

GIGABYTE™

GIGA-BYTE TECHNOLOGY CO., LTD. ANNUAL REPORT, 2020



Motherboard / Graphic Card



Desktop PC / PC Peripherals



Laptop



Server / Storage



Embedded Computing



3D Sensing



Automotive Electronics

Contents

	Page
One. Report to Shareholders	1
Two. The Company	6
I. Date established	6
II. Company History	6
Three Corporate Governance Report	13
I. The Organization System	13
II. Profiles of directors, supervisors, the president, vice president, managers, heads of departments and branches	15
III. Corporate Governance	31
IV. Information regarding auditing fee:	70
V. Information regarding replacement of CPAs: None	70
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	70
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:	70
VIII. Top ten shareholders and relationship between the shareholders	75
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	76
Four. Equity Capital and Shares	77
I. Equity capital and shares	77
(I) Sources of equity capital	77
(II) The structure of shareholdings	83
(III) The diversification of shareholdings	83
(IV) List of dominant shareholders	83
(V) The market price, net value, earning and dividend per share and related information in the last two years	84
(VI) Dividend policy and implementation	84
(VII) The impact on the Company's operations and EPS of the stock dividend proposed by this shareholders' meeting	85
(VIII) Compensation for Employees and Fees for Directors and Supervisors	85
(IX) Stock buyback	86
II. Corporate bonds	86
III. Status of preferred stock	86
IV. Condition of GDRs	86
V. Employee Stock Options	86
VI. Issuance of New Restricted Stock for Employees	86
VII. Issuance of New Stock from Merger or Acquisition of Other Companies' Stock	86
VIII. Status of Capital Utilization Plan	86

Five. Review of Operation	87
I. The business	87
II. Market and Sales	103
III. Profiles on employees over the last two years as of the date of publication.....	109
IV. Information on environmental protection expenditure in the most recent year and up to the publication date of the annual report.....	109
V. Labor-Management Relation in the most recent year until the date this report is printed	115
VI. Major agreements.....	117
Six. Financial Position.....	118
I. Condensed balance sheet, income statement and auditors' opinions covering the period of last five years	118
II. Financial analysis for the past five years	122
III. Audit Committee's Review Report on 2020 Financial Statement	126
IV. Audited Unconsolidated Financial Statements in the most recent year.....	127
V. Audited Consolidated Financial Statements in the most recent year.....	196
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	278
Seven. Financial position and the review and analysis of financial performance and risks	279
I. Financial Position.....	279
II. Financial Performance	280
III. Cash Flow	281
IV. The Effect of major capital spending on financial position and operation	281
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 ...	282
VI. Risk Management and Evaluation	283
VII. Others.....	286
Eight. Special Matters.....	287
I. Related information on affiliates.....	287
II. Processing of private equity as of current year and up to financial statement report date	293
III. Subsidiary holding or disposing shares as of current year and up to financial statement report date	293
IV. Any other supplementary information	293
V. Any incidents of significance pertaining to Article 36 para 3 item 2 of the Securities & Exchange Act as of current year and up to financial statement report date	293

One. Report to Shareholders

Dear Shareholders:

In the beginning of 2020, GIGABYTE set the year's shipment targets for motherboard and graphics card and server revenue, and double-digit growths have been achieved by all. The challenging operational goals of revenue and profitability have also attained record highs. Today, we are very happy to report to you, despite factors such as the situation remaining grim in 2020 due to Covid-19, US-China friction, drop in oil price, etc., resulting in the overall global economic slowdown, GIGABYTE achieved all the above mentioned operational targets and outstanding results with the support and effort of the entire team. In 2020, GIGABYTE's consolidated revenue exceeded NT\$84.6 billion and net profit after tax was more than NT\$4.37 billion, an increase of 36.94% and 125.58% respectively compared to the previous year. The details of GIGABYTE's financial and operational performance are as follows:

Unit: NT\$100 million

Item	2020	2019	Difference	Percentage of Difference (%)
Operating income	846.03	617.81	+228.22	+36.94
Gross profit	144.64	95.91	+48.73	+50.81
Net profit after tax of the parent company	43.74	19.39	+24.35	+125.58

Item		2020	2019
Financial structure (%)	Debt to total assets (%)	44.54	35.42
	Long-term capital to property & equipment (%)	702.10	611.64
Solvency (%)	Current ratio (%)	198.08	237.73
	Quick ratio (%)	120.83	143.22
Profitability (%)	Return on assets (%)	10.06	5.30
	Return on equity (%)	16.92	8.02
	Profit margin (%)	5.17	3.14
	Basic EPS (NT\$)	6.88	3.05

The following summarizes GIGABYTE's various products and business performances in 2020, and its future outlook:

Motherboard and graphics card business

GIGABYTE has been dedicated in the motherboard and graphics card business for decades, and has since established a keen market sense, steady up and downstream operation management, reliable manufacturing capacity and solid research and development and product design technologies. It is thus able to respond to the changes in market environment and user requirements, and produce aesthetic motherboards and graphic cards that feature high durability, ultra-high performance and innovative functions, winning several awards and users recognition. In 2020, GIGABYTE launched several AORUS XTREME series motherboard products that feature 16-phase direct power design, PCIe 4.0 ultra-fast transmission architecture, advanced fanless cooling technologies integrating Fins-Array Heatsink, Direct-Touch Heatpipe and NanoCarbon Baseplate, 90 degree slot and RGB

LED light effect, winning several awards at home and abroad, which include Reddot design award, iF design award and Taiwan Excellence. In terms of graphic cards, GIGABYTE's new generation GeForce RTX Ampere architecture graphics card widely uses GIGABYTE WINDFORCE cooling system which features three unique blade fan design and cooling technologies such as forward and reverse function, high efficiency pure copper heat-pipes, big copper plates in direct contact with the GPU to dissipate heat, fan stop feature, screen cooling, etc., enabling the graphics card to maintain a low temperature working environment at all times, thereby achieving higher and more stable product performance, making it a product widely welcomed by the market.

Also, faced with the rekindled craze of virtual currency mining in 2020, GIGABYTE, with its experience gained from the business impact in 2019 caused by the decline in virtual currency market, grasped the actual market demand of graphics card realistically, took active steps to identify and screen out downstream overorder so as to manage inventory risk, strengthened mutual trust with upstream chip suppliers, and established strategies to seek a balanced business development for graphics card and motherboard, responding steadily to this wave of market change in graphics card supply shortage.

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

Network and communications business

Since the setup of Network and Communication Business Unit by GIGABYTE in 2000, it has been dedicated in the research of server solutions, which play a key role in IT architecture. With 20 years of effort, the engineering team from Taiwan Head Office is now equipped with the capabilities to design, develop, sample and manufacture server products, providing customers with high quality, highly efficient and highly reliable data center solutions. Faced with data centers' rapidly increasing high-performance computing power, GIGABYTE G (GPU) Series, H (High-density) Series and R (Rack) Series servers, designed based on the concepts of high precision design and retaining scalability, ultra fast computing/memory/data storage, optimized heat dissipation function, smart power management, high flexibility and proper resources utilization, are very well received by local and overseas industries. They have since been used overseas to assist car manufacturers in computational fluid dynamics simulation, and to increase the computing, storage and transmission capabilities required for automated vehicle's real-time recognition due to the huge amount of data, in forecast and simulation of climate and ocean modeling, and in nuclear research and development organizations for analyzing the huge amount of raw data generated from Large Hadron Collider (LHC) experiment. In Taiwan, the National Center for High-performance Computing (NCHC), Industrial Technology Research Institute (ITRI) and National Taiwan Normal University also work closely with GIGABYTE team by using GIGABYTE's high performance servers to improve their research results.

In addition, as 5G related communication technologies continue to advance, Internet of Everything that brings convenience to life has transformed science fiction into reality. To realize the characteristics of 5G's Enhanced Mobile Broadband (eMBB), massive Machine Type Communications (mMTC), Ultra-Reliable and Low Latency Communications (URLLC) technologies, the applications brought about require network service architecture with large amount of Multi-access Edge Computing, also known as Mobile Edge Computing, to reduce the burden of the core network. High-resolution image processing and data sending are performed at the local end

without having to wait for the remote server's response, thereby reducing latency. It is also flexible and new applications and services can be quickly provided, allowing users to have a better experience, as well as reduce network operating cost. Using edge computing technologies and infrastructure, GIGABYTE has developed immersive VR stadium experience solutions, smart city solutions which include but not limited to smart energy management, parking management and waste management, as well as automated car network solutions, and it will continue to develop other solutions that can create a better living environment.

The continued development of cloud service inevitably requires huge and meticulous combination of software and hardware. Hence, besides continuing to design and develop cloud computing related hardware internally, GIGABYTE also actively seeks cooperations with external partners to provide solutions. To meet the needs of customers for fast transmission to the cloud, GIGABYTE cooperates with software partners in developing a AI hybrid cloud platform to conduct deep learning on big data across clouds. It helps enterprises to resolve data compatibility issues during data center expansion. Through software-define storage, it simplifies resource management and reduces construction cost. Also, to cater to the massive AI applications to be developed in the future, GIGABYTE has been cooperating with AI software partners over the years, by combining deep learning environment that can be self-built, adjustable automation parameters, and system where the accuracy of computational model can be increased, with GIGABYTE's high-performance servers, providing a set of DNN deep learning and training solutions that efficiently improve computing efficiency and reduce training time. Apart from that, as data centers will generate large amount of waste heat when conducting massive data analysis and computation for 5G and Internet of Everything in the future, GIGABYTE cooperates with several companies which specialize in heat dissipation in the research and development of various all-in-one, immersion and decentralized water cooling solutions. It aims to solve the heat generation issue from data center's high-intensity operation more efficiently, and at the same time provide data center of cloud service companies and research units with highly flexible combination in constructing their IT infrastructure.

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

Laptops and peripherals business

Continuing the consumer-oriented approach actively adopted in the past few years, and to meet the needs of different user groups such as gamer/creator, GIGABYTE produces unique innovations in terms of software and hardware of its laptops and peripherals. In 2020, GIGABYTE, with the themes, "Game like a Pro" and "AERO: Creativity Starts Here", launched a series of AORUS professional gaming laptops and AERO creator laptops. GIGABYTE worked closely with G2 Esports teams in meeting the high standards of professional esports players and professional games by introducing the new generation AORUS professional gaming laptops which feature fast computing performance, faster refresh rate and fast actuation, and the exclusively imported Microsoft Azure AI automatic tuning software which optimizes gaming experience with just one click, re-defining the benchmark for professional gaming laptop. At the same time, GIGABYTE also designed new generation AERO creator laptops which feature higher scalability, lighter weight, longer lasting power, better performance and more efficient heat dissipation, and a panel color calibration program co-developed with X-Rite Pantone, a leader in color measurement and management. It aims to allow creators to "focus on more possibilities" in their audio and visual editing, 3D modeling design and other creative work, in line with the core values of AERO creator laptop product line. The new generation AORUS professional gaming laptop and AERO creator laptop have won several awards both at home and abroad after launching, and their product strengths have also won recognition from professional reviewers.

Besides laptop, gaming monitor is another big highlight among AORUS brand products. AORUS FI27Q monitor, which features 165Hz refresh rate, IPS panel with 1ms fast response time, 10 bits ultra-fine color and 95% DCI-P3 ultra-wide color gamut display, has passed VESA DisplayHDR 400 high dynamic range display technology certification, and won 2020 European Hardware Award for Best Gaming Monitor award. AORUS FI25F monitor, launched in September 2020, is GIGABYTE's first model equipped with the exclusive SuperSpeed IPS display technology. With the high response speed of liquid crystal molecular arrangements, response time can even reach 0.4ms, and the monitor's refresh rate is also increased to 240Hz, giving it a high product competitiveness.

In terms of laptop and peripherals business, besides continuing to research and develop evolutionary products, GIGABYTE will also integrate the group's online and offline resources to enhance product marketing and promotion, and expand the products' market share.

Corporate social responsibilities and sustainable development

GIGABYTE has always been committed to providing high quality products and services, exercising its influence on the economy, environment and society, responding to the expectations of the all stakeholders on GIGABYTE, and sparing no effort in fulfilling corporate social responsibilities. GIGABYTE participated in 2020 Global Views Monthly CSR Award, and was one of the 9 out of more than 50 companies to be shortlisted in both "Corporate Social Responsibilities Survey" and "Outstanding Environmentally Friendly Solution" awards during the preliminary round. In the highly competitive final round, its outstanding performance obtained unanimous recognition from the judges, and won the "Corporate Social Responsibilities Survey - Electronic and Technology Category Model Award".

GIGABYTE cooperated with Germany's Plant-for-the-Planet Foundation in launching "Make Earth Green Again" project in 2017, and has since planted 75,000 trees for the earth in Mexico's forest. It has also held 5 sessions of Plant-for-the Planet Academies, and cultivated 405 Climate Justice Ambassadors in Taiwan. In 2020, GIGABYTE introduced tree planting action and mission to Taiwan. By taking root in the country, it cooperated with the Forestry Bureau in launching the forestland adoption program. This year, it took the lead by adopting 1 hectare of forestland in Pinglin District and invited GIGABYTE's senior management to represent all employees in participating in the tree planting event, strengthening local connections. The event also specially planned a walking section for the participating supervisors to walk to the afforestation site, reducing the harm caused by vehicles to the forest, which is at the same time in line with the healthy new life program promoted by GIGABYTE in recent years. Besides making the environment healthier and more beautiful, GIGABYTE also pays attention to employees' physical and mental health and development.

Adhering to the corporate mission of "Innovative Technologies, Upgrade Your Life", GIGABYTE will continue to uphold "Reduction, Sharing, Love for Earth" as its sustainable development goal. It will implement the four key CSR visions: zero waste and pollution, low-carbon technology transformation, sustainability and humanistic values. Through "Green Action Plan", it will establish forward-looking long-term plans and operating strategies, gradually implement the reduction of operational footprint, strengthen innovation capability, build friendly brand and create shared values. At the same time, it will actively respond to the United Nation's six sustainable development goals, including Decent Work and Economic Growth, Responsible Consumption and Production, Climate Action, Good Health and Well-Being, Quality Education, and Sustainable Cities and Communities.

Looking forward to 2021, though many countries have successively begun the coronavirus vaccination to help control global epidemic, the public's consumption pattern and business operations arrangement have already been affected by the epidemic, and some have seen irreversible changes. Furthermore, the increasing competition between the two major economies, the United States and China, is affecting the restructuring of the global supply chain, and brings uncertainty to the direction of the global economy's recovery. The increasingly flourishing block chain, AI, 5G, IoT, cloud computing technologies and related applications are also expected to usher in a new wave of growth momentum for computer, information, and communication related software and hardware companies. Faced with an environment filled with opportunities and challenges, GIGABYTE will uphold the principle of stable operation in competing with other companies for growth opportunities and managing risk appropriately. During the course of brand cultivation, pursuing innovation in research and development, and sustainable development, GIGABYTE will also continue to create values for shareholders and fulfill the responsibilities of a corporate citizen, benefit mankind and give back to the society.

Wish You Health and Happiness.

Dandy Yeh
Chairman

Chairman: Pei-Cheng Yeh

General Manger: E-Tay Li

CFO: Chun-Ying Chen

Two. The Company

I. Date established: April 30, 1986

II. Company History

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

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

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

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

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

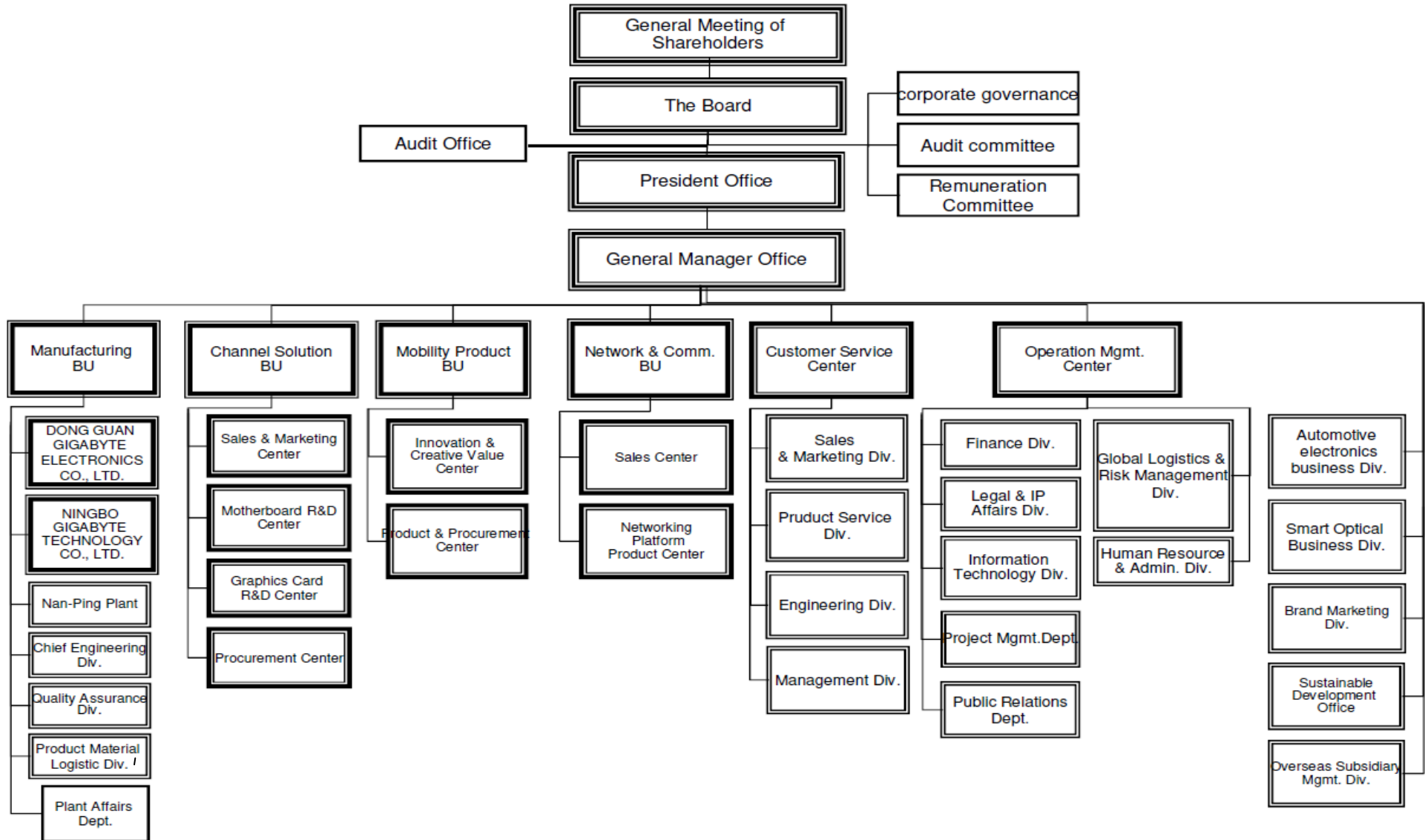
October 2014	Gigabyte won the Taoyuan County Government "8th Taoyuan Excellent Enterprise Award" and "2014 Excellent Employer Award".
November 2014	Gigabyte won the "Taiwan CSR Report Awards - Bronze Medal, Large Enterprises, Electronics Industry II" and "TCSA Climate Leadership Award".
December 2014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

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

Three Corporate Governance Report

I. The Organization System

(1) Organization chart



(2) Major functional departments:

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

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

(I) Profiles of directors (1)

April 18, 2021

Title (Note 1)	Nationality/ Registration	Name	Gender	Elected date	Tenure	Initial date of office	Shareholdings at the time of elected office		Current shareholdings		Representative Current shareholdings		Shareholdings by spouse and underage children		Shareholdings under the title of a third party		Education and experience	Other positions in the Company or in other companies	Spouse or relative at the 2 nd level under the Civil Law who is also an executive, director, or supervisor of the Company			Remarks(s)
							Quantity	Proportion	Quantity	Proportion	Quantity	Proportion	Quantity	Proportion	Quantity	Proportion			Title	Name	Relationship	
							Chairman	Republic of China	Yeh, Pei-Chen	Male	June 11, 2018	3 years	April 30, 1986	30,151,237	4.74%	30,151,237			4.74%	-	-	
Vice chairman	Republic of China	Ming Wei Investment Co., Ltd. Representative: Liu, Ming-Hsiung	Male	June 11, 2018	3 years	April 12, 2006	14,062,200	2.21%	14,062,200	2.21%	41,168,918	6.48%	3,822,579	0.60%	-	-	EMBA, College graduate; National Cheng Chi University	Senior VP of Gigabyte Director Representative of Giga Investment Co. Director Representative of Giga-Byte Communications Inc. Director Representative of G-Style Chairman of Giga-Trend International Management Group Ltd. Director of Info-Tek Corporation Director Representative of Giga-Trend International Investment Group Ltd. Director Representative of Hui Yang Venture Capital Co., Ltd. Supervisor Representative of BYTE International Co., Ltd. Director Representative of JM Material Technology, Inc. Supervisor Representative of Senyun Precise Optical Co., Ltd. Director Representative of Yuncheng Ltd.	-	-	-	-

Title (Note 1)	Nationality/ Registration	Name	Gender	Elected date	Tenure	Initial date of office	Shareholdings at the time of elected office		Current shareholdings		Representative Current shareholdings		Shareholdings by spouse and underage children		Shareholdings under the title of a third party		Education and experience	Other positions in the Company or in other companies	Spouse or relative at the 2 nd level under the Civil Law who is also an executive, director, or supervisor of the Company			Remarks(s)
							Quantity	Proportion	Quantity	Proportion	Quantity	Proportion	Quantity	Proportion	Quantity	Proportion			Title	Name	Relationship	
							Director	Republic of China	Shi Jia Investment Co., Ltd. Representative: Ma, Mou-Ming	Male	June 11, 2018	3 years	April 12, 2006	3,959,725	0.62%	3,959,725			0.62%	23,673,383	3.72%	
Director	Republic of China	Yuei-yei Kai Fa Investment Limited. Representative: Tseng, Chun-Ming	Male	June 11, 2018	3 years	June 16, 2009	2,192,200	0.34%	2,192,200	0.34%	4,060,647	0.64%	288,846	0.05%	-	-	Ming Hsin University of Science and Technology	Senior VP of Gigabyte Director Representative of Giga-Byte Communications Inc. Chairman, Intelligence Precision Co., Ltd.	-	-	-	-
Director	Republic of China	Shi Da Investment Limited Representative: Ko, Cong-Yuan	Male	June 11, 2018	3 years	June 18, 2012	9,453,000	1.49%	9,219,000	1.45%	-	-	1,000	0.00%	-	-	Master of Engineering Management, Tsinghua University	President of Albatron technology Co., Ltd. Independent Director of Liwanli Innovation Co., Ltd.	-	-	-	-
Director	Republic of China	Xi Wei Investment Co., Ltd. Representative: Li, E-Tay	Male	June 11, 2018	3 years	June 11, 2018	9,063,075	1.43%	9,063,075	1.48%	6,062	0.00%	-	-	-	-	California State University (CSU), Chico Master of Computer Engineering	Group General Manager of Gigabyte Chairman of Gigaipc Co., Ltd. Director Representative of MyelinTek Inc.	-	-	-	-
Independent Director	Republic of China	Wang, Hwei-Min	Male	June 11, 2018	3 years	June 11, 2018	-	-	-	-	-	-	-	-	-	-	Chung Hua University Master of Industrial Management	Chairman, Moores Rowland CPAs Moores Rowland International, Taiwan Head	-	-	-	-
Independent Director	Republic of China	Chan, Yi-Hung	Male	June 11, 2018	3 years	June 17, 2015	-	-	-	-	-	-	1,102	0.00%	-	-	California State University, Fullerton EMBA, National Chengchi University	Chairman, Taisun Enterprise Co., Ltd. Supervisor, INFO-TEK Corporation	-	-	-	-
Independent Director	Republic of China	Huang, Wen-lai (Note 2)	Male	June 11, 2018	2 years	June 15, 2016	-	-	-	-	-	-	-	-	-	-	Ming Hsin University of Science and Technology	-	-	-	-	

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

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

Note2: Independent Director Huang, Wen-lai resigned on August 5, 2020.

The Major Shareholder of Institutional Shareholders

April 18, 2021

The Name of institutional shareholders	Major shareholder	Proportion
Ming Wei Investment Co., Ltd.	Liu, Keng-Wei	40.00%
	Liu, Hsiao-Yu	40.00%
	Yang, Hsueh-Ching	10.00%
	Liu, Ming-Hsiung	9.99%
Shi Jia Investment Co., Ltd.	Ma, Shih-Jie	93.33%
Yuueyeh Development Investment Limited.	Tseng, Chun-Ming	95.00%
Shi Da Investment Limited	Ko, Cong-Yuan	80.00%
Xi Wei Investment Co., Ltd.	Yeh, Pei-Chen	27.50%
	Tsai, Li-Mei	27.50%
	Yeh, Yu-Chang	15.00%
	Yeh, Yu-Ting	15.00%
	Yeh, Yu--Ren	15.00%

Profiles of Directors (2)

April 18, 2021

Name	Qualification	Meet One of the Following Professional Qualification Requirements, Together with at Least Five Years Work Experience			Status of independence (Note 3)												Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
		An Instructor or Higher Position in a Department of Commerce, Law, Finance, Accounting, or Other Academic Department Related to the Business Needs of the Company in a Public or Private Junior College, College or University	A Judge, Public Prosecutor, Attorney, Certified Public Accountant, or Other Professional or Technical Specialist Who has Passed a National Examination and been Awarded a Certificate in a Profession Necessary for the Business of the Company	Have Work Experience in the Areas of Commerce, Law, Finance, or Accounting, or Otherwise Necessary for the Business of the Company	1	2	3	4	5	6	7	8	9	10	11	12	
Yeh, Pei-Chen			✓					✓	✓	✓		✓	✓	✓	✓	✓	
Ming Wei Investment Co., Ltd. Representative: Liu, Ming-Hsiung			✓				✓		✓	✓	✓	✓	✓	✓	✓		
Shi Jia Investment Co., Ltd. Representative: Ma, Mou-Ming			✓				✓		✓	✓	✓	✓	✓	✓	✓		
Yuei Yei Development Investment Ltd. Representative: Tseng, Chun-Ming			✓			✓	✓		✓	✓	✓	✓	✓	✓	✓		
Shi Da Investment Limited Representative: Ko, Cong-Yuan			✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		1
Xi Wei Investment Co., Ltd. Representative: LI, E-Tay			✓			✓	✓	✓	✓	✓		✓	✓	✓	✓		
Wang, Hwei-Min		✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Chan, Yi-Hung		✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Huang, Wen-lai (Note 2)		✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	

Note 1: The number of fields may be adjusted depending on the content.

Note 2: Independent Director Huang, Wen-lai resigned on August 5, 2020.

Note 3: Respective director and supervisor who meet the following qualifications 2 years before assumption of office or at the time of assumption office shall put a "✓" in the appropriate space.

- (1) Not an employee of the Company or its affiliates.
- (2) Not a director or supervisor of the company or any of its affiliates (the same does not apply, however, in cases where the person is an independent director of the company, its parent company, subsidiary or any subsidiary of the same parent company established pursuant to this act or local regulations).
- (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings.
- (4) Not a manager listed in (1) or a spouse, second degree kin or closer, or a direct blood relative of third degree or closer to anyone listed in (2) and (3).
- (5) Not a director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total number of issued shares of the company or of a corporate shareholder that ranks among the top five in shareholdings or of a corporate shareholder that appoints a representative, as provided in Paragraphs 1 or 2, Article 27 of the Company Act, to act as a director or supervisor of the company (the same does not apply, however, in cases where the person is an independent director of the company, its parent company, subsidiary or any subsidiary of the same parent company established pursuant to this act or local regulations).
- (6) Not a director, supervisor, or employee of other companies controlled by the same person with more than half of the company's director seat or voting shares (the same does not apply, however, in cases where the person is an independent director of the company, its parent company, subsidiary or any subsidiary of the same parent company established pursuant to the this act or local regulations).
- (7) Not a director, supervisor, or employee of another company or institution of the same person or spouse who is the company's chairman, president, or persons with equivalent position (the same does not apply, however, in cases where the person is an independent director of the company, its parent company, subsidiary or any subsidiary of the same parent company established pursuant to this act or local regulations).
- (8) Not a director, supervisor, manager or shareholder holding 5% or more of the shares, of a specified company or institution that has a financial or business relationship with the company (the same does not apply, however, in cases where the specified company or institution hold 20% or more but less than 50% of the company's shares and the person is an independent director of the company, its parent company, subsidiary or any subsidiary of the same parent company established pursuant to this act or local regulations).
- (9) Not a professional who provides auditing service or provides commercial, legal, financial, accounting services or consultation, for which a cumulative compensation of less than NT\$500,000 is obtained in the past two years, to the Company or its affiliates, nor is an owner, partner, director, supervisor, or manager, or the spouse of any of the above, of a sole proprietorship, partnership, company, or institution that provides such services to the Company or its affiliates; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Securities and Exchange Act or to the Business Mergers and Acquisitions Act or related laws or regulations.
- (10) Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company.
- (11) Not under any of the categories stated in Article 30 of the Company Act.
- (12) Not being elected as representative to the government or an institution under Article 27 of the Company Act.

(II) Profiles of the managers

April 18, 2021

Title	Nationality	Name	Gender	Date of office	Shareholdings		Shareholdings by spouse and underage children		Shareholdings under the title of a third party		Education and experience	Other positions in the Company	Manager who is a spouse or relative at the 2 nd level under the Civil Law			Remark(s)
					Quantity	Proportion	Quantity	Proportion	Quantity	Proportion			Title	Name	Relationship	
President of Gigabyte	Republic of China	Yeh, Pei-Chen	Male	Mar. 15, 1986	30,151,237	4.74%	5,821,063	0.92%	-	-	Ming Hsin University of Science and Technology engineer at ITRI	Chairman, Giga Investment Co. Chairman, Giga-Byte Communications Inc. Chairman, G-Style Director Representative, Giga-Trend International Management Group Ltd. Chairman, Giga-Trend International Investment Group Ltd. Chairman, PG Union Director of Walsin Technology Corporation Director Representative of BYTE International Co., Ltd. Director of Albatron technology CO., LTD. Director of Chun electronics co., LTD. Director Representative of Shun on Electronic Co., Limited	-	-	-	Note1
Senior VP of Gigabyte	Republic of China	Liu, Ming-Hsiung	Male	Mar. 15, 1986	41,168,918	6.48%	3,822,579	0.60%	-	-	EMBA, College graduate, engineer G-COLOR ENTERPRISE CO., LTD.	Director Representative, Giga Investment Co. Director Representative, Giga-Byte Communications Inc. Director Representative, G-Style Chairman, Giga-Trend International Management Group Ltd. Director of Info-Tek Corporation Director Representative, Giga-Trend International Investment Group Ltd. Director Representative, Hui Yang Venture Capital Co., Ltd. Supervisor representative, BYTE International Co., Ltd. Director Representative, JM Material Technology, Inc. Supervisor representative, Senyun Precise Optical Co., Ltd. Director Representative of Yuncheng Ltd.	-	-	-	-
Senior VP of Gigabyte	Republic of China	Ma, Mou-Ming	Male	Mar. 26, 1988	23,673,383	3.72%	470,914	0.07%	-	-	Electronic & Computer Engineering, National Taiwan University of Technology, engineer at Acer Systems	Director Representative, Giga Investment Co. Director Representative, Giga-Byte Communications Inc. Director Representative, G-Style Director Representative of MyelinTek Inc. Director Representative, Giga-Trend International Investment Group Ltd.	-	-	-	-
Manufacturing Business Unit Senior VP	Republic of China	Tseng, Chun-Ming	Male	Jun. 1, 1993	4,060,647	0.64%	288,846	0.05%	-	-	Ming Hsin University of Science and Technology General Manager at Jpjohn	Director Representative of Giga-Byte Communications Inc. Chairman, Intelligence Precision Co., Ltd.	-	-	-	-

Title	Nationality	Name	Gender	Date of office	Shareholdings		Shareholdings by spouse and underage children		Shareholdings under the title of a third party		Education and experience	Other positions in the Company	Manager who is a spouse or relative at the 2 nd level under the Civil Law			Remark(s)
					Quantity	Proportion	Quantity	Proportion	Quantity	Proportion			Title	Name	Relationship	
Group General Manager	Republic of China	Li, E-Tay	Male	Apr. 24, 2000	6,062	0.00%	-	-	-	-	California State University (CSU), Chico Master of Computer Engineering, Manager at Intel, Engineer at Siemens, Engineer at Texas Instruments	Chairman of Gigaipc Co., Ltd. Director Representative of MyelinTek Inc.	-	-	-	-
General Manager, Manufacturing BU	Republic of China	Meng, Hsian-Ming	Male	Oct. 2, 2000	1,797	0.00%	-	-	-	-	PhD, VP at D-Link Q-Run Corp. Director CTX USA Director	-	-	-	-	
Channel Solution Business Unit Senior Special Assistant	Republic of China	Hong, Wen-Chi	Male	Jun. 16, 1999	-	-	-	-	-	-	University graduate, SHIN TAI INDUSTRY CO., LTD. Manager, First International Computer	-	-	-	-	
C.F.O., Finance and Accounting Division, Operations Management Center & Corporate governance officer	Republic of China	Chen, Chun-Ying	Female	Apr. 6, 1994	20,191	0.00%	31,742	0.01%	-	-	University of South Australia MBA Senior Accountant, Chao Da Communications Technology Section Manager, SUPERWAVE ELECTRONIC CO., LTD.	Supervisor Representative, Giga-Byte Communications Inc. Supervisor Representative, Senyun Precise Optical Co., Ltd. Supervisor Representative, Yuncheng Ltd.	-	-	-	-
Operations Management Center Overseas Subsidiary Management Division. Vice General Manager of the US Platform	Republic of China	Lu, Zheng-Wei	Male	Jun. 1, 1990	-	-	-	-	-	-	Northrop University MBA	-	-	-	-	
C.O.O., Operation Management Center	Republic of China	Bai, Guang-Hua	Male	Apr. 1, 2005	-	-	-	-	-	-	Master degree Supervisor, Huaxia Technology Consulting AVP, A-TREND TECHNOLOGY CO., LTD	Director Representative, Senyun Precise Optical Co., Ltd. Director Representative, Yuncheng Ltd. Director Representative, Intelligence Precision Co., Ltd. Director Representative of Gigaipc Co., Ltd.	-	-	-	-
Brand Marketing Division V.P. & Special Assistant to President Spokesman, Public Relationship Department	Republic of China	Chen, Jing-Ting	Female	Jun. 12, 2000	10,071	0.00%	-	-	-	-	Simon Fraser University Advanced Interpreter Program Benchmark Corp. Evergrace & Benly Intel	-	-	-	-	
Network & Comm. BU, AVP	Republic of China	Chen, Zhang-Xiang	Male	Jun. 16, 1999	-	-	-	-	-	-	College graduate Manager, First International Computer MIRCO STAR INTERNATIONAL	-	-	-	-	

Title	Nationality	Name	Gender	Date of office	Shareholdings		Shareholdings by spouse and underage children		Shareholdings under the title of a third party		Education and experience	Other positions in the Company	Manager who is a spouse or relative at the 2 nd level under the Civil Law			Remark(s)
					Quantity	Proportion	Quantity	Proportion	Quantity	Proportion			Title	Name	Relationship	
President's office, manager special assistant	Republic of China	Chen, Shi-Cheng	Male	Nov. 27 2000	-	-	-	-	-	-	Syracuse University computer engineer Engineer at BenQ Engineer at Motorola	Director Representative of Intelligence Precision Co., Ltd.	-	-	-	-
Network and Communications Business Group, Vice General Manager	Republic of China	Hou, Chih-Jen	Male	Apr. 14, 2000	41,291	0.01%	-	-	-	-	EECS - Northwestern University Senior Manager, Acer	-	-	-	-	
Channel Solution Business Unit M/B Research& Development Center, Vice General Manager	Republic of China	Chen, Chen-Shun	Male	Sep. 1, 2000	-	-	-	-	-	-	University graduate Engineer, Nan Ya Technology Asst VP Phoenix Technologies Ltd.	-	-	-	-	
Channel Solution Business Unit Sales and Marketing Center, America& Asia Platform, Senior AVP	Republic of China	Liao, Chi-Li	Male	Oct. 1, 1998	-	-	784	0.00%	-	-	Master degree ASUSTEK COMPUTER INC.	-	-	-	-	
Channel Solution Business Unit Sales and Marketing Center, Europe Platform, Senior AVP	Republic of China	Hsiao, Wen-Ta	Male	Feb. 11, 1998	100,714	0.02%	-	-	-	-	University graduate D-LINK CORPORATION	-	-	-	-	
Overseas Subsidiary Management Division APAC Platform Senior AVP	Republic of China	Liu, Wen-Chung	Male	Apr. 1, 1999	-	-	-	-	-	-	University graduate First International Computer, Inc	-	-	-	-	
Channel Solution Business Unit, M/B Research& Development Center, software office, AVP	Republic of China	Deng, Yi-Ming	Male	Mar. 11, 1997	-	-	-	-	-	-	University graduate First International Computer Co., Ltd. BIOS section manager	-	-	-	-	
Channel Solution Business Unit, M/B Research& Development Center, Firmware Division II, Senior AVP	Republic of China	Tseng, Wei-Wen	Male	Sep.1, 2003	-	-	-	-	-	-	University graduate Phoenix Tech. Senior AVP VIA TECHNOLOGIES, INC.	-	-	-	-	
Channel Solution Business Unit, M/B Research& Development Center, AVP	Republic of China	Liao, Che-Hsien	Male	Jun. 16, 1997	4,000	0.00%	-	-	-	-	Master degree	-	-	-	-	
Mobility Product BU V.P.	Republic of China	Lan, Jun Kun	Male	Nov 13, 2000	-	-	-	-	-	-	Master degree Manager at Intel	-	-	-	-	

Title	Nationality	Name	Gender	Date of office	Shareholdings		Shareholdings by spouse and underage children		Shareholdings under the title of a third party		Education and experience	Other positions in the Company	Manager who is a spouse or relative at the 2 nd level under the Civil Law			Remark(s)
					Quantity	Proportion	Quantity	Proportion	Quantity	Proportion			Title	Name	Relationship	
Network & Comm. BU Product Center, AVP	Republic of China	Chen, Yun Di	Male	May 2, 2000	30,115	0.00%	-	-	-	-	Master degree Manager at Siemens GTE	-	-	-	-	-
AVP, Overseas Manufacturing Dongguan Gigabyte Ningbo Gigabyte	Republic of China	Ko, Wei-Di	Male	Jun. 26, 2000	-	-	-	-	-	-	EMBA Yuan Ze University Special assistant to the Vice President/Section manager at Gold Circuit Electronics Manager at Unimicron	-	-	-	-	-
General Counsel, Legal and IP Affairs Division, Operation Management Center	Republic of China	Chiu, Chih Peng	Male	Jan. 2, 2014	-	-	-	-	-	-	People's University China, Civil and Business Law (Doctor) University of London, MBA University of Exeter, L.L.M. Attorney at Law, Lin & Associates, Maritime Law Office AVP, Info-Tek Corporation	Director Representative of Gigaipc Co., Ltd.	-	-	-	-
AVP, Chief Engineering Division, Manufacturing Business Unit	Republic of China	Sun, Wu Hsiung	Male	Aug. 28, 2000	10,026	0.00%	-	-	-	-	Department of electronics, Yunlin Institute of Technology Vice manager of engineering technology at Chih Fu Corp.	-	-	-	-	-
Vice General Manager, Channel Solution Business Unit, Gaming Products Research & Design Center	Republic of China	Huang, Shun Chih	Male	Nov 20, 2003	-	-	-	-	-	-	Department of Electronics Engineering, Taiwan Institute of Technology Engineer at First International Computer Manager at Shengchuan Technology Manager at Universal Scientific Industrial	-	-	-	-	-
Vice General Manager, Channel Solution Business Unit	Republic of China	Lin, Ying Yu	Male	Nov 3, 2003	23,000	0.00%	-	-	-	-	MBA, National Chung Hsing University Vice manager at TUL Corporation Vice manager at Elitegroup Computer Systems	-	-	-	-	-
AVP, Customer Service Center	Republic of China	Lin, Chi-ching	Male	Jun 18, 1991	1,689	0.00%	-	-	-	-	Department of Electronics, Van Nung Institute of Industry Repair Technician, Liloy Electronics Technology Ltd. Repair Engineer, Zenith Electronics	Chairman of BYTE International Co., Ltd.	-	-	-	-
Senior AVP, Automotive Electronics Business Division	Republic of China	Gu, Rui-Lin	Male	June. 29, 2018	252	0.00%	-	-	-	-	National Taiwan University, Department of Electrical Engineering GM, ETOP Electronics Inc. Sales Manager, Intel Microelectronics Asia LLC	-	-	-	-	-

Title	Nationality	Name	Gender	Date of office	Shareholdings		Shareholdings by spouse and underage children		Shareholdings under the title of a third party		Education and experience	Other positions in the Company	Manager who is a spouse or relative at the 2 nd level under the Civil Law			Remark(s)
					Quantity	Proportion	Quantity	Proportion	Quantity	Proportion			Title	Name	Relationship	
Vice General Manager, Mobility Product BU	Republic of China	Chen, Jun-Cheng	Male	Jan. 7, 2019	-	-	-	-	-	-	Concordia University International Business AVP of MICRO-STAR International Co., Ltd.	-	-	-	-	-
AVP, Information Technology Division, Operation Management Center	Republic of China	Sun, Guo-Ren	Male	Jul. 26, 2019	-	-	-	-	-	-	Pennsylvania Widener U. Computer & Telecommunication @Network Inc IT Manager	-	-	-	-	-
AVP, Channel Solution Business Unit, M/B Research & Development Center, Firmware Division I,	Republic of China	Gao, Sheng-Liang	Male	Jul. 26, 2020	3,570	0.00%	-	-	-	-	National Taiwan University, Information Engineering Master degree	-	-	-	-	-

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

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

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

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

December 31, 2020; Unit: NTD1,000/1,000 shares

Title	Name	Director								Ratio of the total ABCD to the net earnings after tax (*10)		The director may also be an employee								Ratio of the total ABCDEFG to the net earnings after tax (*10)		Related remuneration from investees other than the subsidiaries or from the parent company (*11)
		Remuneration (A) (*2)		Pensions (B)		Remuneration to directors (C) (*3)		Expenses incurred for business purposes (D) (*4)		Salaries, awards and special subsidies etc. (E) (*5)		Pensions (F)		Bonus to employees (G) (*6)								
		Giga-Byte	All firms covered I the consolidated financial statements (*7)	Giga-Byte	All firms covered I the consolidated financial statements (*7)	Giga-Byte	All firms covered I the consolidated financial statements (*7)	Giga-Byte	All firms covered I the consolidated financial statements (*7)	Giga-Byte	All firms covered I the consolidated financial statements (*7)	Giga-Byte	All firms covered I the consolidated financial statements (*7)	Giga-Byte		All firms covered I the consolidated financial statements (*7)		Giga-Byte	All firms covered I the consolidated financial statements (*7)			
Director	Chairman	Yeh, Pei-Chen																		None		
	Corporate representative, Ming Wei Investment Co., Ltd.	Liu, Ming-Hsiung																				
	Corporate representative, Shih Chia Investment Co., Ltd.	Ma, Mou-Ming																				
	Corporate representative, Yue Yeh Investment Co., Ltd.	Tseng, Chun-Ming																				
	Corporate representative, Shih Da Investment Co., Ltd.	0	0	0	0	46,000	46,000	2,813	2,813	1.12%	1.12%	131,291	131,291	152	152	81,000	0	81,000	0		5.97%	5.97%
Independent Director	Corporate representative, Xi Wei Investment Co., Ltd.	Li, E-Tay																				
	Independent Director	Wang, Hwei-Min																				
	Independent Director	Chan, Yi-Hung																				
	Independent Director	Huang, Wen-lai (Note)																				

1. Please describe the policy, system, standard and structures of remuneration payment for independent directors, and their association with the amount of remuneration payment according to their responsibilities, risks, and the time spent by independent directors, among other factors:
The Company pays remuneration to directors in accordance with the Articles of Incorporation; Transportation and meeting attendance allowances for independent directors are determined by the Board of Directors with reference to industry standards.

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

Note: Independent Director Huang, Wen-lai resigned on August 5, 2020.

Tiers of Remuneration

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

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

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

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

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

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

(2) Fees for the supervisors: Not applicable.

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

December 31, 2020 Unit: NTD1,000/1,000 shares

Title	Name	Salary (A) (*2)		Pensions (B)		Award, special subsidy and other subsidy in kind (C) (*3)		Compensation for Employees (D) (*4)				Ratio of the total ABCD to the net earnings after tax (%) (*8)		Related remuneration from investees other than the subsidiaries or from the parent company (*9)
		Giga-Byte	All firms covered I the consolidat ed financial statements (*5)	Giga-Byte	All firms covered I the consolidat ed financial statements (*5)	Giga-Byte	All firms covered I the consolidat ed financial statements (*5)	Giga-Byte		All firms covered I the consolidated financial statements (*5)		Giga-Byte	All firms covered I the consolidated financial statements (*5)	
								Cash dividends	Stock dividends	Cash dividends	Stock dividends			
President	Yeh, Pei-Chen	47, 647	47, 647	1, 343	1, 343	193, 790	193, 790	164, 000	0	164, 000	0	9. 30%	9. 30%	None
Senior VP	Liu, Ming-Hsiung													
Senior VP	Ma, Mou-Ming													
Senior VP	Tseng, Chun-Ming													
Group General Manager	Li, E-Tay													
General Manager of BU	Meng, Hsian-Ming													
Vice General Manager of the US Platform	Lu, Zheng-wei													
Vice General Manager and Special Assistant to Chairman of Center Spokesman, Public Relationship Department	Chen, Jin-Ting													
Business Unit Vice General Manager	Chen, Chen-Shun													
Business Unit Vice General Manager	Lin, Ying Yu													
Business Unit Vice General Manager	Huang, Shun Chih													
Business Unit Vice General Manager	Chen, Jun-Cheng													
Business Unit Vice General Manager	Hou, Chih-Jen													
C.O.O.	Bai, Guang-Hua													
C.F.O. Corporate governance officer	Chen, Chun-Ying													
General Counsel	Chiu, Chih Peng													
Business Unit Vice General Manager	Lan, Jun Kun													

* 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 (*6)	All firms covered I the consolidated financial statements (*7) E
Below NTD1,000,000		
NTD 1,000,000~2,000,000		
NTD 2,000,000~3,500,000		
NTD 3,500,000~5,000,000	Lu, Zheng-Wei,	
NTD 5,000,000~10,000,000	Chen, Jin-Ting, Chen, Chun-Ying, Bai, Guang-Hua, Meng, Hsian-Ming, Hou, Chih-Jen, Chiu, Chih Peng, Lan, Jun Kun	Chen, Jin-Ting, Chen, Chun-Ying, Bai, Guang-Hua, Meng, Hsian-Ming, Lu, Zheng-Wei, Hou, Chih-Jen, Chiu, Chih Peng, Lan, Jun Kun
NTD 10,000,000~15,000,000	Chen, Chen-Shun	Chen, Chen-Shun
NTD 15,000,000~30,000,000	Chen, Jun-Cheng,	Chen, Jun-Cheng
NTD 30,000,000~50,000,000		
NTD 50,000,000~100,000,000	Lin, Ying Yu, Huang, Shun Chih, Yeh, Pei-Chen, Liu Ming-Hsiun, Ma, Mou-Ming, Tseng, Chun-Ming, Li, E-Tay	Lin, Ying Yu, Huang, Shun Chih, Yeh, Pei-Chen, Liu Ming-Hsiun, Ma, Mou-Ming, Tseng, Chun-Ming, Li, E-Tay
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 remuneration to each is disclosed in aggregate.

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

- Note 3 This refers to the expenses incurred for business purposes by GMs or Vice GMs (including, traveling subsidy, special subsidy, all forms of subsidies, housing, company car and other subsidies in kind). If the Company provides housing, company car and other means of transportation or the spending is exclusive to a particular person, disclose the nature of the property and the cost, the actual rent or rent assessed with reference to fair market price, fuel subsidies and other payments. When drivers are assigned to directors, please specify the pay of such drivers. Such pay shall not be included in the remuneration to directors. In addition, the salary payment adopted under IFRS 2 “Share-based Payment” includes employee stock option certificates, restricted stock awards, and subscription of common stocks issued for cash. They shall be included in the compensation for employees.
- Note 4: The Company must fill out the employee compensation (including stock and cash) proposed to be distributed to the GM and Vice GM that is approved by the Board in the most recent year before the shareholders’ meeting. If this value cannot be estimated, the ratio of actual distribution from the last year is used for the calculation of proposed distribution this year.
- Note 5: Disclose the total remuneration to all GMs or Vice GMs of the Company from all companies stated in the consolidated financial statement (including the Company).
- Note 6: The number of GMs and Vice GMs at each bracket of the remuneration scale. For remuneration to institutional directors, divide the remuneration by the number of representatives appointed. If the Company is willing to disclose the names of GMs and Vice GMs in all brackets on a list, Change the name of the field marked “number of GMs and Vice GMs” to “names of GMs and Vice GMs”.
- Note 7: The number of GMs and Vice GMs at each bracket of the remuneration scale paid by companies included in the consolidated financial statements (including the Company). If the Company is willing to disclose the names of GMs and Vice GMs in all brackets on a list, Change the name of the field marked “number of GMs and Vice GMs” to “names of GMs and Vice GMs”.
- Note 8: Net profit after tax refers to the net profit after tax in the most recent year. For entities that have adopted IFRSs, net profit after tax refers to the entity’s or the individual financial statement’s net profit after tax in the most recent year.
- Note 9: a. Explicitly state if GMs and Vice GMs of the Company “have” or “have not” receive related remuneration from investees other than the subsidiaries or from the parent company.
b. Where the Company's president and vice president received relevant remuneration from ventures other than subsidiaries or from the parent company, the remuneration received by the Company's president and vice president from ventures other than subsidiaries or from the parent company shall be included in the "E" column of the remuneration bracket table with the column name changed to "the parent company and all invested companies."
c. The remuneration means pay, compensation (including compensation of employees, directors and supervisors) and business expense received by the president or vice president serving as a director, supervisor or manager of ventures other than subsidiaries or of the parent company.
- * The content of remuneration disclosed in this table may vary with the concept of remuneration as applied to Tax Code. As such, information contained in the table is only for disclosure and not intended for income tax purposes.

(4) Compensation for Managers

December 31, 2020; 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	164,000	164,000	3.75%
	Senior VP	Liu, Ming-Hsiung				
	Senior VP	Ma, Mou-Ming				
	Senior VP	Tseng, Chun-Ming				
	Group General Manager	Li, E-Tay				
	General Manager of BU	Meng, Hsian-Ming				
	Vice General Manager of the US Platform	Lu, Zheng-Wei				
	Vice General Manager and Special Assistant to Chairman of Center Spokesman, Public Relationship Department	Chen, Jin-Ting				
	Business Unit Vice General Manager	Chen, Chen-Shun				
	Business Unit Vice General Manager	Lin, Ying Yu				
	Business Unit Vice General Manager	Huang, Shun Chih				
	Business Unit Vice General Manager	Chen, Jun-Cheng				
	Business Unit Chief Technology Officer	Hou, Chih-Jen				
	C.O.O.	Bai, Guang-Hua				
	C.F.O.	Chen, Chun-Ying				
	General Counsel	Chiu, Chih Peng				
Business Unit Vice General Manager	Lan, Jun Kun					

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

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

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

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

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

Title and Description	2019		2020	
	Giga-Byte	All firms covered the consolidated financial statements	Giga-Byte	All firms covered the consolidated financial statements
Directors	20.55%	20.55%	10.42%	10.42%
GM & Vice GM				

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

III. Corporate Governance

(I) The operation of BOD

In 2020, BOD held 7 meeting (A), the attendance of the directors is as follows.

Title	Name(Note 1)	Actual attending B	Authorized attending	Ratio of actual attending (%) [B/A] (Note 2)	Remark
Chairman	Yeh, Pei-Chen	7	0	100%	Successive June 11, 2018 Re-election
Vice Chairman	Ming Wei Investment Co., Ltd. Representative: Liu, Ming-Hsiung	7	0	100%	Successive June 11, 2018 Re-election
Director	Shi Jia Investment Co., Ltd. Representative: Ma, Mou-Ming	6	1	85.71%	Successive June 11, 2018 Re-election
Director	Yuei-yei Kai Fa Investment Ltd. Representative: Tseng, Chun-Ming	7	0	100%	Successive June 11, 2018 Re-election
Director	Shi Da Investment Limited Representative: Ko, Cong-Yuan	6	1	85.71%	Successive June 11, 2018 Re-election
Director	Xi Wei Investment Co., Ltd. Representative: Li, E-Tay	7	0	100%	New June 11, 2018 Re-election
Independent Director	Wang, Hwei-Min	7	0	100%	New June 11, 2018 Re-election
Independent Director	Chan, Yi-Hung	6	1	85.71%	Successive June 11, 2018 Re-election
Independent Director	Huang, Wen-lai	2	3	40.00%	Successive June 11, 2018 Re-election August 5, 2020 Resigned
<p>Important notice</p> <p>I. When BOD is under any one of the following circumstances, the date, session, and proposal of board meeting; the opinion of independent directors; and the BOD's response to such opinions shall be specified:</p> <p>(I)Matters specified in Article 14-3 of the Securities and Exchange Act</p>					

Date of Meeting (Session)	Proposal and Resolutions	Matters Specified in Article 14-3 of the Securities and Exchange Act	Opinions or Objections of Independent Directors
January 15th, 2020 (The 12nd session of 12th)	1.Approval of 2020 annual accountant entrust and remuneration proposal. 2.Resolution of participation in G.B.T. LBN Inc.'s cash capital increase by the Company's subsidiary, Freedom International Group Ltd. 3.Resolution of investment in MyelinTek Inc.	V	None
	Opinions of Independent Directors: The independent director Wang, Hui-Ming suggested to approve the third proposal with the conditions that MyelinTek Inc. stipulates the Company's priority decision right and objection right in its Articles of Association, that the Company may have priority clause and non-competition clause in the future if deemed necessary for operation, and that the price for the shares in the next-stage capital increase shall not be lower than the price this time. The independent directors have no comment for the other two proposals.		
	Company's opinions to Independent Directors: Conditionally passed the third proposal as the independent director suggested.		
	Resolution: The first/second proposals were passed by all attending directors as proposed. The third proposal was passed by all attending directors conditionally.		
March 13th, 2020 (The 13nd session of 12th)	1.Approval of 2019 Employee and director remuneration distribution proposal. 2.Amendment of the company's "Rules of Procedure for Meetings of Shareholders" 3.Amendment of the company's "Rules of Procedure for Board Meetings" 4.Amendment to the Company's Operating Procedures for the Management of Financial Reporting and Preparation Process	V	None
	Opinions of Independent Directors: None.		
	Company's opinions to Independent Directors: None.		
	Resolution: The first proposal was unanimously approved without objection by attending directors, except for directors who recused themselves due to a conflict of interest and have explained the contents in which they have an interest in the meeting and did not attend discussion and voting in person or on behalf of another member. The second to fourth proposals were passed by all attending directors as proposed.		
May 14th, 2020 (The 15nd session of 12th)	•Approval of evaluation and suggestions to 2019 distribution of remuneration to directors	V	None
	Opinions of Independent Directors: None.		
	Company's opinions to Independent Directors: None.		
	Resolution: Due to the avoidance of interest relations, the directors have explained the important contents regarding their interest relations; also, they didn't attend or authorize any personnel to attend the discussion and voting. All the other directors present at the meeting approved the matter without any disagreement.		
November 13th, 2020 (The 18nd session of 12th)	1.Independence evaluation of CPAs of the Company 2.Resolution of investment in Senyun Precise Optical Co., Ltd. for Giga Investment Co.	V	None
	Opinions of Independent Directors: The independent director Wang, Hui-Ming suggested to pass the second proposal conditionally. Senyun Precision shall immediately achieve the break-even point to meet the fundamental requirement		

	<p>of sustainable operation. The independent directors have no comment for the other proposal.</p> <p>Company's opinions to Independent Directors: Agreed with the independent director Wang, Hui-Ming's suggestion.</p> <p>Resolution: The first proposal was passed by all attending directors as proposed. After discussion, the second proposal was unanimously approved as the independent director Wang, Hui-Ming suggested by attending directors, except for directors who recused themselves due to a conflict of interest and have explained the contents in which they have an interest in the meeting and did not attend discussion and voting in person or on behalf of another member.</p>
--	--

(II) Other BOD resolutions for the records or written statements regarding the objection or qualified opinion of independent directors: None.

II. Status of directors' avoidance of conflicts of interest in relevant proposals:

(1) The discussion focused on the distribution of remuneration to directors on March 13th, 2020 and May 14th, 2020. The relevant directors should not be involved in the discussion and voting of the matter regarding remuneration to director respectively.

(2) Salary of managers (annual salary adjustment): The salary of managers proposed by the Board of Directors on August 14, 2020 involves the salary of individual director's representative who is also a manager. Those directors involved do not participate in discussion and voting.

(3) Subscription of Senyun Precision's shares issued for the cash capital increase: The Company's subsidiary Giga Investment's subscription of Senyun Precision's shares issued for the cash capital increase proposed by the Board of Directors on November 14, 2020 involves the remuneration of individual director. Those directors involved do not participate in discussion and voting.

III. Listed and over-the-counter companies shall disclose the evaluation cycle and periods, scope, method, and content of evaluation and other information relevant to the self (or peer) evaluation of board of directors : Please see Note 3.

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

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

a. The BOD of this Company formed the Audit Committee on June 17, 2015 to replace the duty of supervisors and the re-election of the 2nd Audit Committee on June 11 2018. The committee is formed by three independent directors and holds a committee meeting at least once a quarter. The major duties and functions of the Audit Committee are as follows:
Audit the presentation adequacy of the Company's financial statements, selection (dismissal) and independency and performance of CPAs, the effectiveness of implementation of the Company's internal control, the Company's compliance with relevant laws and regulations and rules; and the Company's control of existing and potential risks.

b. The BOD of this Company established the Remuneration Committee in December 2011 and re-elected members of the fourth term on June 11, 2018. Mr. Wang, Hwei-Min (independent Director) was reelected as the chairman of the Remuneration Committee of the fourth term. The major duties and functions the Remuneration Committee are as follows:

- * 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.

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

(a) Implementation status of the evaluation of the Board of Directors in 2021 :

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Method	Content of Evaluation
Implemented once every year	2021/02/01 ~ 2022/01/31	(1)Board of Directors (2)Individual directors	(1)Board internal self-assessment (2)Director self-assessment	(1)Degree of participation in the Company's operations; quality of board decisions; board composition and structure; selection of suitable board directors and continuing professional education; and internal control. (2)Alignment of the goals and missions of the company; awareness of the duties of a director; participation in the operation of the company; management of internal relationship and communication; director's professionalism and continuing education; internal control.

(b) Implementation status of the evaluation of the Board of Directors in 2020

The results of board internal self-assessment and board members self-assessment were reviewed and passed in the meeting of Remuneration Committee, March 2021 and were further approved by the Board of directors. Filing of assessment results on the specified website has been completed before the deadline (end of March, 2021).

(II) The operation of the Audit Committee

1. The operation of Audit Committee..

In 2020, the Audit Committee held 6 committee meetings (A), and the attendance of independent directors is as follows:

Title	Name	Actual attendance (B)	Proxy attendance	Actual attendance rate (%) [B/A] (note)	Remarks
Independent Director	Wang, Hwei-Min	6	0	100%	New June 11, 2018 Re-election
Independent Director	Chan, Yi-Hung	6	0	100%	New June 11, 2018 Re-election
Independent Director	Huang, Wen-lai	1	3	25%	New June 11, 2018 Re-election August 5, 2020 Resigned

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

Date of Meeting (Session)	Proposal and Resolutions	Matters Specified in Article 14-5 of the Securities and Exchange Act	Matters not approved by all the members of Audit Committee, but approved by 2/3 of directors
January 15th, 2020 (The 11nd session of 2th)	1. Approval of 2020 annual accountant entrust and remuneration proposal. 2. Resolution of investment in MyelinTek Inc.	V	None

	3.Resolution of participation in G.B.T. LBN Inc.'s cash capital increase by the Company's subsidiary, Freedom International Group Ltd.		
	The Resolution of Audit Committee: The independent director Wang, Hui-Ming suggested to approve the third proposal with the conditions that MyelinTek Inc. stipulates the Company's priority decision right and objection right in its Articles of Association, that the Company may have priority clause and non-competition clause in the future if deemed necessary for operation, and that the price for the shares in the next-stage capital increase shall not be lower than the price this time. Other proposals were unanimously approved without objection by all members of the Audit Committee after thorough discussion.		
	The company's opinions proposed to Audit Committee: Approved by all the directors present at the meeting.		
March 16th, 2020 (The 12nd session of 2th)	1.Individual financial statements and consolidated financial statements of 2019. 2.2019statement on the internal audit system. 3.Amendment to the Company's Operating Procedures for the Management of Financial Reporting and Preparation Process	V	None
	The Resolution of Audit Committee: Approved by all the members of Audit Committee.		
	The company's opinions proposed to Audit Committee: Approved by all the directors present at the meeting.		
April 16th, 2020 (The 13nd session of 2th)	1.Approval of the Company's 2019 profit distribution proposal 2.Approval of the Company's 2019 Business reports	V	None
	The Resolution of Audit Committee: Approved by all the members of Audit Committee.		
	The company's opinions proposed to Audit Committee: Approved by all the directors present at the meeting.		
August 14th, 2020 (The 15nd session of 2th)	•2020 Q2 consolidated financial statements of the Company.	V	None
	The Resolution of Audit Committee: Approved by all the members of Audit Committee.		
	The company's opinions proposed to Audit Committee: Approved by all the directors present at the meeting.		
November 13th, 2020 (The 16nd session of 2th)	1.Independence evaluation of CPAs of the Company 2.Approval of 2021 Audit Plan 3.Amendment of the company's "Organizational Rules of Salary and Compensation Committee" 4.Resolution of investment in Senyun Precise Optical Co., Ltd. for Giga Investment Co.	V	None
	The Resolution of Audit Committee: Approved by all the members of Audit Committee.		
	The company's opinions proposed to Audit Committee: The independent director Wang, Hui-Ming suggested to pass the fourth proposal conditionally. Senyun Precision shall immediately achieve the break-even point to meet the fundamental requirement of sustainable operation. Other proposals were passed without objection after full discussion by all audit committee members		

- (II) Matters other than the above unapproved by the Audit Committee but resolved by over two thirds of all directors: None
- (2) Specify the name of independent directors, proposal content, reasons for the need of avoidance of conflicts of interest, and involvement in voting for implementation of the avoidance of conflicts of interest in independent directors: None.
- (3) Communication between independent directors and the internal chief auditor and accountant (shall include communication on the company's material financial and sales affairs, including the topics, methods, and results of communication):
 - 1) Apart from submitting the audit report to each independent director for review each month, the chief auditor will report material issues found in the audit to the BOD or board members.
 - 2) When auditing or reviewing quarterly consolidated statements (annual and including individual financial statements) of this Company at the planning and completing stages, CPAs consolidate information and communicate with the Audit Committee in writing or face to face according to SAS No. 39 "Communications with Those Charged with Governance" and Letter Tai-Cai-Zheng-Liu-Zi No. 0930105373 issued by the Securities and Futures Bureau dated March 11, 2004.

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

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

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

Indicator	Status			Variation from Corporate Governance Best Practice Principles, and Reason
	Yes	No	Summary	
1. Has the Company defined and disclosed its corporate governance best practice principles in accordance with the "Corporate Governance Best-Practice Principles for TWSE/GTSM-Listed Companies"?	✓		The Company has established a "Corporate Governance Best-practice Principles" based on the "Corporate Governance Best-practice Principles" and disclosed it on the Company's website and the Market Observation Post System.	Conforms to the Corporate Governance Best-practice Principles
2. Structure of shareholdings and shareholder's equity (1) Does the Company have and enforce internal procedures for handling shareholder suggestions, questions, disputes and litigation? (2) Does the Company keep an effective list of its dominant shareholders and the parties with ultimate control over its dominant shareholders? (3) Has the Company established and enforced a risk control mechanism and firewall between its affiliates? (4) Does the Company have internal rules in place to prevent insider trading?	✓		(1) Our PR Office and Investor Services personnel are assigned to handle shareholder suggestions or disputes. (2) Our Investor Services personnel work closely with the "Transfer Agency Department of China Trust Securities" to effectively track the list of dominant shareholders and the parties with ultimate control over the dominant shareholders. (3) Our Company has defined regulations for "Supervision and Management of Subsidiaries" and "Management of Transactions with Group Companies, Designated Companies and Stakeholders". These establish an appropriate risk control mechanism and firewall between affiliates. (4) The BOD passed the "Internal Procedure for Major Disclosure" in October 2011, to establish an appropriate risk control mechanism.	Conforms to the Corporate Governance Best-practice Principles
3. The Organization and functions of the board of directors (1) 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) Has the company established and implemented methods for assessing the performance of the Board of Directors, conducted performance evaluation annually, presented the performance evaluation results to the Board of Directors, and used the results as reference for individual director remuneration and re-election nomination? (4) Does the Company regularly evaluate the independence of the public auditors?	✓		(1) Our Company elected three independent directors at the annual meeting of shareholders on June 11, 2018. 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 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 compensation each year, the BOD evaluates the independence of these CPAs.	Conforms to the Corporate Governance Best-practice Principles

Indicator	Status			Variation from Corporate Governance Best Practice Principles, and Reason
	Yes	No	Summary	
4. Does the listed company appoint a suitable number of designated personnel and supervisor to be in charge of corporate governance related affairs (including but not limited to furnishing information required for business execution by directors and supervisors, assisting directors and supervisors with legal compliance, handling matters relating to board meetings and shareholders meetings according to laws, processing company registration and change of registration, and producing minutes of board meetings and shareholders' meetings)?	✓		The Company has appointed a chief governance officer by the resolution of Board of Directors in the board meeting on November 13, 2020. The chief governance officer's main responsibilities are to handle matters relevant to Board of directors and Shareholders' meeting in accordance with the law, to prepare minutes of Board meetings and Shareholders' meetings, to assist directors' inauguration and continuing professional education, to provide the directors with information required for performing their duties, and to assist the directors to act in compliance with the laws.	Conforms with the Corporate Governance Best-Practice Principles
5. Has the Company established channels for stakeholder (including but not limited to shareholders, employees, customers, and suppliers) communication, set up a stakeholder section in the corporate website, and responded appropriately to important CSR issues material to shareholders?	✓		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
6. Has the Company appointed a transfer agency for organizing shareholder meetings?	✓		Our Company has appointed the "Transfer Agency Department of CTBC Securities" as the organizer of shareholder meetings.	Conforms to the Corporate Governance Best-practice Principles
7. Disclosed information (1) Has the Company set up a website to disclose its financial information and the status of corporate governance. (2) Are there other means for the Company on disclosure (such as English website, designated personnel to gather and disclose relevant information on the Company, effective implementation of the spokesperson system, and the online broadcast of institutional investor conferences)? (3) Does the company publicly disclose its annual financial report within two months after the end of the accounting year, and publicly disclose its Q1, Q2, and Q3 financial reports and monthly operation status ahead of the prescribed time limit?	✓		(1)Our corporate website: http://www.gigabyte.com/index.aspx . (2) Our corporate website is available in Chinese and English. It provides timely disclosure of company information including company profile, investor relations, CSR, products, services and current events for shareholders and consumers. (3) Pursuant to regulations, the Company has disclosed monthly operation status ahead of the prescribed time limit and included priority for improvement in the schedule for announcing and reporting financial reports.	Conforms to the Corporate Governance Best-practice Principles

Indicator	Status			Variation from Corporate Governance Best Practice Principles, and Reason
	Yes	No	Summary	
8. Are there any other important information that will help with understanding corporate governance practices at the Company (including but not limited to employee rights, employee care, supplier relations, stakeholder rights, continuing education for directors and supervisors, the implementation of risk management policy and risk measurement measures, the implementation of customer policy, and the purchase of liability insurance for directors and supervisors)?	✓		<ul style="list-style-type: none"> (1) Employee benefits and employee care: Incentive schemes/ company facilities/company Organization and Services/Talent development (2) Investor relations: The Gigabyte website provides a disclosure platform that investors can access for financial information/ corporate governance / shareholder meeting/ shareholder services. (3) Supplier relations: Gigabyte received AEO certification as a quality enterprise in February, 2012. We have signed the Declaration of Supply Chain Safety with our suppliers and use external audits of suppliers to ensure conformity. (4) Stakeholder rights: Our Company has avoided conflicts of interest with stakeholders in accordance with the law. (5) Further education status of directors, accounting chiefs, and audit chiefs: These personnel have completed further education at the regulatory length. Please refer to the annexe (Note) for details. (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. 	Conforms to the Corporate Governance Best-practice Principles
<p>9. Please specify the status of improvements and prioritized improvements with reference to the Corporate Governance Evaluation results announced by the Corporate Governance Center of the Taiwan Stock Exchange Corporation in the previous year.</p> <p>Completed improvements: The Company has disclosed the operation of its Remuneration Committee on the Company's website.</p> <p>Prioritized improvements: Priority for improvement will be included in the schedule for establishing the Information Security Risk Management Framework and setting the Information Security Risk Policy as well as the Concrete Management Solution.</p>				

Note1: The evaluation criteria of accountant independence

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

Note2: Status of further education of directors, accounting chiefs, and audit chiefs in 2020.

Title	Name	Date	Course	Hours
Chairman	Yeh, Pei-Chen	Aug 14, 2020	Directors' Responsibilities and Risk Management under the Latest Corporate Governance Structure	3
		Nov 13, 2020	The Tax Management Trend and Tax Practices of Corporates and Shareholders under the Latest Anti-tax Avoidance Regulations and Information Exchange Rules as Provided by Tax Laws	3
Vice Chairman	Liu, Ming-Hsiung, Institutional Representative of Mingwei Investment Co., Ltd.	Aug 14, 2020	Directors' Responsibilities and Risk Management under the Latest Corporate Governance Structure	3
		Aug 19, 2020	2020 Listed Companies Knowing the Transaction and Operation of Futures Derivative Hedge, Sound Enterprise..	3
		Nov 13, 2020	The Tax Management Trend and Tax Practices of Corporates and Shareholders under the Latest Anti-tax Avoidance Regulations and Information Exchange Rules as Provided by Tax Laws	3
Director	Ma, Mou-Ming Institutional Representative of Shih-Chia Investment Co., Ltd.	Aug 14, 2020	Directors' Responsibilities and Risk Management under the Latest Corporate Governance Structure	3
		Nov 13, 2020	The Tax Management Trend and Tax Practices of Corporates and Shareholders under the Latest Anti-tax Avoidance Regulations and Information Exchange Rules as Provided by Tax Laws	3
Director	Tseng, Chun-Ming Institutional Representative of Yuei-yei Kai Fa Investment Ltd.	Aug 14, 2020	Directors' Responsibilities and Risk Management under the Latest Corporate Governance Structure	3
		Nov 13, 2020	The Tax Management Trend and Tax Practices of Corporates and Shareholders under the Latest Anti-tax Avoidance Regulations and Information Exchange Rules as Provided by Tax Laws	3
Director	Ko, Cong-Yuan Institutional Representative of Shih Dah Investment Co., Ltd.	Aug 14, 2020	Directors' Responsibilities and Risk Management under the Latest Corporate Governance Structure	3
		Nov 13, 2020	The Tax Management Trend and Tax Practices of Corporates and Shareholders under the Latest Anti-tax Avoidance Regulations and Information Exchange Rules as Provided by Tax Laws	3

Title	Name	Date	Course	Hours
Director	Li, E-Tay Institutional Representative of Xi Wei Investment Co., Ltd.	Aug 14, 2020	Directors' Responsibilities and Risk Management under the Latest Corporate Governance Structure	3
		Nov 13, 2020	The Tax Management Trend and Tax Practices of Corporates and Shareholders under the Latest Anti-tax Avoidance Regulations and Information Exchange Rules as Provided by Tax Laws	3
Independent Director	Wang, Hwei-Min	Mar 17, 2020	Filing Guidelines and Doubt Interpretation of the Profit-seeking Enterprise Income Tax	7
		Apr 8, 2020	Audits Utilizing the Newly Announced Statements on Auditing Standards No. 69 to No. 72	3
		Jul 16, 2020	Practices of Applying AI Auditing to Assist Accountants when Auditing	3
		Aug 24, 2020	Will and Claim for Distribution of Martial Property Regarding Succession	3
Independent Director	Chan, Yi-Hung	Jul 3, 2020	Macro Perspective of the Global Corporate Sustainable Development - from Vision 2050 to Action 2020	3
		Jul 10, 2020	To Give or not to Give? Discussion on Directors' Information Right	3
		Aug 14, 2020	Directors' Responsibilities and Risk Management under the Latest Corporate Governance Structure	3
		Nov 13, 2020	The Tax Management Trend and Tax Practices of Corporates and Shareholders under the Latest Anti-tax Avoidance Regulations and Information Exchange Rules as Provided by Tax Laws	3
CFO	Chen, Chun-ying	May 18-19 2020	Further Education Course for Accounting Chiefs of Issuers, Securities Companies, and Stock Exchanges	12
Audit Chief	Ting, Yu-chi	Mar 25, 2020	Analysis of Policies for Enterprises to Improve their Ability to Prepare Financial Statement by Themselves and the Discussion on Key Points of Internal Audit and Internal Control in Practice	6
		Jul 13, 2020	Core Knowledge and Skills for Internal Audit Staff (2): Internal Audit Practices	18
		Jul 20, 2020		
		Jul 27, 2020		

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 fourth term of the committee on June 11, 2018. Mr. Wang, Hwei-Min(independent director) was consecutively elected to a fourth term of the chairman of the Compensation Committee.

1. Information on the members of the Compensation Committee

Identity Category (Note 1)	Qualification	Meet One of the Following Professional Qualification Requirements, Together with at Least Five Years Work Experience			Status of independence (Note 2)										Number of Other Public Companies in Which the Individual is Concurrently Serving as an Remuneration Committee Member	Remark
		An Instructor or Higher Position in a Department of Commerce, Law, Finance, Accounting, or Other Academic Department Related to the Business Needs of the Company in a Public or Private Junior College, College or University	A Judge, Public Prosecutor, Attorney, Certified Public Accountant, or Other Professional or Technical Specialist Who has Passed a National Examination and been Awarded a Certificate in a Profession Necessary for the Business of the Company	Have Work Experience in the Areas of Commerce, Law, Finance, or Accounting, or Otherwise Necessary for the Business of the Company	1	2	3	4	5	6	7	8	9	10		
Independent Director	Wang, Hwei-Min		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	None	New Appointed on June 11, 2018
Independent Director	Chan, Yi-Hung			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	None	New Appointed on June 12, 2019	
Other	Yang, Cheng-Li			✓	✓	✓	✓	✓	✓	✓	✓	✓	None	Successive Appointed on June 11, 2018		

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

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

- (1) Not an employee of the Company or its affiliates.
- (2) Not a director or supervisor of the company or any of its affiliates (the same does not apply, however, in cases where the person is an independent director of the company, its parent company, subsidiary or any subsidiary of the same parent company established pursuant to this act or local regulations).
- (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings.
- (4) Not a manager listed in (1) or a spouse, second degree kin or closer, or a direct blood relative of third degree or closer to anyone listed in (2) and (3).

- (5) Not a director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total number of issued shares of the company or of a corporate shareholder that ranks among the top five in shareholdings or of a corporate shareholder that appoints a representative, as provided in Paragraphs 1 or 2, Article 27 of the Company Act, to act as a director or supervisor of the company (the same does not apply, however, in cases where the person is an independent director of the company, its parent company, subsidiary or any subsidiary of the same parent company established pursuant to this act or local regulations).
 - (6) Not a director, supervisor, or employee of other companies controlled by the same person with more than half of the company's director seat or voting shares (the same does not apply, however, in cases where the person is an independent director of the company, its parent company, subsidiary or any subsidiary of the same parent company established pursuant to the this act or local regulations).
 - (7) Not a director, supervisor, or employee of another company or institution of the same person or spouse who is the company's chairman, president, or persons with equivalent position (the same does not apply, however, in cases where the person is an independent director of the company, its parent company, subsidiary or any subsidiary of the same parent company established pursuant to this act or local regulations).
 - (8) Not a director, supervisor, manager or shareholder holding 5% or more of the shares, of a specified company or institution that has a financial or business relationship with the company (the same does not apply, however, in cases where the specified company or institution hold 20% or more but less than 50% of the company's shares and the person is an independent director of the company, its parent company, subsidiary or any subsidiary of the same parent company established pursuant to this act or local regulations).
 - (9) Not a professional who provides auditing service or provides commercial, legal, financial, accounting services or consultation, for which a cumulative compensation of less than NT\$500,000 is obtained in the past two years, to the Company or its affiliates, nor is an owner, partner, director, supervisor, or manager, or the spouse of any of the above, of a sole proprietorship, partnership, company, or institution that provides such services to the Company or its affiliates; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Securities and Exchange Act or to the Business Mergers and Acquisitions Act or related laws or regulations.
 - (10) Not under any of the categories stated in Article 30 of the Company Act.
- 2. The powers and jurisdiction of the Compensation Committee**
- * On a regular basis, evaluate and recommend on the Company's policies, institutions, standards, and structure of the annual and long-term performance targets and compensation for directors, supervisors, and managers.
 - * Evaluate and recommend on the level of performance of the Company's directors, supervisors, and managers, and the nature and amount of their compensation

3. The operation of the Compensation Committee

- (1) The Company's Compensation Committee consists of three members.
- (2) The duration of this term: June 17, 2015 to June 16, 2018(3rd committee), the 4th committee is from June 11, 2018 to June 10, 2021. In 2020, the Compensation Committee held 4 committee meetings (A). The attendance record of members is as follows

Title	Name	Actual attending B	Authorized attending	Ratio of actual attending (%) [B/A] (Note)	Remark
Convener	Wang, Hwei-Min	4	0	100%	New Appointed on June 11, 2018
Committee	Chan, Yi-Hung	3	1	75%	New Appointed on June 12, 2019
Committee	Yang, Cheng-Li	3	1	75%	Successive Appointed on June 11, 2018

Other matters that should be documented:

- I. Recommendations of the Compensation Committee rejected or modified by the Board: None
- II. Resolutions of the Compensation Committee that met opposition or reservation from members and have been documented: None.
- III. Extracts from important agendas in the 2019 Remuneration Committee meeting:

Date of Meeting (Session)	Agenda and follow-up	Remarks and Other Recommendations
January 15th, 2020 (The 6nd session of 4th)	1.Assessment and recommendation on the year-end bonus for managers of the Company	None
	2.Establishment of the Company's Regulations Governing Performance Evaluation of The Board of Directors	None
	Resolutions adopted by the Remuneration Committee: Passed by all committee members as proposed. Actions taken by the company in response to the opinion of the Remuneration Committee: Passed by all attending directors as proposed.	
March 13th, 2020 (The 7nd session of 4th)	1.Assessment and recommendation on the distribution of compensations to employees and directors in 2019	None
	2.The Company's regulations on the performance bonus of each business groups for 2020	None
	Resolutions adopted by the Remuneration Committee: Passed by all committee members as proposed. Actions taken by the company in response to the opinion of the Remuneration Committee: Passed by all attending directors as proposed. The first proposal will be reported to the 2021 Annual Shareholders' Meeting.	

May 14th, 2020 (The 8nd session of 4th)	•Assessment and recommendation on 2019 distribution of remuneration to directors	None
	Resolutions adopted by the Remuneration Committee: Passed by all committee members as proposed.	
	Actions taken by the company in response to the opinion of the Remuneration Committee: Passed by all attending directors as proposed.	
August 13th, 2020 (The 9nd session of 4th)	1.Assessment and recommendation on the Company's distribution of remuneration for managers in 2019 in accordance with business performance	None
	2.Assessment and recommendation on the salary (annual salary adjustment) for managers of the Company	None
	Resolutions adopted by the Remuneration Committee: Passed by all committee members as proposed.	
	Actions taken by the company in response to the opinion of the Remuneration Committee: Passed by all attending directors as proposed.	

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

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

Gigabyte Green Sustainable Development Committee:

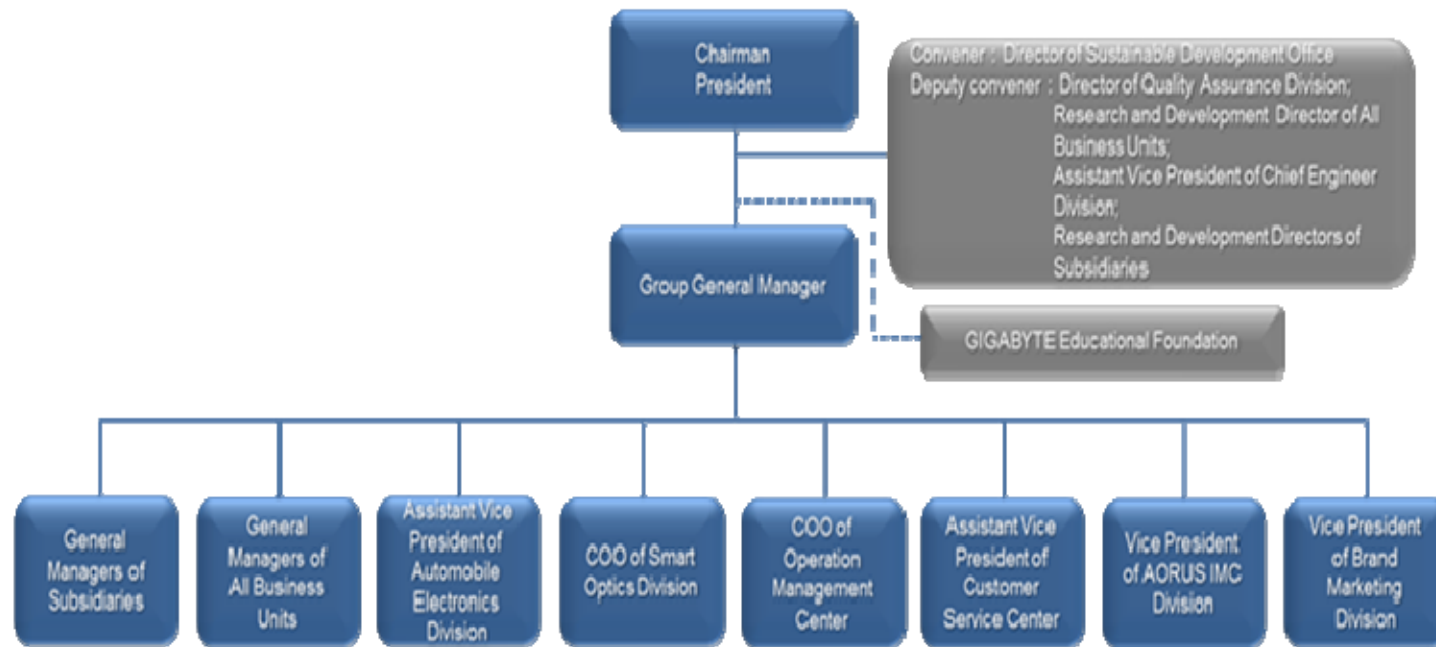
Gigabyte has established the "WEEE/RoHS Committee" in 2005 on the basis of operation risk control. The committee is mainly responsible for framing kinds of policies such as WEEE and RoHS to comply with environmental regulations, promoting the group to pay attention on environmental issues and to carry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

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

responsibilities commitment link and the progress of CSR policy's practice. In addition, they will report the work effectiveness of CSR of the year and the budget for next year to the Board of directors every year, urging CSR to be considered during the Company's operation decision-making procedure, further leading Gigabyte to promote kinds of policies containing sustainable development factors such as environment, social and governance.

Organization Chart:

GIGABYTE Green Sustainable Development Committee



Term	Goals	Practice and Effectiveness
•Short	<ul style="list-style-type: none"> •Optimize environmental and safety policies and commitments •Ensure compliance with customer and environmental requirements of products. •Strengthen employee awareness and the urgency of environmental protection and spread from the enterprise through the family to society from: Love for Earth with True Environmental Protection. 	<ul style="list-style-type: none"> •Obtained ISO14001 and OHSAS 18001 (currently ISO45001 Occupational Health and Safety Management System) and improved the environmental monitoring practices of Gigabyte and employees' work environment. •Focused on the R&D and innovation of green product and green technology and produced high-quality products to satisfy customers. •Activated the 2009 Green Action Plan for employees to fully understand the importance of sustainable environment cumulative number of participant 99,744. •Established the Gigabyte to Green Club .At the environmental services event where participants walked around the island to help clear rubbish, here were 1,479 participants, each clocking in832.29 kilomters on the road with 9,440.42 kilograms of plastic waste collected.
•Medium	<ul style="list-style-type: none"> •Promote business ethics and CSR •Establish the organization level GHG and product carbon footprint performance indicator system •Continuingly reduce the carbon emissions and environmental impacts of products. 	<ul style="list-style-type: none"> •Published the CSR report on an annual basis and the code of business conduct in 2010. •Began promoting ISO14064 GHG inventory in 2009. Across the entire corporation, emission for 2019 was 28,458.54 metric tonnes of CO₂e; 28,649.86 metric tonnes of CO₂e in 2020. The 41.48% decrease from 48,957.14 metric tonnes emitted in 2009 was due to indirect emissions in Category II. •Expanded the scope of GHG inventory to Scope 3 in 2015. •Implemented LCA assessment on all products to develop a product EIA system and database.
•Long	<ul style="list-style-type: none"> •Share value with society through “Upgrade Your Life” •Create customer value and eco-friendly products to build a green brand. 	<ul style="list-style-type: none"> •Promoted SROI assessment in 2016 to valuate Gigabyte’s social influence. •Promoted the Green Action Plan 2.0 to extend Gigabyte’s value sharing. •In 2018, issued the first Gigabyte Product Environment Report in Taiwan. In 2019, extended the number of disclosure items to 12 and fully disclosed the data of its products’ influence to the environment, community and human bodies. By this report, Gigabyte protects the environment together with its consumers. •Established the motto “Reduce, Share, Love the Earth, Collaborate” to share our love for the Earth with our suppliers. Organized a large-scale suppliers meeting to raise awareness among the suppliers of Gigabyte’s sustainability movement and create a win-win situation as we grow with them.

Major CSR Events:

- 2009 Established the Gigabyte Sustainable Development Committee to make commitments to promote sustainable development.
- 2009 Activated the “Green Action Plan from the Heart” to plan short-, medium-, and long-term strategies to confirm sustainable development goals.
- 2009 Organized the “Gigabyte Technology Environmental Policy Presentation” and held supplier conferences to explain Gigabyte’s environmental policy to work for environmental protection together with suppliers.
- 2009 Organized a conference on the “Promotion Procedure for Product Carbon Footprint Declaration”.
- 2010 Published Gigabyte’s first sustainability report to disclose ESG performance and demonstrate the company’s determination to promote sustainable development.
- 2011 Invited employees to make commitments to contribute to mitigate climate change.
- 2011 Organized the “Green Ideas” creativity activity to encourage total participation, multiple development, and energy saving education to disseminate sustainable development.
- 2012 Awarded the “Industrial Sustainable Excellence Award” at the 13th Industrial Sustainable Excellence Awards organized by the Industrial Development Bureau, Ministry of Economic Affairs.
- 2012 Developed the sustainable supply chain evaluation to extend CSR, environmental protection, labor rights, fair commercial practice, supply chain responsibility, and social and local contributions, so as to work for a sustainable future.
- 2012 Promoted the recycling of waste electrical and electronic equipment at all service locations regardless of brands to reduce load and hazards on the environment.
- 2013 Organized the “Green Product Innovation” activity to set the foundation toward sustainable development based on sustainability, innovation, and value.
- 2013 Pioneered the green roof on office buildings for protecting Earth and promoting employee health by growing trees to promote sustainability and environmental education.
- 2013 Formed the volunteer service team, Gigabyte Green Club, to promote enterprise volunteer service for the environment and society.
- 2013 Promoted the “eco working holiday” to contribute ourselves to realize environmental protection to protect our home.
- 2013 Awarded the “Excellence Award for Energy-Saving & Emission Reduction Mark” in the office category by the Environmental Protection Administration, Executive Yuan.
- 2014 Organized the “Meeting Green Happiness” serial activities: family guided tour, family painting competition, and eco-photography contest to indigenize environmental protection and sustainable development in daily life.
- 2014 Ranked the top 18th in the large enterprise category in the “Excellence in Corporate Social Responsibility Survey” organized by the *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*.
- 2015 Ranked Taiwan's top 36th enterprise and top 17th in the social aspect at the Excellence in Corporate Social Responsibility Award by *CommonWealth Magazine*.
- 2016 Ranked Taiwan's top 40th enterprise and top 16th enterprise in the electronics industry in the CSR Survey by *Global View Magazine*.
- 2016 Ranked Taiwan's top 32nd enterprise and top 14th in the environmental aspect at the Excellence in Corporate Social Responsibility Award by *CommonWealth Magazine*.
- 2016 10th Excellent Enterprise Award by the Taoyuan City Government.
- 2017 The Global View Magazine released the "CSR Survey 2017", which listed Gigabyte the top 40th enterprise and the winner of the award of Model Enterprise in Electronics industry.
- 2017 The Common Wealth Magazine listed Gigabyte the top 18th enterprise and the winner of "Corporate Citizenship Awards 2017".
- 2017 Gigabyte was awarded "TCSA Climate Leadership Award 2017" (There were only ten enterprises winning the award, listed as Taiwan Top 50 Sustainable Enterprise (including 9 enterprises in the technology industry, and Gigabyte ranked the 6th place) and awarded Top 50 Sustainable report Gold Medal.
- 2017 Gigabyte was awarded "2017 ISO 14001+ Award Model Enterprise in Environmental Performance".
- 2018 Top 5 electronics & technology companies listed in the 2018 CSR Survey by Vision magazine; Top 6 in education & promotion of CSR.
- 2018 In 2018, listed in the top 21 Taiwanese corporations for the world corporate citizen award.
- 2018 In 2018, received the TCSA Climate Leadership Award (13 companies received the award). Top 50 sustainable businesses (placed 5th of 14 technology companies). Top 50 sustainability report gold award.
- 2018 Organized the "Reduce, Share, Love the Earth, Collaborate" supplier meeting in 2018 to share Gigabyte's sustainable business activities and work with suppliers to develop growth opportunities with focus on sustainability.
- 2018 Issued our first Gigabyte Technology Environmental Report in 2018, working together with the consumers to protect our environment.
- 2019 Ranked Top 5 of Electronics and Technology Industry in the CommonWealth CSR Survey
- 2019 Ranked top 33 of corporate citizens in Taiwan in the Commonwealth Corporate Citizenship Award
- 2019 Won the Taoyuan City Excellent Enterprise Award
- 2019 Won the 2019 Award of Excellence in Corporate Promotion of Family-Friendly Workplace in New Taipei City
- 2020 Won the Model Award of Electronics and Technology Industry in the CommonWealth CSR Survey
- 2020 Ranked top 26 of corporate citizens in Taiwan in the Commonwealth Corporate Citizenship Award
- 2020 Ranked number 649 in Forbes the World's Best Employers 2020, which is the ninth highest in Taiwan.
- 2020 Won the "Epidemic Prevention Gold Award" given by Taiwan Immunization Vision and Strategy.

Gigabyte Technology's Sustainability Program:

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

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

Gigabyte Education Foundation

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

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

Fulfillment of CSR and Deviations from the "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies"

Indicator	Implementation			Variation from Corporate Social Responsibility Best Practice Principles, and Reason
	Yes	No	Summary	
1. Does the Company perform assessments of risks in environmental, social, and corporate governance issues relevant to its business activities and devise risk management policies or strategies based on the principle of materiality?	√		The Company follows the principle of materiality. The Gigabyte Green Sustainable Development Committee assesses risks in environmental and social issues and devises management policy; the Finance and Accounting Division is responsible for the assessment of corporate governance risks and formulation of management policy; and the Audit Committee supervises the control of risks existing or latent in the Company. For details, please refer to the 2020 Gigabyte CSR Report, sections 2.3 Risk Management, 3.2 Climate Change Mitigation and Adaptation, and 4.12 Supplier Risk Management. For information on corporate governance, please visit the Corporate Governance website https://www.gigabyte.com/tw/Investor/81 .	Conforms to the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM-Listed Companies.
2. Does the Company have a unit that specializes (or is involved) in CSR practices? Is the CSR unit run by senior managerial officers and reports its progress to the Board of Directors?	√		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.	Conforms to the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM-Listed Companies.
3. Environmental Issues (1) Has the Company established a proper environmental management system based on the characteristics of the industry? (2) Is the Company committed to improving the efficiency of the various resources and using recycled materials which have a low impact on	√		(1) By constructing management systems as the basis, Gigabyte implements environmental and quality issues in its manufacturing sites. Gigabyte believes that the constantly changing issues on green management can only be addressed by creating a systematic management	Conforms to the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM-Listed Companies.

Indicator	Implementation			Variation from Corporate Social Responsibility Best Practice Principles, and Reason
	Yes	No	Summary	
<p>the environment?</p> <p>(3) Does the Company assess the current and future potential risks and opportunities of climate change for the company and take measures to address climate-related issues?</p> <p>(4) Does the Company calculate the greenhouse gas emissions, water consumption, and total weight of waste in the past two years, and establish energy conservation and carbon reduction, greenhouse gas reduction, water consumption reduction, or other waste management policies?</p>			<p>approach. In 1998, Gigabyte received ISO14001 and ISO9001 certifications and in 2005, the Company became the world's first system manufacturer to pass the IECQ QC 080000 verification. Since then, we have introduced ISO 14064 and PAS 2050 standards to achieve the environmental goal of low-carbon management. Regarding hazardous substance management, Gigabyte constantly monitors the status of environmental laws around the world, such as: REACH, EU Batteries Directive, EU Packaging Directive, and China RoHS, in order to provide consumers with safe products that meet international laws and customer requirements. Currently, Gigabyte's products including motherboard, graphics card, optical disc drive, chassis, and power supply, are compliant with the EU RoHS Directive. In addition, Gigabyte has established the Gigabyte Harmful Chemical-Substances Requirements (HCSR). We ask our partners to comply with these requirements. By following the principle of "mastering the present and monitoring the future", we classify hazardous substances to systematically manage them and, where appropriate, we include hazardous substances that are regulated by law in our list of controlled highly hazardous substances and further restrict or prohibit their use to meet regulatory requirements regarding elimination of hazardous substances. In 2019, Gigabyte updated its HCSR to Version 4.5, in which PVC and its mixture are upgraded to Level A. After confirmation with its</p>	

Indicator	Implementation			Variation from Corporate Social Responsibility Best Practice Principles, and Reason
	Yes	No	Summary	
			<p>business groups and announcement of applicable regulations in California, USA, Gigabyte included TDCPP and TECP in its product regulation to more comprehensively manage all potential chemical substances, even though Gigabyte products do not contain TDCPP and TECP. In 2020, HCSR has been updated to version 4.6, mainly revised the Directive 2013/56/EU; Gigabyte has already continued to track and audit all of its suppliers to ensure that they meet the HCSR of Gigabyte.</p> <p>(2) 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 eco-design from the source to end-users. Our Company is also committed to implementing factory waste reduction and recycling to reduce resource depletion. Launched RFP (Recycle Fiber of Plant) in 2017, successfully producing environmentally friendly bags 100% made from grain husks. Launched MFCA (material flow cost accounting) in 2018 to enable sustainable recycling. In 2019, the Company established the Reduction Award System to encourage employees in the group to get creative for increasing the group’s motive to reduce carbon, water and waste, creating diversity to the group and the environment.</p> <p>(3) As the "climate risk measurement" has a critical impact on the sustainable operation of modern enterprises. Gigabyte Technology deeply agrees</p>	

Indicator	Implementation			Variation from Corporate Social Responsibility Best Practice Principles, and Reason
	Yes	No	Summary	
			<p>that enterprises are entrusted with the task of protecting the Earth, responding to the climate change is the key link to the enterprise's sustainable operation. From day-to-day operations, product research and development to providing services, those measures are to actively reduce environmental impact and continuously put efforts on fulfilling the green production target. In the face of climate change, Gigabyte Technology has established the Green Sustainable Development Committee and the Green Energy Plan for implementing management strategy in the five directions as follows:</p> <ol style="list-style-type: none"> 1. Trend Mastery: Monitoring the risk issues in regard to climate change management. 2. Current situation analysis and prevention: Current inventory operation status and the fulfillment of management targets. 3. Product Management and Innovation: Mastering market trends and developing innovative products. 4. Environmental education: To create environmental protection atmosphere and establish the internal concept in regard to environmental sustainability. 5. Innovation Management Program: Urban adjustment and adaptation action, building up new pipe Strategy. <p>Financial Stability Board officially released the</p>	

Indicator	Implementation			Variation from Corporate Social Responsibility Best Practice Principles, and Reason
	Yes	No	Summary	
			<p>Task Force on Climate-related Financial Disclosures in June, 2017, which requires enterprises to provide relevant and reliable financial measurement information for stakeholders. Gigabyte disclosed potential risks and opportunities brought by the climate change in its CSR report as required by TCFD.</p> <p>(4) Gigabyte has conducted inventory of the Group's greenhouse gas data since 2007, collected statistics on the Group's water consumption and waste data since 2010, and disclosed relevant data and management policies in its CSR report. For details, please refer to the 2020 Gigabyte CSR Report, section 3.1 Environmental Management Policies.</p>	
<p>4. Social Issues</p> <p>(1) Has the Company drafted management policies and procedures in accordance with the relevant laws and international conventions on human rights?</p> <p>(2) Does the company formulate and implement reasonable employee benefits measures(including compensation, leave, and other benefits)) and appropriately reflect its business performance or achievement in employee compensation?</p> <p>(3) Does the Company provide employees with a safe and healthy work environment? Do employees receive regular safety and health education?</p> <p>(4) Has the Company established an effective career</p>	√		<p>(1) Gigabyte embraces the philosophy of "A happy workplace for a better life". We believe that every employee should be treated equally and with respect. We strive to uphold and respect internationally recognized human rights (including the UN Declaration of Human Rights, and the International Labor Organization's core labor standards) such as freedom from discrimination and abuse, illegal employment, and promises to abide by the highest ethical standards in our compliance with local laws and the 《Responsible Business Alliance (RBA) Code of Conduct》 (formerly named as Electronic Industry Citizenship Coalition (EICC) Code of Conduct). We also</p>	<p>Conforms to the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM-Listed Companies.</p>

Indicator	Implementation			Variation from Corporate Social Responsibility Best Practice Principles, and Reason
	Yes	No	Summary	
<p>development plan for employees?</p> <p>(5) Does the company comply with relevant laws and international standards in relation to customer health and safety, customer privacy, marketing, and labeling of products and services, and does it establish relevant consumer protection policies and grievance procedures?</p> <p>(6) Does the company establish supplier management policies, which require suppliers to observe relevant regulations on environmental protection, occupational safety and hygiene, or labor and human rights? If so, describe the implementation results.</p>			<p>request suppliers to comply with the 《Responsible Business Alliance (RBA) Code of Conduct》 so as to fulfill CSR together. We have therefore defined various management policies and procedures including the "Employee Code of Conduct", salary & benefits, training & development, attendance system, business travel management, labor safety and more.</p> <p>(2) The Company has established a Remuneration Management Committee that professionally and objectively evaluates and recommends periodically the Company's annual and long-term performance goals as well as remuneration policies, systems, standards, and structures. For information on remuneration, leave, and other benefits, please visit the CSR website, section Employee care and development https://csr.gigabyte.tw/talent-management/、 https://csr.gigabyte.tw/employee-education-and-welfare/ and https://csr.gigabyte.tw/employee-health-care/</p> <p>(3) Gigabyte has passed ISO 14001 and ISO 45001 certification. Work environments are tested every 6 months to ensure work environment safety. The Company also arranges annual employee health exams and organizes occupational safety and first aid training, fire evacuation training, emergency response training, art and culture talks, as well as workshops on health topics conducted by experts to improve employee health awareness.</p>	

Indicator	Implementation			Variation from Corporate Social Responsibility Best Practice Principles, and Reason
	Yes	No	Summary	
			<p>In 2015, the launched of a comprehensive integration strategy of the Employee Assistance Program (EAP), which assisted employees to deal with various intangible personal, family, life or work pressure. It's hoped that through active care and timely assistance, each colleague can keep the best physical and mental state at any time, welcome each day happily and deal with the source of pressure with positive thinking to maintain working efficiency and quality. Please visit our CSR site for details on occupational health and safety. https://csr.gigabyte.tw/occupational-safety/ and https://csr.gigabyte.tw/employee-health-care/.</p> <p>(4) 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.</p> <p>(5) Gigabyte places value on responsible consumption and production and upholds a consumer-centric business philosophy to</p>	

Indicator	Implementation		Variation from Corporate Social Responsibility Best Practice Principles, and Reason
	Yes	No	
			<p>provide customers with world-class services, while imparting protection of the highest specifications to customers' confidential information. We offer three-year warranty for our entire line of motherboard products and establish a complete network of services globally to render efficient and considerate after-sales service. Consumers can provide feedback via email or telephone. Dedicated department is set up in Taiwan, mainland China, and overseas to provide consumers with product inquiry and product feedback services.</p> <p>1. Customer Service: Technical support hotline in Taiwan: 0800-079-800; service website in Taiwan: http://service.gigabyte.tw/.</p> <p>2. Investors: Stock Affairs Department Hotline: (02)8912-4000 ext1042 Email : stockholder@gigabyte.com</p> <p>3. Suppliers: Gigabyte CSR email: CSR@gigabyte.com</p> <p>In addition, the Company has formulated standard corporate identity (CI) rules and applicable regulations. All materials made internally or externally using CI must be submitted by the responsible unit for review. The material can be printed and distributed only after approval is obtained. The Company faithfully complies with ethical management rules and applicable laws and international regulations in relation to marketing and labeling</p>

Indicator	Implementation			Variation from Corporate Social Responsibility Best Practice Principles, and Reason
	Yes	No	Summary	
			<p>of products and services so that consumers are made fully aware of the Company's products and services.</p> <p>(6) The company regards the supplier as a long-term partner in order to jointly establish a stable and sustainable supply chain. Gigabyte Technology Group requires all First-Tier suppliers to build an environmental management system. At present, all Gigabyte's First-Tier suppliers are verified by ISO14001 verification. In terms of products, all suppliers should comply with Gigabyte Eco products requirements as well as International standards, such as EU RoHS Directive and REACH Decree; in addition, the Supplier Assessment Form including corporate social responsibility management, environmental protection, labor practices and human rights, fair business practices, supply chain responsibility, social and local contributions. Suppliers are urged to respect internationally recognized human rights and focus on global environmental issues to optimize the reduction of product life cycle to the society and together create the sustainable supply chain's corporate social responsibility. Please visit the CSR Website, section responsible supply chain https://csr.gigabyte.tw/supply-chain-management/、 https://csr.gigabyte.tw/four-steps-supply-chain-communication/and</p>	

Indicator	Implementation			Variation from Corporate Social Responsibility Best Practice Principles, and Reason
	Yes	No	Summary	
			https://csr.gigabyte.tw/conflict-mineral-management/ .	
5. Does the company adopt internationally widely recognized standards or guidelines when producing corporate social responsibility reports and reports disclosing the company's non-financial information? Have the aforementioned disclosures been assured, verified or certified by a third party?	√		The Company's CSR reports are prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core Option and the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies, with due reference to the UN's Sustainable Development Goals and other international guiding principles to disclose the Company's commitment, strategies, and management approach in relation to corporate sustainable development during the reporting period. This report has not yet been assured or verified by a third party. However, the financial data disclosed herein are information from CPA-certified annual reports. The ISO14064 organization level GHG inventory and reduction data, ISO14001, QC080000, and ISO45001 have been certified by SGS Taiwan Ltd. The indicators include our Xindian headquarters, Taoyuan Nanping plant, China Dongguan plant, and China Ningbo plant and are detailed in this report.	Conforms to the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM-Listed Companies.
6. 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: No difference. The Company has established a “Corporate Social Responsibility Practice Principles” based on the “Corporate Social Responsibility Best Practice Principles for TWSE/GTSM-Listed Companies” and related laws and regulations.				
7. Other pertinent Information that helps the general public understand CSR operations: Please visit our CSR website at https://csr.gigabyte.tw/ for more information about our CSR practice and sustainable development.				

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

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

Indicator	Operation			Variation from Ethical Corporate Management Best Practice Principles, and Reason
	Yes	No	Summary	
<p>1. Codify Ethical Management Policies and Plans</p> <p>(1) Does the company formulate ethical corporate management policies that have been approved by the Board of Directors and declare its ethical corporate management policies and procedures in its guidelines and external documents, as well as the commitment from its Board of Directors and management team to implementing policies?</p> <p>(2) Does the company establish a mechanism for assessing the risk of unethical conduct, regularly analyze and evaluate business operations at a relatively high risk of unethical conduct, and accordingly formulate solutions to prevent unethical conducts, which covers at least preventive measures against conducts as indicated in Article 7 Paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies?</p> <p>(3) Does the company have any measures against unethical conducts? Are these measures supported by proper procedures, behavioral guidelines, disciplinary actions and complaint systems? Does the company implement and regularly review and revise such measures?</p>	√		<p>The Company has established a "Ethical Corporate Management Best Practice Principles" based on the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and disclosed it on the Company's website and the Market Observation Post System.</p> <p>The management follows ethical management principles and has codified policies based on ethics, ensuring that the Board, supervisors, and employees abide by the Company Act, Securities and Exchange Act, Business Entity Accounting Act, laws that pertain to publicly traded companies, and other laws that govern business transaction, while discharging their duties.</p>	In compliance with "Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies"
<p>2. Implementing ethical management</p> <p>(1) Does the Company evaluate the ethical record of its transaction parties and explicitly include clauses on ethical behavior in contracts?</p> <p>(2) Does the company establish a dedicated unit supervised</p>	√		<p>(1) Our Company maintains a registry of all vendors we deal with. For key suppliers and customers we also inspect their credit profile to avoid losses due to breaches of contract.</p> <p>(2) Our Company does not yet have a dedicated</p>	In compliance with "Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed

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

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

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

(IX) Status of Enforcement of Internal Control System:

Gigabyte Technology Co., Ltd.
Statement of Internal Control

Date: March 15, 2021

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, 2020 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, 2020(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, 2021 with the presence of night directors (including proxies).

Gigabyte Technology Co., Ltd.

Chairman: Yeh, Pei-Chen

General Manger: Li, E-Tay

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

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

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

Date	Significant Agenda	Implementation
2020.06.12	1. Recognize our Company's business report and financial statements from 2019.	Approved.
	2. Recognize our Company's earnings distribution for 2019.	Approved. 2020.7.21 has been ratified as the stock dividend distribution date, and the cash dividend has been distributed on 2020.8.12.(NT\$2.2 cash dividends per share)
	3. Approval of amendment of the company's "Rules of Procedure for Shareholder Meetings"	Approved. The agenda has been carried out as resolved in the shareholders' meeting.

2. Important Resolutions of Meetings of the Board of Directors

Date	Important Resolution
2020.01.15	Resolution of investment in MyelinTek Inc.
	Resolution of the company's 2020 Certified Public Accountants (CPA) entrust and remuneration
	Resolution of assessment and recommendation on the year-end bonus for managers of the Company
2020.03.13	2019 Annual Internal Control System declaration
	Resolution of 2019 individual and consolidated financial reports
	Resolution of 2020 shareholder's regular session regarding the place and period accepting shareholder's proposal
	Resolution of 2020 shareholder's regular session regarding the period and the place of accepting the application
	Amendment to the Company's "Rules of Procedure for Board Meetings"
	Amendment to the Company's "Rules of Procedure for Shareholder Meetings"
	Amendment to the Company's Operating Procedures for the Management of Financial Reporting and Preparation Process
	The company's 2020 Budget proposal
2020.04.16	Approval of the Company's 2019 profit distribution proposal
	Approval of the Company's 2019 Business reports
2020.05.14	Approval of evaluation and suggestions to 2019 distribution of remuneration to directors
2020.06.12	Scheduled the 2020 basis date of ex-dividend for stocks
2020.08.13	Resolution of the company's proposal of continuing the credit transactions with China Trust Commercial Bank (CTBC Bank).
	Assessment and recommendation on the salary (annual salary adjustment) for managers of the Company
2020.11.13	Approval of 2021 Audit Plan
	Amendment of the company's "Organizational Rules of Salary and Compensation Committee"
	Resolution of the company's proposal of continuing the credit transactions with Xindian Branch of Mega International Commercial Bank
	The evaluation of the company's CPA independence
2021.01.15	Resolution of assessment and recommendation on the year-end bonus for managers of the Company
	Resolution of 2021 self-assessment of the Company's Board of directors and individual director
	Change of the Company's chief governance officer
	Resolution of the company's 2021 Certified Public Accountants (CPA) entrust and remuneration
	Resolution of the Company's purchase of real estate for business use

Date	Important Resolution
2021.03.15	2020 Annual Internal Control System declaration
	Resolution of 2020 individual and consolidated financial reports
	Resolution of 2021 shareholder's regular session regarding the place and period accepting shareholder's proposal
	Resolution of 2021 shareholder's regular session regarding the period and the place of accepting the application
	Resolution of issues relevant to the nomination of directors (including independent directors) candidates for 2021 Shareholders' annual meeting
	Amendment to the Company's "Rules of Procedure for Shareholder Meetings"
	Amendment to the Company's "Rules of Procedure for Board Meetings"
	The company's 2021 Budget proposal
	Approval of election for Directors
	Approval of the directors (including independent directors) candidate list proposed by the Board of directors
	Releasing the restriction of the non-compete clause for new directors
	Enactment of the Company's "Regulations Governing the Organization of the Strategy Committee"
	Resolution of 2021 self-assessment of the Company's Board of directors and individual director
	Resolution of 2020 the distribution of remuneration to employees and directors
	2021.04.16
Approval of capital reserve for cash dividend(NT\$1 per share)	
Approval of the Company's 2020 Business reports	
Resolution of the new agenda of the 2021 shareholders' meeting	

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

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

04/18/2021

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

IV.Information regarding auditing fee:

In NTD 1,000

Scale	Items	Auditing Fee	Non-audit fee	Total
1	Below NTD2,000		✓	1,839
2	NTD2,000-NTD4,000			
3	NTD4,000-NTD6,000			
4	NTD6,000-NTD8,000			
5	NTD8,000-NTD10,000			
6	More than NTD10,000	✓		10,923

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	Lin, Se-Kai	10,923	0	59	0	1,780	1,839	Whole Year (2020)	Non-audit expenses includes expenses for transfer pricing, advance pricing arrangements and change registration etc.
	Wang, Fang-yu								

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	2020		By April 18, 2021	
		Change in the quantity of shares held	Change in the quantity of shares under lien	Change in the quantity of shares held	Change in the quantity of shares under lien
Chairman and President, Gigabyte	Yeh, Pei-Chen	0	0	0	0
Vice Chairman	Ming Wei Investment Co., Ltd. Representative: Liu, Ming-Hsiung	0	0	0	0
Director	Yuei-yei Kai Fa Investment Ltd. Representative: Tseng, Chun-Ming	0	0	0	0

Title	Name	2020		By April 18, 2021	
		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
Director	Shih-Chia Investment Co., Ltd. corporate representative: Ma, Mou-Ming	0	0	0	0
Director	Shih Dah Investment Co., Ltd. corporate representative: Ko, Cong-Yuan	0 (151,000)	0 (1,300,000)	0 (38,000)	3,000,000 0
Director	Xi Wei Investment Co., Ltd. corporate representative: Li, E-Tay	0	0	0	0
Independent Director	Wang, Hwei-Min	0	0	0	0
Independent Director	Chan, Yi-Hung	0	0	0	0
Independent Director	Huang, Wen-lai (Note 1)	0	0	0	0
Gigabyte Senior Vice President	Ma, Mou-Ming	0	0	0	0
Senior VP of Gigabyte	Liu, Ming-Hsiung	0	0	0	0
Manufacturing Business Unit Senior VP	Cheng, Chun-Ming	0	0	0	0
Group General Manger	Li, E-Tay	0	0	0	0
Manufacturing Business Unit President	Meng, Hsian-Ming	0	0	0	0
Channel Solution Business Unit Senior Special Assistant	Hong, Wen-Chi	0	0	0	0
CFO, Operations Management Center and Financial & Accounting HQ Corporate Governance Officer	Chen, Chun-Ying	0 0	0 0	20,000 0	0 0
Operations Management Center Overseas Subsidiary Management Division. Vice General Manager of the US Platform	Lu, Zheng-Wei	0	0	0	0
C.O.O. , Operation Management Center	Bai, Guang-Hua	0	0	0	0

Title	Name	2020		By April 18, 2021	
		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
Brand Marketing Division, Vice President and Special Assistant to the President Spokesman, Public Relationship Department	Chen, Jin-Ting	6,000 (1,000)	0 0	0 0	0 0
Network and Communications Business Unit Product Center AVP	Chen, Zhang-Xiang	0	0	0	0
President's office, manager special assistant	Chen, Shi-Cheng	0	0	0	0
Network and Communications BU Vice General Manager	Hou, Chi-ren	0 (19,000)	0 0	0 (27,000)	0 0
Channel Solution Business Unit M/B Research & Development Center, Vice General Manager	Chen, Chen-shun	0	0	0	0
Channel Solution Business Unit, Sales Marketing Center, America & Asia Platform, Senior AVP	Liao, Chi-Li	0	0	0	0
Channel Solution Business Unit, Sales Marketing Center, Europe Platform, Senior AVP	Hsiao, Wen-Ta	0	0	0	0
Overseas Subsidiary Management Division APAC Platform Senior AVP	Liu, Wen-Chung	0	0	0	0
Channel Solution Business Unit, M/B Research & Development Center, software office, AVP	Deng, Yi-Ming	0	0	0	0

Title	Name	2020		By April 18, 2021	
		Change in the quantity of shares held	Change in the quantity of shares under lien	Change in the quantity of shares held	Change in the quantity of shares under lien
Channel Solution Business Unit, M/B Research& Development Center, Firmware Division II, Senior AVP	Tseng, Wei-Wen	0	0	0	0
Channel Solution Business Unit, M/B Research& Development Center, AVP	Liao, Che-Hsien	0	0	0	0
VP Mobility Product BU	Lan, Jun-Kun	0	0	0	0
Network and Communications Business Unit Product Center AVP	Chen, Yun-Di	0 (60,000)	0 0	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., General Counsel	Chiu, Chih-Peng	0	0	0	0
Manufacturing Business Unit Chief Engineering Division AVP	Sun, Wu-Hsiung	0	0	0	0
Vice General Manager, Channel Solution Business Unit, Gaming Products Research & Design Center	Huang, Shun-Chih	0	0	0	0
Vice General Manager, Channel Solution Business Unit	Lin, Ying-Yu	0	0	0	0
AVP, Customer Service Center	Lin, Chi-Ching	0	0	0	0
Senior AVP, Advanced E-Auto Research Center	Gu Rui-Lin	0	0	0	0
Vice General Manager, Mobility Product BU	Chen Jun-Cheng	-	-	0	0

Title	Name	2020		By April 18, 2021	
		Change in the quantity of shares held	Change in the quantity of shares under lien	Change in the quantity of shares held	Change in the quantity of shares under lien
AVP , Information Technology Division, Operation Management Center &Spokesman, Public Relationship Department	Sun, Guo-Ren	0	0	0	0
AVP, Channel Solution Business Unit, M/B Research& Development Center, Firmware Division I,	Gao, Sheng-Liang	0	0	0	0
AVP Mobility Product BU Material Management Division(Note2)	He Qiao-Feng (Note 2)	0	0	-	-
Corporate Governance Officer	Simon Huang (Note 3)	0	0	0	0

Note1: Resigned on August 5, 2020.

Note2: Resigned in March, 2020.

Note3: Adjustment of position on January, 15 2021.

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

VIII. Top ten shareholders and relationship between the shareholders

NAME (*1)	SHAREHOLDINGS BY SELF-OWNED		SHAREHOLDINGS BY SPOUSE AND UNDERAGE CHILDREN		SHAREHOLDINGS UNDER THE TITLE OF A THIRD PARTY		TOP 10 OF SHAREHOLDERS TO CONFORM TO THE ROC STATEMENT OF FINANCIAL ACCOUNTING STANDARDS NO. 3		REMARK
	Shares	Ratio	Shares	Ratio	Shares	Ratio	Name	Relationship	
Liu, Ming-Hsiung	41,168,918	6.48%	3,822,579	0.60%			Ming Wei Investment Co., Ltd.	Director	
Yeh, Pei-Chen	30,151,237	4.74%	5,821,063	0.92%			Ming Wei Investment Co., Ltd.	Director	
Nan Shan Life Insurance Co., Ltd.	26,583,000	4.18%							
Ma, Mou-Ming	23,673,383	3.72%	470,914	0.07%					
Yuanta Funds	23,051,980	3.63%							
Ming Wei Investment Co., Ltd.	14,062,200	2.21%					Liu, Ming-Hsiung	Director	
							Yeh, Pei-Chen	Director	
Representative: Yang, Xue-Qing	3,822,579	0.60%	41,168,918	6.48%					
American JPMorgan Chase Bank N.A. Taipei Branch in custody for JP Morgan Securities Investment Account	11,357,681	1.79%							
Wing Securities Investment Account under the trust of British Standard Chartered Bank[US1]	10,502,000	1.65%							
New Labor Pension Fund	9,675,000	1.52%							
Shi Da Investment Limited	9,219,000	1.45%							
Representative: Yang, Ya-Ting	-	-	1,000	0.00%					

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

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

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

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

December 31, 2020/Unit: share; %

Invested companies	Invested by the Company		Invested by directors, supervisors, managers, or by direct or indirect subsidiaries		Total investment	
	Quantity of shares	Proportion of holdings	Quantity of shares	Proportion of holdings	Proportion of shares	Proportion of holdings
GB.T., Inc.	54,116	48.63%	57,169	51.37%	111,285	100%
G.B.T. Technology Trading GmbH	0	100%	0	-	0	100%
Freedom International Group Ltd.	146,071,691.54	100%	0	-	146,071,691.54	100%
Charleston Investments Limited	0	-	57,032,141.68	100%	57,032,141.68	100%
Dongguan Gigabyte Electronics Co., Ltd.	0	-	0	100%	0	100%
GBT Tech. Co. Ltd.	800,000	100%	0	-	800,000	100%
Giga Investment Co.	293,756,500	100%	0	-	293,756,500	100%
GB.T. LBN Inc.	0	-	0	100%	0	100%
Giga Future Limited	0	-	82,819,550	100%	82,819,550	100%
Ningbo Gigabyte Co., Ltd.	0	-	0	100%	0	100%
Ningbo Best-Yield Repair and Maintenance Co., Ltd.	0	-	0	100%	0	100%
Ningbo Gigabyte International Trading Co.	0	-	0	100%	0	100%
Giga-Byte Technology B.V.	8,500	100%	0	-	8,500	100%
Giga-Trend International Investment Group Ltd.	0	-	45,290,000	100%	45,290,000	100%
Ningbo Zhong Jia Technology Trading Co.,Ltd.	0	-	0	100%	0	100%
Gigabyte Technology Pty. Ltd.	2,400,000	100%	0	-	2,400,000	100%
Aorus Pte. Ltd.	0	-	3,073,000	100%	3,073,000	100%
Giga-Byte Communications Inc.	2,145,880	99.86%	0	-	2,145,880	99.86%
Giga-Trend International Management Group Ltd.	0	-	1,000,000	60%	1,000,000	60%
Gigabyte Technology (India) Private Limited	4,600,000	100%	0	-	4,600,000	100%
G-Style Co., Ltd.	72,000,000	100%	0	-	72,000,000	100%
BYTE International Co., Ltd.	31,000,000	100%	0	-	31,000,000	100%
Nippon Giga-Byte Corp.	1,000	100%	0	-	1,000	100%
Gigabyte Technology Poland SP.Z.O.O.	0	-	100	100%	100	100%
Gigabyte Technology ESPANA S.L.U.	5,000	100%	0	-	5,000	100%
Gigabyte Information Technology Commerce Limited Company	8,000	100%	0	-	8,000	100%
Gigazone Holdings Limited	0	-	34,500	100%	34,500	100%
Gigabyte Technology LLC.	168,000	100%	0	-	168,000	100%
Senyun Precise Optical Co., Ltd.	0	-	324,586,585	96.41%	324,586,585	96.41%
OGS Europe B.V.	0	-	3,000	100%	3,000	100%
Shenzhen Best Yield Service Co., Ltd.	0	-	0	100%	0	100%
Selita Precision Co., Ltd.	0	-	5,000,000	100%	5,000,000	100%
SenYun Precision Optical (Dongguan) Co., Ltd.	0	-	0	100%	0	100%
Gigaipc Co., Ltd.	20,000,000	100%	0	-	20,000,000	100%
Zaozhuang Bestyield Resources Recycling Co., Ltd.	0	-	0	100%	0	100%

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

Four. Equity Capital and Shares

I. Equity capital and shares

(I) Sources of equity capital

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

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

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

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

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

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

Types of shares

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

Information of overall declaration system: Nil.

(II)The structure of shareholdings

April 18, 2021

Shareholder	Government agencies	Financial institutions	Other institutional investors	FINI and FIDI	Natural persons	Treasury stock	Total
Quantity							
Number of shareholders	0	27	254	412	47,122	0	47,815
Quantity of shares held	0	70,976,285	127,674,019	200,356,522	236,682,060	0	635,688,886
Proportion of holdings	0%	11.17%	20.08%	31.52%	37.23%	0%	100%

(III)The diversification of shareholdings

Face amount at NTD10/share

April 18, 2021

Ranking of shareholding	Number of shareholders	Quantity of shares held	Proportion of holdings
1-999	22,744	2,531,496	0.40%
1,000-5,000	20,897	39,873,984	6.27%
5,001-10,000	2,173	16,816,820	2.65%
10,001-15,000	583	7,382,758	1.16%
15,001-20,000	334	6,214,131	0.98%
20,001-30,000	284	7,190,454	1.13%
30,001-40,000	149	5,379,913	0.85%
40,001-50,000	121	5,686,689	0.89%
50,001-100,000	176	12,431,069	1.96%
100,001-200,000	100	14,071,246	2.21%
200,001-400,000	79	22,472,172	3.54%
400,001-600,000	51	25,153,037	3.96%
600,001-800,000	19	13,418,665	2.11%
800,001-1,000,000	12	10,836,077	1.70%
1,000,001 and more	93	446,230,375	70.19%
Total	47,815	635,688,886	100.00%

(IV)List of dominant shareholders

April 18, 2021

Name of dominant shareholders	Shares	Quantity of shares held	Proportion of shareholdings
Liu, Ming-Hsiung		41,168,918	6.48%
Yeh, Pei-Chen		30,151,237	4.74%
Nan Shan Life Insurance Co., Ltd.		26,583,000	4.18%
Ma, Mou-Ming		23,673,383	3.72%
Yuanta Funds		23,051,980	3.63%
Ming Wei Investment Limited		14,062,200	2.21%
American JPMorgan Chase Bank N.A. Taipei Branch in custody for JP Morgan Securities Investment Account		11,357,681	1.79%
Wing Securities Investment Account under the trust of British Standard Chartered Bank[US2]		10,502,000	1.65%
New Labor Pension Fund		9,675,000	1.52%
Shi Da Investment Limited		9,219,000	1.45%

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

Subject		Year	2019	2020	By March 31, 2021
Market price per share (Note 1)	Highest		56.30	94.70	100.50
	Lowest		38.00	36.35	74.60
	Average		48.54	67.15	87.66
Net value per share	Cum-dividend		38.22	43.10	-
	Ex-dividend		36.02	38.10 (Note 7)	-
EPS	Weighted average number of shares		635,688,886	635,688,886	-
	EPS (Note 3)		3.05	6.88	-
Dividend per share	Cash dividend (Dollar)		2.20	5.00 (Note 8)	-
	Stock dividend	From retained earnings	-	-	-
		From capital reserve	-	-	-
	Accumulated unpaid dividends		-	-	-
Analysis on ROI	P/E ratio(Note 4)		15.91	9.76	-
	P/P ratio(Note 5)		22.06	13.43	-
	Cash dividend yield(Note 6)		4.53%	7.45%	-

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

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

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

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

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

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

Note 7: Distribution for 2020 is based on the resolution of the Board of Directors on April 16, 2021.

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

(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 (10,944,500,036)		
5%	-	547,225,001
80%		8,755,600,029
Cash dividend from retain earnings (@\$4)	-	2,542,755,544
Cash dividend from capital reserve (@NT\$1)	-	635,688,886
Cash dividend combined (@NT\$5)	-	3,178,444,430

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

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

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

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

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

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

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

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

There is no difference between the actual distribution amount of 2020 compensation for employees and remuneration for directors resolved by the BOD and the adopted estimates. Where there is a difference between the actual distribution amount and the estimates, the difference will be listed as a loss of the distribution year.

3. Information on the proposal on compensation for employees made by the board:
The board resolved in favor of the motion presented for the paid out of retained earnings for 2020 and the details are described as follows:

Unit: NTD/share

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

Note: The above amounts are the same as that estimates for 2020.

4. Retained earnings 2019 released as cash dividend to employees and fees for directors and supervisors:

Unit: NTD/share

Subject	Quantity	Amount
Compensation for employee (10%): Compensation for employee -cash	-	245,385,163
Fees for directors (1.87%)	-	46,000,000

Note: The amounts of remuneration actually paid to the abovementioned employees and directors are consistent with those presented in the financial statements for 2019, i.e. TWD 245,385,163 for employees and TWD 46,000,000 for directors.

(IX) Stock buyback

In 2020 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:

The Company completed the employee stock options issuance in 2017. From 2020 through to the publication date of this year's annual report, no employee stock options had been issued.

VI. Issuance of New Restricted Stock for Employees

None.

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

None.

VIII. Status of Capital Utilization Plan

Not applicable.

Five. Review of Operation

I. The business

(I) Scope of Operation

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

Unit: NTD1,000

Proportion Primary Products	2018		2019		2020	
	Sales value	%	Sales value	%	Sales value	%
Mother boards& graphic cards	49,327,587	80.97	48,874,963	79.11	68,618,983	81.11
Others	11,596,003	19.03	12,906,291	20.89	15,983,858	18.89
Total	60,923,590	100.00	61,781,254	100.00	84,602,841	100.00

Note 1: The above table shows net sales revenues.

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

4. New product development plans:

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

(II) Industry Overview:

1. Industry status and developments

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

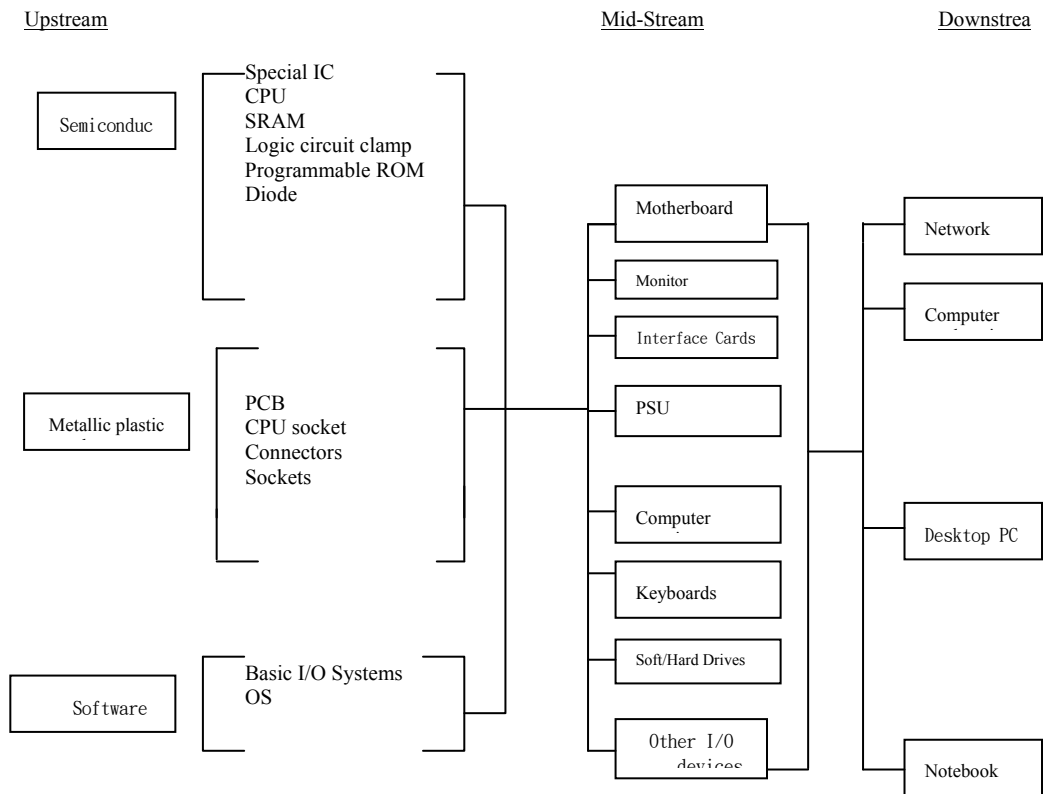
In 2020, many eSports competitions were postponed or canceled due to the pandemic. However, compared with other activities, eSports is easier to be held online, so the adverse effect caused by the pandemic on is slighter. With pandemic boosting “Stay-at-Home Economy”, companies such as Intel®, NVIDIA®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

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

The server marker was adversely affected by the coronavirus disease in 2020. In the first half year, some parts of the supply chain were affected and important components were in shortage due to the lockdown of many cities in the world. In the meantime, server was in short supply because remote services such as remote education began to prevail, and 5G as well as AI products also broke into the market then. It is impossible to tell if this phenomena will last after the pandemic. Nevertheless, Gigabyte still actively expand its server application market to new fields, such as academic research, transportation, financial sector and entertainment industry. Gigabytes also launched various series of high-performance servers. Customers can choose suitable server program according to the cutting-edge technology used (e.g. high-performance computing, deep learning and edge computing).

The global market in 2021 is still being affected by the coronavirus disease. Although the post-market visibility remains unclear, we predict that operational performance of this year will be better as new-generation products are being introduced and Gigabyte is exploring new application markets for server products.

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



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

3. Product trends and competition

(1) Product development trend

Semiconductor technology keeps making progress. In 2021, industry leaders such as Intel®, NVIDIA® and AMD® continue to launch new-generation processors and platforms, which provide astonishing computing power. Users are able to have stunning experience that has never appeared before no matter when working or playing. New products launched by Gigabyte this year enable their users to control stronger computing power easily. Based on printed circuit boards. Gigabyte reaches out to its customers through innovative servers, laptops and gaming peripherals. Gigabyte brings out its main specializations, innovative research, development and high-quality performance. Coupled with its thorough understanding to kinds of scenarios, Gigabyte launched many products that can satisfy their users in one place. New products launched since the first season include Z590 AORUS series motherboards, which are equipped with 20 +1-phase whole IR pure digital power VRM design and the new generation Fins-Array II cooling plan, and are able to make the best of the 11th generation Intel® Core™ processor, whole new series AORUS ELITE high-order gaming graphics cards adopting GeForce RTX™ 3060, Radeon™ RX 6900 XT series graphics cards featuring advanced MAX-Covered cooling technology, and Radeon™ RX 6700 XT series graphics cards providing the best 1440P gaming experience through GIGABYTE windforce cooling technology.

Hot cutting-edge technologies in 2020 include not only those topics discussed in 2019, such as 5G, edge computing and IoT, but also two important topics newly showed up: HPC and AI. Regarding 5G, edge computing and IoT applications, in 2020, GIGABYTE announced the whole new E series edge computing servers, which are designed to prepare for edge computing. The flagship in the series, E251-U70, integrates all high-performance computing, storage allocation and Internet package into one small box. The short-box design makes it flexible for edge computing devices to be applied in. Its distributed computing system can reduce work-load of the data center. Also, basic data collection and analysis are able to be carried out in the front end to accelerate detection and feedback time. As a crucial member in the Intel® IoT Solution Alliance and AMD, GIGABYTE launched ultra-slim PC Brix™ which features top performance and security, outstanding product quality and highly flexible input/output (I/O) design, and is suitable for various types of IoT and business applications. What's more, GIGABYTE showed 5G, edge computing and IOT solutions in kinds of physical or online shows such as CES2020, GTC2020, GIGABYTE MWC Online and GIGABYTE Virtual Show 2020.

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

Keep-improving AI products are entering into people's daily lives. For example, logistics centers implement the HWR system to classify emails, and hospitals use machine vision to diagnose diseases. In this respect, GIGABYTE launched both software and hardware products: Regarding hardware, G series GPU collaborative computing server allocates multiple GPU cards into one small body. The server also speeds up deep learning by processing a large amount of images in a short time through parallel computing. Regarding software, GIGABYTE invests in the MyelinTek MLSteam Deep Learning Solution. The platform features pre-fitting software and hardware structure, which has been certified and optimized, and various types of mainstream deep learning frameworks as well as function libraries. Its graphical user interface enables users to monitor the system status and training results at any time. One of GIGABYTE's clients is a giant in Northern America logistics industry, who uses the customized GIGABYTE server to assist high-speed sorting machines to sort out parcels by receiving parcel photos taken by high-speed camera, then using the AI software to identify important information such as

recipients' names and addresses. One self-driving car company in Israel uses GIGABYTE G series GPU collaborative computing server and R series rack server to train its self-driving cars by deep learning, making their self-driving skills to the highest level "full self-driving".

As Gigabyte continues to pursue sustainable operations, "Upgrade Your Life" is the guiding principle and goal that we continuously aim to achieve, not only focusing on the industry but also on the sustainable values in the economical, environmental and social context. GIGABYTE cares about all its employees and is listed in Forbes the World's Best Employers 2020. GIGABYTE also actively carries out the sustainable development strategy "Reduction, Sharing, Love for Earth" and won awards like the Commonwealth Magazine Corporate Citizenship Award and the CSR Commonwealth Corporate Citizenship Award. In regards to products, starting from the original design, we have taken into account the effect of carbon emission, successfully implementing packaging for the eSports notebooks made of 100% agricultural waste like rice husks. In regards to the environment, we have continued working with the UNEP-approved Plant-for-the-Planet foundation to kick start the "Make Earth Green Again" program, working hand-in-hand with the consumers and collaborative partners to make the mission of "Upgrade Your Life" a focal point for all of us.

(2) Competition

In 2020, the coronavirus disease ravaged the world. Trend of work from home, study from home and stay-at-home economy enables the PC market to make a spurt of progress. Well liked gaming products continue to be the rage. Gaming PCs, peripherals and underlying softwares and eSports games have together formed a complete industrial ecology. In addition, business PC products have outstanding performance. Recent years, GIGABYTE cooperates with Intel to promote creator PCs, expecting creator PCs to form an independent industrial ecology and push circuit boards, laptops and peripherals to grow.

In terms of servers, remote services are going viral, making cutting-edge technology products like 5G and AI gradually become widespread and further increasing the demands for servers. In light of this, GIGABYTE actively expands its server application market, announces series of server products suitable for different scenarios, such as G series GPU collaborative computing servers, which are good at processing images through parallel computing, and E series edge computing servers, which are specially designed for the preparation of edge computing.

Gigabyte has always continued to research and develop product functions are the completely in line with consumers' habits and provide the most suitable product experiences and services. Through user interaction and experience sharing, we satisfy the needs of different people and create the most desirable value for customers by combining smart analysis with cloud computing.

(III) Technology and R&D:

Continuing research and development is a Gigabyte legacy. Every year, we appropriate at least three per cent of sales revenue to research and development to secure key hardware and software technology for future growth and devote product value innovation and brand sustainable development. In recent years, our efforts have been rewarded by numerous international awards, such as iF and Red Dot. Moreover, Gigabyte products have been exhibited in the President's Office of the Republic of China and Taoyuan International Airport to represent the achievements of Taiwan brands. All these show Gigabyte's solid technical capacity and R&D power.

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

Unit: NTD1,000

Subject	2019	2020	By March 31, 2021
R & D spending	2,020,307	2,360,903	978,306

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) 2020

a. Top notch mainboard on the planet

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

① Regarding power supply design, GIGABYTE Z590 motherboard is the first flagship product in the industry that uses 20+1-phase IR digital power. Coupled with 8+8 Solid-pin CPU Power Connectors, the motherboard offers incredible precision in delivering power to the motherboard's key components and unleashes the extreme performance of the latest Intel® 8-core processor, allowing enthusiasts to obtain the absolute maximum performance from the all core 5GHz technology and truly achieve control over the motherboard with the new processor performance.

② Regarding heat dissipation design, the GIGABYTE Z590 AORUS XTREME WATERFORCE uses and makes better the well reputed water-cooling design which has already been utilized in previous products. With an innovative all-in-one water-cooling thermal design, the product not only provides the most perfect heat dissipation solution for processors, VRM, chipset, and M.2 SSD to ensure system stability and low temperature under full loading application and gaming. With stylish exteriors and built-in dual lighting effect in digital RGB light design, the product can assist gamers or liquid cooling enthusiasts to build the most high-quality, personalized liquid cooling heat dissipation system. Other companies are also attracted by such design and follow it one after another. The 90 degree corner design of its full-board expansion connector not only makes machine assembly more convenient, but also improves the system heating by effectively optimizing winds in the case.

③ Launched different motherboards specially for different markets. For example, Tachyon motherboards help gamers to break the limit of performance by the idea of extreme-performance together with GIGABYTE's solid R&D ability and materials. As for VISION series motherboards, which are specially developed for professional creators, exert their product strengths by providing the most convenient functions to creators, enabling creators to turn their imaginations into real works.

b. Industry-leading graphics card

- ① Continuously introduce premium AORUS high-order graphics cards. Research and develop the state-of-the-art max-covered cooling technology on our own. The technology integrates unique blade stack fans, special-designed wind claw fan blades, anti-turbulence alternate spinning fans, screen-cooling technique, vapor chambers, composite wick heat pipes and angle shape high low cooling fins to dissipate waste heat of the graphics processing unit effectively, therefore provides stable user experience to gamers. Multi-function LCD monitors are deployed in the side face of AORUS graphics cards. Such monitors are not only able to display information of the graphics card, but also able to show custom GIF, words or pictures. In some modes, gamers can create their preferred appearance by adjusting the color and light effect through the software RGB FUSION 2.0.
- ② Keep researching and developing the windforce cooling system for GAMING and EAGLE series, mainstream gamers' favorite. Ahead of the industry, GIGABYTE applies nano graphite lubricating oil to the fan bearing. Such application extends the life span of sleeve bearing fans 2.1 times, makes them as durable as ball bearing fans but quieter. Moreover, the introduction of scree cooling technology and Dual BIOS quiet operational mode are especially features welcomed by gamers.
- ③ To meet creators' requirement for graphics cards, GIGABYTE launched the brand new design VISION graphics cards. The graphics cards have elegant appearance on the basis of silver white along with lines of minimalist style and the high-performance windforce cooling system, which enables non-gamers are also able to enjoy high-performance computing power of graphics cards.
- ④ The AORUS GeForce RTX™ 30 series open water-cooling graphics card, the first graphics card in the world to use the "liquid leakage detection" technology, a technology in the process of patent application, provides its users with good liquid leakage alarm function. As long as the graphics card detects any liquid leakage, it will immediately initiate the protection mechanism and flashing warning, enabling its users to turn off the computer within the shortest possible time to avoid loss incurred by water leakages. Those functions all make users rest assured when playing games.
- ⑤ Launched the external graphics card box AORUS RTX 3090/3080 GAMING BOX, which is the only one equipped with the water-cooling thermal design in the world. The built-in NVIDIA ampere architecture graphics card GeForce RTX 3090/3080 and Thunderbolt™ 3 plug and play for high-speed transmission not only enable the 3D graphics capability of ultrabook laptop PC but it can also turn the ultrabook laptop PC into a gaming platform with real-time ray tracing and AI, allowing consumers to enjoy a new generation of ultimate gaming experience anytime, anywhere.

c. Industry's innovative cloud server

① AI solutions research and development

Developed various server product lines to support massive GPU/FPGA parallel acceleration, with the aim to increase the computational efficiency in artificial intelligence training. It also makes use of enterprise products across stations/terminals, by launching corresponding AI terminal products, from

workstations that support standard PCIe card (influence card) to mini computing modules powered by algorithms. In addition, developed all-flash array storage infrastructure products to provide more complete and highly-efficient AI suite products, and provide customers with optimal flash storage and computing advantages, as well as solve complex system maintenance problems such as isolated data island, speeding up customers' future discovery and insight. This solution helps National Cheng Kung University to come in first in the international "High Performance Computing and Artificial Intelligence (HPC-AI) Student Competition" and Fan Favorite award in "Germany's ISC Student Cluster Competition", one of the world's top three computing competitions. This is the glory of Taiwan! This is the glory of GIGABYTE!

②5G architecture integrated solution

5G mobile network is not merely a simple hardware upgrade for improving network speed; it also involves multiple conditions and requirements, such as network speed, lag, the number of connected devices, and service quality. This network is a cross-domain network service architecture designed for future lifestyles. Currently, 5G architecture deployment is mainly driven from open-source software and hardware, followed by refurbishing the network architecture. It upgrades small cell technologies, deploys to the terminal and then gradually to SDN hardware with the server as the main body. GIGABYTE has 20 years of experience in hardware supply in vertical application, and cooperates with 5G chipset manufacturers, national research and development teams, and networking software startups. With its early preparation targeting compatibility and software and hardware optimization, it takes the lead in 5G commercial operations, and seizes business opportunities in Enhanced Mobile Broadband (eMBB) and business-critical services with terminals and SDN products.

③Cooperates with AMD in launching EPYC™ platform

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

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

Furthermore, by cooperating with the company ARM, Gigabyte officially obtained and released the Arm SystemReady official certification.

⑤ Cooperates with Intel in launching new-generation Xeon platform

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

d. AI gaming laptop

Gigabyte continues to pursue excellence in the research and development of AORUS gaming laptop PCs. In an increasingly saturated gaming laptop market, Gigabyte persists in their quest for high-end computing performance, with a focus on producing new product lines that meet customers' needs: Cooperates with world-class teams to develop the unique WINDFORCE Infinity cooling technology, making the best of the new generation NVIDIA® GeForce RTX™ graphics processing unit. This technology, along with high rps panels and mechanical keyboards, can enhance professional eSports players' performance comprehensively. In terms of creators, GIGYBYTE helps creators to work much more efficiently by providing the AMOLED panel, which is the pioneer to be equipped with Xrite Pantone factory color correction program. It also features NVIDIA RTX Studio Driver, which optimizes more than 40 types of creation softwares.

e. Ultra compact PC Champion Brix™

As an important member of AMD & Intel® IoT Solutions Alliance, GIGABYTE is one of the indispensable cores of the vibrant development of the Internet of Things (IoT) computing market. We have developed various innovative reference designs for Intel® new platform, and will further expand to launch a high volume of professional IoT products and optimized solutions for customers. Featuring industry-leading performance and security, outstanding product quality and highly flexible input/output (I/O) design, GIGABYTE BRIX™ IoT is very suitable for various types of IoT applications. Recently, it has even been loved by many home customers and gained consumers' favor in e-commerce channels of varies major countries.

f. Gaming peripherals that won numerous awards

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

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

With the advanced PCIe 4.0 control chip and flash memory chip, its performance is twice of traditional PCIe 3.0 NVMe SSD. Also, the arrangement of the specially designed cooling fins makes the best of peripheral quiet zone of M.2 SSD slot without intervening it. Furthermore, the heat

dissipating surface of its cooling fins is maximized to avoid speed drop caused by overheat, which usually occurs in other SSD products. All of the above-mentioned features together enable AORUS Gen4 7000s SSD easily read and load information without dropping its speed. Players are also able to check and adjust the operation of SSD in real time with the application AORUS SSD Tool Box.

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

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

- g. New Application of 5G

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

- (2) By the report publication date

- a. Top notch mainboard on the planet

GIGABYTE Z590 motherboard is based off the new Intel® chipset. In addition to offering support for the new PCIe 4.0 architecture to deliver ultra-high transfer speeds, it is also equipped with extensive functions. The motherboard packs a 20 +1-phase whole IR pure digital power design for the most stable power management along with the second generation Fins-Array stacked fin heatsink technology, the second generation Direct Touch heatpipe, and a Nanocarbon baseplate for advanced cooling, earning much praise for its ability to keep temperatures low even under high load operations and enabling users to extract the full potential from their latest gen. Intel® Core™ processors! Tachyon motherboards help gamers to break the limit of performance by the idea of

extreme-performance together with GIGABYTE's solid R&D ability and materials.

VISION series motherboards, which are exclusively developed for professional creators, provide convenience to creators by introducing the advanced Vision Link technology and making the most of Thunderbolt™ 4 and USB Type C. Users can use one single wire to transmit information, transmit images and charge at the same time, reducing the inconvenience brought by connecting too many wires when creators are using their graphics tablet, enabling creators to turn their imaginations into real works.

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

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

They will be on the market at the same time when announced to the world.

-We will simultaneously plan AMD® products and start introducing AMD® next-generation Radeon graphics accelerators for applications in server products. The new-generation GIGABYTE G series server will provide products that support PCIe expansion slots and meet OAM standards.

b. Industry-leading graphics card

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

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

c. Industry's innovative cloud server

Gigabyte is the only brand in the industry to propose a complete line of platformed products after the market introduction of AMD® Zen platform. Following the success of the AMD® processor in the market, Gigabyte also gained widespread response as seen by its increased market share. Feeling unsatisfied still, Gigabyte will in the upcoming year further expand products that support AMD® processors, thereby widening the gap with its competitors:

-We will introduce root-of-trust (RoT) chip in GIGABYTE R series server in advance to prepare for the complete introduction of the next generation products, providing future consumers with safer options of Internet devices.

-We will integrate all types of heat dissipation technologies in GIGABYTE H series server products, including water cooling, oil cooling, and immersion cooling. Given the increase in computing frequency, high-temperature components in the market, and user environmental challenges from 5G mobile networking, Gigabyte will introduce solutions that are no longer confined to computing, but instead it will focus on providing customers with complete sets of computing devices.

-We will introduce AMD®A+A product portfolios in G series server. AMD®ROME processor and Radeon graphics accelerators are the only commercial x86 computing product supporting PCIe 4.0 high-speed convergence. The market's first GIGABYTE ROME server product supporting AMD®Radeon graphics accelerators not only provides options of faster AI products and supercomputing, but also ends the monopoly NVIDIA® has had in the accelerator market.

-Based on the hardware cross-generation compatible design of the AMD® platform, Gigabyte will complete the software and firmware technologies that support next-generation processors, and provide samples of the new-generation AMD® products for testing before launch and for global distribution.

-We will simultaneously plan AMD® products and start introducing AMD® next-generation Radeon graphics accelerators for application in server products. The new-generation GIGABYTE G series server will provide products that support PCIe expansion slots and meet OAM standards.

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

-We will simultaneously plan AMD® products and start planning the development and introduction of EPYC's next-generation platforms and technologies.

Concerning the ARM server, GIGABYTE will work more closely with Ampere. After the first generation Altra platform enters the market, Gigabyte will expand the product line of Altra according to market demand. Gigabyte will simultaneously start to develop and plan the next two generation products after Ampere to extend the possibility of ARM structure in the server market.

Given the increase in components with higher computing frequency in the market and user environmental challenges from 5G mobile networking, Gigabyte will introduce solutions that are no longer confined to computing; instead, it will provide total solutions that include cooling system designs. Gigabyte will also integrate different heat dissipation technologies in Intel® and ARM products, in addition to AMD®, and in server racks that meet OCP regulations. Thus, we provide consumers with a greater diversity of product options, thereby rendering a true one-stop shopping service.

d. AI gaming laptop

Gigabyte is widely recognized as the developer of light high-performance creator laptops and professional gaming laptops. In the beginning of 2021, Gigabyte announced to upgrade AERO series creator laptops and AORUS series gaming laptops, the laptops used by professional eSports teams, by applying GeForce RTX 30 series graphics processing units to those laptops.

- GIGABYTE finds that, no matter for creating or gaming, the key point of the experience is its computing performance. The whole new AORUS and AERO laptops equipped with RTX 30 series graphics processing units announced this year improve the whole performance, simultaneously optimize the unique sync WINDFORCE Infinity cooling design. With the Microsoft Azure AI, optimal setting will be automatically adjusted according to the program. The laptops not only keep their portability but also extract their full performance in large scale. Their overall performance is 30% better than products of the last generation, improving both the gaming performance and creators' work efficiency.

- Gigabyte launched professional gaming laptops AORUS 17G, AORUS 15G and AORUS 15P, featuring whole new RTX 30 series next-generation performance and even being equipped with 240Hz high rps panels and mechanical keyboards. Those make the laptops meet the requirements of world-class professional eSports players, and hardcore players are also able to have better gaming experience.

- GIGABYTE launched the AERO 15 OLED and AERO 17 HDR laptops for creators. The AERO series laptops not only have powerful performance that can greatly reduce media processing times, they are also the world's only laptop with X-Rite™ Pantone® calibration certified, guaranteeing accurate display colors. The portability for creators are also fine-tuned, by equipping the AERO with a large 94 Wh battery in an ultra-portable chassis, giving creators an extended 8 hours of battery usage to create anything anywhere. Laptops built with Microsoft Azure AI provide users with the best and the most perfect user environment for job creation or gaming experience.

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

AORUS AD27QD

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

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

- We developed the AORUS K1 gaming keyboard with quality that matches the high quality requirements of previous products. AORUS K1 is equipped with the German CHERRY MX key-switch with a service life of up to 50 million keystrokes. The keyboard is simple and features floating key design for easy

cleaning, braided cable and cable-routing design, multi-layer fast function keys, all key programmable with on-board memory, and RGB Fusion 2.0 lighting customizable function. Along with the entire AORUS system, the keyboard can be easily customized using a single software operating interface. AORUS K1 is crafted for professional gamers and provides better gaming experience.

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

f. New Application of 5G

- 5th generation mobile networks (5G) is the newest generation mobile communication technology. The target of 5G is high data speed, reduction delay, saving energy, lowering the cost, enhancing system volume and connection of devices on a large scale.
- Integration technologies of the industrial computer system are listed as following:
 - ① The Motherboard Design Supporting 5G Reception
 - ② The Design of Miniature Fanless System
 - ③ The System Heat Flow Analysis and Structural Design Integrating 5G
 - ④ The 5G Rf Antenna Pattern Analysis and Rf test

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

Short-term plan:

(1)Market

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

(2)Product

Expected to develop diverse new generation products and services on open platform: AORUS gaming peripherals, new generation top series motherboard, new generation high-end gaming graphics card, innovative computer peripherals and world's first tactical gaming monitor. System platform comprises: Brix ultra-slim laptop and AI laptop. Cloud applications comprises: Server products such as 5G application series, AI cloud computing series, hyper-converged infrastructure series, big data storage service series, enterprise IT architecture series, etc. Smart applications comprises: AIoT application system solutions, smart recognition services, automotive electronics, photoelectric integration related application products, etc. Continue to integrate software and hardware, add new product elements, satisfy different user groups.

(3)Marketing

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

(4)Sales Channel Establishment

Besides expanding the operating model to B2B2C and strengthening traditional channel marketing of existing distributors, we also cooperate with e-commerce, and make use of e-commerce platforms to expand sales and shopping guides, as well as carry out precision segment marketing and services. The new model can effectively transform competition into strength, as well as drive the growth of brand and operational performance.

(5)Manufacture

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

(6)Service

Continue to make use of AI technologies, accurately meet and satisfy customers' needs with smart service methods that combine virtuality and reality. We make use of innovative technologies such as smart recognition technologies, smart lockers, smart customer service robots, etc. to further increase customer satisfaction.

(7)Social Responsibility

The vision of promoting sustainable development begins from GIGABYTE's corporate mission, "Innovative Technologies, Upgrade Your Life", and we have established 4 major sustainable development policies. Based on our expertise in research and development, and innovation capabilities, we have developed low-carbon technologies. Since the launch of the Green Action Plan, we have reduced more than 40% of carbon in the past decade, far exceeding the original target. We also actively respond to Science Based Targets initiative (SBTi) and Task Force on Climate-related Financial Disclosures (TCFD), and strive to meet international climate targets and strategies, to generate more significant performance. We also organize international climate workshops for the future generation of Taiwan to learn about the global climate change crisis, and practice sustainability. GIGABYTE Technologies continues to provide friendly products and services, and care for the society. We take active effort for the good of the people, environment, and society, and for the sustainability of the earth!

Long-term plan:

- (1) Gigabyte focuses on gaming and other durable high-performance markets. Leveraging the leading status of AORUS, we continue to translate consumers' expectation into high-end tactical products that create a full spectrum of product experience in tactical gaming and transform our advantages into a competitive edge for the company.
- (2) Gigabyte continues to engage in diversified development, using our years of R&D experience to introduce different innovative products, including 5G, AIoT, AI, edge computing, smart living, and cloud application services, extend market opportunities from different areas, expand our business operation, and continue to create profit and growth opportunities for the company.

- (3) In a fast-changing market, Gigabyte continues to engage in smart transformation, integrate corporate operations with machine learning, big data, and other innovative technologies, and optimize business efficiency. Gigabyte upholds the principle of making use of innovative technologies as its basis for upgrading life, continues to make improvements, and became the winner of all time.

II. Market and Sales

(I) Market Analysis

1. Main product (service) market regions:

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

Sales volume and value over the last three years:

Unit: NT\$1,000

Region	2018		2019		2020	
	Amount	%	Amount	%	Amount	%
Asia	23,086,287	37.89	22,631,182	36.63	29,173,403	34.48
Europe	21,073,660	34.59	21,018,146	34.02	28,037,004	33.14
North America	11,421,629	18.75	12,903,626	20.89	20,548,814	24.29
Other regions	3,457,737	5.68	3,579,577	5.79	5,067,884	5.99
Domestic sales	1,884,277	3.09	1,648,723	2.67	1,775,736	2.10
Total	60,923,590	100.00	61,781,254	100.00	84,602,841	100.00

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

(1) Market Share

Gigabyte is inherently committed to cultivating the sales market. Thanks to our positive brand image and word of mouth, we have always maintained the first or second place in the motherboard market. Our AORUS high-end gaming products and tactical series products have received multiple international awards, thereby further solidifying our leading position in the industry. Gigabyte actively develops 5G technologies along with AIoT, edge computing, hyperconverged computing architecture, and various smart cloud services, which is why we are continuously growing in the cloud server market. Gigabyte aims to continuously strive toward becoming the second largest distributor in the industry and the most competitive brand in the market, with satisfactory services, leading performances, and innovative products.

(2) Market Supply

With the rapid advancement of semiconductor technologies, Intel®, AMD® and NVIDIA® have launched new high-performance products in 2019. Influenced by the fierce competition in the CPU market, the overall PC market delivered outstanding performance in 2019, finally putting an end to its years of weak growth. A new wave of business opportunities and stronger growth momentum in the market can be expected in 2020, following the announcement of new-generation Intel®, NVIDIA®, AMD® products, the introduction of new eSports games, the convergence of CPU shortage problems, and the successive completion of high-order product lineups for gaming and content creators. Cloud, Big Data, and Internet of Things are super popular in recent years, with 5G applications adding to the speed and scale of market explosion, which suggests that 5G networks will be the biggest and most popular market player in the future.

(3)Market Demand

The PC market was overall affected by coronavirus disease in 2020, making PCs daily necessities again and PC market saw rapid record-breaking growth. Market research institution IDC reported in 2020 that according to its preliminary estimation, the global output volume of PCs (including traditional desktop computers, laptops, and workstations) will exceed three hundred million units, with annual increase of 13.1%; the last time such substantial growth appeared is in 2010, and the annual increase for PC market of that year is 13.7%. Market research institution Gartner reported in 2020 that according to its preliminary estimation, the global output volume of PCs will reach 275 million units, with annual increase of 4.8%, which is also the highest in ten years.

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

a. Industry development and vision

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

b. Product development and operational management

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

c. Marketing

Favorable Factors	Unfavorable Factors	Countermeasures
<ul style="list-style-type: none"> ● eSports cards and peripheral products have the top position in many countries across the world. Where we are placed in 1st position, continue to maintain the lead with intensive relationship management and building. ● Cloud applications and server market are developing 	<ul style="list-style-type: none"> ● With rapidly evolving market dynamics, in addition to industry competitors, we are now faced with opponents that could come from any domain, intensifying the competition and causing adverse effect on profit. 	<ul style="list-style-type: none"> ● Further cultivate the channel markets, pay close attention to market trends and product development, respond to segregation of different markets and products with by providing intelligent, personalized and customized products. By providing products catering to

Favorable Factors	Unfavorable Factors	Countermeasures
<p>vigorously. In future, integrating 5G and popular AIoT applications will facilitate market development.</p> <ul style="list-style-type: none"> ●With the market trending towards diversification, Gigabyte will conduct R&R on the software and hardware needs of a diverse range of markets and professional domains to provide new and innovative products and solutions, for market satisfaction. ●Generate 100% customer satisfaction through segmented marketing and after-sales service. 		<p>consumers' needs for personalization, we can keep away from price competition and quickly respond to and capture market changes to improve profitability.</p>

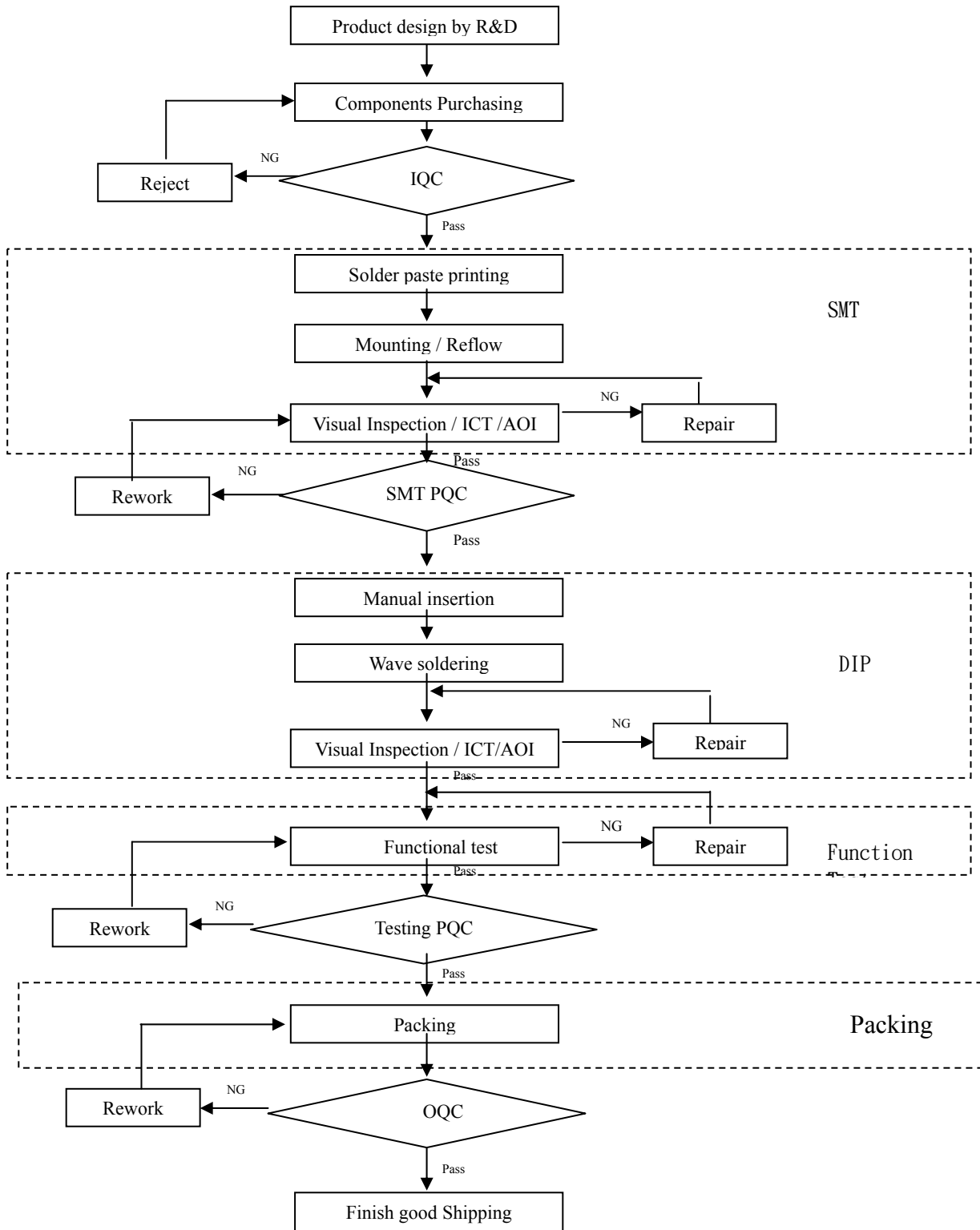
(II) Primary use and production process of premium products:

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

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

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

2. Production Process:



(III) The supply of key materials:

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

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

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

Unit: NTD 1,000

No.	Name	2019			Relationship with the Company	2020			Relationship with the Company	2021 Q1		
		Amount	Percentage to annual purchase (%)			Name	Amount	Percentage to annual purchase (%)			Name	Amount
1	Company A	16,451,439	31.63	None	Company A	23,694,478	33.28	None	Company A	7,226,720	27.96	None
2	Company B	6,290,475	12.09	None	Company B	6,725,815	9.45	None	Company C	2,644,538	10.23	None
	Other	29,272,610	56.28		Other	40,768,287	57.27		Other	15,973,194	61.81	
	Total purchase	52,014,524	100.00		Total purchase	71,188,580	100.00		Total purchase	25,844,452	100.00	

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

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

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

Unit: 1,000 pieces; NTD million

Production volume and value Product	2019			2020		
	Production capacity	Production volume	Production value	Production capacity	Production volume	Production value
Mother boards & graphic cards	16,276	14,492	40,061	17,643	18,990	55,328
Others	719	694	15,877	380	1,630	12,895
Total	16,995	15,186	55,938	18,023	20,620	68,223

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

Unit: 1,000 pieces; NTD million

Sales value and volume Product	2019				2020			
	Domestic sales		Export		Domestic sales		Export	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Mother boards & graphic cards	282	940	14,017	47,935	321	1,220	18,609	65,293
Others	-	709	-	12,197	-	556	-	17,534
Total	282	1,649	14,017	60,132	321	1,776	18,609	82,827

Note: This table lists net sales

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

March 31, 2021

Year		2019	2020	2021 March 31
Number of employees	Line personnel	720	698	678
	Supporting personnel	1,917	1,995	1,994
	Total	2,637	2,693	2,672
Average age		39.5	39	39.9
Average year of service		10.2	10.6	10.8
Education (%)	Doctorate	0.3%	0.3%	0.3%
	Master	14.4%	15%	15.2%
	University	68.6%	68.4%	68.3%
	High school	13.7%	13.4%	13.4%
	High school below	3%	2.9%	2.8%

Source: Statistical data compiled by Gigabyte

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

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

In its 2020 Global Risk Report, the World Economic Forum (WEF) indicated that among three of the top five greatest risks are environment issues, including the failure of climate action, extreme weather and the loss of biodiversity. All these are happening because the occurrence of climate change is far faster than predicted. The rate of species extinction has grown 10 or even 100 times in these one million years, and natural disasters have also become more severe and happened more frequently. The harm to economics, society and environment is foreseeable, so establishing countermeasures to deal with this problem will become the primary and necessary task. In addition, reducing human activities continuously is also a goal for everyone to work together to deal with environmental hazard. These events show us that the sustainable development of corporate operations requires a focus on climate risks.

According to UN's latest report, the weight of electronic garbages in the whole world is 53.6 million tons in 2019, which has grown 21% in five years, and is expected to grow to 74 million tons in 2030. The latest "The Global E-waste Monitor 2020" indicates that the recycle and reuse rate of e-waster in the world is only 17.4%, while most of the rest ends in landfills.

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

Projected environmental protection spending three years ahead:

Currency: in NTD 1,000

	2018	2019	2020	2021
A. The content of anti-pollution equipment planned to procure or spending	<p>1. We will promote use of carbon-free natural packaging materials to make our products environmentally friendly and consumer-friendly. This is not only sustainable, but also cost-effective, so that consumers can easily identify our products and form awareness in recovery and that Gigabyte's corporate purpose of "Revolutionize Technology, Beautify Life" can be served.</p> <p>2. Continue to promote GIGABYTE 333 reduction plan, in promoting "MFCA Material Flow Cost analysis" From a practical working surface waste reduction; External held "reduction • Share • Love the Earth Alliance" supplier of the General Assembly, and suppliers Share Gigabyte case actual reduction, sustainable development strategy and as a further invitation to suppliers to participate in Make Earth Green Again project to plant trees for the Earth, for the Earth sustainable dedicated force.</p> <p>3. We will continue to promote the "Green earth • create hope with trees" campaign and call on consumers' response to the one-laptop-for-</p>	<p>1. Launch Gigabyte's Reduce 333 program. Organize the "Reduce, Share, Love the Earth Alliance" supplier conference and share with the suppliers our "reduce" cases and our strategy and actions for sustainable development.</p> <p>2. Organize the "Friendly Product Design Competition" to coach and encourage tertiary students to be innovative use their creativity to design products that are friendly to the consumer, environment and society based on their concept of sustainability.</p> <p>3. Organize the "Climate Academy" to educate schoolchildren about the global climate crisis and inculcate in them the ability and courage to solve the crisis.</p>	<p>1. Promote sustainability funds to encourage consumption reduction within the group by providing awards and incentives such as Plant Reduction Award and rewards for those who propose reduction and low-carbon product ideas.</p> <p>2. Launch Gigabyte's Reduce 333 program. Organize the "Reduce, Share, Love the Earth Alliance" supplier conference and share with the suppliers our "reduce" cases and our strategy and actions for sustainable development.</p> <p>3. Launch Gigabyte's Reduce 333 program. Organize the "Reduce, Share, Love the Earth Alliance" supplier conference and share with the suppliers our "reduce" cases and our strategy and actions for sustainable development.</p>	<p>1. Adopted Forestry Bureau's forest land in Pinglin, New Taipei and planted 1,500 Taiwanese indigenous species trees on the basis of the idea "Plant for the Planet".</p> <p>2. Keep promoting the Reduction Award System to encourage employees to get creative for reducing the Company's carbon, water and waste.</p> <p>3. Launch Gigabyte's Reduce 333 program. Organize the "Reduce, Share, Love the Earth Alliance" supplier conference and share with the suppliers our "reduce" cases and our strategy and actions for sustainable development.</p>

	2018	2019	2020	2021
	one-tree campaign. As soon as consumers complete the registration procedures online, Gigabyte will donate money needed in tree planting for the consumers to plant trees of hope for the Earth.			
B. Expected improvement	Effectively cut cost, reduce waste quantity and carbon emissions, and enhance energy and resource efficiency.	Effectively cut cost, reduce waste quantity and carbon emissions, and enhance energy and resource efficiency.	Encourage partners in the value chain to work with us to reduce waste, water, carbon, and plastic, and bring new opportunities and social value for the company.	Encourage partners in the value chain to work with us to create diversified values for the company and society.
C. Amount				
- environmental protection spending	34,438	47,300	43,655	43,156
- procurement of equipment for environmental protection process	-	-	-	-

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

1. Impact on Net Profit

Promoting friendly design and sustainable development is our Company's established policy 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.

We promoted the MFCA Material Flow Cost Analysis in 2017 as we knew that by using the "loss cost" approach, the "waste reduction analysis" could improve the efficiency of use of materials and save costs. At the same time, we took account of material flow cost analysis for the purpose of environmental protection, thereby providing the industry with the best practices on sustainable resource management process. Continue to promote the "Gigabyte Technology Reduce 333 Program", encouraging reduction in carbon, water and waste to improve resource efficiency and decrease operating costs. Although the adoption of forest land to plant Taiwanese indigenous species trees and founding the "Reduction, Sharing, Love for Earth Alliance" to share sustainability value with our suppliers increase our cost, they have positive influence on our brand image.

2. Impact on our Status in the Competition

friendly design, environmental protection, energy saving, and emission reduction have become global trends and universal values. In recent years, we have been promoting friendly design, elimination of hazardous substances, and ISO 14064. In response to the tightening international environmental regulations, we work together with suppliers through supplier management and supplier guidance. We also observe local laws and 《Responsible Business Alliance (RBA) Code of Conduct》 at a high moral standard. We also request suppliers on the supply chain to comply with environmental protection, safety and health, labor rights, and labor condition standards, including “Conflict-Mineral-Free” policy; respect for employees; fair treatment of female and male employees; accountability toward production process and the environment. Besides improving organizational competitiveness, such awareness will be beneficial to enhance the global market share of Taiwan’s 3C industries, so as to prevent measures to promote environmental protection and sustainable development from reducing our global competitiveness. Establish “Reduce, Share, Love the earth, Alliance” and convene the supplier conference to share with the supplies Gigabyte’s actions to reduce carbon, waste, water, plastic and the sustainability trend. Growing together with the supplier, generating win-win together.

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

3. Impact on the Company’s Image

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

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

1. Committed Significant Environmental Protection Expenditures:

- (1) Our Company has passed ISO 14001 environmental management system certification, requiring first level suppliers to install environmental management systems. Currently, all first level suppliers of Gigabyte have earned the ISO 14001 certification and are striving for pollution prevention and clean production.
- (2) In 2005, our company became the first system brand company in the world that received the IECQ QC 080000 standard certification. Our products went through a lead-free manufacturing process. We also introduced green material management system and established a green supply chain. Through Green Supply Chain Management (GSCM), we coordinated systematically with suppliers and connect ourselves to relevant standard evaluation and recognition processes. We effectively communicate with suppliers. We trace, manage, and even eliminate components that contain restricted or banned chemical substances.
- (3) The Company has passed the ISO45001 occupational health and safety management system verification. We will continuously improve the Company's safety and health systems to prevent accidents and keep them under control, and strive for sustainable operations with zero occupational hazards.
- (4) The lifecycle carbon emission audit based on PAS 2050 carbon footprint standard has been completed for MD-300 Set-Top Box, one of our Company's Chennel sales products. The British Standard Institute (BSI) has issued a certificate of product carbon footprint verification for this audit engagement.
- (5) Our Company promotes green design and recycling processes that are in compliance with all international environmental regulations.
- (6) Apart from developing the clean production mechanism, developing energy-saving products, improving production process, and enhancing efficiency, we specifically implemented the ISO14064 GHG inventory system to disclose the GHG inventory and management information of this Company with the GHG report, so as to exactly capture the sources of GHG emissions, promote total participation and consensus, and continuously promote GHG emissions, mitigate global warming, and fulfill CSR.
- (7) We activated the "Green Action Program" in 2009 to organize celebrity talks, sustainability and environment education, eco working holiday, and "One Thousand Miles" environmental service events for over 99,744 participants. With these activities, we have enabled employees to understand the importance of environmental protection, improved their awareness of sustainability and environmental protection, and equipped them with the basic knowledge, attitude, and skill for environmental protection. By activating the "Green Action Program 2.0" in 2016, we have established the Gigabyte Green Action Culture and promoted the eco-design concept to all employees to create new value for green products and pursue sustainable development for the enterprise and environment.
- (8) We organized the "Green Product Innovation Activity: Innovation · Value · Sustainability". Based on the main theme "going green is free", we encourage employees to design green product with "Innovation · Value · Sustainability". As long as we are on the right track, "going green is free!" In 2016, we organized the "Save the Ocean; Reduce Plastics Movement" poster design competition. This was followed in 2017 by the "Reduce, Share, Love the Earth" friendly product design competition to develop tertiary students, letting them present innovative and creative ideas on sustainability, incorporating the economic

principles of recycling. Starting at the origin, introducing the economics of recycling from the design phase of the product right through to the end phase of recycling, targeting the environment, society and the consumer to create friendly products.

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

In June 2017, G-HOME, Gigabyte's sustainable living roof project, was certified by the Environmental Protection Administration, Executive Yuan. This did not only let G-HOME serve the purpose of promoting green roofs, but also turned Gigabyte into a great corporate citizen in the education field and called on everyone to cherish the seeds of caring love of the environment and achieve harmony between man and the environment, as of December 2020 there were 6,460 participants.

- (10) For continuous reduction of product carbon emissions, we activated the carbon footprint calculation system for all products in 2016. By implementing this system, we hope to simplify the calculation of process of product carbon emissions and review the carbon emissions of products at each stage of the product life cycle. Apart from comparing the environmental impacts of each raw material and production process and finding opportunities and methods to reduce carbon emissions, we hope to provide a reference for developing friendly products. In 2018, we published Taiwan's first ever environmental product report, expanding the impact assessment data to include the effect on air quality and acidification of land/water domains. R&D personnel use this data to examine the environmental impact of the various products as they move through the different phases in their lifespan. The results of the study will form the basis identifying opportunities for reducing the environmental impact and develop plans for operationalization. We hope that you will join us in protecting the environment. To that end, Gigabyte Technology has compiled the environmental impact of our products and the recycle data in this environmental product report. We hope that this open sharing of information will help all of us to understand the environmental characteristics of each category of product and motivate each of us, be it the manufacturer or the consumer, to do our bit for a sustainable environment.

- (11) Promote the project “Make Earth Green Again” on the basis of the idea Plant for the Planet, and has already planted 75,000 trees in Mexico and 1,500 Taiwanese indigenous species trees in Pinglin, New Taipei. Gigabyte plants hope and love for our planet with action.

2. The Company sell its products directly and indirectly to EU, or areas governed by RoHS.
3. The compliance of the Company with RoHS is 100%. In 2017, in response to the RoHS 2 restriction on phthalates and the amended REACH regulations, we officially updated the HCSR to version 4.3, adjusting the control levels (Level B → Level A) of the 4 restricted phthalates (DEHP, BBP, DBP, DIBP) and added 2 restricted materials (DBB, PFOSF). All suppliers will be required to comply with Gigabyte's guidelines on the control of hazardous materials and be subjected to audit by Gigabyte.

4. The Company has been granted by the following companies or agencies the green product accreditation on environmental protection and ODM customer accreditation rate: 100%.
 - (1) The first company in Taiwan being accredited the SGS IECQ QC080000 RoHS green product.
 - (2) Approved by MOEA for a grant for supervision in Green Project in 2006, and complete the establishment and adaptation of GP system in 2007.
 - (3) Recognition by international giant firms: Lenovo (IBM), Fujitsu, Hitachi, NEC, Toshiba, Samsung, LG, Acer, HP.
 - (4) Equipment, production process, inspection standards and points of control are in place. There are also the ODM Mass Production and inspection for delivery locations with yield rate meeting the requirements of the customers.
 - (5) By the end of Q1 2006, the Company has 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 the first company in the world, we passed the third-party certification (BSI) of carbon footprint inventory with our STB (MD-300) according to PAS2050 on September 29, 2010. We also cooperated with 15 suppliers to arrange carbon footprint and inventory training for (raw) materials with the purpose of understanding the impact of the product on the environment at each phase of its life cycle. We also hope to build a basic database and use it as a basis for the development of green products to reduce impact on the environment and fulfill our responsibility to society.

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

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

1. Employee insurance:

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

2. Annual wage adjustment and bonus:

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

3. Holiday bonuses

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

4. Fringe benefits provided by the employee welfare committee

The employee welfare committee of the Company is organized under law and by elected representatives of the employees. They will be responsible for the planning and execution of employee welfare. Examples are the organization for local and overseas traveling trips, gifts for the three major festivals, birthday gift vouchers, subsidized for matrimonial, celebration and funeral occasions, scholarships for the children of employees, special offers by participating shops,

recreation and entertainments, social functions, language training programs, and the Company will subsidize employees in taking local or overseas trips for pleasure. The amount of subsidy will vary with the years of service

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

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

6. Employee stock ownership program

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

7. Reward for innovation

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

8. Feedback:

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

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

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

VI. Major agreements

(I) Agreements expiring within one year: None.

(II) Agreements still in force:

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

Six. Financial Position

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

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

Unit: NT\$1000

Year		Financial information covering the last five years (Note1)				
		2016	2017	2018	2019	2020
Item						
Current assets		24,821,408	26,488,634	22,746,564	24,581,192	36,876,121
Property, plant and equipment(Note2)		2,213,725	2,160,918	2,462,212	2,519,945	2,431,447
Intangible assets		27,774	14,014	41,766	22,861	24,679
Other assets(Note2)		8,210,714	9,398,723	10,543,158	11,279,156	12,393,089
Total assets		35,273,621	38,062,289	35,793,700	38,403,154	51,725,336
Current liabilities	Cum-dividend	11,914,724	13,402,546	11,165,092	13,511,756	23,334,617
	Ex-dividend	13,551,761	15,945,302	13,072,159	14,910,272	Not distributed yet
Non-current liabilities		548,392	569,842	545,133	593,587	995,528
Total liabilities	Cum-dividend	12,463,116	13,972,388	11,710,225	14,105,343	24,330,145
	Ex-dividend	14,100,153	16,515,144	13,617,292	15,503,859	Not distributed yet
Equity attributable to owners of the parent		22,810,505	24,089,901	24,083,475	24,297,811	27,395,191
Equity		6,291,179	6,356,889	6,356,889	6,356,889	6,356,889
Capital surplus	Cum-dividend	4,602,046	3,962,314	3,924,357	3,896,889	3,884,904
	Ex-dividend	3,972,416	3,962,314	3,924,357	3,896,889	Not distributed yet
Retained earnings	Cum-dividend	12,092,633	13,840,935	13,417,437	13,426,344	16,382,101
	Ex-dividend	11,085,226	11,298,179	11,510,370	12,027,828	Not distributed yet
Other Equity		-175,353	-70,237	384,792	617,689	771,297
Treasury stock		0	0	0	0	0
Non control Equity		0	0	0	0	0
Total equity	Cum-dividend	22,810,505	24,089,901	24,083,475	24,297,811	27,395,191
	Ex-dividend	21,173,468	21,547,145	22,176,408	22,899,295	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)				
	2016	2017	2018	2019	2020
Revenue	49,735,072	57,213,666	57,984,926	62,383,990	84,087,874
Gross profit	7,314,934	8,089,336	7,650,552	7,209,865	11,944,309
Operating income	1,934,481	1,974,088	1,756,180	1,390,845	4,110,707
Non-operating income & expenses	899,318	1,066,623	1,152,727	771,621	1,091,440
Pre-tax profit	2,833,799	3,040,711	2,908,907	2,162,466	5,202,147
Net Income from continuing operations	2,292,864	2,786,411	2,566,512	1,939,241	4,374,329
Earning of discontinued operation	-	-	-	-	-
Net income (loss)	2,292,864	2,786,411	2,566,512	1,939,241	4,374,329
Other comprehensive income (net after tax)	-449,685	74,414	15,130	209,630	133,552
Total comprehensive income for the period	1,843,179	2,860,825	2,581,642	2,148,871	4,507,881
Net profit attributable to owner of parent	2,292,864	2,786,411	2,566,512	1,939,241	4,374,329
Net profit attributable to non-controlling interests	-	-	-	-	-
Total comprehensive income attributable to owner of parent	1,843,179	2,860,825	2,581,642	2,148,871	4,507,881
Total comprehensive income attributable to non-controlling interests	-	-	-	-	-
EPS (\$)	3.64	4.41	4.04	3.05	6.88

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

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

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

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

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

Condensed Balance Sheet (Consolidated) - IFRS

Unit: 1000 NTD

Item	Year	Financial information covering the last five years (Note 1)					Financial information as of March 31, 2021 (Note 3)
		2016	2017	2018	2019	2020	
Current assets		30,955,717	33,623,284	28,959,419	30,109,160	41,565,460	49,540,534
Property, plant and equipment(Note2)		3,905,043	3,876,017	4,131,468	4,085,922	4,048,823	4,282,941
Intangible assets		54,230	33,056	51,998	30,789	31,990	51,316
Other assets(Note2)		1,309,060	1,265,315	2,591,710	3,485,670	3,782,884	4,917,261
Total assets		36,224,050	38,797,672	35,734,595	37,711,541	49,429,157	58,792,052
Current liabilities	Cum-dividend	12,651,024	13,983,138	10,955,638	12,665,285	20,984,364	26,940,239
	Ex-dividend	14,288,061	16,525,894	12,862,705	14,063,801	Not distributed yet	Not distributed yet
Non-current liabilities		604,083	582,210	610,291	693,145	1,031,671	1,075,896
Total liabilities	Cum-dividend	13,255,107	14,565,348	11,565,929	13,358,430	22,016,035	28,016,135
	Ex-dividend	14,892,144	17,108,104	13,472,996	14,756,946	Not distributed yet	Not distributed yet
Equity attributable to owners of the parent		22,810,505	24,089,901	24,083,475	24,297,811	27,395,191	30,758,585
Equity		6,291,179	6,356,889	6,356,889	6,356,889	6,356,889	6,356,889
Capital surplus	Cum-dividend	4,602,046	3,962,314	3,924,357	3,896,889	3,884,904	3,884,904
	Ex-dividend	3,972,416	3,962,314	3,924,357	3,896,889	Not distributed yet	Not distributed yet
Retained earnings	Cum-dividend	12,092,633	13,840,935	13,417,437	13,426,344	16,382,101	19,141,411
	Ex-dividend	11,085,226	11,298,179	11,510,370	12,027,828	Not distributed yet	Not distributed yet
Other Equity		-175,353	-70,237	384,792	617,689	771,297	1,375,381
Treasury stock		0	0	0	0	0	0
Non control Equity		158,438	142,423	85,191	55,300	17,931	17,332
Total shareholder's equity	Cum-dividend	22,968,943	24,232,324	24,168,666	24,353,111	27,413,122	30,775,917
	Ex-dividend	21,331,906	21,689,568	22,261,599	22,954,595	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, 2021 (Note 2)
	2016	2017	2018	2019	2020	
Revenue	52,347,389	59,884,781	60,923,590	61,781,254	84,602,841	28,366,960
Gross profit	9,069,697	10,198,857	10,123,214	9,590,869	14,464,437	6,834,479
Operating income	1,688,998	2,226,350	2,275,588	1,447,233	4,217,835	3,225,955
Non-operating income & expenses	1,273,323	949,277	677,183	816,015	1,232,970	196,726
Pre-tax profit	2,962,321	3,175,627	2,952,771	2,263,248	5,450,805	3,422,681
Net Income from counting operations	2,284,350	2,713,506	2,496,125	1,907,543	4,331,235	2,758,711
Earning of discontinued operation	-	-	-	-	-	-
Net income(loss)	2,284,350	2,713,506	2,496,125	1,907,543	4,331,235	2,758,711
Other comprehensive income(net of tax)	-449,685	74,409	15,127	209,630	133,555	604,084
Total comprehensive income for the period	1,834,665	2,787,915	2,511,252	2,117,173	4,464,790	3,362,795
Net profit attributable to owner of parent	2,292,864	2,786,411	2,566,512	1,939,241	4,374,329	2,759,310
Net profit attributable to non-controlling interests	-8,514	-72,905	-70,387	-31,698	-43,094	-599
Total comprehensive income attributable to owner of parent	1,843,179	2,860,825	2,581,642	2,148,871	4,507,881	3,363,394
Total comprehensive income attributable to non-controlling interests	-8,514	-72,910	-70,390	-31,698	-43,091	-599
EPS (\$)	3.64	4.41	4.04	3.05	6.88	4.34

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

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

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

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

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

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

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

Year	Public auditors	Opinion
2016	Xiao, Chun-Yuan; Wang, Fang-yu	Unqualified opinion with explanatory paragraph
2017	Xiao, Chun-Yuan; Wang, Fang-yu	Unqualified opinion with explanatory paragraph
2018	Xiao, Chun-Yuan; Wang, Fang-yu	Unqualified opinion with explanatory paragraph
2019	Lin, Se-Kai; Wang, Fang-yu(Note1)	Unqualified opinion with explanatory paragraph
2020	Lin, Se-Kai; Wang, Fang-yu	Unqualified opinion with explanatory paragraph

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

II. Financial analysis for the past five years

(1) Financial Analysis (Entity) - IFRS

Year (Note 1)		Financial analysis for the past five years				
		2016	2017	2018	2019	2020
Subject (Note 3)						
Financial structure	Liabilities to assets ratio (%)	35.33	36.71	32.72	36.73	47.04
	Long-term capital to Property, plant and equipment ratio (%)	1,055.19	1,141.17	1,000.26	987.78	1,167.65
Ability to repay debt	Current ratio (%)	208.33	197.64	203.73	181.92	158.03
	Quick ratio (%)	129.86	134.65	96.05	114.39	108.08
	Debt service coverage ratio	8,120.60	10,632.86	10,464.69	988.88	2,539.87
Utility	A/R turnover (time)	9.82	9.76	9.75	8.23	7.37
	Average days of payment	37	37	37	44	50
	Inventory turnover (time)	4.83	5.57	5.02	5.38	7.08
	A/P turnover (time)	6.37	5.71	6.41	7.11	6.59
	Average daily sales	76	66	73	68	52
	Property, plant and equipment turnover (time)	22.23	26.16	25.08	25.04	33.97
	Total assets turnover (time)	1.47	1.56	1.57	1.68	1.87
Profitability	Return on Assets (%)	6.77	7.60	6.95	5.23	9.71
	Return on equity (%)	10.11	11.88	10.66	8.02	16.92
	Net income before tax as a percentage of paid-in capital (%) (Note 7)	45.04	47.83	45.76	34.02	81.83
	Net profit rate (%)	4.61	4.87	4.43	3.11	5.20
	EPS (\$)	3.64	4.41	4.04	3.05	6.88
Cash flow	Cash flow ratio (%)	29.60	28.80	-23.69	24.68	35.38
	Cash flow adequacy ratio (%)	93.79	118.78	63.27	70.48	79.15
	Cash reinvestment ratio (%)	7.79	8.45	-19.72	5.40	23.09
Leverage	Operation leverage	1.18	1.19	1.22	1.27	1.10
	Financial leverage	1.00	1.00	1.00	1.00	1.00

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

1. Financial structure: The main reasons for debt ratio to increase this year are higher unearned sales revenue and increase of debt balance.
2. Ability to repay debt: Interest to be paid by the Company is extremely low because the Company earned more profits this year, thus increased the Times Interest Earned.
3. Utility: Revenue of this year increased substantially, so the inventory turnover days were reduced and the inventory turnover ratio and the fixed asset turnover ratio were increased.
4. Profitability: This year, the Company benefited from business opportunities brought by remote services, work-from-home and stay-at-home economy. Operation Revenue of relevant products therefore grew, causing substantial growth of their rate of return and profit.
5. Cash flow: This year, mainly due to good operational performance, cash flows from operating activities grew substantially and cash flow-related ratios also increased compared to last year.

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

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

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

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

- Note3: The equation for calculation shall be stated at the end of this table in the annual report.
1. Financial structure
 - (1) Liabilities to assets ratio = total liabilities/ total assets.
 - (2) Long-term capital to Property, plant and equipment ratio = (Gross shareholder's equity + Non-current liabilities)/ Net Property, plant and equipment.
 2. Ability to repay debt
 - (1) Current ratio = current assets/current liabilities
 - (2) Quick ratio = (current assets- inventory – prepayments)/current liabilities
 - (3) Debt service coverage ratio=EBIT/interest expense for current period.
 3. Utility
 - (1) Account receivable (including account receivable and note receivable from business) turnover = net sales/average balance of account receivable (including account receivable and note receivable from operation).
 - (2) Average daily payment=365/account receivable turnover
 - (3) Inventory turnover= cost of goods sold/average inventory
 - (4) Account payable (including account payable and note payable from operation) turnover = cost of goods sold/average balance of account payable (including account payable and note payable from operation).
 - (5) Average daily sales = 365/inventory turnover
 - (6) Property, plant and equipment turnover = net sales /Average Net Property, plant and equipment.
 - (7) Total assets turnover = net sales/ Average total assets.
 4. Profitability
 - (1) Return on Assets = [Earning + interest expenses x (1-tax rate)]/average total assets.
 - (2) Return on Equity = Earning /average net equity
 - (3) Net profit rate = Earning/net sales
 - (4) Earning per share = (Equity attributable to owners of the parent – dividend from preferred shares)/weighed average number of outstanding shares (Note 4).
 5. Cash Flow
 - (1) Cash flow ratio = (net sales – variable cost and expenses from operation)/operating income.
 - (2) Cash flow adequacy ratio = net cash flow from operation over the last five years/(capital spending +addition to inventory + cash dividend) over the last five years.
 - (3) Cash reinvestment ratio = (net cash flow from operation – cash dividend)/ (gross Property, plant and equipment + long-term investment + other Non-current assets + working capital) (Note 5).
 6. Leverage:
 - (1) Operation leverage= (net sales – variable cost and expenses from operation)/operating income (Note 6).
 - (2) Financial leverage= operating income/(operating income-operating expenses).
- Note 4. While evaluating the formulas for EPS mentioned above, the following factors must be taken into consideration:
1. The number of common shares shall be based on the weighed average method and not the outstanding shares as of the end of the year.
 2. Where there may be additional capital raised from the issuance of new shares or may be treasury shares trade, the outstanding period of the shares shall be considered in calculating the weighed average number of outstanding shares.
 3. Where there may be the capitalization of retained earnings or of capital surplus, adjustment shall be made in proportion to the amount capitalized when calculating the earning per share for the previous year and the interim period. The term of the capitalization of retained earnings or capital surplus for new capital is not required for consideration.
 4. If the preferred shares are non-convertible accumulated preferred shares, the dividend for current period (whether or not being paid out) should be deducted from earning or added to earning. If the preferred shares are not accumulative, dividend for preferred shares should be deducted from earning if there is a surplus. If there is loss after taxation, no adjustment is required.
- Note 5: When conducting analysis on cash flow, pay attention to the followings:
1. Cash flow from operation shall be referred to the net cash inflow from operation as stated in the statement of cash flow.
 2. Capital spending shall be referred to cash outflow for capital investment each year.
 3. Addition to inventory shall be referred to the value at the end of the ending period is greater than that of the beginning period. If there is decrease in inventory, put a zero.
 4. Cash dividend includes cash dividend for common and preferred stocks.
 5. The gross amount of property, plant, and equipment is the total balance of property, plant, and equipment before subtracting accumulated depreciation.
- Note 6: The securities issuer should classify operating costs and operating expenses as fixed or variable. If estimates or subjective judgment is involved in such classification, the accounting staff must pay attention to the reasonableness and maintain the consistency of such classification.
- Note 7: If the stocks of the Company do not have par value or have par values other than NT\$10, the calculation of percentage of paid-in capital is calculated with the ratio of equity attributable to the parent company in the balance sheet.

Financial Analysis (Consolidated) - IFRS

Year (Note 1)		Financial analysis for the past five years					Financial analysis as of March 31, 2021 (Note 2)
		2016	2017	2018	2019	2020	
Subject (Note 3)							
Financial structure	Liabilities to assets ratio (%)	36.59	37.54	32.37	35.42	44.54	47.65
	Long-term capital to Property, plant and equipment ratio (%)	599.60	636.53	597.70	611.64	702.10	743.29
Ability to repay debt	Current ratio (%)	244.69	240.46	264.33	237.73	198.08	183.89
	Quick ratio (%)	167.91	177.65	151.40	143.22	120.83	107.02
	Debt service coverage ratio	30.92	814.22	699.22	209.69	513.82	2,361.47
Utility	A/R turnover (time)	9.86	9.90	9.74	9.93	11.66	11.76
	Average days of payment	37	37	37	37	31	31
	Inventory turnover (time)	4.81	5.45	5.03	4.57	5.10	4.76
	A/P turnover (time)	6.69	6.01	7.31	8.30	8.60	7.51
	Average daily sales	76	67	73	80	72	77
	Property, plant and equipment turnover (time)	13.21	15.39	15.22	15.04	20.80	27.24
	Total assets turnover (time)	1.51	1.60	1.63	1.68	1.94	2.1
Profitability	Return on Assets (%)	6.84	7.44	6.90	5.30	10.06	20.41
	Return on equity (%)	10.11	11.88	10.66	8.02	16.92	37.96
	Net income before tax as a percentage of paid-in capital (%) (Note 7)	47.09	49.96	46.45	35.60	85.75	215.37
	Net profit rate (%)	4.38	4.65	4.21	3.14	5.17	9.73
	EPS (\$)	3.64	4.41	4.04	3.05	6.88	4.34
Cash flow	Cash flow ratio (%)	33.22	27.92	-21.31	30.68	37.65	2.85
	Cash flow adequacy ratio (%)	116.98	132.38	80.06	84.83	112.94	77.81
	Cash reinvestment ratio (%)	9.50	7.94	-18.04	7.44	22.01	2.39
Leverage	Operation leverage	1.43	1.35	1.36	1.55	1.19	1.06
	Financial leverage	1.06	1.00	1.00	1.01	1.00	1.00

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

1. Financial structure: The main reasons for debt ratio to increase this year are higher unearned sales revenue and increase of debt balance.
2. Ability to repay debt: Interest to be paid by the Company is extremely low because the Company earned more profits this year, thus increased the Times Interest Earned.
3. Utility: Revenue of this year increased substantially, so the inventory turnover days were reduced and the inventory turnover ratio and the fixed asset turnover ratio were increased.
4. Profitability: This year, the Company benefited from business opportunities brought by remote services, work-from-home and stay-at-home economy. Operation Revenue of relevant products therefore grew, causing substantial growth of their rate of return and profit.
5. Cash flow: This year, mainly due to good operational performance, cash flows from operating activities grew substantially and cash flow-related ratios also increased compared to last year.

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

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

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

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

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

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

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

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

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

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

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

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

III. Audit Committee's Review Report on 2020 Financial Statement

Audit Committee Approval/Audit Report

This Audit Committee has approved the individual financial statements of the Company and the consolidated financial statements of the Group for fiscal year 2020 that have been passed by the Board of Directors. The CPA firm PwC Taiwan was then retained to audit such statements by CPAs Se-Kai Lin and Fang-yu Wang and issued the “unqualified opinion with explanatory paragraph” audit report. These statements have been reviewed and determined to be compliant with all relevant laws and regulations. In addition, this Audit Committee has audited the business report and earnings allocation proposal of fiscal year 2020 passed by the Board of Directors and determined they have complied with relevant laws and regulations. This report is thus issued in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

To

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

Hwei-Min Wang
Convener
Audit Committee

16 April 2021

IV. Audited Unconsolidated Financial Statements in the most recent year

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying parent company only balance sheets of Giga-Byte Technology Co., Ltd. as at December 31, 2020 and 2019, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the report of other auditors, as described in the Other matters section of our report, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as at December 31, 2020 and 2019, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's 2020 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2020 parent company only financial statements are stated as follows:

Occurrence of revenue from significant new counterparty

Description

Please refer to Note 4(28) for the accounting policies on revenue recognition. For the year ended December 31, 2020, the parent company only operating revenue amounted to NT\$84,087,874 thousand.

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

How our audit addressed the matter

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

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

Assessment of allowance for valuation of inventory loss

Description

Please refer to Note 4(12) for the accounting policies on evaluation of inventories; Note 5(2) for uncertainty of accounting estimates and assumption on inventory evaluation; and Note 6(5) for the details of the inventories. As of December 31, 2020, the inventories and allowance for valuation loss amounted to NT\$11,317,869 thousand and NT\$210,674 thousand, respectively.

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

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

How our audit addressed the matter

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

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

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

Other matter – Report of other auditors

We did not audit the financial statements of certain investee companies. Those financial statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinion expressed herein, in so far as it relates to the amounts included in the financial statements was based solely on the reports of the other auditors. The aforementioned equity investments were \$10,053 thousand and \$21,193 thousand, representing 0.02% and 0.05% of total parent company only assets as of December 31, 2020 and 2019, respectively, and total net comprehensive loss were \$11,140 thousand and \$27,326 thousand, representing (0.25%) and (1.27%) of total parent company only comprehensive loss for the years then ended, respectively.

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

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

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

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

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

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

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

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

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

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

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

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

Se-Kai Lin
For and on behalf of PricewaterhouseCoopers, Taiwan
March 15, 2021

Fang-Yu Wang

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

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

GIGA-BYTE TECHNOLOGY CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2020		December 31, 2019		
		Amount	%	Amount	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 10,777,615	21	\$ 5,197,276	14
1110	Financial assets at fair value through profit or loss - current	6(2)	545,764	1	473,217	1
1136	Financial assets at amortized cost-current	6(3)	590,000	1	90,000	-
1150	Notes receivable, net	6(4)	2,897	-	2,995	-
1170	Accounts receivable, net	6(4)	4,387,759	9	3,628,543	9
1180	Accounts receivable-related parties, net	7	8,843,389	17	5,938,535	16
1200	Other receivables		73,125	-	84,063	-
1220	Current income tax assets		-	-	41,713	-
130X	Inventories, net	6(5)	11,107,195	21	8,830,854	23
1410	Prepayments		546,894	1	293,084	1
1470	Other current assets		1,483	-	912	-
11XX	Total current assets		<u>36,876,121</u>	<u>71</u>	<u>24,581,192</u>	<u>64</u>
Non-current assets						
1535	Financial assets at amortized cost-non-current	6(3) and 8	153,413	1	158,040	-
1550	Investments accounted for using equity method	6(6) and 7	11,487,898	22	10,543,543	28
1600	Property, plant and equipment, net	6(7)	2,431,447	5	2,519,945	7
1755	Right-of-use assets	6(8)	74,109	-	61,817	-
1780	Intangible assets		24,679	-	22,861	-
1840	Deferred income tax assets	6(24)	520,795	1	371,164	1
1900	Other non-current assets		156,874	-	144,592	-
15XX	Total non-current assets		<u>14,849,215</u>	<u>29</u>	<u>13,821,962</u>	<u>36</u>
1XXX	Total assets		<u>\$ 51,725,336</u>	<u>100</u>	<u>\$ 38,403,154</u>	<u>100</u>

(Continued)

GIGA-BYTE TECHNOLOGY CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2020		December 31, 2019		
		Amount	%	Amount	%	
Liabilities						
Current liabilities						
2130	Contract liabilities - current	6(17) and 7	\$ 3,847,245	7	\$ 370,694	1
2150	Notes payable		257	-	54,092	-
2170	Accounts payable		8,641,802	17	7,042,552	19
2180	Accounts payable-related parties	7	4,180,167	8	1,982,318	5
2200	Other payables	6(10) and 7	4,996,254	10	3,379,716	9
2230	Current income tax liabilities		709,676	1	-	-
2250	Provisions for liabilities - current	6(11)	776,454	2	513,568	1
2280	Lease liabilities-current		38,968	-	43,549	-
2300	Other current liabilities		143,794	-	125,267	-
21XX	Total current liabilities		<u>23,334,617</u>	<u>45</u>	<u>13,511,756</u>	<u>35</u>
Non-current liabilities						
2540	Long-term borrowings	6(12)	200,000	-	-	-
2570	Deferred income tax liabilities	6(24)	35,958	-	-	-
2580	Lease liabilities-non-current		35,468	-	18,641	-
2600	Other non-current liabilities	6(13)	724,102	2	574,946	2
25XX	Total non-current liabilities		<u>995,528</u>	<u>2</u>	<u>593,587</u>	<u>2</u>
2XXX	Total liabilities		<u>24,330,145</u>	<u>47</u>	<u>14,105,343</u>	<u>37</u>
Equity						
Capital stock						
3110	Common stock	6(14)	6,356,889	12	6,356,889	17
Capital surplus						
3200	Capital surplus	6(15)	3,884,904	7	3,896,889	10
Retained earnings						
3310	Legal reserve	6(16)	4,575,820	9	4,381,896	11
3320	Special reserve		426,354	1	426,354	1
3350	Unappropriated retained earnings		11,379,927	22	8,618,094	23
Other equity						
3400	Other equity		771,297	2	617,689	1
3XXX	Total equity		<u>27,395,191</u>	<u>53</u>	<u>24,297,811</u>	<u>63</u>
3X2X	Total liabilities and equity		<u>\$ 51,725,336</u>	<u>100</u>	<u>\$ 38,403,154</u>	<u>100</u>

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

GIGA-BYTE TECHNOLOGY CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2020 AND 2019

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

Items	Notes	2020		2019	
		Amount	%	Amount	%
4000 Operating revenue	6(17) and 7	\$ 84,087,874	100	\$ 62,383,990	100
5000 Operating costs	6(5)(22) and 7	(72,143,565)	(86)	(55,174,125)	(89)
5900 Gross profit		<u>11,944,309</u>	<u>14</u>	<u>7,209,865</u>	<u>11</u>
Operating expenses	6(22) and 7				
6100 Selling expenses		(3,715,471)	(4)	(2,790,497)	(4)
6200 General and administrative expenses		(1,845,842)	(2)	(1,180,797)	(2)
6300 Research and development expenses		(2,261,837)	(3)	(1,844,292)	(3)
6450 Expected credit losses	6(22)	(10,452)	-	(3,434)	-
6000 Total operating expenses		<u>(7,833,602)</u>	<u>(9)</u>	<u>(5,819,020)</u>	<u>(9)</u>
6900 Operating profit		<u>4,110,707</u>	<u>5</u>	<u>1,390,845</u>	<u>2</u>
Non-operating income and expenses					
7100 Interest revenue	6(18)	46,186	-	54,410	-
7010 Other income	6(19)	798,896	1	451,764	1
7020 Other gains and losses	6(20)	220,838	-	66,286	-
7050 Finance costs	6(21)	(2,049)	-	(2,189)	-
7070 Share of profit of subsidiaries, associates and joint ventures accounted for under the equity method	6(6)	27,569	-	201,350	-
7000 Total non-operating income and expenses		<u>1,091,440</u>	<u>1</u>	<u>771,621</u>	<u>1</u>
7900 Profit before income tax		<u>5,202,147</u>	<u>6</u>	<u>2,162,466</u>	<u>3</u>
7950 Income tax expense	6(24)	(827,818)	(1)	(223,225)	-
8200 Profit for the year		<u>\$ 4,374,329</u>	<u>5</u>	<u>\$ 1,939,241</u>	<u>3</u>
Other comprehensive income (loss), net					
Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
8311 Remeasurements of defined benefit plans	6(13)	(\$ 25,070)	-	(\$ 29,084)	-
8330 Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss		87,222	-	509,446	1
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(24)	5,014	-	5,817	-
8310 Components of other comprehensive income (loss) that will not be reclassified to profit or loss		<u>67,166</u>	<u>-</u>	<u>486,179</u>	<u>1</u>
Components of other comprehensive income (loss) that will subsequently be reclassified to profit or loss					
8361 Exchange differences arising from translation of foreign operations		66,386	-	(276,549)	(1)
8360 Components of other comprehensive income (loss) that will be reclassified to profit or loss		<u>66,386</u>	<u>-</u>	<u>(276,549)</u>	<u>(1)</u>
8300 Other comprehensive income for the year, net		<u>\$ 133,552</u>	<u>-</u>	<u>\$ 209,630</u>	<u>-</u>
8500 Total comprehensive income for the year		<u>\$ 4,507,881</u>	<u>5</u>	<u>\$ 2,148,871</u>	<u>3</u>
9750 Basic earnings per share	6(25)	\$	6.88	\$	3.05
9850 Diluted earnings per share	6(25)	\$	6.79	\$	3.02

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

GIGA-BYTE TECHNOLOGY CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

	Notes	Retained earnings				Other equity		Total equity	
		Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences arising from translation of foreign operations		Unrealized gain or loss on valuation of financial assets at fair value through other comprehensive income
<u>Year 2019</u>									
Balance at January 1, 2019		\$ 6,356,889	\$ 3,924,357	\$ 4,125,245	\$ 426,354	\$ 8,865,838	\$ (396,921)	\$ 781,713	\$ 24,083,475
Profit for the year		-	-	-	-	1,939,241	-	-	1,939,241
Other comprehensive (loss) income for the year		-	-	-	-	(23,267)	(276,549)	509,446	209,630
Total comprehensive income (loss) for the year		-	-	-	-	1,915,974	(276,549)	509,446	2,148,871
Appropriations of 2018 earnings:	6(16)								
Legal reserve		-	-	256,651	-	(256,651)	-	-	-
Cash dividends		-	-	-	-	(1,907,067)	-	-	(1,907,067)
Changes in equity of associates accounted for using equity method		-	(27,468)	-	-	-	-	-	(27,468)
Balance at December 31, 2019		\$ 6,356,889	\$ 3,896,889	\$ 4,381,896	\$ 426,354	\$ 8,618,094	\$ (673,470)	\$ 1,291,159	\$ 24,297,811
<u>Year 2020</u>									
Balance at January 1, 2020		\$ 6,356,889	\$ 3,896,889	\$ 4,381,896	\$ 426,354	\$ 8,618,094	\$ (673,470)	\$ 1,291,159	\$ 24,297,811
Profit for the year		-	-	-	-	4,374,329	-	-	4,374,329
Other comprehensive (loss) income for the year		-	-	-	-	(20,056)	66,386	87,222	133,552
Total comprehensive income (loss) for the year		-	-	-	-	4,354,273	66,386	87,222	4,507,881
Appropriations of 2019 earnings:	6(16)								
Legal reserve		-	-	193,924	-	(193,924)	-	-	-
Cash dividends		-	-	-	-	(1,398,516)	-	-	(1,398,516)
Changes in equity of associates accounted for using equity method		-	(11,985)	-	-	-	-	-	(11,985)
Balance at December 31, 2020		\$ 6,356,889	\$ 3,884,904	\$ 4,575,820	\$ 426,354	\$ 11,379,927	\$ (607,084)	\$ 1,378,381	\$ 27,395,191

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

GIGA-BYTE TECHNOLOGY CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

	<u>Notes</u>	<u>2020</u>	<u>2019</u>
<u>Cash flows from operating activities</u>			
Profit before income tax		\$ 5,202,147	\$ 2,162,466
Adjustments to reconcile profit before income tax to net cash provided by operating activities			
Income and expenses having no effect on cash flows			
Depreciation	6(7)(8)(22)	313,233	274,233
Amortization	6(22)	53,018	84,175
Profit from lease modification	6(8)(20)	(235)	(13)
Expected credit losses	6(22)	10,452	3,434
Net loss (gain) on valuation of financial assets at fair value through profit or loss	6(20)	1,264	(8,035)
Interest expense	6(21)	2,049	2,189
Interest income	6(18)	(46,186)	(54,410)
Share of profit of subsidiaries and associates accounted for using the equity method	6(6)	(27,569)	(201,350)
Loss on disposal of investments accounted for using equity method	6(6)(20)	-	15
Gain on disposal of property, plant and equipment	6(20)	(4,101)	(2,005)
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Financial assets at fair value through profit or loss		(73,811)	(23,488)
Notes receivable		98	1,062
Accounts receivable		(3,674,522)	(3,977,941)
Other receivables		12,999	(2,661)
Inventories		(2,276,341)	2,851,856
Prepayments		(253,520)	17,864
Other current assets		(571)	3,660
Net changes in liabilities relating to operating activities			
Contract liabilities		3,476,551	93,199
Notes payable		(53,835)	44,356
Accounts payable		3,797,099	2,595,721
Other payables		1,622,260	(68,056)
Provisions for liabilities		262,886	80,509
Other current liabilities		18,527	(77,539)
Other non-current liabilities		8,518	575
Cash generated from (used in) operations		8,370,410	3,799,816
Interest received		44,125	55,138
Dividends received		27,578	118,834
Interest paid		(2,049)	(2,189)
Income tax paid		(185,088)	(636,502)
Net cash generated from operating activities		<u>8,254,976</u>	<u>3,335,097</u>

(Continued)

GIGA-BYTE TECHNOLOGY CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

	<u>Notes</u>	<u>2020</u>	<u>2019</u>
<u>Cash flows from investing activities</u>			
Acquisition of financial assets at amortized cost		(\$ 495,373)	(\$ 1,776)
Acquisition of investments accounted for using equity method	6(6) and 7(2)	(730,481)	(200,000)
Proceeds from disposal of investments accounted for using equity method	6(6)	-	535
Acquisition of property, plant and equipment	6(26)	(137,936)	(286,185)
Proceeds from disposal of property, plant and equipment		7,246	2,097
(Increase) decrease in guarantee deposit paid		(5,056)	1,378
Acquisition of intangible assets		(57,999)	(51,084)
Increase in other non-current assets		(49,456)	(89,621)
Net cash used in investing activities		(1,469,055)	(624,656)
<u>Cash flows from financing activities</u>			
Proceeds from long-term borrowings	6(27)	200,000	-
Increase in guarantee deposit received	6(27)	43,308	154
Repayments of principal portion of lease liabilities	6(27)	(50,374)	(48,414)
Cash dividends paid	6(16)	(1,398,516)	(1,907,067)
Net cash used in financing activities		(1,205,582)	(1,955,327)
Net increase in cash and cash equivalents		5,580,339	755,114
Cash and cash equivalents at beginning of year		5,197,276	4,442,162
Cash and cash equivalents at end of year		<u>\$ 10,777,615</u>	<u>\$ 5,197,276</u>

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

GIGA-BYTE TECHNOLOGY CO., LTD.
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

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

1. HISTORY AND ORGANISATION

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

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

These parent company only financial statements were authorized for issuance by the Board of Directors on March 15, 2021.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

New standards, interpretations and amendments endorsed by FSC effective from 2020 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 1 and IAS 8, ‘Disclosure initiative-definition of material’	January 1, 2020
Amendments to IFRS 3, ‘Definition of a business’	January 1, 2020
Amendments to IFRS 9, IAS 39 and IFRS7, ‘Interest rate benchmark reform’	January 1, 2020
Amendment to IFRS 16, ‘Covid-19-related rent concessions’	June 1, 2020 (Note)

Note: Earlier application from January 1, 2020 is allowed by FSC.

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

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 4, 'Extension of the temporary exemption from applying IFRS 9'	January 1, 2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, 'Interest Rate Benchmark Reform— Phase 2'	January 1, 2021

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

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 3, 'Reference to the conceptual framework'	January 1, 2022
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2023
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 16, 'Property, plant and equipment :proceeds before intended use'	January 1, 2022
Amendments to IAS 37, 'Onerous contracts—cost of fulfilling a contract'	January 1, 2022
Annual improvements to IFRS Standards 2018–2020	January 1, 2022

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(1) Compliance statement

The parent company only financial statements have been prepared in accordance with the 'Regulations Governing the Preparation of Financial Reports by Securities Issuers'.

(2) Basis of preparation

- A. Except for the following items, these parent company only financial statements have been prepared under the historical cost convention:
- (a) Financial assets at fair value through profit or loss.
 - (b) Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.
- B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

(3) Foreign currency translation

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

A. Foreign currency transactions and balances

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

B. Translation of foreign operations

- (a) The operating results and financial position of all the subsidiaries and associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
 - i. Assets and liabilities for each balance sheet presented are translated at the closing exchange

rate at the date of that balance sheet;

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

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

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

(4) Classification of current and non-current items

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

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

(b) Assets held mainly for trading purposes;

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

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

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

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

(b) Liabilities arising mainly from trading activities;

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

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

(5) Cash equivalents

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

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

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

- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognized and derecognized using settlement date accounting.
- C. At initial recognition, the Company measures the financial assets at fair value and recognizes the transaction costs in profit or loss. The Company subsequently measures the financial assets at fair value, and recognizes the gain or loss in profit or loss.
- D. The Company recognizes the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(7) Financial assets at amortized cost

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

(8) Accounts and notes receivable

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

(9) Impairment of financial assets

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

(10) Derecognition of financial assets

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

(11) Leasing arrangements (lessor) — operating leases

Lease income from an operating lease (net of any incentives given to the lessee) is recognized in

profit or loss on a straight-line basis over the lease term.

(12) Inventories

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

(13) Investments accounted for using equity method subsidiaries

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

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

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

(15) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.
- B. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item

will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

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

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

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

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

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

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

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

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

- (a) The amount of the initial measurement of lease liability;
- (b) Any lease payments made at or before the commencement date; and
- (c) Any initial direct costs incurred by the lessee.

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

D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the

carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize the difference between remeasured lease liability in profit or loss.

(17) Intangible assets

A. Computer software

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

B. Trademark right (indefinite useful life)

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

(18) Impairment of non-financial assets

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

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

(19) Borrowings

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

(20) Notes and accounts payable

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

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

(21) Derecognition of financial liabilities

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

(22) Provisions

Warranty provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will

be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognized as interest expense. Provisions are not recognized for future operating losses.

(23) Employee benefits

A. Short-term employee benefits

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

B. Pensions

(a) Defined contribution plans

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

(b) Defined benefit plans

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

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

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

C. Termination benefits

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

D. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognized as expenses and liabilities, provided that such recognition is required under legal or constructive obligation and

those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is distributed by shares, the Company calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(24) Employee share-based payment

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

(25) Income tax

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

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

(26) Share capital

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

Sales of goods

- A. The Company manufactures and sells computer peripheral and component parts. Sales are recognized when control of the products has transferred, being when the products are delivered to the customers. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customers, and either the customers has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied.
- B. Revenue from these sales is recognized based on the price specified in the contract, net of the estimated indirect tax, volume discounts, sales returns and allowances. Accumulated experience is used to estimate and provide for the volume discounts and sales allowances, using the expected value method, and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. The estimation is subject to an assessment at each reporting date. The sales usually are made as the time interval between the transfer of committed goods or service and the payment of customer does not exceed one year, the Company does not adjust the transaction price to reflect the time value of money.
- C. The Company's obligation to provide a repair for faulty products under the standard warranty terms is recognized as a provision.

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

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

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

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

None.

(2) Critical accounting estimates and assumptions

Evaluation of inventories

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

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Cash on hand and petty cash	\$ 2,647	\$ 2,683
Checking accounts and demand deposits	3,527,694	2,845,591
Time deposits	<u>7,247,274</u>	<u>2,349,002</u>
	<u>\$ 10,777,615</u>	<u>\$ 5,197,276</u>

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

B. The Company reclassified the pledged bank deposits with more than three months maturity to "Financial assets at amortized cost", please refer to Notes 6(3) and 8 for the details.

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

<u>Financial assets mandatorily measured at fair value through profit or loss</u>	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Beneficiary certificates	\$ 533,221	\$ 456,549
Government bonds	<u>16,298</u>	<u>16,298</u>
	549,519	472,847
Valuation adjustment	<u>(3,755)</u>	<u>370</u>
	<u>\$ 545,764</u>	<u>\$ 473,217</u>

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

<u>Financial assets mandatorily measured at fair value through profit or loss</u>	<u>2020</u>	<u>2019</u>
Beneficiary certificates	(\$ 844)	\$ 10,835
Debt instruments	<u>423</u>	<u>642</u>
	<u>(\$ 421)</u>	<u>\$ 11,477</u>

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

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

(3) Financial assets at amortized cost

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<u>Current items:</u>		
Time deposits with more than three months maturity	<u>\$ 590,000</u>	<u>\$ 90,000</u>
<u>Non-current items:</u>		
Pledged bank deposits	<u>\$ 153,413</u>	<u>\$ 158,040</u>

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

	<u>2020</u>	<u>2019</u>
Interest income	<u>\$ 2,545</u>	<u>\$ 1,131</u>

B. As at December 31, 2020 and 2019, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortized cost held by the Company was \$743,413 and \$248,040, respectively.

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

D. Information relating to credit risk of financial assets at amortized cost is provided in Note 12(2).

(4) Notes and accounts receivable

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Notes receivable	<u>\$ 2,897</u>	<u>\$ 2,995</u>
Accounts receivable	\$ 4,420,655	\$ 3,650,987
Less: Allowance for uncollectible accounts	<u>(32,896)</u>	<u>(22,444)</u>
	<u>\$ 4,387,759</u>	<u>\$ 3,628,543</u>

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

B. As at December 31, 2020 and 2019, and January 1, 2019, the balances of receivables (including

notes receivable) from contracts with customers amounted to \$4,423,552 \$3,653,982, and \$3,130,411, respectively.

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

D. As at December 31, 2020 and 2019, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Company's notes and accounts receivable were \$2,897 and \$2,995; \$4,387,759 and \$3,628,543, respectively.

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

(5) Inventories

	<u>December 31, 2020</u>		
	<u>Cost</u>	<u>Allowance for valuation loss</u>	<u>Book value</u>
Raw materials and supplies	\$ 6,441,564	(\$ 109,694)	\$ 6,331,870
Work in progress	1,377,683	(604)	1,377,079
Finished goods and merchandise inventories	<u>3,498,622</u>	<u>(100,376)</u>	<u>3,398,246</u>
	<u>\$ 11,317,869</u>	<u>(\$ 210,674)</u>	<u>\$ 11,107,195</u>

	<u>December 31, 2019</u>		
	<u>Cost</u>	<u>Allowance for valuation loss</u>	<u>Book value</u>
Raw materials and supplies	\$ 2,952,608	(\$ 124,625)	\$ 2,827,983
Work in progress	1,939,178	(319)	1,938,859
Finished goods and merchandise inventories	<u>4,181,833</u>	<u>(117,821)</u>	<u>4,064,012</u>
	<u>\$ 9,073,619</u>	<u>(\$ 242,765)</u>	<u>\$ 8,830,854</u>

The cost of inventories recognized as expense for the period:

	<u>Year ended December 31</u>	
	<u>2020</u>	<u>2019</u>
Cost of inventories sold	\$ 71,215,856	\$ 54,623,582
Cost of warranty	959,800	835,699
Gain on reversal of valuation	<u>(32,091)</u>	<u>(285,156)</u>
	<u>\$ 72,143,565</u>	<u>\$ 55,174,125</u>

For the years ended December 31, 2020 and 2019, the Company reversed a previous inventory write-down and accounted for as reduction of cost of goods sold because of the sale of obsolete inventories.

(6) Investments accounted for using the equity method

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<u>Subsidiaries</u>		
Freedom International Group Ltd.	\$ 6,423,710	\$ 5,944,077
Giga Investment Co.	3,559,767	3,635,838
G.B.T. Technology Trading GmbH	400,468	299,218
BYTE International Co., Ltd.	340,453	87,874
G-Style Co., Ltd.	261,118	311,878
GIGAIPC CO., LTD.	190,830	-
Giga-Byte Technology B.V.	83,111	63,713
G.B.T. Inc.	(72,260)	44,294
Giga-Byte Communication Inc.	22,420	22,898
G.B.T. Technology LLC others	138,635	133,753
<u>Joint ventures:</u>		
MyelinTek Inc.	<u>67,386</u>	<u>-</u>
	11,415,638	10,543,543
Add : Reclassified to other liabilities, others (shown as other non-current liabilities)	<u>72,260</u>	<u>-</u>
	<u>\$ 11,487,898</u>	<u>\$ 10,543,543</u>

- A. Please refer to Note 4(3) in the consolidated financial statements for the year ended December 31, 2020 for more information on the Company's subsidiary.
- B. For the years ended December 31, 2020 and 2019, shares of profit from subsidiaries accounted for using equity method were \$27,569 and \$201,350, respectively, based on the audited financial statements.
- C. The Company participated in the capital increase raised by Freedom International Group Ltd. with \$102,850 on February 5, 2020. The share interest remains 100% after the capital increase.
- D. The Company participated in the capital increase of MyelinTek Inc. in the amount of \$70,000 on April 6, 2020, and the shareholding ratio was 40%.
- E. The Company participated in the capital increase raised by G.B.T. Technology Trading GmbH with \$79,793 on May 26, 2020. The share interest remains 100% after the capital increase.
- F. The Company participated in the capital increase raised by BYTE International Co., Ltd. with \$190,000 and \$90,000 on July 24, 2020 and November 25, 2020, respectively. The share interest remains 100% after the capital increase.
- G. On September 15, 2020, the Company acquired a 100% equity interest in the second-tier subsidiary, GIGA IPC Co., Ltd., from the subsidiary, Giga Investment Corp., in the amount of \$197,838, and the cash consideration was calculated based on the net assets of the second-tier subsidiary on August 31, 2020.

- H. Gigabyte Global Business Corporation completed the liquidation on April 17, 2019, returning proceeds of \$535 and recognized losses on disposal of investments of \$15.
- I. The Company participated in the capital increase raised by Giga Investment Co. with \$200,000 on November 18, 2019. The share interest remains 100% after the capital increase.
- J. The Company had no significant joint venture. The Company's share of operating results of individual insignificant joint venture are as follows:

	<u>Years ended December 31</u>	
	<u>2020</u>	<u>2019</u>
Total comprehensive loss	(\$ 2,614)	\$ -

(Remainder of page intentionally left blank)

(7) Property, plant and equipment

2020

	Land		Buildings and structures		Machinery		Others		Total
	Owner-occupied	Lease	Owner-occupied	Lease	Owner-occupied	Lease	Owner-occupied	Lease	
<u>At January 1</u>									
Cost	\$ 926,088	\$ 108,924	\$ 1,553,000	\$ 62,137	\$ 1,025,486	\$ 1,003,059	\$ 4,678,694		
Accumulated depreciation	-	-	(612,478)	(10,714)	(837,546)	(698,011)	(2,158,749)		
	<u>\$ 926,088</u>	<u>\$ 108,924</u>	<u>\$ 940,522</u>	<u>\$ 51,423</u>	<u>\$ 187,940</u>	<u>\$ 305,048</u>	<u>\$ 2,519,945</u>		
Opening net book amount as at January 1	\$ 926,088	\$ 108,924	\$ 940,522	\$ 51,423	\$ 187,940	\$ 305,048	\$ 2,519,945		
Additions	-	-	6,561	-	63,569	62,085	132,215		
Disposals	-	-	-	-	(3,145)	-	(3,145)		
Reclassifications	-	-	452	-	161,058	(116,117)	45,393		
Depreciation charge	-	-	(49,419)	(1,216)	(92,112)	(120,214)	(262,961)		
Closing net book amount as at December 31	<u>\$ 926,088</u>	<u>\$ 108,924</u>	<u>\$ 898,116</u>	<u>\$ 50,207</u>	<u>\$ 317,310</u>	<u>\$ 130,802</u>	<u>\$ 2,431,447</u>		
<u>At December 31</u>									
Cost	\$ 926,088	\$ 108,924	\$ 1,559,383	\$ 62,137	\$ 965,839	\$ 885,834	\$ 4,508,205		
Accumulated depreciation	-	-	(661,267)	(11,930)	(648,529)	(755,032)	(2,076,758)		
	<u>\$ 926,088</u>	<u>\$ 108,924</u>	<u>\$ 896,116</u>	<u>\$ 50,207</u>	<u>\$ 317,310</u>	<u>\$ 130,802</u>	<u>\$ 2,431,447</u>		

2019

	Land		Buildings and structures		Machinery		Others		
	Owner-occupied	Lease	Subtotal	Owner-occupied	Lease	Subtotal	Owner-occupied	Others	
<u>At January 1</u>									
Cost	\$ 926,088	\$ 108,924	\$ 1,035,012	\$ 1,581,845	\$ 62,137	\$ 1,643,982	\$ 1,031,390	\$ 834,006	\$ 4,544,390
Accumulated depreciation	-	-	-	(603,054)	(9,498)	(612,552)	(853,665)	(615,961)	(2,082,178)
	<u>\$ 926,088</u>	<u>\$ 108,924</u>	<u>\$ 1,035,012</u>	<u>\$ 978,791</u>	<u>\$ 52,639</u>	<u>\$ 1,031,430</u>	<u>\$ 177,725</u>	<u>\$ 218,045</u>	<u>\$ 2,462,212</u>
Opening net book amount as at January 1	\$ 926,088	\$ 108,924	\$ 1,035,012	\$ 978,791	\$ 52,639	\$ 1,031,430	\$ 177,725	\$ 218,045	\$ 2,462,212
Additions	-	-	-	8,942	-	8,942	14,532	264,144	287,618
Disposals	-	-	-	-	-	-	(92)	-	(92)
Reclassifications	-	-	-	630	-	630	65,864	(71,288)	(4,794)
Depreciation charge	-	-	-	(47,841)	(1,216)	(49,057)	(70,089)	(105,853)	(224,999)
Closing net book amount as at December 31	<u>\$ 926,088</u>	<u>\$ 108,924</u>	<u>\$ 1,035,012</u>	<u>\$ 940,522</u>	<u>\$ 51,423</u>	<u>\$ 991,945</u>	<u>\$ 187,940</u>	<u>\$ 305,048</u>	<u>\$ 2,519,945</u>
<u>At December 31</u>									
Cost	\$ 926,088	\$ 108,924	\$ 1,035,012	\$ 1,553,000	\$ 62,137	\$ 1,615,137	\$ 1,025,486	\$ 1,003,059	\$ 4,678,694
Accumulated depreciation	-	-	-	(612,478)	(10,714)	(623,192)	(837,546)	(698,011)	(2,158,749)
	<u>\$ 926,088</u>	<u>\$ 108,924</u>	<u>\$ 1,035,012</u>	<u>\$ 940,522</u>	<u>\$ 51,423</u>	<u>\$ 991,945</u>	<u>\$ 187,940</u>	<u>\$ 305,048</u>	<u>\$ 2,519,945</u>

A. The significant components of buildings include main plants and renovation projects, which are depreciated over 55 and 10 years, respectively.

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

(8) Leasing arrangements—lessee

- A. The Company leases various assets including buildings and transportation equipment. Rental contracts are typically made for periods of 1 to 3 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.
- B. Short-term leases with a lease term of 12 months or less comprise of buildings and business vehicles. Low-value assets comprise multifunction printers, etc. As at December 31, 2020 and 2019, payments of lease commitments for short-term leases amounted to \$17,645 and \$638, respectively.
- C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>
Buildings	\$ 29,269	\$ 36,663
Transportation equipment	<u>44,840</u>	<u>25,154</u>
	<u>\$ 74,109</u>	<u>\$ 61,817</u>

	<u>Year ended December 31</u>	
	<u>2020</u>	<u>2019</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Buildings	\$ 25,946	\$ 26,683
Transportation equipment	<u>24,326</u>	<u>22,551</u>
	<u>\$ 50,272</u>	<u>\$ 49,234</u>

- D. For the years ended December 31, 2020 and 2019, the additions to right-of-use assets were \$72,178 and \$23,077, respectively.
- E. The information on profit and loss accounts relating to lease contracts is as follows:

	<u>Year ended December 31</u>	
	<u>2020</u>	<u>2019</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 1,176	\$ 1,743
Expense on short-term lease contracts	17,645	17,351
Expense on leases of low-value assets	11,665	3,377
Gain on lease modification	235	-

- F. For the years ended December 31, 2020 and 2019, the Company's total cash outflow for leases were \$80,860 and \$70,885, respectively.

(9) Leasing arrangements – lessor

- A. The Company leases various assets including land and buildings. Rental contracts are typically made for periods of 1 to 7 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.
- B. For the years ended December 31, 2020 and 2019, the Company recognized rent income in the

amount of \$16,176 and \$14,256, respectively, based on the operating lease agreement, which does not include variable lease payments.

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

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
2020	\$ -	\$ 8,726
2021	10,574	6,258
2022	8,648	5,944
2023	<u>2,781</u>	<u>2,781</u>
	<u>\$ 22,003</u>	<u>\$ 23,709</u>

(10) Other payables

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Wages, salaries and bonus payable	\$ 3,301,260	\$ 2,366,707
Employees' compensation and remuneration for directors and supervisors	629,127	291,385
Marketing payable	295,133	244,634
Shipping and freight-in payable	307,860	153,137
Royalties payable	80,093	75,159
Others	<u>382,781</u>	<u>248,694</u>
	<u>\$ 4,996,254</u>	<u>\$ 3,379,716</u>

(11) Provisions

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

	<u>2020</u>	<u>2019</u>
At January 1	\$ 513,568	\$ 433,059
Additional provisions	959,800	835,699
Used during the period	<u>(696,914)</u>	<u>(755,190)</u>
At December 31	<u>\$ 776,454</u>	<u>\$ 513,568</u>

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

(12) Long-term borrowings

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

(13) Pensions

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

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

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Present value of defined benefit obligations	(\$ 835,719)	(\$ 800,796)
Fair value of plan assets	<u>229,574</u>	<u>228,240</u>
Net defined benefit liability	<u>(\$ 606,145)</u>	<u>(\$ 572,556)</u>

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

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

	2019		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
At January 1	(\$ 764,063)	\$ 221,165	(\$ 542,898)
Current service cost	(3,570)	-	(3,570)
Interest (expense) income	(7,602)	2,241	(5,361)
Past service cost	4,684	-	4,684
	<u>(770,551)</u>	<u>223,406</u>	<u>(547,145)</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	7,863	7,863
Change in demographic assumptions	(6,684)	-	(6,684)
Change in financial assumptions	(24,306)	-	(24,306)
Experience adjustments	(5,957)	-	(5,957)
	<u>(36,947)</u>	<u>7,863</u>	<u>(29,084)</u>
Pension fund contribution	-	3,673	3,673
Paid pension	6,702	(6,702)	-
At December 31	<u>(\$ 800,796)</u>	<u>\$ 228,240</u>	<u>(\$ 572,556)</u>

(c) The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilization plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund" (Article 6: The scope of utilization for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilization of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2020 and 2019 is given in the Annual Labor Retirement Fund Utilization Report announced by the government.

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

	Years ended December 31	
	2020	2019
Discount rate	<u>0.35%</u>	<u>0.75%</u>
Future salary increases	<u>3.00%</u>	<u>3.00%</u>

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

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

	<u>Discount rate</u>		<u>Future salary increases</u>	
	<u>Increase 0.25%</u>	<u>Decrease 0.25%</u>	<u>Increase 0.25%</u>	<u>Decrease 0.25%</u>
December 31, 2020				
Effect on present value of defined benefit obligation	(\$ <u>24,378</u>)	\$ <u>25,420</u>	\$ <u>24,691</u>	(\$ <u>23,820</u>)
December 31, 2019				
Effect on present value of defined benefit obligation	(\$ <u>24,434</u>)	\$ <u>25,504</u>	\$ <u>24,873</u>	(\$ <u>23,968</u>)

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

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

(e) Expected contributions to the defined benefit pension plans of the Company for the year ending December 31, 2021 amount to \$14,211.

(f) As of December 31, 2020, the weighted average duration of that retirement plan is 11 years. The analysis of timing of the future pension payment was as follows:

Within 1 year	\$	14,123
1-2 year(s)		23,788
2-5 years		100,202
Over 5 years		<u>725,296</u>
	\$	<u>863,409</u>

B. Effective July 1, 2005, the Company has established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. The pension costs under the defined contribution pension plans of the Company for the years ended December 31, 2020 and 2019 were \$87,452 and \$84,888, respectively.

(14) Share capital

As of December 31, 2020, the Company's authorized capital was \$9,500,000, consisting of 950,000 thousand shares of ordinary stock (including 250,000 thousand shares reserved for employee stock options and for convertible bonds issued by the Company), and the paid-in capital was \$6,356,889 with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected. The number of the Company's ordinary shares outstanding during 2020 and 2019 is both 635,688,886 shares.

(15) Capital surplus

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

(16) Retained earnings

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

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

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

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

D. The appropriation of earnings for 2019 and 2018 had been resolved by stockholders on June 12, 2020 and June 12, 2019. Details are summarized below:

	Years ended December 31			
	2019		2018	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ 193,924		\$ 256,651	
Cash dividends	1,398,516	\$ 2.20	1,907,067	\$ 3.00

E. As of the date of the auditor's report, the appropriation of retained earnings for 2020 has not been resolved by the Board of Directors. Information about the appropriation of earnings proposed by the Board of Directors and resolved by the shareholders will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(17) Operating revenue

	December 31, 2020	December 31, 2019
Revenue from contracts with customers	\$ 84,087,874	\$ 62,383,990

A. Disaggregation of revenue from contracts with customers

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

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

<u>Product Types</u>	Year ended December 31, 2019		
	Global brand business group	Other business group	Total
Computer parts	\$ 48,712,837	\$ 1,319,011	\$ 50,031,848
Networking communication products	-	7,889,147	7,889,147
Others	2,906,769	1,556,226	4,462,995
	<u>\$ 51,619,606</u>	<u>\$ 10,764,384</u>	<u>\$ 62,383,990</u>

B. Contract liabilities

The Company has recognized unearned receipts as revenue-related contract liabilities amounting to \$3,847,245, \$370,694 and \$277,495 as of December 31, 2020 and 2019 and January 1, 2019, respectively.

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

	<u>Year ended December 31</u>	
	<u>2020</u>	<u>2019</u>
Revenue recognized that was included in the contract liability balance at the beginning of the period		
Unearned receipts	<u>\$ 320,360</u>	<u>\$ 277,495</u>

(18) Interest income

	<u>Year ended December 31</u>	
	<u>2020</u>	<u>2019</u>
Interest income from bank deposits	\$ 39,993	\$ 46,445
Interest income from financial assets measured at amortized cost	2,545	1,131
Interest income from financial assets at fair value through profit or loss	843	3,442
Other interest income	<u>2,805</u>	<u>3,392</u>
	<u>\$ 46,186</u>	<u>\$ 54,410</u>

(19) Other income

	<u>Year ended December 31</u>	
	<u>2020</u>	<u>2019</u>
Rent income	\$ 16,176	\$ 14,256
Other income, others	<u>782,720</u>	<u>437,508</u>
	<u>\$ 798,896</u>	<u>\$ 451,764</u>

(20) Other gains and losses

	<u>Year ended December 31</u>	
	<u>2020</u>	<u>2019</u>
Foreign exchange gains	\$ 220,442	\$ 61,144
(Losses) gains on financial assets at fair value through profit or loss	(1,264)	8,035
Gains on disposal of property, plant and equipment	4,101	2,005
Gains arising from lease modification	235	13
Losses on disposal of investments	-	(15)
Other losses	<u>(2,676)</u>	<u>(4,896)</u>
	<u>\$ 220,838</u>	<u>\$ 66,286</u>

(21) Finance costs

	<u>Year ended December 31</u>	
	<u>2020</u>	<u>2019</u>
Interest expense		
Interest from borrowings	\$ 617	\$ -
Interest from lease liabilities	1,176	1,743
Financial expense, others	<u>256</u>	<u>446</u>
	<u>\$ 2,049</u>	<u>\$ 2,189</u>

(22) Expenses by nature

	<u>Year ended December 31</u>	
	<u>2020</u>	<u>2019</u>
Cost of goods sold	\$ 70,367,690	\$ 53,806,692
Employee benefit expense	4,742,400	3,322,747
Warranty cost of after-sale service	959,800	835,699
Marketing service charge	472,740	373,802
Depreciation and amortisation	366,251	358,408
Transportation expenses	276,969	186,037
Expected credit losses	10,452	3,434
Other costs and expenses	<u>2,780,865</u>	<u>2,106,326</u>
	<u>\$ 79,977,167</u>	<u>\$ 60,993,145</u>

(23) Employee benefit expense

	<u>Year ended December 31</u>	
	<u>2020</u>	<u>2019</u>
Wages and salaries	\$ 4,280,711	\$ 2,882,787
Labor and health insurance fees	196,377	193,431
Pension costs	96,322	89,135
Directors' remuneration	53,601	52,752
Other personnel expenses	<u>115,389</u>	<u>104,642</u>
	<u>\$ 4,742,400</u>	<u>\$ 3,322,747</u>

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

B. For the years ended December 31, 2020 and 2019, employees' compensation was accrued at \$583,127 and \$245,385, respectively; while directors' remuneration was both accrued at \$46,000. The aforementioned amounts were recognized in salary expenses.

The employees' compensation and directors' remuneration were estimated and accrued based on 10% and 0.79% of distributable profit of current year for the year ended December 31, 2020. The

employees' compensation and directors' remuneration resolved by the Board of Directors were \$583,127 and \$46,000, and the employees' compensation will be distributed in the form of cash. Employees' compensation and directors' remuneration of 2019 as resolved by the Board of Directors were in agreement with those amounts recognized in the 2019 financial statements. Information about employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(24) Income tax

A. Income tax expense

(a) Components of income tax expense:

	<u>Year ended December 31</u>	
	<u>2020</u>	<u>2019</u>
Current tax:		
Current tax on profits for the period	\$ 941,717	\$ 243,883
Tax on undistributed surplus earnings	16,177	-
Prior year income tax overestimation	(21,417)	(15,602)
Total current tax	<u>936,477</u>	<u>228,281</u>
Deferred tax:		
Origination and reversal of temporary differences	(108,659)	(5,056)
Income tax expense	<u>\$ 827,818</u>	<u>\$ 223,225</u>

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

	<u>Year ended December 31</u>	
	<u>2020</u>	<u>2019</u>
Remeasurement of defined benefit obligations	(\$ 5,014)	(\$ 5,817)

B. Reconciliation between income tax expense and accounting profit:

	<u>Year ended December 31</u>	
	<u>2020</u>	<u>2019</u>
Tax calculated based on profit before tax and statutory tax rate	\$ 1,040,429	\$ 432,493
Expenses disallowed by tax regulation	43,390	725
Tax exempt income by tax regulation	-	(21,359)
Effect from investment tax credits	(98,153)	(75,735)
Changes in assessment of realisation of deferred tax assets	(152,608)	(105,680)
Prior year income tax overestimation	(21,417)	(15,602)
Tax on undistributed surplus earnings	16,177	-
Separate taxation	-	<u>8,383</u>
Income tax expense	<u>\$ 827,818</u>	<u>\$ 223,225</u>

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

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

	Year ended December 31, 2019			
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
<u>Deferred tax assets</u>				
Provision for warranty expense	\$ 86,612	\$ 16,102	\$ -	\$ 102,714
Loss on inventory	105,584	(57,031)	-	48,553
Pension expense	46,710	115	-	46,825
Unrealized profit on intercompany sales	59,855	23,794	-	83,649
Unrealized exchange loss	45	10,668	-	10,713
Remeasurement of defined benefit obligations	21,360	-	5,817	27,177
Others	40,125	11,408	-	51,533
	<u>\$ 360,291</u>	<u>\$ 5,056</u>	<u>\$ 5,817</u>	<u>\$ 371,164</u>

D. The Company has not recognized taxable temporary differences associated with investment in subsidiaries as deferred tax liabilities. As of December 31, 2020 and 2019, the amounts of temporary difference unrecognized as deferred tax liabilities were \$493,816 and \$356,093, respectively.

E. The Company's income tax returns through 2017 have been assessed and approved by the Tax Authority.

(25) Earnings per share

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

	<u>Year ended December 31, 2019</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (share in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 1,939,241	635,689	\$ <u>3.05</u>
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
— Employees' compensation	-	<u>6,386</u>	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 1,939,241</u>	<u>642,075</u>	<u>\$ 3.02</u>

(26) Supplemental cash flow information

Investing activities with partial cash payments

	<u>Year ended December 31</u>	
	<u>2020</u>	<u>2019</u>
Purchase of property, plant and equipment	\$ 132,215	\$ 287,618
Add: Opening balance of payable on equipment	16,054	14,621
Less: Ending balance of payable on equipment	(10,333)	(16,054)
Cash paid during the year	<u>\$ 137,936</u>	<u>\$ 286,185</u>

(27) Changes in liabilities from financing activities

	<u>2020</u>			
	<u>Long-term borrowings</u>	<u>Lease liability</u>	<u>Guarantee deposits received</u>	<u>Liabilities from financing activities-gross</u>
At January 1	\$ -	\$ 62,190	\$ 2,389	\$ 64,579
Changes in cash flow from financing activities	200,000	(50,374)	43,308	(7,066)
Payment of interest expense on lease liabilities(Note)	-	(1,176)	-	(1,176)
Changes in other non-cash items	-	<u>63,796</u>	-	<u>63,796</u>
At December 31	<u>\$ 200,000</u>	<u>\$ 74,436</u>	<u>\$ 45,697</u>	<u>\$ 120,133</u>

	2019		
	<u>Lease liability</u>	<u>Guarantee deposits received</u>	<u>Liabilities from financing activities-gross</u>
At January 1	\$ 90,367	\$ 2,235	\$ 92,602
Changes in cash flow from financing activities	(48,414)	154	(48,260)
Payment of interest expense on lease liabilities(Note)	(1,743)	-	(1,743)
Changes in other non-cash items	21,980	-	21,980
At December 31	<u>\$ 62,190</u>	<u>\$ 2,389</u>	<u>\$ 64,579</u>

Note: Listed under cash flows from operating activities.

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

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

Names of related parties	Relationship with the Company
Giga Education Foundation	The Company's other related party

(2) Significant related party transactions

A. Operating revenue

	Year ended December 31	
	2020	2019
Sales of goods:		
G.B.T.-USA	\$ 18,993,954	\$ 12,624,549
Ningbo Zhongjia	15,763,934	12,236,148
Subsidiaries	3,149,164	2,417,053
Indirect subsidiaries	<u>91,620</u>	<u>296,327</u>
	<u>\$ 37,998,672</u>	<u>\$ 27,574,077</u>

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

B. Purchases

	Year ended December 31	
	2020	2019
Purchases of goods:		
Ningbo Gigabyte	\$ 1,669,421	\$ 45,497
Dongguan Gigabyte	1,186,097	82,042
G.B.T.-LBN	-	402,042
Subsidiaries	<u>1,963</u>	<u>1,575</u>
	<u>\$ 2,857,481</u>	<u>\$ 531,156</u>

All purchases from related parties are based on negotiated terms because the related products are unique and cannot be purchased from third parties. The payment terms for related parties are 60 days after receipt of goods that would be available to third parties. The payment term for third parties is 30 days after receipt of goods or 60~90 days for monthly billings.

C. Manufacturing overhead-Processing expense

	Year ended December 31, 2019
G.B.T.-LBN	<u>\$ 1,579,568</u>

The payments to G.B.T.-LBN were for subcontracting motherboard, etc. to Dongguan Gigabyte and Ningbo Giga-Byte. No such transaction was made for the year ended December 31, 2020.

D. Warranty expense

	<u>Year ended December 31</u>	
	<u>2020</u>	<u>2019</u>
Ningbo BestYield	\$ 314,349	\$ 310,324
G.B.T.-USA	71,340	74,265
G.B.T.-NL	37,582	30,195
Subsidiaries	42,181	49,032
Indirect subsidiaries	<u>1,848</u>	<u>11,097</u>
	<u>\$ 467,300</u>	<u>\$ 474,913</u>

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

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

	<u>Year ended December 31</u>	
	<u>2020</u>	<u>2019</u>
G.B.T.-NL	\$ 156,625	\$ 134,911
G.B.T.-AU	83,934	38,658
G.B.T.-Japan	34,939	27,012
Subsidiaries	<u>53,890</u>	<u>48,411</u>
	<u>\$ 329,388</u>	<u>\$ 248,992</u>

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

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

	<u>Year ended December 31</u>	
	<u>2020</u>	<u>2019</u>
G.B.T.-NL	\$ 175,380	\$ 139,621
Subsidiaries	7,450	28,925
Indirect subsidiaries	<u>5,554</u>	<u>5,804</u>
	<u>\$ 188,384</u>	<u>\$ 174,350</u>

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

G. Accounts receivable

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
G.B.T.-USA	\$ 5,408,842	\$ 3,640,567
Ningbo Zhongjia	2,062,836	1,439,651
Subsidiaries	653,115	518,572
Indirect subsidiaries	<u>718,596</u>	<u>339,745</u>
	<u>\$ 8,843,389</u>	<u>\$ 5,938,535</u>

H. Accounts payable

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Ningbo Gigabyte	\$ 2,548,600	\$ 948,464
Dongguan Gigabyte	1,630,840	1,027,137
Subsidiaries	<u>727</u>	<u>6,717</u>
	<u>\$ 4,180,167</u>	<u>\$ 1,982,318</u>

I. Other payables

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Ningbo BestYield	\$ 71,692	\$ 34,833
G.B.T. -NL	54,729	26,448
Subsidiaries	42,903	30,447
Indirect subsidiaries	765	401
Other related parties	<u>122</u>	<u>-</u>
	<u>\$ 170,211</u>	<u>\$ 92,129</u>

J. Unearned receipts (Shown as "Contract liabilities")

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Indirect subsidiaries	<u>\$ -</u>	<u>\$ 193,809</u>

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

	<u>No. of shares</u>	<u>Objects</u>	<u>Years ended December 31</u>	
			<u>2020</u>	<u>2019</u>
			<u>Consideration</u>	<u>Consideration</u>
BYTE International	28,000,000	Stock	\$ 280,000	\$ -
GIGAIPC	20,000,000	"	197,838	-
Freedom	3,400,000	"	102,850	-
G.B.T. -GmbH	-	"	79,793	-
MyelinTek Inc.	299,999,995	"	70,000	-
Giga Investment	20,000,000	"	-	200,000
			<u>\$ 730,481</u>	<u>\$ 200,000</u>

(3) Key management compensation

	<u>Years ended December 31</u>	
	<u>2020</u>	<u>2019</u>
Salaries and other short-term employee benefits	<u>\$ 455,594</u>	<u>\$ 398,539</u>

8. PLEDGED ASSETS

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

<u>Pledged asset</u>	<u>Book value</u>		<u>Purpose</u>
	<u>December 31, 2020</u>	<u>December 31, 2019</u>	
Pledged assets - non-current (accounted for as "Financial assets at amortized cost - non-current")			
- Demand deposits	\$ 92,229	\$ 96,942	Repatriated offshore funds
- Time deposits	<u>61,184</u>	<u>61,098</u>	Guarantee for the customs duties
	<u>\$ 153,413</u>	<u>\$ 158,040</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED 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. Financial instruments by category

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<u>Financial assets</u>		
Financial assets mandatorily measured at fair value through profit or loss	\$ 545,764	\$ 473,217
Financial assets at amortized cost		
Cash and cash equivalents	10,777,615	5,197,276
Financial assets at amortized cost	743,413	248,040
Notes receivable	2,897	2,995
Accounts receivable (including related parties)	13,231,148	9,567,078
Other receivables	73,125	84,063
Guarantee deposits paid	30,372	25,316
	<u>\$ 25,404,334</u>	<u>\$ 15,597,985</u>
<u>Financial liabilities</u>		
Financial liabilities at amortized cost		
Notes payable	\$ 257	\$ 54,092
Accounts payable (including related parties)	12,821,969	9,024,870
Other payables	4,996,254	3,379,716
Long-term borrowings	200,000	-
Guarantee deposits received	45,697	2,389
Lease liabilities	74,436	62,190
	<u>\$ 18,138,613</u>	<u>\$ 12,523,257</u>

B. Financial risk management policies

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

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

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

	<u>December 31, 2020</u>		
	<u>Foreign currency amount (In thousands)</u>	<u>Exchange rate</u>	<u>Book value (NTD)</u>
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 680,031	28.508	\$ 19,386,324
RMB:NTD	129,421	4.832	567,123
<u>Non-monetary items</u>			
USD:NTD	\$ 8,716	28.508	\$ 248,476
<u>Investments accounted for using equity method</u>			
USD:NTD	\$ 225,711	28.508	\$ 6,434,561
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 395,665	28.508	\$ 11,279,618
RMB:NTD	290,238	4.382	1,271,823

				December 31, 2019		
				Foreign currency amount	Exchange	Book value
				<u>(In thousands)</u>	<u>rate</u>	<u>(NTD)</u>
(Foreign currency: functional currency)						
<u>Financial assets</u>						
<u>Monetary items</u>						
	USD:NTD	\$	388,294	30.106	\$	11,689,979
	RMB:NTD		47,803	4.323		206,652
<u>Non-monetary items</u>						
	USD:NTD	\$	5,663	30.106	\$	170,483
<u>Investments accounted for using equity method</u>						
	USD:NTD	\$	212,906	30.106	\$	6,409,736
<u>Financial liabilities</u>						
<u>Monetary items</u>						
	USD:NTD	\$	252,799	30.106	\$	7,610,767
	RMB:NTD		266,111	4.323		1,150,398

- iv. The total exchange gain (loss), including realized and unrealized arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2020 and 2019 amounted to \$220,442 and \$61,144, respectively.
- v. Analysis of foreign currency market risk arising from significant foreign exchange variation:

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

	Year ended December 31, 2019		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 116,900	\$ -
RMB:NTD	1%	2,067	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 76,108	\$ -
RMB:NTD	1%	11,504	-

Price risk

- i. The Company's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss. To manage its price risk arising from investment in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.
- ii. The Company invests in beneficiary certificates. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1 % with all other variables held constant, pre-tax profit for the years ended December 31, 2020 and 2019 would have increased/decreased by \$5,298 and \$4,570, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss.

Cash flow and fair value interest rate risk

- i. The bond funds and fixed interest rate bond invested by the Company was held mainly for trading purposes, and the cash flow of which are affected by the market interest rate.
- ii. For fixed interest rate bond investments held by the Company classified as financial assets mandatorily measured at fair value through profit or loss, changing in market interest rates would affect their fair values. As at December 31, 2020 and 2019, if market interest rates had increased/decreased by 1 % with all other variables held constant, pre-tax profit for the years ended December 31, 2020 and 2019 would have increased/decreased by \$160 and \$162, respectively.
- iii. As December 31, 2020, if the borrowing interest rate had increased/decreased by 0.1% with all other variables held constant, pre-tax profit for the year ended December 31, 2020 would have increased/decreased by \$200. The main factor is that floating-rate borrowings result in the change of interest expense.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments at fair value through profit or loss.
- ii. The bond fund held by the Company was issued by well-known foreign banks and securities investment trust companies owned by or affiliated with domestic financial holding companies with good credit standing. Since the Company trades with several securities investment trust companies, the credit risk is relatively low.
- iii. The corporate bonds and financial bonds invested by the Company have been evaluated to have a good credit rating, and it is expected that the counterparty will not default, so the credit risk is extremely low. The maximum loss to the Company is the total amount of all book value.
- iv. The Company manages their credit risk taking into consideration the entire Company's concern. According to the Company's credit policy, each local entity in the Company is responsible for managing and analyzing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilization of credit limits is regularly monitored.
- v. The Company adopts the assumptions under IFRS 9, the default occurs when the contract payments are not expected to be recovered.
- vi. The Company adopts following assumptions under IFRS 9 to assess whether these has been a significant increase in credit risk on that instrument since initial recognition:
If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- vii. The Company classifies customers' accounts receivable in accordance with credit rating of customer, insurance coverage and collaterals. The Company applies the modified approach using provision matrix to estimate expected credit loss under the provision matrix basis.
- viii. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
 - (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;
 - (ii) The disappearance of an active market for that financial asset because of financial difficulties;
 - (iii) Default or delinquency in interest or principal repayment; and
 - (iv) Adverse changes in national or regional economic conditions that are expected to cause a default.
- ix. The Company used the forecast ability of macroeconomic growth by the International Monetary Fund to adjust historical and timely information to assess the default

possibility of accounts receivable. As at December 31, 2020 and 2019, the provision matrix is as follows:

	<u>Not past due</u>	<u>Up to 30 days past due</u>	<u>31 to 60 days past due</u>
<u>December 31, 2020</u>			
Expected loss rate	1.34%	1.48%	4.53%
Total book value	\$ 3,679,912	\$ 699,638	\$ 29,092
Loss allowance	\$ 20,752	\$ 2,264	\$ 947
	<u>61 to 90 days past due</u>	<u>Over 90 days</u>	<u>Total</u>
Expected loss rate	27.08%	100%	
Total book value	\$ 4,209	\$ 7,804	\$ 4,420,655
Loss allowance	\$ 1,129	\$ 7,804	\$ 32,896
	<u>Not past due</u>	<u>Up to 30 days past due</u>	<u>31 to 60 days past due</u>
<u>December 31, 2019</u>			
Expected loss rate	0.91%	1.02%	9.96%
Total book value	\$ 3,141,007	\$ 481,699	\$ 15,596
Loss allowance	\$ 10,652	\$ 862	\$ 169
	<u>61 to 90 days past due</u>	<u>Over 90 days</u>	<u>Total</u>
Expected loss rate	36.16%	100%	
Total book value	\$ 2,051	\$ 10,634	\$ 3,650,987
Loss allowance	\$ 127	\$ 10,634	\$ 22,444

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

	<u>2020</u>		
	<u>Notes receivable</u>	<u>Accounts receivable</u>	<u>Total</u>
At January 1	\$ -	\$ 22,444	\$ 22,444
Provision for impairment	-	10,452	10,452
At December 31	\$ -	\$ 32,896	\$ 32,896

	2019		
	Notes receivable	Accounts receivable	Total
At January 1	\$ -	\$ 19,010	\$ 19,010
Provision for impairment	-	3,434	3,434
At December 31	<u>\$ -</u>	<u>\$ 22,444</u>	<u>\$ 22,444</u>

Considering the credit insurance on accounts receivable, the above mentioning amounts were not recognized as allowance for uncollectible accounts amounting to \$39,097 and \$24,235 at December 31, 2020 and 2019, respectively.

For provisioned loss in 2020 and 2019, the impairment losses arising from customers' contracts amounted to \$10,452 and \$3,434, respectively.

- xi. For investments in debt instruments at amortized cost, the credit rating levels are presented below:

	December 31, 2020			
	12 months	Lifetime		Total
		Significant increase in credit risk	Impairment of credit	
Group 1	\$ 590,000	\$ -	\$ -	\$ 590,000
Group 2	153,413	-	-	153,413
	<u>\$ 743,413</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 743,413</u>

	December 31, 2019			
	12 months	Lifetime		Total
		Significant increase in credit risk	Impairment of credit	
Group 1	\$ 90,000	\$ -	\$ -	\$ 90,000
Group 2	158,040	-	-	158,040
	<u>\$ 248,040</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 248,040</u>

Group 1: Time deposits with more than three months maturity.

Group 2: Pledged time deposits.

(c) Liquidity risk

- i. Company treasury monitors rolling forecasts of the liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times.
- ii. Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the treasury of the company. Company treasury invests surplus cash in interest bearing current accounts, time deposits and marketable

securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts.

- iii. The Company had no undrawn borrowing facilities for fixed rate long-term borrowings.
- iv. The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. Except that the contractual undiscounted cash flows of notes payable, accounts payable, other payables and guarantee deposits received, are equal to its book value and matured within one year. The amounts disclosed in the table are the contractual undiscounted cash flows of financial liabilities as follows:

	<u>December 31, 2020</u>			
	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Over 2 years</u>	<u>Total</u>
Lease liability	\$ 40,186	\$ 27,596	\$ 8,226	\$ 76,008
Long-term borrowings	608	607	201,242	202,457

	<u>December 31, 2019</u>			
	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Over 2 years</u>	<u>Total</u>
Lease liability	\$ 44,639	\$ 15,408	\$ 3,470	\$ 63,517

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

(3) Fair value information

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

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

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

Level 3: Unobservable inputs for the asset or liability.

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

C. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities as at December 31, 2020 and 2019 is as follows:

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

December 31, 2020	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Beneficiary certificates	\$ 529,793	\$ -	\$ -	\$ 529,793
Debt instrument	<u>15,971</u>	<u>-</u>	<u>-</u>	<u>15,971</u>
	<u>\$ 545,764</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 545,764</u>
December 31, 2019	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Beneficiary certificates	\$ 457,052	\$ -	\$ -	\$ 457,052
Debt instrument	<u>16,165</u>	<u>-</u>	<u>-</u>	<u>16,165</u>
	<u>\$ 473,217</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 473,217</u>

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

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

	<u>Listed shares</u>	<u>Open-end fund</u>	<u>Government bonds and corporate bonds</u>
--	----------------------	----------------------	---

Market quoted price Closing price Net asset value Weighted average quoted price

- ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the balance sheet date.
- iii. When assessing non-standard and low-complexity financial instruments, for example, debt instruments without active market, the Company adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.
- iv. For high-complexity financial instruments, the fair value is measured by using self-developed valuation model based on the valuation method and technique widely used within the same industry. The valuation model is normally applied to derivative financial instruments, debt instruments with embedded derivatives or securitised instruments. Certain inputs used in the valuation model are not observable at market, and the Company must make reasonable estimates based on its assumptions.

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

D. For the years ended December 31, 2020 and 2019, there was no transfer between Level 1 and Level 2.

E. For the years ended December 31, 2020 and 2019, there was no transfer into or out from Level 3.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

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

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 5.

(3) Information on investments in Mainland China

- A. Basic information: Please refer to table 6.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 7.

(4) Major shareholders information

Major shareholders information: Please refer to table 8.

14. OPERATING SEGMENTS

None.

GIGA-BYTE TECHNOLOGY CO., LTD.
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
Year ended December 31, 2020

Expressed in thousands of NTD
(Except as otherwise indicated)

Table 1

Securities held by Giga-Byte Technology Co., Ltd.	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2020			Footnote
				Number of shares	Book value	Ownership (%)	
	Beneficiary certificates-CTBC Hwa-Win Money Market Fund	None	Financial assets at fair value through profit or loss-current	4,572,748	\$ 50,000	-	\$ 50,792
	Prudential Financial Money Market Fund	"	"	5,099,428	80,000	-	81,361
	JIN SUN Financial Money Market Fund	"	"	6,800,935	100,000	-	101,674
	CTBC Bloomberg Barclays USD Corporate 10+ Year High Grade Capped Bond ETF	"	"	1,000,000	48,361	-	47,500
	Beneficiary certificates—Morgan Stanley Opportunistic Mortgage Income Fund LP	"	"	379,064	12,244	-	10,806
	AB FCP I-AMER INC-A2 USD (LUX LISTING) Income Fund LP	"	"	65,232	62,764	-	60,493
	PIMCO INVESTMENT GRADE CREDIT FUND (IRE LISTING)	"	"	85,388	60,469	-	59,663
	MSIM GLOBAL FIXED INC OPP-A (LUX LISTING) Income Fund LP	"	"	27,337	31,567	-	29,856
	PIMCO GLOBE INVESTMENT GRADE CREDIT FUND	"	"	67,249	29,272	-	29,716
	PIMCO TOTAL RETURN BOND FUND	"	"	32,092	29,272	-	28,911
	AXA IM FIS-US CORP BD-F	"	"	6,921	29,272	-	29,021
	Government bond—Indonesia Government International Bond 4.125%	"	"	500,000	16,298	-	15,971
					549,519		\$ 545,764
					(3,755)		
			Valuation adjustment of financial assets at fair value through profit or loss				\$ 545,764

		As of December 31, 2020					
Securities held by	Relationship with the securities issuer	Marketable securities	General ledger account	Ownership		Footnote	
				Number of shares	Book value		(%)
Giga-Trend International Investment Group Ltd.	None	Listed stocks - Sintrones Technology Corp. etc.	Financial assets at fair value through profit or loss-current	Omitted	\$ 101,662	-	\$ 123,097
			Valuation adjustment of financial assets at fair value through profit or loss		<u>21,435</u>		
	"	Unlisted stocks - Wellysun Inc. etc.	Financial assets at fair value through profit or loss-current	Omitted	\$ 118,916	-	\$ 66,725
			Valuation adjustment of financial assets at fair value through profit or loss		<u>(52,191)</u>		
					\$ <u>66,725</u>		
Giga Investments Corp.	None	Listed stocks - Walsin Technology Corporation etc.	Financial assets at fair value through other comprehensive income—Non current	Omitted	\$ 976,263	1.37%~ 9.44%	\$ 2,286,773
			Valuation adjustment of financial assets at fair value through other comprehensive income		<u>1,310,510</u>		
					\$ <u>2,286,773</u>		
	"	Unlisted stocks-Sagatek Consultant Co., Ltd. etc.	Financial assets at fair value through other comprehensive income—Non current	Omitted	\$ 64,948	0.11%~ 20.00%	\$ 62,730
			Valuation adjustment of financial assets at fair value through other comprehensive income		<u>(2,218)</u>		
					\$ <u>62,730</u>		
G-Style Co., Ltd.	None	Unlisted stocks - JM Material Technology Inc.	Financial assets at fair value through other comprehensive income—Non current	160,000	\$ 20,000	10.00%	\$ 2,093
			Valuation adjustment of financial assets at fair value through other comprehensive income		<u>(17,907)</u>		
					\$ <u>2,093</u>		

GIGA-BYTE TECHNOLOGY CO., LTD.

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

Year ended December 31, 2020

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Differences in transaction terms compared to third party transactions			Notes/accounts receivable (payable)	Percentage of total notes/accounts receivable (payable)	Footnote
						Credit term	Unit price	Credit term			
Giga-Byte Technology Co., Ltd.	G.B.T. Inc.	Parent-subsidary	(Sales)	\$ 18,993,954	(23%)	45 days upon receipt of goods	The price was based on the contract price	Normal	\$ 5,408,842	41%	
	G-Style Co., Ltd.	"	"	1,788,537	(2%)	90 days upon receipt of goods	"	"	538,651	4%	
	Giga-Byte Technology B.V.	"	"	926,192	(1%)	30 days upon receipt of goods	"	"	57,774	-	
	Gigaipc Co., Ltd.	"	"	432,930	(1%)	60 days after billing	"	"	56,496	-	
	Ningbo Zhongjia Technology Co., Ltd.	Parent-indirect subsidiary	"	15,763,934	(19%)	90 days upon receipt of goods	"	"	2,062,836	16%	
	Ningbo Gigabyte Technology Co., Ltd.	"	Purchases	1,669,421	2%	60 days upon receipt of goods	"	"	(2,548,600)	(20%)	
	Dongguan Gigabyte Electronics Co., Ltd.	"	"	1,186,097	2%	60 days upon receipt of goods	"	"	(1,630,840)	(13%)	
	G.B.T. Inc.	Sister companies	(Sales)	500,837	(25%)	60 days upon receipt of goods	The price was based on the contract price	Normal	116,354	52%	
	Ningbo Zhongjia Technology Co., Ltd.	"	"	101,466	(5%)	60 days after billing	"	"	3,474	2%	

GIGA-BYTE TECHNOLOGY CO., LTD.
Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more
Year ended December 31, 2020

Expressed in thousands of NTD
(Except as otherwise indicated)

Table 3

Creditor	Counterparty	Relationship with the counterparty	Balance as at		Overdue receivables			Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
			December 31, 2020	December 31, 2020	Amount	Turnover rate	Action taken		
Giga-Byte Technology Co., Ltd.	G.B.T. Inc.	Parent-subidiary	\$	5,408,842	\$	4.20	-	920,687	\$
	G-Style Co., Ltd.	"		538,651		3.60	-	174,067	
	Ningbo Zhongjia Technology Co., Ltd.	Parent-indirect subsidiary		2,062,836		9.00	-	1,121,960	
G-Style Co., Ltd.	Dongguan Gigabyte Electronics Co., Ltd.	"		481,900		9.08	-	481,900	
	Ningbo Gigabyte Technology Co., Ltd.	"		222,462		7.74	-	222,462	
	G.B.T. Inc.	Sister companies		116,354		7.42	-	16,682	
Ningbo Gigabyte Technology Co., Ltd.	Giga-Byte Technology Co., Ltd.	Parent-indirect subsidiary	RMB	583,643 thousand		8.37	-	RMB 34,203 thousand	
	Dongguan Gigabyte Electronics Co., Ltd.	"	RMB	373,266 thousand		8.96	-	RMB 34,589 thousand	

GIGA-BYTE TECHNOLOGY CO., LTD.
Significant inter-company transactions during the reporting periods
Year ended December 31, 2020

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Company name		Counterparty	Relationship	General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets
Giga-Byte Technology Co., Ltd.	Giga-Byte Technology B.V.	Parent company to subsidiary	Sales	\$ 926,192	Note 6	1%	
"	"	"	Service charge	175,380	Note 3	-	
"	"	"	Marketing service charge	156,625	"	-	
"	"	"	Accounts receivable	57,774	"	-	
"	"	"	Other payables	54,729	"	-	
G.B.T., Inc	"	Parent company to subsidiary	Sales	18,993,954	Note 7	22%	
"	"	"	Accounts receivable	5,408,842	"	11%	
G-Style Co., Ltd.	"	Parent company to subsidiary	Sales	1,788,537	Note 1	2%	
"	"	"	Accounts receivable	538,651	"	1%	
Gigaopc Co., Ltd.	"	Parent company to subsidiary	Sales	432,930	Note 2	1%	
"	"	"	Accounts receivable	56,496	"	-	
Ningbo Zhongjia Technology Co., Ltd.	"	Parent company to indirect subsidiary	Sales	15,763,934	Note 1	19%	
"	"	"	Accounts receivable	2,062,836	"	4%	
Ningbo Gigabyte Technology Co., Ltd.	"	Parent company to indirect subsidiary	Purchases	1,669,421	Note 5	2%	
"	"	"	Accounts receivable	222,462	Note 2	-	
"	"	"	Accounts payable	2,548,600	Note 5	5%	
Dongguan Gigabyte Electronics Co., Ltd.	"	Parent company to indirect subsidiary	Purchases	1,186,097	Note 5	1%	
"	"	"	Accounts receivable	481,900	Note 2	1%	
"	"	"	Accounts payable	1,630,840	Note 5	3%	
Ningbo BestYield Tech. Services Co., Ltd.	"	Parent company to indirect subsidiary	After-sale service fees	314,349	Note 3	-	
"	"	"	Other payables	71,692	"	-	
G.B.T. Technology Trading GmbH	"	Subsidiary to subsidiary	Marketing service charge	160,450	Note 4	-	
G.B.T., Inc	"	Subsidiary to subsidiary	Sales	500,837	Note 5	1%	
"	"	"	Accounts receivable	116,354	"	-	
Ningbo Zhongjia Technology Co., Ltd.	"	Subsidiary to indirect subsidiary	Sales	101,466	Note 2	-	

ADDUCE PARTNER INC-PLC USD/LUX
TECHNOLOGY INVESTMENT BOND LTD
FUND (IRE LISTING)

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

GIGA-BYTE TECHNOLOGY CO., LTD.

Information on investees
Year ended December 31, 2020

Expressed in thousands of NTD
(Except as otherwise indicated)

Table 5

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2020		Ownership (%)	Book value	Net profit (loss) of the investee for the year ended December 31, 2020	Investment income(loss) recognised by the Company for the year ended December 31, 2020	Footnote
				Balance as at December 31, 2020	Balance as at December 31, 2019	Number of shares						
Giga-Byte Technology Co., Ltd.	Freedom International Group Ltd.	British Virgin Islands	Holding company	\$ 4,720,532	\$ 4,617,682	146,071,692	\$ 6,423,710	\$ 568,675	\$ 311,881	The Company's subsidiary		
Giga-Byte Technology Co., Ltd.	Giga Investments Corp.	Taiwan	Holding company	2,775,000	2,775,000	293,756,500	3,559,767	(151,348)	(151,327)	The Company's subsidiary		
Giga-Byte Technology Co., Ltd.	G-Style Co., Ltd.	Taiwan	Manufacturing and selling of notebooks	910,000	910,000	72,000,000	261,118	(56,980)	(50,760)	The Company's subsidiary		
Giga-Byte Technology Co., Ltd.	Giga-Byte Communication Inc.	Taiwan	Manufacturing and selling of communications	1,647,508	1,647,508	2,145,880	22,420	(478)	(478)	The Company's subsidiary		
Giga-Byte Technology Co., Ltd.	BYTE International Co., Ltd.	Taiwan	Selling of PC peripherals	583,709	303,709	31,000,000	340,453	123	157	The Company's subsidiary		
Giga-Byte Technology Co., Ltd.	Myelin Tek Inc.	Taiwan	Software service	70,000	-	299,999,995	67,386	(8,318)	(2,614)	Investee accounted for using equity method		
Giga-Byte Technology Co., Ltd.	GIGAIPC Co., Ltd.	Taiwan	Sales of computer information products	197,838	-	20,000,000	190,830	21,106	(7,008)	The Company's subsidiary		
Giga-Byte Technology Co., Ltd.	Giga-Byte Technology B.V.	Netherlands	Sales of computer information products	25,984	25,984	8,500	83,111	23,669	23,730	The Company's subsidiary		
Giga-Byte Technology Co., Ltd.	GBT Tech. Co. Ltd.	U.K.	Marketing of computer information products	47,488	47,488	800,000	21,810	8,359	8,359	The Company's subsidiary		
Giga-Byte Technology Co., Ltd.	Nippon Giga-Byte Corp.	Japan	Marketing of computer information products	3,495	3,495	1,000	11,296	904	904	The Company's subsidiary		
Giga-Byte Technology Co., Ltd.	G.B.T. Technology Trading GmbH	Germany	Marketing of computer information products	352,752	272,959	-	400,468	3,194	3,194	The Company's subsidiary		
Giga-Byte Technology Co., Ltd.	Gigabyte Technology Pty. Ltd.	AUS	Marketing of computer information products	55,664	55,664	2,400,000	57,195	(120)	(120)	The Company's subsidiary		
Giga-Byte Technology Co., Ltd.	Gigabyte Technology (India) Private Limited	India	Marketing and maintenance of computer information products	182,868	182,868	4,600,000	7,790	(3,231)	(3,231)	The Company's subsidiary		
Giga-Byte Technology Co., Ltd.	Gigabyte Technology ESPANA S.L.U.	Spain	Marketing of computer information products	241	241	5,000	4,615	178	178	The Company's subsidiary		
Giga-Byte Technology Co., Ltd.	G.B.T. Inc.	U.S.A.	Sales of computer information products	90,660	90,660	54,116	72,260	178,809	(105,331)	The Company's subsidiary		
Giga-Byte Technology Co., Ltd.	Gigabyte Information Technology Commerce Limited Company	Turkey	Marketing of computer information products	3,541	3,541	8,000	2,030	284	284	The Company's subsidiary		
Giga-Byte Technology Co., Ltd.	Gigabyte Technology LLC	South Korea	Marketing of computer information products	22,534	22,534	168,000	33,899	(249)	(249)	The Company's subsidiary		

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2020		Ownership (%)	Book value	Net profit (loss) of the investee for the year ended December 31, 2020	Investment income (loss) recognised by the Company for the year ended December 31, 2020	Footnote
				Balance as at December 31, 2020	Balance as at December 31, 2019	Number of shares						
G.B.T. Technology Trading GmbH	Gigabyte Technology Poland SP Z O.O.	Poland	Marketing and maintenance of computer information products	\$ 500	\$ 500	100	100.00	\$ 2,771	\$ 577	\$ -	-	The Company's indirect subsidiary
Freedom International Group Ltd.	Charleston Investments Limited	Cayman Islands	Holding company	1,844,922	1,844,922	57,032,142	100.00	3,170,142	337,526	-	-	The Company's indirect subsidiary
Freedom International Group Ltd.	G.B.T. LBN Inc.	Malaysia	Sales of computer information products	414,766	-	14,000,000	100.00	-	133	-	-	The Company's indirect subsidiary
Freedom International Group Ltd.	G.B.T. Inc.	U.S.A.	Sales of computer information products	109,459	109,459	57,169	51.37	234,166	178,809	-	-	The Company's indirect subsidiary
Freedom International Group Ltd.	Gigabyte Trading Inc.	U.S.A.	ODM Business	-	1,623	-	-	-	(69)	-	-	The Company's indirect subsidiary
Freedom International Group Ltd.	Giga Future Limited	British Virgin Islands	Holding company	2,689,068	2,689,068	82,819,550	100.00	3,386,666	159,241	-	-	The Company's indirect subsidiary
Freedom International Group Ltd.	Giga Advance (Labuan) Limited	Malaysia	Sales of computer information products	-	5,648	-	-	-	-	-	-	The Company's indirect subsidiary
Freedom International Group Ltd.	LCKT Yuan Chan Technology Co., Ltd.(Cayman)	Cayman Islands	Holding company	92,775	92,775	3,000,000	30.00	10,053	(40,121)	-	-	Subsidiary's investee company accounted for under the equity method
Freedom International Group Ltd.	Aorus Pte. Ltd.	Singapore	Marketing of computer information products	60,757	60,757	3,073,000	100.00	15,688	(2,342)	-	-	The Company's indirect subsidiary
Giga Investments Corp.	Giga-Trend International Investment Group Ltd.	Taiwan	Holding company	399,950	599,950	45,290,000	100.00	505,628	27,880	-	-	The Company's indirect subsidiary
Giga Investments Corp.	Giga-Trend International Management Group Ltd.	Taiwan	Venture capital management and consulting company	17,904	5,483	1,000,000	100.00	21,221	470	-	-	The Company's indirect subsidiary
Giga Investments Corp.	Senyuan Precision Optical Co., Ltd.	Taiwan	Manufacturing and selling of optical lens	1,547,410	1,053,568	324,586,585	96.41	480,327	(312,692)	-	-	The Company's indirect subsidiary
Giga Investments Corp.	Gigazone Holdings Limited	British Virgin Islands	Holding company	-	173,928	-	-	-	-	-	-	The Company's indirect subsidiary
Giga Investments Corp.	Selita Precision Co., Ltd.	Taiwan	Manufacturing, wholesale and retail of bicycle and parts	50,000	50,000	5,000,000	100.00	35,806	(1,616)	-	-	The Company's indirect subsidiary
Giga Investments Corp.	GIGAIPC Co., Ltd.	Taiwan	Sales of computer information products	-	200,000	-	-	-	21,106	-	-	The Company's indirect subsidiary
Ningbo Best Yield Tech. Services Co., Ltd.	OGS Europe B.V.	Netherlands	Selling of communications	12,443	12,443	3,000	100.00	12,477	(1,914)	-	-	The Company's indirect subsidiary

GIGA-BYTE TECHNOLOGY CO., LTD.
Information on investments in Mainland China
Year ended December 31, 2020

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2020		Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2020	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2020	Net income of investee as of December 31, 2020	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2020	Book value of investments in Mainland China as of December 31, 2020	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2020	Footnote
				Remitted to Mainland China	Remitted back to Taiwan								
Dongguan Gigabyte Electronics Co., Ltd.	Manufacturing of computer information products	\$ 1,180,938	Note 1	\$ -	\$ -	\$ 1,180,938	\$ 1,180,938	\$ 113,730	100.00	\$ 113,730	\$ 1,621,053	\$ -	The Company's indirect subsidiary
Ningbo Giga-Byte International Trade Co., Ltd.	Sales of computer information products	259,752	Note 1	-	-	259,752	259,752	202,755	100.00	202,755	1,345,784	-	The Company's indirect subsidiary
Ningbo BestYield Tech. Services Co., Ltd.	Maintenance of computer information products	181,923	Note 1	-	-	165,515	165,515	19,802	100.00	19,802	184,681	-	The Company's indirect subsidiary
Ningbo Zhongjia Technology Co., Ltd.	Sales of computer information products	109,853	Note 3	-	-	-	-	206,458	100.00	206,458	1,220,128	-	The Company's indirect subsidiary
Ningbo Gigabyte Technology Co., Ltd.	Manufacturing of computer information products	2,780,313	Note 1	-	-	2,780,313	2,780,313	158,555	100.00	158,555	3,355,472	-	The Company's indirect subsidiary
Gigazone International (Shenzhen)	Selling of PC peripherals	399,076	Note 3 and Note 4	-	(203,761)	203,761	-	-	-	-	-	-	The Company's indirect subsidiary
Shenzhen BestYield Tech. Services Co., Ltd.	Maintenance of computer information products	15,841	Note 3	-	-	-	-	10,303	100.00	10,303	14,011	-	The Company's indirect subsidiary
Dongguan Senyum Precision Optical Co., Ltd	Selling of mold and industrial plastic products	1,609	Note 2	-	-	1,609	1,609	997	96.41	860	853	-	The Company's indirect subsidiary
Zaozhuang Bestyield Resources Recycling Co., Ltd.	Recycling and selling of renewable resources	5,507	Note 3	-	-	-	-	535	100.00	535	7,571	-	The Company's indirect subsidiary

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

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

Note 3: Others.

Note 4: The retirement of investment was approved by the Investment Commission of the Ministry of Economic Affairs on March 31, 2020.

Company name	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)		Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA	
	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2020	\$	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2020	\$
Giga-Byte Technology Co., Ltd.	4,386,518	\$ 4,402,053	16,447,873	\$ 16,447,873
Senyum Precision Optical Co., Ltd.	1,609	\$ 9,974	298,936	\$ 298,936

GIGA-BYTE TECHNOLOGY CO., LTD.

Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area

Year ended December 31, 2020

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

Table 7

Investee in Mainland China	Sale (purchase)		Property transaction		Accounts receivable (payable)		Provision of endorsements/guarantees or collaterals		Financing		Interest during the year ended December 31, 2020	Others
	Amount	%	Amount	%	Balance at December 31, 2020	%	Balance at December 31, 2020	Purpose	Maximum balance during the year ended December 31, 2020	Balance at December 31, 2020		
Ningbo Zhongjia Technology Co., Ltd.	\$ 15,763,934	19	\$ -	-	\$ 2,062,836	16	\$ -	-	\$ -	-	-	-
Ningbo Gigabyte Technology Co., Ltd.	19,579	-	-	-	222,462	2	-	-	-	-	-	-
"	(1,669,421)	(2)	-	-	(2,548,600)	(20)	-	-	-	-	-	-
Dongguan Gigabyte Electronics Co.,	7,852	-	-	-	481,900	4	-	-	-	-	-	-
"	(1,186,097)	(2)	-	-	(1,630,840)	(13)	-	-	-	-	-	-
Ningbo BestYield Tech. Services Co.,Ltd.	61,637	-	-	-	14,220	-	-	-	-	-	-	-

- After-sales service costs paid at \$314,349

GIGA-BYTE TECHNOLOGY CO., LTD.
Major Shareholders Information
December 31, 2020

Table 8

	Shares	
	Name of Major Shareholders	Ownership(%)
MING SHUNG,LIU	Name of shares hold 41,168,918	6.47%

Note 1: The major shareholders' information, which means the ownership above 5%, was calculated by Taiwan Depository & Clearing Corporation on the last operating date of each quarter, using the Company's issuance of common shares (including treasury shares) and preference shares registered and held by the shareholders. The share capital on the financial statements maybe different from the actual number of shares in dematerialized form due to the difference of calculation basis.

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

V. Audited Consolidated Financial Statements in the most recent year

GIGA-BYTE TECHNOLOGY CO., LTD. AND SUBSIDIARIES

Declaration of Consolidated Financial Statements of Affiliated Enterprises

For the year ended December 31, 2020, pursuant to “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises,” the entity that is required to be included in the consolidated financial statements of affiliates, is the same as the entity required to be included in the consolidated financial statements of parent and subsidiary companies under IFRS 10. Additionally, if relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies, it shall not be required to prepare separate consolidated financial statements of affiliates.

Hereby declare,

GIGA-BYTE TECHNOLOGY CO., LTD.

Dandy Yeh

March 15, 2021

INDEPENDENT AUDITOR’S REPORT

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

Opinion

We have audited the accompanying consolidated balance sheets of Giga-Byte Technology Co., Ltd. and subsidiaries (the “Group”) as at December 31, 2020 and 2019, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the report of the other independent auditors, as described in the Other matters section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

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

Occurrence of revenue from significant new counterparties

Description

Please refer to Note 4(31) for the accounting policies on revenue recognition. For the year ended December 31, 2020, the consolidated operating revenue amounted to NT\$84,602,841 thousand.

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

How our audit addressed the matter

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

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

Assessment of allowance for valuation of inventory loss

Description

Please refer to Note 4(14) for the accounting policies on evaluation of inventories; Note 5(2) for uncertainty of accounting estimates and assumption on inventory evaluation; and Note 6(6) for the details of the inventories. As of December 31, 2020, the inventories and allowance for valuation loss amounted to NT\$15,676,321 thousand and NT\$448,361 thousand, respectively.

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

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

How our audit addressed the matter

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

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

Other matter – Report of other independent auditors

We did not audit the financial statements of certain consolidated subsidiaries and investments accounted for using the equity method. Those financial statements were audited by the other independent auditors, whose reports thereon have been furnished to us, and our opinion expressed herein, in so far as it relates to the amounts included in the financial statements was based solely on the reports of the other independent auditors. The aforementioned equity investments were \$10,053 thousand and \$21,193 thousand, representing 0.02% and 0.06% of total consolidated assets as of December 31, 2020 and 2019, respectively, and total net comprehensive loss were \$11,140 thousand and \$27,326 thousand, representing (0.25%) and (1.29%) of total consolidated comprehensive loss for the years then ended, respectively.

Other matter – Parent company only financial statements

We have audited and expressed an unmodified opinion with Other matter paragraph on the parent company only financial statements of Giga-Byte Technology Co., Ltd. as at and for the years ended December 31, 2020 and 2019.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's

report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the generally accepted auditing standards in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

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

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

Se-Kai Lin

Fang-Yu Wang

For and on behalf of PricewaterhouseCoopers, Taiwan

March 15, 2021

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

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

GIGA-BYTE TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2020 AND 2019

(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2020		December 31, 2019	
			Amount	%	Amount	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 15,564,617	32	\$ 9,907,845	26
1110	Financial assets at fair value through profit or loss - current	6(2)	735,586	1	729,427	2
1136	Financial assets at amortised cost - current	6(4) and 8	1,105,293	2	705,762	2
1150	Notes receivable, net	6(5)	2,897	-	2,996	-
1170	Accounts receivable, net	6(5)	7,883,297	16	6,619,142	18
1200	Other receivables		63,806	-	129,617	-
1220	Current income tax assets		-	-	44,613	-
130X	Inventories, net	6(6)	15,227,960	31	11,344,292	30
1410	Prepayments		977,239	2	604,762	2
1470	Other current assets		4,765	-	20,704	-
11XX	Total current assets		<u>41,565,460</u>	<u>84</u>	<u>30,109,160</u>	<u>80</u>
Non-current assets						
1517	Financial assets at fair value through other comprehensive income–non-current	6(3)	2,351,596	5	2,223,790	6
1535	Financial assets at amortized cost-non-current	6(4) and 8	236,479	1	211,075	1
1550	Investments accounted for using the equity method	6(7)	77,439	-	21,193	-
1600	Property, plant and equipment, net	6(8)	4,048,823	8	4,085,922	11
1755	Right-of-use assets	6(9)	187,568	-	182,698	-
1760	Investment property, net	6(11)	46,861	-	50,991	-
1780	Intangible assets		31,990	-	30,789	-
1840	Deferred income tax assets	6(29)	657,554	1	542,738	1
1900	Other non-current assets	6(12)	225,387	1	253,185	1
15XX	Total non-current assets		<u>7,863,697</u>	<u>16</u>	<u>7,602,381</u>	<u>20</u>
1XXX	Total assets		<u>\$ 49,429,157</u>	<u>100</u>	<u>\$ 37,711,541</u>	<u>100</u>

(Continued)

GIGA-BYTE TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2020 AND 2019

(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2020		December 31, 2019	
			Amount	%	Amount	%
Liabilities						
Current liabilities						
2100	Short-term borrowings	6(13)	\$ 303,217	1	\$ 289,088	1
2130	Contract liabilities-current	6(22)	3,987,907	8	247,156	1
2150	Notes payable		404	-	58,116	-
2170	Accounts payable		9,024,919	18	7,230,678	19
2200	Other payables	6(14)	5,461,410	11	3,934,910	10
2230	Current income tax liabilities		809,318	2	27,662	-
2250	Provisions for liabilities - current	6(15)	820,274	2	556,798	1
2280	Lease liabilities-current		70,112	-	84,216	-
2300	Other current liabilities		506,803	1	236,661	1
21XX	Total current liabilities		<u>20,984,364</u>	<u>43</u>	<u>12,665,285</u>	<u>33</u>
Non-current liabilities						
2540	Long-term borrowings	6(16)	210,032	-	3,000	-
2570	Deferred income tax liabilities	6(29)	38,209	-	-	-
2580	Lease liabilities-non-current		79,013	-	57,696	-
2600	Other non-current liabilities		704,417	2	632,449	2
25XX	Total non-current liabilities		<u>1,031,671</u>	<u>2</u>	<u>693,145</u>	<u>2</u>
2XXX	Total liabilities		<u>22,016,035</u>	<u>45</u>	<u>13,358,430</u>	<u>35</u>
Equity						
Equity attributable to owners of the parent						
Capital stock						
		6(19)				
3110	Common stock		6,356,889	13	6,356,889	17
Capital surplus						
		6(20)				
3200	Capital surplus		3,884,904	8	3,896,889	11
Retained earnings						
		6(21)				
3310	Legal reserve		4,575,820	9	4,381,896	12
3320	Special reserve		426,354	1	426,354	1
3350	Unappropriated retained earnings		11,379,927	23	8,618,094	23
Other equity						
3400	Other equity		771,297	1	617,689	1
31XX	Total equity attributable to owners of the parent		<u>27,395,191</u>	<u>55</u>	<u>24,297,811</u>	<u>65</u>
36XX	Non-controlling interest		<u>17,931</u>	<u>-</u>	<u>55,300</u>	<u>-</u>
3XXX	Total equity		<u>27,413,122</u>	<u>55</u>	<u>24,353,111</u>	<u>65</u>
Significant events after the balance sheet date		11				
3X2X	Total liabilities and equity		<u>\$ 49,429,157</u>	<u>100</u>	<u>\$ 37,711,541</u>	<u>100</u>

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

GIGA-BYTE TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars, except for earnings per share)

Items	Notes	2020		2019	
		Amount	%	Amount	%
4000 Operating revenue	6(22)	\$ 84,602,841	100	\$ 61,781,254	100
5000 Operating costs	6(6)(27)	(70,138,404)	(83)	(52,190,385)	(84)
5900 Gross profit		<u>14,464,437</u>	<u>17</u>	<u>9,590,869</u>	<u>16</u>
Operating expenses	6(27)				
6100 Selling expenses		(5,351,482)	(6)	(4,280,298)	(7)
6200 General and administrative expenses		(2,551,127)	(3)	(1,814,616)	(3)
6300 Research and development expenses		(2,360,903)	(3)	(2,020,307)	(3)
6450 Expected credit gains	6(27) and 12(2)	<u>16,910</u>	-	(28,415)	-
6000 Total operating expenses		(10,246,602)	(12)	(8,143,636)	(13)
6900 Operating profit		<u>4,217,835</u>	<u>5</u>	<u>1,447,233</u>	<u>3</u>
Non-operating revenue and expenses					
Interest income	6(23)	88,344	-	109,497	-
7010 Other income	6(24)	953,574	1	686,686	1
7020 Other gains and losses	6(25)	216,331	-	56,445	-
7050 Finance costs	6(26)	(10,629)	-	(10,845)	-
7060 Share of loss of associates and joint ventures accounted for using the equity method	6(7)	(14,650)	-	(25,768)	-
7000 Total non-operating revenue and expenses		<u>1,232,970</u>	<u>1</u>	<u>816,015</u>	<u>1</u>
7900 Profit before income tax		5,450,805	6	2,263,248	4
7950 Income tax expense	6(29)	(1,119,570)	(1)	(355,705)	(1)
8200 Profit for the year		<u>\$ 4,331,235</u>	<u>5</u>	<u>\$ 1,907,543</u>	<u>3</u>

(Continued)

GIGA-BYTE TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars, except for earnings per share)

Items	Notes	2020		2019	
		Amount	%	Amount	%
Other comprehensive income-net					
Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
8311	Remeasurements of defined benefit plans	6(17)	(\$ 25,070)	-	(\$ 29,084) -
8316	Unrealised gain on valuation of investment in equity instruments measured at fair value through other comprehensive income	6(3)	87,222	-	509,446 1
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(29)	5,014	-	5,817 -
8310	Components of other comprehensive income that will not be reclassified to profit or loss		<u>67,166</u>	-	<u>486,179</u> 1
Components of other comprehensive income that will be reclassified to profit or loss					
8361	Exchange differences arising from translation of foreign operations		66,389	-	(276,549) (1)
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss		<u>66,389</u>	-	<u>(276,549)</u> (1)
8300	Other comprehensive income, net		<u>\$ 133,555</u>	-	<u>\$ 209,630</u> -
8500	Total comprehensive income for the year		<u>\$ 4,464,790</u>	<u>5</u>	<u>\$ 2,117,173</u> <u>3</u>
Profit attributable to:					
8610	Owners of parent		\$ 4,374,329	5	\$ 1,939,241 3
8620	Non-controlling interest		(43,094)	-	(31,698) -
	Total		<u>\$ 4,331,235</u>	<u>5</u>	<u>\$ 1,907,543</u> <u>3</u>
Comprehensive income attributable to:					
8710	Owners of parent		\$ 4,507,881	5	\$ 2,148,871 3
8720	Non-controlling interest		(43,091)	-	(31,698) -
	Total		<u>\$ 4,464,790</u>	<u>5</u>	<u>\$ 2,117,173</u> <u>3</u>
9750	Basic earnings per share	6(30)	<u>\$ 6.88</u>		<u>\$ 3.05</u>
9850	Diluted earnings per share		<u>\$ 6.79</u>		<u>\$ 3.02</u>

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

GIGA-BYTE TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

Notes	Equity attributable to equity holders of the company											
	Capital stock- Common stock	Capital surplus	Retained earnings			Other equity interest				Total	Non-controlling interest	Total equity
			Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences arising from translation of foreign operations	Unrealised gain or loss on valuation of financial assets at fair value through other comprehensive income	Total				
<u>Year 2019</u>												
Balance at January 1, 2019	\$ 6,356,889	\$ 3,924,357	\$ 4,125,245	\$ 426,354	\$ 8,865,838	\$ 396,921	\$ 781,713	\$ 24,083,475	\$ 85,191	\$ 24,168,666		
Profit (loss) for the year	-	-	-	-	1,939,241	-	-	1,939,241	(31,698)	1,907,543		
Other comprehensive (loss) income for the year	-	-	-	-	(23,267)	(276,549)	509,446	209,630	-	209,630		
Total comprehensive income (loss)	-	-	-	-	1,915,974	(276,549)	509,446	2,148,871	(31,698)	2,117,173		
Appropriations of 2018 earnings:	6(21)											
Legal reserve	-	-	256,651	-	(256,651)	-	-	-	-	-		
Cash dividends	-	-	-	-	(1,907,067)	-	-	(1,907,067)	(1,743)	(1,908,810)		
Changes in equity of subsidiaries accounted for using equity method	6(31)	(27,468)	-	-	-	-	-	(27,468)	-	(27,468)		
Changes in non-controlling interest	-	-	-	-	-	-	-	-	3,550	3,550		
Balance at December 31, 2019	\$ 6,356,889	\$ 3,896,889	\$ 4,381,896	\$ 426,354	\$ 8,618,094	(673,470)	\$ 1,291,159	\$ 24,297,811	\$ 55,300	\$ 24,353,111		
<u>Year 2020</u>												
Balance at January 1, 2020	\$ 6,356,889	\$ 3,896,889	\$ 4,381,896	\$ 426,354	\$ 8,618,094	\$ 673,470	\$ 1,291,159	\$ 24,297,811	\$ 55,300	\$ 24,353,111		
Profit (loss) for the year	-	-	-	-	4,374,329	-	-	4,374,329	(43,094)	4,331,235		
Other comprehensive (loss) income for the year	-	-	-	-	(20,056)	66,386	87,222	133,552	3	133,555		
Total comprehensive income (loss)	-	-	-	-	4,354,273	66,386	87,222	4,507,881	(43,091)	4,464,790		
Appropriations of 2019 earnings:	6(21)											
Legal reserve	-	-	193,924	-	(193,924)	-	-	-	-	-		
Cash dividends	-	-	-	-	(1,398,516)	-	-	(1,398,516)	-	(1,398,516)		
Changes in equity of subsidiaries accounted for using equity method	6(31)	(11,985)	-	-	-	-	-	(11,985)	11,985	-		
Aquisition of non-controlling interest	6(31)	-	-	-	-	-	-	-	(12,421)	(12,421)		
Changes in non-controlling interest	-	-	-	-	-	-	-	-	6,158	6,158		
Balance at December 31, 2020	\$ 6,356,889	\$ 3,884,904	\$ 4,575,820	\$ 426,354	\$ 11,379,927	\$ 607,084	\$ 1,378,381	\$ 27,395,191	\$ 17,931	\$ 27,413,122		

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

GIGA-BYTE TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

	<u>Notes</u>	<u>2020</u>	<u>2019</u>
<u>Cash flows from operating activities:</u>			
Profit before income tax		\$ 5,450,805	\$ 2,263,248
Adjustments to reconcile profit before income tax to net cash provided by operating activities:			
Income and expenses having no effect on cash flows			
Depreciation	6(8)(9)(27)	628,135	598,733
Depreciation charge on investment property	6(11)	4,713	4,350
Amortisation	6(27)	66,643	102,148
Loss (gain) from lease modification	6(9)(25)	2,380	(13)
Expected credit (gain) loss	6(27) and 12(2)	(16,910)	28,415
Gain on valuation of financial assets at fair value through profit or loss	6(25)	(31,783)	(63,616)
Share of loss of associates and joint ventures accounted for using equity method	6(7)	14,650	25,768
Loss on disposal of property, plant and equipment	6(25)	20,526	6,723
Interest income	6(23)	(88,344)	(109,497)
Interest expense	6(26)	10,629	10,845
Dividends income	6(24)	(65,111)	(135,974)
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Financial assets at fair value through profit or loss		25,624	225,420
Notes receivable		99	51
Accounts receivable		(1,245,173)	(832,441)
Other receivables		67,872	(23,223)
Inventories		(3,882,357)	174,539
Prepayments		372,088	75,330
Other current assets		15,939	44,630
Net changes in liabilities relating to operating activities			
Contract liabilities		3,740,751	(88,808)
Notes payable		(57,712)	46,651
Accounts payable		1,794,241	1,957,958
Other payables		1,532,221	98,927
Provisions for liabilities		262,886	123,739
Other current liabilities		243,349	(75,127)
Other non-current liabilities		3,544	32,727
Cash generated from (used in) operations		8,125,529	4,491,503
Interest received		86,283	108,769
Dividend received		65,111	135,974
Interest paid		(10,629)	(10,845)
Income tax paid		(364,894)	(839,146)
Net cash generated from operating activities, net		<u>7,901,400</u>	<u>3,886,255</u>

(Continued)

GIGA-BYTE TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

	<u>Notes</u>	<u>2020</u>	<u>2019</u>
<u>Cash flows from investing activities:</u>			
Acquisition of financial assets at fair value through other comprehensive income		(\$ 40,584)	\$ -
Acquisition of financial assets at amortised cost		(424,935)	-
Proceeds from disposal of financial assets at amortised cost		-	418,198
Acquisition of investments accounted for under equity method	6(7)	(70,000)	-
Acquisition of property, plant and equipment	6(32)	(534,146)	(565,650)
Proceeds from disposal of property, plant and equipment		107,680	4,520
Acquisition of intangible assets		(58,468)	(51,164)
Increase in refundable deposits		(8,033)	(3,315)
Increase in other non-current assets		(53,577)	(87,436)
Net cash flow from acquisition of subsidiaries	6(31)	(12,421)	-
Net cash used in investing activities		(1,094,484)	(284,847)
<u>Cash flows from financing activities:</u>			
Increase (decrease) in short-term borrowings	6(33)	14,129	(20,634)
Repayments of long-term debt		(10,667)	(8,166)
Proceeds from long-term debt		244,492	-
Payments of lease liabilities	6(33)	(97,107)	(91,030)
Increase in deposits received	6(33)	43,354	341
Cash dividends	6(21)	(1,398,516)	(1,907,067)
Cash dividends paid to non-controlling interest		-	(1,743)
Changes in non-controlling interest		6,158	3,550
Net cash used in financing activities		(1,198,157)	(2,024,749)
Effect of exchange rate changes on cash and cash equivalents		48,013	(279,721)
Net increase in cash and cash equivalents		5,656,772	1,296,938
Cash and cash equivalents at beginning of year		9,907,845	8,610,907
Cash and cash equivalents at end of year		<u>\$ 15,564,617</u>	<u>\$ 9,907,845</u>

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

GIGA-BYTE TECHNOLOGY CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

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

1. HISTORY AND ORGANISATION

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

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

These consolidated financial statements were authorised for issuance by the Board of Directors on March 15, 2021.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

New standards, interpretations and amendments endorsed by the FSC effective from 2020 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective Date by International Accounting Standards Board</u>
Amendments to IAS 1 and IAS 8, ‘Disclosure initiative-definition of material’	January 1, 2020
Amendments to IFRS 3, ‘Definition of a business’	January 1, 2020
Amendments to IFRS 9, IAS 39 and IFRS 7, ‘Interest rate benchmark reform’	January 1, 2020
Amendment to IFRS 16, ‘Covid-19-related rent concessions’	June 1, 2020(Note)

Note : Earlier application from January 1, 2020 is allowed by FSC.

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

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 4, ‘Extension of the temporary exemption from applying IFRS 9’	January 1, 2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, ‘Interest Rate Benchmark Reform— Phase 2’	January 1, 2021

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

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

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

New Standards, Interpretations and Amendments	Effective Date by International Accounting Standards Board
Amendments to IFRS 3, ‘Reference to the conceptual framework’	January 1, 2022
Amendments to IFRS 10 and IAS 28, ‘Sale or contribution of assets between an investor and its associate or joint venture’	To be determined by International Accounting Standards Board
IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendments to IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendments to IAS 1, ‘Classification of liabilities as current or non-current’	January 1, 2023
Amendments to IAS 1, ‘Disclosure of accounting policies’	January 1, 2023
Amendments to IAS 8, ‘Definition of accounting estimates’	January 1, 2023
Amendments to IAS 16, ‘Property, plant and equipment: proceeds before intended use’	January 1, 2022
Amendments to IAS 37, ‘Onerous contracts— cost of fulfilling a contract’	January 1, 2022
Annual improvements to IFRS Standards 2018–2020	January 1, 2022

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(1)Compliance statement

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

(2)Basis of preparation

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

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

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

(3)Basis of consolidation

A. Basis for preparation of consolidated financial statements:

- (a) All subsidiaries are included in the Group’s consolidated financial statements. Subsidiaries are all entities controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
- (b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- (c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
- (d) Changes in a parent’s ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.
- (e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognized in profit or loss. All amounts previously recognized in other comprehensive income in relation to the subsidiary

are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognized in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

Investor	Subsidiary	Main activities	Ownership(%)		Description
			2020	2019	
The Company	Freedom International Group Ltd.	Holding company	100.00	100.00	
"	G.B.T., Inc.	Sales of computer information products	48.63	48.63	
"	G.B.T. Technology Trading GmbH	Promotion of computer information products	100.00	100.00	
"	Nippon Giga-Byte Corp.	Promotion of computer information products	100.00	100.00	
"	GBT Tech. Co., Ltd.	Promotion of computer information products	100.00	100.00	
"	Giga-Byte Technology B.V.	Sales of computer information products	100.00	100.00	
"	Gigabyte Technology Pty. Ltd.	Promotion of computer information products	100.00	100.00	
"	Giga Investment Corp.	Holding company	100.00	100.00	
"	Gigabyte Technology (India) Private Limited	Promotion and repairing of computer information products	100.00	100.00	
"	G-Style Co., Ltd.	Selling of notebooks	100.00	100.00	
"	BYTE International Co., Ltd.	Repairing of computer information products	100.00	100.00	
"	Giga-Byte Communications Inc.	Selling of communications	99.86	99.86	
"	Gigabyte Technology ESPANA S.L.U.	Promotion of computer information products	100.00	100.00	
"	Gigabyte Information Technology Commerce Limited Company	Promotion of computer information products	100.00	100.00	
"	Gigabyte Technology LLC	Promotion of computer information products	100.00	100.00	
"	GIGAIPC CO., LTD.	Selling of computer information products	100.00	-	Note 1
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	
"	Gigabyte Trading Inc.	Selling of ODM products	-	100.00	Note 2

Investor	Subsidiary	Main activities	Ownership(%)		Description
			2020	2019	
Freedom International Group Ltd.	Giga Advance (Labuan) Limited	Sales of computer information products	-	100.00	Note 3
"	Aorus Pte. Ltd.	Promotion of computer information products	100.00	100.00	
G.B.T. Technology Trading GmbH	Gigabyte Technology Poland SP Z O.O.	Promotion and repairing of computer information products	100.00	100.00	
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	
Giga Investment Corp.	Giga-Trend International Investment Group Ltd.	Holding company	100.00	100.00	
"	Giga-Trend International Management Group Ltd.	Venture capital management and consulting business	100.00	60.00	Note 4
"	Gigazone Holdings Limited	Holding company	-	100.00	Note 5
"	Selita Precision Co., Ltd.	Manufacturing of bicycle and parts	100.00	100.00	
"	Green Share Co., Ltd.	Wholesale of information system	-	-	Note 6
"	Senyun Precise Optical Co., Ltd	Manufacturing and selling of mold and industrial plastic products	96.41	86.24	Note 7
"	GIGAIPC CO., LTD.	Selling of computer information products	-	100.00	Note 1
Gigazone Holdings Limited	Gigazone International (Shenzhen)	Selling of PC peripherals	-	-	Note 8
Ningbo Zhongjia Technology Co., Ltd.	Gigazone International (Shenzhen)	Selling of PC peripherals	-	-	Note 8
Ningbo BestYield Tech. Services Co., Ltd.	Shenzhen BestYield Tech. Services Co., Ltd.	Repairing of computer information products	100.00	100.00	
"	OGS Europe B.V.	Selling of communication products	100.00	100.00	
"	Zaozhuang Bestyield Resources Recycling Co., Ltd.	Recycling and selling of renewable resources	100.00	100.00	

Investor	Subsidiary	Main activities	Ownership(%)		Description
			2020	2019	
Senyun Precise Optical Co., Ltd	Dongguan Senyun Precise Optical Co., Ltd	Selling of mold and industrial plastic products	100.00	100.00	

Note 1: The Company passed the resolution of the Board of Directors on August 14, 2020 to acquire a 100% equity interest in the parent-in-direct subsidiary, GIGAIPC Co., Ltd., from the subsidiary, Giga Investment Corp., in the amount of \$197,838, and the cash consideration was calculated based on the net assets of the parent-in-direct subsidiary on August 31, 2020.

Note 2: This company has completed the liquidation process on June 30, 2020.

Note 3: This company has completed the liquidation process on March 10, 2020.

Note 4: The Group acquired 40% of the equity from non-controlling interests with cash of \$12,421 on May 5, 2020. Please refer to Note 6 (31).

Note 5: This company has completed the liquidation process on February 24, 2020.

Note 6: This company has completed the liquidation process on December 24, 2019.

Note 7: Giga Investment Corp. Ltd. participated in the capital increase raised by Senyun Precise Optical Co., Ltd. amounting to \$493,842 and \$262,878 on December 31, 2020 and December 20, 2019, respectively. After the acquisition, the total share interest ratio were 96.41% and 86.24%, respectively.

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

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

E. Significant restrictions: None.

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

(4) Foreign currency translation

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

A. Foreign currency transactions and balances

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

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

(c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their

translation differences are recognized in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

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

B. Translation of foreign operations

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

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

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

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

(5) Classification of current and non-current items

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

- (a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
- (b) Assets held mainly for trading purposes;
- (c) Assets that are expected to be realised within twelve months from the balance sheet date;
- (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than twelve months after the balance sheet date.

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

- (a) Liabilities that are expected to be settled within the normal operating cycle;
- (b) Liabilities arising mainly from trading activities;
- (c) Liabilities that are to be settled within twelve months from the balance sheet date;

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

(6) Cash equivalents

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

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

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

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

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:
 - (a) The objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets; and
 - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognized and derecognized using settlement date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value:
 - (a) The changes in fair value of equity investments that were recognized in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognized as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.
 - (b) Except for the recognition of impairment loss, interest income and gain or loss on foreign exchange which are recognized in profit or loss, the changes in fair value of debt instruments are taken through other comprehensive income. When the financial asset is derecognized, the

cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss.

(9) Financial assets at amortised cost

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

(10) Accounts and notes receivable

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

(11) Impairment of financial assets

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

(12) Derecognition of financial assets

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

(13) Leasing arrangements (lessor) — operating leases

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

(14) Inventories

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

(15) Investments accounted for using equity method / associates

- A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognized at cost.
- B. The Group's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- C. When changes in an associate's equity that are not recognized in profit or loss or other comprehensive income of the associate and such changes not affecting the Group's ownership percentage of the associate, the Group recognises change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.
- D. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- E. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for under the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.
- F. Upon loss of significant influence over an associate, the Group remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognized in profit or loss.
- G. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.
- H. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognized as capital surplus in relation to the associate are transferred to profit or loss. If it retains significant influence over this associate, the amounts previously recognized as capital surplus in relation to the associate are transferred to profit or loss proportionately.

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

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

(17) Property, plant and equipment

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

Buildings and structures	3~55 years
Machinery and equipment	3~10 years
Research and development equipment	3~ 8 years
Office equipment	2~20 years
Other tangible operating assets	1~15 years

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

- A. Leases are recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognized as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of the fixed payments, less any lease incentives receivable.

The Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the

amount of remeasurement is recognized as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

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

- (a) The amount of the initial measurement of lease liability;
- (b) Any lease payments made at or before the commencement date; and
- (c) Any initial direct costs incurred by the lessee.

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

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

(19) Investment property

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

(20) Intangible assets

A. Computer software

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

B. Trademark right (indefinite useful life)

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

(21) Impairment of non-financial assets

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

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

(22) Borrowings

Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption

value is recognized in profit or loss over the period of the borrowings using the effective interest method.

(23) Notes and account payable

- A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.
- B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(24) Derecognition of financial liabilities

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

(25) Provisions

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

(26) Employee benefits

A. Short-term employee benefits

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

B. Pensions

(a) Defined contribution plans

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

(b) Defined benefit plans

- i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet date) of a currency and term consistent with the currency and term of the employment benefit obligations.
- ii. Remeasurement arising on defined benefit plans are recognized in other comprehensive income in the period in which they arise and are recorded as retained earnings.
- iii. Past service costs are recognized immediately in profit or loss.

C. Termination benefits

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

D. Employees' compensation and directors' remuneration

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

(27) Employee share-based payment

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

(28) Income tax

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

reverse in the foreseeable future. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

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

(29) Share capital

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.

(30) Dividends

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

(31) Revenue recognition

Sales of goods

- A. The Group manufactures and sells computer peripheral and component parts products. Sales are recognized when control of the products has transferred, being when the products are delivered to the customer. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.
- B. Revenue from sales is recognized based on the price specified in the contract, net of the estimated business tax, volume discounts, sales returns and allowances. Accumulated experience is used to estimate and provide for the volume discounts, using the expected value method, and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. The estimation is subject to an assessment at each reporting date. As the time interval between the transfer of committed goods or service and the payment of customer does not exceed one year, the Group does not adjust the transaction price to reflect the time value of money.
- C. The Group's obligation to provide a repair for faulty products under the standard warranty terms

is recognized as a provision.

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

(32) Business combinations

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

(33) Operating segments

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

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

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

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

None.

(2) Critical accounting estimates and assumptions

Evaluation of inventories

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

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Cash on hand and revolving funds	\$ 4,328	\$ 4,149
Checking accounts and demand deposits	6,547,075	4,974,316
Time deposits	<u>9,013,214</u>	<u>4,929,380</u>
	<u>\$ 15,564,617</u>	<u>\$ 9,907,845</u>

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

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

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

<u>Financial assets mandatorily measured at fair value through profit or loss</u>	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Listed stocks	\$ 101,662	\$ 48,979
Unlisted stocks	118,916	67,715
Beneficiary certificates	533,221	579,020
Government bonds	16,298	16,298
Corporate bond	<u>-</u>	<u>50,127</u>
	770,097	762,139
Valuation adjustment	<u>(34,511)</u>	<u>(32,712)</u>
	<u>\$ 735,586</u>	<u>\$ 729,427</u>

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

	<u>Years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Financial assets mandatorily measured at fair value through profit or loss		
Equity instruments	\$ 37,345	\$ 52,444
Debt instrument	(207)	11,051
Beneficiary certificates	<u>(547)</u>	<u>8,277</u>
	<u>\$ 36,591</u>	<u>\$ 71,772</u>

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

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

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Equity instruments		
Listed stocks	\$ 976,263	\$ 888,387
Unlisted stocks	<u>84,948</u>	<u>44,364</u>
	1,061,211	932,751
Valuation adjustment	<u>1,290,385</u>	<u>1,291,039</u>
	<u>\$ 2,351,596</u>	<u>\$ 2,223,790</u>

- A. The Group has elected to classify investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$2,351,596 and \$2,223,790 as at December 31, 2020 and 2019, respectively.
- B. Amounts recognized in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	<u>Years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognized in other comprehensive income	<u>\$ 87,222</u>	<u>\$ 509,446</u>
Dividend income recognized in profit or loss held at end of year	<u>\$ 61,146</u>	<u>\$ 132,013</u>

- C. As at December 31, 2020 and 2019, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Group was \$2,351,596 and \$2,223,790, respectively.
- D. The Group has no financial assets at fair value through other comprehensive income pledged to others.
- E. Information relating to credit risk of financial assets at fair value through other comprehensive income is provided in Note 12(2).

(4) Financial assets at amortised cost

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Current items:		
Time deposits with more than three months maturity	\$ 1,105,293	\$ 701,246
Pledged bank deposits	<u>-</u>	<u>4,516</u>
	<u>\$ 1,105,293</u>	<u>\$ 705,762</u>
Non-current items:		
Time deposits with more than three months maturity	\$ 29,289	\$ -
Pledged bank deposits	<u>207,190</u>	<u>211,075</u>
	<u>\$ 236,479</u>	<u>\$ 211,075</u>

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

	<u>Years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Interest income	<u>\$ 17,880</u>	<u>\$ 23,464</u>

- B. As at December 31, 2020 and 2019, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group was \$1,341,772 and \$916,837, respectively.
- C. Details of the Group's financial assets at amortised cost pledged to others as collateral are provided in Note 8.
- D. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2).

(5) Notes and accounts receivable

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Notes receivable	<u>\$ 2,897</u>	<u>\$ 2,996</u>
Accounts receivable	\$ 7,968,406	\$ 6,799,600
Less: Allowance for uncollectible accounts	<u>(85,109)</u>	<u>(180,458)</u>
	<u>\$ 7,883,297</u>	<u>\$ 6,619,142</u>

- A. Details of notes receivable of the Group that were not yet past due and ageing analysis of accounts receivable are provided in Note 12(2).
- B. As of December 31, 2020 and 2019, and January 1, 2019, the balances of receivables (including notes receivable) from contracts with customers amounted to \$7,971,303, \$6,802,596 and \$5,974,947, respectively.
- C. The Group has no notes and accounts receivable pledged to others.
- D. As at December 31, 2020 and 2019, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes and accounts receivable were \$2,897, \$2,996, \$7,883,297 and \$6,619,142, respectively.

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

(6) Inventories

	<u>December 31, 2020</u>		
	<u>Cost</u>	<u>Allowance for valuation loss</u>	<u>Book value</u>
Raw materials and supplies	\$ 6,470,392	(\$ 114,725)	\$ 6,355,667
Work in progress	1,449,701	(24,382)	1,425,319
Finished goods and merchandise inventories	<u>7,756,228</u>	<u>(309,254)</u>	<u>7,446,974</u>
	<u>\$ 15,676,321</u>	<u>(\$ 448,361)</u>	<u>\$ 15,227,960</u>
	<u>December 31, 2019</u>		
	<u>Cost</u>	<u>Allowance for valuation loss</u>	<u>Book value</u>
Raw materials and supplies	\$ 3,029,112	(\$ 137,118)	\$ 2,891,994
Work in progress	2,018,892	(29,251)	1,989,641
Finished goods and merchandise inventories	<u>6,780,943</u>	<u>(318,286)</u>	<u>6,462,657</u>
	<u>\$ 11,828,947</u>	<u>(\$ 484,655)</u>	<u>\$ 11,344,292</u>

The cost of inventories recognized as expense for the year:

	<u>Years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Cost of inventories sold	\$ 69,232,948	\$ 51,845,122
Cost of warranty	847,680	835,699
Loss on valuation (gain on reversal of valuation)	10,741	(490,436)
Others	<u>47,035</u>	<u>-</u>
	<u>\$ 70,138,404</u>	<u>\$ 52,190,385</u>

For the year ended December 31, 2019, the Group reversed a previous inventory write-down and accounted for as reduction of cost of goods sold because of the sale of part of its inventories which were declining in market value.

(7) Investments accounted for using the equity method

	<u>2020</u>	<u>2019</u>
At January 1	\$ 21,193	\$ 48,519
Increase in investments accounted for using equity method	70,000	-
Share of loss of investments accounted for using equity method	(14,650)	(25,768)
Changes in other equity items	<u>896</u>	<u>(1,558)</u>
At December 31	<u>\$ 77,439</u>	<u>\$ 21,193</u>

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<u>Joint ventures</u>		
LCKT Yuan Chang Technology Co., Ltd. (Cayman)	\$ 10,053	\$ 21,193
MyelinTek Inc.	<u>67,386</u>	<u>-</u>
	<u>\$ 77,439</u>	<u>\$ 21,193</u>

- A. Abovementioned investments accounted for using equity method are based on investee companies' financial statements audited by other independent auditors.
- B. The Company participated in the capital increase raised by MyelinTek Inc. amounting to \$70,000 on April 6, 2020. The share interest is 40% after the capital increase.
- C. The Group has no material joint venture investment. The Group's share of the operating results of the aforementioned investments are summarized below:

	<u>Years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Comprehensive loss	<u>(\$ 13,754)</u>	<u>(\$ 27,326)</u>

(Remainder of page intentionally left blank)

(8) Property, plant and equipment

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

2019

	Land		Buildings		Machinery		Others		
	Owner-occupied	Lease	Subtotal	Owner-occupied	Lease	Subtotal	Owner-occupied	Others Owner-occupied	
<u>At January 1</u>									
Cost	\$ 1,068,918	\$ 75,067	\$ 1,143,985	\$ 3,083,104	\$ 43,200	\$ 3,126,304	\$ 2,992,888	\$ 1,495,421	\$ 8,758,598
Accumulated depreciation	-	-	-	(1,532,526)	(6,744)	(1,539,270)	(2,035,044)	(1,052,816)	(4,627,130)
	<u>\$ 1,068,918</u>	<u>\$ 75,067</u>	<u>\$ 1,143,985</u>	<u>\$ 1,550,578</u>	<u>\$ 36,456</u>	<u>\$ 1,587,034</u>	<u>\$ 957,844</u>	<u>\$ 442,605</u>	<u>\$ 4,131,468</u>
At January 1	\$ 1,068,918	\$ 75,067	\$ 1,143,985	\$ 1,550,578	\$ 36,456	\$ 1,587,034	\$ 957,844	\$ 442,605	\$ 4,131,468
Additions	-	-	-	10,574	-	10,574	68,352	488,157	567,083
Disposals	-	-	-	(296)	-	(296)	(5,773)	(5,174)	(11,243)
Reclassifications	6,899	-	6,899	(6,446)	-	(6,446)	90,142	(141,573)	(50,978)
Depreciation charge	-	-	-	(110,541)	(845)	(111,386)	(218,131)	(176,888)	(506,405)
Net exchange differences	(3,579)	-	(3,579)	(15,893)	-	(15,893)	(16,587)	(7,944)	(44,003)
At December 31	<u>\$ 1,072,238</u>	<u>\$ 75,067</u>	<u>\$ 1,147,305</u>	<u>\$ 1,427,976</u>	<u>\$ 35,611</u>	<u>\$ 1,463,587</u>	<u>\$ 875,847</u>	<u>\$ 599,183</u>	<u>\$ 4,085,922</u>
<u>At December 31</u>									
Cost	\$ 1,072,238	\$ 75,067	\$ 1,147,305	\$ 2,997,915	\$ 43,200	\$ 3,041,115	\$ 2,950,401	\$ 1,729,090	\$ 8,867,911
Accumulated depreciation	-	-	-	(1,569,939)	(7,589)	(1,577,528)	(2,074,554)	(1,129,907)	(4,781,989)
	<u>\$ 1,072,238</u>	<u>\$ 75,067</u>	<u>\$ 1,147,305</u>	<u>\$ 1,427,976</u>	<u>\$ 35,611</u>	<u>\$ 1,463,587</u>	<u>\$ 875,847</u>	<u>\$ 599,183</u>	<u>\$ 4,085,922</u>

A. The significant components of buildings include main plants and renovation projects, which are depreciated over 33 to 55 and 10 years, respectively.

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

(9) Leasing arrangements – lessee

- A. The Group leases various assets including land, buildings and transportation equipment. Rental contracts are typically made for periods of 1 to 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.
- B. Short-term leases with a lease term of 12 months or less comprise buildings and business vehicles. Low-value assets comprise multifunction printers.
- C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>
Buildings	\$ 102,117	\$ 113,417
Transportation equipment	47,497	30,401
Land-use right	<u>37,954</u>	<u>38,880</u>
	<u>\$ 187,568</u>	<u>\$ 182,698</u>
	<u>Years ended</u>	
	<u>2020</u>	<u>2019</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Buildings	\$ 71,873	\$ 65,801
Transportation equipment	26,558	25,024
Land-use right	<u>1,421</u>	<u>1,503</u>
	<u>\$ 99,852</u>	<u>\$ 92,328</u>

- D. For the years ended December 31, 2020 and 2019, the additions to right-of-use assets were \$127,505 and \$45,939, respectively.
- E. The information on profit and loss accounts relating to lease contracts is as follows:

	<u>Year ended</u>	<u>Year ended</u>
	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 4,396	\$ 3,307
Expense on short-term lease contracts	95,427	88,479
Expense on leases of low-value assets	11,908	6,204
Loss (gain) from lease modification	2,380	(13)

- F. For the years ended December 31, 2020 and 2019, the Group's total cash outflow for leases was \$208,838 and \$189,020, respectively.

(10) Leasing arrangements – lessor

- A. The Group leases various assets including land and buildings. Rental contracts are typically made for periods of 1 and 7 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.
- B. For the years ended December 31, 2020 and 2019, the Group recognized rent income in the amounts of \$ 20,023 and \$18,199, based on the operating lease agreement, which does not include variable lease payments.
- C. The maturity analysis of the lease payments under the operating leases is as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
2020	\$ -	\$ 8,860
2021	14,934	6,324
2022	14,422	5,993
2023	<u>11,212</u>	<u>2,781</u>
	<u>\$ 40,568</u>	<u>\$ 23,958</u>

(11) Investment property

	<u>2020</u>	<u>2019</u>
	<u>Buildings</u>	<u>Buildings</u>
<u>At January 1</u>		
Cost	\$ 105,549	\$ 109,285
Accumulated depreciation	(<u>54,558</u>)	(<u>51,970</u>)
	<u>\$ 50,991</u>	<u>\$ 57,315</u>
At January 1	\$ 50,991	\$ 57,315
Depreciation charge	(4,713)	(4,530)
Net exchange differences	<u>583</u>	(<u>1,794</u>)
At December 31	<u>\$ 46,861</u>	<u>\$ 50,991</u>
<u>At December 31</u>		
Cost	\$ 106,990	\$ 105,549
Accumulated depreciation	(<u>60,129</u>)	(<u>54,558</u>)
	<u>\$ 46,861</u>	<u>\$ 50,991</u>

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

	<u>Years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Rental income from investment property	<u>\$ 8,434</u>	<u>\$ 8,411</u>
Direct operating expenses arising from the investment property that generated rental income in the year	<u>\$ 4,713</u>	<u>\$ 4,530</u>

B. The fair value of the investment property held by the Group as at December 31, 2020 and 2019 was \$76,074 and \$78,646, respectively, which was valued with reference to the future rental income and the related discounted cash flows, which was categorized within Level 3 in the fair value hierarchy. Key assumptions are as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Discount rate	3.164%	3.130%

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

(12) Other non-current assets

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Prepayments for purchase of business facilities	\$ 129,004	\$ 144,001
Guarantee deposits paid	70,421	62,388
Others	<u>25,962</u>	<u>46,796</u>
	<u>\$ 225,387</u>	<u>\$ 253,185</u>

(13) Short-term borrowings

	<u>December 31, 2020</u>	<u>Interest rate range</u>	<u>Collateral</u>
Unsecured borrowings	\$ 285,000	1.37%~1.81%	None
Loan for purchase of raw materials	<u>18,217</u>	1.34%	None
	<u>\$ 303,217</u>		

	<u>December 31, 2019</u>	<u>Interest rate range</u>	<u>Collateral</u>
Unsecured borrowings	\$ 245,000	1.59%~2.60%	None
Loan for purchase of raw materials	24,088	2.60%	None
Secured borrowings	<u>20,000</u>	1.79%	Bank Deposit
	<u>\$ 289,088</u>		

For the years ended December 31, 2020 and 2019, the Group's interest expense from short-term and long-term borrowings recognized in profit or loss were \$5,721 and \$6,740, respectively.

(14) Other payables

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Salary and bonus payable	\$ 3,511,454	\$ 2,594,847
Employees' compensation and directors' remuneration payable	629,131	305,821
Marketing fee payable	351,006	252,697
Shipping and freight-in payable	320,273	158,308
Royalties payable	80,093	75,159
Others	<u>569,453</u>	<u>548,078</u>
	<u>\$ 5,461,410</u>	<u>\$ 3,934,910</u>

(15) Provisions – current

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

	2019		
	<u>Warranty</u>	<u>Legal claims</u>	<u>Total</u>
At January 1	\$ 433,059	\$ -	\$ 433,059
Additional provisions	835,699	43,230	878,929
Used during the year	(755,190)	-	(755,190)
At December 31	<u>\$ 513,568</u>	<u>\$ 43,230</u>	<u>\$ 556,798</u>

Analysis of total provisions:

A. Warranty

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

B. Legal claims

On October 27, 2019, certain customers filed a lawsuit against the Group with the Court of First Instance for contract damages. On April 20, 2020, the court ruled to dismiss the customer's lawsuit against the Group, but it can still file related civil lawsuits. In the directors' opinion, after taking appropriate legal advice, the outcome of these legal claims may potentially result to a loss of \$43,820 to the Group to compensate the customers. Therefore, a provision of \$43,820 is recognized for these legal claims and recorded as other losses.

(16) Long-term borrowings

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>December 31, 2020</u>
Unsecured borrowings	Borrowing period is from February 13, 2020 to February 13, 2025; principle is repayable in installments by month from February 15, 2023.	0.30%	None	\$ 115,000
Credit borrowings	Borrowing period is from April 29, 2020 to April 29, 2022; if the borrowing does not meet the requirement specified in the relief plan under an assessment of the Competent Authority on October 29, 2020, the borrowing is repayable monthly starting from the same date, and the borrowing period can be postponed to April 29, 2021.	1.00%	None	44,492

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>December 31, 2020</u>
Loan for purchase of raw materials	Borrowing period is from February 13, 2020 to February 13, 2025; principle is repayable in installments by month from February 15, 2023	0.30%	None	85,000
Less: Current portion (Note)				(<u>34,460</u>)
				<u>\$ 210,032</u>

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>December 31, 2019</u>
Unsecured borrowings	Borrowing period is from October 30, 2015 to October 30, 2020; principal is repayable in installments by month	1.92%	None	\$ 1,667
Secured borrowings	Borrowing period is from December 3, 2018 to May 15, 2021; principal is repayable in installments by 3 months from February 15, 2019.	2.00%	Bank Deposits	9,000
Less: Current portion (Note)				(<u>7,667</u>)
				<u>\$ 3,000</u>

Note: Listed under current liabilities in financial statements.

(17) Pensions

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

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

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Present value of defined benefit obligations	(\$ 835,719)	(\$ 800,796)
Fair value of plan assets	<u>229,574</u>	<u>228,540</u>
Net defined benefit liability	<u>(\$ 606,145)</u>	<u>(\$ 572,256)</u>

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

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

	2019		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Balance at January 1	(\$ 764,063)	\$ 221,165	(\$ 542,898)
Current service cost	(3,570)	-	(3,570)
Interest (expense) income	(7,602)	2,241	(5,361)
Past service cost	4,684	-	4,684
	<u>(770,551)</u>	<u>223,406</u>	<u>(547,145)</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	7,863	7,863
Change in demographic assumptions	(6,684)	-	(6,684)
Change in financial assumptions	(24,306)	-	(24,306)
Experience adjustments	(5,957)	-	(5,957)
	<u>(36,947)</u>	<u>7,863</u>	<u>(29,084)</u>
Pension fund contribution	-	3,673	3,673
Paid pension	6,702	(6,702)	-
Balance at December 31	<u>(\$ 800,796)</u>	<u>\$ 228,240</u>	<u>(\$ 572,556)</u>

(c) The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor

Retirement Fund” (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2020 and 2019 is given in the Annual Labor Retirement Fund Utilisation Report published by the government.

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

	<u>Years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Discount rate	<u>0.35%</u>	<u>0.75%</u>
Future salary increases	<u>3.00%</u>	<u>3.00%</u>

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

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

	<u>Discount rate</u>		<u>Future salary increases</u>	
	<u>Increase 0.25%</u>	<u>Decrease 0.25%</u>	<u>Increase 0.25%</u>	<u>Decrease 0.25%</u>
December 31, 2020				
Effect on present value of defined benefit obligation	(\$ <u>24,378</u>)	<u>\$ 25,420</u>	<u>\$ 24,691</u>	(\$ <u>23,820</u>)
December 31, 2019				
Effect on present value of defined benefit obligation	(\$ <u>24,434</u>)	<u>\$ 25,504</u>	<u>\$ 24,873</u>	(\$ <u>23,968</u>)

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

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

(e) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2021 amount to \$14,211.

(f) As of December 31, 2020, the weighted average duration of the retirement plan is 11 years. The analysis of timing of the future pension payment was as follows:

Within 1 year	\$	14,123
1-2 year(s)		23,788
2-5 years		100,202
Over 5 years		<u>725,296</u>
	<u>\$</u>	<u>863,409</u>

B. Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. The pension costs under the defined contribution pension plans of the Group for the years ended December 31, 2020 and 2019 were \$99,653 and \$97,450, respectively.

The Company’s mainland China subsidiaries have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People’s Republic of China (PRC) are based on certain percentage of employees’ monthly salaries and wages. The contribution percentage for the years ended December 31, 2020 and 2019 was both 12%~20%. Other than the monthly contributions, the Group has no further obligations. For the years ended December 31, 2020 and 2019, the Company’s mainland China subsidiaries have recognized pension cost of \$40,170 and \$82,296, respectively.

(18) Share-based payment

A. For the years ended December 31, 2020 and 2019, the Group’s share-based payment arrangements were as follows:

<u>Type of arrangement</u>	<u>Grant date</u>	<u>Quantity granted</u>	<u>Contract period</u>	<u>Vesting conditions</u>
Employee stock options- Senyun Precise Optical Co., Ltd.	2018.1.10	1,670,000 shares	5 years	0~1 year’s service

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

Employee stock options — Senyun Precise Optical Co., Ltd

	2020		2019	
	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 January 1	670	\$ 10.00	1,515	\$ 10.00
Options forfeited	(440)	10.00	(845)	10.00
Options outstanding at December 31	<u>230</u>	10.00	<u>670</u>	10.00
Options exercisable at December 31	<u>230</u>		<u>670</u>	

C. As of December 31, 2020 and 2019, the range of exercise price of stock options outstanding of Senyun Precise Optical Co., Ltd was both \$10.00, and the weighted-average remaining vesting period was 2.03 years and 3.03 years, respectively.

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

Type of arrangement	Grant date	Stock price	Exercise price	Price volatility	Option life	Dividends	Interest rate	Fair value per unit
Employee stock options	2018.1.10	5.2	\$ 10	55.00%	3 years	-	0.50%	\$ 1

(19) Share capital

As of December 31, 2020 the Company's authorized capital was \$9,500,000, consisting of 950,000 thousand shares of ordinary stocks (including 250,000 thousand shares reserved for employee stock options and for convertible bonds issued by the Company), and the paid-in capital was \$6,356,889 with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected. The number of the Company's ordinary shares outstanding in the beginning and end of the year is both 635,688,886 shares.

(20) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Law requires that the amount of capital surplus to be 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.

(21) Retained earnings

- A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior year's operating losses and then 10% of the remaining amount shall be set aside as legal reserve, unless accumulated legal reserve has reached an amount equal to the Company's paid-in capital. And then special reserve shall be set aside or reversed according to the laws or decrees or the regulations of competent authorities. Appropriation (5% ~ 80%) of the remainder plus prior year's accumulated retained earnings shall be proposed by the Board of Directors, and resolved by the stockholders when distributed by issuance new shares. The Company's dividend policy is as follows: not less than 5% of total distribution amount shall be distributed in the form of cash. If the cash dividend is less than ten cents (NT\$0.1) per share, such dividend shall be distributed in the form of shares.
- B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the balance of the reserve exceeds 25% of the Company's paid-in capital.
- C. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

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

- D. The appropriation of 2019 earnings had been proposed by the Board of Directors on June 12, 2020 and the appropriation of 2018 earnings had been resolved at the stockholders' meeting on June 12, 2019. Details are summarized below:

	2019		2018	
	<u>Amount</u>	<u>Dividends per share (in dollars)</u>	<u>Amount</u>	<u>Dividends per share (in dollars)</u>
Legal reserve	\$ 193,924		\$ 256,651	
Cash dividends	1,398,516	\$ 2.20	1,907,067	\$ 3.00

- E. As of the date of the auditor's report, the appropriation of retained earnings for 2020 has not been resolved by the Board of Directors. Information about the appropriations of earnings proposed by the Board of Directors and resolved by the shareholders will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(22) Operating revenue

	<u>Years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Revenue from contracts with customers	<u>\$ 84,602,841</u>	<u>\$ 61,781,254</u>

A. Disaggregation of revenue from contracts with customers

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

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

<u>Product type</u>	<u>Year ended December 31, 2019</u>		
	<u>Global brand business group</u>	<u>Other business group</u>	<u>Total</u>
Computer components	\$ 47,555,952	\$ 1,319,011	\$ 48,874,963
Networking communication products	-	7,858,228	7,858,228
Others	<u>3,015,465</u>	<u>2,032,598</u>	<u>5,048,063</u>
	<u>\$ 50,571,417</u>	<u>\$ 11,209,837</u>	<u>\$ 61,781,254</u>

B. Contract assets and liabilities

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

	<u>December 31, 2020</u>	<u>December 31, 2019</u>	<u>January 1, 2019</u>
Contract liabilities – advance sales receipts	<u>\$ 3,987,907</u>	<u>\$ 247,156</u>	<u>\$ 335,964</u>

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

	<u>Years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Revenue recognized that was included in the contract liability balance at the beginning of the year		
Advance sales receipts	<u>\$ 167,019</u>	<u>\$ 318,290</u>

(23) Interest income

	Years ended December 31,	
	2020	2019
Interest income from bank deposits	\$ 65,199	\$ 79,220
Interest income from financial assets measured at amortised cost	17,880	23,464
Interest income from financial assets measured at fair value through profit or loss	843	4,195
Others	<u>4,422</u>	<u>2,618</u>
Total interest income	<u>\$ 88,344</u>	<u>\$ 109,497</u>

(24) Other income

	Years ended December 31,	
	2020	2019
Rental revenue	\$ 20,023	\$ 18,199
Dividend income	65,111	135,974
Other income - others	<u>868,440</u>	<u>532,513</u>
	<u>\$ 953,574</u>	<u>\$ 686,686</u>

(25) Other gains and losses

	Years ended December 31,	
	2020	2019
Foreign exchange gains	\$ 236,586	54,824
Gains on financial assets at fair value through profit or loss	31,783	63,616
Losses on disposal of property, plant and equipment	(20,526)	(6,723)
(Losses) gains from lease modification	(2,380)	13
Compensation losses from litigation	-	(43,230)
Others	<u>(29,132)</u>	<u>(12,055)</u>
	<u>(\$ 216,331)</u>	<u>(\$ 56,445)</u>

(26) Finance costs

	Years ended December 31,	
	2020	2019
Interest expense		
Interest expense	\$ 5,721	\$ 6,740
Interest expense on lease liabilities	4,396	3,307
Other interest expense	<u>512</u>	<u>798</u>
	<u>\$ 10,629</u>	<u>\$ 10,845</u>

(27) Expenses by nature

	Years ended December 31,	
	2020	2019
Cost of goods sold	\$ 67,039,157	\$ 49,594,963
Employee benefit expense	6,913,669	5,344,721
Warranty cost of after-sale service	847,680	835,699
Import/export expense	828,528	492,833
Depreciation and amortisation	694,778	700,881
Marketing service charge	582,792	258,522
Transportation expenses	552,452	406,366
Expected credit (gains) losses	(16,910)	28,415
Other costs and expenses	<u>2,942,860</u>	<u>2,671,621</u>
	<u>\$ 80,385,006</u>	<u>\$ 60,334,021</u>

(28) Employee benefit expense

	Years ended December 31,	
	2020	2019
Wages and salaries	\$ 6,206,153	\$ 4,627,270
Labor and health insurance fees	273,125	271,718
Pension costs	148,693	183,993
Other personnel expenses	<u>285,698</u>	<u>261,740</u>
	<u>\$ 6,913,669</u>	<u>\$ 5,344,721</u>

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

B. For the years ended December 31, 2020 and 2019, employees' compensation was accrued at \$583,127 and \$245,385, respectively; while directors' remuneration was both accrued at \$46,000. The aforementioned amounts were recognized in salary expenses.

The employees' compensation and directors' remuneration were estimated and accrued based on 10% and 0.79% of distributable profit of current year for the year ended December 31, 2020. The employees' compensation and directors' remuneration resolved by the Board of Directors were \$583,127 and \$46,000, respectively, and the employees' compensation will be distributed in the form of cash.

Employees' compensation and directors' remuneration of 2019 as resolved by the Board of Directors were in agreement with those amounts recognized in the 2019 financial statements.

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

(29) Income tax

A. Income tax expense

(a) Components of income tax expense:

	<u>Years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Current tax:		
Current tax on profits for the year	\$ 1,178,349	\$ 388,831
Tax on undistributed surplus earnings	16,177	548
Prior year income tax overestimation	(20,738)	(16,338)
	<u>1,173,788</u>	<u>373,041</u>
Deferred tax:		
Origination and reversal of temporary differences	(71,593)	(14,636)
Effect of the exchange rate	<u>17,375</u>	(2,700)
	(54,218)	(17,336)
Income tax expense	<u>\$ 1,119,570</u>	<u>\$ 355,705</u>

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

	<u>Years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Remeasurement of defined benefit obligations	<u>(\$ 5,014)</u>	<u>(\$ 5,817)</u>

B. Reconciliation between income tax expense and accounting profit:

	<u>Years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Tax calculated based on profit before tax and statutory tax rate (Note)	\$ 1,090,161	\$ 452,650
Expenses disallowed by tax regulation	136,393	(97,094)
Tax exempt income by tax regulation	(66,205)	(21,359)
Taxable loss not recognized as deferred tax assets	117,033	158,337
Effect from investment tax credit	(98,153)	(75,735)
Changes in assessment of realisability of deferred tax assets	(176,466)	(110,724)
Prior year income tax overestimation	(20,738)	(16,338)
Effect from Alternative Minimum Tax	2,896	-
Tax on undistributed surplus earnings	16,177	548
Separate taxation	-	8,383
Effect of tax from different applicable taxes within the Group	<u>118,472</u>	<u>57,037</u>
Income tax expense	<u>\$ 1,119,570</u>	<u>\$ 355,705</u>

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

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

	Year ended December 31, 2020			
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
<u>Deferred tax assets</u>				
Provision for warranty expense	\$ 102,714	\$ 52,577	\$ -	\$ 155,291
Loss on inventory	103,068	(4,919)	-	98,149
Amount of allowance for bad debts that exceed the limit for tax purpose	34,866	(22,373)	-	12,493
Pension expense	46,825	1,704	-	48,529
Unrealised profit on intercompany sales	83,649	104,132	-	187,781
Unrealised exchange loss	13,025	(13,025)	-	-
Remeasurement of defined benefit obligations	27,177	-	5,014	32,191
Others	131,414	(8,294)	-	123,120
	<u>542,738</u>	<u>109,802</u>	<u>5,014</u>	<u>657,554</u>
<u>Deferred tax liabilities</u>				
Unrealised exchange gain	-	(38,209)	-	(38,209)
	<u>\$ 542,738</u>	<u>\$ 71,593</u>	<u>\$ 5,014</u>	<u>\$ 619,345</u>
	Year ended December 31, 2019			
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
<u>Deferred tax assets</u>				
Provision for warranty expense	\$ 86,612	\$ 16,102	\$ -	\$ 102,714
Loss on inventory	195,677	(92,609)	-	103,068
Amount of allowance for bad debts that exceed the limit for tax purpose	28,715	6,151	-	34,866
Pension expense	46,710	115	-	46,825
Unrealised profit on intercompany sales	59,855	23,794	-	83,649
Unrealised exchange loss	1,457	11,568	-	13,025
Remeasurement of defined benefit obligations	21,360	-	5,817	27,177
Others	81,976	49,438	-	131,414
	<u>522,362</u>	<u>14,559</u>	<u>5817</u>	<u>542,738</u>
<u>Deferred tax liabilities</u>				
Others	(77)	77	-	-
	<u>\$ 522,285</u>	<u>\$ 14,636</u>	<u>\$ 5817</u>	<u>\$ 542,738</u>

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

December 31, 2020				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognized deferred tax assets	Usable until year
2011	\$ 125,459	\$ 116,913	\$ 116,913	2021
2012	155,923	155,923	155,923	2022
2013	120,379	101,551	101,551	2023
2014	164,552	154,493	154,493	2024
2015	298,581	298,581	298,581	2025
2016	384,201	344,635	344,635	2026
2017	335,027	334,931	334,931	2027
2018	307,764	285,840	285,840	2028
2019	465,262	462,877	462,877	2029
2020 (Note)	<u>556,800</u>	<u>556,800</u>	<u>556,800</u>	2030
	<u>\$ 2,913,948</u>	<u>\$ 2,812,544</u>	<u>\$ 2,812,544</u>	
December 31, 2019				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognized deferred tax assets	Usable until year
2010	\$ 334,750	\$ 316,850	\$ 316,850	2020
2011	125,459	116,913	116,913	2021
2012	155,923	155,923	155,923	2022
2013	120,379	101,551	101,551	2023
2014	164,552	153,966	153,966	2024
2015	298,581	298,581	298,581	2025
2016	384,201	344,635	344,635	2026
2017	335,027	335,027	335,027	2027
2018	307,764	307,764	307,764	2028
2019 (Note)	<u>816,989</u>	<u>816,989</u>	<u>816,989</u>	2029
	<u>\$ 3,043,625</u>	<u>\$ 2,948,199</u>	<u>\$ 2,948,199</u>	

Note: These amounts were based on estimates.

- E. The Company has not recognized taxable temporary differences associated with investment in subsidiaries as deferred tax liabilities. As of December 31, 2020 and 2019, the amounts of temporary difference unrecognized as deferred tax liabilities were \$493,816 and \$356,093, respectively.
- F. The Company's income tax returns through 2017 have been assessed and approved by the Tax Authority.

(30) Earnings per share

	<u>Year ended December 31, 2020</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 4,374,329	635,689	<u>\$ 6.88</u>
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
– Employees’ compensation	<u>-</u>	<u>8,524</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 4,374,329</u>	<u>644,213</u>	<u>\$ 6.79</u>
	<u>Year ended December 31, 2019</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,939,241	635,689	<u>\$ 3.05</u>
<u>Diluted earnings per share</u>			
Assumed conversion of all dilutive potential ordinary shares			
– Employees’ compensation	<u>-</u>	<u>6,386</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 1,939,241</u>	<u>642,075</u>	<u>\$ 3.02</u>

(31) Transactions with non-controlling interest

A. Acquisition of additional equity interest in a subsidiary

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

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

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

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

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

Subsidiary Senyun Precise Optical Co., Ltd, of the Group increased its capital by issuing new shares on December 20, 2019. The Group did not acquire shares proportionally to its interest. As a result, the Group increased its share interest by 9.38%. The transaction increased non-controlling interest by \$27,468 and decreased the equity attributable to owners of parent by \$27,468. The effect of changes in interests of \$27,468 on the equity attributable to owners of the parent for the year ended December 31, 2019 is shown below:

	Year ended <u>December 31, 2019</u>
Cash amount for acquiring 9.38% share interest	\$ 59,506
Increase in the carrying amount of non-controlling interest	<u>32,038</u>
Capital surplus- recognition of changes in ownership interest in subsidiaries	<u>\$ 27,468</u>

(32) Supplemental cash flow information

Investing activities with partial cash payments:

	<u>Years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Purchase of property, plant and equipment	\$ 528,425	\$ 567,083
Add: Opening balance of payable on equipment	16,054	14,621
Less: Ending balance of payable on equipment	(<u>10,333</u>)	(<u>16,054</u>)
Cash paid during the year	<u>\$ 534,146</u>	<u>\$ 565,650</u>

(33) Changes in liabilities from financing activities

	Year ended December 31, 2020				
	Short-term <u>borrowings</u>	Long-term <u>borrowings</u>	<u>Lease liability</u>	Guarantee <u>deposits received</u>	Liabilities from financing <u>activities-gross</u>
At January 1	\$ 289,088	\$ 10,667	\$ 141,912	\$ 8,908	\$ 450,575
Changes in cash flow from financing activities	14,129	233,825	(97,107)	43,354	194,201
Payment of interest expense on lease liabilities (Note)	-	-	(4,396)	-	(4,396)
Impact of changes in foreign exchange rate	-	-	(1,051)	-	(1,051)
Changes in other non-cash items	-	-	109,767	-	109,767
At December 31	<u>\$ 303,217</u>	<u>\$ 244,492</u>	<u>\$ 149,125</u>	<u>\$ 52,262</u>	<u>\$ 749,096</u>

	Year ended December 31, 2019				
	Short-term <u>borrowings</u>	Long-term <u>borrowings</u>	<u>Lease liability</u>	Guarantee <u>deposits received</u>	Liabilities from financing <u>activities-gross</u>
At January 1	\$ 309,722	\$ 18,833	\$ 190,460	\$ 8,567	\$ 527,582
Changes in cash flow from financing activities	(20,634)	(8,166)	(91,030)	341	(119,489)
Payment of interest expense on lease liabilities (Note)	-	-	(3,307)	-	(3,307)
Impact of changes in foreign exchange rate	-	-	(1,453)	-	(1,453)
Changes in other non-cash items	-	-	47,242	-	47,242
At December 31	<u>\$ 289,088</u>	<u>\$ 10,667</u>	<u>\$ 141,912</u>	<u>\$ 8,908</u>	<u>\$ 450,575</u>

Note: Listed under cash flows from operating activities.

7. RELATED PARTY TRANSACTIONS

(1) Significant related party transactions and balances

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

(2) Key management compensation

	Years ended December 31,	
	2020	2019
Salaries and other short-term employee benefits	<u>\$ 455,594</u>	<u>\$ 398,539</u>

8. PLEDGED ASSETS

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

<u>Pledged asset</u>	<u>Book value</u>		<u>Purpose</u>
	<u>December 31, 2020</u>	<u>December 31, 2019</u>	
Pledged assets -current (accounted for as "Financial assets at amortised cost - current")			
-Demand deposits	\$ <u> -</u>	\$ <u> 4,516</u>	Collateral loan
Pledged assets - non-current (accounted for as "Financial assets at amortised cost - non- current")			
-Demand deposits	\$ <u> 96,485</u>	\$ <u> 101,091</u>	Security deposit for office leasing and offshore funds repatriated account
-Time deposits	<u> 110,705</u>	<u> 109,984</u>	Guarantee for the customs duties
	\$ <u> 207,190</u>	\$ <u> 211,075</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

None.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

A subsidiary, Giga Investment Corp. of the Group, passed the resolution of the Board of Directors on March 15, 2021 to approve the investment proposal in WELLYSUN INC. The investment amount does not exceed NT\$392,000 thousand, and it is expected to acquire 26.17% of the equity.

12. OTHERS

(1) Capital management

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

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<u>Financial assets</u>		
Financial assets mandatorily measured at fair value through profit or loss	\$ 735,586	\$ 729,427
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	2,351,596	2,223,790
Financial assets at amortised cost		
Cash and cash equivalents	15,564,617	9,907,845
Financial assets at amortised cost	1,341,772	916,837
Notes receivable	2,897	2,996
Accounts receivable	7,883,297	6,619,142
Other receivables	63,806	129,617
Guarantee deposits paid	70,421	62,388
	<u>\$ 28,013,992</u>	<u>\$ 20,592,042</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Short-term borrowings	\$ 303,217	\$ 289,088
Notes payable	404	58,116
Accounts payable	9,024,919	7,230,678
Other payables	5,461,410	3,934,910
Long-term borrowings (including current portion)	244,492	10,667
Guarantee deposits received	52,262	8,908
Lease liabilities	149,125	141,912
	<u>\$ 15,235,829</u>	<u>\$ 11,674,279</u>

B. Financial risk management policies

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

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

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

- ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The companies are required to hedge their entire foreign exchange risk exposure with the Group treasury.
- iii. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: RMB). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2020		
	Foreign currency amount (In Thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 680,567	28.508	\$ 19,401,604
RMB:NTD	136,039	4.382	596,123
<u>Non-monetary items</u>			
USD:NTD	\$ 8,716	28.508	\$ 248,476
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 602,562	28.508	\$ 17,177,837
RMB:NTD	283,622	4.382	1,242,832
	December 31, 2019		
	Foreign currency amount (In Thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 466,270	30.106	\$ 14,037,525
RMB:NTD	64,910	4.323	280,606
<u>Non-monetary items</u>			
USD:NTD	\$ 5,663	30.106	\$ 170,483
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 360,065	30.106	\$ 10,840,117
RMB:NTD	266,111	4.323	1,150,398

- iv. The total exchange gain (loss), including realised and unrealized arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2020 and 2019, amounted to gain of \$236,586 and gain of \$54,824, respectively.

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

		<u>Year ended December 31, 2020</u>		
		<u>Sensitivity analysis</u>		
		<u>Degree of variation</u>	<u>Effect on profit or loss</u>	<u>Effect on other comprehensive income</u>
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
	USD:NTD	1%	\$ 194,016	\$ -
	RMB:NTD	1%	5,961	-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
	USD:NTD	1%	\$ 171,778	\$ -
	RMB:NTD	1%	12,428	-
		<u>Year ended December 31, 2019</u>		
		<u>Sensitivity analysis</u>		
		<u>Degree of variation</u>	<u>Effect on profit or loss</u>	<u>Effect on other comprehensive income</u>
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
	USD:NTD	1%	\$ 140,375	\$ -
	RMB:NTD	1%	2,806	-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
	USD:NTD	1%	\$ 108,401	\$ -
	RMB:NTD	1%	11,504	-

Price risk

- i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.
- ii. The Group's investments in equity securities comprise shares and beneficiary certificates issued by the domestic and foreign companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, pre-tax profit for the years ended December 31, 2020 and 2019 would have increased/decreased by \$7,196 and \$6,625, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss and beneficiary certificates. Other components of equity would have increased/decreased

by \$23,516 and \$22,238 respectively, as a result of gains/losses on equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

- i. The domestic/overseas bond funds investment and bond products with fixed interest rate by the Group was held mainly for trading purposes, the effective interest rate of this fund is affected by the market interest rate.
- ii. For fixed interest rate bond investments held by the Group classified as financial assets at fair value through profit or loss, changes in market interest rates would affect their fair values. At December 31, 2020 and 2019, if market interest rates had been 1% higher/lower with all other variables held constant, pre-tax profit for the years ended December 31, 2020 and 2019 would have been \$160 and \$669 lower/higher, respectively.
- iii. At December 31, 2020 and 2019, if interest rates on borrowings had been 0.1% higher/lower with all other variables held constant, pre-tax profit for the years ended December 31, 2020 and 2019 would have been \$353 and \$220 higher, respectively, mainly as a result of higher interest expense on floating rate borrowings.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at fair value through profit or loss.
- ii. The bond fund held by the Group was issued by well-known foreign banks and securities investment trust companies owned by or affiliated with domestic financial holding companies with good credit standing. Since the Group trades with several securities investment trust companies, credit risk is low.
- iii. The Group has lower significant concentrations of credit risk, due to investment in corporate bonds or financial bonds. The maximum loss to the Group is the total amount of all book value.
- iv. The Group manages their credit risk taking into consideration the entire group's concern. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.
- v. The Group adopts the assumptions under IFRS 9, the default occurs when the contract payments are not expected to be recovered.
- vi. The Group adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:
If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- vii. The Group classifies customers' accounts receivable in accordance with credit rating of customer, insurance coverage and characteristics of collateral. The Group applies the simplified approach to estimate expected credit loss under the provision matrix basis.

- viii. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
- (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;
 - (ii) The disappearance of an active market for that financial asset because of financial difficulties;
 - (iii) Default or delinquency in interest or principal repayments;
 - (iv) Adverse changes in national or regional economic conditions that are expected to cause a default.
- ix. The Group used the forecastability of macroeconomic growth by the International Monetary Fund to adjust historical and timely information to assess the default possibility of accounts receivable. On December 31, 2020 and 2019, the provision matrix is as follows:

	<u>Not past due</u>	<u>Up to 30 past due</u>	<u>31 to 60 days past due</u>
December 31, 2020			
Expected loss rate	0.13%~3.77%	0.13%~42.91%	0.13%~84.97%
Total book value	<u>\$ 7,042,591</u>	<u>\$ 880,489</u>	<u>\$ 13,832</u>
Loss allowance	<u>\$ 44,376</u>	<u>\$ 11,187</u>	<u>\$ 1,258</u>
	<u>61 to 90 days past due</u>	<u>Over 90 days</u>	<u>Total</u>
Expected loss rate	0.13%~92.53%	10%~100%	
Total book value	<u>\$ 4,042</u>	<u>\$ 27,452</u>	<u>\$ 7,968,406</u>
Loss allowance	<u>\$ 2,263</u>	<u>\$ 26,025</u>	<u>\$ 85,109</u>
	<u>Not past due</u>	<u>Up to 30 past due</u>	<u>31 to 60 days past due</u>
December 31, 2019			
Expected loss rate	0.09%~3.79%	0.09%~21.54%	0.09%~37.14%
Total book value	<u>\$ 5,781,994</u>	<u>\$ 798,677</u>	<u>\$ 63,458</u>
Loss allowance	<u>\$ 33,404</u>	<u>\$ 7,275</u>	<u>\$ 3,494</u>
	<u>61 to 90 days past due</u>	<u>Over 90 days</u>	<u>Total</u>
Expected loss rate	0.09%~65.05%	10%~100%	
Total book value	<u>\$ 16,156</u>	<u>\$ 139,315</u>	<u>\$ 6,799,600</u>
Loss allowance	<u>\$ 5,675</u>	<u>\$ 130,610</u>	<u>\$ 180,458</u>

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

	<u>2020</u>		
	<u>Notes receivable</u>	<u>Accounts receivable</u>	<u>Total</u>
At January 1	\$ -	\$ 180,458	\$ 180,458
Reversal of impairment loss	-	(16,910)	(16,910)
Write-offs	-	(76,367)	(76,367)
Effect of exchange rate changes	-	(2,072)	(2,072)
At December 31	<u>\$ -</u>	<u>\$ 85,109</u>	<u>\$ 85,109</u>

	<u>2019</u>		
	<u>Notes receivable</u>	<u>Accounts receivable</u>	<u>Total</u>
At January 1	\$ -	\$ 158,632	\$ 158,632
Provision for impairment	-	28,415	28,415
Write-offs	-	(4,741)	(4,741)
Effect of exchange rate changes	-	(1,848)	(1,848)
At December 31	<u>\$ -</u>	<u>\$ 180,458</u>	<u>\$ 180,458</u>

Considering the credit insurance on accounts receivable, the abovementioned amounts were not provided with allowance for uncollectible accounts in the amounts of \$71,969 and \$60,469 on December 31, 2020 and 2019, respectively. For provisioned loss in 2020 and 2019, the reversal of impairment losses and the impairment losses arising from customers' contracts amounted to \$16,910 and (\$28,415), respectively.

- xi. For investments in debt instruments at amortised cost, the credit rating levels are presented below:

	<u>December 31, 2020</u>			
	<u>12 months</u>	<u>Lifetime</u>		<u>Total</u>
		<u>Significant increase in credit risk</u>	<u>Impairment of credit</u>	
Financial assets at amortised cost				
Group 1	\$ 1,134,582	\$ -	\$ -	\$ 1,134,582
Group 2	<u>207,190</u>	<u>-</u>	<u>-</u>	<u>207,190</u>
	<u>\$ 1,341,772</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,341,772</u>

	December 31, 2019			
	<u>12 months</u>	<u>Lifetime</u>		<u>Total</u>
		<u>Significant increase in credit risk</u>	<u>Impairment of credit</u>	
Financial assets at amortised cost				
Group 1	\$ 701,246	\$ -	\$ -	\$ 701,246
Group 2	<u>215,591</u>	<u>-</u>	<u>-</u>	<u>215,591</u>
	<u>\$ 916,837</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 916,837</u>

Group 1: Refers to the time deposits maturing in excess of three months.

Group 2: Pledged time deposits.

(c) Liquidity risk

- i. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times.
- ii. Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the Group treasury. Group treasury invests surplus cash in current accounts, time deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts.
- iii. The Group had no undrawn borrowing facilities for fixed rate long-term borrowings.
- iv. The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. Except for the contractual undiscounted cash flows of short-term borrowings, notes and accounts payable, other payables as well as guarantee deposits received were equivalent to their carrying amounts and were expiring within one year, the amounts disclosed in the table are the contractual undiscounted cash flows of other financial liabilities:

Non-derivative financial liabilities:

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

Non-derivative financial liabilities:

December 31, 2019	Between 1 and			Total
	<u>Less than 1 year</u>	<u>2 years</u>	<u>Over 2 years</u>	
Lease liability	\$ 89,538	\$ 37,920	\$ 22,467	\$ 149,925
Long-term borrowings (including current portion)	7,801	3,015	-	10,816

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

(3) Fair value information

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

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

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

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

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

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

D. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at December 31, 2020 and 2019 is as follows:

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

December 31, 2020	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Recurring fair value</u>				
<u>measurements-assets</u>				
Financial assets at fair value through profit or loss				
Equity instrument	\$ 123,097	\$ -	\$ 66,725	\$ 189,822
Debt instrument	15,971	-	-	15,971
Beneficiary certificates	529,793	-	-	529,793

December 31, 2020	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets at fair value through other comprehensive income				
Equity instrument	<u>2,286,773</u>	<u>-</u>	<u>64,823</u>	<u>2,351,596</u>
	<u>\$ 2,955,634</u>	<u>\$ -</u>	<u>\$ 131,548</u>	<u>\$ 3,087,182</u>
December 31, 2019	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Recurring fair value measurements - assets</u>				
Financial assets at fair value through profit or loss				
Equity instrument	\$ 63,077	\$ -	\$ 19,089	\$ 82,166
Debt instrument	66,922	-	-	66,922
Beneficiary certificates	580,339	-	-	580,339
Financial assets at fair value through other comprehensive income				
Equity instrument	<u>2,194,972</u>	<u>-</u>	<u>28,818</u>	<u>2,223,790</u>
	<u>\$ 2,905,310</u>	<u>\$ -</u>	<u>\$ 47,907</u>	<u>\$ 2,953,217</u>

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

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

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

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

financial instruments, debt instruments with embedded derivatives or securitised instruments. Certain inputs used in the valuation model are not observable at market, and the Group must make reasonable estimates based on its assumptions.

- v. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the balance sheet date. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.
 - vi. The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Group's credit quality.
- E. For the years ended December 31, 2020 and 2019, 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, 2020 and 2019:

	<u>Years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
At January 1	\$ 47,907	\$ 110,669
(Losses) gains recognized in profit or loss	(3,565)	26,712
Losses recognized in other comprehensive income	(4,578)	(765)
Acquired in the year	92,064	190,175
Sold in the year	-	(278,884)
Others	(208)	-
At December 31	<u>\$ 131,548</u>	<u>\$ 47,907</u>

- G. For the years ended December 31, 2020 and 2019, there was no transfer into or out from Level 3.
- H. Financial segment is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently updating inputs used to the valuation model and making any other necessary adjustments to the fair value.
- I. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	<u>Fair value at</u> <u>December 31, 2020</u>	<u>Valuation</u> <u>technique</u>	<u>Significant</u> <u>unobservable input</u>	<u>Relationship of</u> <u>inputs to fair value</u>
Unlisted shares	\$ 68,818	Market comparable companies	Price-to-book ratio, enterprise value to operating income ratio multiple, discount for	The higher the discount for lack of marketability, the lower the fair value

	<u>Fair value at December 31, 2020</u>	<u>Valuation technique</u>	<u>lack of marketability Significant unobservable input</u>	<u>Relationship of inputs to fair value</u>
Venture capital shares Private equity fund investment	\$ 62,730	Net asset value	Not applicable	Not applicable
	<u>Fair value at December 31, 2019</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Relationship of inputs to fair value</u>
Unlisted shares	\$ 21,182	Market comparable companies	Price-to-book ratio, enterprise value to operating income ratio multiple, discount for lack of marketability	The higher the discount for lack of marketability, the lower the fair value
Venture capital shares Private equity fund investment	\$ 26,725	Net asset value	Not applicable	Not applicable

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

		<u>December 31, 2020</u>				
			<u>Recognized in profit or loss</u>		<u>Recognized in other comprehensive income</u>	
	<u>Input</u>	<u>Change</u>	<u>Favourable change</u>	<u>Unfavourable change</u>	<u>Favourable change</u>	<u>Unfavourable change</u>
Financial assets						
Equity instruments	Market comparable companies	±1%	\$ 667	(\$ 667)	\$ 21	(\$ 21)
Equity instruments	Net asset value	±1%	-	-	627	(627)
			<u>\$ 667</u>	<u>(\$ 667)</u>	<u>\$ 648</u>	<u>(\$ 648)</u>
		<u>December 31, 2019</u>				
			<u>Recognized in profit or loss</u>		<u>Recognized in other comprehensive income</u>	
	<u>Input</u>	<u>Change</u>	<u>Favourable change</u>	<u>Unfavourable change</u>	<u>Favourable change</u>	<u>Unfavourable change</u>
Financial assets						
Equity instruments	Market comparable companies	±1%	\$ 191	(\$ 191)	\$ 21	(\$ 21)
Equity instruments	Net asset value	±1%	-	-	267	(267)
			<u>\$ 191</u>	<u>(\$ 191)</u>	<u>\$ 288</u>	<u>(\$ 288)</u>

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

A. Loans to others: None.

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

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

- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: None.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 2.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 3.
- I. Trading in derivative instruments undertaken during the reporting periods: None.
- J. Significant inter-company transactions during the reporting periods: Please refer to table 4.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 5.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 6.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 7.

(4) Major shareholders information

Major shareholders information: Please refer to table 8.

14. SEGMENT INFORMATION

(1) General information

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

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

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

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

(2) Measurement of segment information

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

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

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

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

	<u>Year ended December 31, 2019</u>		
	<u>Global brand business group</u>	<u>Other business group</u>	<u>Total</u>
Total segment revenue	<u>\$ 50,571,417</u>	<u>\$ 11,209,837</u>	<u>\$ 61,781,254</u>
Operating income (loss)	<u>\$ 2,188,278</u>	<u>(\$ 741,045)</u>	<u>\$ 1,447,233</u>
Depreciation and amortization	<u>\$ 90,019</u>	<u>\$ 610,862</u>	<u>\$ 700,881</u>
Total assets (Note)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total liabilities (Note)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

(4) Reconciliation for segment income (loss)

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

(5) Information on products and services

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

Details of revenue is as follows:

<u>Items</u>	<u>Years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Computer components	<u>\$ 68,618,983</u>	<u>\$ 48,874,963</u>
Networking communication products	<u>9,038,056</u>	<u>7,858,228</u>
Others	<u>6,945,802</u>	<u>5,048,063</u>
	<u>\$ 84,602,841</u>	<u>\$ 61,781,254</u>

(6) Geographical information

Geographical information for the years ended December 31, 2020 and 2019 is as follows:

A. Revenue by geographic area:

	<u>Years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Europe	\$ 28,037,004	\$ 21,018,146
USA and Canada	20,548,814	12,903,626
China	16,738,814	12,326,203
Taiwan	1,775,736	1,648,723
Others	<u>17,052,473</u>	<u>13,884,556</u>
Total	<u>\$ 84,602,841</u>	<u>\$ 61,781,254</u>

B. Non-current assets:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Taiwan	\$ 2,917,961	\$ 2,935,166
China	1,105,229	1,128,065
Others	<u>517,439</u>	<u>540,354</u>
Total	<u>\$ 4,540,629</u>	<u>\$ 4,603,585</u>

(7) Major customer information

There was no customer accounting for more than 10% of the Group's operating revenue for the years ended December 31, 2020 and 2019.

GIGA-BYTE TECHNOLOGY CO., LTD. AND SUBSIDIARIES

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

Year ended December 31, 2020

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

Securities held by Giga-Byte Technology Co., Ltd.	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2020			Footnote
				Number of shares	Book value	Ownership (%)	
	Beneficiary certificates-CTBC Hwa-Win Money Market Fund	None	Financial assets at fair value through profit or loss-current	4,572,748	\$ 50,000	-	\$ 50,792
	Prudential Financial Money Market Fund	"	"	5,099,428	80,000	-	81,361
	JIN SUN Financial Money Market Fund	"	"	6,800,935	100,000	-	101,674
	CTBC Bloomberg Barclays USD Corporate 10+ Year High Grade Capped Bond ETF	"	"	1,000,000	48,361	-	47,500
	Beneficiary certificates – Morgan Stanley Opportunistic Mortgage Income Fund LP	"	"	379,064	12,244	-	10,806
	AB FCP I-AMER INC-A2 USD (LUX LISTING) Income Fund LP	"	"	65,232	62,764	-	60,493
	PIMCO INVESTMENT GRADE CREDIT FUND (IRE LISTING)	"	"	85,388	60,469	-	59,663
	MSIM GLOBAL FIXED INC OPP-A (LUX LISTING) Income Fund LP	"	"	27,337	31,567	-	29,856
	PIMCO GLOBE INVESTMENT GRADE CREDIT FUND	"	"	67,249	29,272	-	29,716
	PIMCO TOTAL RETURN BOND FUND	"	"	32,092	29,272	-	28,911
	AXA IM FIIS-US CORP BD-F	"	"	6,921	29,272	-	29,021
	Government bond – Indonesia Government International Bond 4.125%	"	"	500,000	16,298	-	15,971
					549,519		\$ 545,764
			Valuation adjustment of financial assets at fair value through profit or loss	(3,755)		
				\$	545,764		

As of December 31, 2020

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	Number of shares	Ownership		Footnote	
					Book value	(%)		Fair value
Giga-Trend International Investment Group Ltd.	Listed stocks - Sintrones Technology Corp. etc.	None	Financial assets at fair value through profit or loss-current	Omitted	\$ 101,662	-	\$ 123,097	
			Valuation adjustment of financial assets at fair value through profit or loss			21,435		
					\$ 123,097			
Giga Investments Corp.	Listed stocks - Walsin Technology Corporation etc.	None	Financial assets at fair value through profit or loss-current	Omitted	\$ 118,916	-	\$ 66,725	
			Valuation adjustment of financial assets at fair value through profit or loss		(52,191)			
					\$ 66,725			
Giga Investments Corp.	Listed stocks - Walsin Technology Corporation etc.	None	Financial assets at fair value through other comprehensive income - Non current	Omitted	\$ 976,263	1.37%~	\$ 2,286,773	
			Valuation adjustment of financial assets at fair value through other comprehensive income		1,310,510	9.44%		
					\$ 2,286,773			
G-Style Co., Ltd.	Unlisted stocks - Sagatek Consultant Co., Ltd. etc.	#	Financial assets at fair value through other comprehensive income - Non current	Omitted	\$ 64,948	0.11%~	\$ 62,730	
			Valuation adjustment of financial assets at fair value through other comprehensive income		(2,218)	20.00%		
					\$ 62,730			
G-Style Co., Ltd.	Unlisted stocks - JM Material Technology Inc.	None	Financial assets at fair value through other comprehensive income - Non current	160,000	\$ 20,000	10.00%	\$ 2,093	
			Valuation adjustment of financial assets at fair value through other comprehensive income		(17,907)			
					\$ 2,093			

GIGA-BYTE TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more
Year ended December 31, 2020

Expressed in thousands of NTD
(Except as otherwise indicated)

Table 2

Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Differences in transaction terms compared to third party transactions		Balance	Percentage of total notes/accounts receivable (payable)	Footnote
								Notes/accounts receivable (payable)	Notes/accounts receivable (payable)			
Giga-Byte Technology Co., Ltd.	G.B.T. Inc.	Parent-subsidiary	(Sales)	\$ 18,993,954	(23%)	45 days upon receipt of goods	The price was based on the contract price	Normal	\$	5,408,842	41%	
	G-Style Co., Ltd.	"	"	1,788,537	(2%)	90 days upon receipt of goods	"	"		538,651	4%	
	Giga-Byte Technology B.V.	"	"	926,192	(1%)	30 days upon receipt of goods	"	"		57,774	-	
	Gigaipc Co., Ltd.	"	"	432,930	(1%)	60 days after billing	"	"		56,496	-	
	Ningbo Zhongjia Technology Co., Ltd.	Parent-indirect subsidiary	"	15,763,934	(19%)	90 days upon receipt of goods	"	"		2,062,836	16%	
	Ningbo Gigabyte Technology Co., Ltd.	"	Purchases	1,669,421	2%	60 days upon receipt of goods	"	"	(2,548,600)	(20%)	
	Dongguan Gigabyte Electronics Co., Ltd.	"	"	1,186,097	2%	60 days upon receipt of goods	"	"	(1,630,840)	(13%)	
G-Style Co., Ltd.	G.B.T. Inc.	Sister companies	(Sales)	500,837	(25%)	60 days upon receipt of goods	The price was based on the contract price	Normal		116,354	52%	
	Ningbo Zhongjia Technology Co., Ltd.	"	"	101,466	(5%)	60 days after billing	"	"		3,474	2%	

GIGA-BYTE TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more
 Year ended December 31, 2020

Table 3

Creditor	Counterparty	Relationship with the counterparty	Balance as at		Overdue receivables			Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts	Expressed in thousands of NTD (Except as otherwise indicated)
			December 31, 2020	December 31, 2020	Amount	Turnover rate	Action taken			
Giga-Byte Technology Co., Ltd.	G.B.T. Inc.	Parent-subsidary	\$	5,408,842	\$	4.20	-	920,687	\$	-
	G-Style Co., Ltd.	"		538,651		3.60	-	174,067		-
	Ningbo Zhongjia Technology Co., Ltd.	Parent-indirect subsidiary		2,062,836		9.00	-	1,121,960		-
G-Style Co., Ltd. Ningbo Gigabyte Technology Co., Ltd.	Dongguan Gigabyte Electronics Co., Ltd.	"		481,900		9.08	-	481,900		-
	Ningbo Gigabyte Technology Co., Ltd.	"		222,462		7.74	-	222,462		-
	G.B.T. Inc.	Sister companies		116,354		7.42	-	16,682		-
Dongguan Gigabyte Electronics Co., Ltd.	Giga-Byte Technology Co., Ltd.	Parent-indirect subsidiary	RMB	583,643 thousand		8.37	-	RMB 34,203 thousand		-
	Giga-Byte Technology Co., Ltd.	"	RMB	373,266 thousand		8.96	-	RMB 34,589 thousand		-

GIGA-BYTE TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more
Year ended December 31, 2020

Expressed in thousands of NTD
(Except as otherwise indicated)

Table 3

Creditor	Counterparty	Relationship with the counterparty	Balance as at		Overdue receivables			Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
			December 31, 2020	December 31, 2020	Amount	Turnover rate	Action taken		
Giga-Byte Technology Co., Ltd.	G.B.T. Inc.	Parent-subsiary	\$	5,408,842	\$	4.20	-	920,687	\$ -
	G-Style Co., Ltd.	"		538,651		3.60	-	174,067	-
	Ningbo Zhongjia Technology Co., Ltd.	Parent-indirect subsidiary		2,062,836		9.00	-	1,121,960	-
G-Style Co., Ltd.	Dongguan Gigabyte Electronics Co., Ltd.	"		481,900		9.08	-	481,900	-
	Ningbo Gigabyte Technology Co., Ltd.	"		222,462		7.74	-	222,462	-
	G.B.T. Inc.	Sister companies		116,354		7.42	-	16,682	-
Ningbo Gigabyte Technology Co., Ltd.	Giga-Byte Technology Co., Ltd.	Parent-indirect subsidiary	RMB	583,643 thousand		8.37	-	RMB 34,203 thousand	-
Dongguan Gigabyte Electronics Co., Ltd.	Giga-Byte Technology Co., Ltd.	"	RMB	373,266 thousand		8.96	-	RMB 34,589 thousand	-

GIGA-BYTE TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Significant inter-company transactions during the reporting periods
Year ended December 31, 2020

Expressed in thousands of NTD
(Except as otherwise indicated)

Table 4

Company name		Counterparty	Relationship	General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets
Giga-Byte Technology Co., Ltd.	Giga-Byte Technology B.V.	Parent company to subsidiary	Sales	\$ 926,192	Note 6	1%	
"	"	"	Service charge	175,380	Note 3	-	
"	"	"	Marketing service charge	156,625	"	-	
"	"	"	Accounts receivable	57,774	"	-	
"	"	"	Other payables	54,729	"	-	
G.B.T., Inc	G.B.T., Inc	Parent company to subsidiary	Sales	18,993,954	Note 7	22%	
"	"	"	Accounts receivable	5,408,842	"	11%	
G-Style Co., Ltd.	G-Style Co., Ltd.	Parent company to subsidiary	Sales	1,788,537	Note 1	2%	
"	"	"	Accounts receivable	538,651	"	1%	
Gigaipc Co., Ltd.	Gigaipc Co., Ltd.	Parent company to subsidiary	Sales	432,930	Note 2	1%	
"	"	"	Accounts receivable	56,496	"	-	
Ningbo Zhongjia Technology Co., Ltd.	Ningbo Zhongjia Technology Co., Ltd.	Parent company to indirect subsidiary	Sales	15,763,934	Note 1	19%	
"	"	"	Accounts receivable	2,062,836	"	4%	
Ningbo Gigabyte Technology Co., Ltd.	Ningbo Gigabyte Technology Co., Ltd.	Parent company to indirect subsidiary	Purchases	1,669,421	Note 5	2%	
"	"	"	Accounts receivable	222,462	Note 2	-	
"	"	"	Accounts payable	2,548,600	Note 5	5%	
Dongguan Gigabyte Electronics Co., Ltd.	Dongguan Gigabyte Electronics Co., Ltd.	Parent company to indirect subsidiary	Purchases	1,186,097	Note 5	1%	
"	"	"	Accounts receivable	481,900	Note 2	1%	
"	"	"	Accounts payable	1,630,840	Note 5	3%	
Ningbo BestYield Tech. Services Co., Ltd.	Ningbo BestYield Tech. Services Co., Ltd.	Parent company to indirect subsidiary	After-sale service fees	314,349	Note 3	-	
"	"	"	Other payables	71,692	"	-	
Giga-Byte Technology B.V.	G.B.T. Technology Trading GmbH	Subsidiary to subsidiary	Marketing service charge	160,450	Note 4	-	
G-Style Co., Ltd.	G.B.T., Inc	Subsidiary to subsidiary	Sales	500,837	Note 5	1%	
"	"	"	Accounts receivable	116,354	"	-	
Ningbo Zhongjia Technology Co., Ltd.	Ningbo Zhongjia Technology Co., Ltd.	Subsidiary to indirect subsidiary	Sales	101,466	Note 2	-	

ADJULFAWIKEN INC-AZ USU (LUX)
FUNDING INVESTMENT FUND LTD
FUND (IRE LISTING)

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

GIGA-BYTE TECHNOLOGY CO., LTD. AND SUBSIDIARIES

Information on investees

Year ended December 31, 2020

Expressed in thousands of NTD
(Except as otherwise indicated)

Table 5

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2020	Ownership (%)	Book value	Net profit (loss) of the investee for the year ended December 31, 2020	Investment income(loss) recognised by the Company for the year ended December 31, 2020	Footnote
				Balance as at December 31, 2020	Balance as at December 31, 2019						
Giga-Byte Technology Co., Ltd.	Freedom International Group Ltd.	British Virgin Islands	Holding company	\$ 4,720,532	\$ 4,617,682	146,071,692	100.00	\$ 6,423,710	\$ 568,675	\$ 311,881	The Company's subsidiary
Giga-Byte Technology Co., Ltd.	Giga Investments Corp.	Taiwan	Holding company	2,775,000	2,775,000	293,756,500	100.00	3,559,767	(151,348)	(151,327)	The Company's subsidiary
Giga-Byte Technology Co., Ltd.	G-Style Co., Ltd.	Taiwan	Manufacturing and selling of notebooks	910,000	910,000	72,000,000	100.00	261,118	(56,980)	(50,760)	The Company's subsidiary
Giga-Byte Technology Co., Ltd.	Giga-Byte Communication Inc.	Taiwan	Manufacturing and selling of communications	1,647,508	1,647,508	2,145,880	99.86	22,420	(478)	(478)	The Company's subsidiary
Giga-Byte Technology Co., Ltd.	BYTE International Co., Ltd.	Taiwan	Selling of PC peripherals	583,709	303,709	31,000,000	100.00	340,453	123	157	The Company's subsidiary
Giga-Byte Technology Co., Ltd.	Myelin Tek Inc.	Taiwan	Software service	70,000	-	299,999,995	40.00	67,386	(8,318)	(2,614)	Investee accounted for using equity method
Giga-Byte Technology Co., Ltd.	GIGAIPC Co., Ltd.	Taiwan	Sales of computer information products	197,838	-	20,000,000	100.00	190,830	21,106	(7,008)	The Company's subsidiary
Giga-Byte Technology Co., Ltd.	Giga-Byte Technology B.V.	Netherlands	Sales of computer information products	25,984	25,984	8,500	100.00	83,111	23,669	23,730	The Company's subsidiary
Giga-Byte Technology Co., Ltd.	GBT Tech. Co. Ltd.	U.K.	Marketing of computer information products	47,488	47,488	800,000	100.00	21,810	8,359	8,359	The Company's subsidiary
Giga-Byte Technology Co., Ltd.	Nippon Giga-Byte Corp.	Japan	Marketing of computer information products	3,495	3,495	1,000	100.00	11,296	904	904	The Company's subsidiary
Giga-Byte Technology Co., Ltd.	G.B.T. Technology Trading GmbH	Germany	Marketing of computer information products	352,752	272,959	-	100.00	400,468	3,194	3,194	The Company's subsidiary
Giga-Byte Technology Co., Ltd.	Gigabyte Technology Pty. Ltd.	AUS	Marketing of computer information products	55,664	55,664	2,400,000	100.00	57,195	(120)	(120)	The Company's subsidiary
Giga-Byte Technology Co., Ltd.	Gigabyte Technology (India) Private Limited	India	Marketing and maintenance of computer information products	182,868	182,868	4,600,000	100.00	7,790	(3,231)	(3,231)	The Company's subsidiary
Giga-Byte Technology Co., Ltd.	Gigabyte Technology ESPANA S.L.U.	Spain	Marketing of computer information products	241	241	5,000	100.00	4,615	178	178	The Company's subsidiary
Giga-Byte Technology Co., Ltd.	G.B.T. Inc.	U.S.A.	Sales of computer information products	90,660	90,660	54,116	48.63	72,260	178,809	(105,331)	The Company's subsidiary
Giga-Byte Technology Co., Ltd.	Gigabyte Information Technology Commerce Limited Company	Turkey	Marketing of computer information products	3,541	3,541	8,000	100.00	2,030	284	284	The Company's subsidiary
Giga-Byte Technology Co., Ltd.	Gigabyte Technology LLC	South Korea	Marketing of computer information products	22,534	22,534	168,000	100.00	33,899	(249)	(249)	The Company's subsidiary

Investor	Investee	Location	Main business activities	Initial investment amount		Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the year ended December 31, 2020	Investment income (loss) recognised by the Company for the year ended December 31, 2020	Footnote
				Balance as at December 31, 2020	Balance as at December 31, 2019						
G.B.T. Technology Trading GmbH	Gigabyte Technology Poland SP Z O.O.	Poland	Marketing and maintenance of computer information products	\$ 500	\$ 500	100	100.00	\$ 2,771	\$ 577	\$ -	The Company's indirect subsidiary
Freedom International Group Ltd.	Charleston Investments Limited	Cayman Islands	Holding company	1,844,922	1,844,922	57,032,142	100.00	3,170,142	337,526	-	The Company's indirect subsidiary
Freedom International Group Ltd.	G.B.T. LBN Inc.	Malaysia	Sales of computer information products	414,766	-	14,000,000	100.00	-	133	-	The Company's indirect subsidiary
Freedom International Group Ltd.	G.B.T. Inc.	U.S.A.	Sales of computer information products	109,459	109,459	57,169	51.37	234,166	178,809	-	The Company's indirect subsidiary
Freedom International Group Ltd.	Gigabyte Trading Inc.	U.S.A.	ODM Business	-	1,623	-	-	-	(69)	-	The Company's indirect subsidiary
Freedom International Group Ltd.	Giga Future Limited	British Virgin Islands	Holding company	2,689,068	2,689,068	82,819,550	100.00	3,386,666	159,241	-	The Company's indirect subsidiary
Freedom International Group Ltd.	Giga Advance (Labuan) Limited	Malaysia	Sales of computer information products	-	5,648	-	-	-	-	-	The Company's indirect subsidiary
Freedom International Group Ltd.	LCKT Yuan Chan Technology Co., Ltd.(Cayman)	Cayman Islands	Holding company	92,775	92,775	3,000,000	30.00	10,053	(40,121)	-	Subsidiary's investee company accounted for under the equity method
Freedom International Group Ltd.	Aorus Pte. Ltd.	Singapore	Marketing of computer information products	60,757	60,757	3,073,000	100.00	15,688	(2,342)	-	The Company's indirect subsidiary
Giga Investments Corp.	Giga-Trend International Investment Group Ltd.	Taiwan	Holding company	399,950	599,950	45,290,000	100.00	505,628	27,880	-	The Company's indirect subsidiary
Giga Investments Corp.	Giga-Trend International Management Group Ltd.	Taiwan	Venture capital management and consulting company	17,904	5,483	1,000,000	100.00	21,221	470	-	The Company's indirect subsidiary
Giga Investments Corp.	Senyuan Precision Optical Co., Ltd.	Taiwan	Manufacturing and selling of optical lens	1,547,410	1,053,568	324,586,585	96.41	480,327	(312,692)	-	The Company's indirect subsidiary
Giga Investments Corp.	Gigazone Holdings Limited	British Virgin Islands	Holding company	-	173,928	-	-	-	-	-	The Company's indirect subsidiary
Giga Investments Corp.	Selita Precision Co., Ltd.	Taiwan	Manufacturing, wholesale and retail of bicycle and parts	50,000	50,000	5,000,000	100.00	35,806	(1,616)	-	The Company's indirect subsidiary
Giga Investments Corp.	GIGAIPC Co., Ltd.	Taiwan	Sales of computer information products	-	200,000	-	-	-	21,106	-	The Company's indirect subsidiary
Ningbo Best Yield Tech. Services Co., Ltd.	OGS Europe B.V.	Netherlands	Selling of communications	12,443	12,443	3,000	100.00	12,477	(1,914)	-	The Company's indirect subsidiary

GIGA-BYTE TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Information on investments in Mainland China
Year ended December 31, 2020

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2020		Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2020	Remitted to Mainland China	Remitted back to Taiwan	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2020	Net income of investee as of December 31, 2020	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2020	Book value of investments in Mainland China as of December 31, 2020	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2020	Footnote
				\$	\$										
Dongguan Gigabyte Electronics Co., Ltd.	Manufacturing of computer information products	\$ 1,180,938	Note 1	\$ 1,180,938	\$ -	\$ 1,180,938	\$ -	\$ -	\$ 1,180,938	100.00	\$ 113,750	\$ 1,621,053	\$ -	The Company's indirect subsidiary	
Ningbo Giga-Byte International Trade Co., Ltd.	Sales of computer information products	259,752	Note 1	259,752	-	259,752	-	-	259,752	100.00	202,755	1,345,784	-	The Company's indirect subsidiary	
Ningbo BestYield Tech. Services Co., Ltd.	Maintenance of computer information products	181,923	Note 1	181,923	-	165,515	-	-	165,515	100.00	19,802	184,681	-	The Company's indirect subsidiary	
Ningbo Zhongjia Technology Co., Ltd.	Sales of computer information products	109,853	Note 3	109,853	-	-	-	-	-	100.00	206,458	1,220,128	-	The Company's indirect subsidiary	
Ningbo Gigabyte Technology Co., Ltd.	Manufacturing of computer information products	2,780,313	Note 1	2,780,313	-	2,780,313	-	-	2,780,313	100.00	158,555	3,355,472	-	The Company's indirect subsidiary	
Gigazone International (Shenzhen)	Selling of PC peripherals	399,076	Note 3 and Note 4	399,076	-	203,761	-	(203,761)	-	-	-	-	-	The Company's indirect subsidiary	
Shenzhen BestYield Tech. Services Co., Ltd.	Maintenance of computer information products	15,841	Note 3	15,841	-	-	-	-	-	100.00	10,303	14,011	-	The Company's indirect subsidiary	
Dongguan Senyum Precision Optical Co., Ltd.	Selling of mold and industrial plastic products	1,609	Note 2	1,609	-	1,609	-	-	1,609	96.41	860	853	-	The Company's indirect subsidiary	
Zaozhuang Bestyield Resources Recycling Co., Ltd.	Recycling and selling of renewable resources	5,507	Note 3	5,507	-	-	-	-	-	100.00	535	7,571	-	The Company's indirect subsidiary	

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

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

Note 3: Others.

Note 4: The retirement of investment was approved by the Investment Commission of the Ministry of Economic Affairs on March 31, 2020.

Company name	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)		Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA	
	\$	\$	\$	\$
Giga-Byte Technology Co., Ltd.	4,386,518	4,402,053	16,447,873	16,447,873
Senyum Precision Optical Co., Ltd.	1,609	9,974	298,936	298,936

GIGA-BYTE TECHNOLOGY CO., LTD. AND SUBSIDIARIES
 Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area
 Year ended December 31, 2020

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

Table 7

Investee in Mainland China	Sale (purchase)		Property transaction		Accounts receivable (payable)		Provision of endorsements/guarantees or collaterals		Financing			
	Amount	%	Amount	%	Balance at December 31, 2020	%	Balance at December 2020	Purpose	Maximum balance during the year ended December 31, 2020	Balance at December 31, 2020	Interest rate	Interest during the year ended December 31, 2020
Ningbo Zhongjia Technology Co., Ltd.	\$ 15,763,934	19	\$ -	-	\$ 2,062,836	16	\$ -	-	\$ -	-	-	\$ -
Ningbo Gigabyte Technology Co., Ltd.	19,579	-	-	-	222,462	2	-	-	-	-	-	-
"	(1,669,421)	(2)	-	-	(2,548,600)	(20)	-	-	-	-	-	-
Dongguan Gigabyte Electronics Co.,	7,852	-	-	-	481,900	4	-	-	-	-	-	-
"	(1,186,097)	(2)	-	-	(1,630,840)	(13)	-	-	-	-	-	-
Ningbo BestYield Tech. Services Co.,Ltd.	61,637	-	-	-	14,220	-	-	-	-	-	-	-

- After-sales service costs paid at \$314,349

GIGA-BYTE TECHNOLOGY CO., LTD. AND SUBSIDIARIES
Major Shareholders Information
December 31, 2020

Table 8

	Shares	
	Name of Major Shareholders	Ownership(%)
MING SHIUNG,LIU	41,168,918	6.47%

Note 1: The major shareholders' information, which means the ownership above 5%, was calculated by Taiwan Depository & Clearing Corporation on the last operating date of each quarter, using the Company's issuance of common shares (including treasury shares) and preference shares registered and held by the shareholders. The share capital on the financial statements maybe different from the actual number of shares in dematerialized form due to the difference of calculation basis.

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

VI. State the financial position of the Company if any insolvency occurs in the Company or affiliates in the most recent year until the date this report is printed: None

Seven. Financial position and the review and analysis of financial performance and risks

I. Financial Position

Analysis on financial positions - IFRS

Unit: NTD 1,000

Subject \ Year	2020 (Consolidated)	2019 (Consolidated)	Change	
			Amount	%
Current assets	41,565,460	30,109,160	11,456,300	38.05
Fixed Assets Real estate, factory, and equipment	4,048,823	4,085,922	-37,099	-0.91
Intangible assets	31,990	30,789	1,201	3.90
Other assets	3,782,884	3,485,670	297,214	8.53
Total assets	49,429,157	37,711,541	11,717,616	31.07
Current liabilities	20,984,364	12,665,285	8,319,079	65.68
Other Non-current liabilities	1,031,671	693,145	338,526	48.84
Total liabilities	22,016,035	13,358,430	8,657,605	64.81
Equity attributable to owners of the parent	27,395,191	24,297,811	3,097,380	12.75
Equity	6,356,889	6,356,889	0	0.00
Capital surplus	3,884,904	3,896,889	-11,985	-0.31
Retained earnings	16,382,101	13,426,344	2,983,225	22.26
Other shareholder's Equity	771,297	617,689	153,608	24.87
Non-controlling interests	17,931	55,300	-37,369	-67.58
Total shareholder's Equity	27,413,122	24,353,111	3,060,011	12.57
<p>Significant Material Changes and Analysis:</p> <ol style="list-style-type: none"> 1. Current assets: Cash increased mainly due to the record high revenue and profit. In the meanwhile, inventory and unearned sales revenue also increased because the Company were unable to make shipment temporarily due to the lack of major materials. 2. Current liabilities: Mainly due to increased unearned sales revenue and accounts receivable, which are caused by the increase of market demand and revenue. 3. Other Non-current liabilities: Mainly due to increased long-term loan. 4. Other shareholder's Equity: Mainly due to the recognition of increase in unrealized gains and losses on financial assets at fair value through other comprehensive profit or loss. 5. Non-controlling interests: Mainly due to subsidiaries' decreased non-controlling interests shareholding ratio. 				

II. Financial Performance

(I) Comparison of Operating Results - IFRS

Unit: NTD1,000

Subject \ Year	2020 (Consolidated)	2019 (Consolidated)	Differences	
			Amount	%
Sales	84,602,841	61,781,254	22,821,587	36.94
Gross profit	14,464,437	9,590,869	4,873,568	50.81
Operating income	4,217,835	1,447,233	2,770,602	191.44
Non-operating income & expenses	1,232,970	816,015	416,955	51.10
Net profit before tax	5,450,805	2,263,248	3,187,557	140.84
Net income from continuing operations	4,331,235	1,907,543	2,423,692	127.06
Loss from discounted operations	—	—	—	—
Net Income	4,331,235	1,907,543	2,423,692	127.06
Other comprehensive incomes (net after tax)	133,555	209,630	-76,075	-36.29
Total comprehensive income	4,464,790	2,117,173	2,347,617	110.88
<p>Analysis of Changes:</p> <ol style="list-style-type: none"> 1. Operation revenue, gross profit, operating income and net income of this period all increased compared to the last period, mainly due to business opportunities brought by remote services, work-from-home and stay-at-home economy. Shipments of products such as printed circuit boards and netcam products all grew, causing operational revenue, gross profit and relevant income to increase. 2. Non-operating income increased is due to foreign exchange gains. 3. Other comprehensive profit of this period is lower than that of the last period, mainly due to the recognition of increase in unrealized gains and losses on financial assets at fair value through other comprehensive profit or loss is reduced compared to the last period. 				

III. Cash Flow

Analysis of Cash Flow - IFRS

(I) Analysis of liquidity over the last two years

Unit: %

Subject /year	2020	2019	Difference (%)
Cash flow ratio	37.65	30.68	22.72
Cash flow adequacy ratio	112.94	84.83	33.14
Cash reinvestment ratio	22.01	7.44	195.83
Explanation for changes: In 2020, mainly due to good operational performance, cash flows from operating activities grew substantially and cash flow-related ratios also increased compared to last year.			

(II) Analysis on liquidity for the next year

Unit: NTD1,000

Cash Balance At beginning period (1)	Estimated cash flow from Operations for the year (2)	Estimated cash outflow For the year (3)	Estimated cash balance (short) For the year (1)+(2)-(3)	Corrective actions on cash short	
				Investment plan	Financial plan
15,564,617	1,785,206	3,570,445	13,779,378	—	—
1. Analysis of projected cash flow Changes in 2021 (1) Business activity: 2021 revenues remain stable and generate cash income from business activities. (2) Investment and financing activities: It is expected that distribution of cash dividends will still play the main role apart from increase of long-term investment in 2021.					
2. Measures to make up deficient cash flow and liquidity analysis: N/A					

IV. The Effect of major capital spending on financial position and operation

(I) Major capital spending and sources of capital:

Unit: NTD1,000

The plan	Equipment Purchase	Actual or projected date of completion	Total amount of capital needed	Actual or projected use of capital
				2020
		2020.12	534,146	534,146

(II) Expected Result: N/A.

V.The direct investment policy of the Company over the last five years, major cause for profit or loss and improvement plan, investment plan in next year

Analysis on Direct Investments

Unit: NTD 1,000

Description Item	The amount of investment income (loss)(Note)	Investment Policy	Major cause for profit or loss	Improvement plan	Investment plan in the future
G-Style	(56,980)	Sales of NB and gaming NB products	Increase of marketing expenditures used for market expansion	Integrate marketing resources in the group to increase marketing power	None
Sen Yun Precision Optical	(312,692)	R&D, production and sales of molds and optical lens	Reconsolidated the company and repositioned products.	Downsize the company and integrate sources of factories. Put main focus on molds and profitable products.	None
BYTE International Co., Ltd.	123	Promotion and Repairing of ITC products	Because of the coronavirus disease, various countries were locked down, making the company unable to carry out maintenance works. The income of the company was reduced, but it still had to pay for fixed charges.	None	None
GIGAIPC CO., LTD.	21,106	Research and development and selling of IPC	Revenue not up to an economic scale.	Step up efforts to expand the sales market, solicit more clients, and increase sales	None

Note: Disclosed companies are subsidiaries that are actively operating and over which Gigabyte has controlling power (owns 50% of their shares).

VI.Risk Management and Evaluation

- (I) The effect of interest rate and exchange rate volatility, inflation on the income status of the Company and measures to cope with the problem:
1. Effect of interest rate volatility and countermeasures: None
 2. Effect of exchange rate volatility and countermeasures:
 - (1) Over 90% of the Company's products are exported and traded in US Dollar. Major purchases are also traded in US Dollar. Naturally, the Company hedges 80% of such transactions. Gigabyte monitors currency market trends and steadily regulates the USD position to reduce the impact of exchange rates on the Company's profit.
 - (2) All domestic sales in China by subsidiaries are traded in CNY. As large volatility in the CNY exchange rate will affect our Company's hedging strategy and profitability we use natural hedging and forward exchange in principle. As USD and CNY often go reversely, our Company balances these USD and CNY positions for hedging.
 3. The effect of inflation on the profit and loss status of the Company and responding measures: None
- (II) The engagement in the investment in high risk and high leverage investments, financing a third party, acting as guarantor in favor of a third party by endorsement, and the policy in derivative trade, the causes of loss or profit from such activities and the measures for coping with the problem:
- For outward loans, endorsement/guarantee and derivatives, Giga-Byte has faithfully complied with the policies duly enacted in accordance with "Procedures in Acquirement or Disposal of Assets", "Procedures in Outward Loans of Capitals" and "Procedures in Endorsement/guarantee" and conservative policy. Under no circumstances has Giga-Byte engaged in high leverage investment.
- (III) R&D plans, the current progress of R&D plans in progress, R&D expenses that should be committed in the future, expected date of volume production, and the factors contributing to successful R&D in the future in the most recent year and up to the publication date of the annual report:

1. 2021 R&D Plans :

Product R&D	Expected finish time
(1) World leading motherboard - Develop latest AORUS gaming motherboard - Develop latest Intel® platform motherboards - Develop latest AMD® platform motherboards	2021 Q2~Q3
(2) World leading graphic cards - Develop latest AORUS gaming graphic cards - Develop latest Intel® platform graphic cards - Develop latest AMD® platform graphic cards	2021 Q2~Q3

Product R&D	Expected finish time
<p>(3) Industry innovative cloud server</p> <ul style="list-style-type: none"> - Develop latest Intel® Xeon platform servers - Develop latest AMD® EPYC platform servers - Develop latest Ampere Altra platform servers - Complete Arm SystemReady official certification - Develop latest AI computing applicable G-series servers - Develop latest hyper-converged infrastructure applicable H-series servers - Develop latest big data storage service S-series servers - Develop latest multimedia designer or software development engineer specific W-series workstation - Develop latest enterprise internal IT structure applicable R-series servers - Develop latest OCT computing structure compliant RACKLUTIONOP and large datacenter grand scale deployment applicable rack products - Develop servers with ultra-speed AI acceleration cards 	2021 Q1~Q3
<p>(4) Professional Gaming Laptops and Creator Laptops</p> <ul style="list-style-type: none"> - Develop AI softwares for new-generation laptops - Develop Intel® 11th gen. high-performance laptop - Develop Intel® 12th gen. high-performance laptop - Develop new-generation AERO 16 OLED professional gaming laptop - Develop new-generation AORUS professional gaming laptop 	2021 Q1~Q4
<p>(5) Award winning gaming peripherals</p> <ul style="list-style-type: none"> - Develop next generation smart gaming display - Develop next generation smart gaming peripheral products 	2021 Q2~Q4
<p>(6) 5G, Edge Computing and New Applications of AI</p> <ul style="list-style-type: none"> - Workstation level high-performance AI edge computing industrial computer system - Integrate the newest wireless and wireless communication Technology, multiple allowable input voltages, and computing acceleration interface cards which supports ultra-high speed extension kit as well as AI, making it possible to apply AI edge computing computer system to many fields such as smart factory and e-Health. 	2021 Q4

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\$1,383 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.

Addressing International Tax Anti-Avoidance and strong demands by EU countries, the British Virgin Islands (BVI), the Cayman Islands (Cayman) and the Malaysian Labuan has been demanding actual operation identification and relevant annual tax reporting beginning this year. This company is continuously watching the promulgation of relevant enforcement rules in the aforementioned districts and carrying out related reporting operations in compliance with these regulations.

Amendments to tax exemption issues in the Statute for Industrial Innovation included extending the original tax measure period (expiration at the end of 2019) by 10 years, and adding regulations on "the deduction of undistributed earnings invested in substantive investment" and on investments in smart machinery and 5G mobile communication systems. The Company will use the tax exemption measures to obtain more resources for product innovation and transformation.

(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 23 time in a row and has repeatedly won international design awards. We shall be able to maintain our superior corporate image.

(VII) Expected results from mergers and acquisition and possible risk: N/A

(VIII) Expected results from expansion of facilities and possible risk: See Item IV.

(IX) Possible risks from concentration of purchase and sales:

The customers who accounted for more than 10% of the sales of the Company are the sales platforms of the Company in Europe and Mainland China. The sales of this subsidiary are mainly from various European and Mainland China customers, so there is no risk of high concentration of sales. In addition, in terms of purchasers, Intel, NVIDIA and AMD motherboards and VGA chip makers are leading companies in the information industry. This is an industrial feature and there is no risk of concentration.

(X) The effect and risk of the massive transaction of or conversion of shares by directors, supervisors or dominant shareholders of the Company holding more than 10% of the stakes:

There were no massive transactions or conversion of shares effected by the directors or dominant shareholders of the Company holding more than 10% of the stakes in 2020 or as of date of publication.

(XI) The effect and risks of the Change of the management: N/A.

(XII) Litigious or Non-Litigious Events: There have been no litigious or non-litigious events that may significant affect the Company.

(XIII) Other major risks and responding measures: None.

VII. Others: None.

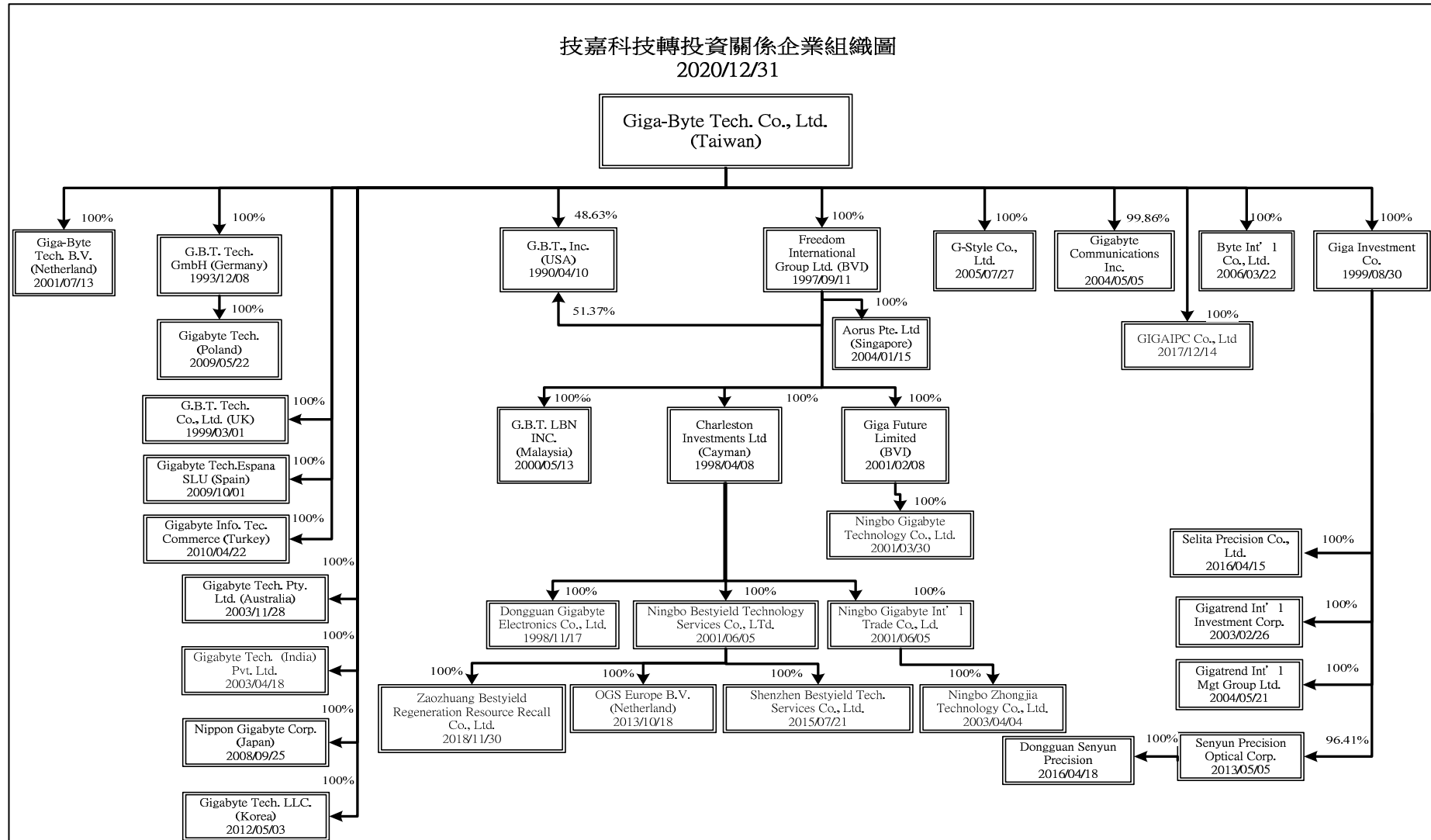
Eight. Special Matters

I. Related information on affiliates

(I) Summary status of affiliates

1. Organization of affiliates

(1) Affiliate organization chart:



- (2) Pursuant to Article 369-3 of the Company Act, subordinate company presumed to have controlling interest: Nil.
(3) Pursuant to Article 369-2 of the Company Act, subordinate companies with HR, finance or business operations directly or indirectly controlled by the Company: Nil.

2. Basic data by Affiliates:

December 31, 2020

Name of Company	Date of Establishment	Address	Capital Received	Primary business or production Item
G.B.T., Inc.	1990.04.10	17358 Railroad Street, City of Industry, CA, U.S.A.	USD 6,010,700	Sale of Motherboard, computer and peripherals
G.B.T. Technology Trading GmbH	1993.09.21	Am Stadtrand 63, 22047 Hamburg , Germany	EUR 10,080,000	Promotion of Motherboard, computer and peripherals
Freedom International Group Ltd.	1997.09.11	P.O.Box 4342,Road Town, Tortola,VG1110,Virgin Islands British	USD 146,071,691.54	Holding company
Charleston Investments Limited	1998.04.08	P.O.Box 31119 Grand Pavilion,Hibiscus Way,802 West Bay Road,Grand Cayman KY1-1205, Cayman Islands	USD 57,032,141.68	Holding company
Dongguan Gigabyte Electronics Co., Ltd.	1998.11.17	3 YuYuanYi Road, YuYuan Industrial District, HuangJiang, DOngGuan, GuangDong	USD 36,380,000	Manufacturing of Motherboard, computer and peripherals
GBT Tech. Co. Ltd.	1999.01.26	13 Warren Yard, Warren Farm Office Village, Wolverton Mill, Milton Keynes England MK12 5NW	GBP 800,000	Promotion of Motherboard, computer and peripherals
Giga Investment Co.	1999.08.30	6F., No. 10, Sec. 1, Roosevelt Rd., Zhongzheng Dist., Taipei City , Taiwan	NTD 2,937,565,000	Holding company
G.B.T. LBN Inc.	2000.05.13	Level 15(A1), Main Office Tower Financial Park Labuan, Jalan Merdeka 87000 F.T., Labuan, MALAYSIA	–	To entrust to manufacture in China of Motherboard, computer and peripherals
Giga Future Limited	2001.02.08	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	USD 82,819,549.86	Holding company
Ningbo Gigabyte Co., Ltd.	2001.03.30	9 ChuangYeEr Road, NingBo Bonded West Zone, NingBo, ZheJiang	USD 85,629,768	Manufacturing of Motherboard, computer and peripherals
Ningbo Best-Yield Repair and Maintenance Co., Ltd.	2001.06.05	9 ChuangYeEr Road, NingBo Bonded West Zone, NingBo, ZheJiang	USD 5,800,000	Repairing of computer, peripherals
Ningbo Gigabyte International Trading Co.	2001.06.05	9 ChuangYeEr Road, NingBo Bonded West Zone, NingBo, ZheJiang	USD 8,000,000	Sale of Motherboard, computer and peripherals
Giga-Byte Technology B.V.	2001.07.13	Steenoven 24, 5626 DK Eindhoven, Netherlands	EUR 850,000	Sale of Motherboard, computer and peripherals
Giga-Trend International Investment Group Ltd.	2003.02.26	B2 No. 205, Sec. 3, Beixin Rd., Xindian Dist., New Taipei City , Taiwan	NTD 452,900,000	Holding company
Ningbo Zhong Jia Technology Trading Co., Ltd	2003.04.04	9 ChuangYeEr Road, NingBo Bonded West Zone, NingBo, ZheJiang	CNY 28,000,000	Sale of Motherboard, computer and peripherals
Gigabyte Technology Pty. Ltd.	2003.11.28	U1/19-23 Clarinda Road Oakleigh South VIC 3167, Australa.	AUD 2,400,000	Promotion of Motherboard, computer and peripherals
Aorus Pte. Ltd.	2004.01.15	60 Paya Lebar Road #07-31 Paya Lebar Square Singapore	SGD 3,073,000	Trademark registration management
Giga-Byte Communications Inc.	2004.05.05	B2 No. 205, Sec. 3, Beixin Rd., Xindian Dist., New Taipei City , Taiwan	NTD 21,488,380	Sale of communication product
Giga-Trend International Management Group	2004.05.21	15th Floor 3, No. 128, Section 2, Dunhua South Road, Daan District, Taipei City, Taiwan	NTD 10,000,000	Venture capital management and consulting business
Gigabyte Technology (India) Private Limited	2003.04.17	807 & 808, 8th Floor, Naman Midtown, B-WING, Elphinstone Rd., Mumbai	INR 46,000,000	Promotion and Repairing of Motherboard, computer and peripherals
G-Style Co., Ltd.	2005.07.27	5F No. 221, Sec. 3, Beixin Rd., Xindian Dist., New Taipei City , Taiwan	NTD 720,000,000	sale of notebooks
BYTE International Co., Ltd.	2006.03.13	B2 No. 205, Sec. 3, Beixin Rd., Xindian Dist., New Taipei City , Taiwan	NTD 310,000,000	Promotion and Repairing of ITC products (3C outlet)

Name of Company	Date of Establishment	Address	Capital Received	Primary business or production Item
Nippon Giga-Byte Corp.	2008.09.25	15-14 Kanda Rokuchome, Chiyoda, Tokyo, Japan	JPY 10,000,000	Promotion of Motherboard, computer and peripherals
Gigabyte Technology Poland SP Z.O.O.	2009.05.22	ul. Fabry czna 20, 53-609, Wroclaw, Poland	PLN 50,000	Repairing of Motherboard, computer and peripherals
Gigabyte Technology ESPANA S.L.U.	2009.07.30	Calle Bilbao nº 58, BARCELONA, ESPAÑA	EUR 5,000	Promotion of Motherboard, computer and peripherals
Gigabyte Technology LLC.	2012.05.03	506, 138, WONHYORO YONGSANGU, SEOUL, South Korea	KRW 840,000,000	Promotion of Motherboard, computer and peripherals
Senyun Precise Optical Co., Ltd	2013.05.13	No. 2, Songjiang N. Rd., Zhongli Dist., Taoyuan City 320, Taiwan	NTD 1,134,583,640	Manufacturing and sale of optical and electronic components
OGS Europe B.V.	2013.10.18	Steenoven 24, 5626 DK, Eindhoven, Netherlands	EUR 300,000	Repairing of Motherboard, computer and peripherals
Shenzhen BestYield Tech. Services Co., Ltd.	2015.06.30	Block 1, 4th floor Unit B, GuoDian Technology & Logistics Center, 3 TaoHua road, FuTian Bonded Zone, ShenZhen	CNY 3,000,000	Repairing of Motherboard
Selita Precision Co., Ltd.	2016.04.18	B2 No. 205, Sec. 3, Beixin Rd., Xindian Dist., New Taipei City, Taiwan	NTD 50,000,000	Consignment development, manufacturing and sales of automotive parts
Dongguan Senyun Precise Optical Co., Ltd	2016.04.18	No.6 Yu Yuan 2 Road, HuangJiang, DOngGuan, GuangDong	CNY 327,550	Selling optical and electronic components and parts
GIGAIPC CO., LTD.	2017.12.14	B1 No. 205, Sec. 3, Beixin Rd., Xindian Dist., New Taipei City, Taiwan	NTD 200,000,000	Selling of electronic components and parts, computer information products
Zaozhuang Bestyield Resources Recycling Co., Ltd.	2018.11.30	Suite 1601, SOHO Zhujiang Building D2, Zhujiang Rd., Xuecheng Dist., Zaozhuang City, Shandong Province, China	CNY 1,200,000	Recycling and sale of renewable resources
Gigabyte Information Technology Commerce Limited Company	2010.04.22	KÜÇÜKBAKKALKÖY MAH.DEFNE SK. FLORA RESIDANCE AP.N.1/282 ATAŞEHİR, İSTANBUL, Turkey	TRY 200,000	Promotion of Motherboard, computer and peripherals

3. Presumed to have the same shareholder data as an affiliate with controlling interest or subordination: Nil.

4. Overall scope of business of the affiliates

The business scope of the Company and its affiliates includes the manufacture, processing and trading of motherboards, graphic cards and other computer peripherals. The scope of the motherboard business managed by the affiliates is as follows:

- (1) G.B.T., Inc. · G.B.T. Technology Trading GmbH · G.B.T. Tech. Co., Ltd. · Giga-Byte Technology B.V. · Gigabyte Technology Pty. Ltd. · Aorus Pte. Ltd. · Gigabyte Technology (India) Private Limited · Nippon Giga-Byte Corp. · Gigabyte Technology Poland SP. Z.O.O. · Gigabyte Technology ESPANA S.L.U. · Gigabyte Information Technology Commerce Limited Company · Gigabyte Technology LLC and Gigabyte Trading Inc. : Sale, promotion and repair of computer information products in the Americas, Europe, Asia and the Pacific region.
- (2) Dongguan Gigabyte Electronics Co., Ltd. · Ningbo Gigabyte Co., Ltd. : Manufacture of computer information products and components for mainland China.
- (3) Ningbo Best-Yield Repair and Maintenance Co., Ltd. and Shenzhen BestYield Tech. Services Co., Ltd. : After-sales maintenance of computer information products in mainland China.
- (4) Ningbo Zhong Jia Technology Trading Co., Ltd. : Sale of computer information products and components for mainland China.
- (5) BYTE International Co., Ltd. : Promotion and Repairing of ITC products (3C outlet).
- (6) G.B.T. LBN Inc. (In liquidation) : Selling of computer information products
- (7) Freedom International Group Ltd. · Charleston Investment Ltd. and Giga Future Limited : Holding company.
- (8) Giga-Byte Communications Inc. (In liquidation): Sale of communication product.

- (9) OGS Europe B.V. : Repairing of Motherboard, computer and peripherals.
(10) G-Style Co., Ltd. : Sale of notebooks.
(11) Senyun Precise Optical Co., Ltd. : Manufacturing and sale of optical and electronic components.
(12) Selita Precision Co., Ltd. : Consignment development, manufacturing and sales of automotive parts.
(13) Dongguan Senyun Precise Optical Co., Ltd : Selling of optical and electronic components and parts for mainland China.
(14) GIGAIPC CO., LTD. : Selling of electronic components and parts, computer information products.
(14) Zaozhuang Bestyield Resources Recycling Co., Ltd.: Recycling and sale of renewable resources.

5. Information on the directors, supervisors and general managers by affiliate:

December 31,2020

Name of Company	Role	Name / Representative	Number of Shares Held	
			Number of Shares	Shares Ratio %
G.B.T., Inc.	Director	Yeh, Pei-Chen 、 Liu, Ming-Hsiung 、 Ma, Mou-Ming 、 Lu, Zheng-Wei	—	—
G.B.T. Technology Trading GmbH	Director	Liu, Ming-Hsiung 、 Tseng, Chun-Ming 、 Li, E-Tay 、 Huang, Guo-Hua	—	—
Freedom International Group Ltd.	Director	Giga-Byte Technology Co., Ltd. Representative: Yeh, Pei-Chen	146,071,691.54	100
Charleston Investments Limited	Director	Liu, Ming-Hsiung 、 Ma, Mou-Ming 、 Freedom International Group Ltd. Representative: Yeh, Pei-Chen	57,032,141.68	100
Dongguan Gigabyte Electronics Co., Ltd.	Director	Charleston Investments Limited Representative: Yeh, Pei-Chen 、 Liu, Ming-Hsiung 、 Ma, Mou-Ming	—	100
	GM	Ko, Wei-Di	—	—
GBT Tech. Co. Ltd.	Director	Liu, Ming-Hsiung 、 Huang, Guo-Hua	—	—
Giga Investment Co.	Director	Giga-Byte Technology Co., Ltd. Representative: Yeh, Pei-Chen 、 Liu, Ming-Hsiung 、 Ma, Mou-Ming	293,756,500	100
G.B.T. LBN Inc.	Director	Freedom International Group Ltd. Representative: Yeh, Pei-Chen	—	100
Giga Future Limited	Director	Yeh, Pei-Chen 、 Liu, Ming-Hsiung 、 Ma, Mou-Ming	—	—
Ningbo Gigabyte Co., Ltd.	Director	Yeh, Pei-Chen 、 Liu, Ming-Hsiung 、 Ma, Mou-Ming 、 Tseng, Chun-Ming	—	—
	GM	Ko, Wei-Di	—	—
Ningbo Best-Yield Repair and Maintenance Co., Ltd.	Director	Charleston Investments Limited Representative: Yeh, Pei-Chen 、 Liu, Ming-Hsiung 、 Ma, Mou-Ming 、 Tseng, Chun-Ming	—	100
Ningbo Gigabyte International Trading Co.	Director	Charleston Investments Limited Representative: Yeh, Pei-Chen 、 Liu, Ming-Hsiung 、 Ma, Mou-Ming 、 Tseng, Chun-Ming	—	100
Giga-Byte Technology B.V.	Director	Liu, Ming-Hsiung 、 Li, E-Tay 、 Lian, Jih-Sin	—	—
Giga-Trend International Investment Group Ltd.	Director	Giga Investment Co. Representative: Yeh, Pei-Chen 、 Liu, Ming-Hsiung 、 Ma, Mou-Ming	45,290,000	100
Ningbo Zhong Jia Technology Trading Co., Ltd	Director	Liu, Ming-Hsiung	—	—
Gigabyte Technology Pty. Ltd.	Director	Yeh, Pei-Chen 、 Liu, Ming-Hsiung 、 Ma, Mou-Ming 、 Chen, You-Lang	—	—
Aorus Pte. Ltd.	Director	Liu, Ming-Hsiung 、 Ma, Mou-Ming	—	—
Giga-Byte Communications Inc.	Director	Giga-Byte Technology Co., Ltd. Representative: Yeh, Pei-Chen 、 Liu, Ming-Hsiung 、 Ma, Mou-Ming 、 Tseng, Chun-Ming	2,145,831	99.86
	Supervisor	Giga Investment Co. Representative: Chen, Chun-Ying	7	-

Name of Company	Role	Name / Representative	Number of Shares Held	
			Number of Shares	Shares Ratio %
Giga-Trend International Management Group	Director	Giga Investment Co. Representative: Yeh, Pei-Chen 、 Liu, Ming-Hsiung	1,000,000	100
Gigabyte Technology (India) Private Limited	Director	Liu, Ming-Hsiung 、 Liu, Wen- Chung 、 Sunil Grewal	—	—
G-Style Co., Ltd.	Director	Giga-Byte Technology Co., Ltd. Representative: Ma, Mou-Ming 、 Yeh, Pei-Chen 、 Liu, Ming-Hsiung	72,000,000	100
BYTE International Co., Ltd.	Director	Giga-Byte Technology Co., Ltd. Representative: Yeh, Pei-Chen 、 Lin, Chi-Ching 、 Chen Zheng-Feng	31,000,000	100
	Supervisor	Giga-Byte Technology Co., Ltd. Representative: Liu, Ming-Hsiung		
Nippon Giga-Byte Corp.	Director	Lin Hong-Yu 、 Yeh, Pei-Chen 、 Ma, Mou-Ming	—	—
	Supervisor	Liu, Ming-Hsiung		
Gigabyte Technology Poland SP Z.O.O.	Director	Huang Guo-Hua	—	—
Gigabyte Technology ESPANA S.L.U.	Director	Wang Chuan-Jia	—	—
Gigabyte Information Technology Commerce Limited Company	Director	Giga-Byte Technology Co., Ltd. Representative: Chen, Jing Ting	8,000	100
	Director	Liu Zhong-Jin	—	—
Gigabyte Technology LLC.	Director	Liu, Ming-Hsiung 、 Chiu, Chih-Peng	—	—
	Supervisor	Chen, Chun-Ying		
Senyun Precise Optical Co., Ltd	Director	Zhou Si-wei	526,028	0.16
	Director	Giga Investment Co. Representative: Wu, Bi-Pei 、 Bai, Guang-Hua 、 Chen Hui-Zhou 、 Pan Jin-Gui	324,586,585	96.41
	Supervisor	Ming Wei Investment Co., Ltd. Representative: Liu, Ming-Hsiung 、 Chen, Chun-Ying	1,073,273	0.32
OGS Europe B.V.	Director	Ma, Mou-Ming 、 Lin, Chi-Ching	—	—
Shenzhen BestYield Tech. Services Co., Ltd.	Director	Lin, Chi-Ching	—	—
Selita Precision Co., Ltd.	Director	Giga Investment Co. Representative: Tseng, Chun-Ming 、 Bai, Guang-Hua 、 Chen, Shih-Chang	5,000,000	100
Dongguan Senyun Precise Optical Co., Ltd.	Director	Chen, Huei-Jhou 、 Bai, Guang-Hua	—	—
	Supervisor	Chen, Chun-Ying		
GIGAIPC CO., LTD.	Director	Giga-Byte Technology Co., Ltd. Representative: Li, E-Tay 、 Bai, Guang-Hua 、 Chiu, Chih-Peng	20,000,000	100
Zaozhuang Bestyield Resources Recycling Co., Ltd.	Director	Ningbo Best-Yield Repair and Maintenance Co., Ltd. Representative: Lin, Chi-Ching	—	100
	Supervisor	Ningbo Best-Yield Repair and Maintenance Co., Ltd. Representative: Chen, San-Jing		

(II) Summary of Business Operations of Affiliates:
Financial status and operating results by affiliate:

December 31, 2020 Unit: NTD'000; shares / NT\$

Company Name	Capital amount	Total assets	Total liabilities	Net worth	Operating revenue	Operating profit	Profit for the year (After income tax)	Earnings per share
G.B.T., Inc.	186,439	6,351,293	5,895,450	455,843	18,838,811	238,536	178,809	1,610.89
G.B.T. Technology Trading GmbH	352,751	408,702	8,234	400,468	160,450	8,477	3,194	註二
Freedom International Group Ltd.	4,720,532	6,936,423	0	6,936,423	0	(21,621)	568,675	3.89
Charleston Investments Limited	1,625,872	3,170,350	208	3,170,142	0	(155)	337,526	5.92
Dongguan Gigabyte Electronics Co., Ltd.	1,180,938	2,268,993	647,866	1,621,127	11,720,935	163,559	113,768	註二
GBT Tech Co. Ltd.	47,488	28,538	6,728	21,810	28,941	10,331	8,359	10.45
Giga Investment Co.	2,937,565	3,559,542	(224)	3,559,766	0	(1,000)	(151,348)	(0.52)
G.B.T. LBN Inc.	0	0	0	0	0	(416)	133	註二
Giga Future Limited	2,361,020	3,388,104	1,438	3,386,666	0	(54)	159,241	1.92
Ningbo Gigabyte Co., Ltd.	2,780,313	3,883,219	527,073	3,356,146	13,951,686	194,070	158,608	註二
Ningbo Best-Yield Repair and Maintenance Co., Ltd.	181,923	256,712	72,023	184,689	372,231	11,435	19,808	註二
Ningbo Gigabyte International Trading Co.	259,752	1,346,598	753	1,345,845	12,866	-5,480	202,755	註二
Giga-Byte Technology B.V.	25,984	214,582	131,448	83,134	1,346,090	31,536	23,669	2,689.66
Giga-Trend International Investment Group Ltd.	452,900	508,607	2,978	505,629	0	(6,496)	27,880	0.62
Ningbo Zhong Jia Technology Trading Co., Ltd	109,853	3,687,027	2,466,844	1,220,183	16,491,546	205,585	206,458	註二
Gigabyte Technology Pty. Ltd.(Australia)	55,664	82,271	25,077	57,194	104,915	896	(120)	(0.05)
Aorus Pte. Ltd.	66,312	17,168	68	17,100	347	(2,342)	(2,342)	(0.76)
Giga-Byte Communications Inc.	21,488	38,179	15,727	22,452	0	(479)	(478)	(0.22)
Giga-Trend International Management Group	10,000	21,276	55	21,221	0	359	470	0.47
Gigabyte Technology (India) Private Limited	35,925	88,937	44,924	44,013	43,780	(63)	(3,231)	(0.70)
G-Style Co., Ltd.	720,000	973,595	703,158	270,436	1,994,690	(93,603)	(56,980)	(0.79)
BYTE International Co., Ltd.	310,000	374,127	33,713	340,414	117,848	(1,109)	123	0.004
Nippon Giga-Byte Corp.	3,495	19,592	8,296	11,296	36,755	1,604	904	904
Gigabyte Technology Poland SP Z O.O.	383	3,016	756	2,260	14,124	515	577	5,770
Gigabyte Technology ESPANA S.L.U.	241	5,461	846	4,615	13,082	256	178	35.60
Gigabyte Information Technology Commerce Limited Company	3,541	2,318	287	2,030	4,656	264	284	35.50
Gigabyte Technology LLC.	22,534	38,856	4,958	33,898	49,379	960	(249)	(1.54)
Senyun Precise Optical Co., Ltd.	1,134,584	866,742	368,516	498,226	193,031	(236,420)	(312,692)	(0.93)
OGS Europe B.V.	10,515	35,818	23,341	12,477	47,138	64	(1,914)	(638)

Company Name	Capital amount	Total assets	Total liabilities	Net worth	Operating revenue	Operating profit	Profit for the year (After income tax)	Earnings per share
Shenzhen BestYield Tech. Services Co., Ltd.	15,841	18,433	4,423	14,010	39,677	10,549	10,303	註二
Selita Precision Co., Ltd.	50,000	35,985	179	35,806	2,057	(1,749)	(1,616)	(0.32)
Dongguan Senyun Precise Optical Co., Ltd	1,609	23,746	22,913	833	28,718	1,059	997	註二
GIGAIPC CO., LTD.	200,000	277,708	86,536	191,172	576,303	16,896	21,106	1.06
Zaozhuang Bestyield Resources Recycling Co., Ltd.	5,507	8,199	628	7,571	3,978	475	535	註二

Note 1: If the affiliate is an overseas entity, the respective balance sheets and income statements must be converted at the rate as on the report date and presented in NTD (thousands)

Note 2: A limited company. Not Applicable.

(III) Consolidated financial statement: please refer to the “Current Year Audited Consolidated Financial Statement of the Subsidiaries” in “Six. Financial Summary”.

(IV) Affiliation Report : None.

II. Processing of private equity as of current year and up to financial statement report date : None.

III. Subsidiary holding or disposing shares as of current year and up to financial statement report date : Not applicable.

IV. Any other supplementary information : None ◦

V. Any incidents of significance pertaining to Article 36 para 3 item 2 of the Securities & Exchange Act as of current year and up to financial statement report date : None.



台北總公司 / Taipei Headquarter



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