

**GIGA-BYTE TECHNOLOGY CO., LTD.
AND SUBSIDIARIES
CONSOLIDATED INTERIM FINANCIAL
STATEMENTS AND INDEPENDENT AUDITORS'
REVIEW REPORT
MARCH 31, 2024 AND 2023**

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

GIGA-BYTE TECHNOLOGY CO., LTD. AND SUBSIDIARIES
MARCH 31, 2024 AND 2023 CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
TABLE OF CONTENTS

Contents	Page
1. Cover Page	1
2. Table of Contents	2 ~ 3
3. Independent Auditors' Review Report	4 ~ 5
4. Consolidated Balance Sheets	6 ~ 7
5. Consolidated Statements of Comprehensive Income	8 ~ 9
6. Consolidated Statements of Changes in Equity	10
7. Consolidated Statements of Cash Flows	11 ~ 12
8. Notes to the Consolidated Financial Statements	13 ~ 67
(1) HISTORY AND ORGANISATION	13
(2) THE DATE OF AUTHORISATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION	13
(3) APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS	13 ~ 14
(4) SUMMARY OF MATERIAL ACCOUNTING POLICIES	14 ~ 29
(5) CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND	30

	Page
KEY SOURCES OF ASSUMPTION UNCERTAINTY	
(6) DETAILS OF SIGNIFICANT ACCOUNTS	30 ~ 50
(7) RELATED PARTY TRANSACTIONS	51
(8) PLEDGED ASSETS	51
(9) SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS	51
(10) SIGNIFICANT DISASTER LOSS	51
(11) SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE	51
(12) OTHERS	52 ~ 65
(13) SUPPLEMENTARY DISCLOSURES	65
(14) SEGMENT INFORMATION	66 ~ 67

INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

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

Introduction

We have reviewed the accompanying consolidated balance sheets of Giga-Byte Technology Co., Ltd. and subsidiaries (the "Group") as at March 31, 2024 and 2023, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the three months then ended, and notes to the consolidated financial statements, including a summary of material accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of review

Except as explained in the following paragraph, we conducted our reviews in accordance with the Standard on Review Engagements 2410, "Review of Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for qualified conclusion

As explained in Notes 4(3) and 6(7), the financial statements of certain insignificant consolidated subsidiaries and investments accounted for using the equity method were not reviewed by independent auditors. Total assets of these insignificant consolidated subsidiaries and investments accounted for using the equity method amounted to NT\$5,532,555 thousand and NT\$3,085,960 thousand, both constituting 5% of the consolidated total assets as at March 31, 2024 and 2023, total liabilities amounted to NT\$409,917 thousand and NT\$382,703 thousand, both constituting 1% of the consolidated total liabilities as at March 31, 2024 and 2023, and the total comprehensive

income amounted to NT\$52,993 thousand and (NT\$12,895) thousand, constituting 2% and (1%) of the consolidated total comprehensive income for the three months then ended, respectively.

Qualified conclusion

Except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and investments accounted for using equity method been reviewed by independent auditors as described in the *Basis for qualified conclusion* section above, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2024 and 2023, and of its consolidated financial performance and its consolidated cash flows for the three months then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission.

Hsiao, Chun-Yuan

Lin, Se-Kai

For and on behalf of PricewaterhouseCoopers, Taiwan

May 14, 2024

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 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
MARCH 31, 2024, DECEMBER 31, 2023 AND MARCH 31, 2023
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	March 31, 2024		December 31, 2023		March 31, 2023		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 17,389,550	16	\$ 23,166,075	28	\$ 16,877,792	26
1110	Financial assets at fair value through profit or loss-current	6(2)	492,991	-	451,810	1	716,182	1
1136	Financial assets at amortized cost-current	6(3)	608,614	-	753,336	1	782,080	1
1150	Notes receivable, net	6(4)	2,788	-	3,941	-	3,833	-
1170	Accounts receivable, net	6(4)	27,368,948	25	16,016,209	20	12,439,354	19
1200	Other receivables		1,211,560	1	738,720	1	340,321	1
130X	Inventories, net	6(5)	50,501,094	46	29,664,354	36	24,678,620	37
1410	Prepayments		2,919,172	3	2,011,553	2	924,458	1
1470	Other current assets		280,670	-	268,906	-	271,963	-
11XX	Total current assets		<u>100,775,387</u>	<u>91</u>	<u>73,074,904</u>	<u>89</u>	<u>57,034,603</u>	<u>86</u>
Non-current assets								
1510	Financial assets at fair value through profit or loss-non-current	6(2)	75,000	-	75,000	-	-	-
1517	Financial assets at fair value through other comprehensive income-non-current	6(6)	1,807,800	2	1,906,413	3	1,810,141	3
1535	Financial assets at amortized cost-non-current	6(3) and 8	146,519	-	142,931	-	236,932	-
1550	Investments accounted for using equity method	6(7)	517,782	1	515,538	1	528,038	1
1600	Property, plant and equipment, net	6(8)	4,822,961	4	4,820,456	6	4,897,715	8
1755	Right-of-use assets	6(9)	197,011	-	189,132	-	157,891	-
1760	Investment property, net	6(11)	32,809	-	33,389	-	36,404	-
1780	Intangible assets		216,650	-	169,857	-	198,886	-
1840	Deferred income tax assets		876,236	1	1,032,612	1	941,162	2
1900	Other non-current assets	6(12)	1,394,964	1	190,188	-	175,748	-
15XX	Total non-current assets		<u>10,087,732</u>	<u>9</u>	<u>9,075,516</u>	<u>11</u>	<u>8,982,917</u>	<u>14</u>
1XXX	Total assets		<u>\$ 110,863,119</u>	<u>100</u>	<u>\$ 82,150,420</u>	<u>100</u>	<u>\$ 66,017,520</u>	<u>100</u>

(Continued)

GIGA-BYTE TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2024, DECEMBER 31, 2023 AND MARCH 31, 2023
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	March 31, 2024		December 31, 2023		March 31, 2023		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	
Current liabilities								
2100	Short-term borrowings	6(13)	\$ 10,682,000	10	\$ -	-	\$ -	-
2130	Contract liabilities-current	6(22)	8,367,004	7	4,355,872	5	2,629,035	4
2150	Notes payable		22,639	-	12,741	-	9,383	-
2170	Accounts payable		32,057,223	29	20,698,047	25	15,513,035	24
2200	Other payables	6(14)	7,405,136	7	7,145,576	9	6,849,346	10
2230	Current income tax liabilities		1,384,653	1	1,080,707	1	1,875,640	3
2250	Provisions for liabilities - current	6(15)	697,276	1	826,369	1	900,963	1
2280	Lease liabilities-current		82,108	-	79,509	-	60,388	-
2300	Other current liabilities		368,277	-	400,446	1	344,009	1
21XX	Total current liabilities		<u>61,066,316</u>	<u>55</u>	<u>34,599,267</u>	<u>42</u>	<u>28,181,799</u>	<u>43</u>
Non-current liabilities								
2530	Bonds payable	6(16)	8,966,690	8	8,920,465	11	-	-
2570	Deferred income tax liabilities		132,695	-	55,803	-	-	-
2580	Lease liabilities-non-current		85,364	-	79,963	-	65,195	-
2600	Other non-current liabilities		421,712	1	560,761	1	619,103	1
25XX	Total non-current liabilities		<u>9,606,461</u>	<u>9</u>	<u>9,616,992</u>	<u>12</u>	<u>684,298</u>	<u>1</u>
2XXX	Total liabilities		<u>70,672,777</u>	<u>64</u>	<u>44,216,259</u>	<u>54</u>	<u>28,866,097</u>	<u>44</u>
Equity attributable to owners of the parent								
Capital stock								
3110	Common stock	6(19)	6,356,889	6	6,356,889	8	6,356,889	10
Capital surplus								
3200	Capital surplus	6(20)	3,898,869	3	3,898,998	5	3,281,646	5
Retained earnings								
3310	Legal reserve	6(21)	7,006,565	6	7,006,565	9	6,346,126	9
3320	Special reserve		426,354	-	426,354	-	426,354	1
3350	Unappropriated retained earnings		21,558,833	20	19,535,057	24	20,424,950	31
Other equity interest								
3400	Other equity interest		432,582	1	248,947	-	304,139	-
31XX	Total equity attributable to owners of the parent		<u>39,680,092</u>	<u>36</u>	<u>37,472,810</u>	<u>46</u>	<u>37,140,104</u>	<u>56</u>
36XX	Non-controlling interests		<u>510,250</u>	<u>-</u>	<u>461,351</u>	<u>-</u>	<u>11,319</u>	<u>-</u>
3XXX	Total equity		<u>40,190,342</u>	<u>36</u>	<u>37,934,161</u>	<u>46</u>	<u>37,151,423</u>	<u>56</u>
Significant events after the balance sheet date								
3X2X	Total liabilities and equity		<u>\$ 110,863,119</u>	<u>100</u>	<u>\$ 82,150,420</u>	<u>100</u>	<u>\$ 66,017,520</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
THREE MONTHS ENDED MARCH 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except for earnings per share)

Items	Notes	Three months ended March 31				
		2024		2023		
		AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(22)	\$ 55,164,386	100	\$ 28,030,016	100
5000	Operating costs	6(5)(27)(28)	(48,931,020)	(88)	(24,484,407)	(87)
5900	Gross profit		<u>6,233,366</u>	<u>12</u>	<u>3,545,609</u>	<u>13</u>
	Operating expenses	6(27)(28)				
6100	Selling expenses		(1,646,202)	(3)	(978,779)	(3)
6200	General and administrative expenses		(855,708)	(2)	(719,005)	(3)
6300	Research and development expenses		(671,181)	(1)	(568,513)	(2)
6450	Expected credit gains	6(27) and 12(2)	<u>17,105</u>	<u>-</u>	<u>476</u>	<u>-</u>
6000	Total operating expenses		(<u>3,155,986</u>)	(<u>6</u>)	(<u>2,265,821</u>)	(<u>8</u>)
6900	Operating profit		<u>3,077,380</u>	<u>6</u>	<u>1,279,788</u>	<u>5</u>
	Non-operating revenue and expenses					
7100	Interest income	6(23)	47,920	-	48,309	-
7010	Other income	6(24)	113,017	-	103,682	-
7020	Other gains and losses	6(25)	(432,058)	(1)	(84,814)	-
7050	Finance costs	6(26)	(67,834)	-	(1,268)	-
7060	Share of profit (loss) of associates and joint ventures accounted for using the equity method	6(7)	<u>578</u>	<u>-</u>	(<u>1,327</u>)	<u>-</u>
7000	Total non-operating revenue and expenses		(<u>338,377</u>)	(<u>1</u>)	<u>64,582</u>	<u>-</u>
7900	Profit before income tax		<u>2,739,003</u>	<u>5</u>	<u>1,344,370</u>	<u>5</u>
7950	Income tax expense	6(29)	(<u>666,085</u>)	(<u>1</u>)	(<u>319,785</u>)	(<u>1</u>)
8200	Profit for the period		<u>\$ 2,072,918</u>	<u>4</u>	<u>\$ 1,024,585</u>	<u>4</u>

(Continued)

GIGA-BYTE TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS ENDED MARCH 31, 2024 AND 2023

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

Items	Notes	Three months ended March 31				
		2024		2023		
		AMOUNT	%	AMOUNT	%	
Other comprehensive income, net						
Components of other comprehensive income (loss) that will not be reclassified to profit or loss						
8316	Unrealised (loss) gain on valuation of investments in equity instruments measured at fair value through other comprehensive income	6(6)	(\$ 99,616)	-	\$ 172,568	-
8310	Components of other comprehensive (loss) income that will not be reclassified to profit or loss		(99,616)	-	172,568	-
Components of other comprehensive income that will be reclassified to profit or loss						
8361	Exchange differences arising from translation of foreign operations		283,008	-	9,169	-
8360	Components of other comprehensive income that will be reclassified to profit or loss		283,008	-	9,169	-
8300	Other comprehensive income, net		\$ 183,392	-	\$ 181,737	-
8500	Total comprehensive income for the period		\$ 2,256,310	4	\$ 1,206,322	4
Profit (loss), attributable to:						
8610	Owners of the parent		\$ 2,023,776	4	\$ 1,024,712	4
8620	Non-controlling interest		49,142	-	(127)	-
	Total		\$ 2,072,918	4	\$ 1,024,585	4
Comprehensive income (loss) attributable to:						
8710	Owners of the parent		\$ 2,207,411	4	\$ 1,206,449	4
8720	Non-controlling interest		48,899	-	(127)	-
	Total		\$ 2,256,310	4	\$ 1,206,322	4
9750	Basic earnings per share	6(30)	\$ 3.18		\$ 1.61	
9850	Diluted earnings per share	6(30)	\$ 3.12		\$ 1.59	

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
THREE MONTHS ENDED MARCH 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

Notes	Equity attributable to equity holder of the company										
	Capital stock- Common stock	Capital surplus	Retained Earnings			Other equity interest			Total	Non-controlling interests	Total equity
			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				
<u>Three months ended March 31, 2023</u>											
Balance at January 1, 2023	\$ 6,356,889	\$ 3,281,465	\$ 6,346,126	\$ 426,354	\$ 19,400,238	(\$ 469,031)	\$ 591,433	\$ 35,933,474	\$ 11,446	\$ 35,944,920	
Profit (loss) for the period	-	-	-	-	1,024,712	-	-	1,024,712	(127)	1,024,585	
Other comprehensive income for the period	-	-	-	-	-	9,169	172,568	181,737	-	181,737	
Total comprehensive income (loss)	-	-	-	-	1,024,712	9,169	172,568	1,206,449	(127)	1,206,322	
Changes in equity of associates accounted for using equity method	-	181	-	-	-	-	-	181	-	181	
Balance at March 31, 2023	<u>\$ 6,356,889</u>	<u>\$ 3,281,646</u>	<u>\$ 6,346,126</u>	<u>\$ 426,354</u>	<u>\$ 20,424,950</u>	<u>(\$ 459,862)</u>	<u>\$ 764,001</u>	<u>\$ 37,140,104</u>	<u>\$ 11,319</u>	<u>\$ 37,151,423</u>	
<u>Three months ended March 31, 2024</u>											
Balance at January 1, 2024	\$ 6,356,889	\$ 3,898,998	\$ 7,006,565	\$ 426,354	\$ 19,535,057	(\$ 611,101)	\$ 860,048	\$ 37,472,810	\$ 461,351	\$ 37,934,161	
Profit for the period	-	-	-	-	2,023,776	-	-	2,023,776	49,142	2,072,918	
Other comprehensive income (loss) for the period	-	-	-	-	-	283,251	(99,616)	183,635	(243)	183,392	
Total comprehensive income (loss)	-	-	-	-	2,023,776	283,251	(99,616)	2,207,411	48,899	2,256,310	
Payments of uncollected cash dividends after expiration	-	(129)	-	-	-	-	-	(129)	-	(129)	
Balance at March 31, 2024	<u>\$ 6,356,889</u>	<u>\$ 3,898,869</u>	<u>\$ 7,006,565</u>	<u>\$ 426,354</u>	<u>\$ 21,558,833</u>	<u>(\$ 327,850)</u>	<u>\$ 760,432</u>	<u>\$ 39,680,092</u>	<u>\$ 510,250</u>	<u>\$ 40,190,342</u>	

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

GIGA-BYTE TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED MARCH 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Notes	Three months ended March 31	
		2024	2023
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 2,739,003	\$ 1,344,370
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(8)(9)(27)	160,225	163,915
Depreciation charge on investment property	6(11)	1,158	1,218
Amortization	6(27)	37,441	25,539
Gain from lease modification	6(9)(25)	(4)	(80)
Expected credit gains	6(27) and 12(2)	(17,105)	(476)
Gain on valuation of financial assets at fair value through profit or loss	6(25)		
Share of (profit) loss of associates and joint ventures accounted for using equity method	6(7)	(13,060)	(28,903)
Loss (gain) on disposal of property, plant and equipment	6(25)	(578)	1,327
Interest income	6(23)	226	(785)
Interest expense	6(26)	(47,920)	(48,309)
Dividends income	6(24)	67,834	1,268
		(435)	(110)
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		(28,121)	(159,284)
Notes receivable		1,153	142
Accounts receivable		(11,348,549)	1,689,053
Other receivables		(479,466)	(103,660)
Inventories		(20,836,740)	(2,901,375)
Prepayments		(907,619)	35,987
Other current assets		(11,764)	(7,312)
Changes in operating liabilities			
Contract liabilities		4,011,132	(159,016)
Notes payable		9,898	(2,181)
Accounts payable		11,359,176	1,528,151
Other payables		263,697	(603,328)
Provisions for liabilities		(129,093)	82,698
Other current liabilities		(32,169)	150,766
Other non-current liabilities		(49,810)	23,671
Cash (outflow) inflow generated from operations		(15,251,490)	1,033,286
Interest received		54,546	46,311
Dividend received		435	110
Interest paid		(21,609)	(1,268)
Income tax paid		(128,871)	(80,497)
Net cash flows (used in) from operating activities		(15,346,989)	997,942

(Continued)

GIGA-BYTE TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED MARCH 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Notes	Three months ended March 31	
		2024	2023
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at amortized cost		(\$ 4,772)	(\$ 142,848)
Proceeds from disposed of financial assets at amortized cost		145,906	2,011
Acquisition of property, plant and equipment	6(32)	(70,137)	(100,450)
Proceeds from disposal of property, plant and equipment		-	5,646
Acquisition of intangible assets		(84,123)	(94,381)
Increase in refundable deposits		(4,369)	(10,924)
Decrease in refundable deposits		2,934	4,778
Increase in other non-current assets		(1,231,744)	(28,348)
Net cash flows used in investing activities		(1,246,305)	(364,516)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6(33)	28,608,905	-
Decrease in short-term borrowings	6(33)	(17,926,905)	-
Increase in guarantee deposits received	6(33)	2	193
Decrease in guarantee deposits received	6(33)	(89,241)	(30)
Payments of lease liabilities	6(33)	(22,996)	(24,972)
Payments of uncollected cash dividends after expiration		(129)	-
Net cash flows from (used in) financing activities		10,569,636	(24,809)
Effects of change in exchange rates on foreign currency holdings		247,133	3,665
Net (decrease) increase in cash and cash equivalents		(5,776,525)	612,282
Cash and cash equivalents at beginning of period		23,166,075	16,265,510
Cash and cash equivalents at end of period		<u>\$ 17,389,550</u>	<u>\$ 16,877,792</u>

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
THREE MONTHS ENDED MARCH 31, 2024 AND 2023

(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 authorized for issuance by the Board of Directors on March 14, 2024.

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[®]”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by FSC and became effective from 2024 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 16, ‘Lease liability in a sale and leaseback’	January 1, 2024
Amendments to IAS 1, ‘Classification of liabilities as current or non-current’	January 1, 2024
Amendments to IAS 1, ‘Non-current liabilities with covenants’	January 1, 2024
Amendments to IAS 7 and IFRS 7, ‘Supplier finance arrangements’	January 1, 2024

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 IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Group

None.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards 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
IFRS 18, ‘Presentation and disclosure in financial statements’	January 1, 2027
Amendments to IAS 21, ‘Lack of exchangeability’	January 1, 2025

Except for the following, the above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

IFRS 18, ‘Presentation and disclosure in financial statements’

IFRS 18, ‘Presentation and disclosure in financial statements’ replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

4. SUMMARY OF MATERIAL 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” and the International Accounting standards 34, “Interim financial reporting” that came into effect as endorsed by the FSC.

(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 conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect 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 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 unrealized 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.
- (f) For the three months ended March 31, 2024 and 2023, the subsidiaries included in the consolidated financial statements except for those listed in the table below, which were evaluated and disclosed in accordance with their reviewed financial statements, other subsidiaries were evaluated and disclosed in accordance with their unreviewed financial statements:

Name of subsidiary	March 31, 2024	March 31, 2023
Freedom International Group Ltd.	Reviewed financial statements	Reviewed financial statements
Charleston Investments Limited	"	"
Ningbo Giga-Byte Technology Co., Ltd.	"	"
Ningbo Zhongjia Technology Co., Ltd.	"	"
Dongguan Gigabyte Electronics Co., Ltd.	"	"
Ningbo Giga-Byte International Trade Co., Ltd.	"	"
Giga Future Limited	"	"
G.B.T. Inc.	"	"

Name of subsidiary	March 31, 2024	March 31, 2023
Giga Investment Corp.	Reviewed financial statements	Reviewed financial statements
Giga Computing Technology Co., Ltd.	"	"
GIGAIPC CO., LTD.	"	"
BYTE International Co., Ltd.	"	"

B. Subsidiaries included in the consolidated financial statements:

Investor	Subsidiary	Main activities	Ownership(%)			Description
			March 31, 2024	December 31, 2023	March 31, 2023	
The Company	Freedom International Group Ltd.	Holding company	100.00	100.00	100.00	
"	G.B.T., Inc.	Sales of computer information products	22.64	22.64	22.64	
"	G.B.T. Technology Trading GmbH	Promotion of computer information products	100.00	100.00	100.00	
"	Nippon Giga-Byte Corp.	Promotion of computer information products	100.00	100.00	100.00	
"	GBT Tech. Co., Ltd.	Promotion of computer information products	100.00	100.00	100.00	
"	Giga-Byte Technology B.V.	Sales of computer information products	100.00	100.00	100.00	
"	Gigabyte Technology Pty. Ltd.	Promotion of computer information products	100.00	100.00	100.00	
"	Giga Investment Corp.	Holding company	100.00	100.00	100.00	
"	Gigabyte Technology (India) Private Limited	Promotion and repairing of computer information products	100.00	100.00	100.00	
"	G-Style Co., Ltd.	Selling of notebooks	100.00	100.00	100.00	
"	BYTE International Co., Ltd.	Repairing of computer information products	100.00	100.00	100.00	
"	Giga-Byte Communications Inc.	Selling of communications	99.86	99.86	99.86	
"	Gigabyte Technology ESPANA S.L.U.	Promotion of computer information products	100.00	100.00	100.00	
"	Gigabyte Information Technology Commerce Limited Company	Promotion of computer information products	100.00	100.00	100.00	
"	Gigabyte Technology LLC	Promotion of computer information products	100.00	100.00	100.00	
"	Giga Computing Technology Co., Ltd.	Selling of computer information products	83.93	83.93	100.00	Note 1
Freedom International Group Ltd.	Charleston Investments Limited	Holding company	100.00	100.00	100.00	
"	Giga Future Limited	Holding company	100.00	100.00	100.00	
"	G.B.T. Inc.	Sales of computer information products	77.36	77.36	77.36	
"	Aorus Pte. Ltd.	Promotion of computer information products	-	-	100.00	Note 2

Investor	Subsidiary	Main activities	Ownership(%)			Description
			March 31, 2024	December 31, 2023	March 31, 2023	
G.B.T., Inc.	Gigabyte Canada, Inc.	Promotion of computer information products	100.00	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	Note 3
Charleston Investments Limited	Dongguan Gigabyte Electronics Co., Ltd.	Manufacturing of computer information products	100.00	100.00	100.00	
"	Ningbo Giga-Byte International Trade Co., Ltd.	Sales of computer information products	100.00	100.00	100.00	
Giga Future Limited	Ningbo Giga-Byte Technology Co., Ltd.	Manufacturing of computer information products	100.00	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	100.00	
Giga Investment Corp.	Giga-Trend International Investment Group Ltd.	Holding company	100.00	100.00	100.00	
"	Selita Precision Co., Ltd.	Manufacturing of bicycle and parts	100.00	100.00	100.00	
"	Senyun Precise Optical Co., Ltd	Manufacturing and selling of mold and industrial plastic products	96.41	96.41	96.41	
"	Cloudmatrix Co., Ltd.	E-commerce platform	100.00	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	100.00	
BYTE International Co., Ltd.	Ningbo BestYield Tech. Services Co., Ltd.	Repairing of computer information products	100.00	100.00	100.00	
"	Aorus Pte. Ltd.	Promotion of computer information products	100.00	100.00	-	Note 2
"	Gigabyte Technology Poland SP Z O.O.	Promotion and repairing of computer information products	100.00	-	-	Note 3
Ningbo BestYield Tech. Services Co., Ltd.	Shenzhen BestYield Tech. Services Co., Ltd.	Repairing of computer information products	-	-	100.00	Note 4
"	Zaozhuang Bestyield Resources Recycling Co., Ltd.	Recycling and selling of renewable resources	100.00	100.00	100.00	
"	OGS Europe B.V.	Selling of communication products	100.00	100.00	100.00	
Giga Computing Technology Co., Ltd.	GIGAIPC CO., LTD.	Sales of computer information products	100.00	100.00	100.00	
"	Giga Computing Technology Inc.	Sales of computer information products	100.00	-	-	Note 5

Note 1: On October 17, 2023, Giga Computing Technology Co., Ltd. issued employee stock options, resulting in the Group's shareholding ratio in the investee decreasing to 83.93%, please refer to Notes 6(18) and 6(31).

Note 2: BYTE International Co., Ltd acquired 100% shares interest of Aorus Pte. Ltd from subsidiary Freedom International Group Ltd. for a cash consideration of SGP \$544,954 in September 28, 2023.

Note 3: BYTE International Co., Ltd acquired 100% shares interest of Gigabyte Technology Poland SP Z O.O. from subsidiary G.B.T. Technology Trading GmbH for a cash consideration of PLN \$377,687 in March 22, 2023.

Note 4: The company was dissolved and liquidated in 2023.

Note 5: The company was newly established in 2024.

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 arrangement, 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 arrangement 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 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 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) It does not have the right at the end of the reporting period to defer settlement of the liability at least twelve months after the reporting period.

(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 amortized cost – current or financial assets at amortized 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 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 Group measures the financial assets at fair value and recognizes the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognizes the gain or loss in profit or loss.
- D. The Group recognizes 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 recognize 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 amortized cost

- A. Financial assets at amortized 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 amortized 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 amortized cost, at each reporting date, the Group 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 Group recognizes the impairment provision for lifetime ECLs.

(12) Derecognition of financial assets

The Group derecognizes 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 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 the estimated costs necessary to make the sale.

(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 recognize 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 recognizes change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.
- D. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized 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. Unrealized 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 realizable 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 recognize 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 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 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~ 6 years
Office equipment	3~ 6 years
Other tangible operating assets	2~10 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 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:
 - (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 recognize 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 amortized 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 amortized, 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 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.

(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 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.

(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) Convertible bonds payable

- A. Convertible bonds issued by the Group contain conversion options (that is, the bondholders have the right to convert the bonds into the Group's common shares by exchanging a fixed amount of cash for a fixed number of common shares), call options and put options. The Group classifies the bonds payable upon issuance as a financial liability or an equity instrument in accordance with the contract terms. They are accounted for as follows:
 - (a) Whether the embedded call options and put options shall be separated as embedded derivative depends on if its' economic characteristics and risks are closely related to the economic characteristics and risks of the host contract, when recognised initially. When the economic characteristics and risks of the embedded call options and put options are closely related to the economic characteristics and risks of the host contract, the multiple embedded derivatives shall be accounted for in accordance with the appropriate standards according to its nature. When the economic characteristics and risks of the embedded call options and put options are not closely related to the economic characteristics and risks of the host contract. Embedded derivatives are separated from the host contract, the host contract shall be accounted for in accordance with the appropriate standards according to its nature.
 - (b) The host contracts of bonds are initially recognized at fair value. Any difference between the initial recognition and the redemption value is accounted for as the premium or discount on bonds payable and subsequently is amortized in profit or loss as an adjustment to 'finance costs' over the period of circulation using the effective interest method.
 - (c) The embedded conversion options which meet the definition of an equity instrument are initially recognized in 'capital surplus—share options' at the residual amount of total issue price less the amount of bonds payable as stated above. Conversion options are not subsequently remeasured.
 - (d) Any transaction costs directly attributable to the issuance are allocated to each liability or equity component in proportion to the initial carrying amount of each abovementioned item.
 - (e) When bondholders exercise conversion options, the liability component of the bonds (bonds payable) shall be remeasured on the conversion date. The issuance cost of converted common shares is the total book value of the abovementioned liability component and 'capital surplus—share options'.

(25) Derecognition of financial liabilities

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

(26) 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.

(27) 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.
- iv. Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. Also, the related information is disclosed accordingly.

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 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 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.

(28) 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.

(29) 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 and does not give rise to equal taxable and deductible temporary differences. 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 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.
- G. The interim period income tax expense is recognized based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.

(30) 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 carrying amount 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.

(31) 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.

(32) 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.

(33) 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.

(34) 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>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Cash on hand and petty cash	\$ 10,016	\$ 13,425	\$ 5,597
Checking accounts and demand deposits	15,681,575	13,131,314	10,672,828
Time deposits	<u>1,697,959</u>	<u>10,021,336</u>	<u>6,199,367</u>
	<u>\$ 17,389,550</u>	<u>\$ 23,166,075</u>	<u>\$ 16,877,792</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 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>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Current items:			
Listed stocks	\$ 60,996	\$ 67,130	\$ 64,796
Emerging stocks	73,356	43,913	20,000
Unlisted stocks	174,752	179,537	149,537
Beneficiary certificates	155,874	154,941	428,923
Government bonds	-	-	16,298
	<u>464,978</u>	<u>445,521</u>	<u>679,554</u>
Valuation adjustment	<u>28,013</u>	<u>6,289</u>	<u>36,628</u>
	<u>492,991</u>	<u>451,810</u>	<u>716,182</u>
Non-current items:			
Beneficiary certificates	75,000	75,000	-
Valuation adjustment	-	-	-
	<u>75,000</u>	<u>75,000</u>	<u>-</u>
	<u>\$ 567,991</u>	<u>\$ 526,810</u>	<u>\$ 716,182</u>

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

	<u>Three months ended March 31,</u>	
	<u>2024</u>	<u>2023</u>
Financial assets mandatorily measured at fair value through profit or loss		
Equity instruments	\$ 3,247	\$ 23,406
Beneficiary certificates	10,248	5,677
Debt instruments	-	248
	<u>\$ 13,495</u>	<u>\$ 29,331</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 amortized cost

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Current items:			
Time deposits with more than three months maturity	<u>\$ 608,614</u>	<u>\$ 753,336</u>	<u>\$ 782,080</u>
Non-current items:			
Time deposits with more than three months maturity	\$ -	\$ -	\$ 24,059
Pledged bank deposits	<u>146,519</u>	<u>142,931</u>	<u>212,873</u>
	<u>\$ 146,519</u>	<u>\$ 142,931</u>	<u>\$ 236,932</u>

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

	<u>Three months ended March 31,</u>	
	<u>2024</u>	<u>2023</u>
Interest income	<u>\$ 5,363</u>	<u>\$ 10,771</u>

B. As at March 31, 2024, December 31, 2023 and March 31, 2023, 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 Group was \$755,133, \$896,267 and \$1,019,012, respectively.

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

D. The Group deposits financial assets at amortized 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>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Notes receivable	<u>\$ 2,788</u>	<u>\$ 3,941</u>	<u>\$ 3,833</u>
Accounts receivable	\$ 27,750,228	\$ 16,401,679	\$ 12,736,664
Less: Allowance for uncollectible accounts	<u>(381,280)</u>	<u>(385,470)</u>	<u>(297,310)</u>
	<u>\$ 27,368,948</u>	<u>\$ 16,016,209</u>	<u>\$ 12,439,354</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 March 31, 2024, December 31, 2023 and March 31, 2023, and January 1, 2023, the balances of accounts receivable (including notes receivable) from contracts with customers amounted to \$27,753,016, \$16,405,620, \$12,740,497 and \$14,429,692, respectively.

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

D. As at March 31, 2024, December 31, 2023 and March 31, 2023, 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 \$2,788, \$3,941, \$3,833; \$27,368,948, \$16,016,209 and \$12,439,354, respectively.

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

(5) Inventories

	March 31, 2024		
	Cost	Allowance for valuation loss	Book value
Raw materials and supplies	\$ 23,628,245	(\$ 593,284)	\$ 23,034,961
Work in progress	2,433,691	(4,315)	2,429,376
Finished goods and merchandise inventories	26,088,169	(1,051,412)	25,036,757
	<u>\$ 52,150,105</u>	<u>(\$ 1,649,011)</u>	<u>\$ 50,501,094</u>
	December 31, 2023		
	Cost	Allowance for valuation loss	Book value
Raw materials and supplies	\$ 12,655,513	(\$ 592,826)	\$ 12,062,687
Work in progress	1,739,882	(6,028)	1,733,854
Finished goods and merchandise inventories	16,645,168	(777,355)	15,867,813
	<u>\$ 31,040,563</u>	<u>(\$ 1,376,209)</u>	<u>\$ 29,664,354</u>
	March 31, 2023		
	Cost	Allowance for valuation loss	Book value
Raw materials and supplies	\$ 10,490,704	(\$ 431,370)	\$ 10,059,334
Work in progress	2,476,754	(6,870)	2,469,884
Finished goods and merchandise inventories	12,978,113	(828,711)	12,149,402
	<u>\$ 25,945,571</u>	<u>(\$ 1,266,951)</u>	<u>\$ 24,678,620</u>

The cost of inventories recognized as expense for the year:

	Three months ended March 31,	
	2024	2023
Cost of inventories sold	\$ 48,378,617	\$ 24,628,796
Cost of warranty	279,601	448,419
Loss(gain on reversal of) on valuation	272,802	(592,808)
	<u>\$ 48,931,020</u>	<u>\$ 24,484,407</u>

Reversal of inventory valuation loss for the three months ended March 31, 2023 was mainly due to the selling of inventory which was previously recognized in the allowance of obsolescence loss as inventory level increased due to market slow down since second quarter of 2022.

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

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
<u>Debt instruments</u>			
Listed stocks	\$ 936,387	\$ 936,387	\$ 1,024,263
Unlisted stocks	<u>111,573</u>	<u>110,570</u>	<u>110,345</u>
	1,047,960	1,046,957	1,134,608
Valuation adjustment	<u>759,840</u>	<u>859,456</u>	<u>675,533</u>
	<u>\$ 1,807,800</u>	<u>\$ 1,906,413</u>	<u>\$ 1,810,141</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 \$1,807,800, \$1,906,413 and \$1,810,141 as of March 31, 2024, December 31, 2023 and March 31, 2023, respectively.
- B. Amounts recognised 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>Three months ended March 31,</u>	
	<u>2024</u>	<u>2023</u>
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognized in other comprehensive income	(\$ 99,616)	<u>\$ 172,568</u>

- C. As of March 31, 2024, December 31, 2023 and March 31, 2023, 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 \$1,807,880, \$1,906,413 and \$1,180,141, 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).

(7) Investments accounted for using the equity method

	<u>2024</u>	<u>2023</u>
At January 1	\$ 515,538	\$ 528,720
Share of loss of investments accounted for using equity method	578	(1,327)
Changes in capital surplus	-	181
Changes in other equity items	<u>1,666</u>	<u>464</u>
At December 31	<u>\$ 517,782</u>	<u>\$ 528,038</u>

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
<u>Associates</u>			
WELLYSUN INC.	\$ 455,950	\$ 451,584	\$ 460,000
<u>Joint ventures</u>			
MyelinTek Inc.	52,308	53,357	55,810
Da Shiang Technology Co., Ltd.	<u>9,524</u>	<u>10,597</u>	<u>12,228</u>
	<u>\$ 517,782</u>	<u>\$ 515,538</u>	<u>\$ 528,038</u>

- A. Abovementioned investments accounted for using equity method are based on investee companies' financial statements of the same reporting period which were not reviewed by the independent auditors.
- B. In December, 2023, WELLYSUN INC. issued employee stock options, resulting in the Group's shareholding ratio in the investee decreasing to 28.08%. The Group is the single largest shareholder of the investee. Given that 8 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.
- C. 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>Three months ended March 31,</u>	
	<u>2024</u>	<u>2023</u>
Profit (loss) for the year from continuing operations	\$ 578	(\$ 1,327)
Other comprehensive income, net of income tax	<u>1,666</u>	<u>464</u>
Total comprehensive income (loss)	<u>\$ 2,244</u>	<u>(\$ 863)</u>

(8) Property, plant and equipment

2024

	Land		Buildings and structures			Machinery	Others		Total
	Owner-occupied	Lease	Subtotal	Owner-occupied	Lease	Subtotal	Owner-occupied	Owner-occupied	
	<u>At January 1</u>								
Cost	\$1,501,876	\$ 72,564	\$1,574,440	\$3,732,950	\$ 40,587	\$3,773,537	\$3,029,054	\$1,667,997	\$10,045,028
Accumulated depreciation	-	-	-	(1,936,246)	(9,882)	(1,946,128)	(2,121,221)	(1,157,223)	(5,224,572)
	<u>\$1,501,876</u>	<u>\$ 72,564</u>	<u>\$1,574,440</u>	<u>\$1,796,704</u>	<u>\$ 30,705</u>	<u>\$1,827,409</u>	<u>\$ 907,833</u>	<u>\$ 510,774</u>	<u>\$ 4,820,456</u>
<u>At January 1</u>	\$1,501,876	\$ 72,564	\$1,574,440	\$1,796,704	\$ 30,705	\$1,827,409	\$ 907,833	\$ 510,774	\$ 4,820,456
Additions	-	-	-	7,028	-	7,028	4,745	54,231	66,004
Disposals	-	-	-	-	-	-	(220)	(6)	(226)
Reclassifications	-	-	-	14,283	-	14,283	(1,129)	12,994	26,148
Depreciation charge	-	-	-	(22,325)	(199)	(22,524)	(50,507)	(63,583)	(136,614)
Net exchange differences	11,541	-	11,541	20,410	-	20,410	12,326	2,916	47,193
<u>At March 31</u>	<u>\$1,513,417</u>	<u>\$ 72,564</u>	<u>\$1,585,981</u>	<u>\$1,816,100</u>	<u>\$ 30,506</u>	<u>\$1,846,606</u>	<u>\$ 873,048</u>	<u>\$ 517,326</u>	<u>\$ 4,822,961</u>
<u>At March 31</u>									
Cost	\$1,513,417	\$ 72,564	\$1,585,981	\$3,796,935	\$ 40,587	\$3,837,522	\$3,058,680	\$1,722,520	\$10,204,703
Accumulated depreciation	-	-	-	(1,980,835)	(10,081)	(1,990,916)	(2,185,632)	(1,205,194)	(5,381,742)
	<u>\$1,513,417</u>	<u>\$ 72,564</u>	<u>\$1,585,981</u>	<u>\$1,816,100</u>	<u>\$ 30,506</u>	<u>\$1,846,606</u>	<u>\$ 873,048</u>	<u>\$ 517,326</u>	<u>\$ 4,822,961</u>

2023

	Land		Buildings and structures			Machinery	Others		Total
	Owner-occupied	Lease	Subtotal	Owner-occupied	Lease	Subtotal	Owner-occupied	Owner-occupied	
	<u>At January 1</u>								
Cost	\$1,499,434	\$ 72,564	\$1,571,998	\$3,691,516	\$ 40,587	\$3,732,103	\$3,082,447	\$1,496,957	\$ 9,883,505
Accumulated depreciation	-	-	-	(1,844,661)	(9,086)	(1,853,747)	(2,000,405)	(1,082,453)	(4,936,605)
	<u>\$1,499,434</u>	<u>\$ 72,564</u>	<u>\$1,571,998</u>	<u>\$1,846,855</u>	<u>\$ 31,501</u>	<u>\$1,878,356</u>	<u>\$1,082,042</u>	<u>\$ 414,504</u>	<u>\$ 4,946,900</u>
<u>At January 1</u>	\$1,499,434	\$ 72,564	\$1,571,998	\$1,846,855	\$ 31,501	\$1,878,356	\$1,082,042	\$ 414,504	\$ 4,946,900
Additions	-	-	-	2,535	-	2,535	1,300	91,559	95,394
Disposals	-	-	-	-	-	-	(4,062)	(799)	(4,861)
Reclassifications	-	-	-	-	-	-	1,052	(4,915)	(3,863)
Depreciation charge	-	-	-	(27,089)	(199)	(27,288)	(54,093)	(57,756)	(139,137)
Net exchange differences	(2,035)	-	(2,035)	1,939	-	1,939	3,170	208	3,282
<u>At March 31</u>	<u>\$1,497,399</u>	<u>\$ 72,564</u>	<u>\$1,569,963</u>	<u>\$1,824,240</u>	<u>\$ 31,302</u>	<u>\$1,855,542</u>	<u>\$1,029,409</u>	<u>\$ 442,801</u>	<u>\$ 4,897,715</u>
<u>At March 31</u>									
Cost	\$1,497,399	\$ 72,564	\$1,569,963	\$3,700,695	\$ 40,587	\$3,741,282	\$3,054,082	\$ 554,337	\$ 8,919,664
Accumulated depreciation	-	-	-	(1,876,455)	(9,285)	(1,885,740)	(2,024,673)	(111,536)	(4,021,949)
	<u>\$1,497,399</u>	<u>\$ 72,564</u>	<u>\$1,569,963</u>	<u>\$1,824,240</u>	<u>\$ 31,302</u>	<u>\$1,855,542</u>	<u>\$1,029,409</u>	<u>\$ 442,801</u>	<u>\$ 4,897,715</u>

- A. The significant components of buildings include main plants and renovation construction, which are depreciated over 10~55 and 3~55 years, respectively.
- B. The Group had no interest capitalisation for the three months ended March 31, 2024 and 2023.
- C. The Group has no property, plant and equipment pledged to others as collateral.

(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>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>	<u>Carrying amount</u>
Land-use right	\$ 33,486	\$ 33,261	\$ 35,111
Buildings	98,900	87,068	88,673
Transportation equipment	64,625	68,803	34,107
	<u>\$ 197,011</u>	<u>\$ 189,132</u>	<u>\$ 157,891</u>

	<u>Three months ended March 31,</u>	
	<u>2024</u>	<u>2023</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land-use right	\$ 357	\$ 360
Buildings	13,828	17,291
Transportation equipment	9,426	7,127
	<u>\$ 23,611</u>	<u>\$ 24,778</u>

- D. For the three months ended March 31, 2024 and 2023, the additions to right-of-use assets were \$32,854 and \$32,084, respectively.
- E. The information on profit and loss accounts relating to lease contracts is as follows:

	<u>Three months ended March 31,</u>	
	<u>2024</u>	<u>2023</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 1,336	\$ 1,106
Expense on short-term lease contracts	69,485	47,817
Expense on leases of low-value assets	1,618	991
Gain on lease modification	4	80

- F. For the three months ended March 31, 2024 and 2023, the Group's total cash outflow for leases was \$95,435 and \$74,886, respectively.

(10) Leasing arrangements – lessor

- A. The Group leases various assets including land and buildings. Rental contracts are typically made for periods of 1 and 3 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.
- B. For the three months ended March 31, 2024 and 2023, the Group recognized rent income in the amounts of \$13,093 and \$3,690, 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>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
2024	\$ 8,458	\$ 6,204	\$ 1,226
2025	11,171	2,966	580
2026	11,169	-	-
	<u>\$ 30,798</u>	<u>\$ 9,170</u>	<u>\$ 1,806</u>

(11) Investment property

	<u>2024</u>	<u>2024</u>
	<u>Buildings</u>	<u>Buildings</u>
<u>At January 1</u>		
Cost	\$ 102,993	\$ 107,625
Accumulated depreciation	(69,604)	(70,196)
	<u>\$ 33,389</u>	<u>\$ 37,429</u>
At January 1	\$ 33,389	\$ 37,429
Depreciation charge	(1,158)	(1,218)
Net exchange differences	578	193
At March 31	<u>\$ 32,809</u>	<u>\$ 36,404</u>
<u>At March 31</u>		
Cost	\$ 104,800	\$ 108,186
Accumulated depreciation	(71,991)	(71,782)
	<u>\$ 32,809</u>	<u>\$ 36,404</u>

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

	<u>Three months ended March 31,</u>	
	<u>2024</u>	<u>2023</u>
Rental income from investment property	<u>\$ 2,792</u>	<u>\$ 1,934</u>
Direct operating expenses arising from the investment property that generated rental income in the period	<u>\$ 1,158</u>	<u>\$ 1,218</u>

B. The fair value of the investment property held by the Group as at March 31, 2024, December 31, 2023 and March 31, 2023, was \$64,079, \$58,436 and \$65,779, 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>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Discount rate	2.268%	2.606%	2.841%

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

(12) Other non-current assets

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Financial assets:			
Guarantee deposits paid	\$ 68,977	\$ 67,542	\$ 75,263
Non-financial assets:			
Prepayments for purchase of building, land and business facilities	1,311,757	107,541	68,045
Others	14,230	15,105	32,440
Total non-financial assets	<u>1,325,987</u>	<u>122,646</u>	<u>100,485</u>
	<u>\$ 1,394,964</u>	<u>\$ 190,188</u>	<u>\$ 175,748</u>

(13) Short-term borrowings (December 31, 2023, and March 31, 2023 : None)

	<u>March 31, 2024</u>
Unsecured bank loans	\$ 10,682,000
Credit lines	\$ 20,970,589
Interest rate range	<u>1.58%~1.86%</u>

(14) Other payables

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Salary and bonus payable	\$ 5,030,559	\$ 4,115,936	\$ 4,119,180
Marketing fee payable	870,277	1,090,225	669,267
Employees' compensation and directors' remuneration payable	484,858	925,986	1,136,887
Shipping and freight-in payable	232,247	244,553	231,130
Royalties payable	81,293	83,268	43,599
Others	705,902	685,608	649,283
	<u>\$ 7,405,136</u>	<u>\$ 7,145,576</u>	<u>\$ 6,849,346</u>

(15) Provisions – current

	<u>Warranty</u>	
	<u>2024</u>	<u>2023</u>
At January 1	\$ 826,369	\$ 818,265
Additional provisions	279,601	448,419
Used during the year	(408,694)	(365,721)
At December 31	<u>\$ 697,276</u>	<u>\$ 900,963</u>

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.

(16) Bonds payable(March 31, 2023 : None)

	<u>March 31, 2024</u>	<u>December 31, 2023</u>
Bonds payable	\$ 9,804,347	\$ 9,804,347
Less: Discount on bonds payable	(837,657)	(883,882)
	<u>\$ 8,966,690</u>	<u>\$ 8,920,465</u>

A. On July 27, 2023, the Company issued its third unsecured convertible bonds overseas under the following conditions:

- (a) The total issuance amounted to USD 300 million, with a coupon rate of 0%, a maturity period of 5 years, and a circulation period from July 27, 2023 to July 27, 2028. Upon maturity, the convertible bonds will be redeemed in USD at face value plus an annual interest rate of 1% (semi-annually calculated).
 - (b) The bondholders have the right to ask for conversion of the bonds into common shares of the Company during the period from the date after three month of the bonds issue (excluding the issuance date) to 10 days before the maturity date, except for the stop transfer period as specified in the terms of the bonds or the laws/regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.
 - (c) The conversion price of the bonds is set up based on the pricing model in the terms of the bonds (the conversion price at issuance is NT\$375 per share/conversion exchange rate used is USD:TWD=1:31.095), and is subject to adjustments if the condition of the anti-dilution provisions occurs subsequently.
 - (d) Except in cases of early redemption, repurchase and cancellation, or conversion, bondholders may request compensation for interest at an annual rate of 1% above the face value of the bonds from the third anniversary of the issuance date or the delisting of the Company's common stock on the Taiwan Stock Exchange, with redemption based on semi-annual calculations.
 - (e) When 90% or more of the bonds have been redeemed, converted, repurchased and cancelled by bondholders, or from the day following the third anniversary of the issuance of the convertible bonds until ten days before maturity, if the closing price of the Company's common stock (converted to USD at the prevailing exchange rate) reaches 130% of the early redemption amount divided by the total face value of the bonds after 20 trading days out of 30 consecutive trading days, the Company may redeem all or part of the bonds early.
 - (f) Under the terms of the bonds, all bonds redeemed (including repurchased on the secondary market), early redeemed, matured or converted bonds by bondholders will be cancelled and not to be re-issued.
- B. Regarding the issuance of convertible bonds, the equity conversion options amounting to \$449,693 were separated from the liability component and were recognised in 'capital surplus—share options' in accordance with IAS 32. In accordance with IFRS 9, the call options and put

options embedded in bonds payable were not separated because the economic characteristics and risks of the embedded derivatives were closely related to those of the host contracts.

(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 pension costs under defined contribution pension plans of the Group for the three months ended March 31, 2024 and 2023 were \$1,790 and \$62,460, respectively.
- (b) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2024 amount to \$10,449.
- 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 three months ended March 31, 2024 and 2023 were \$27,709 and \$14,219, 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 three months ended March 31, 2024 and 2023 was both 12%~16%. Other than the monthly contributions, the Group has no further obligations. For the three months ended March 31, 2024 and 2023, the Company's mainland China subsidiaries have recognized pension cost of \$23,593 and \$24,076, respectively.

(18) Share-based payment

A. For the three months ended March 31, 2024 and 2023, 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>
Employee stock options- Giga Computing Technology Co., Ltd.	2023.10.17	16,000,000 shares	2023.10.30-2023.11.22	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:

	<u>2023</u>	
	<u>No. of options (in thousands)</u>	<u>Weighted-average exercise price (in dollars)</u>
Employee stock options – <u>Senyun Precise Optical Co., Ltd</u>		
Options outstanding at January 1	170	\$ 10.00
Options expired	(170)	-
Options outstanding at December 31	-	-
Options exercisable at December 31	-	-

C. As of January 10, 2023, all of stock options outstanding of Senyun Precise Optical Co., Ltd have expired.

D. The fair value of stock options granted is measured using the Black-Scholes option-pricing model. Relevant information is 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>
Employee stock options- Giga Computing Technology Co., Ltd.	2023.10.17	\$ 36.24	\$ 12	-	-	-	-	\$ 24.24
Employee stock options- Senyun Precise Optical Co., Ltd.	2018.1.10	\$ 5.2	\$ 10	55.00%	3 years	-	0.50%	\$ 1

(19) Share capital

As of March 31, 2024, 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. The number of the Company's ordinary shares outstanding at the beginning and end of the period is both 635,689 thousand shares.

(20) Capital surplus

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.

(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 Order No. Financial-Supervisory-Securities-Corporate-1090150022, dated March 31, 2021, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently.

D. The appropriation of earnings for 2023 had been proposed by the Board of Directors on April 17, 2024, and the appropriation of earnings for 2022 had been resolved by stockholders on June 9, 2023. Details are summarized below:

	2023		2022	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ 473,653		\$ 660,439	
Cash dividend	4,259,116	\$ 6.70	3,941,271	\$ 6.20

E. As of the date of the auditors' report, the appropriation of retained earnings for 2023 has not been resolved by the shareholders. These financial statements do not reflect the dividends payable. 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

	Three months ended March 31,	
	2024	2023
Revenue from contracts with customers	\$ 55,164,386	\$ 28,030,016

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:

	Three months ended March 31, 2024		
	Global brand business group	Other business group	Total
<u>Product Types</u>			
Computer parts	\$ 21,784,188	\$ -	\$ 21,784,188
Networking communication products	30,936,593	-	30,936,593
Others	2,229,630	213,975	2,443,605
	<u>\$ 54,950,411</u>	<u>\$ 213,975</u>	<u>\$ 55,164,386</u>
	Three months ended March 31, 2023		
	Global brand business group	Other business group	Total
<u>Product Types</u>			
Computer parts	\$ 19,250,252	\$ -	\$ 19,250,252
Networking communication products	5,986,299	-	5,986,299
Others	2,589,639	203,826	2,793,465
	<u>\$ 27,826,190</u>	<u>\$ 203,826</u>	<u>\$ 28,030,016</u>

B. Contract assets and liabilities

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

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>	<u>January 1, 2023</u>
Advance sales receipts	\$ 8,367,004	\$ 4,355,872	\$ 2,629,035	\$ 2,788,051

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

	<u>Three months ended March 31,</u>	
	<u>2024</u>	<u>2023</u>
Advance sales receipts	\$ 3,108,254	\$ 2,144,124

(23) Interest income

	<u>Three months ended March 31,</u>	
	<u>2024</u>	<u>2023</u>
Interest income from bank deposits	\$ 42,293	\$ 36,733
Interest income from financial assets measured at amortized cost	5,363	10,171
Interest income from financial assets measured at fair value through profit or loss	-	318
Others	264	1,087
Total interest income	<u>\$ 47,920</u>	<u>\$ 48,309</u>

(24) Other income

	<u>Three months ended March 31,</u>	
	<u>2024</u>	<u>2023</u>
Rental revenue	\$ 13,093	\$ 3,690
Dividend income	435	110
Other income - others	99,489	99,882
	<u>\$ 113,017</u>	<u>\$ 103,682</u>

(25) Other gains and losses

	<u>Three months ended March 31,</u>	
	<u>2024</u>	<u>2023</u>
Foreign exchange losses	(\$ 443,106)	(\$ 108,085)
Gains on financial assets at fair value through profit or loss	13,060	28,903
Gains from lease modification	4	80
Losses (gains) on disposal of property, plant and equipment	(226)	785
Others	(1,790)	(6,497)
	<u>(\$ 432,058)</u>	<u>(\$ 84,814)</u>

(26) Finance costs

	Three months ended March 31,	
	2024	2023
Interest expense		
Amortization of convertible bonds discount	\$ 46,225	\$ -
Bank borrowing	20,268	-
Interest expense on lease liabilities	1,336	1,106
Other interest expense	5	162
	<u>\$ 67,834</u>	<u>\$ 1,268</u>

(27) Expenses by nature

	Three months ended March 31,	
	2024	2023
Cost of goods sold	\$ 47,793,128	\$ 24,056,152
Employee benefit expense	2,070,863	1,627,706
Warranty cost of after-sale service	279,601	448,419
Marketing service charge	112,550	122,239
Depreciation and amortization	197,666	189,454
Transportation expenses	183,023	171,165
Export expense	242,832	198,296
Expected credit gains	(17,105)	(476)
Loss (gain on reversal of) on inventory valuation	272,802	(592,808)
Other costs and expenses	951,646	530,081
	<u>\$ 52,087,006</u>	<u>\$ 26,750,228</u>

(28) Employee benefit expense

	Three months ended March 31,	
	2024	2023
Wages and salaries	\$ 1,819,151	\$ 1,336,711
Labor and health insurance fees	99,528	107,447
Pension costs	53,092	100,755
Other personnel expenses	99,092	82,793
	<u>\$ 2,070,863</u>	<u>\$ 1,627,706</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 three months ended March 31, 2024 and 2023, employees' compensation was accrued at \$275,981 and \$138,875, respectively; while directors' remuneration was accrued at \$12,650 and \$11,400 respectively. The aforementioned amounts were recognized in salary expenses.

The employees' compensation and directors' remuneration were estimated and accrued based on 10% and 0.5% of distributable profit of current year for the three months ended March 31, 2024.

Employees' compensation and directors' remuneration of 2023 as resolved by the Board of Directors were in agreement with those amounts recognized in the 2023 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. Components of income tax expense

	Three months ended March 31,	
	2024	2023
Current tax:		
Current tax on profits for the period	\$ 429,129	\$ 261,223
Prior year income tax overestimation	-	(2,350)
Total current tax	<u>429,129</u>	<u>258,873</u>
Deferred tax:		
Origination and reversal of temporary differences	233,267	61,151
Effect of the exchange rate	3,689	(239)
Total deferred tax	<u>236,956</u>	<u>60,912</u>
Income tax expense	<u>\$ 666,085</u>	<u>\$ 319,785</u>

B. The Company's income tax returns through 2021 have been assessed and approved by the Tax Authority.

C. The Group has applied the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

D. The Group's exposure to Pillar Two income taxes arising from the Pillar Two legislation is as follows:

- (a) The Group is within the scope of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (OECD). Since Pillar Two legislation was enacted in the Netherlands, Germany, and other countries, the jurisdiction in which the entity controlled by the Group is incorporated, and will come into effect from January 1, 2024, the Group has no related current tax exposure as of March 31, 2024. While Pillar Two legislation was enacted in other operational regions of the Group and has not yet come into effect, it has no significant impact to the Group based on the Group's assessment.
- (b) Under the Pillar Two legislation, the Group is liable to pay a top-up tax for the difference between its GloBE effective tax rate per jurisdiction and the 15% minimum rate.
- (c) Due to the complexities in applying the legislation and calculating GloBE income, the impact of specific adjustments envisaged in the Pillar Two legislation which give rise to different effective tax rates compared to those calculated in accordance with IAS 12, the quantitative impact of the enacted or substantively enacted legislation is not yet reasonably estimable. The Group is currently engaged with tax specialists to assist it with applying the legislation.

(30) Earnings per share

	<u>Three months ended March 31, 2024</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (share in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 2,023,776	635,689	\$ <u>3.18</u>
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
-Employees' compensation	-	2,332	
-Convertible bonds	<u>43,116</u>	<u>24,876</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 2,066,892</u>	<u>662,897</u>	<u>\$ 3.12</u>

	<u>Three months ended March 31, 2023</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (share in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,024,712	635,689	\$ <u>1.61</u>
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
-Employees' compensation	-	7,006	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 1,024,712</u>	<u>642,695</u>	<u>\$ 1.59</u>

(31) Transactions with non-controlling interest

Giga Computing Technology Co., Ltd. issued the employee share options resolved by the Board of Directors on October 17, 2023. The Group did not acquire shares proportionally to its interest. As a result, the Group decreased its share interest by 16.07%. The transaction increased non-controlling interest by \$411,799 and decreased the equity attributable to owners of parent by \$220,039. The effect of changes in interests in Giga Computing Technology Co., Ltd. on the equity attributable to owners of the parent for the year ended December 31, 2023 is shown below:

	<u>March 31, 2024</u>
Cash	\$ 191,760
Capital surplus-employee share options	387,840
Increase in the carrying amount of non-controlling interest	(411,799)
Capital surplus-changes in ownership interests in subsidiaries	<u>\$ 167,801</u>

(32) Supplemental cash flow information:

Investing activities with partial cash payments:

	<u>Three months ended March 31,</u>	
	<u>2024</u>	<u>2023</u>
Purchase of property, plant and equipment	\$ 66,004	\$ 95,394
Add: Opening balance of payable on equipment	7,157	6,321
Less: Ending balance of payable on equipment	(3,024)	(1,265)
Cash paid during the period	<u>\$ 70,137</u>	<u>\$ 100,450</u>

(33) Changes in liabilities from financing activities

	<u>Three months ended March 31, 2024</u>				
	<u>Short-term</u>	<u>Bonds</u>	<u>Guarantee</u>	<u>Lease</u>	<u>Liabilities</u>
	<u>borrowings</u>	<u>payable</u>	<u>deposits received</u>	<u>liability</u>	<u>from financing</u>
					<u>activities-gross</u>
At January 1	\$ -	\$8,920,465	\$ 104,873	\$ 159,472	\$ 9,184,810
Changes in cash flow from financing activities	10,682,000	-	(89,239)	(22,996)	10,569,765
Payment of interest expense on lease liabilities (Note)	-	-	-	(1,336)	(1,336)
Amoritzation of convertible bonds discount (Note)	-	46,225	-	-	46,225
Impact of changes in foreign exchange rate	-	-	-	1,914	1,914
Changes in other non-cash items	-	-	-	30,418	30,418
At December 31	<u>\$10,682,000</u>	<u>\$8,966,690</u>	<u>\$ 15,634</u>	<u>\$ 167,472</u>	<u>\$ 19,831,796</u>

	<u>Three months ended March 31, 2023</u>		
	<u>Guarantee</u>	<u>Lease</u>	<u>Liabilities</u>
	<u>deposits received</u>	<u>liability</u>	<u>from financing</u>
			<u>activities-gross</u>
At January 1	\$ 96,729	\$ 126,214	\$ 222,943
Changes in cash flow from financing activities	163	(24,972)	(24,809)
Payment of interest expense on lease liabilities (Note)	-	(1,106)	(1,106)
Impact of changes in foreign exchange rate	-	307	307
Changes in other non-cash items	-	25,140	25,140
At December 31	<u>\$ 96,892</u>	<u>\$ 125,583</u>	<u>\$ 222,475</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

	Three months ended March 31,	
	2024	2023
Salaries and other short-term employee benefits	\$ 33,064	\$ 32,113
Post-retirement benefits	337	362
Total	<u>\$ 33,401</u>	<u>\$ 32,475</u>

8. PLEDGED ASSETS

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

Pledged asset	Book value			Purpose
	March 31, 2024	December 31, 2023	March 31, 2023	
Pledged assets - non-current (accounted for as "Financia assets at amortized cost - non-current")				
- Demand deposits	\$ 5,927	\$ 5,561	\$ 104,357	Security deposit for office leasing
- Time deposits	140,592	137,370	108,516	Guarantee for the customs duties
	<u>\$ 146,519</u>	<u>\$ 142,931</u>	<u>\$ 212,873</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

None.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

- (a) Please refer to Note 6(21) for the appropriation of earnings for 2023.
- (b) On March 14, 2024, the Company's Board of Directors resolved the proposal for shareholders' meeting to authorize the Board of Directors to issue no more than 50 million new common shares for capital increase and sponsor the issuance of overseas depositary receipts.
- (c) On April 17, 2024, the Company subsidiary, Nippon Giga-Byte Corp. was resolved by the Board of Directors for the following : (1) Total amount for acquisition of property, plant and equipment is JPY 1.5 billion, and (2) The Company participates in its cash capital increase of JPY 1.8 billion, and after the increase, the Company still holds 100% of the equity.
- (d) On May 14, 2024, the Company's Board of Directors resolved to issue the fourth unsecured convertible bonds overseas, with maximum amount up to USD 300 million.

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. The Group monitors capital on the basis of the liabilities to assets ratio. Total capital is shown as "Equity" in the consolidated balance sheet, which is also equal to total assets minus total liabilities.

(2) Financial instruments

A. Financial instruments by category

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
<u>Financial assets</u>			
Financial assets mandatorily measured at fair value through profit or loss	\$ 567,991	\$ 526,810	\$ 716,182
Financial assets at fair value through other comprehensive income			
Designation of equity instrument	1,807,800	1,906,413	1,810,141
Financial assets at amortized cost			
Cash and cash equivalents	17,389,550	23,166,075	16,877,792
Financial assets at amortized cost	755,133	896,267	1,019,012
Notes receivable	2,788	3,941	3,833
Accounts receivable	27,368,948	16,016,209	12,439,354
Other receivables	1,211,560	738,720	340,321
Other financial assets	257,500	257,500	257,500
Guarantee deposits paid	68,977	67,542	75,263
	<u>\$ 49,430,247</u>	<u>\$ 43,579,477</u>	<u>\$ 33,539,398</u>
<u>Financial liabilities</u>			
Financial liabilities at amortized cost			
Short-term borrowings	\$ 10,682,000	\$ -	\$ -
Notes payable	22,639	12,741	9,383
Accounts payable	32,057,223	20,698,047	15,513,035
Other payables	7,405,136	7,145,576	6,849,346
Bonds payable	8,966,690	8,920,465	-
Guarantee deposits received	15,634	104,873	96,892
Lease liabilities	167,472	159,472	125,583
	<u>\$ 59,316,794</u>	<u>\$ 37,041,174</u>	<u>\$ 22,594,239</u>

B. Financial risk management policies

- 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.
- 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:

	March 31, 2024		
	Foreign currency amount (In Thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 2,154,304	31.990	\$68,916,185
RMB:NTD	288,419	0.407	1,217,063
USD:RMB	291,958	7.258	9,338,570
<u>Non-monetary items</u>			
USD:NTD	\$ 3,043	31.990	\$ 97,346
<u>Investments accounted for using equity method</u>			
USD:NTD	\$ 295,632	31.990	\$ 9,457,255
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 1,800,392	31.990	\$57,594,540
RMB:NTD	492,169	4.407	2,168,989
USD:RMB	259,185	7.258	8,290,293

	December 31, 2023		
	Foreign currency amount (In Thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 1,398,620	30.735	\$42,986,586
RMB:NTD	207,002	4.331	896,526
USD:RMB	254,624	7.096	7,825,302
<u>Non-monetary items</u>			
USD:NTD	\$ 3,002	30.735	\$ 92,266
<u>Investments accounted for using equity method</u>			
USD:NTD	\$ 294,662	30.735	\$ 9,056,432
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 1,044,032	30.735	\$32,088,324
RMB:NTD	556,964	4.331	2,412,211
USD:RMB	244,640	7.096	7,518,466
	March 31, 2023		
	Foreign currency amount (In Thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 1,001,674	30.454	\$30,504,980
RMB:NTD	86,719	4.431	384,252
USD:RMB	123,321	6.872	3,755,104
<u>Non-monetary items</u>			
USD:NTD	\$ 13,040	30.454	\$ 397,120
<u>Investments accounted for using equity method</u>			
USD:NTD	\$ 237,701	30.454	\$ 7,238,956
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 713,431	30.454	\$21,726,828
RMB:NTD	415,828	4.431	1,842,534
USD:RMB	280,137	6.872	8,530,125

- 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 three months ended March 31, 2024 and 2023, amounted to gains of \$443,106 and loss of \$108,085, respectively.
- v. Analysis of foreign currency market risk arising from significant foreign exchange variation:

<u>Three months ended March 31, 2024</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%	\$ 689,162	\$ -
RMB:NTD	1%	12,711	-
USD:RMB	1%	93,386	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 575,945	\$ -
RMB:NTD	1%	21,690	-
USD:RMB	1%	82,903	-
<u>Three months ended March 31, 2023</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%	\$ 305,050	\$ -
RMB:NTD	1%	3,843	-
USD:RMB	1%	37,551	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 217,268	\$ -
RMB:NTD	1%	18,425	-
USD:RMB	1%	85,301	-

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 three months ended March 31, 2024 and 2023 would have increased/decreased by \$5,680 and \$7,010, 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 \$18,078 and \$18,101, 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 March 31, 2024 and 2023, if market interest rates had been 1% higher/lower with all other variables held constant, pre-tax profit for the three months ended March 31, 2024 and 2023 would have been \$0 and \$152 lower/higher, respectively.
- iii. The Group's main interest rate risk arises from short-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group's borrowings mainly bear variable interest rate. During the three months ended March 31, 2024, the Group's borrowings were denominated in NTD.
- iv. At March 31, 2024, if interest rates on borrowings had been 0.25% higher/lower with all other variables held constant, pre-tax profit for the three months ended March 31, 2024 would have been \$6,676 lower/higher. The main factor is that changes in interest expense result from 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 March 31, 2024, December 31, 2023 and March 31, 2023, 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>March 31, 2024</u>			
Expected loss rate	0.10%~6.58%	0.10%~18.49%	0.10%~40.60%
Total book value	\$ 23,750,682	\$ 2,296,586	\$ 1,598,858
Loss allowance	<u>\$ 200,763</u>	<u>\$ 47,744</u>	<u>\$ 57,477</u>
	<u>61 to 90 days past due</u>	<u>Over 90 days</u>	<u>Total</u>
Expected loss rate	0.10%~89.23%	100%	
Total book value	\$ 74,327	\$ 29,775	\$ 27,750,228
Loss allowance	<u>\$ 45,521</u>	<u>\$ 29,775</u>	<u>\$ 381,280</u>
	<u>Not past due</u>	<u>Up to 30 days past due</u>	<u>31 to 60 days past due</u>
<u>December 31, 2023</u>			
Expected loss rate	0.09%~15.41%	0.09%~18.46%	0.09%~40.51%
Total book value	\$ 12,899,437	\$ 2,851,559	\$ 423,004
Loss allowance	<u>\$ 101,666</u>	<u>\$ 68,069</u>	<u>\$ 82,923</u>
	<u>61 to 90 days past due</u>	<u>Over 90 days</u>	<u>Total</u>
Expected loss rate	0.09%~95.22%	0.13%~100%	
Total book value	\$ 41,805	\$ 185,874	\$ 16,401,679
Loss allowance	<u>\$ 21,625</u>	<u>\$ 111,187</u>	<u>\$ 385,470</u>
	<u>Not past due</u>	<u>Up to 30 days past due</u>	<u>31 to 60 days past due</u>
<u>March 31, 2023</u>			
Expected loss rate	0.09%~20.81%	0.09%~48.74%	0.09%~83.82%
Total book value	\$ 9,909,596	\$ 1,720,684	\$ 778,764
Loss allowance	<u>\$ 78,803</u>	<u>\$ 27,171</u>	<u>\$ 75,259</u>
	<u>61 to 90 days past due</u>	<u>Over 90 days</u>	<u>Total</u>
Expected loss rate	0.09%~93.68%	10%~100%	
Total book value	\$ 171,566	\$ 156,054	\$ 12,736,664
Loss allowance	<u>\$ 30,650</u>	<u>\$ 85,427</u>	<u>\$ 297,310</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:

	2024		
	Notes receivable	Accounts receivable	Total
At January 1	\$ -	\$ 385,470	\$ 385,470
Reversal of impairment loss	-	(17,105)	(17,105)
Effect of exchange rate changes	-	12,915	12,915
At March 31	<u>\$ -</u>	<u>\$ 381,280</u>	<u>\$ 381,280</u>

	2023		
	Notes receivable	Accounts receivable	Total
At January 1	\$ -	\$ 299,121	\$ 299,121
Reversal of impairment loss	-	(476)	(476)
Effect of exchange rate changes	-	(1,335)	(1,335)
At March 31	<u>\$ -</u>	<u>\$ 297,310</u>	<u>\$ 297,310</u>

Considering the credit insurance on accounts receivable, the abovementioned amounts were not provided with allowance for uncollectible accounts in the amounts of \$309,319, \$348,681 and \$397,298 on March 31, 2024, December 31, 2023 and March 31, 2023, respectively. For provisioned income or loss for the three months ended March 31, 2024 and 2023, the impairment arising from customers' contracts amounted to gain of \$17,105 and \$476, 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 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 payable, accounts payable, other payables and 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:

March 31, 2024	<u>Within 1 year</u>	<u>Between 1 and 2 year(s)</u>	<u>Over 2 years</u>	<u>Total</u>
Lease liability	\$ 85,951	\$ 51,334	\$ 33,691	\$ 170,976
Bonds payable	-	-	9,804,347	9,804,347

Non-derivative financial liabilities:

December 31, 2023	<u>Within 1 year</u>	<u>Between 1 and 2 year(s)</u>	<u>Over 2 years</u>	<u>Total</u>
Lease liability	\$ 82,752	\$ 52,990	\$ 27,979	\$ 163,721
Bonds payable	-	-	9,804,347	9,804,347

Non-derivative financial liabilities:

March 31, 2023	<u>Within 1 year</u>	<u>Between 1 and 2 year(s)</u>	<u>Over 2 years</u>	<u>Total</u>
Lease liability	\$ 63,169	\$ 37,923	\$ 27,848	\$ 128,940

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 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. The fair value of the Group's convertible bonds is included in Level 2.

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. Except for those listed in the table below, the carrying amounts of the Group's financial instruments not measured at fair value (including cash and cash equivalents, financial assets at amortized cost (bank deposits), notes receivable, accounts receivable, other receivables, other financial assets, guarantee deposits paid, short-term borrowings, notes payable, accounts payable, other payables, guarantee deposits received and lease liability) are approximate to their fair values.

	March 31, 2024			
	Book	Fair value		
		Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable	\$ 8,966,690	\$ -	\$ 8,881,665	\$ -

	December 31, 2023			
	Book	Fair value		
		Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable	\$ 8,920,465	\$ -	\$ 8,869,590	\$ -

The above convertible bonds payable are measured at present value, which is calculated based on the cash flow expected to be paid and discounted using a market rate prevailing at balance sheet date.

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 March 31, 2024, December 31, 2023 and March 31, 2023 is as follows:

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

	Level 1	Level 2	Level 3	Total
<u>March 31, 2024</u>				
<u>Recurring fair value measurements-assets</u>				
Financial assets at fair value through profit or loss				
Equity instrument	\$ 168,157	\$ -	\$ 163,232	\$ 331,389
Beneficiary certificates	161,602	-	75,000	236,602
Financial assets at fair value through other comprehensive income				
Equity instrument	1,719,202	-	88,598	1,807,800
	<u>\$2,048,961</u>	<u>\$ -</u>	<u>\$326,830</u>	<u>\$2,375,791</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>December 31, 2023</u>				
<u>Recurring fair value measurements-assets</u>				
Financial assets at fair value through profit or loss				
Equity instrument	\$ 135,504	\$ -	\$ 165,571	\$ 301,075
Beneficiary certificates	150,735	-	75,000	225,735
Financial assets at fair value through other comprehensive income				
Equity instrument	1,820,927	-	85,486	1,906,413
	<u>\$2,107,166</u>	<u>\$ -</u>	<u>\$326,057</u>	<u>\$2,433,223</u>

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>March 31, 2023</u>				
<u>Recurring fair value measurements-assets</u>				
Financial assets at fair value through profit or loss				
Equity instrument	\$ 127,976	\$ -	\$ 159,555	\$ 287,531
Beneficiary certificates	413,495		-	413,495
Debt instrument	15,156		-	15,156
Financial assets at fair value through other comprehensive income				
Equity instrument	<u>1,717,112</u>	<u>-</u>	<u>93,029</u>	<u>1,810,141</u>
	<u>\$2,273,739</u>	<u>\$ -</u>	<u>\$252,584</u>	<u>\$2,526,323</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	Market 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 three months ended March 31, 2024 and 2023, there was no transfer between Level 1 and Level 2.
- F. The following chart is the movement of Level 3 for the three months ended March 31, 2024 and 2023:

	Three months ended March 31,	
	2024	2023
At January 1	\$ 326,057	\$ 237,022
(Losses) gains recognized in profit or loss	(12,379)	10,886
Gains recognized in other comprehensive income	2,110	4,880
Acquired in the period	21,710	-
Disposed in the period	(11,670)	-
Effect of exchange rate changes	1,002	(204)
At March 31	<u>\$ 326,830</u>	<u>\$ 252,584</u>

- G. For the three months ended March 31, 2024 and 2023, there was no transfer in or out from Level 3.
- H. Financial segment is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

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

	Fair value at March 31, 2024	Valuation technique	Significant unobservable input	Relationship of inputs to fair value
Unlisted shares	\$ 165,325	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	\$ 161,505	Net asset value	Not applicable	Not applicable

	Fair value at December 31, 2023	Valuation technique	Significant unobservable input	Relationship of inputs to fair value
Unlisted shares	\$ 167,664	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	\$ 158,393	Net asset value	Not applicable	Not applicable

	Fair value at March 31, 2023	Valuation technique	Significant unobservable input	Relationship of inputs to fair value
Unlisted shares	\$ 161,648	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	\$ 90,936	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:

	Input	Change	March 31, 2024			
			Recognized in profit or loss		Recognized in other comprehensive income	
			Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instruments	Price-to-book ratio	±1%	\$ 1,632	(\$ 1,632)	\$ 21	(\$ 21)

		December 31, 2023			
		Recognized in profit or loss		Recognized in other comprehensive income	
		Favourable change	Unfavourable change	Favourable change	Unfavourable change
	Input	Change			
Financial assets					
Equity instruments	Price-to-book ratio	±1%	\$ 1,656	(\$ 1,656)	\$ 21 (\$ 21)

		March 31, 2023			
		Recognized in profit or loss		Recognized in other comprehensive income	
		Favourable change	Unfavourable change	Favourable change	Unfavourable change
	Input	Change			
Financial assets					
Equity instruments	Price-to-book ratio	±1%	\$ 1,596	(\$ 1,596)	\$ 21 (\$ 21)

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

- A. Loans to others: None.
- B. Provision of endorsements and guarantees to others: Please refer to table 1.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 2.
- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: None.
- 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, network & communication products, notebooks and computer peripherals.

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

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.

(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:

	Three months ended March 31, 2024		
	Global brand business group	Other business group	Total
Total segment revenue	\$ 54,950,411	\$ 213,975	\$ 55,164,386
Operating income	\$ 2,953,966	\$ 123,414	\$ 3,077,380
Depreciation and amortization	\$ 73,983	\$ 123,683	\$ 197,666
Total assets (Note)	\$ -	\$ -	\$ -
Total liabilities (Note)	\$ -	\$ -	\$ -

	Three months ended March 31, 2023		
	Global brand business group	Other business group	Total
Total segment revenue	\$ 27,826,190	\$ 203,826	\$ 28,030,016
Operating income	\$ 1,209,771	\$ 70,017	\$ 1,279,788
Depreciation and amortization	\$ 57,876	\$ 131,578	\$ 189,454
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.

GIGA-BYTE TECHNOLOGY CO., LTD. AND SUBSIDIARIES

Provision of endorsements and guarantees to others

Three months ended March 31, 2024

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed Company name	Relationship with the endorser/ guarantor (Note 4)	Limit on endorsements/ guarantees provided for a single party (Note 2)	Maximum outstanding endorsement/ guarantee amount as of March 31, 2024	Outstanding endorsement/ guarantee amount at March 31, 2024 (Note 5)	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 3)	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
0	Giga-Byte Technology Co., Ltd.	Giga Computing Technology Co., Ltd.	2	\$ 497,200	\$ 278,313 (USD 8,700)	\$ 278,313 (USD 8,700)	\$ 278,313 (USD 8,700)	\$ -	0.74%	\$ 11,904,028	Y	N	N	

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:

- (1) The Company number is 0.
- (2) The subsidiaries are numbered in order starting from '1'.

Note 2: The Company's limit on amount of endorsements/guarantees provided to single party is 20% of net assets in latest audited (reviewed) financial statements of the Company and should not exceed 50% of the paid-in capital of that single party.

The total limit on amount of endorsements/guarantees of the Company and subsidiaries provided to single party is 20% of net assets in latest audited (reviewed) financial statements of the Company and should not exceed 30% of the net assets of that single party. However, when endorse/guarantee to subsidiaries which were 100% directly or indirectly held by the Company, the endorsement / guarantee amount should not exceed 20% of net assets in latest audited (reviewed) financial statements of the Company and should not exceed 300% of the paid-in capital of that subsidiary.

Note 3: The ceiling on total endorsements and guarantees shall not exceed 30% of net assets in latest audited (reviewed) financial statements of the Company.

The total limit on amount of endorsements/guarantees of the Company and subsidiaries is 40% of net assets in latest audited (reviewed) financial statements of the Company.

Note 4: The Company could provide endorsements/guarantees to the following counterparties:

- (1) Having business relationship.
- (2) The endorser/guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary.
- (3) The endorsed/guaranteed company owns directly and indirectly more than 50% voting shares of the endorser/guarantor parent company.

Note 5: The ending balance of this statement is presented in New Taiwan dollars. Where foreign currencies are involved, they are translated into New Taiwan dollars using the U.S. dollar exchange rate of \$31.99 as of the balance sheet date.

GIGA-BYTE TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
March 31, 2024

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of March 31, 2024				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
Giga-Byte Technology Co., Ltd.	Beneficiary certificates - Goldman Sachs Finance Corp.	None	Financial assets at fair value through profit or loss-current	3,000,000	\$ 97,257	-	<u>\$ 97,333</u>	
			Valuation adjustment of financial assets at fair value through profit or loss		<u>76</u>		<u>\$ 97,333</u>	
Giga-Trend International Investment Group Ltd.	Listed stocks - Sintrones Technology Corp. etc.	None	Financial assets at fair value through profit or loss-current	Omitted	\$ 60,996	0.01%~0.14%	<u>\$ 82,819</u>	
			Valuation adjustment of financial assets at fair value through profit or loss		<u>21,823</u>		<u>\$ 82,819</u>	
	Emerging stocks - Lianyou Metals Co., Ltd. etc.	"	Financial assets at fair value through profit or loss-current	Omitted	\$ 73,356	0.18%~1.18%	<u>\$ 85,338</u>	
			Valuation adjustment of financial assets at fair value through profit or loss		<u>11,982</u>		<u>\$ 85,338</u>	
	Unlisted stocks - Castec International Crop. etc.	"	Financial assets at fair value through profit or loss-current	Omitted	\$ 126,723	-	<u>\$ 93,682</u>	
			Valuation adjustment of financial assets at fair value through profit or loss		<u>(33,041)</u>		<u>\$ 93,682</u>	
	Beneficiary certificates - Cathay U.S. Treasury 20+ Year Bond ETF etc.	"	Financial assets at fair value through profit or loss-current	Omitted	\$ 28,617	-	<u>\$ 29,103</u>	
			Valuation adjustment of financial assets at fair value through profit or loss		<u>486</u>		<u>\$ 29,103</u>	
Giga Investments Corp.	Unlisted stocks - Taiwan Truewin Technology Co., Ltd.	None	Financial assets at fair value through profit or loss-current	Omitted	\$ 48,029	1.95%~13.01%	<u>\$ 69,550</u>	
			Valuation adjustment of financial assets at fair value through profit or loss		<u>21,521</u>		<u>\$ 69,550</u>	
	Beneficiary certificates - Yuanta Japan Leaders Equity Fund	"	Financial assets at fair value through profit or loss-current	3,021,148	\$ 30,000	-	<u>\$ 35,166</u>	
			Valuation adjustment of financial assets at fair value through profit or loss		<u>5,166</u>		<u>\$ 35,166</u>	

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of March 31, 2024				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
Giga Investments Corp.	Beneficiary certificates - NEXUS CVC Partners Fund LP.	None	Financial assets at fair value through profit or loss-non current	-	\$ 75,000	15.48%	\$ 75,000	
	Listed stocks - Walsin Technology Corporation etc.	"	Financial assets at fair value through other comprehensive income-non current	Omitted	\$ 936,387	1.37%~9.43%	\$ 1,719,202	
			Valuation adjustment of financial assets at fair value through other comprehensive income		782,815			
					\$ 1,719,202			
Unlisted stocks - Northstar Motors Co., Ltd. etc.	"	"	Financial assets at fair value through other comprehensive income-non current	Omitted	\$ 64,798	3.25%~13.93%	\$ 59,767	
			Valuation adjustment of financial assets at fair value through other comprehensive income		(5,031)			
					\$ 59,767			
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	1,600,000	25,591	6.25%	\$ 25,591	
			Valuation adjustment of financial assets at fair value through other comprehensive income		-			
					\$ 25,591			
Selita Precision Co., Ltd.	Unlisted stocks - P.R.C.E. Ltd.	None	Financial assets at fair value through other comprehensive income-non current	122,990	1,184	10.24%	\$ 1,147	
			Valuation adjustment of financial assets at fair value through other comprehensive income		(37)			
					\$ 1,147			

GIGA-BYTE TECHNOLOGY CO., LTD. AND SUBSIDIARIES

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

Three months ended March 31, 2024

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction			Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote	
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance		Percentage of total notes/accounts receivable (payable)
Giga-Byte Technology Co., Ltd.	Giga-Byte Technology B.V.	Parent-subsiary	(Sales)	\$ 180,667	-	30 days upon receipt of goods	The price was based on the contract price	Normal	\$ 55,851	-	
	G.B.T. Inc.	"	"	4,199,883	(11%)	45 days upon receipt of goods	"	"	4,971,073	14%	
	G-Style Co., Ltd.	"	"	301,392	(1%)	60 days upon receipt of goods	"	"	278,692	1%	
	Giga Computing Technology Co., Ltd.	"	"	10,857,089	(27%)	60 days upon receipt of goods	"	"	11,676,686	33%	
	Ningbo Zhongjia Technology Co., Ltd.	Parent-indirect subsidiary	"	5,207,078	(13%)	90 days upon receipt of goods	"	"	5,205,118	15%	
	Giga Computing Technology Co., Ltd.	Parent-subsiary	Purchases	3,353,240	11%	60 days upon receipt of goods	"	"	(3,591,562)	(12%)	
	Dongguan Gigabyte Electronics Co.,Ltd.	Parent-indirect subsidiary	"	461,282	2%	60 days upon receipt of goods	"	"	(1,805,894)	(6%)	
	Ningbo Gigabyte Technology Co., Ltd.	"	"	273,663	1%	30 days upon receipt of goods	"	"	(933,554)	(3%)	
G-Style Co., Ltd.	G.B.T. Inc.	Sister companies	(Sales)	297,769	(90%)	60 days upon receipt of goods	"	"	296,844	96%	
Giga Computing Technology Co., Ltd.	Giga Computing Technology Inc.	subsidiary-indirect subsidiary	"	3,314,221	(13%)	60 days upon receipt of goods	"	"	2,854,776	22%	
	Gigaipc Co., Ltd.	"	"	287,421	(1%)	60 days after billing	"	"	231,180	2%	

GIGA-BYTE TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more
March 31, 2024

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at March 31, 2024 (Note 1)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date (Note 2)	Allowance for doubtful accounts
					Amount	Action taken		
Giga-Byte Technology Co., Ltd.	G.B.T. Inc.	Parent-subsidiary	\$ 4,971,073	4.60	\$ -	-	\$ 1,569,222	\$ -
	G-Style Co., Ltd.	"	278,714	5.77	-	-	174,713	-
	Giga Computing Technology Co., Ltd.	"	23,890,020	5.30	-	-	265,830	-
	Ningbo Zhongjia Technology Co., Ltd.	Parent-indirect subsidiary	5,205,118	4.32	-	-	2,717,366	-
	Dongguan Gigabyte Electronics Co., Ltd.	"	663,872	7.16	-	-	663,872	-
	Ningbo Gigabyte Technology Co., Ltd.	"	605,507	3.92	-	-	353,421	-
G-Style Co., Ltd.	G.B.T. Inc.	Sister companies	296,844	5.34	-	-	150,625	-
Giga Computing Technology Co., Ltd.	Giga-Byte Technology Co., Ltd.	Parent-subsidiary	3,597,552	6.83	-	-	217,581	-
	Giga Computing Technology Inc.	Subsidiary-indirect subsidiary	2,854,776	4.64	-	-	2,090,882	-
	Gigaipc Co., Ltd.	"	231,180	5.50	-	-	4,314	-
Dongguan Gigabyte Electronics Co., Ltd.	Giga-Byte Technology Co., Ltd.	Parent-indirect subsidiary	RMB 400,526 thousand	6.64	-	-	RMB 176,652 thousand	-
Ningbo Gigabyte Technology Co., Ltd.	Giga-Byte Technology Co., Ltd.	Parent-indirect subsidiary	RMB 208,673 thousand	6.69	-	-	RMB 93,359 thousand	-
	Giga Computing Technology Co., Ltd.	Sister companies	RMB 87,910 thousand	4.08	-	-	RMB 87,910 thousand	-

Note 1: Including other receivables.

Note 2: The amount represents collections subsequent to March 31, 2024 up to April 30, 2024.

GIGA-BYTE TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Significant inter-company transactions during the reporting periods
Three months ended March 31, 2024

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

		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	\$ 180,667	Note 6	-	
	G.B.T., Inc	Parent company to subsidiary	Sales	4,199,883	Note 7	8%	
	"	"	Accounts receivable	4,971,073	"	4%	
	G-Style Co., Ltd.	Parent company to subsidiary	Sales	301,392	Note 5	1%	
	"	"	Accounts receivable	278,692	"	-	
	Giga Computing Technology Co., Ltd.	Parent company to subsidiary	Sales	10,857,089	"	20%	
	"	"	Accounts receivable	11,676,686	"	10%	
	"	"	Other receivables	12,213,334	"	11%	
	"	"	Purchases	3,353,240	"	6%	
	"	"	Accounts payable	3,591,562	"	3%	
	BYTE International Co., Ltd	Parent company to subsidiary	After-sale service fees	158,419	Note 3	-	
	Ningbo Zhongjia Technology Co., Ltd.	Parent company to indirect subsidiary	Sales	5,207,078	Note 1	9%	
	"	"	Accounts receivable	5,205,118	"	5%	
	Dongguan Gigabyte Electronics Co.,Ltd.	Parent company to indirect subsidiary	Purchases	461,282	Note 5	1%	
"	"	Accounts payable	1,805,894	"	2%		
"	"	Accounts receivable	663,872	Note 2	1%		
Ningbo Gigabyte Technology Co., Ltd.	Parent company to indirect subsidiary	Purchases	273,663	Note 6	-		
"	"	Accounts payable	933,554	"	1%		
"	"	Accounts receivable	605,507	Note 2	1%		
G-Style Co., Ltd.	G.B.T., Inc	Subsidiary to subsidiary	Sales	297,769	Note 5	1%	
"	"	"	Accounts receivable	296,844	"	-	
Giga Computing Technology Co., Ltd.	Ningbo Gigabyte Technology Co., Ltd.	Subsidiary to indirect subsidiary	Accounts payable	418,292	Note 9	-	
	Giga Computing Technology Inc.	Subsidiary to indirect subsidiary	Sales	3,314,221	Note 5	6%	
	"	"	Accounts receivable	2,854,776	"	3%	
	Gigaipc Co., Ltd.	Subsidiary to indirect subsidiary	Sales	287,421	Note 2	1%	
"	"	"	Accounts receivable	231,180	"	-	

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 after billing.

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.

Note 8 : Credit terms were 7 days upon receipt of goods.

Note 9 : Credit terms were 45 days after billing.

Note 10 : Transactions listed above are amount reaching NTS100 million.

GIGA-BYTE TECHNOLOGY CO., LTD. AND SUBSIDIARIES

Information on investees
Three months ended March 31, 2024

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at March 31, 2024			Net profit (loss) of the investee for the three months ended March 31, 2024	Investment income(loss) recognized by the Company for the three months ended March 31, 2024	Footnote
				Balance as at March 31, 2024	Balance as at December 31, 2023	Number of shares	Ownership (%)	Book value			
Giga-Byte Technology Co., Ltd.	Freedom International Group Ltd.	British Virgin Islands	Holding company	\$ 5,251,952	\$ 5,251,952	176,571,692	100.00	\$ 8,888,431	\$ 10,231	\$ 113,633	The Company's subsidiary
Giga-Byte Technology Co., Ltd.	Giga Investments Corp.	Taiwan	Holding company	2,815,000	2,815,000	297,756,500	100.00	3,752,004	(656)	(656)	The Company's subsidiary
Giga-Byte Technology Co., Ltd.	G-Style Co., Ltd.	Taiwan	Manufacturing and selling of notebooks	310,000	310,000	12,000,000	100.00	53,941	30,676	32,907	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	2,145,831	99.86	20,881	(107)	(107)	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	487,664	4,732	4,732	The Company's subsidiary
Giga-Byte Technology Co., Ltd.	MyelinTek Inc.	Taiwan	Software service	70,000	70,000	299,999,995	40.00	52,308	(2,623)	(1,049)	Investee accounted for using equity method
Giga-Byte Technology Co., Ltd.	Giga Computing Technology Co., Ltd.	Taiwan	Sales of computer information products	834,600	834,600	83,460,000	83.93	2,590,516	259,047	362,186	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	181,088	2,224	1,501	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	28,054	(1,037)	(1,037)	The Company's subsidiary
Giga-Byte Technology Co., Ltd.	Nippon Giga-Byte Corp.	Japan	Marketing of computer information products	8,075	8,075	3,000	100.00	16,167	(455)	(455)	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	415,667	4,477	4,477	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	61,140	679	679	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	17,307	961	961	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	8,743	420	420	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	22.64	387,736	87,529	15,951	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	1,821	339	339	The Company's subsidiary
Giga-Byte Technology Co., Ltd.	Gigabyte Technology LLC Company	South Korea	Marketing of computer information products	22,534	22,534	168,000	100.00	35,168	(214)	(214)	The Company's subsidiary

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at March 31, 2024			Net profit (loss) of the investee for the three months ended March 31, 2024	Investment income(loss) recognized by the Company for the three months ended March 31, 2024	Footnote
				Balance as at March 31, 2024	Balance as at December 31, 2023	Number of shares	Ownership (%)	Book value			
Freedom International Group Ltd.	Charleston Investments Limited	Cayman Islands	Holding company	\$ 1,844,922	\$ 1,844,922	57,032,142	100.00	\$ 2,427,753	(\$ 96,133)	-	The Company's indirect subsidiary
Freedom International Group Ltd.	G.B.T. Inc.	U.S.A.	Sales of computer information products	458,239	458,239	184,916	77.36	1,626,302	87,529	-	The Company's indirect subsidiary
Freedom International Group Ltd.	Giga Future Limited	British Virgin Islands	Holding company	2,689,068	2,689,068	82,819,550	100.00	3,275,616	32,406	-	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	-	(12,263)	-	Subsidiary's investee company accounted for under the equity method
G.B.T. Inc.	Gigabyte Canada Inc.	Canada	Marketing of computer information products	22	22	1,000	100.00	732	111	-	The Company's indirect subsidiary
Giga Investments Corp.	Giga-Trend International Investment Group Ltd.	Taiwan	Holding company	547,050	515,950	60,000,000	100.00	628,914	10,571	-	The Company's indirect subsidiary
Giga Investments Corp.	Senyun Precision Optical Co., Ltd.	Taiwan	Manufacturing and selling of optical lens	1,547,410	1,547,410	324,586,585	96.41	259,662	(12,720)	-	The Company's indirect subsidiary
Giga Investments Corp.	Selita Precision Co., Ltd.	Taiwan	Manufacturing, wholesale and retail of bicycle and parts	50,000	50,000	5,000,000	100.00	52,597	3,369	-	The Company's indirect subsidiary
Giga Investments Corp.	Cloudmatrix Co., Ltd.	Taiwan	E-commerce platform	30,200	30,200	3,000,000	100.00	25,436	492	-	The Company's indirect subsidiary
Giga Investments Corp.	Wellysun Inc.	Taiwan	Electronic parts and components manufacturing	392,000	392,000	11,200,000	24.35	395,370	9,615	-	Subsidiary's investee company accounted for under the equity method
Giga Investments Corp.	Da Shiang Technology Co., Ltd.	Taiwan	Electronic parts and components manufacturing	12,500	12,500	1,250,000	25.00	9,524	(4,292)	-	Subsidiary's investee company accounted for under the equity method
BYTE International Co., Ltd.	Aorus Pte. Ltd.	Singapore	Marketing of computer information products	60,757	60,757	3,073,000	100.00	8,736	(1,031)	-	The Company's indirect subsidiary
BYTE International Co., Ltd.	Gigabyte Technology Poland SP Z O.O.	Poland	Marketing and maintenance of computer information products	500	500	100	100.00	4,742	1,999	-	The Company's indirect subsidiary
Giga Computing Technology Co., Ltd.	Gigaipc Co., Ltd.	Taiwan	Sales of computer information products	120,000	120,000	12,000,000	100.00	150,700	(907)	-	The Company's indirect subsidiary
Giga Computing Technology Co., Ltd.	Giga Computing Technology Inc.	U.S.A.	Sales of computer information products	3,074	-	10,000	100	(56,978)	4,132	-	The Company's indirect subsidiary
Giga-Trend International Investment Group Ltd.	Wellysun Inc.	Taiwan	Electronic parts and components manufacturing	51,480	51,480	1,716,000	3.73	60,580	9,615	-	Subsidiary's investee company accounted for under the equity method
Ningbo BestYield Tech. Services	OGS Europe B.V.	Netherlands	Selling of communications	12,443	12,443	3,000	100.00	45,352	2,113	-	The Company's indirect subsidiary

GIGA-BYTE TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Information on investments in Mainland China
Three months ended March 31, 2024

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, 2024	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the three months ended March 31, 2024		Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2024	Net income of investee as of March 31, 2024	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the three months ended March 31, 2024	Book value of investments in Mainland China as of March 31, 2024	Accumulated amount of investment income remitted back to Taiwan as of March 31, 2024	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	\$ -	\$ -	\$ 1,180,938	\$ 30,697	100.00	\$ 30,697	\$ 1,605,189	\$ -	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	(127,021)	100.00	(127,021)	789,919	-	The Company's indirect subsidiary
Ningbo Zhongjia Technology Co., Ltd.	Sales of computer information products	109,853	Note 3	-	-	-	-	(132,651)	100.00	(132,651)	503,697	-	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	29,746	100.00	29,746	3,251,170	-	The Company's indirect subsidiary
Ningbo BestYield Tech. Services Co., Ltd.	Maintenance of computer information products	181,923	Note 2	165,515	-	-	165,515	8,148	100.00	8,148	266,658	-	The Company's indirect subsidiary
Zaozhuang Bestyield Resources Recycling Co., Ltd.	Recycling and selling of renewable resources	5,507	Note 3	-	-	-	-	236	100.00	236	8,449	-	The Company's indirect subsidiary
Dongguan Senyun Precision Optical Co., Ltd	Selling of mold and industrial plastic products	4,539	Note 2	4,539	-	-	4,539	(12)	96.41	(12)	(1,655)	-	The Company's indirect subsidiary

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

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

Note 3: Others.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2024	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
Giga-Byte Technology Co., Ltd.	\$ 4,386,518	\$ 4,402,053	\$ 24,114,205
Senyun Precision Optical Co., Ltd.	4,539	9,974	161,603

GIGA-BYTE TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Significant transactions , either directly or indirectly through a third area, with investee companies in the Mainland Area
Three months ended March 31, 2024

Table 8

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

Investee in Mainland China	Sale (purchase)		Property transaction		Accounts receivable (payable)		Provision of endorsements/guarantees or collaterals		Financing			Interest during the three months ended March 31, 2024	Others
	Amount	%	Amount	%	Balance at March 31, 2024	%	Balance at March 31, 2024	Purpose	Maximum balance during the three months ended March 31, 2024	Balance at March 31, 2024	Interest rate		
Dongguan Gigabyte Electronics Co.,	\$ 1,455	-	\$ -	-	\$ 663,872	2	\$ -	-	\$ -	\$ -	-	\$ -	-
"	(461,282)	(1)	-	-	(1,805,894)	(6)	-	-	-	-	-	-	-
Ningbo Zhongjia Technology Co., Ltd.	5,207,078	18	-	-	5,205,118	15	-	-	-	-	-	-	-
Ningbo Gigabyte Technology Co., Ltd.	4,408	-	-	-	605,507	2	-	-	-	-	-	-	-
"	(273,663)	(1)	-	-	(933,554)	(3)	-	-	-	-	-	-	-
Ningbo BestYield Tech. Services Co.,Ltd.	15,134	-	-	-	8,132	-	-	-	-	-	-	-	- After-sales service costs paid at \$31,343

GIGA-BYTE TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Major Shareholders Information
March 31, 2024

Table 9

Name of Major Shareholders	Shares	
	Name of shares hold	Ownership(%)
MING WEI GLOBAL CO., LTD	42,583,497	6.69%
Independent accounts securities investment trust fund of Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF (umbrella fund) entrusted to Taishin International Bank	31,925,000	5.02%

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.