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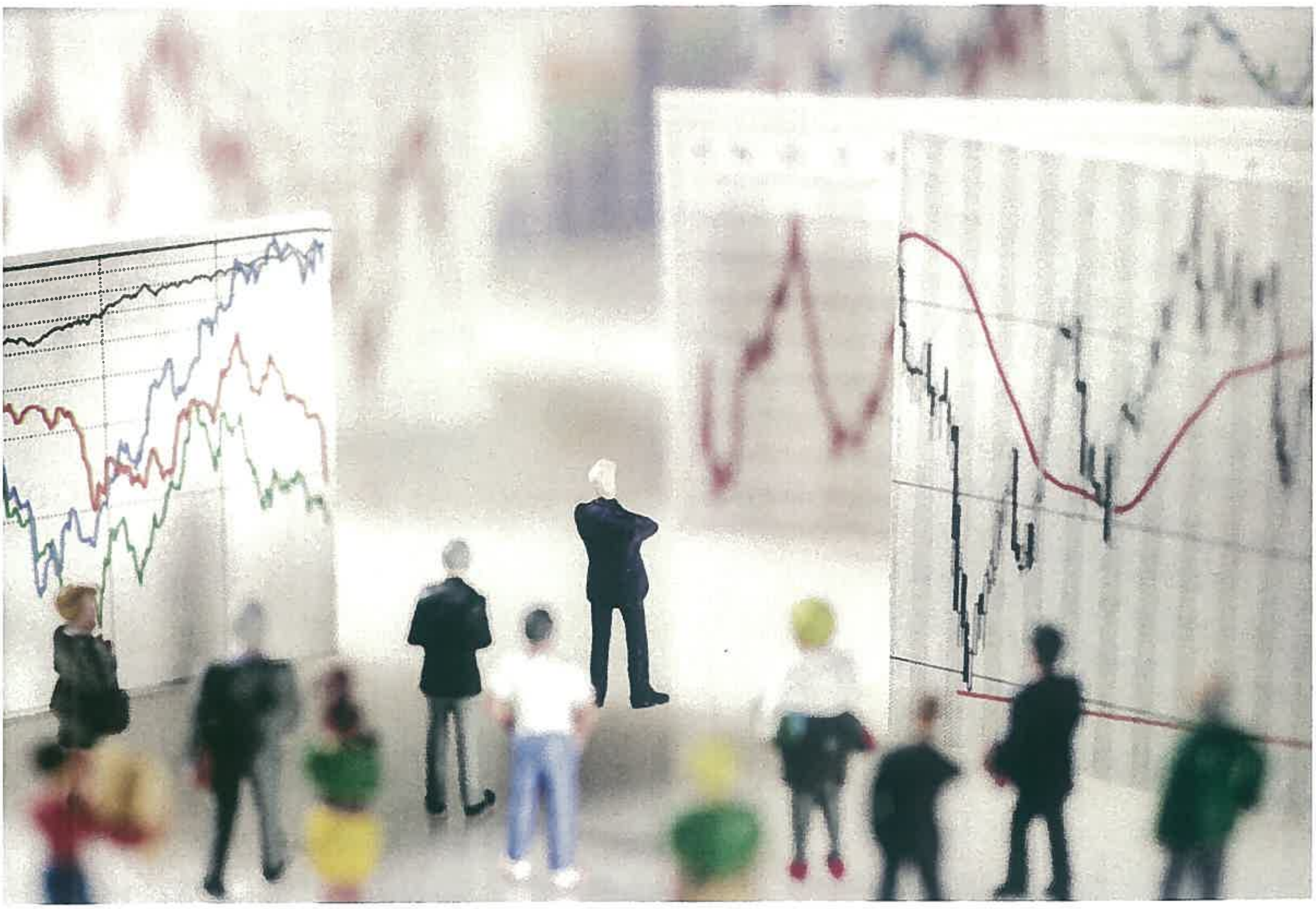
GIGABYTE™

GIGA-BYTE TECHNOLOGY CO., LTD.
ANNUAL REPORT, 2015



Motherboard | Graphics Card | Peripherals | Notebook | All-in-One PC | Slate | PC Components | Mobile Phone | Server / Storage

This GIGA-BYTE Yearbook is accessible through company website http://www.gigabyte.com and http://mops.twse.com.tw
Printed on June 2016

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One. Report to Shareholders

Dear Shareholders:

The year 2015 was a year of political and economic turbulence. Sales performance slightly recessed for a number of reasons, including the EU and US currency policies, the fall of raw material and petroleum prices, and the slowdown of the China and emerging markets. As a result, revenue reduced by 6.81% and next profit after tax by 19.9% compared to last year.

Our Company's operating performance from 2015 and the business plan for 2016 are described below:

I. 2015 Business performance

(1) Financial and operational performance:

Unit: NT$100 million

Item	2015	2014	Difference	Percentage of Difference
Revenue	508.29	545.42	-37.13	-6.81%
Gross profit	87.61	94.68	-7.07	-7.47%
Net profit after tax	19.23	24.00	-4.77	-19.88%

Item		2015	2014
Financial structure (%)	Liabilities to assets ratio (%)	32.15	32.99
	Long-term capital to fixed assets ratio (%)	574.06	544.04
Solvency (%)	Current ratio (%)	274.81	251.95
	Quick ratio (%)	176.00	161.03
Profitability (%)	Return on assets (%)	5.74	7.02
	Return on shareholders' equity (%)	8.51	10.80
	Profit margin (%)	3.78	4.39
	Basic earnings per share (NTD)	3.05	3.82

(2) R&D/Technology innovation results:

The R&D results in 2015 were as follows:

1.World's top motherboards

We are the first to launch the Thunderbolt™ 3 motherboards to exert the performance of USB3.1 for users to enjoy higher transfer speed. In addition, we also equipped these motherboards with the latest USB Type-C™ port featuring reversible plug orientation and cable direction and the most common USB Standard-A port to extensively enhance the convenience and compatibility of external device connection.

2.Market-leading graphics cards

In 2015, we launched the GTX 980 Ti graphics card, the flagship model of the XTREME GAMING series. In addition to the choice MAXWELL GPU, we equipped it with the independently developed WINFORCE cooling solution. WINFORCR is a technology integrating ultra-quiet PWM fans and anti-turbulence inclined fans to extensively enhance cooling efficiency. In addition, the exclusive GPU Gauntlet™ Sorting technology is applied to significantly enhance overclocking stability and trigger supper overclock energy for gamers to freely enjoy exceptional smoothness in extreme gaming.

3.Innovation-leading severs

In the server domain, we developed innovative cloud servers and launched new Intel platforms and new-generation servers with dual Cavium 48-cores ARMv8 ThunderX™ processors to deliver maximum stability with maximum system computer performance at the least power consumption. Together with the virtualization technology, high execution performance, and energy-saving power management, these servers can perfectly support customer application platforms.

4.Gaming laptops with unrivalled performance

High performance has always been the signature of Gigabyte products. Apart from extending our industry-leading slim body and high performance tradition and equipping brand new models with high-level dual GPUs, we blended the matte black surface inspired by sports cars with shining orange lines to mark out a sharp contrast to satiate extreme gamers' desire to show off their skills. Equipped with Intel's 6th generation Skylake CPUs, we upgraded all notebook ranges and became the first in the industry to provide four features to the new Skylake platforms.

5.Mini PC system champion—Brix™

Extending aurora of the best product award of professional PC review media Tom's Hardware and CES, Brix™ showcases brilliant user experience with various revolutionary functions.

6.Award-winning gaming peripherals

In 2015, we launched the first gaming mouse to support all kinds of quick and existing gaming operations. Mechanical gaming keyboards emphasizing keystroke response have a life span up to 70 million times of pressing. These industry-leading keyboards thus assist gamers to challenge extremes in the arena or on the battlefield.

II. Summary of Business Plan for 2016:

(1)Market

In recent years, the demand for personalized digital integrated service applications has been thriving, together with the rising demand for high-end, high-performance products. We will continue to launch products integrating cloud technology with a slim appearance and gaming products with high performance, high quality, and ultra-durability for the gaming market, to fulfill the user's need for enjoying the convenience of cloud services and the satisfaction of advanced level professional gamers with and become the most advantageous leading brand of the market.

(2)Product

At Gigabyte, premium quality, innovation, and R&D are the unchanged policy, and most products have been recognized by a number of international awards. Apart from insisting on premium quality, ultra-durability, and high performance, by following high-standard intelligent energy saving and electronic safety specifications, we start product design with and energy-saving design right at the beginning to provide customers with the best green products. When launching new products, we coordinate with safety protection, intelligent energy-saving service, and carbon footprint disclosure to fulfill the needs of different users across the world. We will uphold brand integrity and product performance and value to create space for making more profit.

(3)Marketing

With innovative and differentiated marketing and by teaming up with world-leading suppliers (e.g. Intel, AMD, NVIDIA, etc.) and launching horizontal alliances with strong brands (e.g. software developers), we will practice cross marketing to increase brand exposure and enhance brand awareness.

(4)Channel deployment

We will strengthen cooperation with distributors and implement adaptive marketing strategies. We will also progressively integrate virtual and physical channels to strengthen on-the-spot marketing and provide appropriate services and support to improve brand and sales strength.

(5)Manufacture

In view of the annually rising wage and the unfriendly taxation environment in China, we will focus on developing process automation and optimal distribution of self-production.

(6)Service

In the new information age, omni-channel service featuring online to offline (O2O) services will be more effective to interact with customers, establish long-lasting customer relationship, and thereby raise customer satisfaction and spread the committed value more quickly.

III. Future Development Strategy and the Influences of External Competition, Regulatory Environment and Operational Environment:

(1)Looking out to 2016, the weakening demand in advanced countries, the uncertainty of global economic recovering, and the continuous slowdown of the Chinese economy will bring pressure to sales growth. Fortunately, as the sign of stability is seen in petroleum and raw material prices, the hope for recovery emerges as part of the funds flow back to emerging markets.

(2)Exchange rate: Influenced by the US gradual interest rise monetary policy, pressure on profit making is seen in export-oriented enterprises when New Taiwan Dollar appreciates as USDX continues to fall. Fortunately, it is hoped that our exchange loss in sales to China will be reduced in the intra-area oscillation due to the PRC government's strong CNY defense.

(3)As traditional PC has been developed for decades, PC occupancy of users reduces significantly to weaken the demand for PC replacement. Upholding the brand spirit: Upgrading Life through Technology Innovation, we continuously launch attractive and competitive products and re-posits to the digital new-generation product market. Following the trend of cloud technology and personalized digital life where the demand for newer and more comprehensive innovative products thrives, we uncover more market opportunities in different fields, such as healthcare, industry, and autotronics, to expand market scale and increase customer groups to create long-term sales turnover and profit growth for the company.

Specialized in the R&D of products of premium quality, ultra-durability, and high performance, we are committed to developing green product and technology a long time ago in the hope of transforming green technology and green products into customer trust and competitive strength. This will enable us to continuously create profit for the company, share with stockholders, benefit the humankind, and requite society.

We wish everyone happiness and the best of health

Chairman: Yeh, Pei-Chen CEO: Liu, Min-Hsiung CFO: Chen, Chun-Ying

Two. The Company

I. Date established: April 30, 1986

II. Company History

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

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

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

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

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

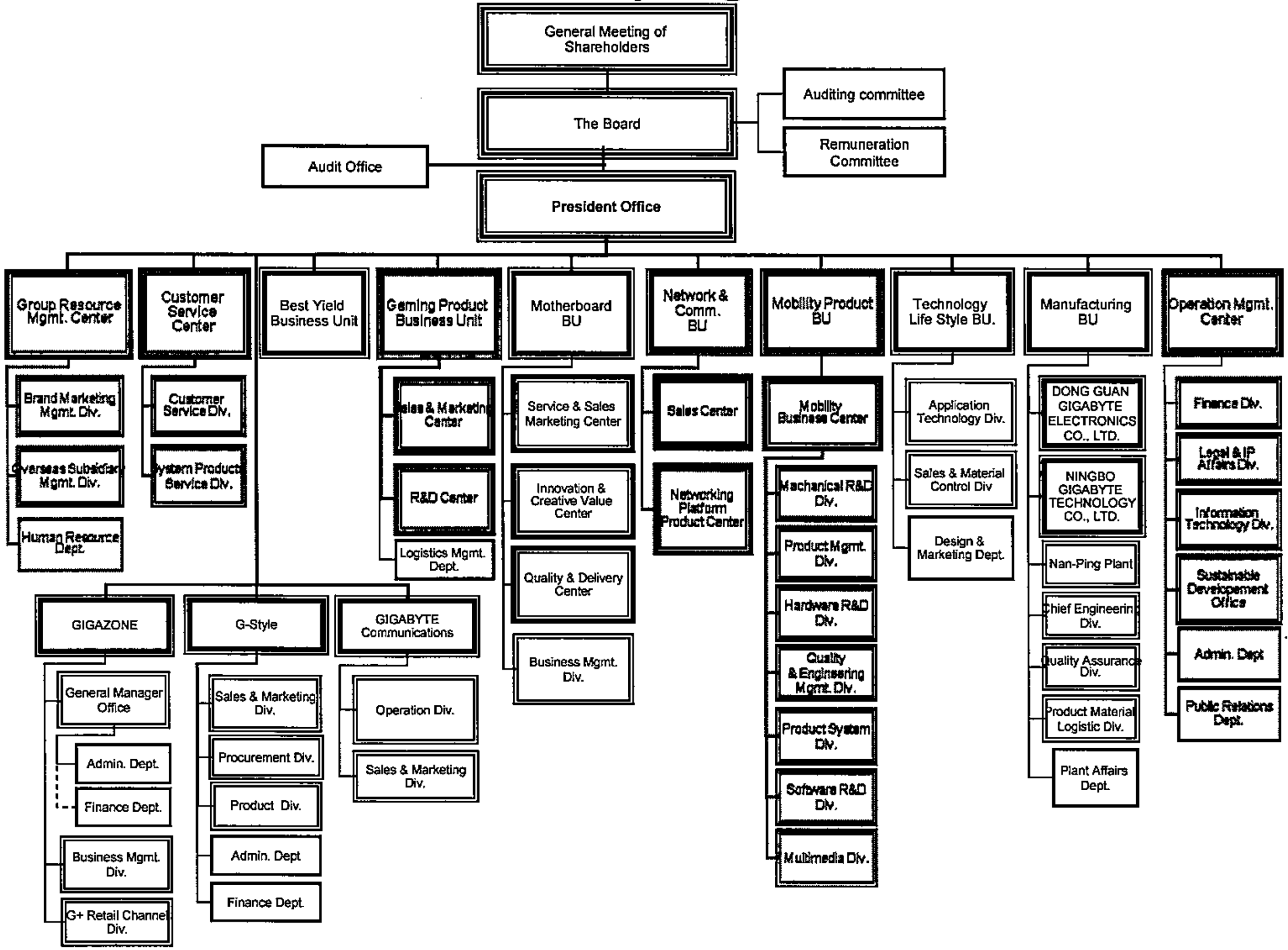
April 2014	Gigabyte's BRIX super-micro PC system won the Silver Medal at the 22nd Taiwan Excellence Awards.
August 2014	Gigabyte won the New Star Award in the large-scale enterprise category in the 2014 *CommonWealth Magazine* "Corporate Citizenship Awards".
October 2014	Gigabyte won the Taoyuan County Government "8th Taoyuan Excellent Enterprise Award" and "2014 Excellent Employer Award".
November 2014	Gigabyte won the "Taiwan CSR Report Awards - Bronze Medal, Large Enterprises, Electronics Industry II" and "TCSA Climate Leadership Award".
December 2014	The "AORUS X3 Plus" 13" e-sports notebook and "GA-Z97X-Gaming G1 Multimedia Motherboard" were recognized at the 23rd Taiwan Excellence Awards.
March 2014	"AORUS Thunder K7 and M7" received the 2015 Red Dot Design Award in Germany
June 2015	"AORUS X5" won the COMPUTEX BC Award and D&I Award
December 2015	Perfect Score! 100% winning rate at the "Taiwan Excellence Awards".
January 2016	"AORUS X5 15-inch Gaming Laptop" and "AORUS X7 D.T. 17-inch Gaming Laptop" won the CES Innovation Award.

Three. Corporate Governance Report

I. The Organization System

(1) Organization chart

2016 GIGABYTE Group Organizational Chart



(2) Major functional departments:

Office of the President	Coordinate the operation and management of the Company, map out and implement the objectives for corporate development and business plans.
Auditing Office	Investigate and evaluate the viability, reasonability and effectiveness of the Company control systems.
Group Resource Management Center	Responsible for the resource integration and the management of GIGABYTE brand, human resources and overseas subsidiaries.
Operations Management Center	Coordinate the functions of finance, accounting, share registration, budgeting, general affairs, legal affairs and the maintenance of computer system, software and hardware.
Manufacturing BU	Responsible for the production and manufacturing of computer mainboards, display cards and Internet products, and the assembly of PC systems.
Motherboard BU	Responsible for design and R&D and sales of motherboard.
Network & Comm. BU	BU Responsible for design and R&D and sales of Network and Communication products and ODM products.
Gaming Product BU	Responsible for design, R&D and marketing of multimedia and display card products.
Mobility Product BU	Responsible for design and R&D of notebook products.
Customer Service Center	Responsible for after-sales support and service of all products.
Best Yield BU	Responsible for overseas after-sales support and service for all products.

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

(I) Profiles of directors and supervisors (1)

April 17, 2016

Title (Note 1)	Nationality/ Registration	Name	Elected date (Note 2)	Tenure	Initial date of office	Shareholdings at the time of elected office		Current shareholdings		Representative Current shareholdings		Shareholdings by spouse and underage children		Shareholdings under the title of a third party		Education and experience	Other positions in the Company or in other companies	Spouse or relative at the 2nd level under the Civil Law who is also an executive, director, or supervisor of the Company		
						Quantity	Proportion	Quantity	Proportion	Quantity	Proportion	Quantity	Proportion	Quantity	Proportion			Title	Name	Relationship
Chairman	Republic of China	Yeh, Pei-Chen	June 17, 2015	3 years	April 30, 1986	28,531,237	4.54%	28,531,237	4.54%			5,821,063	0.93%	-	-	College graduate; Ming Hsin Engineering College Engineer at ITRI	President of Gigabyte Chairman of Chi-Ga Investment Chairman of Giga-Byte Communications INC. Director of G-Style Director of Gigatrend Technology Co., Ltd. Director of Giga-Trend International Management Group Ltd. Giga-Trend International Chairman of Investment Group Ltd. Chairman of PG Union Director of Walsin Technology Corporation Chairman of GIGAZONE	-	-	-
Vice chairman	Republic of China	Ming Wei Investment Co., Ltd. Representative: Liu, Ming-Hsiung	June 17, 2015	3 years	April 12, 2006	14,062,200	2.24%	14,062,200	2.24%	41,168,918	6.54%	4,592,370	0.73%	-	-	EMBA, College graduate; National Cheng Chi University Engineer at G-color Enterprise CO., Ltd	Executive VP at Gigabyte Director of Chi-Ga Investment Director of Giga-Byte Communications INC. Director of G-Style Chairman of Gigatrend Technology Co., Ltd. Chairman of Giga-Trend International Management Group Ltd. Director of Info-Tek Corp.Info-TeK Corporation Director of Giga-Trend International Investment Group Ltd. Director of Hui Yang Venture Capital Co., Ltd. Supervisor of GIGAZONE Director of JM Material Technology, Inc. Supervisor of Senyun Precise Optical Co.,Ltd Chairman of Green Share Co., Ltd. Director Representative of QSan Technology, Inc. Director Representative of Yuncheng Ltd.	-	-	-

Title (Note 1)	Nationality/ Registration	Name	Elected date (Note 2)	Tenure	Initial date of office	Shareholdings at the time of elected office		Current shareholdings		Representative Current shareholdings		Shareholdings by spouse and underage children		Shareholdings under the title of a third party		Education and experience	Other positions in the Company or in other companies	Spouse or relative at the 2nd level under the Civil Law who is also an executive, director, or supervisor of the Company		
						Quantity	Proportion	Quantity	Proportion	Quantity	Proportion	Quantity	Proportion	Quantity	Proportion			Title	Name	Relationship
Director	Republic of China	Shi Jia Investment Co., Ltd. Representative: Ma, Meng-Ming	June 17, 2015	3 years	April 12, 2006	3,959,725	0.63%	3,959,725	0.63%	23,620,024	3.75%	470,914	0.07%	-	-	University graduate; Electronic & Computer Engineering, National Taiwan University of Technology Engineer at Acer Systems	Gigabyte Executive VP Director of Chi-Ga Investment Director of Giga-Byte Communications INC. Chairman of G-Style Director of Gigatrend Technology Co., Ltd. Director of Giga-Trend International Investment Group Ltd. Director of GIGAZONE	-	-	-
Director	Republic of China	Yuei-yei Kai Fa Investment Limited. Representative: Tseng, Chun-Ming	June 17, 2015	3 years	June16, 2009	2,192,200	0.35%	2,192,200	0.35%	4,385,647	0.70%	288,846	0.05%	-	-	College graduate; Ming Hsin Engineering College General Manager at Upjohn	Gigabyte Executive VP Director of Giga-Byte Communications INC.	-	-	-
Director	Republic of China	Shi Da Investment Limited Representative: Ko, Tsung-Yuan	June 17, 2015	3 years	June 18, 2012	17,289,000	2.75%	916,007,000	2.54%	-	-	184,197	0.03%	-	-	Master of Engineering Management, Tsinghua University	President of Albatron technology CO.,LTD Supervisor of Chun electronics co., LTD.	-	-	-
Independent Director	Republic of China	Yang, Cheng-Li	June 17, 2015	3 years	June 17, 2015							0	-	-	-	MBA Tulane University, USA. EMBA, National Chengchi University	Chairman of King Core Electronics Inc.	-	-	-
Independent Director	Republic of China	Chan, Yi-Hung	June 17, 2015	3 years	June 17, 2015	-	-	-	-			1,102	0.00%	-	-	California State University, Fullerton EMBA, National Chengchi University	Supervisor, INFO-TEK Corporation	-	-	-
Independent Director	Republic of China	Jhao, Sheng	June 17, 2015	3 years	June 17, 2015				-			-	-	-	-	Master in Science Electronic Engineering	CEO, 3m PC Touch Solutions Pte. Ltd. Senior VP, Quanta Computer, Inc.	-	-	-

Note 1: Independent Director Jhao, Sheng resigned on April 15, 2016.

Profiles of Directors and Supervisors (2)

April 17, 2016

Qualification / Name (Note 1)	Have more than 5 years of experience and the following professional qualifications: Lecturer of the above in commerce, law, finance, accounting or subjects required by the business of the Company in public or private colleges or universities	Passed the qualification examination with proper licensing by the national government as court judge, prosecutor, lawyers, certified public accountant or other professional designations required by the business of the Company	Commerce, law, finance or as required by the Company	Status of independence (Note 2): 1	2	3	4	5	6	7	8	9	10	As independent director to other IPO companies
Yeh, Pei-Chen			✓				✓	✓	✓	✓	✓	✓	✓	
Ming Wei Investment Co., Ltd. Representative: Liu, Ming-Hsiung			✓				✓	✓	✓	✓	✓	✓		
Shi Jia Investment Co., Ltd. Representative: Ma, Meng-Ming			✓				✓	✓	✓	✓	✓	✓		
Yuei Yei Development Investment Ltd. Representative: Tseng, Chun-Ming			✓				✓	✓	✓	✓	✓	✓		
Shi Da Investment Limited Representative: Ko, Tsung-Yuan			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		
Yang, Cheng-Li			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1
Chan, Yi-Hung			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Jhao, Shang (note 1)			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	

Note 2:Independent Director Jhao, Sheng resigned on April 15, 2016.
Note 3:The number of fields may be adjusted depending on the content.
Note 4:Respective director and supervisor who meet the following qualifications 2 years before assumption of office or at the time of assumption office shall put a "✓" in the appropriate space.

(1) Not an employee of the Company or its affiliates.
(2) Not a director or supervisor of a company affiliate (excluding the capacity of independent director to the Company's parent company, or a subsidiary with more than a 50% stake held directly or indirectly held by the Company).
(3) Not a natural person itself, spouse, underage children, or under the title of a third party who holds more than 1% of the outstanding shares issued by the bank or among the top 10 natural person shareholders.
(4) Not a spouse, kindred at the second tier under the Civil Code, or the next of kin within the fifth tier under the Civil Code as specified in (1) through (3).
(5) Not a director, supervisor or employee of an institutional shareholder who holds more than 5% of the outstanding shares issued by the bank, or a director, supervisor or employee of an institutional shareholder who is among the top 5 shareholders.
(6) Not a director, supervisor, manager or shareholder holding more than 5% of the outstanding shares of a specific company or institution in business or financial relation with the bank.
(7) Not a professional, owner, partner, director, supervisor, manager of proprietorship, partnership, company or institution that provide business, legal, financial and accounting services to the bank or a spouse to the aforementioned persons. However, members of remuneration committee who perform their duties according to Article 7 of Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter are exempt.
(8) Not a spouse or kindred at the second tier under the Civil Code to any other director.
(9) Not under any of the categories stated in Article 30 of the Company Act.
(10) Not being elected as representative to the government or an institution under Article 27 of the Company Act.

The Major Shareholder of Institutional Shareholders

April 17, 2016

The Name of institutional shareholders	Major shareholder	Proportion
Ming Wei Investment Co., Ltd.	Yang, Hsueh-Ching	30.00%
	Liu, Ming-Hsiung	29.97%
Shi Jia Investment Co., Ltd.	Cheng, Ching-Chih	90.00%
	Ma, Meng-Ming	3.27%
Xi Wei Investment Co., Ltd.	Tsai, Li-Mei	27.50%
	Yeh, Pei-Chen	27.50%
Yuueyeh Development Investment Limited.	Tseng, Chun-Ming	95.00%
Shi Da Investment Limited	Ko, Tsung-Yuan	80.00%

(II) Profiles of the managers

April 17 2016

Title	Nationality	Name	Date of office	Shareholdings		Shareholdings by spouse and underage children		Shareholdings under the title of a third party		Education and experience	Other positions in the Company	Manager who is a spouse or relative at the 2nd level under the Civil Law		
				Quantity	Proportion	Quantity	Proportion	Quantity	Proportion			Quantity	Proportion	Quantity
President of Gigabyte	Republic of China	Yeh, Pei-Chen	Mar. 15, 1986	28,531,237	4.54%	5,821,063	0.93%	-	-	College graduate, engineer at ITRI	Chairman, Chi-Ga Investment Chairman, Giga-Byte Communications INC. Director Representative, G-Style Director Representative, Gigatrend Technology Co., Ltd. Director Representative, Giga-Trend International Management Group Ltd. Chairman, Giga-Trend International Investment Group Ltd. Chairman, PG Union Director Representative, Walsin Technology Corporation Director, Gigazone	-	-	-
Executive VP of Gigabyte Senior VP and President of Mobile Product BU	Republic of China	Ma, Meng-Ming	Mar. 26, 1988	23,620,024	3.75%	470,914	0.07%	-	-	University graduate, engineer at Acer Systems	Director Representative, Chi-Ga Investment Director Representative, Giga-Byte Communications INC. Director of G-Style Director Representative, Gigatrend Technology Co., Ltd. Director Representative, Giga-Trend International Investment Group Ltd. Director Representative, Gigazone	-	-	-
Executive VP of Gigabyte Executive VP and President of e-Sports BU	Republic of China	Liu, Ming-Hsiung	Mar. 15, 1986	41,168,918	6.54%	4,592,370	0.73%	-	-	EMBA, College graduate, engineer G-COLOR ENTERPRISE CO., LTD.	Director Representative, Chi-Ga Investment Director Representative, Giga-Byte Communications INC. Director Representative, G-Style Chairman, Gigatrend Technology Co., Ltd. Chairman, Giga-Trend International Management Group Ltd. Director, Info-Tek Corp. Director Representative, Giga-Trend International Investment Group Ltd. Director Representative, Hui Yang Venture Capital Co., Ltd. Supervisor representative, GIGAZONE Director Representative, JM Material Technology, Inc. Supervisor representative, Senyun Precise Optical Co., Ltd. Chairman of Green Share Co., Ltd. Director Representative of QSan Technology, Inc. Director Representative of Yuncheng Ltd.	-	-	-

Title	Nationality	Name	Date of office	Shareholdings		Shareholdings by spouse and underage children		Shareholdings under the title of a third party		Education and experience	Other positions in the Company	Manager who is a spouse or relative at the 2nd level under the Civil Law		
				Quantity	Proportion	Quantity	Proportion	Quantity	Proportion			Quantity	Proportion	Quantity
Senior VP of Gigabyte Manufacturing Business Unit	Republic of China	Tseng, Chun-Ming	Jun. 1, 1993	4,385,647	0.70%	288,846	0.05%	-	-	College graduate, General Manager at Jpjohn	Director of Giga-Byte Communications INC.	-	-	-
Senior VP of Gigabyte Senior VP and President of Channel & Motherboard Business Unit	Republic of China	Lin, Huo-Yuan	Sep. 25, 1989	209,846	0.03%	-	-	-	-	University graduate, engineer at Li Hsin Enterprise Co., Ltd.	-	-	-	-
General Manager, Network & Comm. BU	Republic of China	Lee, Yi-Tai	Apr. 24, 2000	6,062	0.00%	-	-	-	-	Master degree Manager at Intel, Engineer at Siemens, Engineer at Texas Instruments	-	-	-	-
General Manager, Manufacturing BU	Republic of China	Meng, Hsian-Ming	Oct. 2, 2000	54,432	0.01%	-	-	-	-	PhD, VP at D-Link Q-Run Corp. Director CTX USA Director	-	-	-	-
Channel & Motherboard Business Unit Senior Special Assistant	Republic of China	Hong, Wen-Chi	Jun. 16, 1999	-	-	-	-	-	-	University graduate, SHIN TAI INDUSTRY CO., LTD. Manager, First International Computer		-	-	-
C.F.O. , Finance and Accounting Division, Operation Center	Republic of China	Chen, Chun-Ying	Apr. 6, 1994	22,191	0.00%	86,742	0.01%	-	-	University of South Australia MBA Senior Accountant, Chao Da Communications Technology Section Manager, SUPERWAVE ELECTRONIC CO., LTD.	Supervisor representative ,Chi-Ga Investment Supervisor representative ,Giga-Byte Communications INC. Supervisor representative ,G-Style Supervisor representative ,Gigatrend Technology Co., Ltd. Supervisor, Giga-Trend International Management Group Ltd. Supervisor representative ,Giga-Trend International Investment Group Ltd. Director Representative, Senyun Precise Optical Co.,Ltd Supervisor Representative, Yuncheng Ltd.	-	-	-
Oversea management, Group Resource Mgmt. Center	Republic of China	Lu, Zheng-wei	Jun. 1, 1990	37,936	0.01%	-	-	-	-	Northrop University MBA	-	-	-	-
C.I.O. , Operation Management Center	Republic of China	Bai, Guang-Hua	Apr. 1, 2005		0.00%	-	-	-	-	Master degree Supervisor, Huaxia Technology Consulting AVP, A-TREND TECHNOLOGY CO., LTD	Director Representative, Senyun Precise Optical Co.,Ltd Director Representative, Green Share Co., Ltd. Director Representative, Yuncheng Ltd.	-	-	-

Title	Nationality	Name	Date of office	Shareholdings		Shareholdings by spouse and underage children		Shareholdings under the title of a third party		Education and experience	Other positions in the Company	Manager who is a spouse or relative at the 2nd level under the Civil Law		
				Quantity	Proportion	Quantity	Proportion	Quantity	Proportion			Quantity	Proportion	Quantity
V.P. & Special Assistant to President Group Resource Mgmt. Center	Republic of China	Chen, Jing-Ting	Jun.12, 2000	22,071	0.00%	-	-	-	-	Simon Fraser University Advanced Interpreter Program Benchmark Corp. Evergrace & Benly Intel	-	-	-	-
Network & Comm. BU, AVP	Republic of China	Chen, Zhang-Xiang	Jun. 16, 1999	-	-	-	-	-	-	College graduate Manager, First International Computer MIRCO STAR INTERNATIONAL	-	-	-	-
President's office, manager special assistant	Republic of China	Chen, Shi-Cheng	Nov. 27 2000	209	0.00%	-	-	-	-	Syracuse University computer engineer Engineer at BenQ Engineer at Motorola	Director Representative, QSan Technology, Inc.	-	-	-
Network and Communications Business Group, Senior AVP	Republic of China	Hou, Chih-Jen	Apr. 14, 2000	30,291	0.00%	-	-	-	-	EECS - Northwestern University Senior Manager, Acer	-	-	-	-
Channel & Motherboard Business Unit, Service and Sales Marketing Center, Vice President	Republic of China	Kao, Han-Yu	Feb. 1, 2001	-	-	-	-	-	-	University graduate SONY Taiwan IPO General Manager	-	-	-	-
Vice General Manager, Sales cent Channel & Motherboard BU	Republic of China	Chen, Chen-Shun	Sep. 1, 2000	20,000	0.00%	-	-	-	-	University graduate Engineer, Nan Ya Technology Asst VP Phoenix Technologies Ltd.	-	-	-	-
Channel & Motherboard Business Unit, Service and Sales Marketing Center, North America Office, Senior AVP	Republic of China	Liao, Chi- Li	Oct. 1, 1998	-	-	784	0.00%	-	-	Master degree ASUSTEK COMPUTER INC.	-	-	-	-
Channel & Motherboard Business Unit, Service and Sales Marketing Center, Non-EU Office, Non-EU Business Platform, Senior AVP	Republic of China	Hsiao, Wen-Ta	Feb. 11, 1998	100,714	0.02%	-	-	-	-	University graduate D-LINK CORPORATION	-	-	-	-
Channel & Motherboard Business Unit, Service and Sales Marketing Center,, ASEAN Office, Asia Business Platform, Senior AVP	Republic of China	Liu, Wen-Chung	Apr. 1, 1999	-	-	-	-	-	-	University graduate First International Computer, Inc	-	-	-	-

Title	Nationality	Name	Date of office	Shareholdings		Shareholdings by spouse and underage children		Shareholdings under the title of a third party		Education and experience	Other positions in the Company	Manager who is a spouse or relative at the 2nd level under the Civil Law		
				Quantity	Proportion	Quantity	Proportion	Quantity	Proportion			Quantity	Proportion	Quantity
Channel & Motherboard Business Unit, Innovation and creative value center, software office, AVP	Republic of China	Deng, Yi-Ming	Mar. 11, 1997	-	-	-	-	-	-	University graduate First International Computer Co., Ltd. BIOS section manager	-	-	-	-
Channel & Motherboard Business Unit, Innovation and Firmware Office 2 creative value center, Senior AVP	Republic of China	Tseng, Wei-Wen	Sep.1, 2003	-	-	-	-	-	-	University graduate Phoenix Tech. Senior AVP VIA TECHNOLOGIES, INC.	-	-	-	-
Channel & Motherboard Business Unit, Innovation and creative value center,, hardware office 1, AVP	Republic of China	Liao, Che-Hsien	Jun. 16, 1997	32,000	0.01%	-	-	-	-	Master degree	-	-	-	-
AVP, Mobile Product BU, Mobile Product Center Software R&D	Republic of China	Lan, Jun Kun	Nov 13, 2000	-	-	-	-	-	-	Master degree Manager at Intel	-	-	-	-
Network & Comm. BU Product Center, AVP	Republic of China	Chen, Yun Di	May 2, 2000	80,031	0.01%	-	-	-	-	Master degree Manager at Siemens GTE	-	-	-	-
AVP, Overseas Manufacturing Dongguan Gigabyte Ningbo Gigabyte	Republic of China	Ko, Wei-Di	Jun. 26, 2000	-	-	-	-	-	-	EMBA Yuan Ze University Special assistant to the Vice President/Section manager at Gold Circuit Electronics Manager at Unimicron	-	-	-	-
Senior AVP, Legal and IP Affairs Division, Operation Management Center	Republic of China	Chiu, Chih Peng	Jan. 2, 2014	-	-	-	-	-	-	People's University China, Civil and Business Law (Doctor) Attorney at Law, Lin & Associates, Maritime Law Office AVP, Info-Tek Corporation	-	-	-	-
Channel & Motherboard Business Unit Marketing & Sales Center China Business Platform AVP, China Division	Republic of China	Lan, Shao Wen	Oct. 1, 2008	-	-	-	-	-	-	International MBA, National Taiwan University Vice President, Wuhan Tianchao Technology Subsidiary Special assistant to the Chairman Xuyao Telecom	-	-	-	-
AVP, Chief Engineering Division, Manufacturing Business Unit	Republic of China	Sun, Wu Hsiung	Aug. 28, 2000	10,455	0.00%	-	-	-	-	Department of electronics, Yunlin Institute of Technology Vice manager of engineering technology at Chih Fu Corp.	-	-	-	-

Title	Nationality	Name	Date of office	Shareholdings		Shareholdings by spouse and underage children		Shareholdings under the title of a third party		Education and experience	Other positions in the Company	Manager who is a spouse or relative at the 2nd level under the Civil Law		
				Quantity	Proportion	Quantity	Proportion	Quantity	Proportion			Quantity	Proportion	Quantity
AVP, R&D Division, eSports Business Unit	Republic of China	Huang, Shun Chih	Nov 20, 2003	-	-	-	-	-	-	Department of Electronics Engineering, Taiwan Institute of Technology Engineer at First International Computer Manager at Shengchuan Technology Manager at Universal Scientific Industrial	-	-	-	-
AVP, Sales and Marketing Division, eSports Business Unit	Republic of China	Lin, Ying Yu	Nov 3, 2003							MBA, National Chung Hsing University Vice manager at TUL Corporation Vice manager at Elitegroup Computer Systems				
President Giga Zone International Co., Ltd.	Republic of China	Yeh, Lin-Da	Sep 1, 2011			157	0.00%			Technikon Witwatersrand, South Africa. Retail Management & Consumer Behaviour Rectron Taipei as General Manager				

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

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

December 31 2015; Unit: NTD1,000/1,000 shares

Title	Name (*1)	Director								Ratio of the total ABCD to the net earnings after tax (*11)		The director may also be an employee												Ratio of the total ABCDEFG to the net earnings after tax (*11)		Related remunerations from investees other than the subsidiaries (*12)
		Remuneration (A) (*2)		Pensions (B)		Remuneration to directors (C) (*3)		Expenses incurred for business purposes (D) (*4)				Salaries, awards and special subsidies etc. (E) (*5)		Pensions (F)		Bonus to employees (G) (*6)				Amounts of employee stock option certificates acquired (H) (*7)		Amounts of employee limited stock (*13)				
																Giga-Byte		All firms covered I the consolidated financial statements (*8)								
		Giga-Byte	All firms covered I the consolidated financial statements (*8)	Giga-Byte	All firms covered I the consolidated financial statements (*8)	Giga-Byte	All firms covered I the consolidated financial statements (*8)	Giga-Byte	All firms covered I the consolidated financial statements (*8)	Giga-Byte	All firms covered I the consolidated financial statements (*8)	Giga-Byte	All firms covered I the consolidated financial statements (*8)	Giga-Byte	All firms covered I the consolidated financial statements (*8)	Cash amount	Stock amount	Cash amount	Stock amount	Giga-Byte	All firms covered I the consolidated financial statements (*8)	Giga-Byte	All firms covered I the consolidated financial statements (*8)	Giga-Byte	All firms covered I the consolidated financial statements (*8)	
Chairman	Yeh, Pei-Chen	0	0	0	0	60,000	60,000	1,540	1,540	3.21%	3.21%	42,007	42,007	0	0	22,000	0	22,000	0	5,165	5,165	0	0	6.54%	6.54%	None
Corporate representative, Ming Wei Investment Co., Ltd.	Liu, Ming-Hsiung																									
Corporate representative, Shih Chia Investment Co., Ltd.	Ma, Meng-Ming																									
Corporate representative, Yue Yeh Investment Co., Ltd.	Tseng, Chun-Ming																									
Corporate representative, Shih Da Investment Co., Ltd.	Ko, Tsung-Yuan																									
Independent Director	Yang, Cheng-Li																									
Independent Director	Chan, Yi-Hung																									
Independent Director	Jhao, Sheng																									

Tiers of Remuneration

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

Note 1: The name of each director shall be stated separately (the names of institutional shareholders and their representative have also been separately listed) and the amount of remunerations to each is disclosed in aggregate.

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

Note 3: The amount of remunerations to directors for the most recent year resolved by the Board.

Note 4: This refers to the expenses incurred for business purposes by directors (including, traveling subsidy, special subsidy, all forms of subsidies, housing, company car and other subsidies in kind). It the Company provides housing, company car and other means of transportation or the spending is exclusive to a particular person, disclose the nature of the property and the cost, the actual rent or rent assessed with reference to fair market price, fuel subsidies and other payments.

Note 5: Where a specific director may also be an employee (refers to the position of President, Vice President, manger or employee) the salaries, occupational subsidies, pensions, compensation on discharge, bonus, awards, traveling subsidy, special subsidies, different forms of subsidies, housing, company car and other means of transportation or the spending is exclusive to particular person, disclose the nature of the property and the cost, the actual rent or rent assessed with reference to fair market price, fuel subsidies and other payments. If a chauffeur is provided, specify the remunerations thereto but do not include as the remunerations to directors.

Note 6: Whenever directors are also employees (including serving as the president, vice president, other managers, and regular employees) and receive employee compensation (including stock and cash) in the most recent year, the Company must disclose the proposed amount of employee compensation approved by the Board resolution in the most recent year. If the compensation cannot be estimated, the Company calculates the proposed distribution balance this year based on the amount of actual distribution last year.

Note 7: This figure refers to the number of shares that could be purchased by the employee stock option (excluding the options that have been exercised) for directors who are also employees (including serving as the president, vice president, other managers, and regular employees).

Note 8: Disclose the total remunerations to all directors of the Company from all companies stated in the consolidated financial statement (including the Company).

Note 9: The number of directors at each bracket of the remunerations scale. For remunerations to institutional directors, divide the remunerations by the number of representatives appointed. If the Company is willing to disclose the names of directors in all brackets on a list, Change the name of the field marked "number of directors" to "names of directors".

Note 10: The number of directors at each bracket of the remunerations scale paid by companies included in the consolidated financial statements (including the Company). If the Company is willing to disclose the names of directors in all brackets on a list, Change the name of the field marked "number of directors" to "names of directors".

Note 11: Net profit after tax refers to the net profit after tax in the most recent year. For entities that have adopted IFRSs, net profit after tax refers to the entity's or the individual financial statement's net profit after tax in the most recent year.

Note 12:
a. Explicitly state if the directors of the Company "have" or "have not" receive related remunerations from investees other than the subsidiaries.
b. If received from a subsidiary company directors investees other than those related to compensation, should be transferred outside the Company directors in the investment business by the subsidiary to receive remuneration, remuneration levels from the table into the J Field, and Change the field name As "all reinvestments. "
c. Remunerations shall be referred to the rewards, wages (including employee compensations and remunerations for directors and supervisors) and income for business operation and related payments to the directors in their roles with the subsidiaries as directors, supervisors or managers.

Note 13: This figure refers to the number of new restricted employee shares as of the publication date of the annual report obtained by directors who are also employees (including serving as the president, vice president, other managers, and regular employees).

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

(2) Fees for the supervisors (on the same scale and disclosed collectively)

December 31, 2015; Unit: NTD1,000/1,000 shares

Title	Name	Fees for the Supervisors						Ratio of the total ABC to the net earnings after tax (*8)		Related remunerations from investees other than the subsidiaries (*9)
		Remuneration (A) (*2)		Remuneration (B)(*3)		Expenses incurred for business purposes (C)(*4)				
		Giga-Byte	All firms covered I the consolidated financial statements (*5)	Giga-Byte	All firms covered I the consolidated financial statements (*5)	Giga-Byte	All firms covered I the consolidated financial statements (*5)	Giga-Byte	All firms covered in the consolidated financial statements (*5)	
Supervisor	Xi Wei Investment Co., Ltd Corporate representative: Chen, Hui-Chou	0	0	0	0	16	16		-	None
Supervisor	Wang, Hui-Min									
Supervisor	Pan, Chi-Hsiu									

Tiers of Remuneration

Remuneration grade: Scale of remuneration to Giga-Byte's supervisors	Number of supervisors	
	Total amount of ABC	
	Giga-Byte (*6)	All firms covered in the consolidated financial statements (*7)D
Below NTD 2,000,000	Pan, Chi-Hsiu; Xi Wei Investment Co., Ltd. Representatives: Chen, Hui-Chou; Wang, Hui-Min	Pan, Chi-Hsiu; Xi Wei Investment Co., Ltd. Representatives: Chen, Hui-Chou; Wang, Hui-Mi
NTD 2,000,000～5,000,000		
NTD 5,000,000～10,000,000		
NTD 10,000,000～15,000,000		
NTD 15,000,000～30,000,000		
NTD 30,000,000～50,000,000		
NTD 50,000,000～100,000,000		
Over NTD 100,000,000		
Total		

Note 1: The name of each supervisor shall be stated separately (the names of institutional shareholders and their representative have also been separately listed) and the amount of remunerations to each is disclosed in aggregate.

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

Note 3: The amount of remunerations to supervisors for the most recent year resolved by the Board.

Note 4 This refers to the expenses incurred for business purposes by supervisor s (including, traveling subsidy, special subsidy, all forms of subsidies, housing, company car and other subsidies in kind). It the Company provides housing, company car and other means of transportation or the spending is exclusive to a particular person, disclose the nature of the property and the cost, the actual rent or rent assessed with reference to fair market price, fuel subsidies and other payments. This Company replaced the duty of supervisors with the audit committee on June 17, 2015. Therefore, this Company discloses only the expenses incurred for business purposes during this period.

Note 5: Disclose the total remunerations to all supervisors of the Company from all companies stated in the consolidated financial statement (including the Company).

Note 6: The number of supervisors at each bracket of the remunerations scale. For remunerations to institutional directors, divide the remunerations by the number of representatives appointed. If the Company is willing to disclose the names of supervisors in all brackets on a list, Change the name of the field marked "number of supervisors" to "names of supervisors".

Note 7: The number of supervisors at each bracket of the remunerations scale paid by companies included in the consolidated financial statements (including the Company). If the Company is willing to disclose the names of supervisors in all brackets on a list, Change the name of the field marked "number of supervisors" to "names of supervisors".

Note 8: Net profit after tax refers to the net profit after tax in the most recent year. For entities that have adopted IFRSs, net profit after tax refers to the entity's or the individual financial statement's net profit after tax in the most recent year.

Note 9:
a. In this box, the Company must fill out the compensation received from investments other than subsidiaries by the supervisor of the Company.
b. If received from a subsidiary company directors investees other than those related to compensation, should be transferred outside the Company directors in the investment business by the subsidiary to receive remuneration, remuneration levels from the table into the D Field, and Change the field name As "all reinvestments. "
c. Remunerations shall be referred to the rewards, wages (including employee compensations and remunerations for directors and supervisors) and income for business operation and related payments to the supervisors in their roles with the subsidiaries as directors, supervisors or managers.

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

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

December 31 2015 Unit: NTD1,000/1,000 shares

Title	Name	Salary (A) (*2)		Pensions (B)		Award, special subsidy and other subsidy in kind (C) (*3)		Compensations for Employees (D) (*4)				Ratio of the total ABCD to the net earnings after tax (%) (*9)		Acquired employee stock options certificate (*5)		Amounts of employee limited stock (*11)		Related remunerations from investees other than the subsidiaries (*10)
		Giga-Byte	All firms covered I the consolidated financial statements (*6)	Giga-Byte	All firms covered I the consolidated financial statements (*6)	Giga-Byte	All firms covered I the consolidated financial statements (*6)	Giga-Byte		All firms covered I the consolidated financial statements (*6)		Giga-Byte	All firms covered I the consolidated financial statements (*6)	Giga-Byte	All firms covered I the consolidated financial statements (*6)	Giga-Byte	All firms covered I the consolidated financial statements (*6)	
								Cash dividends	Stock dividends	Cash dividends	Stock dividends							
President	Yeh, Pei-Chen	44,949	44,949	931	931	134,837	135,197	45,000	0	45,000	0	11.76%	11.77%	8,530	8, 530	0	0	None
Senior VP	Ma, Meng-Ming																	
COO	Liu, Ming-Hsiung																	
Senior VP	Tseng, Chun-Ming																	
Senior VP	Lin, Huo-Yuan																	
General Manager of BU	Lee, Yi-Tai																	
General Manager of BU	Meng, Hsian-Ming																	
Vice General Manager of the US Platform	Lu, Zheng-wei																	
Vice General Manager of Center	Chen, Jin-Ting																	
Business Unit Vice President	Kao, Han-Yu																	
Business Unit Vice President	Chen, Chen-Shun																	
C.I.O.	Bai, Guang-Hua																	
C.F.O.	Chen,Chun-Ying																	
C.L.O. (Note12)	Fan, Kuo-Hua																	
General Manager of subsidiary	Ye,Lin-da																	

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

Tiers of Remuneration

Scale of remuneration to Giga-Byte's General Managers and the Vice General Managers	Name of GM & Vice GM	
	Giga-Byte (*7)	All firms covered I the consolidated financial statements (*8) E
Below NTD2,000,000		
NTD 2,000,000～5,000,000	Lu, Zheng-wei	Ye, Lin-da
NTD 5,000,000～10,000,000	Chen, Jin-Ting, Chen, Chun-Ying, Fan, Kuo-Hua, Bai, Guang-Hua, Yen, Cheng-Hsia,Meng, Hsian-Ming, Lee, Yi-Tai, Chen, Chen-Shun,	Chen, Jin-Ting, Chen, Chun-Ying, Fan, Kuo-Hua, Bai, Guang-Hua, Yen, Cheng-Hsia,Meng, Hsian-Ming, Lee, Yi-Tai, Chen, Chen-Shun,
NTD 10,000,000～15,000,000		Lee, Yi-Tai
NTD 15,000,000～30,000,000	Yeh, Pei-Chen, Liu, Ming-Hsiun, Ma, Meng-Ming, Tseng, Chun-Ming,	Yeh, Pei-Chen, Liu, Ming-Hsiun, Ma, Meng-Ming, Tseng, Chun-Ming
NTD 30,000,000～50,000,000	Lin Huo-Yuan, Kao, Han-Yu	Lin, Huo-Yuan, Kao, Han-Yu
NTD 50,000,000～100,000,000		
Over NTD 100,000,000		
Total		

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

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

Note 3 This refers to the expenses incurred for business purposes by GMs or Vice GMs (including, traveling subsidy, special subsidy, all forms of subsidies, housing, company car and other subsidies in kind). It the Company provides housing, company car and other means of transportation or the spending is exclusive to a particular person, disclose the nature of the property and the cost, the actual rent or rent assessed with reference to fair market price, fuel subsidies and other payments.

Note 4: The Company must fill out the employee compensations (including stock and cash) proposed to be distributed to the GM and Vice GM that is approve by the Board in the most recent year before the shareholders' meeting. If this value cannot be estimated, the ratio of actual distribution from the last year is used for the calculation of proposed distribution this year.

Note 5: This amount refers to the number of shares earned from employee stock option by the GM and Vice GM up to the publication date of the annual report (not including the portion that has been exercised).

Note 6: Disclose the total remunerations to all GMs or Vice GMs of the Company from all companies stated in the consolidated financial statement (including the Company).

Note7: The number of GMs and Vice GMs at each bracket of the remunerations scale. For remunerations to institutional directors, divide the remunerations by the number of representatives appointed. If the Company is willing to disclose the names of GMs and Vice GMs in all brackets on a list, Change the name of the field marked “number of GMs and Vice GMs” to “names of GMs and Vice GMs”.

Note8: The number of GMs and Vice GMs at each bracket of the remunerations scale paid by companies included in the consolidated financial statements (including the Company). If the Company is willing to disclose the names of GMs and Vice GMs in all brackets on a list, Change the name of the field marked “number of GMs and Vice GMs” to “names of GMs and Vice GMs”.

Note9: Net profit after tax refers to the net profit after tax in the most recent year. For entities that have adopted IFRSs, net profit after tax refers to the entity’s or the individual financial statement’s net profit after tax in the most recent year.

Note10:

a. Explicitly state if GMs and Vice GMs of the Company “have” or “have not” receive related remunerations from investees other than the subsidiaries.
b. If received from a subsidiary company directors investees other than those related to compensation, should be transferred outside the Company directors in the investment business by the subsidiary to receive remuneration, remuneration levels from the table into the J Field, and Change the field name As "all reinvestments. "
c. Remunerations shall be referred to the rewards, wages (including employee compensations and remunerations for directors and supervisors) and income for business operation and related payments to GMs and Vice GMs in their roles with the subsidiaries as directors, supervisors or managers.

Note 11: This figure refers to the number of new restricted employee shares as of the publication date of the annual report obtained by the GM and the vice GM).

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

(4) Compensations for Managers

December 31, 2015; Unit: NTD1,000/1,000 shares

	Title (*1)	Name (*1)	Stock dividends	Cash dividends	TOTAL	Ratio of the total to the net earnings after tax(%)
Manager	President	Yeh, Pei-Chen	0	45,000	45,000	2.34%
	Senior VP	Ma, Meng-Ming				
	Senior VP	Liu, Ming-Hsiung				
	Senior VP	Tseng,Chun-Ming				
	Senior VP	Lin, Huo-Yuan				
	General Manager of BU	Lee, Yi-Tai				
	General Manager of BU	Meng, Hsian-Ming				
	Vice General Manager of the US Platform	Lu, Zheng-wei				
	Vice General Manager of Center	Chen, Jin-Ting				
	Business Unit Vice President	Kao, Han-Yu				
	Business Unit Vice President	Chen, Chen-Shun				
	C.I.O.	Bai, Guang-Hua				
	C.F.O.	Chen, Chun-Ying				
	General Manager of Subsidiary	Ye, Lin-da				

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

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

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

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

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

Item / Title and Description	2013 the ratio taken by the gross total of remuneration paid by Giga-Byte and all firms covered in the consolidated financial statements to Giga-Byte's directors and supervisors, president and vice presidents to the net earnings after tax		2014 the ratio taken by the gross total of remuneration paid by Giga-Byte and all firms covered in the consolidated financial statements to Giga-Byte's directors and supervisors, president and vice presidents to the net earnings after tax	
	Giga-Byte	All firms covered the consolidated financial statements	Giga-Byte	All firms covered the consolidated financial statements
Directors Supervisors GM & Vice GM	12.71%	12.72%	14.88%	14.90%

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

<u>III.Corporate Governance</u>

(I) The operation of BOD

In 2015, BOD held__7____ meeting (including four meetings before the re-election and three after the re-election) (A), the attendance of the directors is as follows.

Title	Name(Note 1)	Actual · attending B	Authorized attending	Ratio of actual attending (%) [B/A] (Note 2)	Remark
Chairman	Yeh, Pei-Chen	6	0	85.71%	Successive June 17, 2015 Re-election
Vice Chairman	Ming Wei Investment Co., Ltd. Representative: Liu, Ming-Hsiung	7	0	100%	Successive June 17, 2015 Re-election
Director	Shi Jia Investment Co., Ltd. Representative: Ma, Meng-Ming	7	0	100%	Successive June 17, 2015 Re-election
Director	Yuei-yei Kai Fa Investment Ltd. Representative: Tseng, Chun-Ming	6	1	85.71%	Successive June 17, 2015 Re-election
Director	Shi Da Investment Limited Representative: Ko, Tsung-Yuan	5	0	71.43%	New June 17, 2015 Re-election
Independent Director	Yang, Cheng-Li	3	0	100%	New June 17, 2015 Re-election
Independent Director	Chan, Yi-Hung	3	0	100%	New June 17, 2015 Re-election
Independent Director	Jhao, Sheng	3	0	100%	New June 17, 2015 Re-election

Important notice

I. If there is any particular specified in Article 14-3 of the Securities and Exchanges Act or adverse opinions from the Independent Directors or qualified opinions with minutes on record or written declaration on resolutions of the Board: None.

II. The avoidance of the conflict of interest by directors: .
BOD meeting dated August 14, 2015
Subject: Remuneration for Independent Directors (Board Meeting Attendance Fee)
Reasons for avoidance of conflicts of interest and involvement in voting: According to Article 206 of the Company Act, except for independent directors Yang, Cheng-Li; Chan, Yi-Hung; and Jhao, Sheng who are not allowed to involve in voting, all directors attended the meeting unanimously approved the proposal.

III. An evaluation on the goal of improving the functions of the Board in the current year and the most recent year (such as forming an audit committee and improving information transparency) and its implementation: See below

(1) Targets for improving the competency of the Board of Directors

a. The BOD of this Company formed the Audit Committee on June 17, 2015 to replace the duty of supervisors. The committee is formed by three independent directors and holds a committee meeting at least once a quarter. The major duties and functions of the Audit Committee are as follows:

Audit the presentation adequacy of the Company's financial statements, selection (dismissal) and independency and performance of CPAs, the effectiveness of implementation of the Company's internal control, the Company's compliance with relevant laws and regulations and rules; and the Company's control of existing and potential risks.

b. The BOD of this Company established the Remuneration Committee in December 2011 and re-elected members of the third term on June 17, 2015.. Mr. Yang Cheng-Li was reelected as the chairman of the Remuneration Committee of the third term. The major duties and functions the Remuneration Committee are as follows:

* Regularly evaluate and advise on the policy, system, standards and structure of the annual and long-term performance targets and remuneration of Gigabyte directors, supervisors and executives.
* Evaluate and advise on the meeting of performance targets by Gigabyte directors, supervisors and executives as well as the content and amount of individual remuneration.

c. The BOD of this Company established the "Internal Material Information Processing SOP" in October, 2011.

(2) Evaluation of execution

* The Remuneration Committee is functioning well.
* Gigabyte's disclosure of important information follows a principle of honesty and integrity. Disclosure has been accurate, timely and fair.

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

Note 2: (1) If directors leave their positions before the end of the year, the service termination day should be stated in the remarks section. The actual attendance rate (%) is calculated with the number of times the Board meets when they are on the Board and the actual number of times that member attends.

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

(II) The operation of the Audit Committee or supervisors' involvement in BOD operation

1. The operation of Audit Committee..

In 2015, the Audit Committee held 2 committee meetings (A), and the attendance of independent directors is is as follows:

Title	Name	Actual attendance (B)	Proxy attendance	Actual attendance rate (%) [B/A] (note)	Remarks
Independent Director	Yang, Cheng-Li	2	0	100%	New June 17, 2015 Re-election
Independent Director	Chan, Yi-Hung	2	0	100%	New June 17, 2015 Re-election
Independent Director	Jhao, Sheng	2	0	100%	New June 17, 2015 Re-election

1. This Company formed the Audit Committee on June 17, 2015 to audit:
   (1) the adequacy of presentation of the Company's financial statements,
   (2) the selection (dismissal) and independency and performance of CPAs,
   (3) the effectiveness of implementation of the Company's internal control,
   (4) the Company's compliance with relevant laws and regulations and rules; and
   (5) the Company's control of existing and potential risks. 。
2. The duties and functions of the Audit Committee include:
   (1) Establishment or amendment of an internal control system according to Article 14-1 of the Securities and Exchange Act.
   (2) Evaluation of the internal control system.
   (3) Establishment or amendment of operating procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others, according to Article 36-1 of the Securities and Exchange Act.
   (4) Matters involving the personal interest of a director.
   (5) Transactions of material assets or derivatives.
   (6) A material monetary loan, endorsement, or provision of guarantee.
   (7) The offering, issuance, or private placement of any equity-type securities.
   (8) The appointment or dismissal of CPAs, or their compensations.
   (9) The appointment or discharge of financial, accounting, or internal auditing officers.
   (10) Annual financial statements or biannual financial statements.
   (11) Any other material matter specified by the Company or competent authorities.
3. Other information to disclose:
   (1) Specify the date and session of the board meeting, the proposal content, and the resolution of the Audit Committee, and the Company's response to the Audit Committee's advice for handling matters specified in Article 14-5 of the Securities and Exchange Act and matters that are not reviewed and approved by the Audit Committee but approved by over two-third of all directors: None.
   (2) Specify the name of independent directors, proposal content, reasons for the need of avoidance of conflicts of interest, and involvement in voting for implementation of the avoidance of conflicts of interest in independent directors: None.
   (3) Communication between independent directors and the internal chief auditor and accountant (e.g. communication on the company's financial and sales status, including the topics, methods, and results of communication):
      1) Apart from submitting the audit report to each independent director for review each month, the chief auditor will report material issues found in the audit to the BOD or board members.
      2) When auditing or reviewing quarterly consolidated statements (annual and including individual financial statements) of this Company at the planning and completing stages, CPAs consolidate information and communicate with the Audit Committee in writing or face to face according to SAS No. 39 "Communications with Those Charged with Governance" and Letter Tai-Cai-Zheng-Liu-Zi No. 0930105373 issued by the Securities and Futures Bureau dated March 11, 2004.

2. Supervisors' involvement in BOD operation

This Company established the Audit Committee to replace the duty of supervisors after the meeting of shareholders dated June 17, 2015. Supervisors' involvement in BOD operation also ended on the same day.

In 2015, the BOD held seven (7) board meetings (including four meetings before the re-election and three meetings after the re-election) (A). The attendance of supervisors is as follows:

Title	Name (Note 1)	Actual attending (B)	Ratio of actual attending (%) [B/A] (Note 2)	Remark
Successive	Pan, Chi-Hsiu	0	0%	Former June 17, 2015 Relieved after-election
Successive	Wang, Hui-Min	4	100%	Former June 17, 2015 Relieved after-election
Supervisor	Xi Wei Investment Co., Ltd. Representative: Chen, Hui-Chou	4	100%	Former June 17, 2015 Relieved after-election

Other matters that should be documented:

I. supervisors and their responsibilities:

(I) between supervisors and employees and shareholders' communication (eg communication Chennels, methods, etc.): Supervisors and employees may deem necessary Shareholders direct contact for talks.

(II) supervisors and internal auditors and CPAs (eg, financial, business conditions to communicate matters, Methods and results, etc.):

1. audit manager in the month of completion of the audit project supervisors reported to the audit report, supervisors had no objections.
2. audit officer of the Board of Directors regularly attend and make auditing business reports, supervisors had no objections.
3. supervisors regularly on a quarterly basis with the accountant and written by way of face to face communication and financial condition.

II. Supervisors attended the Board meeting and voiced their opinions: None.

Note 1: If the supervisor is a corporation, the name and the representative's name of the corporate shareholder should be disclosed.

Note 2: (1) If a supervisor leaves the position before the end of the year, the date of terminating the position should be noted in the remarks section. The actual attendance rate (%) is calculated with the number of times of actual attendance when that supervisor held the position.

(2) The end of the year a few days ago, if directors and supervisors re-election who should be old Directors to monitor the per capita to be fill by the director to monitor human old any new or re-election and reelection date, and in the remarks column. The actual attendance rate (%) (column) is its service during the Board meeting number and the actual number of (column) I calculated.

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

Indicator	Status			Variation from Corporate Governance Best Practice Principles, and Reason
	Yes	No	Summary	
1. Has the Company defined and disclosed its corporate governance best practice principles in accordance with the "Corporate Governance Best-Practice Principles for TWSE/GTSM-Listed Companies"?	✓		Our Company has defined explicit regulations that encompass the content of the corporate governance principles that were subsequently passed the BOD. Their contents conform to the spirit of the Corporate Governance Best-Practice Principles. Further regulations can be defined to satisfy statutory or actual requirements.	Conforms to the Corporate Governance Best-practice Principles
2. Structure of shareholdings and shareholder's equity (1) Does the Company have and enforce internal procedures for handling shareholder suggestions, questions, disputes and litigation? (2) Does the Company keep an effective list of its dominant shareholders and the parties with ultimate control over its dominant shareholders? (3) Has the Company established and enforced a risk control mechanism and firewall between its affiliates? (4) Does the Company have internal rules in place to prevent insider trading?	✓		(1) Our PR Office and Investor Services personnel are assigned to handle shareholder suggestions or disputes. (2) Our Investor Services personnel work closely with the "Transfer Agency Department of ChinaTrust Securities" to effectively track the list of dominant shareholders and the parties with ultimate control over the dominant shareholders. (3) Our Company has defined regulations for "Supervision and Management of Subsidiaries" and "Management of Transactions with Group Companies, Designated Companies and Stakeholders". These establish an appropriate risk control mechanism and firewall between affiliates.	Conforms to the Corporate Governance Best-practice Principles
			(4) The BOD passed the "Internal Procedure for Major Disclosure" in October 2011, to establish an appropriate risk control mechanism.	
3. The Organization and functions of the board of directors (1) Is there a defined diversification policy for the Board membership and is it enforced? (2) In addition to the Remuneration Committee and Audit Committee required by law, has the Company voluntarily established any other functional committees? (3) Does the Company have a defined method for evaluating Board performance with annual	✓		(1) Our Company elected three independent directors at the annual meeting of shareholders on June 17, 2015. Members of the BOD have different specialties, including experts from different industries. (2) Our Company established the Remuneration Committee on December 15, 2011 and the Audit Committee on June 17, 2015. Other functional committees will be established as necessary in the	Conforms to the Corporate Governance Best-practice Principles

Indicator	Status			Variation from Corporate Governance Best Practice Principles, and Reason
	Yes	No	Summary	
performance evaluations conducted every year? (4) Does the Company regularly evaluate the independence of the public auditors?			future. (3) Our Company has defined the "Board of Director Management Rules" to manage the running of the Board. (4) When appointing CPAs and reviewing their compensations each year, the BOD evaluates the independence of these CPAs.	
4. Has the Company established channels for stakeholder communication, set up a Stakeholder section in the corporate website, and responded appropriately to important CSR issues material to shareholders?	✓		Our Company has a spokesperson system in place for communication with shareholders. The Stakeholder section on the corporate website is expected to be completed by the end of 2015 to respond appropriately to important CSR issues material to stakeholders.	Conforms to the Corporate Governance Best-practice Principles
5. Has the Company appointed a transfer agency for organizing shareholder meetings?	✓		Our Company has appointed the "Transfer Agency Department of CTBC Securities" as the organizer of shareholder meetings.	Conforms to the Corporate Governance Best-practice Principles
6. Disclosed information (1) Has the Company set up a website to disclose its financial information and the status of corporate governance. (2) Are there other means for the Company on disclosure (such as English website, designated personnel to gather and disclose relevant information on the Company, effective implementation of the spokesperson system, and the online broadcast of institutional investor conferences)?	✓		Our corporate website **http://www.gigabyte.com/index.aspx** is available in Chinese and English. It provides timely disclosure of company information including company profile, investor relations, CSR, products, services and current events for shareholders and consumers.	Conforms to the Corporate Governance Best-practice Principles
7. Are there any other important information that will help with understanding corporate governance practices at the Company (including but not limited to employee rights, employee care, supplier relations, stakeholder rights, continuing education for directors and supervisors, the implementation of risk management policy and risk measurement measures, the implementation of customer policy, and the purchase of	✓		(1) Employee benefits and employee care: Incentive schemes/ company facilities/company Organization and Services/Talent development (2) Investor relations: The Gigabyte website provides a disclosure platform that investors can access for financial information/ corporate governance / shareholder meeting/ shareholder services. (3) Supplier relations: Gigabyte received AEO	Conforms to the Corporate Governance Best-practice Principles

Indicator	Status			Variation from Corporate Governance Best Practice Principles, and Reason
	Yes	No	Summary	
liability insurance for directors and supervisors)?			certification as a quality enterprise in February, 2012. We have signed the Declaration of Supply Chain Safety with our suppliers and use external audits of suppliers to ensure conformity. (4) Stakeholder rights: Our Company has avoided conflicts of interest with stakeholders in accordance with the law. (5) Directors and supervisors learning situation: None, but legal education is conducted at different times. (6) Risk management policy: Gigabyte has risk management policies in place for inventory, equipment, buildings and receivables. We are also insured against any potential losses. (7) Liability insurance for directors and supervisors: This Company buys liability insurance for all directors and supervisors by the Company.	
8. Does the Company conduct internal CSR evaluations or outsource the evaluation to an external professional body? (If yes, please describe its opinion of the Board, the results of the internal or external evaluation, key deficiencies or recommendations, and the status of improvements)	✓		(1) The indicators for the four main dimensions of shareholder rights, internal control and audit systems, business strategy, stakeholders and CSR all met corporate governance standards. (2) For the competency of the Board of Directors, the Remuneration Committee was established on December 15, 2011 and the Audit Committee on June 17. 2015. All other indicators met corporate governance standards. (3) The indicators for timeliness of disclosure all met corporate governance standards.	Conforms to the Corporate Governance Best-practice Principles

IV) Composition, Duties, and Operations of the Remuneration Committee:
The Company's Board established the Compensation Committee in December 2011 and elected members for the third term of the committee on June 17, 2015. Mr. Yang Cheng-Li was consecutively elected to a second term of the chairman of the Compensation Committee.

1. Information on the members of the Compensation Committee

Identity Category (Note 1)	Qualification / Name	Have more than 5 years of experience and the following professional qualifications			Status of independence (Note 2)								As independent director to other IPO companies	Remark (Note 3)
		Lecturer of the above in commerce, law, finance, accounting or subjects required by the business of the Company in public or private colleges or universities	Passed the qualification examination with proper licensing by the national government as court judge, prosecutor, lawyers, certified public accountant or other professional designations required by the business of the Company	Commerce, law, finance or as required by the Company	1	2	3	4	5	6	7	8		
Independent Director	Yang, Cheng-Li			✓	✓	✓	✓	✓	✓	✓	✓	✓	None	Successive June 17, 2015 Re-election
Other	Cai, Zheng-Zhe			✓	✓	✓	✓	✓	✓	✓	✓	✓	None	Successive June 17, 2015 Re-election
Other	Wu, Jie-Xin			✓	✓	✓	✓	✓	✓	✓	✓	✓	None	Successive June 17, 2015 Re-election

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

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

(1) Not an employee of a bank or its affiliates.
(2) Not a director or supervisor of a bank or its affiliates (excluding the capacity of independent director to a subsidiary directly or indirectly held by the bank or the bank and its parent with more than 50% of the stakes).
(3) Not a natural person itself, spouse, underage children, or under the title of a third party who holds more than 1% of the outstanding shares issued by the bank or among the top 10 natural person shareholders.
(4) Not a spouse, kindred at the second tier under the Civil Code, or the next of kin within the fifth tier under the Civil Code as specified in (1) through (3).
(5) Not a director, supervisor or employee of an institutional shareholder who holds more than 5% of the outstanding shares issued by the bank, or a director, supervisor or employee of an institutional shareholder who is among the top 5 shareholders.
(6) Not a director, supervisor, manager or shareholder holding more than 5% of the outstanding shares of a specific company or institution in business or financial relation with the bank.
(7) Not a professional, owner, partner, director, supervisor, manager of proprietorship, partnership, company or institution that provide business, legal, financial and accounting services to the bank or a spouse to the aforementioned persons.
(8) Not under any of the categories stated in Article 30 of the Company Act.

Note 3: If the member is a director of the board, explanation must be given as to whether the member's status is in compliance with Article 6, part 5 of "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter."

2. The powers and jurisdiction of the Compensation Committee

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

3. The operation of the Compensation Committee
   (1) The Company's Compensation Committee consists of three members.
   (2) The duration of this term: June 17, 2015 to June 16, 2018. In 2015, the Compensation Committee held fivecommittee meetings (A). The attendance record of members is as follows

Title	Name	Actual attending B	Authorized attending	Ratio of actual attending (%) [B/A] (Note)	Remark
Convener	Yang, Cheng-Li	5	0	100%	Successive June 17, 2015 Re-election
Committee	Cai, Zheng-Zhe	4	1	80%	Successive June 17, 2015 Re-election
Committee	Wu, Jie-Xin	5	0	100%	Successive June 17, 2015 Re-election

Other matters that should be documented:
I. Recommendations of the Compensation Committee rejected or modified by the Board: None
II. Resolutions of the Compensation Committee that met opposition or reservation from members and have been documented: None.

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

(V) Fulfillment of CSR (the system and measures adopted by the Company for environmental protection, community participation, social contribution, social service, social welfare, consumer rights, human rights, safety & health and other CSR activities as well as their execution):

After establishing the Millennium Development Goals (MDGs) in 2000 for 2015, and the United Nations resolved in 2015 the Sustainable Development Goals (SDGs) for 2030. As the sustainable development goals of over 1,000 enterprises across the world are consistent with the SDGs, this suggests that enterprises will be the major promoters of sustainable development across the globe.

In 2015, Gigabyte continued to promote sustainable development based on its core value: Revolutionize Technology, Beautify Life. By enforcing clean production with technology and eliminating pollution with low-emission technology, Gigabyte values the balance between economic development and environmental conservation, the parity between technology and the humanities, and the equal opportunity between this and the next generations. In addition, Gigabyte has strengthened the Environmental Education Internalization and Indigenization Program for enterprise sustainable development in all aspects through short-, medium-, and long-term strategies. At the workplace, Gigabyte also makes employees gradually understand the environmental and social impacts of business activities and their material aspects, so as to return to the very nature and concept of business to reduce the negative environmental and social impacts of business operations. In the future, Gigabyte will aggressively demonstrate its core abilities to create environmental and social symbiosis and co-prosperity and promote sustainable development for the 21st century hand by hand.

CSR Policy

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

CSR goals and effectiveness

Term	Goals	Effectiveness
•Short	•Environmental and safety policies and commitments •Promote compliance with customer and environmental requirements of products. •Strengthen the awareness of the urgency of environmental protection in employees and spread from the enterprise through the family to	•Passed ISO14000 and OHSAS 18001 certification and established the Labor Safety and Health Committee. •R&D and innovation of green product and green technology and producing high-quality products to satisfy customers. •Activated the 2009 Green Action Plan for employees to fully understand the importance of sustainable environment and practice it at work and in daily life.

	society from: Love for Earth with True Environmental Protection.	
•Medium	•Promote enterprise ethics and CSR •Establish the organization level GHG and product carbon footprint performance indicator system •Continue to effectively reduce the emissions and environmental impacts of products.	•Published CSR reports and the code of business conduct •With 2009 as the base year, the Group has reduced emissions by 37.26% by 2014. •Completed the Product Environmental Impact Assessment Database.
•Long	•Goal: Revolutionize Technology, Beautify Life •Create customer value and eco-friendly products to achieve CSR.	•Completed the development of the green cloud platform to reduce energy and resource consumption with the supply chain. •Developed the product environmental impact assessment system and green products to build the green brand.

Major CSR Events:

2009 Established the Gigabyte Sustainable Development Committee to make commitments to promote sustainable development.

2009 Activated the "Green Action Plan from the Heart" to plan short-, medium-, and long-term strategies to confirm sustainable development goals.

2009 Organized the "Gigabyte Technology Environmental Policy Presentation" and held supplier conferences to explain Gigabyte's environmental policy to work for environmental protection together with suppliers.

2009 Organized a conference on the "Promotion Procedure for Product Carbon Footprint Declaration".

2010 Published Gigabyte's first sustainability report to disclose ESG performance and demonstrate the company's determination to promote sustainable development.

2011 Invited employees to make commitments to contribute to mitigate climate change.

2011 Organized the "Green Ideas" creativity activity to encourage total participation, multiple development, and energy saving education to disseminate sustainable development.

2012 Awarded the "Industrial Sustainable Excellence Award" at the 13^{th} Industrial Sustainable Excellence Awards organized by the Industrial Development Bureau, Ministry of Economic Affairs.

2012 Developed the sustainable supply chain evaluation to extend CSR, environmental protection, labor rights, fair commercial practice, supply chain responsibility, and social and local contributions, so as to work for a sustainable future.

2012 Promoted the recycling of waste electrical and electronic equipment at all service locations regardless of brands to reduce load and hazards on the environment.

2013 Organized the "Green Product Innovation" activity to set the foundation toward sustainable development based on sustainability, innovation, and value.

2013 Pioneered the green roof on office buildings for protecting Earth and promoting employee health by growing trees to promote sustainability and environmental education.

2013 Formed the volunteer service team, Gigabyte Green Club, to promote enterprise volunteer service for the environment and society.

2013 Promoted the "eco working holiday" to contribute ourselves to realize environmental protection to protect our home.

2013 Awarded the "Excellence Award for Energy-Saving & Emission Reduction Mark" in the office category by the Environmental Protection Administration, Executive Yuan.

2014 Organized the "Meeting Green Happiness" serial activities: family guided tour, family painting competition, and eco-photography contest to indigenize environmental protection and sustainable development in daily life.

2014 Ranked the top 18th in the large enterprise category in the "Excellence in Corporate Social Responsibility Survey" organized by the *CommonWealth Magazine* and the TCSA Climate Leader Award.

2014 Awarded the "Excellence Award for Environmental Education in New Taipei City" in the private sector category.

2014 Organized the "Reducing Operational Risk in Green Supply Chain and the Waste of Resources" conference to emphasize product responsibility, so as to create a win-win situation with suppliers.

2014 Promoted the GMCP (Green Material Cloud Platform) with Green Share Technology to reduce the management risk of hazardous substances, enhance management efficiency, and cope with future legal trends.
Organized the GMCP supplier conference to work for environmental protection with suppliers.

2015 Won the "Excellence Award" in the private sector category of the National Environmental Education Awards.

2015 Promoted the legislation of green roof and built the urban eco-corridor to reduce the urban heat island effect and relieve electricity consumption at summer peak hours to reduce the demand for nuclear energy.

2015 Rated as the top 30 in CSR in the CSR Survey conducted by the *Global View Magazine*.

Gigabyte CSR Report: http://csr.gigabyte.tw/Home

CSR Implementation:

Indicator	Implementation			Variation from Corporate Governance Best Practice Principles, and Reason
	Yes	No	Summary	
1. Implementation of corporate governance (1) Is there a defined corporate social responsibility policy or system in place, and reviews on the effectiveness of their implementation? (2) Does the Company organize regular CSR training? (3) Has the Company established a dedicated (concurrent) department for the implementation of corporate social responsibility? Does the top management have authorization from the Board to handle CSR matter and report on its implementation? (4) Does the Company have a reasonable remuneration policy, the employee performance valuation is integrated with the CSR policy, and a clear and effective system of rewards and penalties is in place?	√		(1) Our Company has drafted a corporate social responsibility policy and guideline, which can be referenced in the corporate sustainable development report. (http://csr.gigabyte.tw/) (2) Our Company introduces sustainability training during "New Employee Training". A number of workshops on energy-saving, carbon reduction, sustainable corporate development and bio-diversity conservation are also held every year to enhance the CSR awareness and knowledge of employees. (3) Our Company has established a "Gigabyte Green Sustainability Development Committee" headed by the executive president for promoting corporate social responsibility policies. Monthly meetings are held to review results and conduct improvements. Progress is reported to three Board directors each week. (4) Our Company has established the "Remuneration Committee" to regularly evaluate and make recommendations on our company's annual and long-term performance targets as well as remuneration policy, systems, standards and structure; an "Employee Ethical Conduct Guideline" has also been drafted. Apart from requiring all employees to sign an agreement to abide by the guideline, the Company also communicates this guideline to	Where regulatory requirements or actualities must be taken into consideration, the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM-Listed Companies and other related laws and regulations shall apply.

Indicator	Implementation			Variation from Corporate Governance Best Practice Principles, and Reason
	Yes	No	Summary	
			our suppliers at supplier meetings that happen from time to time. Additionally, the Company incorporates the learning outcome of related training into employee evaluation to achieve fair reward and punishment.	
2. Development of sustainable environment (1) Is the Company dedicated to improving the utilization efficiency of resources and use of recycled materials that have low impact on the environment? (2) Has the Company established a suitable environmental management system based on the features of the industry? (3) Does the Company pay attention the influence of Climate Change on the operation of the Company, conduct GHG inventories, and has it drafted a policy for energy conservation, carbon reduction and GHG reduction?	√		(1) Right at the product design stage, our Company begins to consider probable environmental impacts and designs products from the viewpoint of "minimizing environmental load" to realize an ecodesign from the source to end-users. Our Company is also committed to implementing factory waste reduction and recycling to reduce resource depletion. In 2015, the recycling rate of our packaging materials was 97.05%. (2) The Company passed ISO 14001 environmental management system certification in 2003. Up to now, the Company enforces control with PDCA regulations. (3) Our Company puts the mitigation and adaptation of climate change as part of enterprise sustainable operations and implements countermeasures in terms of product, GHG management, and routine operations to aggressively reduce environmental load and fulfill our corporate social responsibility. GHG reduction target: Group-wide GHG emissions from internal activities by 40% in 2020 based on the 2009 level. In the future, the Gigabyte	Conforms to the Corporate Governance Best-Practice Principles.

Indicator	Implementation			Variation from Corporate Governance Best Practice Principles, and Reason
	Yes	No	Summary	
			Group will continue to reduce our emissions and contribute to the earth, which is home to us all.	
3. Protection of social welfare (1) Has the Company drafted management policies and procedures in accordance with the relevant laws and international conventions on human rights? (2) Has the Company established employee grievance mechanisms and channels? Are complaints handled properly? (3) Does the Company provide employees with a safe and healthy work environment? Do employees receive regular safety and health education? (4) Has the Company established a mechanism for regular employee communications and does it notify employees of changes that may have a major impact on operations in a reasonable manner? (5) Has the Company established an effective career development plan for employees? (6) Has the Company drafted consumer protection policies and a grievance mechanism based on its R&D, purchasing, production, operating and service processes? (7) Does the Company conform to the relevant international laws and standards on the marketing and labeling of products and services? (8) Does the Company evaluate the past environmental and social record of the suppliers it deals with?	√		(1) Gigabyte embraces the philosophy of "A happy workplace for better life". We believe that every employee should be treated equally and with respect. We strive to uphold and respect internationally recognized human rights (including the UN Declaration of Human Rights, and the International Labor Organization's core labor standards) such as freedom from discrimination and abuse, illegal employment, and promises to abide by the highest ethical standards in our compliance with local laws and the EICC (Electronic Industry Code of Conduct). We have therefore defined various management policies and procedures including the "Employee Code of Conduct", salary & benefits, training & development, attendance system, business travel management, labor safety and more. (2) We operate employee forums, suggestion boxes, the chairman's mailbox and the CSR mailbox. Dedicated personnel are assigned to answer and process employee feedback to ensure smooth internal communications. In addition, our Company has established the Code of Employee Conduct, where unethical acts are detected, employees can direct report to the special reporting mailbox.	Conforms to the Corporate Governance Best-Practice Principles

Indicator	Implementation			Variation from Corporate Governance Best Practice Principles, and Reason
	Yes	No	Summary	
(9) Do the Company's contracts with its suppliers include clauses for immediately suspension or termination if the supplier violates its CSR policy, and has a significant impact on the environment and society?			(3) Gigabyte has passed ISO 14001 and OHSAS 18001 certification. Work environments are tested every 6 months to ensure the safety of the work environment. The Company also organized annual employee health exams, occupational safety and first aid training, as well as workshops on health topics conducted by experts to improve employee health awareness. (4) The Company conducts employer-employee communications through quarterly meetings. Performance evaluations are also conducted every 6 months, allowing managers and employees to review their performance and discuss any problems at work. All Company operations are in sound form with no major changes (5) Our employees are assigned to positions that suit their personal interests so they can develop in the most suitable manner. New employees receive 1-day of orientation training as well as other internal or external specialist training based on their job requirements. Managers also take part in the "Groups Consensus Conference" and management competency courses every year so they can continue to strengthen their professional know-how and make the Company more competitive. These include: management competency, core competency, foreign languages, external training, the e-learning system and library.	

Indicator	Implementation			Variation from Corporate Governance Best Practice Principles, and Reason
	Yes	No	Summary	
			(6) Our Company follows a consumer-oriented business philosophy that starts with product development. The ultra-durable motherboards and display cards all use the best quality materials to guarantee product performance and stability over time; we offer 4-year warranty on all motherboards and have established a comprehensive worldwide service network to provide fast and supportive after-sales service. Consumers can give their feedback via e-mail or telephone, and there are dedicated departments in Taiwan, China and overseas for handling consumer product inquiries and complaints. Technical support hotline in Taiwan: 0800-079-800; service website in Taiwan: http://service.gigabyte.tw/. (7) Our Company has defined standard guidelines and rules governing our Corporate Identity (CI). All materials that make use of CI must be inspected by the responsible units whether they were produced internally or externally before being approved for distribution. The marketing and labeling for all products and services conform to the principle of honesty and disclosure as well as the relevant laws and international rules. This gives consumers a full understanding of our company's products and services. (8) We consider our suppliers to be our long-term partners in the building of a stable sustainable	

Indicator	Implementation			Variation from Corporate Governance Best Practice Principles, and Reason
	Yes	No	Summary	
			supply chain. Gigabyte Group requires Tier 1 suppliers to set up an environmental management system and all Tier-1 suppliers conform to Gigabyte's Eco Product Requirement as well as other international regulations such as the EU RoHS and REACH directives. The CSR dimension is also included in supplier evaluations to encourage them to respect internationally recognized human rights and care about environmental protection issues in order to minimize the environmental and social impact throughout the product lifecycle. Together, we work to build a sustainable supply chain and fulfill our CSR. (9) This clause is not explicitly included in our current supplier contracts but if a supplier is in violation of its CSR policy with significant environmental and social impacts, their rating will be reduced during routine supplier evaluations, resulting in less transactions or even switching to another supplier.	
4. Greater information disclosure (1) Does the Company disclose relevant and reliable CSR-related information on its website and the Market Observation Post System website?	√		(1) Our Company publishes the CSR report on a regular basis. We also disclose our progress on CSR promotion and sustainable development on the CSR website and Market Observation Post System website at different times.	Conforms to the Corporate Governance Best-Practice Principles.
5. If the Company has drafted its own corporate social responsibility guidelines according to "Corporate Social Responsibility Best Practice Principles for TWSE/TPEX-Listed Companies," the Company should clarify the difference between its operation and the codified principle:				

Indicator	Implementation			Variation from Corporate Governance Best Practice Principles, and Reason
	Yes	No	Summary	
Our Company has already codified the corporate social responsibility policies in our CSR report. In order to perform our duty as a corporate citizen and demonstrate our commitment to stakeholders including employees, shareholders, the government, customers, suppliers, communities and non-profit organizations, we strive to improve the efficiency of our energy and resource use, eliminate hazardous substances, produce zero waste and emissions as our goal, while also implementing clean production and strengthening sustainable supply chain management. We are continuing to push for sustainable development based on the highest ethical standards and guidelines. These include the development of low-carbon technology and green products with the goal of becoming a green brand. All employees are encouraged to embrace "technological innovation and reliable quality" in caring for the environment and ecology to achieve symbiosis with planet Earth. We therefore already conform to the requirements of the "CSR Best-Practice Principles for TWSE/GTSM-Listed Companies".				
6. Other pertinent Information that helps the general public understand CSR operations: (1) Please visit our CSR website at http://csr.gigabyte.tw/Home for more infomraiton about our CSR practice and susintabble development.				
7. If the Company's products or the Corporate Social Responsibility Report have been certified by authoritative certification agencies, the certification should be disclosed: Our Corporate Sustainable Development Report was prepared in accordance with the Global Reporting Initiative (GRI) G4 Guidelines' Core Options. Our Company's commitment, strategy and the results of our management policy was disclosed in accordance with ISO 26000 and the UN Global Compact. The financial data disclosed in this report are publicly available through our audited annual reports. The ISO14064 organization level GHG inventory and reduction data, ISO 14001, OHSAS 18001, and QC080000 were all certified by SGS Taiwan. The indicators encompass our Xindian headquarters, Taoyuan Nanping plant, China Ningbo plant and China Dongguan plant as detailed in the report.				

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

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

Indicator	Operation			Variation from Corporate Governance Best Practice Principles, and Reason
	Yes	No	Summary	
1. Codify Ethical Management Policies and Plans (1) Does the Company demonstrate its ethical management policies in its regulations and documents communicating with external parties, and do the Board and management actively fulfill their commitments through business policy? (2) Does the Company have safeguards against unethical behavior in place including clear procedures, code of conduct, penalties for violations and a grievance mechanism? Are these enforced? (3) Does the Company have safeguards against business activities identified as being at higher risk of unethical behavior in "Article 7 Paragraph 2 or other sections" of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies"?	√		The management follows ethical management principles and has codified policies based on ethics, ensuring that the Board, supervisors, and employees abide by the Company Act, Securities and ExChange Act, Business Entity Accounting Act, laws that pertain to publicly traded companies, and other laws that govern business transaction, while discharging their duties.	In compliance with "Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies"
2. Implementing ethical management (1) Does the Company evaluate the ethical record of its transaction parties and explicitly include clauses on ethical behavior in contracts? (2) Does the Company have a dedicated corporate ethics unit that is overseen and regularly reports to the Board of Directors? (3) Does the Company have a conflict-of-interest prevention policy with suitable channels for reporting such conflicts, and enforces such a policy?	√		(1) Our Company maintains a registry of all vendors we deal with. For key suppliers and customers we also inspect their credit profile to avoid losses due to breaches of contract. (2) Our Company does not yet have a dedicated (concurrent) unit for promoting ethical corporate management. This is currently performed by each department to the best of their ability.	In compliance with "Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies"

Indicator	Operation			Variation from Corporate Governance Best Practice Principles, and Reason
	Yes	No	Summary	
(4) Does the Company have an effective accounting system and internal control system for ensuring ethical management that is regularly audited by an internal audit unit or public auditor? (5) Does the Company regularly host internal and external training on ethical management?			(3) Our Company completed the stakeholder section on our website at the end of 2015 to respond to important CSR issues material to our stakeholders. (4) Our Company's accounting system and internal control system both conform to the spirit of ethical management. Internal auditors also carry out audits in accordance with the law. (5) Our Company does not regularly host internal and external training on ethical management. Related courses will be organized as necessary in the future.	
3. Operation of the corporate whistleblower system (1) Does the Company have an explicit whistleblower and incentive scheme in place that protects whistleblowers and assigns appropriate personnel for investigating the target of the whistleblower complaint? (2) Does the Company have a standard operating procedure for investigating whistleblower complaints and the related mechanism for ensuring confidentiality? (3) Does the Company have measures to protect whistleblowers against retaliation?	√		(1) If any company personnel harms the Company's interests by violating the Company regulations or ethical principles, employees can report this through the proper channels to their direct manager, the internal audit manager or administrative unit. Disciplinary action will be taken by the decision-maker or Human Resources unit based on the severity of the offense. (2) Handled in accordance with the relevant HR management regulations. (3) Once a complaint is received by the head of the relevant unit, it is treated confidentially to protect the background of the whistleblower and the provided information.	In compliance with "Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies"
4. Greater disclosure (1)Does the Company disclose is ethical management	√		We have a corporate website on which we disclose any information we have related to ethical	In compliance with "Ethical Corporate

Indicator	Operation			Variation from Corporate Governance Best Practice Principles, and Reason
	Yes	No	Summary	
principles and progress on its promotion through its website or the Market Observation Post System website?			management.	Management Best Practice Principles for TWSE/GTSM-Listed Companies”
5. If the Company has drafted an ethical management principle according to “Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies,” the operation of the principle and the deviation from the principle should be clearly stated: Our Company has not drafted our own ethical management principles. If required by law or necessity, we will refer to the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies” and the relevant laws.				
6. Other material information that helps to understand the operation of the Company’s ethical management (such as the Company’s declaration of its resolve and policies to its business partners; the Company’s invitation of training to its partners; and the Company’s revision of its ethical management principles): None				

(VII) If the Company has codified corporate governance guidelines and applicable regulations, the Company should disclose the method by which such regulations can be accessed. If the Company has not yet codified corporate governance guidelines but there is a need for such regulations due to legal reasons or actual situations, the Company should follow “Corporate Social Responsibility Best Practice Principles for TWSE/GTSM-Listed Companies” and applicable laws.

(VIII) Other important information that is helpful for understanding the implementation status of corporate Governance may be disclosed together: None.

(IX) Status of Enforcement of Internal Control System:

1. Statement of Internal Control

Gigabyte Technology Co., Ltd.
Statement of Internal Control

Date: March 15, 2016

Gigabyte Technology Co., Ltd. has conducted an internal audit in accordance with its Internal Control Regulation covering the period from January 1 to December 31, 2015 and hereby declares as follows:

I. The Company acknowledges and understands that, the establishment, enforcement and preservation of internal control system is the responsibility of the Board and the managers, and that the Company has already established such system. The purpose is to reasonably ensure the effect and efficiency of operation (including profitability, performance and security of assets), the reliability of financial reporting and the compliance with relevant legal rules

II. There is limitation inherent to an internal control system, no matter how perfect the design. As such, effective internal control system may only reasonably ensure the achievement of the aforementioned goals. Further, the operation environment and situation may vary, and hence the effectiveness of the internal controls system. The internal control system of the Company features a self-monitoring mechanism. Once identified, any shortcoming will be corrected immediately.

III. The Company judges the effectiveness of the internal control system in design and enforcement in accordance with the "Criteria for the Establishment of Internal Control System of Public Offering Companies" (hereinafter referred to as "the Criteria"). The Criteria is instituted for judging the effectiveness of the design and enforcement of the internal control system. There are five components of effective internal control as specified in the Criteria with which the procedure for effective internal control are composed by five elements, namely: 1. Control environment, 2. Risk Evaluation and feedback, 3. Control Operation, 4. Information and Communication, and 5. Monitoring. Each of the elements in turn contains certain audit items, and shall be referred to the Criteria for details.

IV. The Company has adopted the aforementioned internal control system for internal audit on the effectiveness of the design and enforcement of the internal control system

V. Based on the aforementioned audit findings, the Company holds that it has reasonably preserved the achievement of the aforementioned goals at December 31, 2015 (including the monitoring over the subsidiaries), including the effectiveness and efficiency in operation, reliability in financial reporting and compliance with relevant legal rules, and that the design and enforcement of internal control are effective.

VI. This statement of declaration shall form an integral part of the annual report and prospectus on the Company and will be announced. If there is any fraud, concealment and unlawful practice discovered in the content of the aforementioned information, the Company shall be liable to legal consequences under Article 20, Article 32, Article 171 and Article 174 of the Securities and Exchange Act.

VII. This statement of declaration has been approved unanimously by the Board in a session held on March 15, 2016 with the presence of four directors.

Gigabyte Technology Co., Ltd.

Chairman: Yeh, Pei-Chen

President: Liu, Ming-Hsiung

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

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

2. Where the Company may be requested to conduct an audit on its internal control system by external auditors, is there any audit report for disclosure: None.

(X) Any personnel of the Company sentenced by law, punished by internal regulation due to violation of internal control system, major shortcomings and status of corrective action in the most recent year to the day this report was printed: None.

(XI) Important resolutions at the shareholders' meeting and the meeting of Board of Directors in recent years and in the current year (till printing of the annual report):

1. Significant Resolutions from Shareholders' General Meeting and Their Implementation

Date	Significant Agenda	Implementation
2015.06.17	Recognize our Company's business report and financial statements from 2014.	Approved.
	Recognize our Company's earnings distribution for 2014.	Approved. 2015.7.26 has been ratified as the stock dividend distribution date, and the cash dividend has been distributed on 2015.8.12
	Discussing the revision of our Company's internal regulations: 1.Our Company's "Articles of Incorporation" 2.Our Company's "Procedures for Monetary Loans to Others" 3.Our Company's "Procedures for Endorsements and Guarantees" 4.Our Company's operating and management procedures for the acquisition or disposal of assets 5.Our Company's "Procedures for Trading in Derivative Products" 6.Our Company's "Regulations for Election of Directors and Supervisors" 7.Our Company's Regulations Governing Procedure for Shareholders' Meetings. 8.Proposal for director re-election 9.Relief of the non-compete restriction on new directors.	Approved. The agenda has been carried out as resolved in the shareholders' meeting.

2. Significant Resolutions from the Board of Directors Meeting

Date	Significant Resolutions
2015.01.15	Ratification of the date for the increase of paid-in capital for the conversion of the Company's "First Batch of Employee Stock Option Issued in 2007" into common stock.
	Ratification on our company's change of president
2015.03.16	Our Company's 2015 budget.
	Ratification of the date, location, reports, and agenda to be approved for the 2015 shareholders' general meetings.
	Ratification of the Company's entity and consolidated 2014 financial statements.
	Ratification of the proposed candidates for the Board of Directors elections (including independent directors)
	Revision of our Company's Articles of Incorporation.
	Revision of our Company's "Procedures for Loaning Funds to Other Parties."
	Revision of our Company's "Procedures for Endorsements and Guarantees."
	Revision of our Company's "Operating and Management Procedures for the Acquisition or Disposal of Assets."
	Revision of our company's "Procedures for Trading in Derivative Products."
	Revision of our Company's "Regulations Governing the Procedures of Board of Directors' Meeting".
	Revision of our Company's Regulations Governing the Election of Directors and Supervisors".
	Revision of our Company's "Regulations Governing the Procedures of Shareholders' Meeting".
	Revision of our company's "Internal Control System."
	2014 Internal Control Statement.
2015.04.15	Ratification of our Company's 2014 earnings distribution.
	Ratification of proposal for the Board of Directors to review the list of candidates for the Board (including independent directors).
	Ratification of the date for the increase of paid-in capital for the conversion of the Company's "First Batch of Employee Stock Option Issued in 2007" into common stock.
	Ratification of change of CPAs for certifying the Company's financial statements
2015.05.15	Amendment of the Regulations Governing the 1st Issuance and Subscription of Employee Stock Operation Certificates of 2007.
	Resolution of the capital reduction of subsidiary G-Style Ltd.
	Resolution of the application for capital increase in cash of subsidiary Ningbo Best Yield Technology Services Co., Ltd.
	Resolution of the application for capital increase in cash of subsidiary Gigazone International Co., Ltd.
2015.06.17	Chairman and vice chairman election.
	Setting the ex-dividend date for 2015.
	Amendment of our Company's "Compensation Committee Organization Regulations".
	Appointment of members of the third term of the Compensation Committee.
	Planning of the establishment of the Audit Committee and establishment of the Audit Committee Organization Regulations.
	Resolution of continuously raising loans from CTCB Bank.
2015.08.14	Setting the base date for converting the 1st Issuance and Subscription of Employee Stock Operation Certificates of 2007 into issuance of common stock for cash.
	Resolution of the share transfer of subsidiary Aorus Pte. Ltd.
	Determination of the remuneration (meeting attendance fee) for our Company's independent directors.
2015.11.13	Resolution of continuously raising loans from the Xindian Branch of Mega Bank.
	Resolution of continuously providing endorsement and guarantee for subsidiary Cloud Ride Limited.
	Establishment of our Company's "Application for Suspension or Resumption of Transactions SOP".
	Resolution of the appointment of CPAs and audit fee for 2016.

	2016 Audit Plan of our Company.
	Resolution of purchasing real estate in Germany.
2016.01.15	2016 budget of our Company.
	Resolution of continuously raising loans from the Xindian Branch of Chang Hua Bank.
	Resolution of continuously raising loans from HSBC Taiwan.
	Resolution of the capital reduction of subsidiary Gigazone International Co., Ltd.
	Resolution of the capital increase by cash of subsidiary Gigazone International Co., Ltd.
2016.03.15	Amendment of our Company's "Articles of Incorporation".
	Completion of the self-assessment of the ability to produce financial statements and the exemption of establishment of the "Plan for Improving the Ability of Self-Production of Financial Statements".
	Resolution of the distribution method of compensations for employees and remunerations for directors for 2015.
	Resolution of the individual financial statements and consolidated financial statements for 2015.
	Resolution of the re-election of our Company's independent directors.
	Resolution of the approval of the list of independent director candidates proposed by the BOD.
	Resolution of the nomination time, vacancy, and acceptance venue of candidates for independent directors.
	Resolution of the date, place, and cause of the 2016 annual meeting of shareholders.
	2015 management report on internal control.
2016.04.15	Resolution of the re-investment in Yuan Cheng Development Co., Ltd. by subsidiary Chi-Chia Investments Co., Ltd.
	Resolution of the re-investment in Hong Ling Precision Co., Ltd. by subsidiary Chi-Chia Investments Co., Ltd.
	Resolution of the profit distribution for 2015.
	Resolution of the BOD's review of the list of candidates for independent directors.
	Resolutions of withdrawal of the endorsement and guarantee for Shenzhen SJET Technology and Shenzhen Prolto Supply Chain Management by subsidiary Ningbo Zhongjia Technology And Trade Co., Ltd.

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

(XIII) Resignation or discharge of personnel relating to financial reporting in the most recent year to the day this report was printed: None.

April 17, 2016

Title	Name	Inauguration date	Relief date	Reasons for resignation or relief
General Manager	Ma, Meng-ming	January 1, 1999	January 15, 2015	Duty adjustment

IV.Information regarding auditing fee:

In NTD 1,000

Scale	Items	Auditing Fee	Non-audit fee	Total
1	Below NTD2,000			
2	NTD2,000-NTD4,000		✓	2,890
3	NTD4,000-NTD6,000			
4	NTD6,000-NTD8,000	✓		7,110
5	NTD8,000-NTD10,000			
6	More than NTD10,000			

Fees paid to CPAs

In NTD 1,000

CPAs firm	CPAs name	Auditing fee	Non-auditing fee					Audit Period	Note
			System design	Registration with industrial and commercial administration authorities	Human Resources	Other (Note 2)	TOTAL		
PWC Public Accountants	Xiao, Chun-Yuan	7,110		140		2,750	2,890	January 2015	Tax advisory consulting and Transfer pricing fees
	Wang, Fang-yu							Whole Year	

Note 1: Replace the current year if the Company accountant or firm shall be requested during the audit were presented and the reasons for the replacement in the remarks column shows, and order disclosure of audit and non-audit fees and other information.

Note 2: Non-auditing fee should be listed out separately according to type of services; the content of services should be listed out in NOTE if the "other" item in non-auditing fees exceeds 25% of the total non-auditing fee.

V.Information regarding replacement of CPAs: None.

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

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

Title	Name	2015		By April 17, 2016	
		Change in the quantity of shares held	Change in the quantity of shares under lien	Change in the quantity of shares held	Change in the quantity of shares under lien
Chairman and CEO, Gigabyte	Yeh, Pei-Chen	0 0	0 (11,624,000)	0	0 0
Vice Chairman	Ming Wei Investment Co., Ltd. Representative: Liu, Ming-Hsiung	0	0	0	0
Director	Yuei-yei Kai Fa Investment Ltd. Representative: Tseng, Chun-Ming	0	0	0	0
Director	Shih-Chia Investment Co., Ltd. corporate representative:Ma, Meng-Ming	0	0	0	0
Director	Shih Dah Investment Co., Ltd. corporate representative:Ko, Tsung-Yuan	0 (776,000)	17,289,000 (12,289,000)	0 (506,000)	4,500,000 (6,500,000)
Independent Director	Yang, Cheng-Li	0	0	0	0
Independent Director	Chan, Yi-Hung	0	0	0	0
Independent Director	Jhao, Sheng	0	0	0	0
Gigabyte Senior Vice President Mobile Product BU Senior Vice President & President	Ma, Meng-Ming	0	0	0	0
Gigabyte Executive Vice President e-Sport BU Senior Vice President & President	Liu, Ming-Hsiung	0	0	0	0
Gigabyte Senior Vice President Manufacturing BU Senior Vice President & President	Cheng, Chun-Ming	0 (310,000)	0	0	0
Gigabyte Senior Vice President Channel & Motherboard BU Senior Vice President & President	Lin, Hua-Yuan	0	0	0	0
Network and Communications Business Unit President	Lee, Yi-Tai	0	0	0	0

Title	Name	2015		By April 17, 2016	
		Change in the quantity of shares held	Change in the quantity of shares under lien	Change in the quantity of shares held	Change in the quantity of shares under lien
Manufacturing Business Unit President	Meng, Hsian-Ming	0	0	0	0
Channel & Motherboard Business Unit Senior Special Assistant	Hong, Wen-Chi	0	0	0	0
CFO, Group Resource Mgmt. Center and Financial & Accounting HQ	Chen, Chun-ying	0	0	0	0
Group Resource Mgmt. Center	Lu, Zheng-Wei	0 (27,000)	0	0	0
Group Resource Management Center COO	Bai, Guang-Hua	0 (25,000)	0	0	0
Group Resource Mgmt. Center Vice President and Special Assistant to the CEO	Chen, Jin-Ting	0	0	0	0
Network and Communications Business Unit Product Center AVP	Chen, Zhang-Xiang	0	0	0	0
CEO's Office Special Assistant to the President	Chen, Shi-Cheng	0 (645)	0	0	0
Senior AVP, Network and Communications BU Product Center	Hou, Chi-ren	0	0	0	0
VP Channel & Motherboard BU Marketing & Service Center Quality & Delivery Center	Kao, Han-yu	0	0	0	0
VP Channel & Motherboard BU	Chen, Chen-shun	0	0	0	0
Channel & Motherboard Business Unit Service and Sales Marketing Center Senior AVP	Liao, Chi- Li	0	0	0	0

Title	Name	2015		By April 17, 2016	
		Change in the quantity of shares held	Change in the quantity of shares under lien	Change in the quantity of shares held	Change in the quantity of shares under lien
Channel & Motherboard Business Unit Service and Sales Marketing Center Non-EU Sales Dept., Non-EU Sales Platform Senior AVP	Hsiao, Wen-Ta	0	0	0	0
Channel & Motherboard Business Unit Service and Sales Marketing Center ASEAN Department, Asia Sales Platform Senior AVP ASEAN Department	Liu, Wen- Chung	0	0	0	0
Channel & Motherboard BU Software Division	Deng, Yi-Ming	0	0	0	0
Channel & Motherboard BU Firmware Division 2	Tseng, Wei-Wen	0	0	0	0
Channel & Motherboard BU Innovation and Creative Value Center AVP, Hardware Office 1	Liao, Che-Hsien	0	0	0	0
AVP Mobile Product BU Mobile Product Center	Lan, Jun-Kun	0	0	0	0
Network and Communications Business Unit Product Center AVP	Chen, Yun-Di	50,000 0	0	0	0
AVP Overseas Manufacturing Dongguan Gigabyte Ningbo Gigabyte	Ko, Wei-Ti	0	0	0	0
Operation Management Center Legal and IP Affairs Div. Senior AVP	Chiu, Chih-Peng	0	0	0	0

Title	Name	2015		By April 17, 2016	
		Change in the quantity of shares held	Change in the quantity of shares under lien	Change in the quantity of shares held	Change in the quantity of shares under lien
Channel & Motherboard Business Unit Marketing & Service Center China Sales Platform AVP	Lan, Shao-Wen	0	0	0	0
Manufacturing Business Unit Chief Engineering Division AVP	Sun, Wu-Hsiung	0	0	0	0
e-Sports Business Unit R&D Division AVP	Huang, Shun-Chih	0	0	0	0
e-Sports Business Unit Sales and Marketing & Sales Division AVP	Lin, Ying-Yu	0	0	0	0
Supervisor	Pan Chi-Hsiu(Note 2)	0	0	0	0
Supervisor	Wang, Hui-min (Note 2)	0	0	0	0
Supervisor	Xiwei Investments Co., Ltd. Corporate Investor Representative: Chen Hui-zhou (Note 2)	0	0	0	0

Note 1: Independent Director Jhao, Sheng resigned on April 15, 2016.
Note 2: This Company replaced the duty of supervisors with the Audit Committee on June 17, 2015, and all supervisors were relieved after the end of their terms.

Information on counterparties of share transfers or pledges who are related parties by directors, supervisors, managers, and shareholders owning more than 10% of shares outstanding: None.

VIII.Top ten shareholders and relationship between the shareholders

NAME (*1)	HAREHOLDINGS BY SELF-OWNED		SHAREHOLDINGS BY SPOUSE AND UNDERAGE CHILDREN		SHAREHOLDINGS UNDER THE TITLE OF A THIRD PARTY		TOP 10 OF SHAREHOLDERS TO CONFORM TO THE ROC STATEMENT OF FINANCIAL ACCOUNTING STANDARDS NO. 3		REMARK
	Shares	Ratio	Shares	Ratio	Shares	Ratio	Name	Relation-ship	
Liu, Ming-Hsiung	41,168,918	6.54	4,592,370	0.73%			Ming Wei Investment Co., Ltd.	Director	
							Xi Wei Investment Co., Ltd.	Director	
Fubon Life Insurance Co.	30,000,000	4.77%							
Representative: Cheng, Pen-Yuan							Fubon Life Insurance Co.	Chairman	
Yeh, Pei-Chen	28,531,237	4.54%	5,821,063	0.93%			Ming Wei Investment Co., Ltd.	Director	
							Xi Wei Investment Co., Ltd.	Chairman	
							Walsin Technology Corporation	Director	
Ma, Meng-Ming	23,620,024	3.75%	470,914	0.07%			Ming Wei Investment Co., Ltd.	Supervisor	
							Xi Wei Investment Co., Ltd.	Director	
Shi Da Investment Limited	16,007,000	2.54%							
Representative: Yang, Ya-Ting	9,000	0.00%	175,197	0.03%			Shi Da Investment Limited	Director	
Ming Wei Investment Co., Ltd.	14,062,200	2.24%					Liu, Ming-Hsiung	Director	
							Yeh, Pei-Chen	Director	
							Ma, Meng-Ming	Supervisor	
Representative: Yang, Xue-Qing	3,822,579	0.61%	41,938,709	6.67%			Ming Wei Investment Co., Ltd.	Director	
							Liu, Ming-Hsiung	Spouse	
Nomura Securities Investment Custody Account at Citibank	13,111,000	2.08%							
Xi Wei Investment Co., Ltd.	9,063,075	1.44%					Yeh, Pei-Chen	Chairman	
							Liu, Ming-Hsiung	Director	
							Ma, Meng-Ming	Director	
Representative: Yeh, Pei-Chen	28,531,237	4.54%	5,821,063	0.93%			Ming Wei Investment Co., Ltd.	Director	
							Xi Wei Investment Co., Ltd.	Chairman	
							Walsin Technology Corporation	Director	
GMO Emerging Market Funds Custody Account at Standard Chartered Bank	8,849,200	1.41%							
Walsin Technology Corporation	8,590,000	1.37%					Yeh, Pei-Chen	Director	
Representative: Jiao, You-Heng							Walsin Technology Corporation	Chairman	

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

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

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

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

December 31, 2015/Unit: share; %

Invested companies	Invested by the Company		Invested by directors, supervisors, managers, or by direct or indirect subsidiaries		Total investment	
Item	Quantity of shares	Proportion of holdings	Quantity of shares	Proportion of holdings	Proportion of shares	Proportion of holdings
G.B.T., Inc.	54,116	48.63%	57,169	51.37%	111,285	100%
G.B.T. Technology Trading GmbH	0	100%	0	-	0	100%
Freedom International Group Ltd.	142,671,691.54	100%	0	-	142,671,691.54	100%
Charleston Investments Limited	0	-	57,032,141.68	100%	57,032,141.68	100%
Dongguan Gigabyte Electronics Co., Ltd.	0	-	0	100%	0	100%
GBT Tech. Co. Ltd.	800,000	100%	0	-	800,000	100%
Chi-Ga Investment Co., Ltd.	177,500,000	100%	0	-	177,500,000	100%
G.B.T. LBN Inc.	0	-	0	100%	0	100%
Gigatrend Technology Co., Ltd.	0	-	17,500,000	100%	17,500,000	100%
Giga Future Limited	0	-	82,819, 549	100%	82,819, 549	100%
Ningbo Gigabyte Co., Ltd.	0	-	0	100%	0	100%
Ningbo Best-Yield Repair and Maintenance Co., Ltd.	0	-	0	100%	0	100%
Ningbo Gigabyte International Trading Co.	0	-	0	100%	0	100%
Giga-Byte Technology B.V.	8,500	100%	0	-	8,500	100%
Gigabyte Technology France	0	-	20,000	100%	20,000	100%
Giga-Trend International Investment Group Ltd.	0	-	64,222,000	100%	64,222,000	100%
Ningbo Zhung Jia Technology Trading Co., Ltd.	0	-	0	100%	0	100%
Gigabyte Technology Pty. Ltd.	400,000	100%	0	-	400,000	100%
Aorus Pte. Ltd.	0	-	3,073,000	100%	3,073,000	100%
Chi-Ga Communications Co., Ltd.	34,578,228	99.12%	0	-	34,578,228	99.12%
Giga-Trend International Management Group	0	-	762,667	76.27%	762,667	76.27%
Giga Win Limited	0	-	100,000	100%	100,000	100%
Gigabyte Technology (India) Private Limited	4,600,000	100%	0	-	4,600,000	100%
G-Style	72,000,000	100%	0	-	72,000,0000	100%
GIGAZONE Technology Co., Ltd.	9,142,702	100%	0	-	9,142,702	100%
Giga Advance (Labuan) Limited	0	-	10,000	100%	10,000	100%
Nippon Giga-Byte Corp.	1,000	100%	0	-	1,000	100%
Gigabyte Technology Poland SP Z.O.O.	0	-	100	100%	100	100%
Gigabyte Technology ESPANA S.L.U.	5,000	100%	0	-	5,000	100%
Gigabyte Global Business Corporation	1,000	100%	0	-	1,000	100%
Gigabyte Information Technology Commerce Limited Company	8,000	100%	0	-	8,000	100%
Gigazone Holdings Limited	0	-	34,500	100%	34,500	100%
Giga Zone Technology(Shenzhen) Limited	0	-	0	100%	0	100%
Gigabyte Technology LLC.	168,000	100%	0	-	168,000	100%
Gigabyte Trading Inc.	0	-	50,000	100%	50,000	100%
Senyun Precise Optical Co., Ltd.	0	-	20,700,000	49,87%	20,700,000	49.87%
Cloud Ride Limited	0	-	3,300,000	100%	3,300,000	100%
OGS Europe B.V.	0	-	3,000	100%	3,000	100%
Green Share Co., Ltd.	0	-	816,000	51%	816,000	51%
Qsan Technology Inc.	0	-	4,487,500	30.67%	4,487,500	30.67%
Ningbo Best Yield Technology Services Co., Ltd.	0	0	0	100%	0	100%

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

Four. Equity Capital and Shares

I.Equity capital and shares

(I)Sources of equity capital

Month and year	Issuing price	Authorized capital		Paid in capital		Remarks		
		Quantity of shares	Amount	Quantity of shares	Amount	Sources of equity capital	Utilization of assets other than cash for payment	Other
April 1986	$1000/share	700	700,000	700	700,000	Initial capital	None	Apr. 30, 1986 Chien Yi Tze No.211834
September 1986	$1000/share	5,000	5,000,000	5,000	5,000,000	Issuing new shares amounted to $4,300,000	None	Sep. 30, 1986 Chien Yi Tze No. 185285
June 1991	$1000/share	20,000	20,000,000	20,000	20,000,000	Issuing new shares amounted to $15,000,000	None	Jun. 26, 1991 80Chien San Yi Tze No. 242795
July 1995	$1000/share	96,000	96,000,000	96,000	96,000,000	Issuing new shares amounted to$76,000,000	None	Jul. 20, 1995 84Chien San Ren Tze No. 402912
October 1996	$10/share	30,600,000	306,000,000	30,600,000	306,000,000	Capitalization of retained earnings at $60,000,000 Issuing new shares amounted to $150,000,000	None	Jul. 06, 1996(85) Taiwan-Finance- Securities-I No. 41051
July 1997	$10/share	57,820,000	578,200,000	57,820,000	578,200,000	Capitalization of retained earnings at $183,600.000, of capital surplus at $30,600,000, and employee bonus at $18,000,000 Issuing new shares amounted to $40,000,000	None	May 21, 1997(86) Taiwan-Finance- Securities-I No. 40522
April 1998	$10/share	280,000,000	2,800,000,000	113,858,000	1,138,580,000	Capitalization of retained earnings at $462,560,000, of capital surplus at $57,820,000, and employee bonus at $40,000,000	None	Apr. 04, 1998(87) Taiwan-Finance- Securities-I 29875
October 1998	$172.5/share	280,000,000	2,800,000,000	123,858,000	1,238,580,000	Issuing new shares amounted to $100,000,000	None	Oct. 22, 1998(87) Taiwan-Finance- Securities-I No. 85746

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

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

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

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

Month and year	Issuing price	Authorized capital		Paid in capital		Remarks		
		Quantity of shares	Amount	Quantity of shares	Amount	Sources of equity capital	Utilization of assets other than cash for payment	Other
November 2014	$11.90/share	950,000,000	9,500,000,000	626,832,886	6,268,328,860	Exercise of 10,000 shares of employee stock option issued in 2007 (First)	None	Dec. 18, 2007 Financial-Supervisory Securities -I No.0960070711
February 2015	$11.90/share	950,000,000	9,500,000,000	628,882,886	6,288,828,860	Exercise of 2,050,000 shares of employee stock option issued in 2007 (First)	None	Dec. 18, 2007 Financial-Supervisory Securities -I No.0960070711
April 2015	$11.90/share	950,000,000	9,500,000,000	629,012,886	6,290,128,860	Exercise of 130,000 shares of employee stock option issued in 2007 (First)	None	Dec. 18, 2007 Financial-Supervisory Securities -I No.0960070711
September 2015	$10.90/share	950,000,000	9,500,000,000	629,062,886	6,290,628,860	Exercise of 50,000 shares of employee stock option issued in 2007 (First)	無	Dec. 18, 2007 Financial-Supervisory Securities -I No.0960070711

Types of shares

Types of shares	Authorized capital (share)			Remarks
	Outstanding shares	Unissued shares	Total	
Common shares	599,062,886	320,937,114	920,000,000	
GDR	30,000,000	None	30,000,000	

Information of overall declaration system: Nil.

(II)The structure of shareholdings

April 17, 2016

Shareholder / Quantity	Government agencies	Financial institutions	Other institutional investors	FINI and FIDI	Natural persons	Treasury stock	Total
Number of shareholders	0	12	120	317	41,510	0	41,959
Quantity of shares held	0	48,736,110	90,132,782	205,344,438	284,849,556	0	629,062,886
Proportion of holdings	0.00%	7.75%	14.33%	32.64%	45.28%	0.00%	100.00%

(III)The diversification of shareholdings

Face amount at NTD10/share April 17, 2016

Ranking of shareholding	Number of shareholders	Quantity of shares held	Proportion of holdings
1-999	15,071	872,515	0.46%
1,000-5,000	20,351	44,964,729	7.15%
5,001-10,000	3,459	26,561,368	4.22%
10,001-15,000	1,045	011,049	2.07%
15,001-20,000	576	10,748,408	1.71%
20,001-30,000	472	11,908,417	1.89%
30,001-40,000	233	8,362,682	1.33%
40,001-50,000	159	7,440,928	1.18%
50,001-100,000	233	16,602,382	2.64%
100,001-200,000	121	17,045,059	2.71%
200,001-400,000	91	26,004,897	4.13%
400,001-600,000	34	16,801,301	2.67%
600,001-800,000	15	10,362,099	1.65%
800,001-1,000,000	13	955,690	1.90%
1,000,001 and more	86	404,421,362	64.29%
Total	41,959	629,062,886	100.00%

(IV) List of dominant shareholders

April 17, 2016

Shares / Name of dominant shareholders	Quantity of shares held	Proportion of shareholdings
Liu, Ming-Hsiung	41,168,918	6.54%
Fubon Life Insurance Co.	30,000,000	4.77%
Yeh, Pei-Chen	28,531,237	4.54%
Ma, Meng-Ming	23,620,024	3.75%
Shi Da Investment Limited	16,007,000	2.54%
Ming Wei Investment Limited	14,062,200	2.24%
Nomura Securities Investment Custody Account at Citibank	13,111,000	2.08%
Xi Wei Investment Limited	9,063,075	1.44%
GMO Emerging Market Funds Custody Account at Standard Chartered Bank	8,849,200	1.41%
Walsin Technology Corporation	8,590,000	1.37%

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

Subject			Year 2014	2015	By March 31, 2016
Market price per share (Note 1)	Highest		52.30	40.65	37.30
	Lowest		30.85	23.55	31.55
	Average		41.19	34.01	35.04
Net value per share (Note 2)	Cum-dividend		35.87	35.83	-
	Ex-dividend			(Note 8)	-
EPS	Weighed average number of shares		627,290,006	629,019,461	-
	EPS (Note 3)		3.82	3.05	-
Dividend per share	Cash dividend (Dollar)		2.70	2.50	-
	Stock divided	-	-	-	-
		-	-	-	-
	Accumulated unpaid dividends(Note 4)		-	-	-
Analysis on ROI	P/E ratio(Note 5)		10.78	11.15	-
	P/P ratio(Note 6)		15.26	13.60	-
	Cash dividend yield(Note 7)		6.55%	7.35%	-

Note 1: The information comes from TWSE's after-market trading information.
Note 2: The basis is the number of shares already occurred in previous years and filled out according to the distribution resolved by the shareholders' meeting next year.
Note 3: If retrospective adjustments are required for share distribution without consideration, earnings per share before and after the adjustment should be listed.
Note 4: If the condition of the issue of equity securities is that undistributed dividend from the current year could be accumulated until the year when there is earnings for distribution, the unpaid dividend until the current year shall be disclosed.
Note 5: P/E Ratio = Average closing price per share over the year / earnings per share.
Note 6: Price / Dividend Ratio = Average closing price per share over the year / cash dividend per share.
Note 7: Cash Dividend Yield = Cash Dividend per Share / Average closing price per share over the year.
Note 8: To be determined after the resolution from shareholders' meeting.

(VI) Dividend policy and implementation

1. Dividend policy:

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

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

Unit: Share; NTD

Subject	New shares	Amount
Accumulated unpaid income (7,355,934,05 5% 80%	-	 367,796,703 5,884,747,241
Cash dividend paid to shareholders (@$2.5	-	1,572,657,215

(VII) The impact on the Company's operations and EPS of the stock dividend proposed by this shareholders' meeting

None.

As resolved at the present shareholders' meeting, all dividends should be allocated in cash, without the issuance of bonus shares.

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

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

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

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

   The compensations for employees and remunerations for directors and supervisors are estimated based on the balance from deducting accumulative losses in previous years from the income. If there is balance, this Company shall appropriate 3-10% as compensations for employees and not more than 3% as remuneration for directors.

   The compensations for employees is calculated at the closing price one day before the date of the resolution made by the meeting of shareholders and in consideration of the impact on the ex-right and ex-dividend date.

   There is no difference between the actual distribution amount of 2015 compensations for employees and remunerations for directors resolved by the BOD and the adopted estimates. Where there is a difference between the actual distribution amount and the estimates, the difference will be listed as a loss of the distribution year.

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

The board resolved in favor of the motion presented for the paid out of retained earnings for 2015 and the details are described as follows:

Unit: NTD/share

Subject	Quantity	Amount
Compensations for employee (6%): Compensations for employee -cash	-	154,223,421
Fees for directors (2.33%)	-	60,000,000

Note: The above amounts are the same as that estimates for 2015.

4. Retained earnings 2014 released as cash dividend to employees and fees for directors and supervisors:

Unit: NTD/share

Subject	The amount resolved by the Board and General Meeting
I. Paid out:	
1.Cash bonus for employees	$195,210,896
2.Stock dividend for employees	
(1) Quantity	0
(2) Amount	0
(3) Proportion to outstanding shares	0
3.Fees for directors and supervisors	$58,563,269
II. Information on EPS:	
1. Previous EPS ($)	3. 82
2. Projected EPS ($)	3. 82

Note: The actual distribution of cash bonus and remuneration for directors and supervisors resolved by the shareholders' meeting is different from the employee bonus of NT$187,971 thousand and the remuneration for directors and supervisors of NT$56,391 thousand listed in the (2014) financial statement by NT$9,412 thousand. This figure has been factored into the net income of 2015.

(IX) Stock buyback

In 2015 and as of the publication date of the annual report, our company has not bought back treasury stock.

II. Corporate bonds

No corporate bonds that have not expired yet.

III. Status of preferred stock

None.

IV. Condition of GDRs

None

V. Employee Stock Options

1. Employee Stock Options:

April 30, 2016

Types of employee subscription warrants (Note 2)	First time Employee subscription warrants (Note 5)	Second time Employee subscription warrants (Note 5)
Date of approval from the competent authority	June 17, 2003	December 18, 2007
Date of issuance (Note 4)	-	December 19, 2007
Number of units issued	-	40,000
Subscribable shares issued / total shares issued (%)	-	5.95%
Duration of subscription	-	10 years
Way of exercise (Note 3)	-	Issuance of new shares
Limitation on subscription periods and percentage (%)	-	2 years after warrants granted, subcribable percentage :50% 3 years after warrants granted, subcribable percentage : 80% 4 years after warrants granted, subcribable percentage :100%
Number of subcribable shares exercised	-	27,089,000
Amount of subcribable shares exercised	-	432,738,280
Number of unexercised subcribable shares	-	10,039,000 shares (Note 6)
Original subscription price per share for unexercised subcribable shares	-	$19 per share
Number of unexercised subcribable shares / Total shared issued (%)	-	1.60%
Effects on shareholders' equity	-	No significant dilution effect on original common shareholders' equity

Note 1: The progress of employee subscription warrants includes employee subscription warrants issued by public offering and private placement under processing. Public offering employee subscription warrants under processing are those that have become effective by the Board. Private placement employee subscription warrants under processing are those that have been approved by the general meeting of shareholders.

Note 2: The number of fields displayed depends on the number of processing times

Note 3: It should be specified that the shares delivered are shares issued or shares of new issuance.

Note 4: Different issuance dates should be stated separately.

Note 5: Private placement warrants should be marked specifically.

Note 6: After deducting2,872,000 subscribable shares voided due to employees leaving the firm

22. Employee Stock Options Granted to Management Team and to Top 10 Employees with an Individual Grant Value over NT$30,000,000:

April 17, 2016

	Title (*1)	Name	Number of subscribed stock options	Percentage of number of stock options subscribed to number of total outstanding shares	Exercised				Unexercised			
					Number of stock options	Subscription price	Subscription amount	Number of stock options subscribed to number of total outstanding shares	Number of stock options	Subscription price	Subscription amount	Number of stock options subscribed to number of total outstanding shares
Managers	Gigabyte President Chairman	Yeh, Pei-Chen	23,460,000	3.73%	13,930,000	17.39、16.10、14.80、13.68、12.70、11.90 10.90	219,752,450	2.21%	9,530,000	10.90	103,877,000	1. 51%
	Gigabyte, Senior Vice President Mobile Product BU Senior VP and President	Ma, Meng-Ming										
	Gigabyte, Executive Vice President, e-Sports BU Executive VP & President	Liu, Ming-Hsiung										
	Gigabyte, Senior Vice President Manufacturing BU	Chen, Chun-Ming										
	Gigabyte, Senior Vice President, Channel & Motherboard BU Senior VP and President	Lin, Huo-Yuan										
	Network and Communications BU, President	Lee, Yi-Tai										
	Manufacturing BU, President	Meng, Hsian-Ming										
	Channel & Motherboard Business Unit Senior Special Assistant	Hong, Wen-Chi										

	Title (*1)	Name	Number of subscribed stock options	Percentage of number of stock options subscribed to number of total outstanding shares	Exercised				Unexercised			
					Number of stock options	Subscription price	Subscription amount	Number of stock options subscribed to number of total outstanding shares	Number of stock options	Subscription price	Subscription amount	Number of stock options subscribed to number of total outstanding shares
	Group Resource Mgmt. Center Finance Division, CFO	Chen,Chun-Ying										
	Group Resource Mgmt. Center Overseas Platform Management Division US Platform VP	Lu, Zheng-wei										
	Operation Management Center, COO	Bai, Guang-Hua										
	Operation Management Center, Vice President and Special Assistant to the President	Chen,Jin-Ting										
	Network and Communications BU, Product Center, AVP	Chen,Zhang-Xiang										
	CEO Office Special Assistant to the President	Chen,Shi-Cheng										
	Motherboard BU, Senior Product Center Senior AVP	Hou,Zhi-Ren										
Managers	Channel & Motherboard BU Service and Marketing Sales Center Vice President	Kao, Han-Yu										
	Channel & Motherboard BU, VP	Chen, Chen-Shun										
	Channel & Motherboard BU, Service and Sales Marketing Center, Senior AVP, North America Office	Liao, Chi- Li										

	Title (*1)	Name	Number of subscribed stock options	Percentage of number of stock options subscribed to number of total outstanding shares	Exercised				Unexercised			
					Number of stock options	Subscription price	Subscription amount	Number of stock options subscribed to number of total outstanding shares	Number of stock options	Subscription price	Subscription amount	Number of stock options subscribed to number of total outstanding shares
	Channel & Motherboard BU, Service and Sales Marketing Center, Non-EU Sales Division, Non-EU Sales Platform Senior AVP,	Hsiao, Wen-Ta										
	Channel & Motherboard BU, Service and Sales Marketing Center, ASEAN Division, Asia Sales Platform Senior AVP,	Liu, Wen-Chung										
	Channel & Motherboard BU, Innovation and Creative Value Center, software office, AVP	Deng, Yi-Ming										
	Channel & Motherboard BU, Innovation and Creative Value Center, senior AVP, Firmware Division 2	Tseng, Wei Wen										
	Channel & Motherboard BU, Innovation and Creative Value Center, hardware office 1, AVP	Liao, Che Hsien										
	Mobile Product BU, Mobile Product Center AVP	Lan, Chun-Kun										
	Network and Communications BU, Platform Product Center, AVP	Chen, Yun-Ti										

	Title (*1)	Name	Number of subscribed stock options	Percentage of number of stock options subscribed to number of total outstanding shares	Exercised				Unexercised			
					Number of stock options	Subscription price	Subscription amount	Number of stock options subscribed to number of total outstanding shares	Number of stock options	Subscription price	Subscription amount	Number of stock options subscribed to number of total outstanding shares
	Overseas Manufacturing Dongguan Gigabyte Ningbo Gigabyte AVP	Ko, Wei-Ti										
	Operation Management Center Legal and IP Affairs Div. Senior AVP	Chiu, Chih Peng										
	Channel & Motherboard Business Unit China Sales Platform AVP	Lan, Shao-Wen										
	Manufacturing Business Unit Chief Engineering Division AVP	Sun, Wu-Hsiung										
	e-Sports Business Unit R&D Division AVP	Huang, Shun-Chih										
	e-Sports Business Unit Sales and Marketing Division AVP	Lin, Ying-Yu										
Employees	Employee	Li, Yi-Ju	3,630,000	0.58%	3,540,000	17.39、16.10、14.80、13.68、12.70、11.90、10.90	56,886,380	0.56%	90,000	10.90	981,000	0.01%
	Employee	Chen, Ching-Hui										
	Employee	Lin, Pin-Hsing										
	Employee	Chen, Yong-Hsing										
	Employee	Kao, Sheng-Liang										
	Employee	Lin,Cheng-Lung										
	Employee	Kao, Hong-De										
	Employee	Chang, Gui-Shan										
	Employee	Kao, Yong-SHun										
	Employee	Chang, Shi-Pin										
	Employee	Lo, Ching-Hsiang										

VI. Issuance of New Restricted Stock for Employees
None

VII. Issuance of New Stock from Merger or Acquisition of Other Companies' Stock
Not Applicable

VIII. Status of Capital Utilization Plan
Not applicable

Five. Review of Operation

I.The business

(I) Scope of Operation

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

2. Business distribution:

Unit: NTD1,000

Proportion / Primary Products	2013		2014		2015	
	Sales value	%	Sales value	%	Sales value	%
Motherboards	30,233,102	59.14	31,306,900	57.40	28,914,499	56.89
Others	20,885,892	40.86	23,234,787	42.60	21,914,293	43.11
Total	51,118,994	100.00	54,541,687	100.00	50,828,792	100.00

Note 1:The above table shows net sales revenues.

3. Current products:
   (1) Ultra-durable and high performance computer mother boards
   (2) Ultra-durable and high performance 3D accelerator display cards
   (3) Laptop/ultra-lightweight laptops
   (4) Tablet PCs and devices
   (5) Advanced and multifunctional servers
   (6) Smart phones
   (7) Computer peripheral products
   (8) Network storage productsComputer peripheral products
   (9) Broadband network device and wireless communication products
4. New product development plans:
   (1) Launch of various motherboard series for the most advanced and newest platforms.
   (2) Launch of advanced e-sports productsto continue to build Gigabyte into a Taiwanese brand of excellence.
   (3) Release peripherals for professional gaming computers.
   (4) Release a new generation of WINDFORCE ultra-long-lasting professional graphics card.
   (5) Launching of all-new smart lifestyle products to satisfy consumer needs.
   (6) Rolling out various high expandability and high price/performance ratio multi-core high level server.

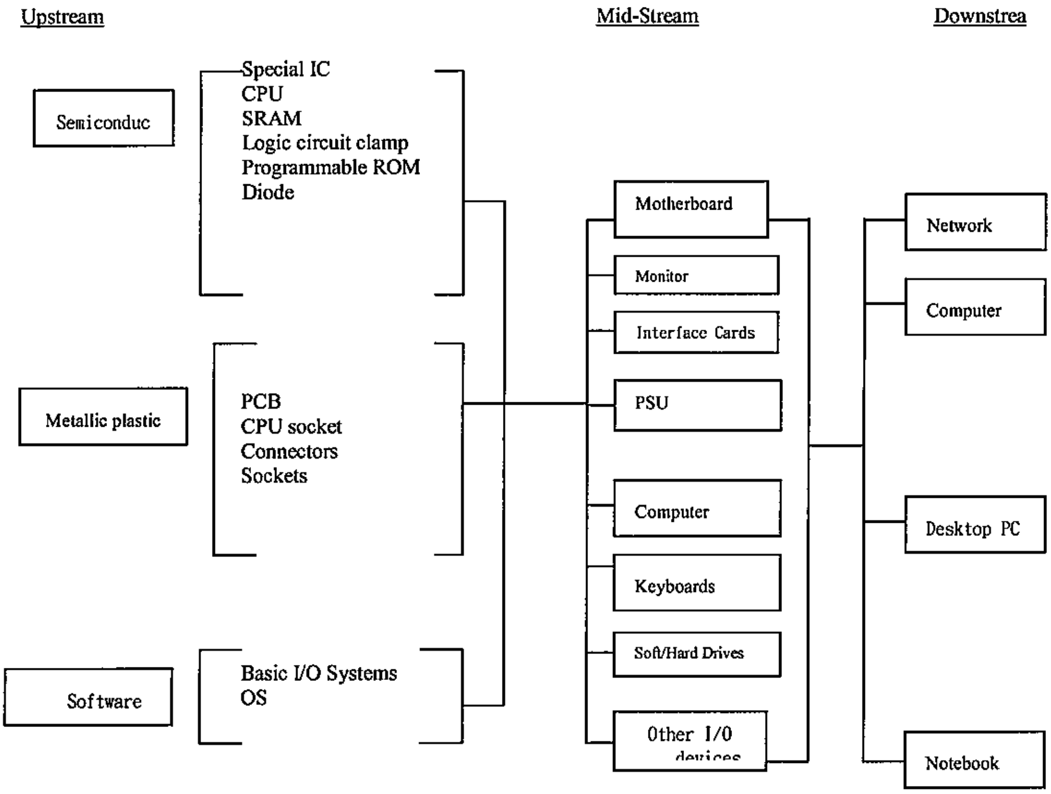
(II) Industry Overview:

1. Industry status and developments

IDC research found that the PC industry gained a respite from the wave of XP-machine upgrades and slow-down in tablet sales. PC shipments in 2014 grew by nearly 1.8% with a slight decline in notebook quantities. The motherboard industry bucked the trend with a growth of 4.4% but overall output shrunk slightly by 0.1%. Analysis of the key factors pointed to cutthroat competition for market share by global motherboard vendors in 2014. This resulted in the global motherboard industry seeing increased quantities but decreased value.
IDC statistics show a continuous fall of PC sales for four years until 2015, the history-lowest fall happened in 2015 as witnessed by the global PC shipping volume reducing by 10.4%. According to experts, besides the popularization of smartphones, the transformation of Microsoft plays another factor. Today, Microsoft makes profit from the licensing fee of Windows and Office, Skype video fee, XBOX games, and app download. In 2015, Microsoft offered Windows 10 for free to PC users. According to IDC, the free offer of Windows 10 was one of the reasons that users delayed PC replacement. IDC data also shows that the fall of PC shipping volume in Q1 of 2016 was slightly higher than estimated, and the global PC market at the beginning of the quarter was weak. In addition to the violent exchange rate volatility, the stock from Q4 of 2015 played another key role. Except for e-sports PCs and 2-in-1's which are still quite popular for the moment, the sales condition of traditional PCs is undesirable. In terms of sales by region, due to political and exchange instability, sales in Latin America dropped by 32.4%, the lowest, while the shipping volume in EMEA was better than expected. Looking into the future, Garther estimates that large-scale upgrades to Windows 10 on PCs of large enterprises in EMEA will not come until the end of 2016.

Keen competitions are still seen on the global PC market in 2016. In terms of market, a relative stable condition will probably be maintained on the PC market, and recovery may come when users began to replace their PCs for Windows 10 in the second half of the year. This year, a better performance is expected on the motherboard market due to the increasing e-sports demand and the rise of VR technology. The shipping volume will turn stable in the next half of the year as new products are launched.

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



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

3. Product trends and competition

Leading upstream companies:

As hardware technology advances by leaps and bounds, cloud applications become more and more mature and market demands diversifies. Regardless of being heavily equipped or slim and compact, devices are developed for use on the cloud, with big data and IoT and for personalization. As many leading manufacturers are attracted to the opportunities derived, market competitions become keener.

Mid- and downstream:

The boundary between PCs and smart devices is increasingly unclear as new products are incessantly launched. Therefore, it is necessary to launch products with personalized design and integrated application services. New-generation products equipped with personalized service applications featuring product differentiation are launched to meet the demand of different consumer groups. By integrating with Gigabyte's award-winning products, we will provide users with stunning experience to create a better space for making profit.

Through close cooperation with professional suppliers, we will continuously launch slim, compact, convenient, energy-saving, and easy-to-use high-quality products and solutions for the cloud era and build the best brand in line with the global trend.

(III) Technology and R&D:

Gigabyte has aggressively committed itself to research and development, devoting at least 3% of its revenue to R&D expenditure and ensuring the key software and hardware needed for future growth are in control by the Company. Gigabyte focuses on product innovation value and the enduring development of the brand. In recent years, the Company has won major international awards such as IF and reddot. The products of our brand are on display at the Presidential Office Building and Taoyuan International Airport, demonstrating again Gigabyte's branding power.

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

Unit: NTD1,000

Subject	2014	2015	By March 31, 2016
R & D spending	1,815,605	1,646,777	426,673

Source: Consolidated financial report certified (audited) by CPA

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

(1) 2014

a. Gigabyte has continued to break its own world records in terms of advanced motherboard technologies, performance and quality. We released an all new motherboard series featuring exclusive all-new SOC technology and an innovative design that allows players to intuitively optimize the performance of their hardware. The new Gigabyte Z97 and X99 motherboards aimed to provide the ultra-durable quality, incomparable performance and breathtaking appearance that players want. Whether a gamer selects the G1™ gamer series, the SOC super-overclocker series, or Gigabyte's classic Ultra-durable series, they will be satisfied with the rich range of features such as M.2, SATA Express and Thunderbolt™ expansion slots that Gigabyte tailors to the needs of gamers, overclockers or computer professionals.

b. Gigabyte introduces new innovations every year to meet gamer demands of their display cards! This year marked the launch of the Gigabyte WindForce and WaterForce cooling systems that deliver all new levels of single-card water-cooling performance and overcomes the bottleneck for multi-card air-cooling. Whether a player prefers air- or water-cooling, they can all see Gigabyte's latest and most outstanding design this year for themselves! WindForce features proprietary "Triangular Solid" cooling technology with hybrid heat pipes while for water-cooling there is the all new WaterForce cooling system. The system is designed for high-end gaming enthusiasts who want ultra-quiet and ultra-cool gaming environments. Gigabyte's proprietary one-piece self-contained water cooling technology cools the GPU, memory and MOSFET. The WaterForce set-top chiller with a stylish, understated design includes an intuitive OLED display for monitoring the status of all display cards. The temperature, fan and pump speeds can all be intuitively controlled through physical buttons, delivering not only powerful cooling performance but also outstandingly low noise.

c. Gigabyte has finished developing a new generation of Cloud Service package including a new generation of server motherboards that support the Intel® Xeon® E5-2600/1600 V3 processors. To significant boost system processing power, we also pioneered the use of the latest and fastest DDR4 technology along with support for Intel® vPro dual-port Gigabit Ethernet controller. This can be used with virtualization technology to deliver excellent performance and green energy management functions that perfectly support client application platforms while delivering improved power-efficiency and system performance.

d. Gigabyte notebooks have always had a reputation for high-performance products. This year we launched the P34G v2, the first notebook in the world to feature PlexTurbo technology that delivers the ultimate gaming experience with twice the industry transfer rate. This greatly reduces game loading times while also accelerating the reading of game maps and data. PlexTurbo is a smart SSD caching technology that combines system memory, SSD DRAM cache and SSD storage to deliver 2 ~ 14 times the performance of ordinary SSD. Apart from faster access speeds and longer FLASH memory service lives, PlexTurbo can also protect against data loss due to power shortages. The advanced memory access algorithms enable PlexTurbo to effectively increase transfer rates and reduce memory footprints for a silky-smooth lag-free user experience. To overcome the endurance problem in e-sports notebooks, Gigabyte has taken advantage of NVIDIA®'s new generation of GeForce® GTX 980M and GTX 970M discrete graphic cards to launch the 15.6" P35 and 14" P34 lightweight high-performance e-sports notebooks. The new high-end display cards are based on the 28nm Maxwell process that deliver breathtaking processing power and longer battery life. Support for Battery Boost 2.0 technology allows the notebook to consume less power while delivering the same FPS. Gigabyte has discerned the market demand for high-mobility, high-performance notebooks, The release of slim gaming notebooks is targeted at enthusiasts looking for extreme performance and there is no better choice for those looking for both mobility and performance.

e. As the successor to BRIX that dominated the ultra-mini PC market last year, Gigabyte BRIX Pro immediately won the favor of Tom's Hardware, a professional computer reviewer upon its release and was presented with the Best of CES 2014 award. BRIX Pro inherits the outstanding design philosophy of the BRIX family and packs high-performance Intel® Core™ i7/i5 processors and the Intel® Iris™ Pro 5200 graphics architecture into a compact form-factor. It can not only handle CPU-intensive applications such as graphics design or video editing, the high graphics performance of BRIX Pro takes 3D games in its stride as well. For intensive entertainment applications, the new BRIX Gaming carries on the BRIX series' micro form-factor. The Intel® Core™ I processor and NVIDIA® GeForce® GTX™ 760 graphics core within the BRIX Gaming is more than enough for handling all kinds of intensive applications. The superb graphics processing power of BRIX Gaming also makes it the dream package for 3D gamers.

f. The new Raptor optical engine e-sports mouse is designed specifically for FPS and RTS gaming. It was also the winner of the "1st Gigabyte Make It Real! Mouse Design Contest". Three new Taiwanese designers created this masterpiece by combining ergonomics with the look of a raptor's talons. The design was praised by judges and given the chance to enter mass-production. The champion mouse no features 4000 dpi competition-grade optical tracking engine and hot key support for switching between 4 levels of DPI sensitivity to deliver high precision control and movement. Other features include the Omron micro-switches with an ultra durable service life of 10 million switching cycles and improved tactile feedback. Every button on the mouse can also be bound to specific keys or macros using the GHOST macro engine to provide players with even more flexibility on customization.

g. Gigabyte released two new dual-card smart phones (GSmart GX2 and GSmart Mika M2) featuring the Qualcomm Snapdragon 400 chipset with a super-fast 1.6GHz quad-core CPU and 2GB RAM/8 GB ROM. Along with the 5" OGS display, the smart phone has even slimmer appearance, magnesium-aluminum alloy body and IPS screen for vivid colors. The smart phone offers the user an enhanced viewing and listening experience for movies, games or music.

(2) 2015

a. World's top motherboards

We make continuous improvement of motherboard technology and quality to enhance product performance. We are the first to launch the latest Thunderbolt™ 3 platform to provide gamers with 32Gb/s data transfer bandwidth to fully exert the performance of USB3.1 interface without more innovative design. In addition, we equipped these motherboards with the latest USB Type-C™ port featuring reversible plug orientation and cable direction and the most common USB Standard-A port to extensively enhance the convenience and compatibility of external device connection. The new Z170 platforms is equipped with the Creative® Sound Core3D™ quad-core sound processor and Burr-Brown super-high level 127dB DAC chip. The built-in sound chip with a discrete sound card design provides professionally certified earphone output with S/N ratio at 120dB+. The real sound reproduction enables gamers to clearly hear even the breeze sound in the game to defeat enemies in advance. The Killer DoubleShot-X3™ Pro wireless network solution for e-sports equipped on the motherboards can automatically detect and allocate optimal bandwidth for gaming for users to enjoy high quality, no lag, and uninterrupted high-speed gaming experience. The synchronous operation of three sets of Killer interface provides the highest bandwidth for important packets to achieve optimal internet connection for users to enjoy real-time on-line games or buying tickets on-line at all ease. Gigabyte products always fulfil the demands of gamers, overclockers, and professionals.

b. Market-leading graphics cards

To satiate gamiac's aspiration for top performance, we launched the the GTX 980 Ti graphics card, the flagship model of the XTREME GAMING series. It is equipped with the Maxwell GPU to ensure ultimate overclocking performance and provide the most powerful graphics performance required by 4K resolution and VR. We also equipped the graphics card with the independently developed WINFORCE cooling solution integrated ultra-quiet PWM fan and anti-turbulence inclined fans to extensively enhance cooling efficiency for a quiest gaming environment. In appearance design, we added the industry-first RGB true-color LED ring for gamers personalize the "interior design" of their systems. In addition to the protection of the metal back panel, an aeronautic grade coating is coated on the PCB for ultimate resistance against moisture, dust, and corrosion. The OC GURU software is equipped for gamers to conveniently and efficiently adjust all parameters and settings over an intuitive interface to enjoy ultimate and smooth gaming experience. The exclusive GPU Gauntlet™ Sorting technology ensures each Xtreme Gaming graphics card can deliver the optimal EER and minimal power loss to significantly enhance overclocking stability and trigger supper overclocking energy for gamers to freely enjoy exceptional smoothness in extreme gaming. GPU Gauntlet™ also enables gamers to overclock memory to overcome all difficulties and triumph each game with the graphics card's superb performance.

c. Innovation-leading severs

In cloud server R&D, we launched ahead of competitors new-generation servers equipped with dual Cavium 48-cores ARMv8 ThunderX™ processors.

The H270-T70 server has a 2U-4nodes high-end design equipped with the 384 ARMv8 core, built-in dual power supply and dual cooling system to deliver maximum stability with maximum system computing performance at the least power consumption. Together with the virtualization technology, high execution performance, energy-saving power management, and customization service, these servers can perfectly support customer application platforms and provide greater flexibility.

d.E-sports laptops with unrivalled performance

High performance has always been the signature of Gigabyte e-sports laptops. Apart from extending the traditional of our industry-leading ultra-slim and high performance P34, P35, and P37 series, we launched brand new advancd e-sports models including the P55 (15-inch) and P57 (17-model). Besides equipping them with high-level dual GPUs, we blended the matte black surface inspired by sports cars with shining orange lines to mark out a sharp contrast to satiate extreme gamers' desire to show off their skills. Equipped with Intel's 6th generation Skylake CPUs, we upgraded all notebook ranges and became the first in the industry to provide four features to the new Skylake platforms: high-speed M.2 PCIe SSD which is four times faster than past SSDs; DDR4 memory modules to significantly enhance bandwidth and performance; new-generation USB3.1 type C with reversible plug orientation and cable direction for more convenient uses and super-fast transfer speed; and HDMI 2.0, which is rare on the market, for consumers to enjoy 4K resolution at 60Hz refreshing rate. Our insistence on premium quality, ultra-durability, and high performance turn our e-sports laptops into the most-sought products of gamers on the market. Apart from satiating gamers' aspiration for superb performance, Gigabyte e-sports laptops are by all means the first choice for e-sports gamers with the powerful performance.

e.Mini PC system champion—Brix™

Extending the aurora of the best product award of professional PC review media Tom's Hardware and CES, Brix™ inherits Gigabyte's outstanding design concept and is equipped with the latest Intel® 6th generation i-Core™ processors. The range offers models with i3, i5, and i7 processors to provide users with more options. The new Brix™ supports M.2 SSDs to make it more mini and flexible. For users requiring larger storage space, we offer models supporting 2.5" SSD or HDD. To facilitate expansion with external devices, all new Brix™ models are equipped with more built-in USB3.0 ports and the HDMI and Display Port supporting up to three monitors to "broaden" the user's vision. The built-in Intel GbE controller assures smooth internet connection without lag. The latest Thunderbolt™ 3 technology offering bandwidth up to 40Gb/s through the USB Type-C™ interface doubles the bandwidth of the previous Thunderbolt™ technology. There are many other revolutionary features, such as the daisy chain architecture which supports connection of up to six external devices; Power Delivery 2.0 that provides quick charge of external devices; and DisplayPort 1.2 supporting true 4K resolution to showcase brilliant user experience.

f.Award-winning e-sports devices

In 2015, we launched the first e-sports mouse XTREME GAMING XM300 with built-in 6500DPI sensor for users to experience ultimate handling, speed, and accuracy. The Omron micro-switch equipped on the mouse supports all kinds of quick and exciting gaming operations. The true-color RGB lighting effect at the tail enables user to define whatever lighting effect they want. The classic streamlined ergonomic design ensures good grip and is comfortable for long-time use. In short, it is the ultimate tool for users to conquer enemies in the e-sports battlefield where a miss is as good as a mile.

The XTREME GAMING FORCE K85 mechanical e-sports keyboard emphasizing keystroke response is equipped with the new-generation professional e-sports mechanical axle. Besides precise and agile response, the lifespan of each axle is up to 70 million times of pressing, which is ahead of that of competing models and can stand the test of the most severe operation. On top of the most classic, simple chiclet design, each key can emit user-defined RBG true-color light in 16.8M colors for users to adjust brightness, color, and multiple lighting effects over the software or hotkeys. The keyboard also supports NKRO to ensure no miss of any attack commands for gamers to challenge the extremes in the arena or on the battlefield.

(3) By the report publication date

a. Motherboards with innovative technology

Gigabyte is always committed to offering users with the best advanced desktop products. The recently launched X170 and X150 motherboards provide users with desktop solutions of higher performance, higher stability, and ultra-durability. Motherboards in these two series are equipped with the Intel® C236 and C232 chipsets. In addition to supporting the latest Intel® Xeon® E3-1200 v5 processors, some select models support ECC DDR4 memory modules for users to enhance memory speed and increase memory size. ECC can effectively defect micro data difference to prevent unknown data damage during access and transmission to ensure the reliability of key applications and reduce system crash and data damage. There are two PCIe Gen3 x4 M.2 slots for users to operate SSD over the PCI-Express circuit at bandwidth and transfer speed up to 32Gb/s each slot. The M.2 interface also supports RAID to provide expert users with the optimal storage device solution. The M.2 slot supports the latest NVMe protocol. With an M.2 to U.2 adapter, users can fully demonstrate the U.2 SSD performance built in the Intel 750 series to enjoy stunning storage performance. It also shortens system startup time and game loading time to provide users with fast and joyous computing experience. The built-in latest Killer™ E2400 GbE controller provides users with the world-class advanced network detection and connection prioritization technology. The E2400 can automatically detect and adjust network traffic to deliver unparalleled speed and performance to critical applications and websites. The Lag and Latency Reduction™ Technology on the controller provides more powerful network control to effectively reduce latency and shaking screen when playing streams, and even eliminate noise and lag on the screen. Users can play streams while enjoying on-line games at the same time without worrying about network latency to fulfill the demand for game and computing performance of elite users.

b. XTREME GAMING graphics cards

XTREME overclocking: With GPU Gauntlet™ Sorting technology, the GPU of XTREME GAMING graphics cards can deliver optimal EER and lowest power loss to significantly enhance overclocking stability and trigger supper overclocking energy. From the "one-click overclock" function in the OC GURU software, gamers can easily change clock settings for individual games for optimal performance to save time and energy on adjustment and calibration. for gamers to freely enjoy exceptional smoothness in extreme gaming.

XTREME GAMING graphics cards also support a myriad of top graphics technology, such as the dynamic super resolution (DSR), multi-frame anti-alias (MFAA), and movie hardware decoding acceleration, to extensively improve picture quality for gamers to enjoy "live" gaming and audiovisual experience. XTREME cooling: The WINFORCE and WATERFORCE cooling solutions are equipped on XTREME GAMING graphics cards for powerful computing performance and multiple thermal management to effectively reduce noise and enhance cooling performance at the same time, keep graphics cards working in a low-temperature environment at all times, and ensure higher and more stable product performance.

XTREME style: To fulfill the gamer's aspiration for building an own gaming system, XTREME GAMING graphics cards are equipped with 16.8M color RGB LEDs. Besides the backlit logo, the angle's eye ring is added to the fan. From the OC GURU, gamers can define the color and special effect as they wish to create a unique style for their gaming system. Apart from corresponding to the cool black fan, the reinforced metal back panel makes the overall appearance look tougher and cleaner and provides another protection to prevent PCB from bending or parts from falling.

XTREME durable: On top of the PCB surface is an aeronautic grade protective coating to effectively enhance resistance against moisture, dust, and corrosion to make XTREME GAMING graphics cards suitable for gamers living in humid places or places with extreme weather conditions. The outstanding moisture and corrosion resistance of the XTREME GAMING graphics cards also enables overclockers to prevent damage on the PCD caused by leaking liquid nitrogen or liquid coolant. XTREME GAMING graphics cards are equipped with premium, ultra-durable materials, such as low ERS sloid capacitors, ferrite core chokes, lower RDS(on) MOSFET. Besides effectively reducing heat generation, these materials can lower electrical noise to stabilize power supply for users to enjoy "energy-saving" and "eco-friendly" graphics card solutions with real overclocking performance.XTREME friendly: The OC GURU is a smart overclocking application from Gigabyte. Through its intuitive interface, convenient parameter adjustment, and clean monitoring screen, users can quickly adjust core clock, memory clock, fan operation mode, LED color, and special effects. Users can also directly update drivers and BIOS of the graphics card from OC GURU to achieve extreme speed, extremely smooth, and extremely quiet cross-vision gaming performance for game enthusiasts to turn the special effects all the way up and charge their way toward victory.

c. Energy-saving servers with outstanding performance

We have launched a number of server motherboards equipped with processors from the Intel® Xeon® D-1500 family. These processors use the latest Intel® Broadwell architecture and 14μm process, with TDP between 20W and 35W to reduce power consumption for the Intel® Xeon® D-1500 family to maintain performance while consuming less power. In addition, the SoC design fulfill the demand for high-density architecture of datacenters. In terms of performance, power consumption, or density, these product features can extensively reduce the infrastructure construction cost for customers and satisfy the application on micro servers, storage, networks, and IoT.

d. Ultra-slim Aero14 with super performance

The brand new 14-inch ultra-slim notebook Aero 14 is a high-performance model in the Aero series tailored for professional users. By integrating ultra-slim body, high performance, and super battery life, the Aero 14 makes a perfect combination of the mobility of Ultrabook and the performance of heavy-duty computers for mobile professionals say goodbye to the mobility vs. performance dilemma.

Ultra-slim and advanced notebooks grew against all odds on the PC market. Emphasizing on market demand, Gigabyte has been specialized in this domain since a long time ago. With this new product line launched this year, Gigabyte notebooks are the first choice for professional users or games requiring mobility and performance.

e. New opportunities from IoT

Gigabyte co-developed the new IoT gateways with Intel®. Based on the level of uses, they are equipped with the Intel® Celeron® N3050 and Intel® Pentium® N3700 processors. These two SoC processors from Intel® equipped with the Airmont architecture and manufactured with the 14μm process are specifically designed for embedded and IoT products with special concerns about cost and energy consumption. Their computing and graphics processing performance are also enhanced. In addition, Gigabyte's EL-20 series with maximum TDP of only 6W has become the ideal energy-saving and high-performance solution for embedded and IoT products. Considering the need for ultra-durability and space-saving of embedded products, these gateways are equipped with Gigabyte's signature ultra-durable motherboards together with a fan-less design and aluminum alloy enclosure. The overall dimensions are only 140.8 x 107.5 x 27mm. Regardless of its elaborate enclosure, the EL-20 offers adequate quantity and comprehensive I/O ports, including two GbE ports, two HDMI (support dual 4K output) ports, four USB3.0 ports, one SDXC card slot, and one COM port for users to exploit this embedded platform with greater flexibility and discover its core value: link terminal devices and data transmission and implement big data analysis and smart management in a remote site. The EL-20 is a series of compact embedded platforms with outstanding performance that support the development of all kinds of applications. Its ease of use in service deployment makes it superb for IoT applications including telecare, smart home, intelligent transport, device management, industrial automation, and digital signage.

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

1. OBM

Short-term plan:

(1)Market: Demands for personalized digital integrated service applications have been increasing rapidly in recent years. Together with the rise in the demand for high-end and high-performance products, Gigabyte plans to release a series of products equipped with ultra-slim designs and cloud technology to fulfill the gamer's demand for high-performance, high-quality, and ultra-durability e-sports products and meet the user's need for convenient access to cloud services anytime to satisfy both professional and advanced users and game enthusiasts and become the leading brand in the market.

(2)Product: At Gigabyte, premium quality, innovation, and R&D are an unchanging policy, and most products have been recognized by numbers of international awards. Apart from insisting on premium quality, ultra-durability, and high performance, by following high-standard intelligent energy saving and electronic safety specifications, we start product design with eco-design, and energy-saving design right at the beginning to provide customers with the best green products. When releasing new products, we coordinate with safety protection, environmental and safety inspections, intelligent energy-saving service, and carbon footprint disclosure to fulfill the needs of different user groups across the world. We will uphold brand integrity and product performance and value to create more space for profit.

(3)Marketing: Gigabyte will adopt innovative and differentiated marketing while also forming alliances with major international companies (such as Intel, AMD, NVIDIA) and leading brands in other industries (such as software vendors) in joint marketing campaigns to increase brand exposure and recognition.
(4)Channel deployment: We will strengthen cooperation with distributors and implement adaptive marketing strategies. We will also progressively integrate virtual and physical channels to strengthen on-the-spot marketing and provide appropriate services and support to improve brand and sales strength.
(5)Manufacture: In view of the annually rising wage and the unfriendly taxation environment in China, we will focus on developing process automation and optimal distribution of self-production.
(6)Service: In the new information age, omni-channel service featuring online to offline (O2O) services will be more effective to interact with customers, establish long-lasting customer relationship, and thereby raise customer satisfaction and spread the committed value more quickly.

Long-term plan:

(1) With the brand ethos of "Revolutionize Technology, Beautify Life," Gigabyte continues to launch attractive and competitive products and further expands product lines and market positions.
(2) With cloud technology and the trend of personalized digital lifestyle, Gigabyte seeks newer and more diversified innovative products to explore market opportunities in different areas. This way, Gigabyte can expand the size of the market and broaden the customer base, producing revenue and profit growth for the Company in the long run.
(3) Gigabyte is specialized in the R&D of products with high quality, ultra-durability, and high performance and the development of green products and green technologies in a hope to turn green products and technologies into the customer's trust in Gigabyte and thereby to enable greater growth for the company.

II.Market and Sales

(I) Market Analysis

1. Main product (service) market regions:

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

Sales volume and value over the last three years:

Unit: NT$1,000

Year / Region	2013		2014		2015	
	Amount	%	Amount	%	Amount	%
Asia	26,726,662	52.28	26,036,670	47.74	26,597,668	52.33
Europe	13,179,842	25.78	15,779,293	28.93	10,954,415	21.55
North America	6,384,545	12.49	7,822,318	14.34	7,119,292	14.01
Other regions	1,592,976	3.12	1,984,359	3.64	3,904,849	7.68
Domestic sales	3,234,969	6.33	2,919,047	5.35	2,252,568	4.43
Total	51,118,994	100.00	54,541,687	100.00	50,828,792	100.00

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

(1) In 2015, Gigabyte orientated sales toward differentiated marketing. To provide shipping information more accurately, we begun calculating shipping volume according to channel-based motherboards this year, and our 2015 market share was still ahead of competitors. This was mostly attributed to Gigabyte's innovative research and development product quality that exceeds the market standard. A robust supply chain helps to provide competitive products and services and achieve stellar performance and increasing profits!

(2) Future Supply and Demand in the Market

a. Market Demand

IDC reports that the PC market will gradually recover. Gigabyte is driving market demand by creating new trend-setting products and services as well as the best IT solutions. We will face 2016 with our head held high.

b. Market Supply

As the data from the Institute for Information Industry show, the relationship between the market share and shipping volume of our Company's motherboards are as follows:

Unit: Thousand pcs

Year	Global Motherboard Production	Gigabyte's Motherboard Production	Market share
2015	130,483	17,100	13%
2014	146,403	19,782	14%
2013	144,300	19,950	14%

Source: Statistical data compiled by the Institute for Information Industry

Gigabyte expects to expand brand value and superior marketing channelsto strengthen our competitive advantages, achieve further improvements for the excellence of our products and services, and continue to generate higher profits and value.

(3) Future Growth in the Market

Green energy and cloud are the top topics in the PC market. Gigabyte is leveraging its strength in R&D to not only set many world-firsts in performance but also provide our customers with the best personal services. We will work on Cloud services and applications for innovative software and hardware integrations. In addition to providing users with astounding functions, our products have also continued to garner awards and external recognition. By driving new innovative technologies and marketing of new products, we are confident in our capabilities in supplying customers with the best products. Gigabyte adheres to our practical and steadfast business philosophies to maximize the value of our brand in a sustainable manner.

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

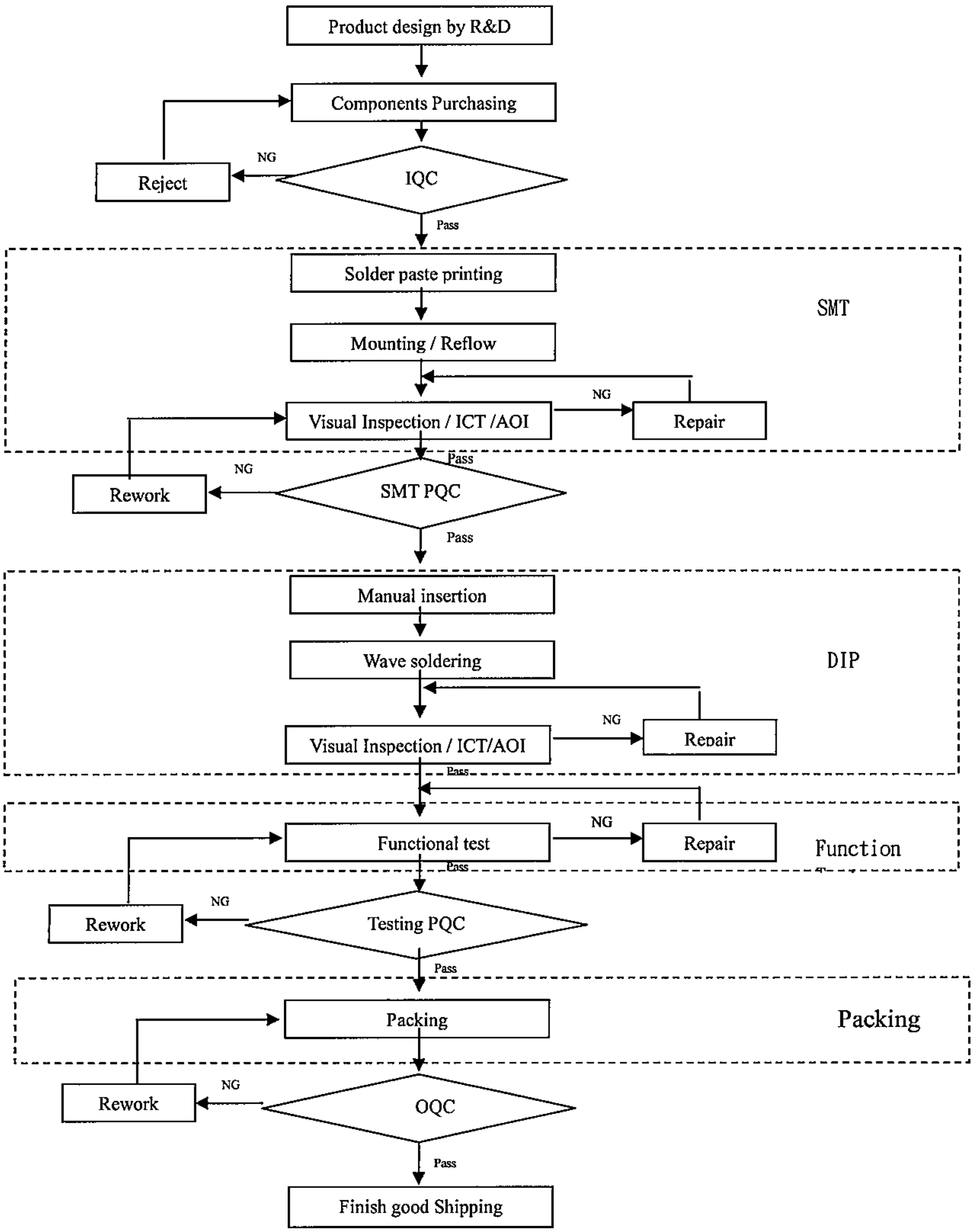
Advantageous Factors	
The Industry's Development and Prospect	● Intel, AMD, and NVIDIA continue to release new platforms with new architecture, new functions, and greater performance. In addition, Gigabyte controls critical R&D technologies and willfully cultivates the market to provide differentiated products and services for different target groups to fulfill market demands. ● In response to green policy promotion across the world, Gigabyte extends its high standards for smart energy-saving and electronic safety to the supply chain, materials for parts and components, manufacture, and resource recycling. In product design, we start with eco-design and energy-saving design right at the beginning to provide customers with the best green products. When releasing new products, we coordinate with safety protection, environmental and safety inspections, intelligent energy-saving service, and carbon footprint disclosure to fulfill the needs of different user groups across the world. We will uphold brand integrity and product performance and value to create more space for profit. ● We continuously research and develop more diversified cutting-edge products. Aside from maintaining our lead in the market, we set new standards for products.
Industry Integration and Operational Environment	● Market development is heading towards diversification of product types and functions. Gigabyte could make full use of research and development and product advantages to secure advantageous positions in branding and marketing channels and solidify its leading position in the industry. ● Taiwan is the world leader in terms of market share for many PC components. Beneficial cluster effects of in the upstream of the supply chain provide Gigabyte a robust production capacity and good product quality. Division of labor and specialization has been perfected, giving Gigabyte an unparalleled competitive advantage. ● Integrity and pragmatism are the guidelines of business operations at Gigabyte. We have outstanding operational management, sales channels, and perfect customer services. The continued breakthroughs and innovations by our brand has left a strong impression on our customers as well as recognition from international prizes and the media. Gigabyte is a high-value enterprises pursuing sustainable operations.

Disadvantageous Factors and Responding Strategies	
Impact on sales from fluctuations in exchange rates	Responding Strategies: ● Closely monitor in foreign exchange volatility and timely adjust foreign currency holdings to reduce foreign exchange risk.
Impact of global warming and environmental issues	Climate change and global warming are by far the severest environmental issues across the world at the moment. After the conclusion of the Paris Agreement Draft at the end of 2015, green technology and low emissions have become the focus of global business deployment. •In 2010, we began organization level GHG inventory on an annual basis and set the emission reduction target for 2020. Through energy saving, the long-term green action plan, educational workshops, development of environmental protection habits, and procurement of green process equipment, we reached the target in 2012, so we have raised our target to a higher level. •In continuously developing eco-friendly products and building a sustainable supply chain, we built in 2015 the world-largest green product certification database for raw materials in collaboration with MiTAC International to share hazardous substance information with suppliers to reduce environmental load and supplier burden and enhance corporate competitiveness. To our customers, in addition to maintaining the value and goodwill of our own brand, value change management aims to protect the benefits of customers and consumers, so as to turn Gigabyte products into a beautiful experience that users find pride, enjoyment, and no worries.
Growth of new generation devices and stagnation of PC growth	Responding Strategies: ● Aside from building deeper relationship with our existing customers and markets, we shall explore emerging markets and improve our quality and service. This way, we can maintain the lead of our existing products and the Company's profitability. ● Leverage our R&D advantage to extend the features of high-level motherboards to industrial and gaming motherboards. ● Integrate virtual and physical features to provide high quality and high satisfaction products with value-added cloud service applications.

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

1. Primary functions of major products: Motherboards and graphics cards, and barebones are components for assembling a PC and the "platform" for computing; while servers are computers with better computing ability and provide various services for multiple network users, and they are indispensable to a network environment.

2.Production Process:



(III) The supply of key materials:

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

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

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

Unit: NTD 1,000

	2014				2015				2016 Q1			
No.	Name	Amount	Percentage to annual purchase (%)	Relationship with the Company	Name	Amount	Percentage to annual purchase (%)	Relationship with the Company	Name	Amount	Percentage to annual purchase (%)	Relationship with the Company
1	INTEL	10,904,525	25.32	None	INTEL	10,597,401	25.46	None	INTEL	2,840,354	26.86	None
	Other	34,669,539	74.68		Other	31,031,064	74.54		Other	7,733,631	73.14	
	Total purchase	45,574,064	100.00		Total purchase	41,628,465	100.00		Total purchase	10,573,985	100.00	

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

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

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

Unit: 1,000 pieces; NTD million

Production volume and value / Product	2014			2015		
	Production capacity	Production volume	Production value	Production capacity	Production volume	Production value
Motherboards	18,953	19,496	24,334	17,253	17,150	22,619
Others	5,651	6,199	20,607	4,797	5,447	21,771
Total	24,604	25,695	44,941	22,050	22,597	44,390

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

Unit: 1,000 pieces; NTD million

Sales value and volume / Product	2014				2015			
	Domestic sales		Export		Domestic sales		Export	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Motherboards	366	708	19,010	30,599	357	762	16,543	28,152
Others		1,554		21,681		1,280		20,635
Total		2,262		52,280		2,042		48,787

Note: This table lists net sales

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

March 31, 2016

Year		2014	2015	2016 March 31
Number of employees	Line personnel	875	822	847
	Supporting personnel	1,952	1,972	1,847
	Total	2,827	2,794	2,694
Average age		35.4	36.6	37.5
Average year of service		7.13	7.47	8.55
Education (%)	Doctorate	0.18%	15%	0.26%
	Master	13.21%	12.50%	12.32%
	University	67.61%	69.80%	69.71%
	High school	14.08%	13.00%	13.29%
	High school below	4.92%	4.55%	4.42%

Source: Statistical data compiled by Gigabyte

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

(I) Losses and fines due to pollution in the most recent year: None.

(II) Future responding strategies and possible expenditure:

In 2015, GHG exceeded 400ppm, global average temperature kept rising and climate change intensified. Between January and June 2015, Taiwan experienced the severest ever drought since 1947. In its 2015 research report, UNU indicated that the volume of electronic waste created a new record in history last year, at 41.80 million tons. Countries in the world have thus tightened their environmental regulation. Every year the EU increases the substances of very high concern (SVHC) in REACH and adds to RoHS2 four controlled items for plasticizer that will take effect on July 22, 2019. Environmental and social issues have always been our concerns. To effectively mitigate and address to environmental and regulatory impacts, we began conducting assessments on supply chain sustainability in 2012. Apart from assessing and advising our existing suppliers on quality, punctuality, service, cost and hazardous substance management, we also require suppliers to conform to the EICC and non-use of conflict minerals. In addition, we will promote energy saving, emission reduction, water saving, and waste reduction to protect Earth together with suppliers in pursuit of sustainable development and increased competitiveness.

Projected environmental protection spending three years ahead:

Currency: in NTD 1,000

	2013	2014	2015	2016
A. The content of anti-pollution equipment planned to procure or spending	The Recycling of IT Waste Foundation, Kyoto Protocol, RoHS and WEEE required the reduction of emitting gaseous matters that cause the greenhouse effect, the reduction of using restricted substances and the recycling meChenism and related equipment.	1. Continue with ISO 14064 Greenhouse Gas Audit; Seek IECQ QC 080000, ISO14001, OHSA18001 certification. 2. Continue to introduce	1. Continue with ISO 14064 Greenhouse Gas Audit; Seek IECQ QC 080000, ISO14001, OHSA18001 certification. 2. Continue to introduce green	Continue to implement ISO 14064 GHG emission verification and promote the Gigabyte 333 waste reduction, water

	2013	2014	2015	2016
		green design, green purchase, clean production, etc. 3. Engage in product life cycle and environmental impact studies. 4. Conduct product life cycle and environmental impact assessments.	design, green purchase and clean production. NT$18 million will be invested towards the updating of obsolete equipment and air-conditioning to reduce GHG emissions and energy in 2015 consumption. 3. Continue to conduct product life cycle and environmental impact assessments to reduce impact on the environment.	reduction, and emission reduction program. Develop the product lifecycle and environmental impact assessment system to work for environmental protection together with suppliers. Continue eco-design, green procurement, green production and marketing to turn Gigabyte into a green brand to fulfill CSR.
B. Expected improvement	Recycling of IT waste under WEEE (fee for recycling).	Begin with green products and resource saving; reduce the usage of resources; achieve sustainable development.	2014 GHG emissions were down 18240.68 tons (37.26%) compared to 2009, reducing on dependence on energy resources and environmental impact.	Enhance the efficiency rate of energy and resources; eliminate hazardous substances; and strengthen sustainable supply chain management, to co-exist with Earth.
C. Amount - environmental protection spending - procurement of equipment for environmental protection process	29,350 0	30,817 -	31,919 -	35,812

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

1. Impact on Net Profit

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

2. Impact on our Status in the Competition

Eco-design, environmental protection, energy saving, and emission reduction have become global trends and universal values. In recent years, we have been promoting eco-design, elimination of hazardous substances, and ISO 14064. In response to the tightening international environmental regulations, we work together with suppliers through supplier management and supplier guidance. We also observe local laws and the EICC Code of Conduct at a high moral standard. We also request suppliers on the supply chain to comply with environmental protection, safety and health, labor rights, and labor condition standards, including "Conflict-Mineral-Free" policy; respect for employees; fair treatment of female and male employees; accountability toward production process and the environment. Besides improving organizational competitiveness, such awareness will be beneficial to enhance the global market share of Taiwan's 3C industries, so as to prevent measures to promote environmental protection and sustainable development from reducing our global competitiveness.

3. Impact on the Company's Image

Since 2010, we have voluntarily published the "Gigabyte Sustainability Report" according to the Global Reporting Initiative (GRI) in both Chinese and English to report to all stakeholders Gigabyte's efforts, determination, and achievements in sustainable development. After winning in 2014 the Excellence in National Environmental Education from New Taipei City, we won in 2015 again the Excellence in National Environmental Education in the private sector category, which recognized our efforts in realizing environmental protection. In the future, we will continue to our efforts in environmental protection and put environmental protection our own responsibility.

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

1. Committed Significant Environmental Protection Expenditures:

(1) Our Company has passed ISO 14001 environmental management system certification, requiring first level suppliers to install environmental management systems. Currently, all first level suppliers of Gigabyte have earned the ISO 14001 certification and are striving for pollution prevention and clean production.

(2) In 2005, our company became the first system brand company in the world that received the IECQ QC 080000 standard certification. Our products went through a lead-free manufacturing process. We also introduced green material

management system and established a green supply chain. Through Green Supply Chain Management (GSCM), we coordinated systematically with suppliers and connect ourselves to relevant standard evaluation and recognition processes. We effectively communicate with suppliers. We trace, manage, and even eliminate components that contain restricted or banned chemical substances.

(3) Our Company has passed the OHSAS 18001 audit and is committed to improve our Company's safety and health system. We aim to prevent and control the occurrence of accidents, delivering sustainable management with zero occupational hazard.

(4) The lifecycle carbon emission audit based on PAS 2050 carbon footprint standard has been completed for MD-300 Set-Top Box, one of our Company's Chennel sales products. The British Standard Institute (BSI) has issued a certificate of product carbon footprint verification for this audit engagement.

(5) Our Company promotes green design and recycling processes that are in compliance with all international environmental regulations.

(6) Apart from developing the clean production mechanism, developing energy-saving products, improving production process, and enhancing efficiency, we specifically implemented the ISO14064 GHG inventory system to disclose the GHG inventory and management information of this Company with the GHG report, so as to exactly capture the sources of GHG emissions, promote total participation and consensus, and continuously promote GHG emissions, mitigate global warming, and fulfill CSR.

(7) We activated the "Green Action Program" in 2009 to organize celebrity talks, environmental education, outdoor environmental checkup, and pro bono activities for over 40,000 participants. With these activities, we have enabled employees to understand the importance of environmental protection, improved their awareness of environmental protection, and equipped them with the basic knowledge, attitude, and skill for environmental protection. By blending these to work and daily life, we have established the Gigabyte Green Action Culture and promoted the eco-design concept to all employees to create new value for green products and pursue sustainable development for the enterprise and environment.

(8) We organized the "Green Product Innovation Activity: Innovation · Value · Sustainability". Based on the main theme "going green is free", we encourage employees to design green product with "Innovation · Value · Sustainability". As long as we are on the right track, "going green is free!"

(9) In 2013, we completed Taiwan's first sustainable ecology roof which became operational on Earth day. The roof testifies our dedication to saving our world. On the opening day, we invited neighboring communities (Jijing Community) as the first batch of visitors both as a token of gratitude for their long-term support and to satisfy their curiosity expressed during the construction of the ecological roof. Covering the roof with greenery provides multiple functions such as improved heat insulation, cooling, absorption of carbon dioxide, and improved diversity for urban habitat. The roof also gave our employees a place to rest and relax and serves as a green zone where people and nature can coexist, improving the happiness index of our employees by helping them achieve physical and spiritual equilibrium.

5 Major Themes of G-HOME

- Sustainable Zone: Green innovation sustainable development, and support for the younger generation for continual development.
- Organic farmland: Urban farming for the sharing of joy; organic food to achieve internal environmentalism.
- Entertainment zone: Enjoyable pace of life with sustainable health, walkways, and healthy experience.
- Spiritual zone: Realize your potentials, spiritual and mental growth, stress relief, and collaborative achievements.
- Ecological zone: Clean technology, sustainable development, biodiversity, and natural harmony

2. The Company sell its products directly and indirectly to EU, or areas governed by RoHS.
3. The compliance of the Company with RoHS is 100%.
4. The Company has been granted by the following companies or agencies the green product accreditation on environmental protection and ODM customer accreditation rate: 100%.
   (1) The first company in Taiwan being accredited the SGS IECQ QC080000 RoHS green product.
   (2) Approved by MOEA for a grant for supervision in Green Project in 2006, and complete the establishment and adaptation of GP system in 2007.
   (3) Recognition by international giant firms: Lenovo (IBM), Fujitsu, Hitachi, NEC, Toshiba, Samsung, LG, Acer, HP.
   (4) Equipment, production process, inspection standards and points of control are in place. There are also the ODM Mass Production and inspection for delivery locations with yield rate meeting the requirements of the customers.
   (5) By the end of Q1 2006, the Company has attuned to full compliance with RoHS and has met the requirement of EU as early as July 2006.
   (6) Complete the process and product evaluation of Halogen Free in 2008 to respond to the requirement of future environment protection law.
   (7). As global warming becomes more and more serious, the EU has unveiled its newest target for greenhouse gas reduction in the following statement: *carbon dioxide emissions by 2020 should be reduced to 20% of 1990 levels, and increase renewable energy sources proportion to 20%.* Hence, since 2009, Gigabyte has begun undergoing ISO 14064 greenhouse gas inventory check. By July 2010, we have completed greenhouse gas emission checks for 2007-2009 at our Xindian Headquarters and Nanping Plant. In 2009, the checks were performed at Dongguan Gigabyte Electronics Co., Ltd. and Ningbo Gigabyte Co., Ltd., with results of 2007 and 2009 designated as the standard reference and objectives for Taiwan and Mainland China sites respectively. In 2013, the total greenhouse gas emission of the Gigabyte Group was 32,554.65 tons, which was 16,402.49 tons less than the 48,957.14 tons produced in 2009, representing a 33.5% decrease from internal activities. In other words, we have already achieved the EU 2020 target ahead of schedule, which led to a readjustment of our targets in 2013: "By 2020, the Gigabyte Group will reduce its carbon emissions from internal activities by 40% compared to the baseline year of 2009". In the future, the Gigabyte Group shall continue to strive for carbon reduction and contribute to the efforts of saving our planet.

(8) As the first company in the world, we passed the third-party certification (BSI) of carbon footprint inventory with our STB (MD-300) according to PAS2050 on September 29, 2010. We also cooperated with 15 suppliers to arrange carbon footprint and inventory training for (raw) materials with the purpose of understanding the impact of the product on the environment at each phase of its life cycle. We also hope to build a basic database and use it as a basis for the development of green products to reduce impact on the environment and fulfill our responsibility to society.

(9) After launching the "Green Movement Plan" in 2010, Gigabyte organized more than 40 celebrity lectures, environment education classes, outdoor environmental experiences and charity events attended by more than 10,000 people. Through the activities, employees' environmental awareness as well as the knowledge, attitudes and skills required for environmental protection can be enhanced and incorporated into their work and everyday life. The Green Movement Plan represents the new Gigabyte culture, promotes the concept of Eco-Design to all employees, creates new value from green products and supports the search for sustainable business and environmental development.

(10) Gigabyte sponsored "Green Product Innovation - Innovation · Value · Sustainability." The theme of the activity is "Going green is free." The Company encourages employees to design green products with "Innovation, Value, Sustainability" features, proving that green design does not cost much, as long as the approach and mindset are correct!

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

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

1. Employee insurance:

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

2. Annual wage adjustment and bonus:

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

3. Holiday bonuses

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

4. Fringe benefits provided by the employee welfare committee

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

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

   Develop training development system using core career as mainstream and emphasis on the cultivation of professional management, at the same time, host arts and humanity seminars irregularly to widen employees' views and balance out career and life. Establish e-learning platform to provide an irregular learning environment. Our scheduled training includes educational training for newcomers, professional management training, pre career training, specialized skill training, product enhancement training, general training, English language lesions and e-learning program.

6. Employee stock ownership program

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

7. Employee share subscription warrant

   Since 2007, Gigabyte has implemented a program for employee share subscription warrants, allocating share subscription warrants to employees based on their performance and contributions to this company so that they may also benefit from the Company's profits.

8. Reward for innovation

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

9. Feedback:

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

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

(II) Loss caused by labor-management dispute in the most recent year until the date this report is printed, the estimated amount of loss in the future, and measures to deal with the problem: The labor-management relation has been harmonious since the establishment of the Company in 1986. No loss has ever been inflicted from this cause.

VI.Major agreements

(I) Agreements expiring within one year: None.

(II) Agreements still in force:

Type of contract	Contracting parties	Term of agreements	Content	Restriction
License Agreement	QUALCOMM Incorporated	2006/7/21- indefinite	Use of software	Prohibition on assignment of rights
License Agreement	Siemens Aktiengesellschaft	2008/2/25- expiry of every patent	Patent authorization	Prohibition on assignment of rights
License Agreement	PINREX TECHNOLOGY CORP.	From 2008/8/15 until end of production of the specific product	Patent authorization	Prohibition on assignment of rights
License Agreement	LOTES Co., Ltd.	From 2008/8/8 until end of production of the specific product	Patent authorization	Prohibition on assignment of rights
License Agreement	AUDIO MPEG and SISVEL	2009/01/01 – expiry of every patent.	Patent authorization	Prohibition on assignment of rights
License Agreement	AFTG-TG & Phillip Adams	2011/05/03 - indefinite	Patent authorization & Covenant Not To Sue	Covenant Not To Sue & Retroactive downstream manufacturers

Six. Financial Position

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

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

Condensed Balance Sheet (Entity) - IFRS

Unit: NT$1000

Item \ Year		Financial information covering the last five years (Note1)			
		2012	2013	2014	2015
Current assets		18,943,538	18,647,719	20,338,014	21,437,954
Property, plant and equipment(Note2)		2,175,990	2,148,656	2,237,019	2,259,952
Intangible assets		53,716	26,050	33,245	23,648
Other assets(Note2)		8,518,820	10,754,450	10,355,510	8,767,128
Total assets		29,692,064	31,576,875	32,963,788	32,488,682
Current liabilities	Cum-dividend	8,990,191	9,337,813	9,993,677	9,440,375
	Ex-dividend	10,242,644	11,218,282	11,692,012	Not distributed yet
Non-current liabilities		402,096	400,377	410,009	509,339
Total liabilities	Cum-dividend	9,392,287	9,738,190	10,403,686	9,949,714
	Ex-dividend	10,644,740	11,618,659	12,102,021	Not distributed yet
Equity attributable to owners of the parent		20,299,777	21,838,685	22,560,102	22,538,968
Equity		6,258,914	6,265,714	6,288,829	6,290,629
Capital surplus		4,585,372	4,587,562	4,592,155	4,601,581
Retained earnings	Cum-dividend	9,603,315	10,718,290	11,243,132	11,399,606
	Ex-dividend	8,350,862	8,837,821	9,544,797	Not distributed yet
Other Equity		-147,824	267,119	435,986	247,152
Treasury stock		0	0	0	0
Non control Equity		0	0	0	0
Total equity	Cum-dividend	20,299,777	21,838,685	22,560,102	22,538,968
	Ex-dividend	19,047,324	19,958,216	20,861,767	Not distributed yet

* If the Company compiles financial statements on an entity basis, the Company should additionally compile the entities' condensed balance sheets and consolidated profit & loss statements for the last 5 years.
* For companies that have adopted IFRSs for less than five years, the companies should also compile the following table (2) under ROC GAAP.

Note 1: Years during which the financial statements have not been audited by CPAs should be noted.
Note 2: If the Company has performed asset revaluation in the current year, the Company should state the date when the revaluation was performed and the revaluation gain amount.
Note 3: The figures after the aforementioned distribution are based on the shareholders' meeting resolution in the following year.
Note 4: If the financial information have been revised or compiled as directed by the competent authorities, list the amended or re-compiled data with clear annotations and explanation.

Condensed Statement of Comprehensive Income (Entity) - IFRS

Unit: 1000 NTD

Item \ Year	Financial Information covering the last five years (Note 1)			
	2012	2013	2014	2015
Revenue	42,142,326	46,717,780	50,505,531	47,662,757
Gross profit	6,326,427	7,213,403	7,702,355	6,996,041
Operating income	1,446,629	1,941,156	1,894,367	1,476,134
Non-operating income & expenses	222,920	691,000	927,704	880,033
Pre-tax profit	1,669,549	2,632,156	2,822,071	2,356,167
Net Income from continuing operations	—	—	—	—
Earning of discontinued operation	—	—	—	—
Net income (loss)	1,548,707	2,355,536	2,397,618	1,920,065
Other comprehensive income (net after tax)	-263,882	426,835	176,559	-254,090
Total comprehensive income for the period	1,284,825	2,782,371	2,574,177	1,665,975
Net profit attributable to owner of parent	1,548,707	2,355,536	2,397,618	1,920,065
Net profit attributable to non-controlling interests	0	0	0	0
Total comprehensive income attributable to owner of parent	1,284,825	2,782,371	2,574,177	1,665,975
Total comprehensive income attributable to non-controlling interests	0	0	0	0
EPS ($)	2.48	3.76	3.82	3.05

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

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

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

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

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

Condensed Balance Sheet (Consolidated) - IFRS

Unit: 1000 NTD

Item \ Year		Financial information covering the last five years (Note 1) 2012	2013	2014	2015	Financial information as of March 31, 2016 (Note 3)
Current assets		24,134,968	27,198,448	26,841,912	27,846,683	28,081,813
Property, plant and equipment(Note2)		4,411,796	4,212,396	4,231,520	4,022,766	3, 859, 887
Intangible assets		83,839	45,002	49,730	34,144	49, 274
Other assets(Note2)		2,005,242	3,541,556	2,569,464	1,337,040	1, 395, 443
Total assets		30,635,845	34,997,402	33,692,626	33,240,633	33, 386, 417
Current liabilities	Cum-dividend	9,901,457	12,680,871	10,653,629	10,132,956	9, 785, 266
	Ex-dividend	11,153,910	14,561,340	12, 351, 964	Not distributed yet	Not distributed yet
Non-current liabilities		425,814	466,829	460,883	554,258	541, 779
Total liabilities	Cum-dividend	10,327,271	13,147,700	11,114,512	10,687,214	10, 327, 045
	Ex-dividend	11,579,724	15,028,169	12, 812, 847	Not distributed yet	Not distributed yet
Equity attributable to owners of the parent		20,299,777	21,838,685	22,560,102	22,538,968	23, 044, 764
Equity		6,258,914	6,265,714	6,288,829	6,290,629	6, 290, 629
Capital surplus		4,585,372	4,587,562	4,592,155	4,601,581	4, 601, 581
Retained earnings	Cum-dividend	9,603,315	10,718,290	11,243,132	11,399,606	11, 941, 714
	Ex-dividend	8,350,862	8,837,821	9, 544, 797	Not distributed yet	Not distributed yet
Other Equit		-147,824	267,119	435,986	247,152	210, 840
Treasury stock		0	0	0	0	0
Non control Equit		8,797	11,017	18,012	14, 451	14, 608
Total shareholder's equity	Cum-dividend	20,308,574	21,849,702	22,578,114	22, 553, 419	23, 059, 372
	Ex-dividend	19,056,121	19,969,233	20, 879, 779	Not distributed yet	Not distributed yet

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

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

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

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

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

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

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

Condensed Statement of Comprehensive Income (Consolidated) - IFRS

Unit: 1000 NTD

Item \ Year	Financial information covering the last five years (Note 1)				Financial information as of March 31, 2016 (Note 2)
	2012	2013	2014	2015	
Revenue	45,797,658	51,118,994	54,541,687	50, 828, 792	13,091,169
Gross profit	7,879,492	9,149,206	9,468,383	8, 761, 412	2,449,743
Operating income	1,230,772	1,804,169	1,806,159	1, 251, 738	564,315
Non-operating income & expenses	542,080	928,188	1,138,810	1, 419, 921	238,511
Pre-tax profit	1,772,852	2,732,357	2,944,969	2, 671, 659	802,826
Net Income from counting operations	–	–	–	–	–
Earning of discontinued operation	–	–	–	–	–
Net income(loss)	1,550,622	2,359,480	2,400,322	1, 922, 700	542,265
Other comprehensive income(net of tax)	-263,882	426,835	177,559	-254, 090	-36,612
Total comprehensive income for the period	1,286,740	2,786,315	2,576,881	1, 668, 610	505,953
Net profit attributable to owner of parent	1,548,707	2,355,536	2,397,618	1, 920, 065	542,108
Net profit attributable to non-controlling interests	1,915	3,944	2,704	2, 635	157
Total comprehensive income attributable to owner of parent	1,284,825	2,782,371	2,574,177	1, 665, 975	505,796
Total comprehensive income attributable to non-controlling interests	1,915	3,944	2,704	2, 635	157
EPS ($)	2.48	3.76	3.82	3. 05	0.86

* If the Company compiles financial statements on an entity basis, the Company should additionally compile the entities' condensed balance sheets and consolidated profit & loss statements for the last 5 years.
* For companies that have adopted IFRSs for less than five years, the companies should also compile the following table (2) under ROC GAAP.

Note 1: CPAs have audited the consolidated financial information in previous years referred to above.
Note 2: CPAs have reviewed the consolidated financial information in the current quarter referred to above
Note 3: Losses from discontinued units are shown as net earnings after deduction of income tax.
Note 4: If the financial information have been revised or compiled as directed by the competent authorities, list the amended or re-compiled data with clear annotations and explanation.

(2) Condensed Balance Shseet and Profit & Loss Statement - ROC GAAP

Condensed Balance Sheet (Entity)-ROC GAAP

Unit: 1000 NTD

Item \ Year		Financial information covering the last five years (Note)	
		2011	2012
Current assets		18,176,145	19,146,521
Funds and long-term investments		8,106,161	8,007,150
Fixed assets		2,096,951	2,175,990
Intangible assets		33,551	53,716
Other assets		466,131	310,158
Total assets		28,878,939	29,693,535
Current liabilities	Cum-dividend	7,982,473	8,939,074
	Ex-dividend	9,231,118	10,191,527
Long-term liabilities		–	–
Other liabilities		177,494	168,000
Total liabilities	Cum-dividend	8,159,967	9,107,074
	Ex-dividend	9,408,612	10,359,527
Equity		6,383,064	6,258,914
Capital surplus		4,688,029	4,588,342
Retained earnings	Cum-dividend	9,070,042	9,272,527
	Ex-dividend	7,821,397	8,020,074
Unrealized revaluation gain		5,382	5,382
Unrealized loss from long-term investment in equity		2,675	-10,466
Conversion adjustment		630,692	471,762
Unrecognized net loss as pension cost		–	–
Treasury stock		-60,912	–
Total shareholder's equity	Cum-dividend	20,718,972	20,586,461
	Ex-dividend	19,470,327	19,334,008

Note:The financial information in previous years referred to above was prepared in accordance with ROC GAAP and audited by CPAs.

Condensed Income Statement (Entity) - ROC GAAP

Unit: 1000 NTD

Item \ Year		Financial information covering the last five years (Note 1)	
		2011	2012
Revenue		42,633,411	42,142,326
Gross profit		6,660,721	6,325,618
Operating income		1,532,039	1,446,230
Non-operating income		815,129	308,461
Non-operating expenses (Note 2)		416,148	81,279
EBT of sustained operation		1,931,020	1,673,412
Earning (loss) of sustained operation		1,569,187	1,552,570
Earning of discontinued operation		—	—
Contingent earning		—	—
Effect of Change in accounting principle		—	—
Earning current period		1,569,187	1,552,570
EPS ($)	Cum-dividend	2.46	2.48
	Ex-dividend	2.46	2.48

Note 1: The financial information in previous years referred to above was prepared in accordance with ROC GAAP and audited by CPAs.

Note 2: There has been no capitalized interest in the most recent five years.

Condensed Balance Sheet(Consolidated) - ROC GAAP

Unit: 1000 NTD

Item		Financial information covering the last five years (Note 1) 2011	2012
Current assets		22,906,216	24,361,064
Funds and long-term investments		1,493,774	1,445,453
Fixed assets		4,609,170	4,411,796
Intangible assets		67,911	136,601
Other assets		446,839	275,833
Total assets		29,523,910	30,630,747
Current liabilities	Cum-dividend	8,513,425	9,844,111
	Ex-dividend	9,762,070	11,096,564
Long-term liabilities		—	—
Other liabilities		282,188	191,378
Total liabilities	Cum-dividend	8,795,613	10,035,489
	Ex-dividend	10,044,258	11,287,942
Equity		6,383,064	6,258,914
Capital surplus		4,688,029	4,588,342
Retained earnings	Cum-dividend	9,070,042	9,272,527
	Ex-dividend	7,821,397	8,020,074
Unrealized revaluation gain		5,382	5,382
Unrealized loss from long-term investment in equity		2,675	-10,466
Conversion adjustment		630,692	471,762
Unrecognized net loss as pension cost		—	—
Treasury stock		-60,912	—
Minority shareholdings		9,325	8,797
Shareholder Equity	Cum-dividend	20,728,297	20,595,258
Total Equity	Ex-dividend	19,479,652	19,342,805

Note: The financial information in previous years referred to above was prepared in accordance with ROC GAAP and audited by CPAs.

Condensed Income Statement (Consolidated) - ROC GAAP

Unit: 1000 NTD

Item \ Year		Financial information covering the last five years (Note 1)	
		2011	2012
Revenue		45,447,984	45,797,658
Gross profit		8,358,129	7,881,590
Operating income		1,035,589	1,233,921
Non-operating income		1,154,387	570,036
Non-operating expenses (Note 2)		202,302	27,242
EBT of sustained operation		1,987,674	1,776,715
Earning (loss) of sustained operation		1,552,060	1,554,485
Earning of discontinued operation		–	–
Contingent earning		–	–
Effect of Change in accounting principle		–	–
Consolidated total income		1,552,060	1,554,485
Consolidated net income		1,569,187	1,552,570
Minority interest income		-17,127	1,915
EPS ($)	Cum-dividend	2.46	2.48
	Ex-dividend	2.46	2.48

Note 1: The financial information in previous years referred to above was prepared in accordance with ROC GAAP and audited by CPAs.

Note 2: There has been no capitalized interest in the most recent five years.

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

Year	Public auditors	Opinion
2011	Chen Mei-Chi; Lin, Se-Kai	Modified unqualified
2012	Xiao, Chun-Yuan; Lin, Se-Kai(Note 2)	Modified unqualified
2013	Xiao, Chun-Yuan; Lin, Se-Kai	Modified unqualified
2014	Xiao, Chun-Yuan; Lin, Se-Kai	Modified unqualified
2015	Xiao, Chun-Yuan; Wang, Fang-yu	Modified unqualified

Note 1: There has been reorganization of the PWC Public Accountants. Therefore, Chen Mei-Chi, CPA and Lin, Se-Kai, CPA were reassigned, and Xiao, Chun-Yuan, CPA and Lin, Se-Kai, CPA were assigned as the public auditors to the Company in 2010

Note 2: There has been reorganization of the PWC Public Accountants. Therefore, Xiao, Chun-Yuan, CPA and Lin, Se-Kai, CPA were reassigned, and Xiao, Chun-Yuan, CPA and Wang, Fang-yu, CPA were assigned as the public auditors to the Company in 2012.

II. Financial analysis for the past five years

(1) Financial Analysis (Entity) - IFRS

Subject (Note 3)	Year (Note 1)	Financial analysis for the past five years			
		2012	2013	2014	2015
Financial structure	Liabilities to assets ratio (%)	31.63	30.84	31.56	30.63
	Long-term capital to Property, plant and equipment ratio (%)	951.38	1035.02	1,026.82	1, 019. 86
Ability to repay debt	Current ratio (%)	210.71	199.70	203.51	227. 09
	Quick ratio (%)	122.09	112.30	113.20	135. 47
	Debt service coverage ratio	4,882.55	3,548.21	4,695.42	7, 960. 85
Utility	A/R turnover (time)	9.50	9.67	10.11	9. 70
	Average days of payment	38	38	36	38
	Inventory turnover (time)	5.27	5.11	5.09	4. 75
	A/P turnover (time)	6.14	6.57	7.60	7. 35
	Average daily sales	69	71	72	77
	Property, plant and equipment turnover (time)	19.73	21.61	23.03	21. 20
	Total assets turnover (time)	1.44	1.53	1.57	1. 46
Profitability	Return on Assets (%)	5.29	7.69	7.43	5. 87
	Return on equity (%)	7.59	11.18	10.80	8. 51
	Net income before tax as a percentage of paid-in capital (%) (Note 7)	26.67	42.01	44.86	37. 46
	Net profit rate (%)	3.67	5.04	4.75	4. 03
	EPS ($)	2.48	3.76	3.82	3. 05
Cash flow	Cash flow ratio (%)	13.36	17.20	23.50	36. 71
	Cash flow adequacy ratio (%)	118.78	106.00	92.86	85. 39
	Cash reinvestment ratio (%)	-0.21	1.48	1.90	7. 15
Leverage	Operation leverage	1.18	1.15	1.16	1. 22
	Financial leverage	1.00	1.00	1.00	1. 00

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

1. Ability to repay debt: Current ratio and quick ratio rose as cash and current financial assets increased. The increase in debt service coverage ratio compared to the previous year due to a decrease in financial interest costs.

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

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

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

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

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

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

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

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

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

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

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

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

Financial Analysis (Consolidated) - IFRS

Subject (Note 3)		Year (Note 1) Financial analysis for the past five years: 2012	2013	2014	2015	Financial analysis as of March 31, 2016 (Note 2)
Financial structure	Liabilities to assets ratio (%)	33.71	37.57	32.99	32. 15	30. 93
	Long-term capital to Property, plant and equipment ratio (%)	469.78	529.52	544.04	574. 06	611. 07
Ability to repay debt	Current ratio (%)	243.75	214.48	251.95	274. 81	286. 98
	Quick ratio (%)	158.62	123.59	161.03	176. 00	188. 86
	Debt service coverage ratio	753.31	105.49	160.17	1, 858. 73	32. 54
Utility	A/R turnover (time)	10.88	9.82	9.45	8. 99	9. 58
	Average days of payment	34	37	39	41	38
	Inventory turnover (time)	5.27	5.29	5.23	4. 87	4. 91
	A/P turnover (time)	6.67	7.07	8.20	7. 97	9. 05
	Average daily sales	69	69	70	75	74
	Property, plant and equipment turnover (time)	10.15	11.85	12.92	12. 32	13. 29
	Total assets turnover (time)	1.52	1.56	1.59	1. 52	1. 57
Profitability	Return on Assets (%)	5.16	7.26	7.02	5. 74	6. 76
	Return on equity (%)	7.60	11.20	10.80	8. 51	9. 51
	Net income before tax as a percentage of paid-in capital (%) (Note 7)	28.33	43.61	46.82	42. 47	51. 05
	Net profit rate (%)	3.39	4.62	4.39	3. 78	4. 14
	EPS ($)	2.48	3.76	3.82	3. 05	0. 86
Cash flow	Cash flow ratio (%)	15.71	14.22	26.72	34. 55	-0. 54
	Cash flow adequacy ratio (%)	143.97	128.03	131.46	113. 52	124. 35
	Cash reinvestment ratio (%)	1.25	2.09	3.55	6. 58	-0. 19
Leverage	Operation leverage	1.54	1.39	1.38	1. 59	1. 33
	Financial leverage	1.00	1.01	1.01	1. 00	1. 05

Reasons for Changes in financial ratios in the last 2 years: (for changes of 20% or more)
1. Ability to repay debt: Current ratio and quick ratio rose as cash and current financial assets increased. The increase in debt service coverage ratio compared to the previous year due to a decrease in financial interest costs.

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

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

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

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

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

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

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

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

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

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

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

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

(2)Financial Analysis - ROC GAAP (Entity)

Subject (Note 2)			Year (Note 1) Financial Analysis covering the last five years 2011	2012
Financial structure	Liabilities to assets ratio (%)		28.26	30.67
	Long-term capital to fixed assets ratio (%)		988.05	946.07
Ability to repay debt	Current ratio (%)		227.70	214.19
	Quick ratio (%)		147.13	130.61
	Debt service coverage ratio		8,114.36	4,893.85
Utility	A/R turnover (time)		8.59	9.50
	Average days of payment		42	38
	Inventory turnover (time)		5.01	5.27
	A/P turnover (time)		6.11	6.14
	Average daily sales		73	69
	Fixed assets turnover (time)		20.83	19.73
	Total assets turnover (time)		1.45	1.44
Profitability	Return on Assets (%)		5.32	5.30
	Return on equity (%)		7.64	7.52
	Ratio to be paid in capital (%)	Operating income	24.00	23.11
		EBT	30.25	26.74
	Net profit rate (%)		3.68	3.68
	EPS ($)	Cum-dividend	2.46	2.48
		Ex-dividend	2.46	2.48
Cash flow	Cash flow ratio (%)		56.45	13.43
	Cash flow adequacy ratio (%)		117.25	128.53
	Cash reinvestment ratio (%)		12.77	-0.21
Leverage	Operation leverage		1.22	1.18
	Financial leverage		1.00	1.00

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

(3)Financial Analysis - ROC GAAP (Consolidated)

Subject (Note 2)			Year (Note 1): 2011	2012
			Financial Analysis covering the last five years	
Financial structure	Liabilities to assets ratio (%)		29.79	32.76
	Long-term capital to fixed assets ratio (%)		455.84	471.16
Ability to repay debt	Current ratio (%)		269.06	247.47
	Quick ratio (%)		180.47	166.66
	Debt service coverage ratio		631.44	754.95
Utility	A/R turnover (time)		8.21	8.06
	Average days of payment		44	45
	Inventory turnover (time)		4.73	5.11
	A/P turnover (time)		6.70	6.67
	Average daily sales		77	71
	Fixed assets turnover (time)		10.24	10.15
	Total assets turnover (time)		1.51	1.52
Profitability	Return on Assets (%)		5.16	5.17
	Return on equity (%)		7.54	7.53
	Ratio to be paid in capital (%)	Operating income	16.22	19.71
		EBT	31.14	28.39
	Net profit rate (%)		3.42	3.39
	EPS ($)	Cum-dividend	2.46	2.48
		Ex-dividend	2.46	2.48
Cash flow	Cash flow ratio (%)		51.65	16.55
	Cash flow adequacy ratio (%)		160.67	145.00
	Cash reinvestment ratio (%)		11.18	1.53
Leverage	Operation leverage		1.63	1.45
	Financial leverage		1.00	1.00
Reasons for Changes in financial ratios in the last 2 years: (Skip for changes under of 20% or more)				

Note 1: The financial information in the years listed above has been prepared with ROC GAAP and audited by CPAs.

Note 2: The equation for calculation shall be stated at the end of this table in the annual report.

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

Note 3: When using the aforementioned equations for the calculation of earnings per share, pay attention to the following:

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

Note 4: When conducting analysis on cash flow, pay attention to the followings:

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

Note 5: The issuer should classify operating costs and expenses as fixed or variable based on their nature. If estimates or subjective judgment is involved in the classification, the reasonableness in the process should require special attention and the consistency of the process must be maintained.

III.Audit Committee's Review Report on 2015 Financial Statement

Audit Report of GIGA-BYTE Technology Audit Committee

Whereas

The financial statements prepared and submitted together with the 2015 Business Report and profit distribution proposal by the Board of Director of this Company has been audited by CPA Chun-yuan Xiao and CPA Fang-yu Wang of PricewaterhouseCoopers Taiwan with an audit report. The Audit Committee has reviewed the above reports prepared and submitted by the Board of Directors and found no inconsistency. They are submitted for you to approve in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

To

Annual Meeting of Shareholders of GIGA-BYTE Technology Co., Ltd.

Zheng-li Yang
Convener
Audit Committee
GIGA-BYTE Technology Co., Ltd.

April 15, 2016

IV. Audited Unconsolidated Financial Statements in the most recent year

REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

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

We have audited the accompanying unconsolidated balance sheets of Giga-Byte Technology Co., Ltd. as of December 31, 2015 and 2014, and the related unconsolidated statements of comprehensive income, of changes in shareholders' equity and of cash flows for the years then ended. These financial statements are the responsibility of the Company' s management. Our responsibility is to express an opinion on these financial statements based on our audits. The financial statements of certain indirect investee companies accounted for under the equity method as of and for the years ended December 31, 2015 and 2014 were audited by other auditors, whose reports thereon have been furnished to us. Investment balance in these investee companies amounted to $77,481 thousand and $81,057 thousand, constituting 0.24% and 0.25% of the total assets as of December 31, 2015 and 2014, respectively, and comprehensive loss (including profit (loss) of associates accounted for under the equity method and share of other comprehensive income) recognized amounted to $12,498 thousand and $282 thousand, constituting (0.75%) and 0.01% of the total comprehensive income for the years then ended. Our opinion, insofar as it relates to the amounts included in the financial statements and information disclosed in Note 13 relating to these investments, is based solely on the reports of the other auditors.

We conducted our audits in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and generally accepted auditing standards in the Republic of China. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, based on our audits and the reports of the other auditors, the unconsolidated financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Giga-Byte Technology Co., Ltd. as of December 31, 2015 and 2014, and its financial performance and cash flows for the years then ended in conformity with the "Rules Governing the Preparation of Financial Statements by Securities Issuers".

We have also audited the consolidated financial statements of Giga-Byte Technology Co., Ltd. and its subsidiaries (not presented herein) as of and for the years ended December 31, 2015 and 2014, and have expressed a modified unqualified opinion on such financial statements.

PricewaterhouseCoopers, Taiwan
March 15, 2016

The accompanying unconsolidated 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 unconsolidated financial statements and report of independent accountants 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.
UNCONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2015 AND 2014
(Expressed in thousands of New Taiwan dollars)

			December 31, 2015		December 31, 2014	
	ASSETS	Notes	Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 7,357,726	23	$ 5,443,560	16
1110	Financial assets at fair value through profit or loss - current	6(2)	280,001	1	373,068	1
1130	Held-to-maturity financial assets-current	6(3)	150,990	-		
1150	Notes receivable-net		5,798	-	5,672	-
1170	Accounts receivable-net	6(4)	3,016,596	9	3,464,645	11
1180	Accounts receivable-related parties-net	7	1,681 182	5	1,650,389	5
1200	Other receivables		296,265	1	375,213	1
130X	Inventories-net	6(5)	8,292,440	26	8,500,026	26
1470	Other current assets	6(6) and 7	356,956	1	525,441	2
11XX	Total current assets		21,437,954	66	20,338,014	62
	Non-current assets					
1527	Held-to-maturity financial assets - non-current	6(3)	-	-	153,480	-
1550	Investments accounted for under equity method	6(7)	8,218,642	25	8,621,851	26
1600	Property, plant and equipment-net	6(8)	2,259,952	7	2,237,019	7
1760	Investment property-net	6(9)	122,410	-	151,174	-
1780	Intangible assets		23,648	-	33,245	-
1840	Deferred income tax assets	6(22)	245,354	1	251,668	1
1900	Other non-current assets	6(10) and 8	180,722	1	1,177,337	4
15XX	Total non-current assets		11,050,728	34	12,625,774	38
1XXX	TOTAL ASSETS		$ 33,488,682	100	$ 32,963,788	100

(Continued)

GIGA-BYTE TECHNOLOGY CO., LTD.
UNCONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2015 AND 2014
(Expressed in thousands of New Taiwan dollars)

	LIABILITIES AND SHAREHOLDERS' EQUITY	Notes	December 31, 2015 Amount	%	December 31, 2014 Amount	%
	Current liabilities					
2150	Notes payable		$ 32,215	-	$ 47,265	-
2170	Accounts payable		4,920,517	15	5,249,553	16
2180	Accounts payable-related parties	7	416,540	1	395,214	1
2200	Other payables	6(11)	2,762,549	9	2,861,716	9
2230	Current income tax liabilities	6(22)	237,081	1	224,760	1
2250	Provisions for liabilities - current	6(12)	444,850	1	445,494	2
2300	Other current liabilities	7	623,623	2	769,675	2
21XX	Total current liabilities		9,440,375	29	9,993,677	31
	Non-current liabilities					
2570	Deferred income tax liabilities	6(22)	17,534	-	23,889	-
2600	Other non-current liabilities	6(7)(13)	491,805	2	386,120	1
25XX	Total non-current liabilities		509,339	2	410,009	1
2XXX	Total liabilities		9,949,714	31	10,403,686	32
	Equity					
	Share capital	6(14)(15)				
3110	Common stock		6,290,629	19	6,288,829	19
	Capital surplus	6(16)				
3200	Capital surplus		4,601,581	14	4,592,155	14
	Retained earnings	6(17)				
3310	Legal reserve		3,425,311	11	3,185,601	10
3320	Special reserve		426,354	1	426,354	1
3350	Unappropriated retained earnings	6(22)	7,547,941	23	7,631,177	23
	Other equity					
3400	Other equity		247,152	1	435,986	1
3XXX	Total equity		22,538,968	69	22,560,102	68
3X2X	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		$ 32,488,682	100	$ 32,963,788	100

The accompanying notes are an integral part of these financial statements.
See report of independent accountants dated March 15, 2016.

GIGA-BYTE TECHNOLOGY CO., LTD.

UNCONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

YEARS ENDED DECEMBER 31, 2015 AND 2014

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

			Years ended December 31,			
			2015		2014	
		Notes	Amount	%	Amount	%
4000	Operating revenue	7	$ 47,662,757	100	$ 50,505,531	100
5000	Operating costs	6(5)(20)(21) and 7	(40,666,716)	(85)	(42,803,176)	(85)
5900	Gross profit		6,996,041	15	7,702,355	15
	Operating expenses	6(20)(21) and 7				
6100	Selling expenses	7	(2,719,851)	(6)	(2,863,262)	(6)
6200	General & administrative expenses		(1,164,318)	(3)	(1,138,486)	(2)
6300	Research and development expense		(1,635,738)	(3)	(1,806,240)	(3)
6000	Total operating expenses		(5,519,907)	(12)	(5,807,988)	(11)
6900	Operating profit		1,476,134	3	1,894,367	4
	Non-operating revenue and expenses					
7010	Other income	6(9)(18)	1,085,328	2	388,254	1
7020	Other gains and losses	6(19)	329,564	1	357,565	1
7050	Finance costs		(296)	-	(601)	-
7070	Share of profit of subsidiaries, associates and joint ventures accounted for under the equity method	6(7)	(534,563)	1	182,486	-
7000	Total non-operating revenue and expenses		880,033	2	927,704	2
7900	Profit before income tax		2,356,167	5	2,822,071	6
7950	Income tax expense	6(22)	(436,102)	(1)	(424,453)	(1)
8200	Profit for the year		$ 1,920,065	4	$ 2,397,101	5
	Other comprehensive income-net					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Remeasurements of defined benefit plans	6(13)	($ 78,621)	-	$ 9,266	-
8349	Income tax related to items that will not be reclassified to profit or loss	6(22)	13,365	-	(1,574)	-
8310	Components of other comprehensive (loss) income that will not be reclassified to profit or loss		(65,256)	-	7,692	-
	Components of other comprehensive income that will subsequently be reclassified to profit or loss					
8361	Currency translation differences		(95,939)	-	206,937	-
8380	Share of other comprehensive loss of subsidiaries, associates and joint ventures accounted for under the equity method, components of other comprehensive income that will be reclassified to profit or loss		(92,895)	-	(38,070)	-
8360	Total components of other comprehensive loss that will be reclassified to profit or loss		(188,834)	-	(168,867)	-
8300	Other comprehensive (loss) income for the year, net of tax		($ 254,090)	-	$ 176,553	-
8500	Total comprehensive income for the year		$ 1,665,975	4	$ 2,574,177	5
9750	Basic earnings per share	6(23)	$	3.05	$	3.82
9850	Diluted earnings per share		$	3.00	$	3.74

The accompanying notes are an integral part of these financial statements.
See report of independent accountants dated March 15, 2016.

GIGA-BYTE TECHNOLOGY CO., LTD.

UNCONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

YEARS ENDED DECEMBER 31, 2015 AND 2014

(Expressed in thousands of New Taiwan dollars)

				Retained earnings			Other equity		
	Note	Common stock	Capital reserve	Legal reserve	Special reserve	Unappropriated retained earnings	Currency translation differences	Unrealised gain (loss) on valuation of available-for-sale financial assets	Total equity
2014									
Balance at January 1, 2014		$ 6,265,714	$ 4,587,562	$ 2,950,047	$ 426,354	$ 7,341,889	$ 141,108	$ 126,011	$ 21,838,685
Appropriations of 2013 earnings:	6(17)								
Legal reserve		-	-	235,554	-	(235,554)	-	-	-
Cash dividends		-	-	-	-	(1,880,468)	-	-	(1,880,468)
Share-based payment	6(14)	23,115	4,593	-	-	-	-	-	27,708
Profit for the year		-	-	-	-	2,397,168	-	-	2,397,618
Other comprehensive income (loss) for the year		-	-	-	-	7,692	206,937	(38,070)	176,559
Balance at December 31, 2014		$ 6,288,289	$ 4,592,155	$ 3,185,601	$ 426,354	$ 7,631,177	$ 348,045	$ 87,941	$ 22,560,102
2015									
Balance at January 1, 2015		$ 6,288,289	$ 4,592,155	$ 3,185,601	$ 426,354	$ 7,631,177	$ 348,045	$ 87,941	$ 22,560,102
Appropriations of 2014 earnings:	6(17)								
Legal reserve		-	-	239,710	-	(239,710)	-	-	-
Cash dividends		-	-	-	-	(1,698,335)	-	-	(1,698,335)
Share-based payment	6(14)	1,800	342	-	-	-	-	-	2,142
Changes in net equity of associates accounted for under the equity method		-	9,084	-	-	-	-	-	9,084
Profit for the year		-	-	-	-	1,920,065	-	-	1,920,065
Other comprehensive loss for the year		-	-	-	-	(65,256)	(95,939)	(92,895)	(254,090)
Balance at December 31, 2015		$ 6,290,629	$ 4,601,581	$ 3,425,311	$ 426,354	$ 7,547,941	$ 252,106	($ 4,954)	$ 22,538,968

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

See report of independent accountants dated March 15, 2016.

GIGA-BYTE TECHNOLOGY CO., LTD.

UNCONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2015 AND 2014

(Expressed in thousands of New Taiwan dollars)

	Notes	Years ended December 31, 2015	Years ended December 31, 2014
Cash flows from operating activities			
Profit before income tax		$ 2,356,167	$ 2,822,071
Adjustments to reconcile profit before income tax to net cash provided by operating activities			
Income and expenses having no effect on cash flows			
Depreciation	6(8)(20)	108,834	95,690
Depreciation charge on investment property	6(9)	1,040	1,074
Amortisation	6(20)	170,744	155,865
Provision for doubtful accounts	6(4)	13,307	25,428
Net loss (gain) on financial assets and liabilities at fair value through profit or loss	6(2)(19)	1,800	(4,250)
Interest expense		296	601
Interest income	6(18)	(66,619)	(64,491)
Share of loss (profit) of subsidiaries and associates accounted for under the equity method	6(7)	543,563	(182,486)
Loss (gain) on disposal of property, plant and equipment	6(8)(19)	1,969	(293)
Gain on disposal of investments in bonds without active markets	6(19)	-	(638)
Loss on disposal of investments accounted for under equity method		-	1,094
Exchange differences on held-to-maturity financial assets		2,490	-
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Financial assets and liabilities at fair value through profit or loss	6(2)	91,267	383,261
Notes receivable		(126)	3,659
Accounts receivable	6(4)	403,949	(209,833)
Other receivables		68,821	(116,407)
Inventories	6(5)	207,586	(458,503)
Other current assets	6(6)	458,485	(405,277)
Net changes in liabilities relating to operating activities			
Notes payable		(12,050)	18,115
Accounts payable		(307,710)	96,558
Other payables	6(11)	(99,167)	432,163
Provisions for liabilities	6(12)	(644)	86
Other current liabilities		(146,052)	123,240
Other non-current liabilities	6(13)	10,958	10,550
Cash generated from operations		3,799,908	2,727,277
Interest received	6(18)	76,746	64,491
Interest paid		(296)	(601)
Income tax paid	6(22)	(410,457)	(442,922)
Net cash provided by operating activities		3,465,901	2,348,245

(Continued)

GIGA-BYTE TECHNOLOGY CO., LTD.
UNCONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(Expressed in thousands of New Taiwan dollars)

	Notes	2015	2014
Cash flows from investing activities			
Proceeds from disposal of investments in bonds without active markets		$ -	$ 19,766
Acquisition of investments accounted for under equity method	6(7)	(300,000)	(174,536)
Proceeds from disposal of investments accounted for under equity method		-	5,648
Acquisition of property, plant and equipment	6(8)	(107,946)	(187,376)
Proceeds from disposal of property, plant and equipment	6(8)	1,934	773
Decrease (increase) in refundable deposits	6(10)	(6,421)	4,539
Acquisition of intangible assets		(48,460)	(59,721)
Decrease in other financial assets	6(10)	700,000	880,000
Increase in other non-current assets	6(10)	(99,651)	(145,604)
Net cash provided by investing activities		139,456	343,489
Cash flows from financing activities			
Increase in deposits received		5,002	200
Cash dividends paid	6(17)	(1,698,335)	(1,880,468)
Employee stock options exercised	6(14)	2,142	27,708
Net cash used in financing activities		(1,691,191)	(1,852,560)
Increase in cash and cash equivalents		1,914,166	839,174
Cash and cash equivalents at beginning of year	6(1)	5,443,560	4,604,386
Cash and cash equivalents at end of year	6(1)	$ 7,357,726	$ 5,443,560

The accompanying notes are an integral part of these financial statements.
See report of independent accountants dated March 15, 2016.

GIGA-BYTE TECHNOLOGY CO., LTD.
NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANIZATION

Giga-Byte Technology Co., Ltd. (the "Company") was incorporated as a company limited by shares under the provisions of the Company Law of the Republic of China (R.O.C.). The address of the Company's registered office is No.6, Baoqiang Rd., Xindian Dist., New Taipei City, Taiwan (R.O.C.). The Company is engaged in the manufacture, 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 AUTHORIZATION FOR ISSUANCE OF THE UNCONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION

These unconsolidated financial statements were authorized for issuance by the Board of Directors on March 15, 2016.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

According to Financial-Supervisory-Securities-Auditing No. 1030010325 issued by FSC on April 3, 2014, commencing 2015, companies with shares listed on the TWSE or traded on the Taipei Exchange or Emerging Stock Market shall adopt the 2013 version of IFRS (not including IFRS 9, 'Financial instruments') as endorsed by the FSC and Regulations Governing the Preparation of Financial Reports by Securities Issuers effective January 1, 2015 (collectively referred herein as the "2013 version of IFRS") in preparing the unconsolidated financial statements. The impact of adopting the 2013 version of IFRS is listed below:

A. IAS 19 (revised), 'Employee benefits'

The revised standard makes amendments that net interest amount, calculated by applying the discount rate to the net defined benefit asset or liability, replaces the finance charge and expected return on plan assets. The revised standard eliminates the accounting policy choice that the actuarial gains and losses could be recognised based on corridor approach or recognised in profit or loss. The revised standard requires that the actuarial gains and losses can only be recognised immediately in other comprehensive income when incurred. Past service cost will be recognised immediately in the period incurred and will no longer be amortised using straight-line basis over the average period until the benefits become vested. An entity is required to recognise termination benefits at the earlier of when the entity can no longer withdraw an offer of those benefits and when it recognises any related restructuring costs, rather than when the entity is demonstrably committed to a termination. Additional disclosures are required for defined benefit plans. Net interest income, calculated by applying the discount rate to the net defined benefit liability, replaces the finance charge and expected return on plan assets. Therefore, operating expenses would be decreased by $623, income tax expense would be decreased by $106 and other comprehensive income would be decreased by $517 for the year ended December 31, 2015.

B. IAS 1, 'Presentation of financial statements'

The amendment requires entities to separate items presented in OCI classified by nature into two groups on the basis of whether they are potentially reclassifiable to profit or loss subsequently when specific conditions are met. If the items are presented before tax then the tax related to each of the two groups of OCI items (those that might be reclassified and those that will not be reclassified) must be shown separately. Accordingly, the Company will adjust its presentation of the statement of comprehensive income.

C. IFRS 12, 'Disclosure of interests in other entities'

The standard integrates the disclosure requirements for subsidiaries, joint arrangements, associates and unconsolidated structured entities. And, the Company will disclose additional information about its interests in consolidated entities and unconsolidated entities accordingly.

D. IFRS 13, 'Fair value measurement'

The standard defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The standard sets out a framework for measuring fair value from market participants' perspective, and requires disclosures about fair value measurements. For non-financial assets only, fair value is determined based on the highest and best use of the asset. Based on the Company's assessment, the adoption of the standard has no significant impact on its unconsolidated financial statements, and the Company will disclose additional information about fair value measurements accordingly.

E. IAS 28, 'Investments in associates and joint ventures' (as amended in 2011)

As consequential amendments resulting from the issuance of IFRS 11, 'Joint arrangements', IAS 28 (revised) sets out the requirements for the application of the equity method when accounting for investments in joint ventures. A portion of an investment in an associate or a joint venture that meets the criteria to be classified as held for sale shall be measured at fair value less costs to sell. Any retained portion of an investment in an associate or a joint venture that has not been classified as held for sale shall be accounted for using the equity method until disposal of the portion that is classified as held for sale takes place. When an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the entity continues to apply the equity method and does not remeasure the retained interest. Based on the Company's assessment, the adoption of the standard has no significant impact on its unconsolidated financial statements.

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

None.

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

New standards, interpretations and amendments issued by IASB but not yet included in the 2013 version of IFRS as endorsed by the FSC:

New Standards, Interpretations and Amendments	Effective Date by International Accounting Standards Board
IFRS 9, 'Financial instruments'	January 1, 2018
Sale or contribution of assets between an investor and its associate or joint venture (amendments to IFRS 10 and IAS 28)	To be determined by International Accounting Standards Board
Investment entities: applying the consolidation exception (amendments to IFRS 10, IFRS 12 and IAS 28)	January 1, 2016
Accounting for acquisition of interests in joint operations (amendments to IFRS 11)	January 1, 2016
IFRS 14, 'Regulatory deferral accounts'	January 1, 2016
IFRS 15, 'Revenue from contracts with customers'	January 1, 2018
IFRS 16, 'Leases'	January 1, 2019
Disclosure initiative (amendments to IAS 1)	January 1, 2016
Disclosure initiative (amendments to IAS 7)	January 1, 2017
Recognition of deferred tax assets for unrealised losses (amendments to IAS 12)	January 1, 2017
Clarification of acceptable methods of depreciation and amortisation (amendments to IAS 16 and IAS 38)	January 1, 2016
Agriculture: bearer plants (amendments to IAS 16 and IAS 41)	January 1, 2016
Defined benefit plans: employee contributions (amendments to IAS 19R)	July 1, 2014
Equity method in separate financial statements (amendments to IAS 27)	January 1, 2016
Recoverable amount disclosures for non-financial assets (amendments to IAS 36)	January 1, 2014
Novation of derivatives and continuation of hedge accounting (amendments to IAS 39)	January 1, 2014
IFRIC 21, 'Levies'	January 1, 2014
Improvements to IFRSs 2010-2012	July 1, 2014
Improvements to IFRSs 2011-2013	July 1, 2014
Improvements to IFRSs 2012-2014	January 1, 2016

The Company is assessing the potential impact of the new standards, interpretations and amendments above. The impact will be disclosed when the assessment is complete.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(1) Compliance statement

The unconsolidated financial statements were prepared in accordance with the 'Regulations Governing the Preparation of Financial Reports by Securities Issuers'.

(2) Basis of preparation

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

(a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

(b) Available-for-sale financial assets measured at fair value.

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

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

(3) Foreign currency translation

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

A. Foreign currency transactions and balances

(a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised 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 recognised 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 recognised 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 recognised 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 Company entities and associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

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

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

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

(b) When the foreign operation partially disposed of or sold is an associate, 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 Company still retains partial interest in the former foreign associate after losing significant influence over the former foreign associate, 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 Company 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.

(4) Classification of current and non-current items

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

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

(b) Assets held mainly for trading purposes;

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

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

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

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

(b) Liabilities arising mainly from trading activities;

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

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

(5) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents. The Company's time deposits with short-term maturity (three months after the acquisition date) are classified as cash equivalents; time deposits that do not meet the definition of short-term are classified as current assets or non-current assets based on their maturity.

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

A. Financial assets at fair value through profit or loss are financial assets held for trading. Financial assets are classified in this category of held for trading if acquired principally for the purpose of selling in the short-term. Derivatives are also categorized as financial assets held for trading unless they are designated as hedges.

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

C. Financial assets at fair value through profit or loss are initially recognised at fair value. Related transaction costs are expensed in profit or loss. These financial assets are subsequently remeasured and stated at fair value, and any changes in the fair value of these financial assets are recognised in profit or loss.

(7) Available-for-sale financial assets

A. Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. On a regular way purchase or sale basis, available-for-sale financial assets are recognised and derecognised using trade date accounting.

B. Available-for-sale financial assets are initially recognised at fair value plus transaction costs. These financial assets are subsequently remeasured and stated at fair value, and any changes in the fair value of these financial assets are recognised in other comprehensive income.

(8) Held-to-maturity financial assets

A. Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturity date that the Company has the positive intention and ability to hold to maturity other than those that meet the definition of loans and receivables and those that are designated as at fair value through profit or loss or as available-for-sale on initial recognition.

B. On a regular way purchase or sale basis, held-to-maturity financial assets are recognised and derecognised using settlement date accounting.

C. Held-to-maturity financial assets are initially recognised at fair value on the trade date plus transaction costs and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Amortisation of a premium or a discount on such assets is recognised in profit or loss.

(9) Loans and receivables

Accounts receivable are loans and receivables originated by the entity. They are created by the entity by selling goods or providing services to customers in the ordinary course of business. Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. However, short-term accounts receivable without bearing interest are subsequently measured at initial invoice amount as effect of discounting is immaterial.

(10) Impairment of financial assets

A. The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired as a result of one or more events that occurred after the initial recognition of the asset and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

B. The criteria that the Company uses to determine whether there is objective evidence of an impairment loss is as follows:

(a) Significant financial difficulty of the issuer or debtor;

(b) A breach of contract, such as a default or delinquency in interest or principal payments;

(c) The Company, for economic or legal reasons relating to the borrower's financial difficulty, granted the borrower a concession that a lender would not otherwise consider;

(d) It becomes probable that the borrower will enter bankruptcy or other financial reorganization ;

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

(f) Information about significant changes with an adverse effect that have taken place in the technology, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in the equity instrument may not be recovered; or

(g) A significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

C. When the Company assesses that there has been objective evidence of impairment and an impairment loss has occurred, accounting for impairment is made as follows according to the category of financial assets:

(a) Financial assets measured at amortised cost

The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate, and is recognised in profit or loss. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset does not exceed its amortised cost that would have been at the date of reversal had the impairment loss not been recognised previously. Impairment loss is recognised and reversed by adjusting the carrying amount of the asset through the use of an impairment allowance account.

(b) Available-for-sale financial assets

The amount of the impairment loss is measured as the difference between the asset's acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss, and is reclassified from 'other comprehensive income' to 'profit or loss'. If, in a subsequent period, the fair value of an investment in a debt instrument increases, and the increase can be related objectively to an event occurring after the impairment loss was recognised, then such impairment loss is reversed through profit or loss. Impairment loss of an investment in an equity instrument recognised in profit or loss shall not be reversed through profit or loss. Impairment loss is recognised and reversed by adjusting the carrying amount of the asset through the use of an impairment allowance account.

(11) Derecognition of financial assets

The Company derecognises a financial asset when one of the following conditions is met:

A. The contractual rights to receive the cash flows from the financial asset expire.

B. The contractual rights to receive cash flows of the financial asset have been transferred and the Company has transferred substantially all risks and rewards of ownership of the financial asset.

C. The contractual rights to receive cash flows of the financial asset have been transferred; however, the Company has not retained control of the financial asset.

(12) Inventories

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

(13) Investments accounted for using equity method / subsidiaries and associates

A. Subsidiaries are all entities controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

B. Unrealised profit (loss) occurred from the transactions between the Company and subsidiaries have been offset. The accounting policies of the subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Company.

C. The Company's share of its subsidiaries' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company continues to recognise losses proportionate to its ownership.

D. When the Company 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 still retains significant influence over this associate, then 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.

E. Associates are all entities over which the Company 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 recognised at cost.

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

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

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

I. When the Company disposes its investment in an associate, if it loses significant influence over this associate, the amounts previously recognised 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 still retains significant influence over this associate, then the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

J. Pursuant to the "Regulations Governing the Preparation of Financial Reports by Securities Issuers," profit (loss) of the current period and other comprehensive income in the un-consolidated financial statements shall equal to the amount attributable to owners of the parent in the consolidated financial statements. Owners' equity in the un-consolidated financial statements shall equal to equity attributable to owners of the parent in the consolidated financial statements.

(14)Property, plant and equipment

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

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

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

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

Buildings	5～55 years
Machinery and equipment	3～ 9 years
Research and development equipment	3～ 8 years
Office equipment	3～ 5 years
Other tangible operating assets	3～10 years

(15)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 50 years.

(16)Intangible assets

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 1 to 3 years.

(17)Impairment of non-financial assets

The Company assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised 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. Except for goodwill, when the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

(18)Notes and accounts payable

Notes and accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. However, short-term accounts payable without bearing interest are subsequently measured at initial invoice amount as effect of discounting is immaterial.

(19)Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability specified in the contract is discharged or cancelled or expires.

(20)Provisions

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

(21)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 recognised as expenses in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

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

(b) Defined benefit plans

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

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

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

C. Termination benefits

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

D. Employees' compensation, directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognised 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 Company calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(22) 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 recognised 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. And ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.

(23)Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised 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. An additional 10% tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

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

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

(24)Share capital

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.

(25)Dividends

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

(26)Revenue recognition

A. The Company manufactures and sells computer peripheral and component parts products. Revenue is measured at the fair value of the consideration received or receivable taking into account of value-added tax, returns, rebates and discounts for the sale of goods to external customers in the ordinary course of the Company's activities.

B. The Company offers customers volume discounts and right of return for defective products. The Company estimates such discounts and returns based on historical experience. Allowance accounts for such liabilities are recorded when the sales are recognised.

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

The preparation of these unconsolidated financial statements requires management to make critical judgements in applying the Company's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. The Company's assumptions and estimates do not have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31, 2015	December 31, 2014
Cash on hand and petty cash	$ 2,499	$ 2,579
Checking accounts and demand deposits	2,364,437	2,578,272
Time deposits	4,990,790	2,862,709
	$ 7,357,726	$ 5,443,560

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

B. The Company has no cash and cash equivalents pledged to others.

(2) Current financial assets at fair value through profit or loss

	December 31, 2015	December 31, 2014
Financial assets held for trading		
Open-end funds-Domestic	$ 119,000	$ 250,000
Open-end funds-Overseas	20,654	18,465
Corporate bonds	118,448	97,202
Government bonds	16,298	-
	274,400	365,667
Valuation adjustment	5,601	7,401
	$ 280,001	$ 373,068

A. The Company recognised net gain of $5,534 and $30,960 on financial assets held for trading for the years ended December 31, 2015 and 2014, respectively.

B. The counterparties of the Company's debt instrument investments have credit quality ratings above "investment grade".

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

(3) Held-to-maturity financial assets

	December 31, 2015	December 31, 2014
Current items		
Financing debentures	$ 150,990	$ -
Non-current items		
Financing debentures	$ -	$ 153,480

A. The counterparties of the Company's debt instrument investments have credit quality ratings above "investment grade".

B. As of December 31, 2015 and 2014, no held-to-maturity financial assets held by the Company were pledged to others.

(4) Accounts receivable - net

	December 31, 2015	December 31, 2014
Accounts receivable – third parties	$ 3,079,715	$ 3,514,922
Less: Allowance for doubtful accounts	(63,119)	(50,277)
Accounts receivable - net	$ 3,016,596	$ 3,464,645

A. The Company's credit quality for accounts receivable is assessed in accordance with the customer's credit rating and the collection period for the calculation basis of impairment loss. The Company has an internal credit valuation policy for its customers and the Company's finance department routinely or randomly revaluates whether the credit ratings are still appropriate and makes adjustments when necessary in order to ascertain the latest condition of the customers. The credit rating for customers is based on the scale of the industry operations, profit-generating conditions, and the credit rating given by financial institutions as references for assessment.

B. The ageing analysis was based on past due date. The Company did not hold any financial assets that were past due but not impaired.

C. Movement analysis of the allowance for bad debts of financial assets that were impaired is as follows:

	2015		
	Individual provision	Group provision	Total
At January 1	$ 6,370	$ 43,907	$ 50,277
Provision for impairment	-	13,307	13,307
Write-offs during the period	(465)	-	(465)
At December 31,	$ 5,905	$ 57,214	$ 63,119

	2014		
	Individual provision	Group provision	Total
At January 1	$ 1,429	$ 23,420	$ 24,849
Provision for impairment	4,941	20,487	25,428
At December 31,	$ 6,370	$ 43,907	$ 50,277

D. The Company does not hold any collateral as security.

(5) Inventories

	December 31, 2015		
	Cost	Allowance for valuation loss	Book value
Raw materials and supplies	$ 1,929,381	($ 69,957)	$ 1,859,424
Work in process	1,362,737	(545)	1,362,192
Finished goods and merchandise inventories	5,172,961	(102,137)	5,070,824
	$ 8,464,079	($ 172,639)	$ 8,292,440

	December 31, 2014		
	Cost	Allowance for valuation loss	Book value
Raw materials and supplies	$ 2,225,508	($ 76,170)	$ 2,149,338
Work in process	1,200,603	(620)	1,199,983
Finished goods and merchandise inventories	5,247,969	(97,264)	5,150,705
	$ 8,674,080	($ 174,054)	$ 8,500,026

The cost of inventories recognized as expense for the period:

	Years ended December 31,	
	2015	2014
Cost of inventories sold	$ 40,381,730	$ 42,431,584
Cost of warranty	286,394	301,172
Gain from price recovery of inventory (loss on market decline)	(1,415)	70,417
Loss on physical inventory	7	3
	$ 40,666,716	$ 42,803,176

For the year ended December 31, 2015, the Company recognized a gain from price recovery of inventories due to the sale of part of its inventories which were declining in market value.

(6) Other current assets

	December 31, 2015	December 31, 2014
Other financial assets	$ 290,000	$ -
Others	66,956	525,441
	$ 356,956	$ 525,441

Other financial assets are the Company's financial investments and details are provided in Note 13(1)C.

(7) Investments accounted for using the equity method

	December 31, 2015	December 31, 2014
Subsidiaries		
Freedom International Group Ltd.	$ 5,560,442	$ 6,011,831
Chi-Ga Investments Corp.	1,781,053	1,822,994
G-Style Co., Ltd.	569,849	424,402
Giga-Byte Communication Inc.	30,182	108,383
Giga-Byte Technology B.V.	108,800	87,672
G.B.T. Technology Trading GmbH	50,895	51,178
Giga-Zone International Co., Ltd.	(11,104)	20,430
G.B.T. Inc.	35,796	16,846
G.B.T. Technology LLC others	81,625	78,115
	8,207,538	8,621,851
Add: Reclassified to other non-current liabilities	11,104	-
	$ 8,218,642	$ 8,621,851

A. Please refer to Note 4(3) in the consolidated financial statements for the year ended December 31, 2015 for more information on the Company's subsidiary.

B. The investment (loss) gain of ($534,563) and $182,486 were accounted for under the equity method based on the audited financial statements of the investee companies for the years ended December 31, 2015 and 2014, respectively, except as stated in the following paragraph.

C. The Company continued to account for the operating losses of its subsidiary, Giga-Zone International Co., Ltd. under investment losses. As of December 31, 2015, the credit balance of the carrying amount of investments recognised under the equity method was reclassified to other non-current liabilities.

(8) Property, plant and equipment

	Land	Buildings	Machinery	Others	Total
At January 1, 2015					
Cost	$ 935,677	$ 1,531,676	$ 1,153,202	$ 659,319	$ 4,279,874
Accumulated depreciation	-	(503,543)	(972,624)	(566,688)	(2,042,855)
	$ 935,677	$ 1,028,133	$ 180,578	$ 92,631	$ 2,237,019
2015					
Opening net book amount	$ 935,677	$ 1,028,133	$ 180,578	$ 92,631	$ 2,237,019
Additions	-	41,407	18,955	47,584	107,946
Disposals	-	(944)	(1,067)	(1,892)	(3,903)
Reclassifications	18,316	7,668	1,077	733	27,724
Depreciation charge	-	(32,437)	(36,373)	(40,024)	(108,834)
Closing net book amount	$ 953,993	$ 1,043,827	$ 163,100	$ 99,032	$ 2,259,952
At December 31, 2015					
Cost	$ 953,993	$ 1,575,059	$ 1,130,230	$ 680,653	$ 4,339,935
Accumulated depreciation	-	(531,232)	(967,130)	(581,621)	(2,079,983)
	$ 953,993	$ 1,043,827	$ 163,100	$ 99,032	$ 2,259,952

	Land	Buildings	Machinery	Others	Total
At January 1, 2014					
Cost	$ 937,542	$ 1,534,343	$ 1,031,175	$ 635,673	$ 4,138,733
Accumulated depreciation	-	(484,694)	(957,213)	(548,170)	(1,990,077)
	$ 937,542	$ 1,049,649	$ 73,962	$ 87,503	$ 2,148,656
2014					
Opening net book amount	$ 937,542	$ 1,049,649	$ 73,962	$ 87,503	$ 2,148,656
Additions	-	10,119	137,086	40,171	187,376
Disposals	-	-	(429)	(51)	(480)
Reclassifications	(1,865)	(758)	-	(220)	(2,843)
Depreciation charge	-	(30,877)	(30,041)	(34,772)	(95,690)
Closing net book amount	$ 935,677	$ 1,028,133	$ 180,578	$ 92,631	$ 2,237,019
At December 31, 2014					
Cost	$ 935,677	$ 1,531,676	$ 1,153,202	$ 659,319	$ 4,279,874
Accumulated depreciation	-	(503,543)	(972,624)	(566,688)	(2,042,855)
	$ 935,677	$ 1,028,133	$ 180,578	$ 92,631	$ 2,237,019

The significant components of buildings include main plants and renovation projects, which are depreciated over 50 and 10 years, respectively.

(9) Investment property

	Land	Buildings	Total
At January 1, 2015			
Cost	$ 99,335	$ 55,561	$ 154,896
Accumulated depreciation	-	(3,722)	(3,722)
	$ 99,335	$ 51,839	$ 151,174
2015			
Opening net book amount	$ 99,335	$ 51,839	$ 151,174
Reclassifications	(18,316)	(9,408)	(27,724)
Depreciation charge	-	(1,040)	(1,040)
Closing net book amount	$ 81,019	$ 41,391	$ 122,410
At December 31, 2015			
Cost	$ 81,019	$ 45,316	$ 126,335
Accumulated depreciation	-	(3,925)	(3,925)
	$ 81,019	$ 41,391	$ 122,410

	Land	Buildings	Total
At January 1, 2014			
Cost	$ 97,470	$ 54,519	$ 151,989
Accumulated depreciation	-	(2,584)	(2,584)
	$ 97,470	$ 51,935	$ 149,405
2014			
Opening net book amount	$ 97,470	$ 51,935	$ 149,405
Reclassifications	1,865	978	2,843
Depreciation charge	-	(1,074)	(1,074)
Closing net book amount	$ 99,335	$ 51,839	$ 151,174
At December 31, 2014			
Cost	$ 99,335	$ 55,561	$ 154,896
Accumulated depreciation	-	(3,722)	(3,722)
	$ 99,335	$ 51,839	$ 151,174

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

	Years ended December 31,	
	2015	2014
Rental income from investment property	$ 7,274	$ 7,994
Direct operating expenses arising from the investment property that generated rental income during the period	$ 1,040	$ 1,074

B. The fair value of the investment property held by the Company as at December 31, 2015 and 2014 was $147,311 and $185,552, respectively, which was valuated with reference to the future rental income and the related discounted cash flows. Key assumptions are as follows:

	December 31, 2015	December 31, 2014
Discount rate	1.985%	2.125%

(10) Other non-current assets

	December 31, 2015	December 31, 2014
Other financial assets	$ -	$ 990,000
Pledged assets	40,722	40,542
Refundable deposits	21,474	15,053
Others	118,526	131,742
	$ 180,722	$ 1,177,337

A. Other financial assets are the Company's financial investments.

B. Information about the restricted assets that were pledged to others as collateral is provided in Note 8.

(11) Other payables

	December 31, 2015	December 31, 2014
Salary and bonus payable	$ 1,844,151	$ 1,881,329
Employees' dividends and directors' and supervisors' remuneration payable	214,223	244,362
Royalties payable	156,313	199,809
Shipping and freight-in payable	100,674	97,661
Others	447,188	438,555
	$ 2,762,549	$ 2,861,716

(12) Provisions

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

	2015	2014
At January 1	$ 445,494	$ 445,408
Additional provisions	286,394	301,172
Used during the period	(287,038)	(301,086)
At December 31,	$ 444,850	$ 445,494

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

(13) 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 the end of December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method, to the employees expected to be qualified for retirement next year, the Company will make contributions to cover the deficit by next March.

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

	December 31, 2015	December 31,2014
Present value of defined benefit obligations	($ 715,011)	($ 626,700)
Fair value of plan assets	242,313	243,579
Net defined benefit liability	($ 472,698)	($ 383,121)

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

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Year ended December 31, 2015			
Balance at January 1	($ 626,700)	$ 243,579	($ 383,121)
Current service cost	(6,111)	-	(6,111)
Interest (expense) income	(12,499)	4,975	(7,524)
Past service cost	2,108	-	2,108
	(643,202)	248,554	(394,648)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	1,582	1,582
Change in demographic assumptions	(5,532)	-	(5,532)
Change in financial assumptions	(49,161)	-	(49,161)
Experience adjustments	(25,510)	-	(25,510)
	(80,203)	1,582	(78,621)
Pension fund contribution	-	571	571
Paid pension	8,394	(8,394)	-
Balance at December 31	($ 715,011)	$ 242,313	($ 472,698)

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Year ended December 31, 2014			
Balance at January 1	($ 626,517)	$ 244,676	($ 381,841)
Current service cost	(7,767)	-	(7,767)
Interest (expense) income	(12,478)	4,981	(7,497)
Past service cost	1,159	-	1,159
	(645,603)	249,657	(395,946)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	725	725
Change in demographic assumptions	96	-	96
Experience adjustments	8,445	-	8,445
	8,541	725	9,266
Pension fund contribution	-	3,559	3,559
Paid pension	10,362	(10,362)	-
Balance at December 31	($ 626,700)	$ 243,579	($ 383,121)

(c) The Bank of Taiwan was commissioned to manage the Fund of the Company's and domestic subsidiaries' defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan asset fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2015 and 2014 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

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

	Years ended December 31,	
	2015	2014
Discount rate	1.50%	2.00%
Future salary increases	3.00%	3.00%

Future mortality rate was estimated based on the 5th Taiwan Standard Ordinary Experience Mortality Table.

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

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2015				
Effect on present value of defined benefit obligation	(\$ 25,306)	\$ 26,526	\$ 26,066	(\$ 25,006)

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

The method and assumptions used for the preparation of sensitivity analysis during 2015 and during 2014 are the same.

(e) Expected contributions to the defined benefit pension plans of the Company for the year ending December 31, 2016 amounts to $13,892.

(f) As of December 31, 2015, the weighted average duration of that retirement plan is 14 years. The analysis of timing of the future pension payment was as follows:

Within 1 year	$	5,579
1-2 year(s)		10,248
2-5 years		41,906
Over 5 years		871,782
	$	929,515

B. Effective July 1, 2005, the Company has established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company 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 Company for the years ended December 31, 2015 and 2014 were $77,626 and $79,429, respectively.

(14) Share-based payment

A. As of December 31, 2015, the Company's share-based payment transactions are set forth below:

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions
Employee stock options	2007.12.19	40,000,000 shares	10 years	2~4 years' service vested immediately

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

	2015		2014	
	No. of options (in thousands)	Weighted-average exercise price (in dollars)	No. of options (in thousands)	Weighted-average exercise price (in dollars)
Options outstanding opening balance at January 1	10,219	$ 11.90	12,531	$ 12.70
Options exercised	(180)	11.90	(2,312)	11.99
Options outstanding at December 31	10,039	10.90	10,219	11.90
Options exercisable at December 31	10,039		10,219	

C. The weighted-average stock price of stock options at exercise date of 2015 and 2014 was $26.04~$39.33 and $33.24~$49.54 (in dollars), respectively.

D. As of December 31 2015 and 2014, the range of exercise price of stock options outstanding was $10.90 and $11.90, respectively, and the weighted-average remaining vesting period was 1.97 years and 2.97 years, respectively.

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

Type of arrangement	Grant date	Stock price	Exercise price	Price volatility	Option life	Dividends	Interest rate	Fair value per unit
Employee stock options	2007.12.19	$ 19	$ 19	39.16%	6.35 years	-	2.58%	$ 8.1648

(15) Share capital

A. As of December 31, 2015, the Company's authorized capital was $9,500,000, consisting of 950,000 thousand shares of ordinary shares (including 250,000 thousand shares reserved for employee stock options and for convertible bonds issued by the Company), and the paid-in capital was $6,290,629 with a par value of $10 (in dollars) per share. All proceeds from shares issued have been collected:

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

	2015	2014
At January 1	628,882,886	626,571,386
Employee stock options exercised	180,000	2,311,500
At December 31,	629,062,886	628,882,886

B. The number of shares of common stock issued for the year ended December 31, 2015 due to the exercise of employee stock options is 180,000 shares.

(16) 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 capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(17) Retained earnings

A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior year's operating losses and then 10% of the remaining amount shall be set aside as legal reserve, unless accumulated legal reserve has reached an amount equal to the Company's paid-in capital. And then special reserve shall be set aside or reversed according to the laws or decrees or the regulations of competent authorities.

Appropriation (5% ~ 80%) of the remainder plus prior year's accumulated retained earnings shall be proposed by the Board of Directors and resolved by the stockholders. The Company's dividend policy is as follows: not less than 87% of distributable amounts as dividends to stockholders, of which, not less than 5% shall be distributed in the form of cash. If the cash dividend is less than ten cents (NT$0.1) per share, such dividend shall be distributed in the form of shares.

B. 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 on initial application of IFRSs in accordance with Jin-Guan-Zheng-Fa-Zi Letter No. 1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently.

D. The appropriation of 2014 earnings had been proposed by the Board of Directors on June 17, 2015 and the appropriation of 2013 earnings had been resolved at the stockholders' meeting on June 11, 2013. Details are summarized below:

	Years ended December 31,			
	2014		2013	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	$ 239,710		$ 235,554	
Cash dividends	1,698,335	$ 2.70	1,880,468	$ 3.00

E. As of the date of the auditor's report, the appropriation of retained earnings for 2015 has not been resolved by the Board of Directors. Information about employees' compensation (bonus) and directors' and supervisors' remuneration of the Company as 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.

F. For the information relating to employees' compensation (bonus) and directors' and supervisors' remuneration, please refer to Note 6(21).

(18)Other income

	Years ended December 31,	
	2015	2014
Interest income	$ 66,619	$ 64,491
Other income	1,018,709	323,763
	$ 1,085,328	$ 388,254

(19) Other gains and losses

	Years ended December 31, 2015	Years ended December 31, 2014
Net currency exchange gains	$ 327,038	$ 328,191
Gains on disposal of investments	7,334	26,254
Net gains (losses) on financial assets at fair value through profit or loss	(1,800)	4,250
(Losses) gains on disposal of property, plant and equipment	(1,969)	293
Others	(1,039)	(1,423)
Total	$ 329,564	$ 357,565

(20) Expenses by nature

	Years ended December 31, 2015	Years ended December 31, 2014
Cost of goods sold	$ 40,316,149	$ 42,376,043
Employee benefit expense	3,287,166	3,505,286
Depreciation and amortisation	279,578	251,555
Warranty cost of after-sale service	286,394	301,172
Transportation expenses	165,411	170,738
Losses on doubtful debts	13,307	25,428
Other costs and expenses	1,838,618	1,980,942
Total	$ 46,186,623	$ 48,611,164

(21) Employee benefit expense

	Years ended December 31, 2015	Years ended December 31, 2014
Wages and salaries	$ 2,932,368	$ 3,153,556
Labor and health insurance fees	181,618	180,527
Pension costs	89,153	93,534
Other personnel expenses	84,027	77,669
	$ 3,287,166	$ 3,505,286

A. According to the Articles of Incorporation of the Company, when distributing earnings, the Company shall distribute bonus to the employees' and pay remuneration to the directors' and supervisors' that account for 6% to 10% and not be higher than 3%, respectively, of the total distributed amount.

However, in accordance with the Company Act amended in May 20, 2015, a company shall distribute employee compensation, based on the distributable profit of the current year, in a fixed amount or a ratio of profits. If a company has accumulated deficit, earnings should be channeled to cover losses. A company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation distributed in the form of shares or in cash; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting. Qualification requirements of employees, including the employees of subsidiaries of the company meeting certain specific requirements, entitled to receive aforementioned stock or cash may be specified in the Articles of Incorporation. The Board of Directors of the Company has approved the amended Articles of Incorporation of the Company on March 15, 2016. According to the amended articles, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' and supervisors' remuneration. The ratio shall be 3% to 10% for employees' compensation and shall not be higher than 3% for directors' remuneration. The amended articles will be resolved in the shareholders' meeting in 2016.

B. For the years ended December 31, 2015 and 2014, employees' compensation (bonus) was accrued at $154,223 and $187,971, respectively; directors' remuneration was accrued at $60,000 and $56,391, respectively. The aforementioned amounts were recognised in salary expenses.

The employees' compensation and directors' and supervisors' remuneration were estimated and accrued based on 6% and 2.33% of distributable profit of current year for the year ended December 31, 2015. The employees' compensation and directors' and supervisors' remuneration resolved by the Board of Directors were $154,233 and $60,000, and the employees' compensation will be distributed in the form of cash.

The expenses recognised for the year of 2014 were accrued based on the net income of 2014, taking into account other factors such as legal reserve. Where the accrued amounts for employees' bonus and directors' and supervisors' remuneration are different from the actual distributed amounts as resolved by the stockholders at their stockholders' meeting subsequently, the differences are accounted for as changes in estimates. The difference between employees' bonus of $187,971 and directors' and supervisors' remuneration of $56,391 as resolved by the shareholders at the shareholders' meeting and the amount recognised in the 2014 financial statements of $9,412, had been adjusted in the profit or loss of 2015. Information about employees' compensation (bonus) and directors' and supervisors' remuneration of the Company as resolved by the Board of Directors and the shareholders at the shareholders' meeting will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(22) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Years ended December 31, 2015	Years ended December 31, 2014
Current tax:		
Current tax on profits for the period	$ 402,917	$ 379,352
Tax on undistributed surplus earnings	46,726	25,140
Adjustments in respect of prior years	(26,865)	19,696
Total current tax	422,778	424,188
Deferred tax:		
Origination and reversal of temporary differences	13,324	265
Income tax expense	$ 436,102	$ 424,453

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

	Years ended December 31, 2015	Years ended December 31, 2014
Remeasurement of defined benefit obligations	($ 13,365)	$ 1,574

B. Reconciliation between income tax expense and accounting profit

	Years ended December 31, 2015	Years ended December 31, 2014
Tax calculated based on profit before tax and statutory tax rate	$ 400,548	$ 479,752
Expenses disallowed by tax regulation	15,764	23,581
Tax exempted income by tax regulation	(699)	(16,756)
Effect from tax credit of investment	(52,827)	(48,579)
Tax on undistributed surplus earnings	46,726	25,140
Prior year income tax (over)underestimation	(26,865)	19,696
Changes in assessment of realisability of deferred tax assets	53,455	(58,381)
Income tax expense	$ 436,102	$ 424,453

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

	Year ended December 31, 2015			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Deferred tax assets				
Provision for warranty expense	$ 75,734	($ 109)	$ -	$ 75,625
Allowance for inventory loss	29,589	(240)	-	29,349
Amount of allowance for bad debts that exceed the limit for tax purpose	-	2,999	-	2,999
Pension expense	34,813	1,863	-	36,676
Unrealized profit on intercompany sales	63,731	(19,710)	-	44,021
Remeasurement of defined benefit obligations	-	-	9,249	9,249
Others	47,801	(366)	-	47,435
	251,668	(15,563)	9,249	245,354
Deferred tax liabilities				
Unrealized exchange gain	(19,773)	2,239	-	(17,534)
Remeasurement of defined benefit obligations	(4,116)	-	4,116	-
	(23,889)	(2,239)	4,116	(17,534)
	$ 227,779	($ 13,324)	$ 13,365	$ 227,820

	Year ended December 31, 2014			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Deferred tax assets				
Provision for warranty expense	$ 75,720	$ 14	$ -	$ 75,734
Allowance for inventory loss	17,618	11,971	-	29,589
Pension expense	32,913	1,900	-	34,813
Unrealized profit on intercompany sales	77,274	(13,543)	-	63,731
Others	41,936	5,865	-	47,801
	245,461	6,207	-	251,668
Deferred tax liabilities				
Unrealized exchange gain	(13,301)	(6,472)	-	(19,773)
Remeasurement of defined benefit obligations	(2,436)	(106)	(1,574)	(4,116)
	(15,737)	(6,578)	(1,574)	(23,889)
	$ 229,724	($ 371)	($ 1,574)	$ 227,779

D. The Company's motherboard products qualify for manufacturing enterprises and related technical service enterprises, and the Company is entitled to the income tax exemption for 5 consecutive years (until June 2014) under the Statute for Upgrading Industry.

E. As of December 31, 2015, the Company's income tax returns through 2013 have been assessed and approved by the Tax Authority.

F. Unappropriated retained earnings

	December 31, 2015	December 31, 2014
Earnings generated in and before 1997	$ 62,797	$ 62,797
Earnings generated in and after 1998	7,485,144	7,568,380
	$ 7,547,941	$ 7,631,177

G. Details related to the shareholders' imputation tax credit amount and creditable tax ratio are as follows:

	December 31, 2015	December 31, 2014
Imputation tax credit account balance	$ 1,051,653	$ 928,803

	Years ended December 31,	
	2015 (Estimated)	2014 (Actual)
Creditable tax ratio of the total distributed retained earnings	17.22%	14.84%

(23) Earnings per share

	Year ended December 31, 2015		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders	$ 1,920,065	629,019	$ 3.05
Diluted earnings per share			
Assumed conversion of all dilutive potential ordinary shares			
—Employees' bonus	-	4,231	
—Convertible bonds	-	6,867	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	$ 1,920,065	640,117	$ 3.00

	Year ended December 31, 2014		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders	$ 2,397,618	627,290	$ 3.82
Diluted earnings per share			
Assumed conversion of all dilutive potential ordinary shares			
－Employees' bonus	-	5,529	
－Convertible bonds	-	8,412	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	$ 2,397,618	641,231	$ 3.74

7. RELATED PARTY TRANSACTIONS

(1) Significant related party transactions and balances

A. Operating revenue

	Years ended December 31,	
	2015	2014
Sales of goods:		
－Subsidiaries	$ 23,224,562	$ 25,174,978

The sales prices to related parties were based on the agreed contracts. Credit terms to related parties were within 14~90 days after receipt of goods. Credit terms to third parties were up to 70 days after shipment of goods.

B. Purchases

	Years ended December 31,	
	2015	2014
Purchases of goods：		
－Subsidiaries	$ 473,622	$ 502,600

All purchases from related parties are based on negotiated terms because the related products are unique and cannot be purchased from third parties. The payment terms for related parties are not significantly different from those with third parties. The payment terms for third parties is 30 days after receipt of goods or 60~90 days after monthly billing.

C. Processing expense

	Years ended December 31,	
	2015	2014
Purchases of services:		
－Subsidiaries	$ 1,462,877	$ 1,344,228

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

D. Warranty expense

	Years ended December 31,	
	2015	2014
Purchases of services:		
－Subsidiaries	$ 108,714	$ 71,916

E. Service commission (accounted for as "sales expense")

	Years ended December 31,	
	2015	2014
Purchases of services:		
－Subsidiaries	$ 250,236	$ 240,159

F. Professional service fees (accounted for as "sales expense")

	Years ended December 31,	
	2015	2014
Purchases of services:		
－Subsidiaries	$ 127,309	$ 126,239

G. Accounts receivable

	December 31, 2015	December 31, 2014
Receivables from related parties:		
－Subsidiaries	$ 1,681,182	$ 1,650,389

H. Accounts payable

	December 31, 2015	December 31, 2014
Payables to related parties:		
－Subsidiaries	$ 416,540	$ 395,214

I. Prepayments (Shown as "other current assets")

	December 31, 2015	December 31, 2014
Prepayment-related parties:		
－Subsidiaries	$ -	$ 359,400

J. Unearned receipts (Shown as "Other current liabilities")

	December 31, 2015	December 31, 2014
Advance receipts-related parties:		
－Subsidiaries	$ 7,004	$ 189,334

K. Endorsements and guarantees provided to related parties

	December 31, 2015	December 31, 2014
Subsidiaries	$ 181,863	$ 174,449

(2) Key management compensation

	Years ended December 31,	
	2015	2014
Salaries and other short-term employee benefits	$ 285,733	$ 300,401

8. PLEDGED ASSETS

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

	Book value		
Pledged asset	December 31, 2015	December 31, 2014	Purpose
Pledged asset (accounted for as "Other non-current assets")			
Pledged time deposits	$ 40,722	$ 40,542	Guarantee for the customs duties and deposits

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

None.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

12. OTHERS

(1) Capital management

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

(2) Financial instruments

A. Fair value information of financial instruments

(a) The carrying amounts of the Company's financial instruments not measured at fair value (including cash and cash equivalents, notes receivable, accounts receivable, other receivables, other financial assets, held-to-maturity financial assets, notes payable, accounts payable, other payables and deposits received) are approximate to their fair values. The fair value information of financial instruments measured at fair value is provided in Note 12(3).

(b) The methods and assumptions of fair value measurement are as follows:

Held-to-maturity financial assets:

If there is a quoted price in an active market, the fair value is based on the market price; if there is no quoted market price available, the fair value is determined by using valuation techniques or counterparty quotes.

B. Financial risk management policies

(a) The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial position and financial performance.

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

C. Significant financial risks and degrees of financial risks

(a) Market risk

<u>Foreign exchange risk</u>

i. The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

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

	December 31, 2015				
		Foreign currency amount (In thousands)	Exchange rate		Book value (NTD)
(Foreign currency: functional currency)					
Financial assets					
Monetary items					
USD:NTD	$	280,746	33.066	$	9,283,147
RMB:NTD		9,520	5.033		47,914
Financial liabilities					
Monetary items					
USD:NTD	$	186,138	33.066	$	6,154,839
RMB:NTD		9,321	5.033		46,913

	December 31, 2014				
		Foreign currency amount (In thousands)	Exchange rate		Book value (NTD)
(Foreign currency: functional currency)					
Financial assets					
Monetary items					
USD:NTD	$	291,914	31.718	$	9,258,928
RMB:NTD		121,518	5.116		621,686
Non-monetary items					
USD:NTD	$	3,772	31.718	$	119,640
Financial liabilities					
Monetary items					
USD:NTD	$	163,427	31.718	$	5,183,578

iii. The total exchange gain (loss), including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2015 and 2014, amounted to $327,038 and $328,191, respectively.

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

	Year ended December 31, 2015		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 92,831	$ -
RMB:NTD	1%	479	-
Financial liabilities			
Monetary items			
USD:NTD	1%	$ 61,548	$ -
RMB:NTD	1%	469	-

	Year ended December 31, 2014		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 92,589	$ -
RMB:NTD	1%	6,217	-
Financial liabilities			
Monetary items			
USD:NTD	1%	$ 51,836	$ -

Price risk

A. The Company is exposed to equity securities price risk because of investments held by the Company and classified on the unconsolidated balance sheet either as available-for-sale or at fair value through profit or loss. The Company is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

B. The Company's investments in equity securities comprise domestic listed and unlisted stocks. 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, post-tax profit for the years ended December 31, 2015 and 2014 would have increased/decreased by $1,412 and $2,731, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss.

Interest rate risk

i. The domestic bond fund investment by the Company was held mainly for trading purposes, the effective interest rate of this fund is affected by the market interest rate.

ii. The structured notes and investment floating bonds of the Company were range accrual notes, the effective interest rate of these notes are affected by the market interest rate; accordingly, the Company's future cash flows would fluctuate with the market interest rate change.

iii. For fixed interest rate bond investments held by the Company classified as financial assets at fair value through profit or loss, changes in market interest rates would affect their fair values. At December 31, 2015 and 2014, if market interest rates had been 1% higher/lower with all other variables held constant, other comprehensive income for the years ended December 31, 2015 and 2014 would have been $1,388 and $1,000 lower/higher, respectively.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. According to the Company's credit policy, each local entity in the Company 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.

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

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

iv. The structured notes investment of the Company were issued by well-known banks or asset management companies, and accordingly, the credit risk of the counterparties is minimal.

v. The Company has lower significant concentrations of credit risk. It has policies in place to ensure that wholesale sales of products are made to customers with an appropriate credit history. The Company had credit insurance coverage for a majority of its customers. Accordingly, credit risk is low. No credit limits were exceeded during the reporting periods, and management does not expect any significant losses from non-performance by these counterparties.

vi. Loan guarantees provided by the Company are in compliance with the Company's "Procedures for Provision of Endorsements and Guarantees" and are only provided to affiliated companies of which the Company owns directly or indirectly more than 50% ownership or a company which trades with the Company. As the Company is fully aware of the credit conditions of these related parties, it has not asked for collateral for the loan guarantees provided. In the event that these related parties fail to comply with loan agreements with banks, the maximum loss to the Company is the total amount of loan guarantees as listed above.

vii. The credit quality information of financial assets that are neither past due nor impaired is provided in the statement for each type of financial asset in Note 6.

viii. The individual analysis of financial assets that had been impaired is provided in the statement for each type of financial asset in Note 6.

(c) Liquidity risk

i. Company treasury monitors rolling forecasts of the Company'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. Potential liquidity risk of structured time deposits held by the Company lies in that those assets have no sale-back option before expiry of the contract; however, the Company may terminate the contract early before expiry, yet it shall compensate its counterparty with default penalty and handling fees for early termination of the contract or compensate for counterparty's hedging loss and related expenses incurred.

iii. The table below analyses the Company's non-derivative financial liabilities and net-settled or gross-settled 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. The amounts disclosed in the table are the contractual undiscounted cash flows:

Non-derivative financial liabilities:

December 31, 2015	Less than 1 year	Between 1 and 2 years	Over 2 years	Total
Notes payable	$ 35,215	$ -	$ -	$ 35,215
Accounts payable	5,337,057	-	-	5,337,057
Other payables	2,762,549	-	-	2,762,549

Non-derivative financial liabilities:

December 31, 2014	Less than 1 year	Between 1 and 2 years	Over 2 years	Total
Notes payable	$ 47,265	$ -	$ -	$ 47,265
Accounts payable	5,644,767	-	-	5,644,767
Other payables	2,861,716	-	-	2,861,716

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

(3) Fair value information

A. Details of the fair value of the Company's financial assets and financial liabilities not measured at fair value are provided in Note 12(2)A. Details of the fair value of the Company's investment property measured at cost are provided in Note 6(9).

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

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

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

Level 3: Unobservable inputs for the asset or liability.

C. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at December 31, 2015 and 2014 is as follows:

December 31, 2015	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 141,212	$ -	$ -	$ 141,212
Debt securities	138,789	-	-	138,789
Total	$ 280,001	$ -	$ -	$ 280,001

December 31, 2014	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 273,071	$ -	$ -	$ 273,071
Debt securities	99,997	-	-	99,997
Total	$ 373,068	$ -	$ -	$ 373,068

D. The methods and assumptions the Company used to measure fair value are as follows:

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

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

(b) 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.

(c) When assessing non-standard and low-complexity financial instruments, for example, debt instruments without active market, interest rate swap contracts, foreign exchange swap contracts and options, the Company adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.

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

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

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

E. For the years ended December 31, 2015 and 2014, there was no transfer between Level 1 and Level 2.

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: Please refer to table 3.

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 4.

H. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: Please refer to table 5.

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

J. Significant inter-company transactions during the reporting periods: Please refer to table 6.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 7.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 8.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 9.

14. SEGMENT INFORMATION

None.

15. INITIAL APPLICATION OF IFRSs

None.

V. Audited Consolidated Financial Statements in the most recent year

GIGA-BYTE TECHNOLOGY CO., LTD. AND SUBSIDIARIES

Declaration of Consolidated Financial Statements of Affiliated Enterprises

Year ended December 31, 2015, pursuant to "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises," the company that is required to be included in the consolidated financial statements of affiliates, is the same as the company required to be included in the consolidated financial statements of parent and subsidiary companies under IFRS 10. And if relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies, it shall not be required to prepare separate consolidated financial statements of affiliates.

Hereby declare,

GIGA-BYTE TECHNOLOGY CO., LTD.

Dandy Yeh

March 15, 2016

REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

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

We have audited the accompanying consolidated balance sheets of Giga-Byte Technology Co., Ltd. and its subsidiaries as of December 31, 2015 and 2014, and the related consolidated statements of comprehensive income, of changes in shareholders' equity and of cash flows for the years then ended. These consolidated financial statements are the responsibility of the Group's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. The financial statements of certain investee companies accounted for under the equity method as of and for the years ended December 31, 2015 and 2014 were audited by other auditors, whose reports thereon have been furnished to us. Investment balance in these investee companies amounted to \$77,481 thousand and \$81,057 thousand, constituting 0.23% and 0.24% of the total assets as of December 31, 2015 and 2014, respectively, and comprehensive loss (including profit (loss) of associates accounted for under the equity method and share of other comprehensive income) recognised amounted to (\$12,498) thousand and \$282 thousand, constituting (0.75%) and 0.01% of the total comprehensive income for the years then ended. Our opinion, insofar as it relates to the amounts included in the financial statements and information disclosed in Note 13 relating to these investments, is based solely on reports of the other auditors.

We conducted our audits in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and generally accepted auditing standards in the Republic of China. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, based on our audits and the reports of the other auditors, the consolidated financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Giga-Byte Technology Co., Ltd. and its subsidiaries as of December 31, 2015 and 2014, and their financial performance and cash flows for the years then ended in conformity with the "Rules Governing the Preparation of Financial Statements by Securities Issuers" and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

We have also audited the unconsolidated financial statements of Giga-Byte Technology Co., Ltd. (not presented herein) as of and for the years ended December 31, 2015 and 2014, and have expressed a modified unqualified opinion on such financial statements.

PricewaterhouseCoopers, Taiwan

March 15, 2016

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 report of independent accountants 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

DECEMBER 31, 2015 AND 2014

(Expressed in thousands of New Taiwan dollars)

	ASSETS	Notes	December 31, 2015 Amount	%	December 31, 2014 Amount	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 10,723,611	32	$ 9,336,355	28
1110	Financial assets at fair value through profit or loss - current	6(2)	1,187,595	4	1,191,594	4
1125	Available-for-sale financial assets-current	6(3)	47,974	-	87,763	-
1130	Current held-to-maturity financial assets	6(4)	150,990	-	-	-
1150	Notes receivable - net		5,848	-	7,238	-
1170	Accounts receivable - net	6(5)	5,204,633	16	6,093,288	18
1200	Other receivables		513,289	2	439,128	1
130X	Inventories - net	6(6)	8,427,206	25	8,866,121	26
1470	Other current assets	6(7) and 8	1,585,537	5	820,425	3
11XX	Total current assets		27,846,683	84	26,841,912	80
	Non-current assets					
1523	Available-for-sale financial asset-non-current	6(3)	335,214	1	345,828	1
1527	Held-to-maturity financial assets-non-current	6(4)	-	-	153,480	-
1550	Investments accounted for under equity method	6(8)	239,988	1	298,306	1
1600	Property, plant and equipment - net	6(9)	4,022,766	12	4,231,520	12
1760	Investment property - net	6(10)	159,759	-	191,719	1
1780	Intangible assets		34,144	-	49,730	-
1840	Deferred income tax assets	6(24)	278,693	1	266,817	1
1900	Other non-current assets	6(11) and 8	323,386	1	1,313,314	4
15XX	Total non-current assets		5,393,950	16	6,850,714	20
1XXX	TOTAL ASSETS		$ 33,240,633	100	$ 33,692,626	100

(Continued)

GIGA-BYTE TECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2015 AND 2014

(Expressed in thousands of New Taiwan dollars)

	LIABILITIES AND SHAREHOLDERS' EQUITY	Notes	December 31, 2015 Amount	%	December 31, 2014 Amount	%
	Current liabilities					
2100	Short-term loans	6(12)	$ 70,000	-	$ 71,326	-
2150	Notes payable		37,139	-	50,204	-
2170	Accounts payable		4,978,471	15	5,487,917	16
2200	Other payables	6(13)	3,192,128	10	3,376,700	10
2230	Current income tax liabilities	6(24)	510,569	1	281,914	1
2250	Provisions for liabilities - current	6(14)	570,459	2	535,056	2
2300	Other current liabilities		774,190	2	850,512	3
21XX	Total current liabilities		10,132,956	30	10,653,629	32
	Non-current liabilities					
2570	Deferred income tax liabilities	6(24)	17,534	-	24,526	-
2600	Other non-current liabilities	6(15)	536,724	2	436,357	1
25XX	Total non-current liabilities		554,258	2	460,883	1
2XXX	Total liabilities		10,687,214	32	11,114,512	33
	Equity attributable to owners of the parent					
	Share capital	6(16)(17)				
3110	Common stock		6,290,629	19	6,288,829	19
	Capital surplus	6(18)				
3200	Capital surplus		4,601,581	14	4,592,155	14
	Retained earnings	6(19)				
3310	Legal reserve		3,425,311	10	3,185,601	9
3320	Special reserve		426,354	1	426,354	1
3350	Unappropriated retained earnings	6(24)	7,547,941	23	7,631,177	23
	Other equity					
3400	Other equity		247,152	1	435,986	1
31XX	Total equity attributable to owners of the parent		22,538,968	68	22,560,102	67
36XX	Non-controlling interest		14,451	-	18,012	-
3XXX	Total equity		22,553,419	68	22,578,114	67
3X2X	TOTAL LIABILITIES AND EQUITY		$ 33,240,633	100	$ 33,692,626	100

The accompanying notes are an integral part of these consolidated financial statements.
See report of independent accountants dated March 15, 2016.

GIGA-BYTE TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2015 AND 2014
(Expressed in thousands of New Taiwan dollars, except for earnings per share)

			Years ended December 31,			
			2015		2014	
		Notes	Amount	%	Amount	%
4000	Operating revenue		$ 50,828,792	100	$ 54,541,687	100
5000	Operating costs	6(6)(22)(23)	(42,067,380)	(83)	(45,073,304)	(82)
5900	Gross profit		8,761,412	17	9,468,383	18
	Operating expenses	6(22)(23)				
6100	Selling expenses		(4,234,988)	(9)	(4,184,633)	(8)
6200	General & administrative expenses		(1,627,909)	(3)	(1,661,986)	(3)
6300	Research and development expenses		(1,646,777)	(3)	(1,815,605)	(3)
6000	Total operating expenses		(7,509,674)	(15)	(7,662,224)	(14)
6900	Operating profit		1,251,738	2	1,806,159	4
	Non-operating revenue and expenses					
7010	Other income	6(10)(20)	1,377,670	3	793,316	1
7020	Other gains and losses	6(21)	107,964	-	355,324	1
7050	Finance costs		(1,438)	-	(18,478)	-
7060	Share of (loss)/profit of associates and joint ventures accounted for under the equity method	6(8)	(64,275)	-	8,648	-
7000	Total non-operating revenue and expenses		1,419,921	3	1,138,810	2
7900	Profit before income tax		2,671,659	5	2,944,969	6
7950	Income tax expense	6(24)	(748,959)	(1)	(544,647)	(1)
8200	Profit for the year		$ 1,922,700	4	$ 2,400,322	5
	Other comprehensive income-net					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	(Losses) gains on remeasurements of defined benefit plans	6(15)	($ 78,621)	-	$ 9,266	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(24)	13,365	-	(1,574)	-
8310	Components of other comprehensive income that will not be reclassified to profit or loss		(65,256)	-	7,692	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Currency translation differences		(95,939)	(1)	206,937	-
8362	Unrealised loss on valuation of available-for-sale financial assets	6(3)	(92,895)	-	(38,070)	-
8360	Components of other comprehensive (loss) income that will be reclassified to profit or loss		(188,834)	(1)	168,867	-
8300	Other comprehensive (loss) income, net		($ 254,090)	(1)	$ 176,559	-
8500	Total comprehensive income for the year		$ 1,668,610	3	$ 2,576,881	5
	Profit attributable to:					
8610	Owners of parent		$ 1,920,065	4	$ 2,397,618	5
8620	Non-controlling interest		2,635	-	2,704	-
	Total		$ 1,922,700	4	$ 2,400,322	5
	Comprehensive income attributable to:					
8710	Owners of parent		$ 1,665,975	3	$ 2,574,177	5
8720	Non-controlling interest		2,635	-	2,704	-
	Total		$ 1,668,610	3	$ 2,576,881	5
9750	Basic earnings per share	6(25)	$	3.05	$	3.82
9850	Diluted earnings per share		$	3.00	$	3.74

The accompanying notes are an integral part of these consolidated financial statements.
See report of independent accountants dated March 15, 2016.

GIGA-BYTE TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
YEARS ENDED DECEMBER 31, 2015 AND 2014
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent									
				Retained earnings			Other equity				
	Notes	Common stock	Capital reserve	Legal reserve	Special reserve	Unappropriated retained earnings	Currency translation differences	Unrealised gain (loss) on valuation of available-for-sale financial assets	Total	Non-controlling interest	Total equity
2014											
Balance at January 1, 2014		$ 6,265,714	$ 4,587,562	$ 2,950,047	$ 426,354	$ 7,341,889	$ 141,108	$ 126,011	$ 21,838,685	$ 11,017	$ 21,849,702
Appropriations of 2013 earnings:	6(19)										
Legal reserve		-	-	235,554	-	(235,554)	-	-	-	-	-
Cash dividends		-	-	-	-	(1,880,468)	-	-	(1,880,468)	(3,549)	(1,884,017)
Share-based payment	6(16)	23,115	4,593	-	-	-	-	-	27,708	-	27,708
Changes in non-controlling interest		-	-	-	-	-	-	-	-	7,840	7,840
Profit for the year		-	-	-	-	2,397,618	-	-	2,397,618	2,704	2,400,322
Other comprehensive income for the year		-	-	-	-	7,692	206,937	(38,070)	176,559	-	176,559
Balance at December 31, 2014		$ 6,288,829	$ 4,592,155	$ 3,185,601	$ 426,354	$ 7,631,177	$ 348,045	$ 87,941	$ 22,560,102	$ 18,012	$ 22,578,114
2015											
Balance at January 1, 2015		$ 6,288,829	$ 4,592,155	$ 3,185,601	$ 426,354	$ 7,631,177	$ 348,045	$ 87,941	$ 22,560,102	$ 18,012	$ 22,578,114
Appropriations of 2014 earnings:	6(19)										
Legal reserve		-	-	239,710	-	(239,710)	-	-	-	-	-
Cash dividends		-	-	-	-	(1,698,335)	-	-	(1,698,335)	(2,715)	(1,701,050)
Share-based payment	6(16)	1,800	342	-	-	-	-	-	2,142	-	2,142
Changes in net equity of associates accounted for using equity method in equity		-	9,084	-	-	-	-	-	9,084	-	9,084
Changes in non-controlling interest		-	-	-	-	-	-	-	-	(3,481)	(3,481)
Profit for the year		-	-	-	-	1,920,065	-	-	1,920,065	2,635	1,922,700
Other comprehensive income for the year		-	-	-	-	(65,256)	(95,939)	(92,895)	(254,090)	-	(254,090)
Balance at December 31, 2015		$ 6,290,629	$ 4,601,581	$ 3,425,311	$ 426,354	$ 7,547,941	$ 252,106	($ 4,954)	$ 22,538,968	$ 14,451	$ 22,553,419

The accompanying notes are an integral part of these consolidated financial statements.
See report of independent accountants dated March 15, 2016.

GIGA-BYTE TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(Expressed in thousands of New Taiwan dollars)

	Notes	Years ended December 31, 2015	2014
Cash flows from operating activities:			
Profit before income tax		$ 2,671,659	$ 2,944,969
Adjustments to reconcile profit before income tax to net cash provided by operating activities:			
Income and expenses having no effect on cash flows			
Depreciation	6(9)(22)	380,934	343,084
Depreciation charge on investment property	6(10)	3,602	3,559
Amortisation	6(22)	195,418	173,154
Provision for doubtful accounts	6(5)(22)	30,455	25,661
Net gain on financial assets and liabilities at fair value through profit or loss	6(2)(21)	(54,917)	(43,343)
Interest expense		1,438	18,478
Interest income	6(20)	(140,570)	(217,218)
Dividends income		(38,374)	(23,069)
Share of loss (gain) of associates accounted for under equity method	6(8)	64,275	(8,648)
Loss on disposal of property, plant and equipment	6(9)(21)	24,339	33,789
Gain on disposal of available-for-sale financial assets	6(3)(21)	(32,149)	(38,205)
Gain on disposal of investments in bonds without active markets	6(21)	-	(638)
Loss on disposal of investments accounted for under equity method	6(8)	-	654
Exchange loss on held-to-maturity financial assets		2,490	-
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Financial assets and liabilities at fair value through profit or loss	6(2)	58,916	370,560
Notes receivable		1,390	3,753
Accounts receivable	6(5)	857,323	(407,388)
Other receivables		(84,288)	37,660
Inventories	6(6)	436,122	(504,540)
Other current assets	6(7)	192,123	(60,586)
Net changes in liabilities relating to operating activities			
Notes payable		(13,065)	12,693
Accounts payable		(509,446)	64,591
Other payables	6(13)	(184,572)	492,371
Provisions for liabilities	6(14)	35,403	(27,522)
Other current liabilities		(76,322)	25,959
Other non-current liabilities	6(15)	16,527	537
Cash generated from operations		3,838,711	3,220,315
Dividend received	6(20)	38,374	23,069
Interest paid		(1,438)	(18,478)
Interest received	6(20)	150,697	217,218
Income tax paid	6(24)	(525,807)	(595,625)
Net cash provided by operating activities		3,500,537	2,846,499

(Continued)

GIGA-BYTE TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(Expressed in thousands of New Taiwan dollars)

	Notes	Years ended December 31, 2015	2014
Cash flows from investing activities:			
Acquisition of available-for-sale financial assets	6(3)	($ 125,771)	($ 216,990)
Proceeds from disposal of available-for-sale financial assets	6(3)	103,728	244,096
Capital reduction by returning cash for available-for-sale financial assets		10,500	84,000
Proceeds from disposal of investments in bonds without active markets		-	19,766
Acquisition of investments accounted for under equity method	6(8)	-	(48,600)
Proceeds from disposal of investments accounted for under equity method	6(8)	-	79,200
Acquisition of property, plant and equipment	6(9)	(195,359)	(418,338)
Proceeds from disposal of property, plant and equipment	6(9)	2,592	26,696
Acquisition of intangible assets		(48,460)	(59,721)
Decrease in other financial assets	6(7)(11)	32,765	3,279,771
(Increase) decrease in refundable deposits	6(11)	(2,723)	8,348
Increase in other non-current assets	6(11)	(128,720)	(177,229)
Net cash (used in) provided by investing activities		(351,448)	2,820,999
Cash flows from financing activities:			
Decrease in short-term loans	6(12)	(1,326)	(2,534,323)
Increase (decrease) in deposits received		5,219	(7,690)
Employee stock options exercised	6(16)	2,142	27,708
Cash dividends paid	6(19)	(1,701,050)	(1,884,017)
Changes in non-controlling interest		(3,481)	7,840
Net cash used in financing activities		(1,698,496)	(4,390,482)
Effect of exchange rate changes on cash and cash equivalents		(63,337)	(87,067)
Increase in cash and cash equivalents		1,387,256	1,189,949
Cash and cash equivalents at beginning of year	6(1)	9,336,355	8,146,406
Cash and cash equivalents at end of year	6(1)	$ 10,723,611	$ 9,336,355

The accompanying notes are an integral part of these consolidated financial statements.
See report of independent accountants dated March 15, 2016.

GIGA-BYTE TECHNOLOGY CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANIZATION

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 manufacture, 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 AUTHORIZATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION

These consolidated financial statements were authorized for issuance by the Board of Directors on March 15, 2016.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

According to Financial-Supervisory-Securities-Auditing No. 1030010325 issued by FSC on April 3, 2014, commencing 2015, companies with shares listed on the TWSE or traded on the Taipei Exchange or Emerging Stock Market shall adopt the 2013 version of IFRS (not including IFRS 9, 'Financial instruments') as endorsed by the FSC and the "Regulations Governing the Preparation of Financial Reports by Securities Issuers " effective January 1, 2015 (collectively referred herein as the "2013 version of IFRSs") in preparing the consolidated financial statements. The impact of adopting the 2013 version of IFRS is listed below:

A. IAS 19 (revised), 'Employee benefits'

The revised standard eliminates the corridor approach and requires actuarial gains and losses to be recognised immediately in other comprehensive income. Past service cost will be recognised immediately in the period incurred. Net interest expense or income, calculated by applying the discount rate to the net defined benefit asset or liability, replace the finance charge and expected return on plan assets. The return of plan assets, excluding net interest expenses, is recognised in other comprehensive income. An entity is required to recognise termination benefits at the earlier of when the entity can no longer withdraw an offer of those benefits and when it recognises any related restructuring costs. Additional disclosures are required to present how defined benefit plans may affect the amount, timing and uncertainty of the entity's future cash flows. Net interest income, calculated by applying the discount rate to the net defined benefit liability by the Group, replaces the finance charge and expected return on plan assets. Therefore, operating expenses would be decreased by $623, income tax expense would be decreased by $106 and other comprehensive income would be decreased by $517 for the year ended December 31, 2014.

B. IAS 1, 'Presentation of financial statements'

The amendment requires entities to separate items presented in OCI classified by nature into two groups on the basis of whether they are potentially reclassifiable to profit or loss subsequently when specific conditions are met. If the items are presented before tax then the tax related to each of the two groups of OCI items (those that might be reclassified and those that will not be reclassified) must be shown separately. Accordingly, the Group will adjust its presentation of the statement of comprehensive income.

C. IFRS 12, 'Disclosure of interests in other entities'

The standard integrates the disclosure requirements for subsidiaries, joint arrangements, associates and unconsolidated structured entities. Also, the Group will disclose additional information about its interests in consolidated entities and unconsolidated entities accordingly.

D. IFRS 13, 'Fair value measurement'

The standard defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The standard sets out a framework for measuring fair value using the assumptions that market participants would use when pricing the asset or liability; for non-financial assets, fair value is determined based on the highest and best use of the asset. Also, the standard requires disclosures about fair value measurements. Based on the Group's assessment, the adoption of the standard has no significant impact on its consolidated financial statements, and the Group will disclose additional information about fair value measurements accordingly.

E. IAS 28, 'Investments in associates and joint ventures' (as amended in 2011)

As consequential amendments resulting from the issuance of IFRS 11, 'Joint arrangements', IAS 28 (revised) sets out the requirements for the application of the equity method when accounting for investments in joint ventures. A portion of an investment in an associate or a joint venture that meets the criteria to be classified as held for sale shall be measured at fair value less costs to sell. Any retained portion of an investment in an associate or a joint venture that has not been classified as held for sale shall be accounted for using the equity method until disposal of the portion that is classified as held for sale takes place. When an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the entity continues to apply the equity method and does not remeasure the retained interest. Based on Group's assessment, the adoption of the standard has no significant impact on its consolidated financial statements.

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

None.

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

New standards, interpretations and amendments issued by IASB but not yet included in the 2013 version of IFRSs as endorsed by the FSC:

New Standards, Interpretations and Amendments	Effective Date by International Accounting Standards Board
IFRS 9, 'Financial instruments'	January 1, 2018
Sale or contribution of assets between an investor and its associate or joint venture (amendments to IFRS 10 and IAS 28)	To be determined by International Accounting Standards Board
Investment entities: applying the consolidation exception (amendments to IFRS 10, IFRS 12 and IAS 28)	January 1, 2016

New Standards, Interpretations and Amendments	Effective Date by International Accounting Standards Board
Accounting for acquisition of interests in joint operations (amendments to IFRS 11)	January 1, 2016
IFRS 14, 'Regulatory deferral accounts'	January 1, 2016
IFRS 15, 'Revenue from contracts with customers'	January 1, 2018
IFRS 16, 'Leases'	January 1, 2019
Disclosure initiative (amendments to IAS 1)	January 1, 2016
Disclosure initiative (amendments to IAS 7)	January 1, 2017
Recognition of deferred tax assets for unrealised losses (amendments to IAS 12)	January 1, 2017
Clarification of acceptable methods of depreciation and amortisation (amendments to IAS 16 and IAS 38)	January 1, 2016
Agriculture: bearer plants (amendments to IAS 16 and IAS 41)	January 1, 2016
Defined benefit plans: employee contributions (amendments to IAS 19R)	July 1, 2014
Equity method in separate financial statements (amendments to IAS 27)	January 1, 2016
Recoverable amount disclosures for non-financial assets (amendments to IAS 36)	January 1, 2014
Novation of derivatives and continuation of hedge accounting (amendments to IAS 39)	January 1, 2014
IFRIC 21, 'Levies'	January 1, 2014
Improvements to IFRSs 2010-2012	July 1, 2014
Improvements to IFRSs 2011-2013	July 1, 2014
Improvements to IFRSs 2012-2014	January 1, 2016

The Group is assessing the potential impact of the new standards, interpretations and amendments above. The impact on the consolidated financial statements will be disclosed when the assessment is complete.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(1)Compliance statement

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

(2)Basis of preparation

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

(a)Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

(b)Available-for-sale financial assets measured at fair value.

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

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

(3)Basis of consolidation

A. Basis for preparation of consolidated financial statements:

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

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

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

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

B. Subsidiaries included in the consolidated financial statements:

Investor	Subsidiary	Main activities	Ownership(%) December 31, 2015	Ownership(%) December 31, 2014	Description
The Company	Freedom International Group Ltd.	Holding company	100.00	100.00	
〃	G.B.T., Inc.	Sales of computer information products	48.63	48.63	
〃	G.B.T. Technology Trading GmbH	Promotion of computer information products	100.00	100.00	
〃	Nippon Giga-Byte Corp.	Promotion of computer information products	100.00	100.00	
〃	GBT Tech. Co., Ltd.	Promotion of computer information products	100.00	100.00	
〃	Giga-Byte Technology B.V.	Sales of computer information products	100.00	100.00	
〃	Gigabyte Technology Pty.	Promotion of computer information products	100.00	100.00	
〃	Chi-Ga Investment Corp.	Holding company	100.00	100.00	
〃	Gigabyte Technology (India) Private Limited	Promotion and repairing of computer information products	100.00	100.00	
〃	G-Style Co., Ltd.	Manufacturing and selling of notebooks	100.00	100.00	
〃	Giga-Zone International Co., Ltd.	Selling of PC peripherals	100.00	100.00	
〃	Giga-Byte Communications Inc.	Manufacturing and selling of communications	99.12	99.12	
〃	Gigabyte Advance (Labuan) Limited	Sales of computer information products	-	-	Note 5
〃	Gigabyte Technology ESPANA S.L.U.	Promotion of computer information products	100.00	100.00	
〃	Gigabyte Global Business Corporation	Selling of ODM products	100.00	100.00	
〃	Gigabyte Information Technology Commerce Limited Company	Promotion of computer information products	100.00	100.00	
〃	Gigabyte Technology LLC	Promotion of computer information products	100.00	100.00	
Freedom International Group Ltd.	Charleston Investments Limited	Holding company	100.00	100.00	
〃	Giga Future Limited	Holding company	100.00	100.00	
〃	G.B.T. LBN Inc.	Sales of computer information products	100.00	100.00	
〃	G.B.T. Inc.	Sales of computer information products	51.37	51.37	
〃	Aorus Pte. Ltd.	Promotion of computer information products	-	100.00	Note 1,3
Freedom International Group Ltd.	Gigabyte Trading Inc.	Selling of ODM products	100.00	100.00	

Investor	Subsidiary	Main activities	Ownership(%) December 31, 2015	2014	Description
〃	Cloud Ride Limited	Selling of communications	-	-	Note 6
〃	Giga Advance (Labuan) Limited	Sales of computer information products	100.00	100.00	Note 5
Giga-Byte Technology B.V.	Gigabyte Technology France	Promotion of computer information products	100.00	100.00	
G.B.T. Technology Trading GmbH	Gigabyte Technology Poland SP Z O.O.	Promotion and repairing of computer information products	100.00	100.00	
Charleston Investments Limited	Dongguan Gigabyte Electronics Co., Ltd.	Manufacturing of computer information products	100.00	100.00	
〃	Ningbo Giga-Byte International Trade Co., Ltd.	Sales of computer information products	100.00	100.00	
〃	Ningbo Best Yield Technology Services Co., Ltd.	Repairing of computer information products	100.00	100.00	
Giga Future Limited	Ningbo Giga-Byte Technology Co., Ltd.	Manufacturing of computer information products	100.00	100.00	
Ningbo Giga-Byte International Trade Co., Ltd.	Ningbo Zhongjia Technology Co., Ltd.	Sales of computer information products	100.00	100.00	
Chi-Ga Investment Corp.	Gigatrend Technology Co., Ltd.	Manufacturing and selling electronic components and parts	100.00	100.00	
〃	Gigatrend International Investment Group Ltd.	Holding company	100.00	100.00	
〃	Giga-Trend International Management Group Ltd.	Venture capital management and consulting business	76.27	60.00	
〃	Gigazone Holdings Limited	Holding company	100.00	100.00	
Giga-Byte Communications Inc.	Giga Win Limited	Selling of communications	100.00	100.00	
Gigazone Holdings Limited	Gigazone International (Shenzhen)	Selling of PC peripherals	58.97	58.97	
Gigatrend Technology Co., Ltd.	Green Share Co., Ltd.	Wholesale of information software	51.00	51.00	Note 2
Cloud Ride Ltd.	OGS Europe B.V.	Selling of communications	100.00	100.00	Note 2
Ningbo Zhongjia Technology Co., Ltd.	Gigazone International (Shenzhen)	Selling of PC peripherals	41.03	41.03	Note 7
Ningbo BestYield Tech. Services Co., Ltd.	Cloud Ride Limited	Selling of communication products	100.00	100.00	Note 6
Ningbo BestYield Tech. Services Co., Ltd.	Shenzhen BestYield Tech. Services Co., Ltd.	Repairing of computer information products	100.00	-	Note 4
G-Style Co., Ltd.	Aorus Pte. Ltd.	Promotion of computer information products	100.00	-	Note 3

Note 1: Starting from 2014, Gigabyte Singapore Pte. Ltd. was renamed as Aorus Pte. Ltd.

Note 2: The establishment of new investment in 2014.

Note 3: G-Style Co., Ltd. acquired 100% equity interest in Aorus Pte. Ltd. from Freedom International Group Ltd. for a cash consideration of NT$25,934 in September 1, 2015.

Note 4: The establishment of new investment in 2015.

Note 5: Freedom International Group Ltd. acquired 100% equity interest in Giga Advance (Labuan) Limited from the Company for a cash consideration of NT$5,648 in August 2014.

Note 6: Ningbo BestYield Tech. Services Co., Ltd. acquired 100% equity interest in Cloud Ride Limited from Freedom International Group Ltd. for a cash consideration of NT$100,577 in December 2014.

Note 7: Ningbo Zhongjia Technology Co., Ltd. acquired 41.03% equity interest in Gigazone International (Shenzhen) from Gigazone Holdings Limited for a cash consideration of NT$146,370 in August 2014.

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 recognised 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 recognised 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 recognised 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 recognised 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 associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

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

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

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

(b) When the foreign operation partially disposed of or sold is an associate, 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 associate after losing significant influence over the former foreign associate, such transactions should be accounted for as disposal of all interest in these foreign operations.

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

(5) Classification of current and non-current items

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

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

(b) Assets held mainly for trading purposes;

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

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

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

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

(b) Liabilities arising mainly from trading activities;

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

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

(6) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents. The Group's time deposits with short-term maturity (three months after the acquisition date) are classified as cash equivalents; time deposits that do not meet the definition of short-term are classified as current assets or non-current assets based on their maturity.

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

A. Financial assets at fair value through profit or loss are financial assets held for trading. Financial assets are classified in this category of held for trading if acquired principally for the purpose of selling in the short-term. Derivatives are also categorized as financial assets held for trading unless they are designated as hedges.

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

C. Financial assets at fair value through profit or loss are initially recognised at fair value. Related transaction costs are expensed in profit or loss. These financial assets are subsequently remeasured and stated at fair value, and any changes in the fair value of these financial assets are recognised in profit or loss.

(8) Available-for-sale financial assets

A. Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. On a regular way purchase or sale basis, available-for-sale financial assets are recognised and derecognised using trade date accounting.

B. Available-for-sale financial assets are initially recognised at fair value plus transaction costs. These financial assets are subsequently remeasured and stated at fair value, and any changes in the fair value of these financial assets are recognised in other comprehensive income.

(9) Held-to-maturity financial assets

A. Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturity date that the Group has the positive intention and ability to hold to maturity other than those that meet the definition of loans and receivables and those that are designated as at fair value through profit or loss or as available-for-sale on initial recognition.

B. On a regular way purchase or sale basis, held-to-maturity financial assets are recognised and derecognised using settlement date accounting.

C. Held-to-maturity financial assets are initially recognised at fair value on the trade date plus transaction costs and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Amortisation of a premium or a discount on such assets is recognised in profit or loss.

(10) Loans and receivables

Accounts receivable are loans and receivables originated by the entity. They are created by the entity by selling goods or providing services to customers in the ordinary course of business. Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. However, short-term accounts receivable without bearing interest are subsequently measured at initial invoice amount as effect of discounting is immaterial.

(11) Impairment of financial assets

A. The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

B. The criteria that the Group uses to determine whether there is objective evidence of an impairment loss is as follows:

(a) Significant financial difficulty of the issuer or debtor;

(b) A breach of contract, such as a default or delinquency in interest or principal payments;

(c) The Group, for economic or legal reasons relating to the borrower's financial difficulty, granted the borrower a concession that a lender would not otherwise consider;

(d) It becomes probable that the borrower will enter bankruptcy or other financial reorganisation;

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

(f) Information about significant changes with an adverse effect that have taken place in the technology, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in the equity instrument may not be recovered; or

(g) A significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

C. When the Group assesses that there has been objective evidence of impairment and an impairment loss has occurred, accounting for impairment is made as follows according to the category of financial assets:

(a) Financial assets measured at amortised cost

The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate, and is recognised in profit or loss. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset does not exceed its amortised cost that would have been at the date of reversal had the impairment loss not been recognised previously. Impairment loss is recognised and reversed by adjusting the carrying amount of the asset through the use of an impairment allowance account.

(b) Available-for-sale financial assets

The amount of the impairment loss is measured as the difference between the asset's acquisition cost (less any principal repayment and amortisation) and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss, and is reclassified from 'other comprehensive income' to 'profit or loss'. If, in a subsequent period, the fair value of an investment in a debt instrument increases, and the increase can be related objectively to an event occurring after the impairment loss was recognised, then such impairment loss is reversed through profit or loss. Impairment loss of an investment in an equity instrument recognised in profit or loss shall not be reversed through profit or loss. Impairment loss is recognised and reversed by adjusting the carrying amount of the asset through the use of an impairment allowance account.

(12) Derecognition of financial assets

The Group derecognises a financial asset when one of the following conditions is met:

A. The contractual rights to receive the cash flows from the financial asset expire.

B. The contractual rights to receive cash flows of the financial asset have been transferred and the Group has transferred substantially all risks and rewards of ownership of the financial asset.

C. The contractual rights to receive cash flows of the financial asset have been transferred; however, the Group has not retained control of the financial asset.

(13) Inventories

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

(14) 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 recognised at cost.

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

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

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

E. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for under the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognised 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. When the Group disposes its investment in an associate, if it loses significant influence over this associate, the amounts previously recognised 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 still retains significant influence over this associate, then the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

(15) Property, plant and equipment

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

B. Subsequent costs are included in the asset's carrying amount or recognised 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 derecognised. 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	5～55 years
Machinery and equipment	3～10 years
Research and development equipment	3～10 years
Office equipment	3～ 5 years
Other tangible operating assets	3～10 years

(16) 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 50 years.

(17) Intangible assets

A.Computer software

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 1 to 3 years.

B.Goodwill

Goodwill arises in a business combination accounted for by applying the acquisition method.

(18) 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 recognised 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. Except for goodwill, when the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

B. The recoverable amounts of goodwill, intangible assets with an indefinite useful life and intangible assets that have not yet been available for use shall be evaluated periodically. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognised in profit or loss shall not be reversed in the following years.

C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

(19) Borrowings

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

(20) Notes and accounts payable

Notes and accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. However, short-term accounts payable without bearing interest are subsequently measured at initial invoice amount as effect of discounting is immaterial.

(21) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability specified in the contract is discharged or cancelled or expires.

(22) Provisions

Warranty provisions are recognised 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 recognised as interest expense. Provisions are not recognised for future operating losses.

(23) Employee benefits

A. Short-term employee benefits

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

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognised as pension expenses when they are due on an accrual basis. Prepaid contributions are recognised 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 recognised 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 defined benefit net 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 recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.

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

C. Termination benefits

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

D. Employees' compensation, directors' and supervisors' remuneration

Employees' remuneration and directors' and supervisors' remuneration are recognised 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.

(24) Employee share-based payment

For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognised 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. And ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.

(25) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised 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 Group operates and generates taxable income. An additional 10% tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

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

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

(26) Share capital

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.

(27) Dividends

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

(28) Revenue recognition

A. The Group manufactures and sells computer peripheral and component parts products. Revenue is measured at the fair value of the consideration received or receivable taking into account of business tax, returns, rebates and discounts for the sale of goods to external customers in the ordinary course of the Group's activities.

B. The Company offers customers volume discounts. The Company estimates such discounts and returns based on historical experience. Allowance accounts for such liabilities are recorded when the sales are recognised.

(29) 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.

The Group's assumptions and estimates do not have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31, 2015	December 31, 2014
Cash on hand and petty cash	$ 874,850	$ 719,423
Checking accounts and demand deposits	3,895,305	4,729,831
Time deposits	5,953,456	3,887,101
	$ 10,723,611	$ 9,336,355

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 has no cash and cash equivalent pledged to others.

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

	December 31, 2015	December 31, 2014
Financial assets held for trading		
Open-end funds-Domestic	$ 726,404	$ 857,404
Open-end funds-Overseas	104,642	18,465
Listed (OTC) stocks	162,855	198,644
Corporate bonds	168,598	181,933
Government bonds	16,298	-
	1,178,797	1,256,446
Valuation adjustment	8,798	(64,852)
	$ 1,187,595	$ 1,191,594

A. The Group recognized net gain of $61,927 and $73,747 on financial assets held for trading for the years ended December 31, 2015 and 2014, respectively.

B. The counterparties of the Group's debt instrument investments have credit quality ratings above "investment grade".

C. Transactions of non-derivatives and contract information are as follows:

The Group is involved in presale of forward foreign exchange contracts to hedge exchange rate risk of accounts receivable arising from export transactions. However, these forward foreign exchange contracts are not accounted for under hedge accounting. As of December 31, 2014, all the forward foreign exchange contracts have been settled. For the year ended December 31, 2014, the Group has recognized loss of $1,617 on transactions of derivatives. For the year ended December 31, 2015, the Group has no derivatives transaction.

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

(3) Available-for-sale financial assets

	December 31, 2015	December 31, 2014
Current items		
Listed stocks	$ 106,165	$ 106,165
Valuation adjustment	(564)	39,225
Accumulated impairment	(57,627)	(57,627)
	$ 47,974	$ 87,763
Non-current items		
Listed stocks	$ 167,593	$ 181,770
Emerging and unlisted stocks	194,785	138,115
Subtotal	362,378	319,885
Valuation adjustment	(4,510)	48,597
Accumulated impairment	(22,654)	(22,654)
	$ 335,214	$ 345,828

A. The Group recognised ($92,895) and ($38,070) in other comprehensive income for fair value change for the years ended December 31, 2015 and 2014, respectively.

B. The Group has no available-for-sale financial assets pledged to others.

(4) Held-to-maturity financial assets

	December 31, 2015	December 31, 2014
Current items		
Bank debentures	$ 150,990	$ -
Non-current items		
Bank debentures	$ -	$ 153,480

A. The counterparties of the Group's debt instrument investments have credit quality ratings above "investment grade".

B. As of December 31, 2015 and 2014, no held-to-maturity financial assets held by the Group were pledged to others.

(5) Accounts receivable - net

	December 31, 2015	December 31, 2014
Accounts receivable- third parties	$ 5,321,635	$ 6,181,588
Less: Allowance for doubtful accounts	(117,002)	(88,300)
Accounts receivable- net	$ 5,204,633	$ 6,093,288

A. The Group's credit quality for accounts receivable is assessed in accordance with the customer's credit rating and the collection period for the calculation basis of impairment loss. The Group has an internal credit valuation policy for its customers and the Group's finance department routinely or randomly revaluates whether the credit ratings are still appropriate and makes adjustments when necessary in order to ascertain the latest condition of the customers. The credit rating for customers is based on the scale of the industry operations, profit-generating conditions, and the credit rating given by financial institutions as references for assessment.

B. The ageing analysis was based on past due date. The Group did not hold any financial assets that were past due but not impaired for the year ended December 31, 2015.

C. Movement analysis of the allowance for bad debts of financial assets that were impaired is as follows:

	2015		
	Individual provision	Group provision	Total
At January 1	$ 3,197	$ 85,103	$ 88,300
Provision for impairment	-	30,455	30,455
Write-offs during the period	(7,317)	(483)	(7,800)
Net exchange differences	4,120	1,927	6,047
At December 31,	$ -	$ 117,002	$ 117,002

	2014		
	Individual provision	Group provision	Total
At January 1	$ 238,556	$ 100,518	$ 339,074
Provision for impairment	2,319	23,342	25,661
Write-offs during the period	(251,808)	-	(251,808)
Net exchange differences	14,130	(38,757)	(24,627)
At December 31,	$ 3,197	$ 85,103	$ 88,300

D. The Group does not hold any collateral as security.

(6) Inventories

	December 31, 2015		
	Cost	Allowance for valuation loss	Book value
Raw materials and supplies	$ 1,989,693	($ 76,011)	$ 1,913,682
Work in process	1,435,297	(1,236)	1,434,061
Finished goods and merchandise inventories	5,261,267	(181,804)	5,079,463
	$ 8,686,257	($ 259,051)	$ 8,427,206

	December 31, 2014		
	Cost	Allowance for valuation loss	Book value
Raw materials and supplies	$ 2,319,386	($ 82,367)	$ 2,237,019
Work in process	1,251,776	(620)	1,251,156
Finished goods and merchandise inventories	5,528,033	(150,087)	5,377,946
	$ 9,099,195	($ 233,074)	$ 8,866,121

The cost of inventories recognised as expense for the period:

	Years ended December 31,	
	2015	2014
Cost of inventories sold	$ 41,458,078	$ 44,372,595
Cost of warranty	586,105	650,652
Loss on market decline of inventory	23,184	49,529
Others	13	528
	$ 42,067,380	$ 45,073,304

(7) Other current assets

	December 31, 2015	December 31, 2014
Other financial assets	$ 290,000	$ 434,860
Other financial assets - time deposits	1,102,095	-
Pledged assets	7,767	26,078
Others	185,675	359,487
	$ 1,585,537	$ 820,425

A. Other financial assets are the Group's financial investments and details are provided in Note 13(1)C.

B. Information on restricted assets pledged as collateral to others is provided in Note 8.

(8) Investments accounted for using equity method

	December 31, 2015	December 31, 2014
Associates		
Senyun Precise Optical Co., Ltd	$ 162,507	$ 217,249
Qsan Technology Inc.	77,481	81,057
	$ 239,988	$ 298,306

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

B. The Group has no associate that is material to the Group. The Group's share of the operating results of all individually immaterial associates are summarized below:

	Years ended December 31,	
	2015	2014
Profit (Loss) for the period from continuing operations (total comprehensive income)	($ 64,275)	$ 8,648

C. In July 2014, Giga Win International Venture Investment Group Ltd. has liquidated and returned cash of capital shares of $79,200.

(9) Property, plant and equipment

	Land	Buildings	Machinery	Others	Total
At January 1, 2015					
Cost	$ 991,418	$ 3,318,301	$ 3,250,972	$ 1,221,873	$ 8,782,564
Accumulated depreciation	-	(1,341,682)	(2,260,602)	(948,760)	(4,551,044)
	$ 991,418	$ 1,976,619	$ 990,370	$ 273,113	$ 4,231,520
2015					
Opening net book amount	$ 991,418	$ 1,976,619	$ 990,370	$ 273,113	$ 4,231,520
Additions	-	41,407	61,096	92,856	195,359
Disposals	-	(2,719)	(6,001)	(18,211)	(26,931)
Reclassifications	18,316	7,668	1,007	733	27,724
Depreciation charge	-	(108,589)	(177,899)	(94,446)	(380,934)
Net exchange differences	2,369	(11,555)	(17,070)	2,284	(23,972)
Closing net book amount	$ 1,012,103	$ 1,902,831	$ 851,503	$ 256,329	$ 4,022,766
At December 31, 2015					
Cost	$ 1,012,103	$ 3,321,268	$ 3,143,923	$ 1,275,121	$ 8,752,415
Accumulated depreciation	-	(1,418,437)	(2,292,420)	(1,018,792)	(4,729,649)
	$ 1,012,103	$ 1,902,831	$ 851,503	$ 256,329	$ 4,022,766

	Land	Buildings	Machinery	Others	Total
At January 1, 2014					
Cost	$ 1,012,889	$ 3,279,595	$ 3,218,485	$ 1,165,965	$ 8,676,934
Accumulated depreciation	-	(1,222,453)	(2,349,417)	(892,668)	(4,464,538)
	$ 1,012,889	$ 2,057,142	$ 869,068	$ 273,297	$ 4,212,396
2014					
Opening net book amount	$ 1,012,889	$ 2,057,142	$ 869,068	$ 273,297	$ 4,212,396
Additions	-	17,644	311,813	88,881	418,338
Disposals	-	(21)	(56,655)	(3,809)	(60,485)
Reclassifications	(24,579)	(28,670)	-	-	(53,249)
Depreciation charge	-	(103,384)	(154,087)	(85,613)	(343,084)
Net exchange differences	3,108	33,908	20,231	357	57,604
Closing net book amount	$ 991,418	$ 1,976,619	$ 990,370	$ 273,113	$ 4,231,520
At December 31, 2014					
Cost	$ 991,418	$ 3,318,301	$ 3,250,972	$ 1,221,873	$ 8,782,564
Accumulated depreciation	-	(1,341,682)	(2,260,602)	(948,760)	(4,551,044)
	$ 991,418	$ 1,976,619	$ 990,370	$ 273,113	$ 4,231,520

The significant components of buildings include main plants and renovation projects, which are depreciated over 50 and 10 years, respectively.

(10) Investment property

	Land	Buildings	Total
At January 1, 2015			
Cost	$ 99,335	$ 112,765	$ 212,100
Accumulated depreciation	-	(20,381)	(20,381)
	$ 99,335	$ 92,384	$ 191,719
2015			
Opening net book amount	$ 99,335	$ 92,384	$ 191,719
Reclassifications	(18,316)	(9,408)	(27,724)
Depreciation charge	-	(3,602)	(3,602)
Net exchange differences	-	(634)	(634)
Closing net book amount	$ 81,019	$ 78,740	$ 159,759
At December 31, 2015			
Cost	$ 81,019	$ 101,591	$ 182,610
Accumulated depreciation	-	(22,851)	(22,851)
	$ 81,019	$ 78,740	$ 159,759

	Land	Buildings	Total
At January 1, 2014			
Cost	$ 74,756	$ 82,548	$ 157,304
Accumulated depreciation	-	(15,275)	(15,275)
	$ 74,756	$ 67,273	$ 142,029
2014			
Opening net book amount	$ 74,756	$ 67,273	$ 142,029
Reclassifications	24,579	28,670	53,249
Depreciation charge	-	(3,559)	(3,559)
Closing net book amount	$ 99,335	$ 92,384	$ 191,719
At December 31, 2014			
Cost	$ 99,335	$ 112,765	$ 212,100
Accumulated depreciation	-	(20,381)	(20,381)
	$ 99,335	$ 92,384	$ 191,719

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

	Years ended December 31,	
	2015	2014
Rental income from the lease of the investment property	$ 11,287	$ 10,909
Direct operating expenses arising from the investment property that generated rental income in the period	$ 3,602	$ 3,559

B. The fair value of the investment property held by the Group as at December 31, 2015 and 2014 was $197,179 and $229,582, respectively, which was valuated with reference to the future rental income and the related discounted cash flows of the investment property. Key assumptions are as follows:

	December 31, 2015	December 31, 2014
Discount rate	1.985%~2.990%	2.125%～4.80%

(11) Other non-current assets

	December 31, 2015	December 31, 2014
Other financial assets	$ -	$ 990,000
Guarantee deposits paid	64,955	62,232
Pledged assets	41,618	41,545
Land-use right	51,954	54,511
Other	164,859	165,026
	$ 323,386	$ 1,313,314

A. Other financial assets are the financial instruments invested by the Group.

B. Information about the restricted assets that were pledged to others as collateral is provided in Note 8.

(12) Short-term borrowings

	December 31, 2015	Interest rate range	Collateral
Credit loans	$ 70,000	1.24%	None

	December 31, 2014	Interest rate range	Collateral
Credit loans	$ 71,326	1.20%	None

(13) Other payables

	December 31, 2015	December 31, 2014
Salary and bonus payable	$ 2,156,343	$ 2,135,510
Employees' dividends and directors' and supervisors' remuneration payable	215,578	248,908
Royalties payable	210,841	259,739
Shipping and freight-in payable	107,951	106,873
Marketing fee payable	252,904	217,261
Others	248,511	408,409
	$ 3,192,128	$ 3,376,700

(14) Provisions

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

	2015	2014
At January 1	$ 535,056	$ 562,578
Additional provisions	586,105	650,652
Used during the period	(550,702)	(678,174)
At December 31,	$ 570,459	$ 535,056

B. 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.

(15) Pensions

A. The Company and its domestic subsidiaries have 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 the end of December 31, every year. If the account balance is not enough to pay the pension calculated by the aforementioned method, to the labors expected to be qualified for retirement next year, the Company will make contribution for the deficit by next March.

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

	December 31, 2015	December 31, 2014
Present value of defined benefit obligations	($ 715,011)	($ 626,700)
Fair value of plan assets	242,313	243,579
Net defined benefit liability	($ 472,698)	($ 383,121)

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

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Year ended December 31, 2015			
Balance at January 1	($ 626,700)	$ 243,579	($ 383,121)
Current service cost	(6,111)	-	(6,111)
Interest (expense) income	(12,499)	4,975	(7,524)
Past service cost	2,108	-	2,108
	(643,202)	248,554	(394,648)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	1,582	1,582
Change in demographic assumptions	(5,532)	-	(5,532)
Change in financial assumptions	(49,161)	-	(49,161)
Experience adjustments	(25,510)	-	(25,510)
	(80,203)	1,582	(78,621)
Pension fund contribution	-	571	571
Paid pension	8,394	(8,394)	-
Balance at December 31	($ 715,011)	$ 242,313	($ 472,698)

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Year ended December 31, 2014			
Balance at January 1	($ 626,517)	$ 244,676	($ 381,841)
Current service cost	(7,767)	-	(7,767)
Interest (expense) income	(12,478)	4,981	(7,497)
Past service cost	1,159	-	1,159
	(645,603)	249,657	(395,946)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	725	725
Change in demographic assumptions	96	-	96
Experience adjustments	8,445	-	8,445
	8,541	725	9,266
Pension fund contribution	-	3,559	3,559
Paid pension	10,362	(10,362)	-
Balance at December 31	($ 626,700)	$ 243,579	($ 383,121)

(c)The Bank of Taiwan was commissioned to manage the Fund of the Company's and domestic subsidiaries' defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan asset fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2015 and 2014 is given in the Annual Labor Retirement Fund Utilisation Report published by the government.

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

	Years ended December 31,	
	2015	2014
Discount rate	1.50%	2.00%
Future salary increases	3.00%	3.00%

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with 2012 Taiwan Standard Ordinary Experience Mortality Table.

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

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2015				
Effect on present value of defined benefit obligation	($ 25,306)	$ 26,526	$ 26,066	($ 25,006)

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

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

(e) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2016 amounts to $13,892.

(f) As of December 31, 2015, the weighted average duration of that retirement plan is 14 years. The analysis of timing of the future pension payment was as follows:

Within 1 year	$ 5,579
1-2 year(s)	10,248
2-5 years	41,906
Over 5 years	871,782
	$ 929,515

B. Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. The pension costs under the defined contribution pension plans of the Group for the years ended December 31, 2015 and 2014 were $89,459 and $97,486, respectively.

The Company's mainland subsidiaries have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China (PRC) are based on certain percentage of employees' monthly salaries and wages. The contribution percentage for the years ended December 31, 2015 and 2014 was 13~21% and 12~21%, respectively. Other than the monthly contributions, the Group has no further obligations. For the years ended December 31, 2015 and 2014, the Company's mainland subsidiaries have recognised pension cost of $83,017 and $74,165, respectively.

(16) Share-based payment

A. As of December 31, 2015, the Company's share-based payment transactions are set forth below:

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions
Employee stock options	2007.12.19	40,000,000 shares	10 years	2~4 years' service vested immediately

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

	Years ended December 31,			
	2015		2014	
	No. of options (in thousands)	Weighted-average exercise price (in dollars)	No. of options (in thousands)	Weighted-average exercise price (in dollars)
Options outstanding at beginning of year	10,219	$ 11.90	12,531	$ 12.70
Options exercised	(180)	11.99	(2,312)	11.99
Options outstanding at end of year	10,039	10.90	10,219	11.90
Options exercisable at end of year	10,039		10,219	

C. The weighted-average stock price of stock options at exercise date of 2015 and 2014 was \$26.04~\$39.33 and \$33.24~\$49.54 (in dollars), respectively.

D. As of December 31, 2015 and 2014, the range of exercise price of stock options outstanding was \$10.90 and \$11.90, respectively, and the weighted-average remaining vesting period was 1.97 years, 2.97 years, respectively.

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

Type of arrangement	Grant date	Stock price	Exercise price	Price volatility	Option life	Dividends	Interest rate	Fair value per unit
Employee stock options	2007.12.19	$ 19	$ 19	39.16%	6.35 years	-	2.58%	$ 8.1648

(17) Share capital

A. As of December 31, 2015, the Company's authorized capital was \$9,500,000, consisting of 950,000 thousand shares of ordinary shares (including 250,000 thousand shares reserved for employee stock options and for convertible bonds issued by the Company), and the paid-in capital was \$6,290,629 with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected:

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

	2015	2014
At January 1	628,882,886	626,571,386
Employee stock options exercised	180,000	2,311,500
At December 31,	629,062,886	628,882,886

B. The number of shares of common stock issued for the year ended December 31, 2015 due to the exercise of employee stock options is 180,000 shares.

(18) 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 capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(19) 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. The Company's dividend policy is as follows: not less than 87% of distributable amounts as dividends to stockholders, of which, not less than 5% shall be distributed in the form of cash. If the cash dividend is less than 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 on initial application of IFRSs in accordance with Jin-Guan-Zheng-Fa-Zi Letter No. 1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently.

D. The appropriation of 2014 earnings had been proposed by the Board of Directors on June 17, 2015 and the appropriation of 2013 earnings had been resolved at the stockholders' meeting on June 11, 2014. Details are summarized below:

	2014		2013	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	$ 239,710		$ 235,554	
Cash dividends	1,698,335	$ 2.70	1,880,468	$ 3.00

E. As of the date of the auditor's report, the appropriation of retained earnings for 2015 has not been resolved by the Board of Directors. Information on the appropriation of the Company's earnings as proposed by the Board of Directors and resolved by the stockholders will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

F. For the information relating to employees' remuneration (bonuses) and directors' and supervisors' remuneration, please refer to Note 6(23).

(20) Other income

	Years ended December 31,	
	2015	2014
Interest income	$ 140,570	$ 217,218
Other income	1,237,100	576,098
	$ 1,377,670	$ 793,316

(21) Other gains and losses

	Years ended December 31,	
	2015	2014
Net currency exchange gains	$ 53,353	$ 267,622
Gains on disposal of investments	39,159	69,247
Net gains on financial assets at fair value through profit or loss	54,917	43,343
Losses on disposal of property, plant and equipment	(24,339)	(33,789)
Others	(15,126)	8,901
	$ 107,964	$ 355,324

(22) Expenses by nature

	Years ended December 31, 2015	Years ended December 31, 2014
Cost of goods sold	$ 41,206,716	$ 44,152,316
Employee benefit expense	5,221,961	5,239,551
Depreciation and amortisation	576,352	516,238
Cost of warranty	586,105	650,652
Transportation expenses	375,106	395,653
Losses on doubtful debts	30,455	25,661
Other costs and expenses	1,580,359	1,755,457
Total	$ 49,577,054	$ 52,735,528

(23) Employee benefit expense

	Years ended December 31, 2015	Years ended December 31, 2014
Wages and salaries	$ 4,583,667	$ 4,637,872
Labor and health insurance fees	291,705	278,650
Pension costs	184,003	185,756
Other personnel expenses	162,586	137,273
	$ 5,221,961	$ 5,239,551

A. According to the Articles of Incorporation of the Company, when distributing earnings, the Company shall distribute bonus to the employees and pay remuneration to the directors and supervisors that account for 6~10% and shall be not higher than 3%, respectively, of the total distributed amount.

However, in accordance with the Company Act amended in May 20, 2015, a company shall distribute employee compensation, based on the distributable profit of the current year, in a fixed amount or a ratio of profits. If a company has accumulated deficit, earnings should be channeled to cover losses. A company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation distributed in the form of shares or in cash; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting. Qualification requirements of employees, including the employees of subsidiaries of the company meeting certain specific requirements, entitled to receive aforementioned stock or cash may be specified in the Articles of Incorporation. The Board of Directors of the Company has approved the amended Articles of Incorporation of the Company on March 15, 2016. According to the amended articles, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' and supervisors' remuneration. The ratio shall be 3~10% for employees' compensation and shall not be higher than 3% for directors' and supervisors' remuneration. The amended articles will be resolved in the shareholders' meeting in 2016.

B. For the years ended December 31, 2015 and 2014, employees' compensation (bonus) was accrued at $154,223 and $187,971, respectively; directors' and supervisors' remuneration was accrued at $60,000 and $56,391, respectively. The aforementioned amounts were recognised in salary expenses.

The employees' compensation and directors' and supervisors' remuneration were estimated and accrued based on 6% and 2.33% of distributable profit of current year for the year ended December 31, 2015. The employees' compensation and directors' and supervisors' remuneration resolved by the Board of Directors were $154,223 and $60,000, respectively, and the employees' compensation will be distributed in the form of cash.

The expenses recognised for the year of 2014 were accrued based on the net income of 2014 and took into account other factors such as legal reserve. Where the accrued amounts for employees' bonus and directors' and supervisors' remuneration are different from the actual distributed amounts as resolved by the stockholders at their stockholders' meeting subsequently, the differences are accounted for as changes in estimates. Employees' bonus and directors' and supervisors' remuneration of 2014 as resolved by the shareholders' meeting were in agreement with those amounts recognised in the profit or loss of 2014. The difference between employees' bonus, directors' and supervisors' remuneration as resolved by the shareholders at the shareholders' meeting and the amount of $187,971 as employees' bonus and $56,391 as directors' and supervisors' remuneration recognised in the 2014 financial statements of $9,412, had been adjusted in the profit or loss of 2015. Information about employees' compensation (bonus) and directors' and supervisors' remuneration of the Company as resolved by the Board of Directors and the shareholders at the shareholders' meeting will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(24) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Years ended December 31, 2015	Years ended December 31, 2014
Current tax		
Current tax on profits for the period	$ 449,607	$ 470,628
Tax on undistributed surplus earnings	46,726	25,140
Adjustments in respect of prior years	241,326	20,434
	737,659	516,202
Deferred tax		
Origination and reversal of temporary differences	(5,503)	15,234
Effect of the exchange rate	16,803	13,211
	11,300	28,445
Income tax expense	$ 748,959	$ 544,647

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

	Years ended December 31, 2015	Years ended December 31, 2014
Remeasurement of defined benefit obligations	($ 13,365)	$ 1,574

B. Reconciliation between income tax expense and accounting profit

	Years ended December 31, 2015	2014
Tax calculated based on profit before tax and statutory tax rate	$ 454,182	$ 500,645
Expenses disallowed by tax regulation	20,204	27,843
Tax exempted income by tax regulation	(8,103)	(39,600)
Effect from tax credit of investment	(52,827)	(48,579)
Tax on undistributed surplus earnings	46,726	25,140
Prior year income tax (over)underestimation	241,326	20,434
Changes in assessment of realization of deferred tax assets	32,194	1,873
Effect of tax from different applicable taxes within the Group	15,257	56,891
Income tax expense	$ 748,959	$ 544,647

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

	Year ended December 31, 2015			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Deferred tax assets				
Provision for warranty expense	$ 75,734	($ 109)	$ -	$ 75,625
Allowance for inventory loss	29,589	(240)	-	29,349
Amount of allowance for bad debts that exceed the limit for tax purpose	-	2,999	-	2,999
Pension expense	34,812	1,864	-	36,676
Unrealized profit on intercompany sales	63,731	(19,710)	-	44,021
Gains on remeasurement of defined benefit obligations	-	-	9,249	9,249
Others	62,591	17,823	-	80,774
	266,817	2,627	9,249	278,693
Deferred tax liabilities				
Unrealized exchange gain	(19,773)	2,239	-	(17,534)
Gains (losses) on remeasurments of defined benefit obligations	(4,116)	-	4,116	-
Others	(637)	637	-	-
	(24,526)	2,876	4,116	(17,534)
	$ 242,291	$ 5,503	$ 13,365	$ 261,159

	Year ended December 31, 2015			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Deferred tax assets				
Provision for warranty expense	$ 76,307	($ 573)	$ -	$ 75,734
Allowance for inventory loss	23,264	6,325	-	29,589
Pension expense	32,913	1,899	-	34,812
Unrealized profit (loss) on intercompany sales	77,274	(13,543)	-	63,731
Others	65,181	(2,230)	-	62,951
	274,939	(8,122)	-	266,817
Deferred tax liabilities				
Unrealized exchange gain	(13,298)	(6,475)	-	(19,773)
Losses on remeasurments of defined benefit obligations	(2,436)	(106)	(1,574)	(4,116)
Others	-	(637)	-	(637)
	(15,734)	(7,218)	(1,574)	(24,526)
	$ 259,205	($ 15,340)	($ 1,574)	$ 242,291

D. Expiration dates of unused taxable loss and amounts of unrecognised deferred tax assets are as follows:

December 31, 2015				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Usable until year
2006	$ 366,081	$ 366,081	$ 366,081	2016
2007	421,786	421,786	421,786	2017
2008	343,356	343,356	343,356	2018
2009	423,520	423,520	423,520	2019
2010	334,750	322,083	322,083	2020
2011	116,913	116,913	116,913	2021
2012	164,468	164,468	164,468	2022
2013	120,379	120,379	120,379	2023
2014	164,552	164,552	164,552	2024
2015 (Note)	263,949	263,949	263,949	2025
	$ 2,719,754	$ 2,707,087	$ 2,707,087	

	December 31, 2014			
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Usable until year
2005	$ 334,873	$ 334,873	$ 334,873	2015
2006	366,081	366,081	366,081	2016
2007	421,786	421,786	421,786	2017
2008	343,356	343,356	343,356	2018
2009	423,520	423,520	423,520	2019
2010	322,083	322,083	322,083	2020
2011	116,913	116,913	116,913	2021
2012	164,468	164,468	164,468	2022
2013	120,379	120,379	120,379	2023
2014 (Note)	154,084	154,084	154,084	2024
	$ 2,767,543	$ 2,767,543	$ 2,767,543	

Note: These amounts were based on estimates.

E. The Group's motherboard products qualify for manufacturing enterprises and related technical service enterprises, and the Company is entitled to the income tax exemption for 5 consecutive years (until June 2014) under the Statute for Upgrading Industry.

F. As of December 31, 2015, the Company's income tax returns have been assessed and approved by the Tax Authority through 2013.

G. Unappropriated retained earnings

	Years ended December 31,	
	2015	2014
Earnings generated in and before 1997	$ 62,797	$ 62,797
Earnings generated in and after 1998	7,485,144	7,568,380
	$ 7,547,941	$ 7,631,177

H. Details related to the shareholders' imputation tax credit amount and creditable tax ratio are as follows:

	Years ended December 31,	
	2015	2014
Imputation tax credit account balance	$ 1,051,653	$ 928,803

	Years ended December 31,	
	2015 (Estimated)	2014 (Actual)
Creditable tax ratio of the total distributed retained earnings	17.22%	14.84%

(25) Earnings per share

	Year ended December 31, 2015		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 1,920,065	629,019	$ 3.05
Diluted earnings per share			
Assumed conversion of all dilutive potential ordinary shares			
—Employees' bonus	-	4,231	
—Convertible bonds	-	6,867	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 1,920,065	640,117	$ 3.00

	Year ended December 31, 2014		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 2,397,618	627,290	$ 3.82
Diluted earnings per share			
Assumed conversion of all dilutive potential ordinary shares			
—Employees' bonus	-	5,529	
—Convertible bonds	-	8,412	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 2,397,618	641,231	$ 3.74

7. RELATED PARTY TRANSACTIONS

(1) Significant related party transactions and balances

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

(2) Key management compensation

	Years ended December 31,	
	2015	2014
Salaries and other short-term employee benefits	$ 286,093	$ 300,761

8. PLEDGED ASSETS

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

	Book value		
Pledged asset	December 31, 2015	December 31, 2014	Purpose
Pledged asset (accounted for as "Other current assets" and "Other non-current assets") - Pledged deposits	$ 49,385	$ 67,623	Guarantee for the customs duties and deposits

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

None.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

12. OTHERS

(1) Capital management

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

(2) Financial instruments

A. Fair value information of financial instruments

(a) 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, notes receivable, accounts receivable, other receivables, other financial assets, held-to-maturity financial assets, short-term borrowings, notes payable, accounts payable, other payables and deposits received) are approximate to their fair values. The fair value information of financial instruments measured at fair value is provided in Note 12(3).

(b) The methods and assumptions of fair value measurement are as follows:

Held-to-maturity financial assets: If there is a quoted price in an active market, the fair value is based on the market price; if there is no quoted market price available, the fair value is determined by using valuation techniques or counterparty quotes.

B. Financial risk management policies

(a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial position and financial performance.

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

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

a. The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

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

	December 31, 2015		
	Foreign currency amount (In Thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 170,762	33.066	$ 5,646,416
Non-monetary items			
USD:NTD	$4,848	33.066	$ 160,304
Financial liabilities			
Monetary items			
USD:NTD	$ 128,754	33.066	$ 4,257,380

	December 31, 2014		
	Foreign currency amount (In Thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 317,344	31.718	$ 10,065,517
Non-monetary items			
USD:NTD	$ 3,726	31.718	$ 118,181
Financial liabilities			
Monetary items			
USD:NTD	$ 191,566	31.718	$ 6,076,090

c. The total exchange gain (loss), including realised and unrealized arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2015 and 2014, amounted to gain of $53,353 and $267,622, respectively.

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

	Year ended December 31, 2015		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 56,464	$ -
Financial liabilities			
Monetary items			
USD:NTD	1%	$ 42,574	$ -

	Year ended December 31, 2014		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 100,655	$ -
Financial liabilities			
Monetary items			
USD:NTD	1%	$ 60,761	$ -

Price risk

a. The Group is exposed to equity securities price risk because of investments held by the Group and classified on the consolidated balance sheet either as available-for-sale or at fair value through profit or loss. 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.

b. The Group's investments in equity securities comprise domestic listed and unlisted stocks. 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, post-tax profit for the years ended December 31, 2015 and 2014 would have increased/decreased by $9,684 and $10,087, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by $3,832 and $4,336, respectively, as a result of gains/losses on equity securities classified as available-for-sale.

Interest rate risk

a. The domestic bond fund investment by the Group was held mainly for trading purposes, the effective interest rate of this fund is affected by the market interest rate.

b. The structured notes and investment floating bonds of the Group were range accrual notes, the effective interest rate of these notes are affected by the market interest rate; accordingly, the Group's future cash flows would fluctuate with the market interest rate change.

c. For fixed interest rate bond investments held by the Group classified as financial assets at fair value through profit or loss, changes in market interest rates would affect their fair values. At December 31, 2015 and 2014, if market interest rates had been 1% higher/lower with all other variables held constant, other comprehensive income for the years ended December 31, 2015 and 2014 would have been $2,192 and $1,829 lower/higher, respectively.

d. At December 31, 2015 and 2014, if interest rates on borrowings had been 0.1% higher/lower with all other variables held constant, profit for the years ended December 31, 2015 and 2014 would have not been lower/higher, respectively, mainly as a result of the Group did not had any borrowing at floating rate.

(b) Credit risk

a. 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. 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.

b. 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.

c. 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.

d. The structured notes investment of the Group were issued by well-known banks or asset management companies, and accordingly, the credit risk of the counterparties is minimal.

e. The Group has lower significant concentrations of credit risk. It has policies in place to ensure that wholesale sales of products are made to customers with an appropriate credit history. The Group had credit insurance coverage for a majority of its customers. Accordingly, credit risk is low. No credit limits were exceeded during the reporting periods, and management does not expect any significant losses from non-performance by these counterparties.

f. Loan guarantees provided by the Group are in compliance with the Group's "Procedures for Provision of Endorsements and Guarantees" and are only provided to affiliated companies of which the Group owns directly or indirectly more than 50% ownership or a company which trades with the Group. As the Company is fully aware of the credit conditions of these related parties, it has not asked for collateral for the loan guarantees provided. In the event that these related parties fail to comply with loan agreements with banks, the maximum loss to the Group is the total amount of loan guarantees as listed above.

g. The credit quality information of financial assets that are neither past due nor impaired is provided in the statement for each type of financial asset in Note 6.

h. The individual analysis of financial assets that had been impaired is provided in the statement for each type of financial asset in Note 6.

(c) Liquidity risk

a. 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.

b. Potential liquidity risk of structured time deposits held by the Group lies in that those assets have no sale-back option before expiry of the contract; however, the Group may terminate the contract early before expiry, yet it shall compensate its counterparty with default penalty and handling fees for early termination of the contract or compensate for counterparty's hedging loss and related expenses incurred.

c. The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled 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 and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows:

Non-derivative financial liabilities:

December 31, 2015	Less than 1 year	Between 1 and 2 years	Over 2 years	Total
Short-term borrowings	$ 70,000	$ -	$ -	$ 70,000
Notes payable	37,139	-	-	37,139
Accounts payable	4,978,471	-	-	4,978,471
Other payables	3,192,128	-	-	3,192,128

Non-derivative financial liabilities:

December 31, 2014	Less than 1 year	Between 1 and 2 years	Over 2 years	Total
Short-term borrowings	$ 71,326	$ -	$ -	$ 71,326
Notes payable	50,204	-	-	50,204
Accounts payable	5,487,917	-	-	5,487,917
Other payables	3,376,700	-	-	3,376,700

d. 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. Details of the fair value of the Group's financial assets and financial liabilities not measured at fair value are provided in Note 12(2)A. Details of the fair value of the Group's investment property measured at cost are provided in Note 6(10).

B. 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 stocks, beneficiary certificates is included in Level 1.

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

Level 3: Unobservable inputs for the asset or liability.

C. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at December 31, 2015 and 2014 is as follows:

December 31, 2015	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 968,371	$ -	$ -	$ 968,371
Debt securities	219,224	-	-	219,224
Available-for-sale financial assets				
Equity securities	326,842	-	56,346	353,188
Total	$ 1,514,437	$ -	$ 56,346	$ 1,570,783

December 31, 2014	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 1,008,663	$ -	$ -	$ 1,008,663
Debt securities	182,931	-	-	182,931
Available-for-sale financial assets				
Equity securities	366,745	-	66,846	433,591
Total	$ 1,558,339	$ -	$ 66,846	$ 1,625,185

D. The methods and assumptions the Group used to measure fair value are as follows:

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

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

(b) 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.

(c) When assessing non-standard and low-complexity financial instruments, for example, debt instruments without active market, interest rate swap contracts, foreign exchange swap contracts and options, 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.

(d) 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.

(e) 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.

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

E. For the years ended December 31, 2015 and 2014, there was no transfer between Level 1 and Level 2.

F. The following chart is the movement of Level 3 for the years ended December 31, 2015 and 2014:

	Years ended December 31,	
	2015	2014
At January 1,	$ 66,846	$ 202,371
Gains and losses recognised in other comprehensive income	-	(51,525)
Capital deducted by returning cash	(10,500)	(84,000)
At December 31,	$ 56,346	$ 66,846

G. For the years ended December 31, 2015 and 2014, there was no transfer into or out from Level 3.

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

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

	Fair value at December 31, 2015	Valuation technique	Significant unobservable input	Relationship of inputs to fair value
Venture capital shares				
Private equity fund investment	$ 56,346	Net asset value	Not applicable	Not applicable

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: Please refer to table 3.

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

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

G. Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more: Please refer to table 4.

H. Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more: Please refer to table 5.

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

J. Significant inter-company transactions during the reporting periods: Please refer to table 6.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 7.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 8.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 9.

14. SEGMENT INFORMATION

(1) General information

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

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

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

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

(2) Measurement of segment information

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

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

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

2015

	Global brand business group	Other business group	Total
Total segment revenue	$ 44,439,743	$ 6,389,049	$ 50,828,792
Operating income (loss)	$ 2,152,651	($ 900,913)	$ 1,251,738
Depreciation and amortization	$ 67,450	$ 508,902	$ 576,352
Total assets (Note)	$ -	$ -	$ -
Total liabilities (Note)	$ -	$ -	$ -

2014

	Global brand business group	Other business group	Total
Total segment revenue	$ 47,703,200	$ 6,838,487	$ 54,541,687
Operating income (loss)	$ 2,847,529	($ 1,041,370)	$ 1,806,159
Depreciation and amortization	$ 61,833	$ 454,405	$ 516,238
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 comprehensive income. Therefore, such reconciliation is not required.

(5) Information on products and services

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

(6) Geographical information

1) Revenue by geographic area:

	Years ended December 31,	
	2015	2014
China	$ 17,245,365	$ 15,825,331
Europe	10,954,415	15,779,293
Taiwan	2,252,568	2,919,047
Others	20,376,444	20,018,016
Total	$ 50,828,792	$ 54,541,687

2) Non-current assets:

	Years ended December 31,	
	2015	2014
Taiwan	$ 2,826,720	$ 2,907,080
China	1,770,130	1,978,366
Others	183,193	209,143
Total	$ 4,780,043	$ 5,094,589

(7) Major customer information

There was no customer accounting for more than 10% of the Group's operating revenue for the years ended December 31, 2015 and 2014.

VI. State the financial position of the Company if any insolvency occurs in the Company or affiliates in the most recent year until the date this report is printed: None

Seven. Financial position and the review and analysis of financial performance and risks

I.Financial Position

Analysis on financial positions - IFRS

Unit: NTD 1,000

Subject \ Year	2015 (Consolidated)	2014 (Consolidated)	Change	
			Amount	%
Current assets	27, 846, 683	26,841,912	1,004,771	3.74
Fund & Investment	4, 022, 766	4,231,520	-208,754	-4.93
Fixed AssetsReal estate, factory, and equipment	34, 144	49,730	-15,586	-31.34
Other assets	1, 337, 040	2,569,464	-1,232,424	-47.96
Total assets	33, 240, 633	33,692,626	-451,993	-1.34
Current liabilities	10, 132, 956	10,653,629	-520,673	-4.89
Other Non-current liabilities	554, 258	460,883	93,375	20.26
Total liabilities	10, 687, 214	11,114,512	-427,298	-3.84
Equity attributable to owners of the parent	22, 538, 968	22,560,102	-21,134	-0.09
Equity	6, 290, 629	6,228,829	1,800	0.03
Capital surplus	4, 601, 581	4,592,155	9,426	0.21
Retained earnings	11, 399, 606	11,243,132	156,474	1.39
Other shareholder's Equity	247, 152	435,986	-188,834	-43.31
Non-controlling interests	14, 451	18,012	-3,561	-19.77
Total shareholder's Equity	22, 553, 419	22,578,114	-24,695	-0.11

Significant Material Changes and Analysis:

1.Other assets: The condition of some subject matters of investments was changed from non-current assets into current assets as of their expiry.

2.Non-current liabilities: The amount of pension liability increased after the change of actuarial assumptions.

3.Other equity: These figures are the results of the difference in currency conversion from the financial statements of overseas affiliates and the increase in unrealized loss of financial assets.

II. Financial Performance

(I) Comparison of Operatimg Results - IFRS

Unit: NTD1,000

Year / Subject	2015 (Consolidated)	2014 (Consolidated)	Differences	
			Amount	%
Sales	50,828,792	54,541,687	-3,712,895	-6.81
Gross profit	8,761,412	9,468,383	-706,971	-7.47
Operating income	1,251,738	1,806,159	-554,421	-30.7
Non-operating income & expenses	1,419,921	1,138,810	281,111	24.68
Net profit before tax	2,671,659	2,944,969	-273,310	-9.28
Net income from continuing operations	–	–	–	–
Loss from discounted operations	–	–	–	–
Net Income	1,922,700	2,400,322	-477,622	-19.9
Other comprehensive incomes (net after tax)	-254,090	176,559	-430,649	-243.91
Total comprehensive income	1,668,610	2,576,881	-908,271	-35.25

Analysis of Changes:

1. Reduction in sales: Sales and gross profit reduced from the previous period and overall net sales also reduced over the last period.
2. Non-operating income and expenses increased as other income of this period—NRE income increased over the previous period.

Revenue expected for the future year and its basis, plus the main factors that affect the continued growth or decline of the Company's expected revenue:

Looking out into 2016, it is hoped that the release of motherboards with new chipsets cards and upgrading to Windows 10 platforms can maintain steady sales growth

III.Cash Flow

Analysis of Cash Flow - IFRS

(I) Analysis of liquidity over the last two years

Unit:%

Subject /year	2015	2014	Difference (%)
Cash flow ratio	34.55	26.72	+7.8
Cash flow adequacy ratio	113.52	131.46	-17.94
Cash reinvestment ratio	6.58	3.55	+3.03
Explanation for changes: The adequate ratio of cash flows changed as operating capital increased.			

(II) Analysis on liquidity for the next year

Unit: NTD1,000

Cash Balance At beginning period (1)	Estimated cash flow from Operations for the year (2)	Estimated cash outflow For the year (3)	Estimated cash balance (short) For the year (1)+(2)-(3)	Corrective actions on cash short	
				Investment plan	Financial plan
10,723,611	1,108,362	1,132,867	10,699,106	—	—

1. Analysis of projected cash flow Changes in 2016
   (1) Business activity: 2016 revenues are expected to grow slightly and generate cash income from business activities.
   (2) Investment and financing activities: No major equipment purchases or local and overseas investments are planned in 2016. The emphasis will continue to remain on the issuing of cash dividends.
2. Measures to make up deficient cash flow and liquidity analysis: N/A

IV.The Effect of major capital spending on financial position and operation

(I) Major capital spending and sources of capital:

Unit: NTD1,000

	The actual or projected sources of capital	Actual or projected date of completion	Total amount of capital needed	Actual or projected use of capital	
				2014	2015
The plan		2014.12	418,338	418,338	
	The actual or projected sources of capital	2015.12	195,359		195,359

(II) Expected Result: N/A

V.The direct investment policy of the Company over the last five years, major cause for profit or loss and improvement plan, investment plan in next year

Analysis on Direct Investments

Unit: NTD 1,000

Description / Item	The amount of investment income (loss)(Note)	Investment Policy	Major cause for profit or loss	Improvement plan	Investment plan in the future
Giga-Byte Communications Inc.	(78,202)	Functional mobile phones and smartphones	Economic instability in Eastern Europe, raw material price fell, buying power reduced.	Cultivation of other regions and R&D of mobile phone related products.	None
G-Style	(154,763)	Sales of NB and gaming NB products	High competition, low margin	Transform products into niche products/transfer to niche market	None
Gigazone	(31,551)	Development and sales of IoT application products	R&D schedule deplay caused product release delay.	Reinforce IoT product R&D and target at market movements.	None

Note:Disclosed companies are subsidiaries that are actively operating and over which Gigabyte has controlling power (owns 50% of their shares).

VI.Risk Management and Evaluation

(I) The effect of interest rate and exchange rate volatility, inflation on the income status of the Company and measures to cope with the problem:

1. Effect of interest rate volatility and countermeasures: None
2. Effect of exchange rate volatility and countermeasures:
   (1) Over 90% of the Company's products are exported and traded in US Dollar. Major purchases are also traded in US Dollar. Naturally, the Company hedges 80% of such transactions. Gigabyte monitors currency market trends and steadily regulates the USD position to reduce the impact of exchange rates on the Company's profit.
   (2) All domestic sales in China by subsidiaries are traded in CNY. As large volatility in the CNY exchange rate will affect our Company's hedging strategy and profitability we use natural hedging and forward exchange in principle. As USD and CNY often go reversely, our Company balances these USD and CNY positions for hedging.
3. The effect of inflation on the profit and loss status of the Company and responding measures: None

(II) The engagement in the investment in high risk and high leverage investments, financing a third party, acting as guarantor in favor of a third party by endorsement, and the policy in derivative trade, the causes of loss or profit from such activities and the measures for coping with the problem:

1. For outward loans, endorsement/guarantee and derivatives, Giga-Byte has faithfully complied with the policies duly enacted in accordance with "Procedures in Acquirement or Disposal of Assets", "Procedures in Outward Loans of Capitals" and "Procedures in Endorsement/guarantee" and conservative policy. Under no circumstances has Giga-Byte engaged in high leverage investment.
2. Company acting as the guarantor:

March 31, 2016
Unit: 1000 NTD

Endorsee	Affiliation to the Company	Upper limit of guarantee (Note)	Upper limit of guarantee to the same enterprise (Note)	Balance under guaranty at ending period
Cloud Ride Limited	2nd level subsidiary	6,913,429	319,592	177,551

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

(III) R&D plans, the current progress of R&D plans in progress, R&D expenses that should be committed in the future, expected date of volume production, and the factors contributing to successful R&D in the future in the most recent year and up to the publication date of the annual report:

1. R&D Plans in the Most Recent Year:
   (1)World's top motherboards
   We make continuous improvement of motherboard technology and quality to enhance product performance. We are the first to launch the latest Thunderbolt™ 3 platform to provide gamers with 32Gb/s data transfer bandwidth to fully exert the performance of USB3.1 interface without more innovative design. In addition, we equipped these motherboards with the latest USB Type-C™ port featuring reversible plug orientation and cable direction and the most common USB Standard-A port to extensively enhance the convenience and compatibility of external device connection. The new Z170 platforms is equipped with the Creative® Sound Core3D™ quad-core sound processor and Burr-Brown

super-high level 127dB DAC chip. The built-in sound chip with a discrete sound card design provides professionally certified earphone output with S/N ratio at 120dB+. The real sound reproduction enables gamers to clearly hear even the breeze sound in the game to defeat enemies in advance. The Killer DoubleShot-X3™ Pro wireless network solution for e-sports equipped on the motherboards can automatically detect and allocate optimal bandwidth for gaming for users to enjoy high quality, no lag, and uninterrupted high-speed gaming experience. The synchronous operation of three sets of Killer interface provides the highest bandwidth for important packets to achieve optimal internet connection for users to enjoy real-time on-line games or buying tickets on-line at all ease. Gigabyte products always fulfil the demands of gamers, overclockers, and professionals.

(2)Market-leading graphics cards

To satiate gamiac's aspiration for top performance, we launched the the GTX 980 Ti graphics card, the flagship model of the XTREME GAMING series. It is equipped with the Maxwell GPU to ensure ultimate overclocking performance and provide the most powerful graphics performance required by 4K resolution and VR. We also equipped the graphics card with the independently developed WINFORCE cooling solution integrated ultra-quiet PWM fan and anti-turbulence inclined fans to extensively enhance cooling efficiency for a quiet gaming environment. In appearance design, we added the industry-first RGB true-color LED ring for gamers personalize the "interior design" of their systems. In addition to the protection of the metal back panel, an aeronautic grade coating is coated on the PCB for ultimate resistance against moisture, dust, and corrosion. The OC GURU software is equipped for gamers to conveniently and efficiently adjust all parameters and settings over an intuitive interface to enjoy ultimate and smooth gaming experience. The exclusive GPU Gauntlet™ Sorting technology ensures each Xtreme Gaming graphics card can deliver the optimal EER and minimal power loss to significantly enhance overclocking stability and trigger supper overclocking energy for gamers to freely enjoy exceptional smoothness in extreme gaming. GPU Gauntlet™ also enables gamers to overclock memory to overcome all difficulties and triumph each game with the graphics card's superb performance.

(3)Innovation-leading severs

In cloud server R&D, we launched ahead of competitors new-generation servers equipped with dual Cavium 48-cores ARMv8 ThunderX™ processors. The H270-T70 server has a 2U-4nodes high-end design equipped with the 384 ARMv8 core, built-in dual power supply and dual cooling system to deliver maximum stability with maximum system computing performance at the least power consumption. Together with the virtualization technology, high execution performance, energy-saving power management, and customization service, these servers can perfectly support customer application platforms and provide greater flexibility.

(4)Gaming laptops with unrivalled performance

High performance has always been the signature of Gigabyte Gaming laptops. Apart from extending the traditional of our industry-leading ultra-slim and high performance P34, P35, and P37 series, we launched brand new advancd e-sports models including the P55 (15-inch) and P57 (17-model). Besides equipping them with high-level dual GPUs, we blended the matte black surface inspired by sports cars with shining orange lines to mark out a sharp contrast to satiate extreme gamers' desire to show off their skills. Equipped with Intel's 6^{th}

generation Skylake CPUs, we upgraded all notebook ranges and became the first in the industry to provide four features to the new Skylake platforms: high-speed M.2 PCIe SSD which is four times faster than past SSDs; DDR4 memory modules to significantly enhance bandwidth and performance; new-generation USB3.1 type C with reversible plug orientation and cable direction for more convenient uses and super-fast transfer speed; and HDMI 2.0, which is rare on the market, for consumers to enjoy 4K resolution at 60Hz refreshing rate. Our insistence on premium quality, ultra-durability, and high performance turn our Gaming laptops into the most-sought products of gamers on the market. Apart from satiating gamers' aspiration for superb performance, Gigabyte Gaming laptops are by all means the first choice for e-sports gamers with the powerful performance.

(5)Mini PC system champion – Brix™

Extending the aurora of the best product award of professional PC review media Tom's Hardware and CES, Brix™ inherits Gigabyte's outstanding design concept and is equipped with the latest Intel® 6th generation i-Core™ processors. The range offers models with i3, i5, and i7 processors to provide users with more options. The new Brix™ supports M.2 SSDs to make it more mini and flexible. For users requiring larger storage space, we offer models supporting 2.5" SSD or HDD. To facilitate expansion with external devices, all new Brix™ models are equipped with more built-in USB3.0 ports and the HDMI and Display Port supporting up to three monitors to "broaden" the user's vision. The built-in Intel GbE controller assures smooth internet connection without lag. The latest Thunderbolt™ 3 technology offering bandwidth up to 40Gb/s through the USB Type-C™ interface doubles the bandwidth of the previous Thunderbolt™ technology. There are many other revolutionary features, such as the daisy chain architecture which supports connection of up to six external devices; Power Delivery 2.0 that provides quick charge of external devices; and DisplayPort 1.2 supporting true 4K resolution to showcase brilliant user experience.

(6)Award-winning gaming peripherals

In 2015, we launched the first e-sports mouse XTREME GAMING XM300 with built-in 6500DPI sensor for users to experience ultimate handling, speed, and accuracy. The Omron micro-switch equipped on the mouse supports all kinds of quick and exciting gaming operations. The true-color RGB lighting effect at the tail enables user to define whatever lighting effect they want. The classic streamlined ergonomic design ensures good grip and is comfortable for long-time use. In short, it is the ultimate tool for users to conquer enemies in the e-sports battlefield where a miss is as good as a mile. The XTREME GAMING FORCE K85 mechanical e-sports keyboard emphasizing keystroke response is equipped with the new-generation professional e-sports mechanical axle. Besides precise and agile response, the lifespan of each axle is up to 70 million times of that of pressing, which is ahead of that of competing models and can stand the test of the most severe operation. On top of the most classic, simple chiclet design, each key can emit user-defined RBG true-color light in 16.8M colors for users to adjust brightness, color, and multiple lighting effects over the software or hotkeys. The keyboard also supports NKRO to ensure no miss of any attack commands for gamers to challenge the extremes in the arena or on the battlefield.

2. Progress of unaccomplished R&D plans:
   Persist to present different types of new products ahead of the others in the industry.
3. The R&D expenses that should be committed will remain at the same level as that of the previous year. About NT$1,220 million more will be invested.
4. Projection on mass production:
   Mass production has proceeded as scheduled in the research and development plans. A number of advanced and diverse products were presented.
5. Major factors that affect the future success of R&D
   Initiation of projects that further expand our superiority in R&D, supporting hardware and equipment with Cloud services and applications for innovative software and hardware integrations. In addition to providing users with astounding functions, our products have also continued to garner awards and external recognition. We are able and confident in providing our customers with the best products by driving new innovative technologies and marketing of our new products and adhering to our practical and steadfast business philosophies that aims to sustainably maximize the value of our brand

(IV) The influence of significant Changes of policies and laws, domestic or foreign, toward the finance of the Company and the corresponding measures in the most recent year and up to the publication date of the annual report:
Gigabyte management is compliant to both local and international laws. Various departments are able to keep track of changes to major policies and laws and adjust our internal control and management policies as well as business activities where appropriate to ensure smooth business operations. Hence, Gigabyte is able to respond in a timely and effective manner to changes in important policies and laws.

(V) The influence of Changes of technology and in the industry toward the finance of the Company and the corresponding measures in the most recent year and up to the publication date of the annual report:
Gigabyte has been involved in this industry for many years and has continuously invested large amounts of resources for the R&D of new technologies, achieving a first rate R&D capability in our fields. Additionally, Gigabyte's management team maintains constant vigilance for future trends and technologies, and would adjust corporate business strategies and expand new market opportunities so that Gigabyte would remain in effective command of the overall economic environment and be aware of possible changes to corporate finances and businesses resulting from changes in the industry.

(VI) Gigabyte garnered another award for the eighteenth time in a row and has repeatedly won international design awards. We shall be able to maintain our superior corporate image.

(VII) Expected results from mergers and acquisition and possible risk: N/A

(VIII) Expected results from expansion of facilities and possible risk: See Item IV.

(IX) Possible risks from concentration of purchase and sales:

The Company's biggest customer is Giga-Byte Technology B.V., the 100% owned Dutch subsidiary. This Dutch subsidiary makes up 10% of Gigabyte's entire net revenue, and sells Gigabyte's mother boards and VGA products in Europe. From the viewpoint of the group, the revenue sources of the subsidiary are from customers based in Europe, and thus Gigabyte does not face the risk of concentrating business in one particular customer. In terms of vendors, Gigabyte does not face the risk of concentrating business in one particular from a single vendor, and thus does not have risks of doing business with one particular company.

(X) The effect and risk of the massive transaction of or conversion of shares by directors, supervisors or dominant shareholders of the Company holding more than 10% of the stakes:

There were no massive transactions or conversion of shares effected by thedirectors or dominant shareholders of the Company holding more than 10% of the stakes in 2015 or as of date of publication.

(XI) The effect and risks of the Change of the management: N/A.

(XII) Litigious or Non-Litigious Events: None

(XIII) Other major risks and responding measures: None.

VII.Others: None.

台北總公司 / Taipei Headquarter

桃園南平廠 / Nan Ping Factory, Taiwan

大陸東莞廠 / Dong Guan Factory, China

大陸寧波廠 / Ning Bo Factory, China