are recognized in other comprehensive income.
- (b) When the foreign operation partially disposed of or sold is a joint arrangements, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, even when the Group still retains partial interest in the former foreign joint arrangements after losing joint control of the former joint arrangement, such transactions should be accounted for as disposal of all interest in these foreign operations.
- (c) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Group still retains partial interest in the former foreign subsidiary after losing control of

the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

(5)Classification of current and non-current items

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
- (a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
 - (b) Assets held mainly for trading purposes;
 - (c) Assets that are expected to be realised within twelve months from the balance sheet date;
 - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than twelve months after the balance sheet date.
- B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
- (a) Liabilities that are expected to be settled within the normal operating cycle;
 - (b) Liabilities arising mainly from trading activities;
 - (c) Liabilities that are to be settled within twelve months from the balance sheet date;
 - (d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(6)Cash equivalents

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

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

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognized and derecognized using settlement date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.
- D. The Group recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

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

- A. Financial assets at fair value through other comprehensive income comprise equity securities

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

- (a) The objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets; and
 - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognized and derecognized using settlement date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value:
- (a) The changes in fair value of equity investments that were recognized in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognized as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.
 - (b) Except for the recognition of impairment loss, interest income and gain or loss on foreign exchange which are recognized in profit or loss, the changes in fair value of debt instruments are taken through other comprehensive income. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss.

(9) Financial assets at amortised cost

- A. Financial assets at amortised cost are those that meet all of the following criteria:
- (a) The objective of the Group's business model is achieved by collecting contractual cash flows.
 - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at amortised cost are recognized and derecognized using settlement date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognized in profit or loss when the asset is derecognized or impaired.
- D. The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(10) Accounts and notes receivable

- A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.
- B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(11) Impairment of financial assets

For financial assets at amortised cost, at each reporting date, the Group recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit

losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable that do not contain a significant financing component, the Group recognises the impairment provision for lifetime ECLs.

(12) Derecognition of financial assets

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

(13) Leasing arrangements (lessor) – operating leases

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

(14) Inventories

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

(15) Investments accounted for using equity method / associates

- A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognized at cost.
- B. The Group's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- C. When changes in an associate's equity that are not recognized in profit or loss or other comprehensive income of the associate and such changes not affecting the Group's ownership percentage of the associate, the Group recognises change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.
- D. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- E. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for under the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognized in other comprehensive income in relation to the associate are

reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.

- F. Upon loss of significant influence over an associate, the Group remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognized in profit or loss.
- G. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.
- H. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognized as capital surplus in relation to the associate are transferred to profit or loss. If it retains significant influence over this associate, the amounts previously recognized as capital surplus in relation to the associate are transferred to profit or loss proportionately.

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

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

(17) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.
- B. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

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

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

- A. Leases are recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognized as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of the fixed payments, less any lease incentives receivable.

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

- C. At the commencement date, the right-of-use asset is stated at cost comprising the following:
- (a) The amount of the initial measurement of lease liability;
 - (b) Any lease payments made at or before the commencement date; and
 - (c) Any initial direct costs incurred by the lessee.

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

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

(19) Investment property

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

(20) Intangible assets

- A. Computer software

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

- B. Trademark right (indefinite useful life)

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

(21) Impairment of non-financial assets

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

(22) Borrowings

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

(23) Notes and account payable

- A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.
- B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(24) Derecognition of financial liabilities

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

(25) Provisions

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

(26) Employee benefits

- A. Short-term employee benefits
 - Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognized as expenses in that period when the employees render service.
- B. Pensions
 - (a) Defined contribution plans
 - For defined contribution plans, the contributions are recognized as pension expenses when

they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plans

- i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet date) of a currency and term consistent with the currency and term of the employment benefit obligations.
- ii. Remeasurement arising on defined benefit plans are recognized in other comprehensive income in the period in which they arise and are recorded as retained earnings.
- iii. Past service costs are recognized immediately in profit or loss.

C. Termination benefits

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

D. Employees' compensation and directors' remuneration

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

(27) Employee share-based payment

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

(28) Income tax

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

- or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
 - C. Deferred income tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred income tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.
 - D. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognized and recognized deferred income tax assets are reassessed.
 - E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.
 - F. A deferred tax asset shall be recognized for the carryforward of unused tax credits resulting from acquisitions of equipment or technology, research and development expenditures and equity investments to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilised.

(29) Share capital

- A. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.
- B. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(30) Dividends

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

(31) Revenue recognition

Sales of goods

- A. The Group manufactures and sells computer peripheral and component parts products. Sales are recognized when control of the products has transferred, being when the products are delivered to the customer. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.
- B. Revenue from sales is recognized based on the price specified in the contract, net of the estimated business tax, volume discounts, sales returns and allowances. Accumulated experience is used to estimate and provide for the volume discounts, using the expected value method, and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. The estimation is subject to an assessment at each reporting date. As the time interval between the transfer of committed goods or service and the payment of customer does not exceed one year, the Group does not adjust the transaction price to reflect the time value of money.
- C. The Group's obligation to provide a repair for faulty products under the standard warranty terms is recognized as a provision.
- D. A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(32) Business combinations

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

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

(33) Operating segments

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

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

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

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

None.

(2) Critical accounting estimates and assumptions

Evaluation of inventories

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

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(4) Financial assets at amortised cost

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

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

	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Interest income	\$ <u>14,546</u>	\$ <u>17,880</u>

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

- C. Details of the Group's financial assets at amortised cost pledged to others as collateral are provided in Note 8.
- D. The Group deposits financial assets at amortised cost in a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

(5) Notes and accounts receivable

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

- A. Details of notes receivable of the Group that were not yet past due and ageing analysis of accounts receivable are provided in Note 12(2).
- B. As of December 31, 2021 and 2020, and January 1, 2020, the balances of receivables (including notes receivable) from contracts with customers amounted to \$10,911,292, \$7,971,303 and \$6,802,596, respectively.
- C. The Group has no notes and accounts receivable pledged to others.
- D. As at December 31, 2021 and 2020, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes and accounts receivable were \$5,710, \$2,897, \$10,822,436 and \$7,883,297, respectively.
- E. Information relating to credit risk of accounts receivable and notes receivable is provided in Note 12(2).

(6) Inventories

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

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

The cost of inventories recognized as expense for the year:

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

(7) Investments accounted for using the equity method

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

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

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

- B. The Group invested \$392,000 in WELLYSUN INC. on April 1, 2021. As the Group has significant influence over the investee after the investment, financial assets at fair value through profit or loss amounting to \$60,060 were deemed as disposed and transferred to investments accounted for using the equity method. The Group's shareholding ratio in the aforementioned investee is 30.18%. The Group is the single largest shareholder of the investee. Given that 11 other large shareholders (non-related parties) hold more shares than the Group, which indicates that the Group has no current ability to direct the relevant activities of the investee, the Group has no control, but only has significant influence, over the investee. As the investee issued employee stock options on December 31, 2021, the Group's shareholding ratio in the investee decreased to 28.96%.
- C. The Group invested \$1,230 in P.R.C.E. Ltd. on September 6, 2021 and its shareholding ratio in the investee is 49%.
- D. The Group invested \$70,000 in MyelinTek Inc. on April 6, 2020 and its shareholding ratio in the investee is 40%.
- E. The Group has no material associates and joint venture investment. The Group's share of the operating results of the aforementioned investments are summarized below:

	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Comprehensive loss	(\$ 13,839)	(\$ 13,754)

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(8) Property, plant and equipment

2021

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

2020

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

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

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

(9) Leasing arrangements – lessee

- A. The Group leases various assets including land, buildings and transportation equipment. Rental contracts are typically made for periods of 1 to 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.
- B. Short-term leases with a lease term of 12 months or less comprise buildings and business vehicles. Low-value assets comprise multifunction printers.
- C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>
Buildings	\$ 111,927	\$ 102,117
Transportation equipment	48,599	47,497
Land-use right	<u>36,214</u>	<u>37,954</u>
	<u>\$ 196,740</u>	<u>\$ 187,568</u>
	<u>Years ended December 31</u>	
	<u>2021</u>	<u>2020</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Buildings	\$ 75,893	\$ 71,873
Transportation equipment	30,060	26,558
Land-use right	<u>1,435</u>	<u>1,421</u>
	<u>\$ 107,388</u>	<u>\$ 99,852</u>

- D. For the years ended December 31, 2021 and 2020, the additions to right-of-use assets were \$129,263 and \$127,505, respectively.
- E. The information on profit and loss accounts relating to lease contracts is as follows:

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

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

(10) Leasing arrangements – lessor

- A. The Group leases various assets including land and buildings. Rental contracts are typically made for periods of 3 and 7 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.
- B. For the years ended December 31, 2021 and 2020, the Group recognized rent income in the amounts of \$ 27,493 and \$ 20,023, based on the operating lease agreement, which does not include variable lease payments.
- C. The maturity analysis of the lease payments under the operating leases is as follows:

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

(11) Investment property

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

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

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

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

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Discount rate	2.801%	3.164%

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

(12) Other non-current assets

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

(13) Short-term borrowings

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

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

(14) Other payables

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

(15) Provisions – current

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

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

Analysis of total provisions:

A. Warranty

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

B. Legal claims

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

(16) Long-term borrowings

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

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

Note: Listed under current liabilities in financial statements.

(17) Pensions

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

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

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

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

	2021		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Balance at January 1	(\$ 835,719)	\$ 229,574	(\$ 606,145)
Current service cost	(4,183)	-	(4,183)
Interest (expense) income	(2,900)	804	(2,096)
Past service cost	109	-	109
	<u>(842,693)</u>	<u>230,378</u>	<u>(612,315)</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	3,270	3,270
Change in demographic assumptions	(5,502)	-	(5,502)
Change in financial assumptions	32,219	-	32,219
Experience adjustments	<u>(16,453)</u>	<u>-</u>	<u>(16,453)</u>
	<u>10,264</u>	<u>3,270</u>	<u>13,534</u>
Pension fund contribution	-	3,737	3,737
Paid pension	<u>20,334</u>	<u>(20,334)</u>	<u>-</u>
Balance at December 31	<u>(\$ 812,095)</u>	<u>\$ 217,051</u>	<u>(\$ 595,044)</u>
	2020		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Balance at January 1	(\$ 800,796)	\$ 228,240	(\$ 572,556)
Current service cost	(4,629)	-	(4,629)
Interest (expense) income	<u>(5,975)</u>	<u>1,734</u>	<u>(4,241)</u>
	<u>(811,400)</u>	<u>229,974</u>	<u>(581,426)</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	7,525	7,525
Change in demographic assumptions	(15)	-	(15)
Change in financial assumptions	(38,528)	-	(38,528)
Experience adjustments	<u>5,948</u>	<u>-</u>	<u>5,948</u>
	<u>(32,595)</u>	<u>7,525</u>	<u>(25,070)</u>
Pension fund contribution	-	351	351
Paid pension	<u>8,276</u>	<u>(8,276)</u>	<u>-</u>
Balance at December 31	<u>(\$ 835,719)</u>	<u>\$ 229,574</u>	<u>(\$ 606,145)</u>

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

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

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

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

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

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

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

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

- (e) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2022 amount to \$14,447.
- (f) As of December 31, 2021, the weighted average duration of the retirement plan is 11 years. The analysis of timing of the future pension payment was as follows:

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

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

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

(18) Share-based payment

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

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

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

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

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

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

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

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

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

	Years ended December 31,	
	2021	2020
Equity delivery	<u>\$ 28,234</u>	<u>\$ -</u>

(19) Share capital

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

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

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

B. Treasury shares

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

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

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

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

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

(20) Capital surplus

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

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

(21) Retained earnings

- A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior year's operating losses and then 10% of the remaining amount shall be set aside as legal reserve, unless accumulated legal reserve has reached an amount equal to the Company's paid-in capital. And then special reserve shall be set aside or reversed according to the laws or decrees or the regulations of competent authorities. Appropriation (5% ~ 80%) of the remainder plus prior year's accumulated retained earnings shall be proposed by the Board of Directors, and resolved by the stockholders when distributed by issuance new shares. The Company's dividend policy is as follows: not less than 5% of total distribution amount shall be distributed in the form of cash. If the cash dividend is less than ten cents (NT\$0.1) per share, such dividend shall be distributed in the form of shares.
- B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the balance of the reserve exceeds 25% of the Company's paid-in capital.
- C. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

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

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

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

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

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

(22) Operating revenue

	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Revenue from contracts with customers	<u>\$ 121,905,357</u>	<u>\$ 84,602,841</u>

A. Disaggregation of revenue from contracts with customers

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

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

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

B. Contract assets and liabilities

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

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

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

	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Revenue recognized that was included in the contract liability balance at the beginning of the year		
Advance sales receipts	<u>\$ 3,987,907</u>	<u>\$ 167,019</u>

(23) Interest income

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

(24) Other income

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

(25) Other gains and losses

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

(26) Finance costs

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

(27) Expenses by nature

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

(28) Employee benefit expense

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

- A. In accordance with Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall be 3% ~ 10% for employees' compensation and shall not be higher than 3% for directors' remuneration.
- B. For the years ended December 31, 2021 and 2020, employees' compensation was accrued at \$1,766,530 and \$583,127, respectively; while directors' remuneration was both accrued at \$46,000. The aforementioned amounts were recognized in salary expenses.

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

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

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

(29) Income tax

A. Income tax expense

(a) Components of income tax expense:

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

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

	<u>Years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Remeasurement of defined benefit obligations	<u>\$ 2,707</u>	<u>(\$ 5,014)</u>

B. Reconciliation between income tax expense and accounting profit:

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

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

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

	Year ended December 31, 2021			
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
<u>Deferred tax assets</u>				
Provision for warranty expense	\$ 155,291	(\$ 10,252)	\$ -	\$ 145,039
Loss on inventory	98,149	77,972	-	176,121
Amount of allowance for bad debts that exceed the limit for tax purpose	12,493	(1,923)	-	10,570
Pension expense	48,529	2,701	-	51,230
Unrealised profit on intercompany sales	187,781	295,767	-	483,548
Unrealised exchange loss	-	22,340	-	22,340
Remeasurement of defined benefit obligations	32,191	-	(2,707)	29,484
Others	123,120	(31,673)	-	91,447
	<u>657,554</u>	<u>354,932</u>	<u>(2,707)</u>	<u>1,009,779</u>
<u>Deferred tax liabilities</u>				
Unrealised exchange gain	(38,209)	38,209	-	-
	<u>\$ 619,345</u>	<u>\$ 393,141</u>	<u>(\$ 2,707)</u>	<u>\$ 1,009,779</u>
	Year ended December 31, 2020			
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
<u>Deferred tax assets</u>				
Provision for warranty expense	\$ 102,714	\$ 52,577	\$ -	\$ 155,291
Loss on inventory	103,068	(4,919)	-	98,149
Amount of allowance for bad debts that exceed the limit for tax purpose	34,866	(22,373)	-	12,493
Pension expense	46,825	1,704	-	48,529
Unrealised profit on intercompany sales	83,649	104,132	-	187,781
Unrealised exchange loss	13,025	(13,025)	-	-
Remeasurement of defined benefit obligations	27,177	-	5,014	32,191
Others	131,414	(8,294)	-	123,120
	<u>542,738</u>	<u>109,802</u>	<u>5,014</u>	<u>657,554</u>
<u>Deferred tax liabilities</u>				
Others	-	(38,209)	-	(38,209)
	<u>\$ 542,738</u>	<u>\$ 71,593</u>	<u>\$ 5,014</u>	<u>\$ 619,345</u>

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

December 31, 2021				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognized deferred tax assets	Usable until year
2012	\$ 155,923	\$ 155,923	\$ 155,923	2022
2013	120,379	101,551	101,551	2023
2014	164,552	154,198	154,198	2024
2015	298,581	298,581	298,581	2025
2016	384,201	344,635	344,635	2026
2017	334,931	334,931	334,931	2027
2018	307,764	285,840	285,840	2028
2019	465,262	426,558	426,558	2029
2020	496,964	496,964	496,964	2030
2021 (Note)	<u>390,582</u>	<u>390,582</u>	<u>390,582</u>	2031
	<u>\$ 3,119,139</u>	<u>\$ 2,989,763</u>	<u>\$ 2,989,763</u>	
December 31, 2020				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognized deferred tax assets	Usable until year
2011	\$ 125,459	\$ 116,913	\$ 116,913	2021
2012	155,923	155,923	155,923	2022
2013	120,379	101,551	101,551	2023
2014	164,552	154,493	154,493	2024
2015	298,581	298,581	298,581	2025
2016	384,201	344,635	344,635	2026
2017	335,027	334,931	334,931	2027
2018	307,764	285,840	285,840	2028
2019	465,262	462,877	462,877	2029
2020(Note)	<u>556,800</u>	<u>556,800</u>	<u>556,800</u>	2030
	<u>\$ 2,913,948</u>	<u>\$ 2,812,544</u>	<u>\$ 2,812,544</u>	

Note: These amounts were based on estimates.

- E. The Company has not recognized taxable temporary differences associated with investment in subsidiaries as deferred tax liabilities. As of December 31, 2021 and 2020, the amounts of temporary difference unrecognized as deferred tax liabilities were \$651,864 and \$493,816, respectively.
- F. The Company's income tax returns through 2019 have been assessed and approved by the Tax Authority.

(30) Earnings per share

	<u>Year ended December 31, 2021</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 13,337,960	634,755	<u>\$ 21.01</u>
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
– Employees’ compensation	-	12,624	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 13,337,960</u>	<u>647,379</u>	<u>\$ 20.60</u>
	<u>Year ended December 31, 2020</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 4,374,329	635,689	<u>\$ 6.88</u>
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
– Employees’ compensation	-	8,524	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 4,374,329</u>	<u>644,213</u>	<u>\$ 6.79</u>

(31) Transactions with non-controlling interest

A. Acquisition of additional equity interest in a subsidiary

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

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

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

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

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

(32) Supplemental cash flow information

Investing activities with partial cash payments:

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

(33) Changes in liabilities from financing activities

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

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

Note: Listed under cash flows from operating activities.

7. RELATED PARTY TRANSACTIONS

(1) Significant related party transactions and balances

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

(2) Key management compensation

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

8. PLEDGED ASSETS

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

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

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

None.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

- (1) The establishment of Giga Computing Technology Co., Ltd. ('Giga C.T.') was resolved in the interim meeting of the Board of Directors on March 3, 2022 and the investment amount was \$1,000. In addition, on March 11, 2022, the Board of Directors of the Company resolved to divest the operations related to the networking communication business group to the Company's wholly-owned investee, Giga C.T., through surviving spin-off method. Giga C.T. shall issue 83,360 thousand shares at NT\$10 (in dollars) per share (tentative) to the Company as consideration. However, the actual business value divested shall be based on the actual book value of the assets and liabilities on the spin-off date, which is tentatively set on January 1, 2023. The spin-off is pending receipt of resolution from the 2022 shareholders' meeting and approval from the related regulatory authority.
- (2) As the situation of the Russia-Ukraine war continues conflict to develop and change, the Group will negotiate with its Russian customers to pay in advance for products. As of the financial report date, most of the accounts receivable due from the Russian customers amounting to \$864,956 were not past due. The Group has actively accelerated the collection of overdue portion.

12. OTHERS

(1) Capital management

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

(2) Financial instruments

A. Financial instruments by category

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

B. Financial risk management policies

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

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Group operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD and RMB. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities.
- ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The companies are required to hedge their entire foreign exchange risk exposure with the Group treasury.
- iii. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: RMB). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

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

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

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

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

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

Price risk

- i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.
- ii. The Group's investments in equity securities comprise shares and beneficiary certificates issued by the domestic and foreign companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, pre-tax profit for the years ended December 31, 2021 and 2020 would have increased/decreased by \$14,356 and \$7,196, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss and beneficiary certificates. Other components of equity would have increased/decreased by \$25,155 and \$23,516 respectively, as a result of gains/losses on equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

- i. The domestic/overseas bond funds investment and bond products with fixed interest rate by the Group was held mainly for trading purposes, the effective interest rate of this fund is affected by the market interest rate.
- ii. For fixed interest rate bond investments held by the Group classified as financial assets at fair value through profit or loss, changes in market interest rates would affect their fair values. At December 31, 2021 and 2020, if market interest rates had been 1% higher/lower with all other variables held constant, pre-tax profit for the years ended December 31, 2021 and 2020 would have been \$149 and \$160 lower/higher, respectively.
- iii. At December 31, 2021 and 2020, if interest rates on borrowings had been 0.1% higher/lower with all other variables held constant, pre-tax profit for the years ended December 31, 2021 and 2020 would have been \$200 and \$353 lower/higher, respectively, mainly as a result of higher interest expense on floating rate borrowings.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at fair value through profit or loss.
- ii. The bond fund held by the Group was issued by well-known foreign banks and securities investment trust companies owned by or affiliated with domestic financial holding companies with good credit standing. Since the Group trades with several securities investment trust companies, credit risk is low.
- iii. The Group has lower significant concentrations of credit risk, due to investment in corporate bonds or financial bonds. The maximum loss to the Group is the total amount of all book value.
- iv. The Group manages their credit risk taking into consideration the entire group's concern. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.
- v. The Group adopts the assumptions under IFRS 9, the default occurs when the contract payments are past due over 90 days.
- vi. The Group adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:
If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- vii. The Group classifies customers' accounts receivable in accordance with credit rating of customer, insurance coverage and characteristics of collateral. The Group applies the simplified approach to estimate expected credit loss under the provision matrix basis.
- viii. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
 - (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;
 - (ii) The disappearance of an active market for that financial asset because of financial difficulties;
 - (iii) Default or delinquency in interest or principal repayments;
 - (iv) Adverse changes in national or regional economic conditions that are expected to cause a default.

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

	<u>Not past due</u>	<u>Up to 30 past due</u>	<u>31 to 60 days past due</u>
December 31, 2021			
Expected loss rate	0.18%~10.26%	0.18%~26.55%	0.18%~37.07%
Total book value	\$ <u>9,260,105</u>	\$ <u>1,439,571</u>	\$ <u>143,705</u>
Loss allowance	\$ <u>58,430</u>	\$ <u>11,575</u>	\$ <u>4,197</u>
	<u>61 to 90 days past due</u>	<u>Over 90 days</u>	<u>Total</u>
Expected loss rate	0.18%~89.51%	10%~100%	
Total book value	\$ <u>30,361</u>	\$ <u>31,840</u>	\$ <u>10,905,582</u>
Loss allowance	\$ <u>854</u>	\$ <u>8,090</u>	\$ <u>83,146</u>
	<u>Not past due</u>	<u>Up to 30 past due</u>	<u>31 to 60 days past due</u>
December 31, 2020			
Expected loss rate	0.13%~3.77%	0.13%~42.91%	0.13%~84.97%
Total book value	\$ <u>7,042,591</u>	\$ <u>880,489</u>	\$ <u>13,832</u>
Loss allowance	\$ <u>44,376</u>	\$ <u>11,187</u>	\$ <u>1,258</u>
	<u>61 to 90 days past due</u>	<u>Over 90 days</u>	<u>Total</u>
Expected loss rate	0.13%~92.53%	10%~100%	
Total book value	\$ <u>4,042</u>	\$ <u>27,452</u>	\$ <u>7,968,406</u>
Loss allowance	\$ <u>2,263</u>	\$ <u>26,025</u>	\$ <u>85,109</u>

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

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

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

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

(c) Liquidity risk

- i. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times.
- ii. Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the Group treasury. Group treasury invests surplus cash in current accounts, time deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts.
- iii. The Group had no undrawn borrowing facilities for fixed rate long-term borrowings.
- iv. The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. Except for the contractual undiscounted cash flows of short-term borrowings, notes and accounts

payable, other payables as well as guarantee deposits received were equivalent to their carrying amounts and were expiring within one year, the amounts disclosed in the table are the contractual undiscounted cash flows of other financial liabilities:

Non-derivative financial liabilities:

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

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

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

(3) Fair value information

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

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

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

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

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

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

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

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

December 31, 2021	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Recurring fair value</u>				
<u>measurements-assets</u>				
Financial assets at fair value through profit or loss				
Equity instrument	\$ 199,343	\$ -	\$ 119,395	\$ 318,738
Debt instrument	14,904	-	-	14,904
Beneficiary certificates	1,116,854	-	-	1,116,854
Financial assets at fair value through other comprehensive income				
Equity instrument	<u>2,427,451</u>	<u>-</u>	<u>88,009</u>	<u>2,515,460</u>
	<u>\$ 3,758,552</u>	<u>\$ -</u>	<u>\$ 207,404</u>	<u>\$ 3,965,956</u>
December 31, 2020	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Recurring fair value</u>				
<u>measurements - assets</u>				
Financial assets at fair value through profit or loss				
Equity instrument	\$ 123,097	\$ -	\$ 66,725	\$ 189,822
Debt instrument	15,971	-	-	15,971
Beneficiary certificates	529,793	-	-	529,793
Financial assets at fair value through other comprehensive income				
Equity instrument	<u>2,286,773</u>	<u>-</u>	<u>64,823</u>	<u>2,351,596</u>
	<u>\$ 2,955,634</u>	<u>\$ -</u>	<u>\$ 131,548</u>	<u>\$ 3,087,182</u>

- (b) The methods and assumptions the Group used to measure fair value are as follows:
- i. The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

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

- ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the balance sheet date.
 - iii. When assessing non-standard and low-complexity financial instruments, for example, debt instruments without active market, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.
 - iv. For high-complexity financial instruments, the fair value is measured by using self-developed valuation model based on the valuation method and technique widely used within the same industry. The valuation model is normally applied to derivative financial instruments, debt instruments with embedded derivatives or securitised instruments. Certain inputs used in the valuation model are not observable at market, and the Group must make reasonable estimates based on its assumptions.
 - v. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the balance sheet date. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.
 - vi. The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Group's credit quality.
- E. For the years ended December 31, 2021 and 2020, there was no transfer between Level 1 and Level 2.

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

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

Note: Please refer to Note 6 (7).

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

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

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

	<u>Fair value at December 31, 2021</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Relationship of inputs to fair value</u>
Unlisted shares	\$ 121,488	Market comparable companies	Price-to-book ratio, enterprise value to operating income ratio multiple, discount for lack of marketability	The higher the discount for lack of marketability, the lower the fair value
Venture capital shares Private equity fund investment	\$ 85,916	Net asset value	Not applicable	Not applicable
	<u>Fair value at December 31, 2020</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Relationship of inputs to fair value</u>
Unlisted shares	\$ 68,818	Market comparable companies	Price-to-book ratio, enterprise value to operating income ratio multiple, discount for lack of marketability	The higher the discount for lack of marketability, the lower the fair value
Venture capital shares Private equity fund investment	\$ 62,730	Net asset value	Not applicable	Not applicable

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

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

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

(4) Other matter

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

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

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

- A. Loans to others: None.
- B. Provision of endorsements and guarantees to others: None.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 1.
- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: Please refer to table 2.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 3.

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

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

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

(2) Information on investees

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

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 7.

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

(4) Major shareholders information

Major shareholders information: Please refer to table 9.

14. SEGMENT INFORMATION

(1) General information

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

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

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

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

(2) Measurement of segment information

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

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

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

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

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

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

(4) Reconciliation for segment income (loss)

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

(5) Information on products and services

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

Details of revenue is as follows:

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

(6) Geographical information

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

A. Revenue by geographic area:

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

B. Non-current assets:

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

(7) Major customer information

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

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

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

Table 1

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

GIGA-BYTE TECHNOLOGY CO., LTD.

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

Expressed in thousands of NTD
 (Except as otherwise indicated)

Table 2

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

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

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

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

GIGA-BYTE TECHNOLOGY CO., LTD.

Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more
Year ended December 31, 2021

Table 4

Expressed in thousands of NT\$
(Except as otherwise indicated)

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

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

Expressed in thousands of NTD
(Except as otherwise indicated)

Table 5

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

Note 1 : Credit terms were 90 days upon receipt of goods.

Note 2 : Credit terms were 60 days after billing.

Note 3 : Credit terms were 30 days after billing.

Note 4 : Credit terms were 180 days upon receipt of goods.

Note 5 : Credit terms were 60 days upon receipt of goods.

Note 6 : Credit terms were 30 days upon receipt of goods.

Note 7 : Credit terms were 45 days upon receipt of goods.

GIGA-BYTE TECHNOLOGY CO., LTD.

Information on investees
Year ended December 31, 2021

Expressed in thousands of NTD
(Except as otherwise indicated)

Table 6

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

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

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

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2021	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2021		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2021	Net income of investee as of December 31, 2021	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2021	Book value of investments in Mainland China as of December 31, 2021	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2021	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Dongguan Gigabyte Electronics Co., Ltd.	Manufacturing of computer information products	1,180,938	Note 1	\$ 1,180,938	\$ -	\$ 109,467	\$ 1,180,938	100.00	\$ 109,467	\$ 1,717,782	\$ -	- The Company's indirect subsidiary	
Ningbo Giga-Byte International Trade Co., Ltd.	Sales of computer information products	259,752	Note 1	259,752	-	229,422	259,752	100.00	229,422	1,564,832	-	- The Company's indirect subsidiary	
Ningbo BestYield Tech. Services Co., Ltd.	Maintenance of computer information products	181,923	Note 2	165,515	-	31,012	165,515	100.00	31,012	212,357	-	- The Company's indirect subsidiary	
Ningbo Zhongjia Technology Co., Ltd.	Sales of computer information products	109,853	Note 3	-	-	233,661	-	100.00	233,661	466,360	-	- The Company's indirect subsidiary	
Ningbo Gigabyte Technology Co., Ltd.	Manufacturing of computer information products	2,780,313	Note 1	2,780,313	-	181,720	2,780,313	100.00	181,720	3,511,913	-	- The Company's indirect subsidiary	
Shenzhen BestYield Tech. Services Co., Ltd.	Maintenance of computer information products	15,841	Note 3	-	-	573	-	100.00	573	14,473	-	- The Company's indirect subsidiary	
Dongguan Senyun Precision Optical Co., Ltd.	Selling of mold and industrial plastic products	4,539	Note 2	1,609	2,930	4,539	(4,539)	96.41	(5,122)	1,514	-	- The Company's indirect subsidiary	
Zaozhuang Bestyield Resources Recycling Co., Ltd.	Recycling and selling of renewable resources	5,507	Note 3	-	-	535	-	100.00	535	8,061	-	- The Company's indirect subsidiary	
Note 1: Invested by Charleston Investments Limited and Giga Future Limited, which are subsidiaries of Freedom International Group Ltd.													
Note 2: Directly invest in a company in Mainland China.													
Note 3: Others.													
Company name		Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2021		Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA							
Giga-Byte Technology Co., Ltd.		\$ 4,402,053	\$	4,386,518	\$	22,501,860							
Senyun Precision Optical Co., Ltd.		9,974		4,539		251,936							

GIGA-BYTE TECHNOLOGY CO., LTD.

Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area
Year ended December 31, 2021

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

Table 8

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

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

Table 9

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

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

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

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

VI. State the financial position of the Company if any insolvency occurs in the Company or affiliates in the most recent year until the date this report is printed: None

Seven. Financial position and the review and analysis of financial performance and risks

I. Financial Position

Analysis on financial positions - IFRS

Unit: NTD 1,000

Subject \ Year	2021 (Consolidated)	2020 (Consolidated)	Change	
			Amount	%
Current assets	60,298,149	41,565,460	18,732,689	45.07
Fixed Assets Real estate, factory, and equipment	4,206,997	4,048,823	158,174	3.91
Intangible assets	29,329	31,990	-2,661	-8.32
Other assets	4,643,715	3,782,884	860,831	22.76
Total assets	69,178,190	49,429,157	19,749,033	39.95
Current liabilities	30,749,578	20,984,364	9,765,214	46.54
Other Non-current liabilities	925,512	1,031,671	-106,159	-10.29
Total liabilities	31,675,090	22,016,035	9,659,055	43.87
Equity attributable to owners of the parent	37,487,984	27,395,191	10,092,793	36.84
Equity	6,356,889	6,356,889	0	0.00
Capital surplus	3,279,731	3,884,904	-605,173	-15.58
Retained earnings	27,188,132	16,382,101	10,806,031	65.96
Other shareholder's Equity	663,232	771,297	-108,065	-14.01
Non-controlling interests	15,116	17,931	-2,815	-15.70
Total shareholder's Equity	37,503,100	27,413,122	10,089,978	36.81
<p>Significant Material Changes and Analysis:</p> <ol style="list-style-type: none"> 1. Current assets: Mainly because the revenue and profit hit new highs, which increased cash and accounts receivable, and actively stocked up in response to the increase in demand, resulting in a simultaneous increase in inventories. 2. Other assets: Mainly due to the adoption of the equity method for investments and increase in deferred income tax assets. 3. Current liabilities: Increase in inventory to meet market supply and demand led to an increase in accounts receivable. Record profits also meant an increase in income tax for the current period. 4. Retained earnings: Mainly due to the profit this year hit a new high. 				

II. Financial Performance

(I) Comparison of Operating Results - IFRS

Unit: NTD1,000

Subject \ Year	2021 (Consolidated)	2020 (Consolidated)	Differences	
			Amount	%
Sales	121,905,357	84,602,841	37,302,516	44.09
Gross profit	29,590,032	14,464,437	15,125,595	104.57
Operating income	14,486,513	4,217,835	10,268,678	243.46
Non-operating income & expenses	1,626,859	1,232,970	393,889	31.95
Net profit before tax	16,113,372	5,450,805	10,662,567	195.61
Net income from continuing operations	13,335,146	4,331,235	9,003,911	207.88
Loss from discounted operations	—	—	—	—
Net Income	13,335,146	4,331,235	9,003,911	207.88
Other comprehensive incomes (net after tax)	-31,223	133,555	-164,778	-123.38
Total comprehensive income	13,303,923	4,464,790	8,839,133	197.97
<p>Analysis of Changes:</p> <ol style="list-style-type: none"> 1. Operating revenue, gross profit, operating income and net income of this period all increased compared to the last period mainly due to strong end-user demand this year that spurred an increase in shipments of board and network communications products. Operating income, gross profits and related profit/loss all saw growth compared to the same period last year. 2. The increase in non-operating income and expenditure compared to the previous period was mainly due to the valuation of financial assets in terms of profit and loss, as well as an increase in marketing incentives provided by vendors. 3. The decrease in other comprehensive income for the period was mainly due to a decrease in exchange difference when converting the financial statements of overseas business operations. 				

III.Cash Flow

Analysis of Cash Flow - IFRS

(I) Analysis of liquidity over the last two years

Unit:%

Subject /year	2021	2020	Difference (%)
Cash flow ratio	27.17	37.65	(27.84)
Cash flow adequacy ratio	77.32	112.94	(31.54)
Cash reinvestment ratio	13.17	22.01	(40.16)
Explanation for changes: The main reason for this was proactive stocking in response to strong product demand and shortages in the supply chain during 2021; the cash dividend was higher as well so ratios related to cash flow were all smaller than the previous year.			

(II) Analysis on liquidity for the next year

Unit: NTD1,000

Cash Balance At beginning period (1)	Estimated cash flow from Operations for the year (2)	Estimated cash outflow For the year (3)	Estimated cash balance (short) For the year (1)+(2)-(3)	Corrective actions on cash short	
				Investment plan	Financial plan
18,928,473	5,107,238	7,729,959	16,305,752	—	—
1. Analysis of projected cash flow Changes in 2022 (1) Business activity: 2022 revenues remain stable and generate cash income from business activities. (2) Investment and financing activities: It is expected that distribution of cash dividends will still play the main role apart from increase of long-term investment in 2022.					
2.Measures to make up deficient cash flow and liquidity analysis: N/A					

IV.The Effect of major capital spending on financial position and operation

(I) Major capital spending and sources of capital:

Unit: NTD1,000

The plan	Equipment Purchase	Actual or projected date of completion	Total amount of capital needed	Actual or projected use of capital
				2021
		2021.12	586,534	586,534

(II) Expected Result: N/A.

V.The direct investment policy of the Company over the last five years, major cause for profit or loss and improvement plan, investment plan in next year

Analysis on Direct Investments

Unit: NTD 1,000

Description Item	The amount of investment income (loss)(Note)	Investment Policy	Major cause for profit or loss	Improvement plan	Investment plan in the future
G-Style	(32,505)	Sales of NB and gaming NB products	Increase of marketing expenditures used for market expansion	Integrate marketing resources in the group to increase marketing power	None
Sen Yun Precision Optical	(78,311)	R&D, production and sales of molds and optical lens	Scale of business was insufficient to make use of production capacity	Consolidation of factory resources to focus on molds and profitable products	None
BYTE International Co., Ltd.	27,121	Promotion and Repairing of ITC products	Improvement in the COVID-19 situation led to a recovery in regional demand for support services and attendant increase in income	None	None
GIGAIPC CO., LTD.	35,998	Research and development and selling of IPC	Increase in operating income and effective cost control	None	None

Note: Disclosed companies are subsidiaries that are actively operating and over which Gigabyte has controlling power (owns 50% of their shares).

VI.Risk Management and Evaluation

- (I) The effect of interest rate and exchange rate volatility, inflation on the income status of the Company and measures to cope with the problem:
1. Effect of interest rate volatility and countermeasures: None
 2. Effect of exchange rate volatility and countermeasures:
 - (1) Over 90% of the Company's products are exported and traded in US Dollar. Major purchases are also traded in US Dollar. Naturally, the Company hedges 80% of such transactions. Gigabyte monitors currency market trends and steadily regulates the USD position to reduce the impact of exchange rates on the Company's profit.
 - (2) All domestic sales in China by subsidiaries are traded in CNY. As large volatility in the CNY exchange rate will affect our Company's hedging strategy and profitability we use natural hedging and forward exchange in principle. As USD and CNY often go reversely, our Company balances these USD and CNY positions for hedging.
 3. The effect of inflation on the profit and loss status of the Company and responding measures: None
- (II) The engagement in the investment in high risk and high leverage investments, financing a third party, acting as guarantor in favor of a third party by endorsement, and the policy in derivative trade, the causes of loss or profit from such activities and the measures for coping with the problem:
 For outward loans, endorsement/guarantee and derivatives, Giga-Byte has faithfully complied with the policies duly enacted in accordance with "Procedures in Acquirement or Disposal of Assets", "Procedures in Outward Loans of Capitals" and "Procedures in Endorsement/guarantee" and conservative policy. Under no circumstances has Giga-Byte engaged in high leverage investment.
- (III) R&D plans, the current progress of R&D plans in progress, R&D expenses that should be committed in the future, expected date of volume production, and the factors contributing to successful R&D in the future in the most recent year and up to the publication date of the annual report:
1. 2022 R&D Plans :

Product R&D	Expected finish time
(1) World leading motherboard - Development of next-generation AORUS eSports, overclocking and creator motherboards - Develop latest Intel® platform motherboards - Develop latest AMD® platform motherboards	2022 Q2~Q3
(2) World leading graphic cards - Develop latest AORUS gaming graphic cards - Develop latest Intel® platform graphic cards - Develop latest AMD® platform graphic cards	2022 Q2~Q3

<p>(3) Industry innovative cloud server</p> <ul style="list-style-type: none"> - Develop latest Intel® Xeon platform servers - Develop latest AMD® EPYC platform servers - Development of servers based on the latest AMD Instinct platform - Develop latest Ampere Siry platform servers - Develop latest AI computing applicable G-series servers - Develop latest hyper-converged infrastructure applicable H-series servers - Develop latest big data storage service S-series servers - Develop latest multimedia designer or software development engineer specific W-series workstation - Develop latest enterprise internal IT structure applicable R-series servers - Develop latest OCT computing structure compliant RACKLUTIONOP and large datacenter grand scale deployment applicable rack products - Develop the latest liquid cooling (Liquid Cooling) specially designed for energy saving and carbon reduction and immersion cooling (Immersion Cooling) products - Development of the latest system security technologies and frameworks (e.g. RoT) 	<p>2021 Q1~Q4</p>
<p>(4) Professional Gaming Laptops and Creator Laptops</p> <ul style="list-style-type: none"> - Develop AI softwares for new-generation laptops - Develop Intel® 11th gen. high-performance laptop - Develop Intel® 12th gen. high-performance laptop - Develop new-generation AERO 16 OLED professional gaming laptop - Develop new-generation AORUS professional gaming laptop 	<p>2022 Q1~Q4</p>
<p>(5) Award winning gaming peripherals</p> <ul style="list-style-type: none"> - Develop next generation smart gaming display - Develop next generation smart gaming peripheral products 	<p>2022 Q2~Q4</p>
<p>(6) 5G, Edge Computing and New Applications of AI</p> <ul style="list-style-type: none"> - Workstation level high-performance AI edge computing industrial computer system - Integrate the newest wireless and wireless communication Technology, multiple allowable input voltages, and computing acceleration interface cards which support ultra-high speed extension kit as well as AI, making it possible to apply AI edge computing computer system to many fields such as smart factory and e-Health. 	<p>2022 Q4</p>

2. Progress of unaccomplished R&D plans:
Persist to present different types of new products ahead of the others in the industry.
3. The R&D expenses that should be committed will remain at the same level as that of the previous year. About NT\$3,232 million more will be invested.
4. Projection on mass production:
Mass production has proceeded as scheduled in the research and development plans. A number of advanced and diverse products were presented.
5. Major factors that affect the future success of R&D
Initiation of projects that further expand our superiority in R&D, supporting hardware and equipment with Cloud services and applications for innovative

software and hardware integrations. In addition to providing users with astounding functions, our products have also continued to garner awards and external recognition. We are able and confident in providing our customers with the best products by driving new innovative technologies and marketing of our new products and adhering to our practical and steadfast business philosophies that aims to sustainably maximize the value of our brand

- (IV) The influence of significant Changes of policies and laws, domestic or foreign, toward the finance of the Company and the corresponding measures in the most recent year and up to the publication date of the annual report:

Gigabyte management is compliant to both local and international laws. Various departments are able to keep track of changes to major policies and laws and adjust our internal control and management policies as well as business activities where appropriate to ensure smooth business operations. Hence, Gigabyte is able to respond in a timely and effective manner to changes in important policies and laws.

- (V) The influence of Changes of technology and in the industry toward the finance of the Company and the corresponding measures in the most recent year and up to the publication date of the annual report:

Gigabyte has been involved in this industry for many years and has continuously invested large amounts of resources for the R&D of new technologies, achieving a first rate R&D capability in our fields. Additionally, Gigabyte's management team maintains constant vigilance for future trends and technologies, and would adjust corporate business strategies and expand new market opportunities so that Gigabyte would remain in effective command of the overall economic environment and be aware of possible changes to corporate finances and businesses resulting from changes in the industry.

- (VI) Gigabyte garnered another award for the 24 time in a row and has repeatedly won international design awards. We shall be able to maintain our superior corporate image.

- (VII) Expected results from mergers and acquisition and possible risk: N/A

- (VIII) Expected results from expansion of facilities and possible risk: See Item IV.

- (IX) Possible risks from concentration of purchase and sales:

The customers who accounted for more than 10% of the sales of the Company are the sales platforms of the Company in Europe and Mainland China. The sales of this subsidiary are mainly from various European and Mainland China customers, so there is no risk of high concentration of sales. In addition, in terms of purchasers, Intel, NVIDIA and AMD motherboards and VGA chip makers are leading companies in the information industry. This is an industrial feature and there is no risk of concentration.

- (X) The effect and risk of the massive transaction of or conversion of shares by directors, supervisors or dominant shareholders of the Company holding more than 10% of the stakes:

There were no massive transactions or conversion of shares effected by the directors or dominant shareholders of the Company holding more than 10% of the stakes in 2021 or as of date of publication.

- (XI) The effect and risks of the Change of the management: N/A.

- (XII) Litigious or Non-Litigious Events: There have been no litigious or non-litigious events that may significant affect the Company.

- (XIII) Other major risks and responding measures: None.

VII. Others: None.

Eight. Special Matters

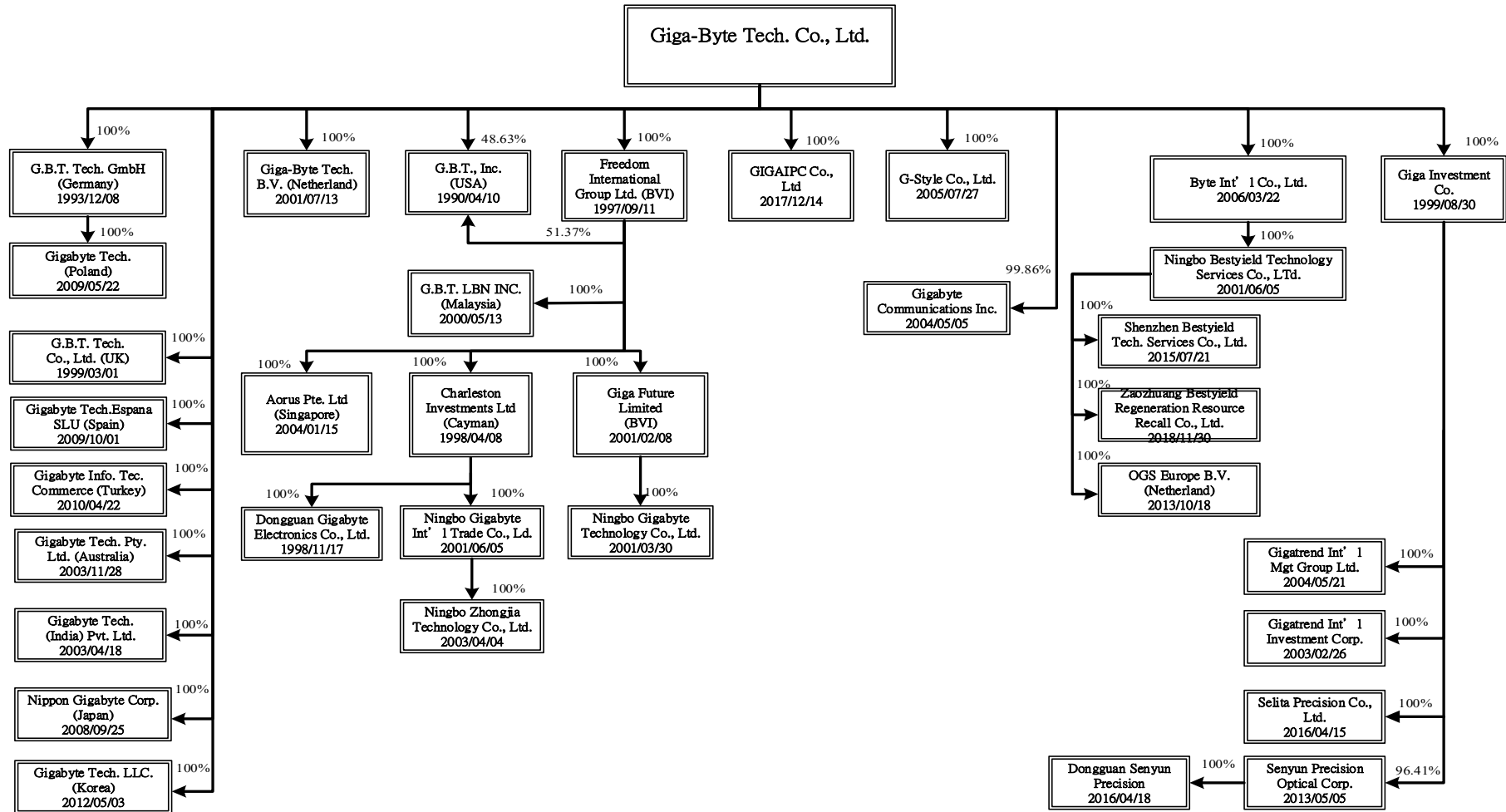
I. Related information on affiliates

(I) Summary status of affiliates

1. Organization of affiliates

(1) Affiliate organization chart:

Affiliate Organization Chart
2021/12/31



- (2) Pursuant to Article 369-3 of the Company Act, subordinate company presumed to have controlling interest: Nil.
(3) Pursuant to Article 369-2 of the Company Act, subordinate companies with HR, finance or business operations directly or indirectly controlled by the Company: Nil.

2. Basic data by Affiliates:

December 31, 2021

Name of Company	Date of Establishment	Address	Capital Received	Primary business or production Item
G.B.T., Inc.	1990.04.10	17358 Railroad Street, City of Industry, CA, U.S.A.	USD 6,010,700	Sale of Motherboard, computer and peripherals
G.B.T. Technology Trading GmbH	1993.09.21	Am Stadtrand 63, 22047 Hamburg, Germany	EUR 10,080,000	Promotion of Motherboard, computer and peripherals
Freedom International Group Ltd.	1997.09.11	P.O.Box 4342, Road Town, Tortola, British Virgin Islands	USD 146,071,691.54	Holding company
Charleston Investments Limited	1998.04.08	P.O.Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman KY1-1205, Cayman Islands	USD 57,032,141.68	Holding company
Dongguan Gigabyte Electronics Co., Ltd.	1998.11.17	3 YuYuanYi Road, YuYuan Industrial District, HuangJiang, DongGuan, GuangDong	USD 36,380,000	Manufacturing of Motherboard, computer and peripherals
GBT Tech. Co. Ltd.	1999.01.26	13 Warren Yard, Warren Farm Office Village, Wolverton Mill, Milton Keynes England MK12 5NW	GBP 800,000	Promotion of Motherboard, computer and peripherals
Giga Investment Corp.	1999.08.30	6F., No. 10, Sec. 1, Roosevelt Rd., Zhongzheng Dist., Taipei City, Taiwan	NTD 2,977,565,000	Holding company
G.B.T. LBN Inc.	2000.05.13	Level 15(A1), Main Office Tower Financial Park Labuan, Jalan Merdeka 87000 F.T., Labuan, MALAYSIA	—	To entrust to manufacture in China of Motherboard, computer and peripherals
Giga Future Limited	2001.02.08	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	USD 82,819,549.86	Holding company
Ningbo Gigabyte Co., Ltd.	2001.03.30	9 ChuangYeEr Road, NingBo Bonded West Zone, NingBo, ZheJiang	USD 85,629,768	Manufacturing of Motherboard, computer and peripherals
Ningbo Best-Yield Repair and Maintenance Co., Ltd.	2001.06.05	9 ChuangYeEr Road, NingBo Bonded West Zone, NingBo, ZheJiang	USD 5,800,000	Repairing of computer, peripherals
Ningbo Gigabyte International Trading Co.	2001.06.05	9 ChuangYeEr Road, NingBo Bonded West Zone, NingBo, ZheJiang	USD 8,000,000	Sale of Motherboard, computer and peripherals
Giga-Byte Technology B.V.	2001.07.13	Steenoven 24, 5626 DK Eindhoven, Netherlands	EUR 850,000	Sale of Motherboard, computer and peripherals
Giga-Trend International Investment Group Ltd.	2003.02.26	B2 No. 205, Sec. 3, Beixin Rd., Xindian Dist., New Taipei City, Taiwan	NTD 452,900,000	Holding company
Ningbo Zhong Jia Technology Trading Co., Ltd	2003.04.04	9 ChuangYeEr Road, NingBo Bonded West Zone, NingBo, ZheJiang	CNY 28,000,000	Sale of Motherboard, computer and peripherals
Gigabyte Technology Pty. Ltd.	2003.11.28	U1/19-23 Clarinda Road Oakleigh South VIC 3167, Australia.	AUD 2,400,000	Promotion of Motherboard, computer and peripherals
Aorus Pte. Ltd.	2004.01.15	60 Paya Lebar Road #07-31 Paya Lebar Square Singapore	SGD 3,073,000	Trademark registration management
Giga-Byte Communications Inc.	2004.05.05	B2 No. 205, Sec. 3, Beixin Rd., Xindian Dist., New Taipei City, Taiwan	NTD 21,488,380	Sale of communication product
Giga-Trend International Management Group	2004.05.21	15th Floor 3, No. 128, Section 2, Dunhua South Road, Daan District, Taipei City, Taiwan	NTD 10,000,000	Venture capital management and consulting business
Gigabyte Technology (India) Private Limited	2003.04.17	807 & 808, 8th Floor, Naman Midtown, B-WING, Elphinstone Rd., Mumbai	INR 46,000,000	Promotion and Repairing of Motherboard, computer and peripherals
G-Style Co., Ltd.	2005.07.27	5F No. 221, Sec. 3, Beixin Rd., Xindian Dist., New Taipei City, Taiwan	NTD 120,000,000	sale of notebooks
BYTE International Co., Ltd.	2006.03.13	B2 No. 205, Sec. 3, Beixin Rd., Xindian Dist., New Taipei City, Taiwan	NTD 310,000,000	Promotion and Repairing of ITC products (3C outlet)

Name of Company	Date of Establishment	Address	Capital Received	Primary business or production Item
Nippon Giga-Byte Corp.	2008.09.25	2F, Gaokanda 6-chome, 15-14 Gaokanda, Chiyoda, Tokyo, Japan	JPY 10,000,000	Promotion of Motherboard, computer and peripherals
Gigabyte Technology Poland SP Z.O.O.	2009.05.22	ul. Fabry czna 20, 53-609, Wroclaw, Poland	PLN 50,000	Repairing of Motherboard, computer and peripherals
Gigabyte Technology ESPANA S.L.U.	2009.07.30	Calle Bilbao nº 58, BARCELONA, ESPAÑA	EUR 5,000	Promotion of Motherboard, computer and peripherals
Gigabyte Technology LLC.	2012.05.03	NO.506, CHUNGJIN B/D,138, Wonhyo-ro, Yongsan-gu, Seoul, Republic of Korea	KRW 840,000,000	Promotion of Motherboard, computer and peripherals
Senyun Precise Optical Co., Ltd	2013.05.13	No. 2, Songjiang N. Rd., Zhongli Dist., Taoyuan City 320, Taiwan	NTD 1,134,583,640	Manufacturing and sales of molds and optical and electronic components
OGS Europe B.V.	2013.10.18	Hooge Zijde 7, 5626 DC, Eindhoven, The Netherlands	EUR 300,000	Repairing of Motherboard, computer and peripherals
Shenzhen BestYield Tech. Services Co., Ltd.	2015.06.30	Warehouse 1#-10# 204, 2nd Floor, Wancheng Comprehensive Warehouse, No. 6, Hongmian Road, Fubao Community, Fubao Street, Futian District, Shenzhen	CNY 3,000,000	Repairing of Motherboard
Selita Precision Co., Ltd.	2016.04.18	B2 No. 205, Sec. 3, Beixin Rd., Xindian Dist., New Taipei City , Taiwan	NTD 50,000,000	Consignment development, manufacturing and sales of automotive parts
Dongguan Senyun Precise Optical Co., Ltd	2016.04.18	No.6 Yu Yuan 2 Road, HuangJiang, DONGGuan, GuangDong	CNY 1,000,000	Manufacturing and sales of molds and optical and electronic components
GIGAIPC CO., LTD.	2017.12.14	B1 No. 205, Sec. 3, Beixin Rd., Xindian Dist., New Taipei City , Taiwan	NTD 200,000,000	Selling of electronic components and parts, computer information products
Zaozhuang Bestyield Resources Recycling Co., Ltd.	2018.11.30	Suite 1601, SOHO Zhujiang Building D2, Zhujiang Rd., Xuecheng Dist., Zaozhuang City, Shandong Province, China	CNY 1,200,000	Recycling and sale of renewable resources
Gigabyte Information Technology Commerce Limited Company	2010.04.22	KÜÇÜKBAKKALKÖY MAH.DEFNE SK. FLORA RESIDANCE AP.N.1/282 ATAŞEHİR, İSTANBUL, Turkey	TRY 200,000	Promotion of Motherboard, computer and peripherals

3. Presumed to have the same shareholder data as an affiliate with controlling interest or subordination: Nil.

4. Overall scope of business of the affiliates

The business scope of the Company and its affiliates includes the manufacture, processing and trading of motherboards, graphic cards and other computer peripherals. The scope of the motherboard business managed by the affiliates is as follows:

- (1) G.B.T., Inc. 、G.B.T. Technology Trading GmbH 、G.B.T. Tech. Co., Ltd. 、Giga-Byte Technology B.V. 、Gigabyte Technology Pty. Ltd. 、Aorus Pte. Ltd. 、Gigabyte Technology (India) Private Limited 、Nippon Giga-Byte Corp. 、Gigabyte Technology Poland SP. Z.O.O. 、Gigabyte Technology ESPANA S.L.U. 、Gigabyte Information Technology Commerce Limited Company 、Gigabyte Technology LLC and Gigabyte Trading Inc. : Sale, promotion and repair of computer information products in the Americas, Europe, Asia and the Pacific region.
- (2) Dongguan Gigabyte Electronics Co., Ltd. 、Ningbo Gigabyte Co., Ltd. : Manufacture of computer information products and components for mainland China.
- (3) Ningbo Best-Yield Repair and Maintenance Co., Ltd. and Shenzhen BestYield Tech. Services Co., Ltd. : After-sales maintenance of computer information products in mainland China.
- (4) Ningbo Zhong Jia Technology Trading Co., Ltd. : Sale of computer information products and components for mainland China.
- (5) BYTE International Co., Ltd. : Promotion and Repairing of ITC products (3C outlet).
- (6) G.B.T. LBN Inc. (In liquidation) : Selling of computer information products
- (7) Freedom International Group Ltd. 、Charleston Investment Ltd. and Giga Future Limited : Holding company.

- (8)Giga-Byte Communications Inc. (In liquidation): Sale of communication product.
(9) OGS Europe B.V. : Repairing of Motherboard, computer and peripherals.
(10) G-Style Co., Ltd. : Sale of notebooks.
(11) Senyun Precise Optical Co., Ltd. : Manufacturing and sales of molds and optical and electronic components.
(12) Selita Precision Co., Ltd. : Consignment development, manufacturing and sales of automotive parts.
(13) Dongguan Senyun Precise Optical Co., Ltd : Selling of optical and electronic components and parts for mainland China.
(14) GIGAI PC CO., LTD. : Selling of electronic components and parts, computer information products.
(15) Zaozhuang Bestyield Resources Recycling Co., Ltd.: Recycling and sale of renewable resources.

5. Information on the directors, supervisors and general managers by affiliate:

December 31,2021

Name of Company	Role	Name / Representative	Number of Shares Held	
			Number of Shares	Shares Ratio %
G.B.T., Inc.	Director	Yeh, Pei-Chen 、 Liu, Ming-Hsiung 、 Ma, Mou-Ming 、 Lu, Zheng-Wei	—	—
G.B.T. Technology Trading GmbH	Director	Liu, Ming-Hsiung 、 Tseng, Chun-Ming 、 Li, E-Tay 、 Huang,Guo-Hua	—	—
Freedom International Group Ltd.	Director	Giga-Byte Technology Co., Ltd. Representative: Yeh, Pei-Chen	146,071,691.54	100
Charleston Investments Limited	Director	Liu, Ming-Hsiung 、 Ma, Mou-Ming 、 Freedom International Group Ltd. Representative: Yeh, Pei-Chen	57,032,141.68	100
Dongguan Gigabyte Electronics Co., Ltd.	Director	Charleston Investments Limited Representative: Yeh, Pei-Chen 、 Liu, Ming-Hsiung 、 Ma, Mou-Ming	—	100
	GM	Ko, Wei-Di	—	—
GBT Tech. Co. Ltd.	Director	Liu, Ming-Hsiung 、 Huang,Guo-Hua	—	—
Giga Investment Corp.	Director	Giga-Byte Technology Co., Ltd. Representative: Yeh, Pei-Chen 、 Liu, Ming-Hsiung 、 Ma, Mou-Ming	297,756,500	100
G.B.T. LBN Inc.	Director	Freedom International Group Ltd. Representative: Yeh, Pei-Chen	—	100
Giga Future Limited	Director	Yeh, Pei-Chen 、 Liu, Ming-Hsiung 、 Ma, Mou-Ming	—	—
Ningbo Gigabyte Co., Ltd.	Director	Yeh, Pei-Chen 、 Liu, Ming-Hsiung 、 Ma, Mou-Ming 、 Tseng, Chun-Ming	—	—
	GM	Ko, Wei-Di	—	—
Ningbo Best-Yield Repair and Maintenance Co., Ltd.	Director	Liu, Ming-Hsiung	—	100
Ningbo Gigabyte International Trading Co.	Director	Charleston Investments Limited Representative: Yeh, Pei-Chen 、 Liu, Ming-Hsiung 、 Ma, Mou-Ming 、 Tseng, Chun-Ming	—	100
Giga-Byte Technology B.V.	Director	Liu, Ming-Hsiung 、 Li, E-Tay 、 Lian, Jhih-Sin	—	—
Giga-Trend International Investment Group Ltd.	Director	Giga Investment Corp. Representative: Yeh, Pei-Chen 、 Liu, Ming-Hsiung 、 Ma, Mou-Ming	45,290,000	100
Ningbo Zhong Jia Technology Trading Co., Ltd.	Director	Liu, Ming-Hsiung	—	—
Gigabyte Technology Pty. Ltd.	Director	Yeh, Pei-Chen 、 Liu, Ming-Hsiung 、 Ma, Mou-Ming 、 Chen,You-Lang	—	—
Aorus Pte. Ltd.	Director	Liu, Ming-Hsiung 、 Ma, Mou-Ming	—	—
Giga-Byte Communications Inc.	Director	Giga-Byte Technology Co., Ltd. Representative: Yeh, Pei-Chen 、 Liu, Ming-Hsiung 、 Ma, Mou-Ming 、 Tseng, Chun-Ming	2,145,831	99.86
	Supervisor	Giga Investment Corp. Representative: Chen, Chun-Ying	7	-

Name of Company	Role	Name / Representative	Number of Shares Held	
			Number of Shares	Shares Ratio %
Giga-Trend International Management Group	Director	Giga Investment Corp. Representative: Yeh, Pei-Chen 、 Liu, Ming-Hsiung	1,000,000	100
Gigabyte Technology (India) Private Limited	Director	Liu, Ming-Hsiung 、 Liu, Wen- Chung 、 Sunil Grewal	—	—
G-Style Co., Ltd.	Director	Giga-Byte Technology Co., Ltd. Representative: Ma, Mou-Ming 、 Yeh, Pei-Chen 、 Liu, Ming-Hsiung	12,000,000	100
BYTE International Co., Ltd.	Director	Giga-Byte Technology Co., Ltd. Representative: Yeh, Pei-Chen 、 Lin, Chi-Ching 、 Chen Zheng-Feng	31,000,000	100
	Supervisor	Giga-Byte Technology Co., Ltd. Representative: Liu, Ming-Hsiung		
Nippon Giga-Byte Corp.	Director	Lin Hong-Yu 、 Yeh, Pei-Chen 、 Ma, Mou-Ming	—	—
	Supervisor	Liu, Ming-Hsiung		
Gigabyte Technology Poland SP Z.O.O.	Director	Huang Guo-Hua	—	—
Gigabyte Technology ESPANA S.L.U.	Director	Wang Chuan-Jia	—	—
Gigabyte Information Technology Commerce Limited Company	Director	Giga-Byte Technology Co., Ltd. Representative: Chen, Jing Ting	8,000	100
	Director	Liu Zhong-Jin	—	—
Gigabyte Technology LLC.	Director	Liu, Ming-Hsiung 、 Chiu, Chih-Peng	—	—
	Supervisor	Chen, Chun-Ying		
Senyun Precise Optical Co., Ltd	Director	Zhou Si-wei	526,028	0.16
	Director	Giga Investment Corp. Representative: Wu, Bi-Pei 、 Bai, Guang-Hua 、 Chen Hui-Zhou 、 Pan Jin-Gui	324,586,585	96.41
	Supervisor	Ming Wei Investment Co., Ltd. Representative: Liu, Ming-Hsiung 、 Chen, Chun-Ying	1,073,273	0.32
OGS Europe B.V.	Director	Ma, Mou-Ming 、 Lin, Chi-Ching	—	—
Shenzhen BestYield Tech. Services Co., Ltd.	Director	Lin, Chi-Ching	—	—
Selita Precision Co., Ltd.	Director	Giga Investment Corp. Representative: Tseng, Chun-Ming 、 Bai, Guang-Hua 、 Chen, Shih-Chang	5,000,000	100
Dongguan Senyun Precise Optical Co., Ltd.	Director	Chen, Huei-Jhou 、 Bai, Guang-Hua	—	—
	Supervisor	Chen, Chun-Ying		
GIGAIPC CO., LTD.	Director	Giga-Byte Technology Co., Ltd. Representative: Li, E-Tay 、 Bai, Guang-Hua 、 Chiu, Chih-Peng	20,000,000	100
Zaozhuang Bestyield Resources Recycling Co., Ltd.	Director	Lin, Chi-Ching	—	100
	Supervisor	Chen, San-Jing		

(II) Summary of Business Operations of Affiliates:
Financial status and operating results by affiliate:

December 31, 2021 Unit: NTD'000; shares / NT\$

Company Name	Capital amount	Total assets	Total liabilities	Net worth	Operating revenue	Operating profit	Profit for the year (After income tax)	Earnings per share
G.B.T., Inc.	186,439	9,477,893	8,800,580	677,313	25,824,710	261,277	235,378	2,115.09
G.B.T. Technology Trading GmbH	352,751	381,661	13,199	368,462	167,160	6,863	11,136	Note 2
Freedom International Group Ltd.	4,720,532	7,461,220	1	7,461,219	0	(23,955)	623,129	4.27
Charleston Investments Limited	1,625,872	3,457,451	0	3,457,451	0	(2,333)	348,890	6.12
Dongguan Gigabyte Electronics Co., Ltd.	1,180,938	3,023,902	1,306,096	1,717,806	11,038,521	154,073	109,467	Note 2
GBT Tech Co. Ltd.	47,488	28,310	4,513	23,797	37,479	3,334	2,980	3.73
Giga Investment Corp.	2,977,565	4,534,754	352	4,534,402	0	(511)	139,567	0.47
G.B.T. LBN Inc.	0	0	0	0	0	0	0	Note 2
Giga Future Limited	2,361,020	3,543,010	0	3,543,010	0	(56)	183,122	2.21
Ningbo Gigabyte Co., Ltd.	2,780,313	3,734,346	221,877	3,512,469	15,433,102	216,608	181,720	Note 2
Ningbo Best-Yield Repair and Maintenance Co., Ltd.	181,923	291,900	79,543	212,357	367,259	11,186	31,012	Note 2
Ningbo Gigabyte International Trading Co.	259,752	1,566,057	1,203	1,564,854	14,521	(6,012)	229,422	Note 2
Giga-Byte Technology B.V.	25,984	239,513	127,788	111,725	1,807,632	41,378	31,291	3,681.29
Giga-Trend International Investment Group Ltd.	452,900	597,731	520	597,211	0	(217)	116,575	2.57
Ningbo Zhong Jia Technology Trading Co., Ltd	109,853	5,357,501	4,891,134	466,367	22,003,041	270,598	233,661	Note 2
Gigabyte Technology Pty. Ltd.(Australia)	55,664	83,723	30,087	53,636	156,937	2,575	1,391	0.58
Aorus Pte. Ltd.	66,312	13,813	18	13,795	67	(2,504)	(2,463)	(0.80)
Giga-Byte Communications Inc.	21,488	37,713	15,727	21,986	0	(466)	(465)	(0.22)
Giga-Trend International Management Group	10,000	20,847		20,847	0	(49)	97	0.10
Gigabyte Technology (India) Private Limited	35,925	81,099	37,049	44,050	54,028	1,311	2,107	0.46
G-Style Co., Ltd.	120,000	1,267,195	1,229,263	37,932	5,205,519	(39,492)	(32,505)	(2.71)
BYTE International Co., Ltd.	310,000	427,116	28,613	398,503	127,760	4,266	27,121	0.87
Nippon Giga-Byte Corp.	3,495	34,705	23,256	11,449	38,142	2,058	1,715	1.715
Gigabyte Technology Poland SP Z O.O.	383	3,006	703	2,303	12,579	730	307	3.070
Gigabyte Technology ESPANA S.L.U.	241	5,531	1,152	4,379	17,170	337	268	53.60
Gigabyte Information Technology Commerce Limited Company	3,541	1,663	295	1,368	6,004	340	336	42.00
Gigabyte Technology LLC.	22,534	35,672	4,324	31,348	72,534	1,414	1,419	8.45
Senyun Precise Optical Co., Ltd.	1,134,584	468,551	48,657	419,894	152,934	(79,544)	(78,309)	(0.23)
OGS Europe B.V.	10,515	44,450	18,401	26,049	75,634	14,008	15,621	5,207

Company Name	Capital amount	Total assets	Total liabilities	Net worth	Operating revenue	Operating profit	Profit for the year (After income tax)	Earnings per share
Shenzhen BestYield Tech. Services Co., Ltd.	15,841	20,873	6,399	14,474	28,662	634	573	Note 2
Selita Precision Co., Ltd.	50,000	36,141	2,244	33,897	5,999	(1,950)	(1,909)	(0.38)
Dongguan Senyun Precise Optical Co., Ltd	4,539	6,657	8,227	(1,570)	11,229	(7,777)	(5,313)	Note 2
GIGAIPC CO., LTD.	200,000	403,840	176,669	227,171	802,448	43,889	35,998	1.80
Zaozhuang Bestyield Resources Recycling Co., Ltd.	5,507	8,338	277	8,061	4,121	529	535	Note 2

Note 1: If the affiliate is an overseas entity, the respective balance sheets and income statements must be converted at the rate as on the report date and presented in NTD (thousands)

Note 2: A limited company. Not Applicable.

(III) Consolidated financial statement: please refer to the “Current Year Audited Consolidated Financial Statement of the Subsidiaries” in “Six. Financial Summary”.

(IV) Affiliation Report : None.

II. Processing of private equity as of current year and up to financial statement report date : None.

III. Subsidiary holding or disposing shares as of current year and up to financial statement report date : Not applicable.

IV. Any other supplementary information : None.

V. Any incidents of significance pertaining to Article 36 para 3 item 2 of the Securities & Exchange Act as of current year and up to financial statement report date : None.



台北總公司 / Taipei Headquarter



楠平廠 / Nan Ping Factory, Taiwan



東莞廠 / Dong Guan Factory, China



寧波廠 / Ning Bo Factory, China