

GIGABYTE™

GIGA-BYTE TECHNOLOGY CO., LTD.

**2022 ANNUAL GENERAL MEETING
MEETING AGENDA
(Translation)**



June 14, 2022

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GIGA-BYTE TECHNOLOGY CO., LTD.

Agenda of the 2022 Annual Meeting of Shareholders

1. Time: 9:00 a.m., Tuesday, 14 June 2022
2. Place: Hotel Kuva Chateau No. 398, Minquan Road, Zhongli District, Taoyuan City
3. Shareholders meeting will be held by means of: physical shareholders meeting
4. Calling the meeting to order
5. Chairperson remarks
6. Management presentations
 - 6.1 2021 business reports
 - 6.2 Audit Committee's review report on the 2021 financial statements
 - 6.3 Reports on the distribution of compensations to employees and directors in 2021
 - 6.4 Report on 2021 surplus distribution in the form of cash dividend and capital reserve distribution in cash
 - 6.5 The execution of the company's shares repurchase report
 - 6.6 Other matters
7. Adoptions
 - Proposal 1: Adoption of the 2021 Business Report and Financial Statements (proposed by the Board)
 - Proposal 2: Adoption of the Proposal for Distribution of 2021 Profits (proposed by the Board)
8. Proposals and discussions
 - Proposal 1: The company spin off its network communication business to 100% owned subsidiary (proposed by the Board)
 - Proposal 2: Amendment to the Company's "Articles of Incorporation" (proposed by the Board)
 - Proposal 3: Amendment to the Company's "Asset Acquisition and Disposal Operating and Handling Procedure" (proposed by the Board)
 - Proposal 4: Amendment to the Company's "Rules of Procedure for Shareholder Meetings" (proposed by the Board)
9. Questions and motions
10. Adjournment

1. Management presentations

1.1 2021 business reports

Explanation: Please refer to Appendix 1 2021 Business Report.

1.2 Audit Committee's review report on the 2021 financial statements

Explanation: Please refer to Appendix 2 Approval/Audit Report of the Audit Committee

1.3 Reports on the distribution of compensations to employees and directors in 2021

Explanation:

1. According to Article 28 of the Articles of Incorporation regarding the percentage of profits distributed to employees and directors, if there is profit in the year, this Company will appropriate 3-10% as compensations for employees and not more than 3% as compensations for directors.
2. In 2021, this Company plans to appropriate NT\$1,766,530,344 and NT\$46,000,000 as compensations for employees and directors respectively. The appropriation ratio is 10% and 0.26% respectively. Both are distributed in cash.
3. This proposal has been approved by the Compensations Committee Meeting and the Board Meeting.

1.4 Report on 2021 surplus distribution in the form of cash dividend and capital reserve distribution in cash

Explanation:

1. According to Article 28 of the Articles of Incorporation, distributable dividends and bonuses is authorized to be paid after a resolution has been adopted at a meeting of the board of directors, or according to Article 241 Paragraph 1 of the Company Act, legal reserve and capital reserve may be distributed, in whole or in part by cash, and be submitted to the shareholders' meeting.
2. The Company proposes to distribute cash dividend of NT\$7,619,806,632 to shareholders in accordance with the Articles of Incorporation, at NT\$12 per share. Cash dividends will be distributed up to one dollar (rounded down values below NT\$1). The odd amount will be combined to the Company's non-operating income. Subsequently, if the number of shares outstanding is affected and the distribution ratio per share is changed due to the repurchase of shares of the Company, the transfer or cancellation of treasury shares or the conversion of employee stock option certificates by employees, etc., it is proposed to authorize the Chairman to deal with it with full power.
3. Upon resolution of the meeting of the Board of Directors, the Board of Directors shall set the dividend (distribution) record date, distribution date and other related matters.

1.5 The execution of the company's shares repurchase report

Explanation: The execution of the company's shares repurchase report as below,

Repurchase period	11th time (For the first time in 2021)
Date of the board of directors' resolution	2021/08/06
Purpose of the share repurchase	Transfer to employee
Scheduled period for the repurchase	2021/08/09-2021/10/05
Repurchase price range	NT\$ 75 至 NT\$ 130
Actual period of the current repurchase	2021/08/09-2021/09/02
Type and number of shares currently repurchased	common stock 3,000,000 shares
Total monetary amount of shares currently repurchased	NT\$ 280,919,362
Current average repurchase price per share	NT\$ 93.64
Ratio of quantity repurchased to scheduled repurchase quantity	100%
Number of shares cancelled and transferred	2,295,000 shares
Cumulative number of the company's own shares held (shares)	705,000 shares
Cumulative number of the company's own shares as a percentage of the total number of the company's issued shares (%)	0.11%

1.6 Other matters: None.

2. Adoptions

Proposal 1: Adoption of the 2021 Business Report and Financial Statements (proposed by the Board)

Explanation:

1. The 2021 financial statements have been audited and certified by the certified public accountant.
2. Please refer to Appendix 1, Appendix 3-1, and Appendix 3-2 for the 2021 Business Report, CPA Audit Report, and Financial Statements of this Company.
3. The 2021 Business Report and 2021 Financial Statements have been approved by the Board meeting and audited by the Audit Committee.
4. Please adopt.

Resolution :

Proposal 2: Adoption of the Proposal for Distribution of 2021 Profits (proposed by the Board)

Explanation:

- 1.2021 profit distribution plan is prepared in accordance with the Articles of Incorporation, please refer to the profit distribution table for details.
- 2.The resolution was approved at the meeting of the Board of Directors and audited by the Audit Committee.
- 3.Please adopt.

GIGA-BYTE TECHNOLOGY CO., LTD. **PROFIT DISTRIBUTION TABLE**

Year 2021

(Unit: NT\$)

Items	Total
Beginning retained earnings	8,401,744,492
Add: 2021 Net profit before tax	15,852,773,095
Income tax expense	(2,514,813,075)
Net profit after tax	13,337,960,020
Other adjustments ²	10,827,246
Less: 10% legal reserve	(1,334,878,727)
Distributable net profit	20,415,653,031
Cash dividend to shareholders@NT\$12 (see note)	(7,619,806,632)
Unappropriated retained earnings	12,795,846,399

Note:

1. For current year's surplus distribution, 2021 profit shall first be distributed.
2. Other adjustments: This year to determine the benefits of the benefit plan actuarial gains and losses to increase NT\$ 10,827,246.
3. Current distribution based on 634,983,886 shares (calculated based on number of outstanding shares as of April 16, 2022). Subsequently, if the number of shares outstanding is affected and the distribution ratio per share is changed due to the repurchase of shares of the Company, the transfer or cancellation of treasury shares or the conversion of employee stock option certificates by employees, etc., it is proposed to authorize the Chairman to deal with it with full power.
4. Cash dividends will be distributed up to one dollar (rounded down values below NT\$1). The odd amount will be combined to the Company's non-operating income. The Board of Directors shall set the dividend (distribution) record date, distribution date and other related matters.

Resolution:

3. Proposals and Discussions

Proposal 1: The company spin off its network communication business to 100% owned subsidiary (proposed by the Board)

Explanation:

1. In order to improve the competitiveness and operating performance, the Company plans to transfer the relevant operations (including assets, liabilities and business) of its Netcom business to Giga Computing Technology Co., Ltd. (hereinafter referred to as “Giga Computing”), a 100% owned subsidiary of the Company, and Giga Computing will issue shares to the Company as the consideration. The book-close date of the division is temporarily set on January 1, 2023 (hereinafter referred to as “the division case”). °
2. The business value of the proposed division case is NT\$833,600,000 (temporarily based on the book value of the Company’s financial statements audited and certified by a CPA on December 31, 2021, but the actual business value of the division shall be the book value of the actual assets and liabilities on the base date of the division. The Company will make a swap for 83,360,000 ordinary shares of Giga Computing (denomination of NT\$10 per share) at NT\$10 per one ordinary share newly issued by Giga Computing. If there is any odd-lot share due to the swap, Giga Computing shall make the payment for it in cash.
3. In accordance with the Business Mergers and Acquisitions Act, the Company Act and other relevant laws and regulations, the Company has entered into a division plan (including the articles of association of Giga Computing, the business value of the proposed division and transfer, and the opinion on the rationality of the division and share swap ratio issued by an independent expert). Please refer to Appendix 4, Appendix 4-1, Appendix 4-2 and Appendix 4-3 of this manual.
4. The Audit Committee of the Company has appointed Lai, Ming-Yang of WeTec International CPAs as the independent expert to issue a price rationality opinion on the share swap ratio of this division. According to the opinion of the independent expert Lai, Ming-Yang, the division is an organizational adjustment, Giga Computing remains a 100% owned subsidiary of the Company both before and after the division and transfer, and Giga Computing will issue 83,360,000 new ordinary shares at NT\$10 per share, which is equal to the business value of the relevant assets and liabilities of the transferred Netcom business of NT\$833,600,000, which has no impact on the shareholders’ equity of the Company, Therefore, the share swap ratio of this division should be reasonable.
5. This case has been approved by the Audit Committee and the board meeting, and will be submitted to the shareholders’ meeting in 2022 for approval.
6. When the business scope, amount (assets, liabilities and business), share swap ratio (if necessary), other matters related to the division (including but not limited to the time schedule and the base date of the division) or matters not covered in the division need to be changed due to the administrative guidance of the relevant competent authority, or the formulation of relevant laws and regulations, or objective environmental factors, the Company plans to submit it to the shareholders’ meeting to authorize the board meeting to handle them with full power.
7. If the division plan is not approved or permitted by the relevant competent authority in the future, the division plan will not take effect from the beginning.
8. Please discuss.

Resolution:

Proposal 2: Amendment to the Company’s “Articles of Incorporation” (proposed by the Board)

Explanation:

1. It is proposed to amend the “Articles of Incorporation” of the Company by adding the provisions that video conference may be adopted for the shareholders’ meeting and the practical needs of the Company.
2. Below shows the correspondence of the amendment to the “Articles of Incorporation”.
3. Please discuss.

Revised Edition	Previous Edition	Description
<p>Article 1 This Company is incorporated as a company limited by shares in accordance with the Company Act and other applicable laws of the Republic of China in the name of 技嘉科技股份有限公司 in Chinese or GIGA-BYTE TECHNOLOGY CO., LTD. in English.</p>	<p>Article 1 This Company is incorporated as a company limited by shares in accordance with the Company Act and other applicable laws of the Republic of China in the name of 技嘉科技股份有限公司 in Chinese or <u>Gigabyte Technology Co., Ltd.</u> in English.</p>	Name unification in compliance with the actual needs of the Company.
<p>Article 10 Meetings of shareholders include the annual meeting of shareholders and the provisional meeting of shareholders. The Board of Directors according to the law shall convene the former once a year within six (6) months after the end of each accounting year and the latter shall be convened according to the law where necessary. <u>The shareholders’ meeting may be held by video conference or other means announced by the central competent authority.</u></p>	<p>Article 10 Meetings of shareholders include the annual meeting of shareholders and the provisional meeting of shareholders. The Board of Directors according to the law shall convene the former once a year within six (6) months after the end of each accounting year and the latter shall be convened according to the law where necessary.</p>	Amended in coordination with the practice needs of the Company.
<p>Article 16 Unless otherwise specified by other laws and regulations, a meeting of shareholders shall be held with the attendance of shareholders representing at least half of total amount of issued shares, and resolutions of the meetings of shareholders shall be made with the approval of over 50% vote of shareholders attending the meeting. <u>Voting on a proposal at a shareholders’ meeting may be exercised in writing or electronically in accordance with relevant laws and regulations.</u></p>	<p>Article 16 Unless otherwise specified by other laws and regulations, a meeting of shareholders shall be held with the attendance of shareholders representing at least half of total amount of issued shares, and resolutions of the meetings of shareholders shall be made with the approval of over 50% vote of shareholders attending the meeting.</p>	Amended in coordination with the practice needs of the Company.
<p>Article 21 Unless otherwise specified in the <u>laws and regulations</u>, a board resolution shall be approved by at least half of all directors and half of directors attending the board meeting.</p>	<p>Article 21 Unless otherwise specified in the <u>Company Act</u>, a board resolution shall be approved by at least half of all directors and half of directors attending the board meeting.</p>	Textual amendment.
<p>Article 22 If a director is unable to attend the board meeting for some reason, he/she may entrust another director to attend the meeting on his/her behalf, and the entrustment shall be governed by the Company Act and relevant laws and regulations. Each director shall only represent one other director at a board meeting.</p>	<p>Article 22 <u>A director may authorize another director to represent him/her at a board meeting by written authorization. Such authorization may include exercising the voting rights of the assignor for all proposals discussed at the board meeting.</u> Each director shall only represent one other director at a board meeting.</p>	Amended in coordination with the laws and practice needs of the Company.
<p>Article 28 Dividend Policy (omitted) 4. After deducting the amount calculated under Item 1 to Item 3, together with 5% to 80% of the accumulated undistributed surplus of the previous year, the Board shall, at the time of issue of the issuance of new shares, call upon the shareholders’ meeting to authorize the Board to delegate to more than two-thirds directors and to attend the resolutions of</p>	<p>Article 28 Dividend Policy (omitted) 4. After deducting the amount calculated under Item 1 to Item 3, together with 5% to 80% of the accumulated undistributed surplus of the previous year, the Board shall, at the time of issue of the issuance of new shares, call upon the shareholders’ meeting to authorize the Board to delegate to more than two-thirds directors and to attend the resolutions of more than half of the</p>	Amended in coordination with the practice needs of the Company.

Revised Edition	Previous Edition	Description
<p>more than half of the directors in accordance with the provisions of the Company Act, and shall assign dividends and dividends or all or part of the statutory surplus reserve and capital public funds provided for in Paragraph I of Article 241 of the Company Act, for the payment of cash, and report to the shareholders ' meeting. The ratio of cash dividends for shareholders shall not be less than 5% of the total shareholder dividend. In addition, cash dividends less than NT\$0.1 per share will only be distributed through stock dividends.</p>	<p>directors in accordance with the provisions of the Company Act, and shall assign dividends and dividends or all or part of the statutory surplus reserve and capital public funds provided for in Paragraph I of Article 241 of the Company Act, for the payment of cash, and report to the shareholders ' meeting. <u>However, the ratio for distribution of this profit and the ratio of cash dividends should be adjusted with the resolution of the meeting of shareholders according to the actual profit and fund condition of that year.</u> The ratio of cash dividends for shareholders shall not be less than 5% of the total shareholder dividend. In addition, cash dividends less than NT\$0.1 per share will only be distributed through stock dividends.</p>	
<p>Article 31 This “Articles of Incorporation” was established on March 24, 1986. 1st amendment was made on September 1, 1986. 2nd amendment was made on August 30, 1988. 3rd amendment was made on March 20, 1989. 4th amendment was made on June 3, 1991. 5th amendment was made on July 2, 1995. 6th amendment was made on May 15, 1996. 7th amendment was made on January 27, 1997. 8th amendment was made on April 19, 1997. 9th amendment was made on March 25, 1998. 10th amendment was made on May 4, 2000. 11th amendment was made on May 11, 2001. 12th amendment was made on May 23, 2002. 13th amendment was made on June 17, 2003. 14th amendment was made on June 9, 2004. 15th amendment was made on June 9, 2005. 16th amendment was made on April 12, 2006. 17th amendment was made on June 13, 2008. 18th amendment was made on June 16, 2009. 19th amendment was made on June 17, 2010. 20th amendment was made on June 15, 2011. 21st amendment was made on June 18, 2012. 22nd amendment was made on June 11, 2014. 23rd amendment was made on June 17, 2015. 24th amendment was made on June 15, 2016. 25th amendment was made on June 11, 2018. 26th amendment was made on June 12, 2019. <u>27th amendment was made on June 14, 2022.</u></p>	<p>Article 31 This “Articles of Incorporation” was established on March 24, 1986. 1st amendment was made on September 1, 1986. 2nd amendment was made on August 30, 1988. 3rd amendment was made on March 20, 1989. 4th amendment was made on June 3, 1991. 5th amendment was made on July 2, 1995. 6th amendment was made on May 15, 1996. 7th amendment was made on January 27, 1997. 8th amendment was made on April 19, 1997. 9th amendment was made on March 25, 1998. 10th amendment was made on May 4, 2000. 11th amendment was made on May 11, 2001. 12th amendment was made on May 23, 2002. 13th amendment was made on June 17, 2003. 14th amendment was made on June 9, 2004. 15th amendment was made on June 9, 2005. 16th amendment was made on April 12, 2006. 17th amendment was made on June 13, 2008. 18th amendment was made on June 16, 2009. 19th amendment was made on June 17, 2010. 20th amendment was made on June 15, 2011. 21st amendment was made on June 18, 2012. 22nd amendment was made on June 11, 2014. 23rd amendment was made on June 17, 2015. 24th amendment was made on June 15, 2016. 25th amendment was made on June 11, 2018. 26th amendment was made on June 12, 2019.</p>	<p>Added the date of the latest amendment.</p>

Resolution:

Proposal 3: Amendment to the Company’s “Asset Acquisition and Disposal Operating and Handling Procedure” (proposed by the Board)

Explanation:

1. In compliance with the revision of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies and the Company’s practical needs, it is proposed to revise the Company’s “ Asset Acquisition and Disposal Operating and Handling Procedure.”
2. Below shows the correspondence of the amendment to the “ Asset Acquisition and Disposal Operating and Handling Procedure”.
3. Please discuss.

Revised Edition	Previous Edition	Description
<p>Article 4</p> <p>Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters who provide the Company with appraisal reports, certified public accountant opinions, attorney opinions, or underwriter opinions shall meet the following requirements:</p> <p>Item 1-3 (omitted)</p> <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the <u>self-discipline norms of their trade associations and the following matters</u>:</p> <p>1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</p> <p>2. When examining a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>3. They shall undertake an item-by-item evaluation of the <u>appropriateness</u>, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is <u>appropriate</u> and reasonable, and that they have complied with applicable laws and regulations.</p>	<p>Article 4</p> <p>Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters who provide the Company with appraisal reports, certified public accountant opinions, attorney opinions, or underwriter opinions shall meet the following requirements:</p> <p>Item 1-3 (omitted)</p> <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:</p> <p>1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</p> <p>2. When examining a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>3. They shall undertake an item-by-item evaluation of the <u>comprehensiveness, accuracy</u>, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and <u>accurate</u>, and that they have complied with applicable laws and regulations.</p>	<p>In compliance with the revision of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.</p>
<p>Article 8</p> <p>Except for transactions with domestic government agencies, outsourcing construction projects on own property, outsourcing construction projects on leased property, acquiring/disposing equipment or right-of-use assets thereof for business use, when acquiring or disposing real property, equipment or right-of-use assets thereof with a transaction amount up to 20% of the Company’s paid-in capital or over NT\$300 million, this Company shall obtain a professional appraisal report on the subject matter issued by professional appraisers prior to transaction and meet the following requirements:</p> <p>Item 1-2 (omitted)</p> <p>3. Unless all appraisal prices of asset acquisition are otherwise higher than the transaction price or all appraisal prices of asset disposal are otherwise lower</p>	<p>Article 8</p> <p>Except for transactions with domestic government agencies, outsourcing construction projects on own property, outsourcing construction projects on leased property, acquiring/disposing equipment or right-of-use assets thereof for business use, when acquiring or disposing real property, equipment or right-of-use assets thereof with a transaction amount up to 20% of the Company’s paid-in capital or over NT\$300 million, this Company shall obtain a professional appraisal report on the subject matter issued by professional appraisers prior to transaction and meet the following requirements:</p> <p>Item 1-2 (omitted)</p> <p>3. Unless all appraisal prices of asset acquisition are otherwise higher than the transaction price or all appraisal prices of asset disposal are otherwise lower</p>	<p>In compliance with the revision of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.</p>

Revised Edition	Previous Edition	Description
<p>than the transaction price, the in-charge department(s) shall engage a CPA to review the cause(s) of price difference and express opinion on the fairness on the transaction price under any one of the following circumstances:</p> <p>(1)The difference between the appraisal price and transaction price is over 20% of the transaction price.</p> <p>(2)The appraisal price of two or more professional appraisers is over 10% of the transaction price.</p> <p>Below omitted.</p>	<p>than the transaction price, the in-charge department(s) shall engage a CPA to review the cause(s) of price difference and express opinion on the fairness on the transaction price <u>in accordance with the Statements on Auditing Standards (SAS) 20 published by the Accounting Research and Development Foundation in Taiwan</u> under any one of the following circumstances:</p> <p>(1)The difference between the appraisal price and transaction price is over 20% of the transaction price.</p> <p>(2)The appraisal price of two or more professional appraisers is over 10% of the transaction price.</p> <p>Below omitted.</p>	
<p>Article 9</p> <p>The Company acquiring or disposing securities shall, prior to the date of occurrence of the event, obtain the latest financial statements of the issuing company certified or reviewed by a certified public accountant for the reference of appraising the transaction price.</p> <p>Except for securities with publicly quoted prices in the active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC), when the transaction amount is 20 percent of the Company's paid-in capital or above NT\$300 million, the Company shall additionally engage a CPA to express an opinion on the fairness of the transaction price prior to the date of occurrence of the event, under any of the following circumstances:</p> <p>1.Acquiring or disposing securities not traded through the stock market or securities companies.</p> <p>2.Acquiring or disposing privately placed securities.</p>	<p>Article 9</p> <p>The Company acquiring or disposing securities shall, prior to the date of occurrence of the event, obtain the latest financial statements of the issuing company certified or reviewed by a certified public accountant for the reference of appraising the transaction price.</p> <p>Except for securities with publicly quoted prices in the active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC), when the transaction amount is 20 percent of the Company's paid-in capital or above NT\$300 million, the Company shall additionally engage a CPA to express an opinion on the fairness of the transaction price prior to the date of occurrence of the event. <u>Where an expert report is required as evidence, the CPA shall proceed in accordance with the SAS 20 published by the Accounting Research and Development Foundation in Taiwan</u> under any of the following circumstances:</p> <p>1.Acquiring or disposing securities not traded through the stock market or securities companies.</p> <p>2.Acquiring or disposing privately placed securities.</p>	<p>In compliance with the revision of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.</p>
<p>Article 10</p> <p>Except for trading with domestic government agencies, when acquiring or disposing intangible assets or right-of-use assets thereof or memberships amounting up to 20% of the Company's paid-in capital or NT\$300 million, the Company shall consult a CPA to express opinion on the fairness of the amount prior to transaction.</p>	<p>Article 10</p> <p>Except for trading with domestic government agencies, when acquiring or disposing intangible assets or right-of-use assets thereof or memberships amounting up to 20% of the Company's paid-in capital or NT\$300 million, the Company shall consult a CPA to express opinion on the fairness of the amount prior to transaction. <u>The CPA shall, in return, proceed in accordance with SAS 20 published by the Accounting Research and Development Foundation in Taiwan.</u></p>	<p>In compliance with the revision of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.</p>
<p>Article 13</p> <p>Except for trading domestic bonds and repurchase (RP)/ reserve repurchase (RS) securities, subscribing or buying back money market funds (MMFs) issued by domestic securities investment trust companies, when acquiring or disposing property or right-of-use assets thereof for related parties, or acquiring or disposing assets other than property or right-of-use assets thereof with related parties at a transaction amount up to 20% of the Company's paid-in capital, up to 10% of the total assets as disclosed in the latest CPA audit (review) report, or over NT\$300 million, the Company shall submit the following data to the Audit Committee and then to the Board of Directors for approval prior to concluding the transaction agreement and disburse the payment:</p> <p>Item 1-7 (omitted)</p>	<p>Article 13</p> <p>Except for trading domestic bonds and repurchase (RP)/ reserve repurchase (RS) securities, subscribing or buying back money market funds (MMFs) issued by domestic securities investment trust companies, when acquiring or disposing property or right-of-use assets thereof for related parties, or acquiring or disposing assets other than property or right-of-use assets thereof with related parties at a transaction amount up to 20% of the Company's paid-in capital, up to 10% of the total assets as disclosed in the latest CPA audit (review) report, or over NT\$300 million, the Company shall submit the following data to the Audit Committee and then to the Board of Directors for approval prior to concluding the transaction agreement and disburse the payment:</p> <p>Item 1-7 (omitted)</p>	<p>In compliance with the revision of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.</p>

Revised Edition	Previous Edition	Description
<p>Where the Company or a subsidiary that is not a domestic public company has a transaction referred to in the paragraph above, and the transaction amount reaches more than 10% of the total assets of the Company, the Company shall submit the information listed in paragraph 1 to the shareholders' meeting for approval before signing the transaction contract and making payment. However, this restriction does not apply to transactions between the Company and its parent company or subsidiaries, or between its subsidiaries.</p> <p>Acquisition or disposal projects in the first paragraph without the approval of more than half of the members of the Audit Committee may proceed with the approval of more than two thirds of all directors, and the resolution of Audit Committee members shall be specified in the minutes of the board meeting.</p> <p>The transaction amount referred to in the paragraph 1 shall be calculated in accordance with paragraph 2 of Article 26, and "within one previous year" refers to the year preceding the date of occurrence of the current transaction. The section(s) with an appraisal report from a professional appraiser or the CPA opinion obtained in accordance with this Procedure shall be exempted.</p> <p>Below omitted.</p>	<p>Acquisition or disposal projects in the preceding paragraph without the approval of more than half of the members of the Audit Committee may proceed with the approval of more than two thirds of all directors, and the resolution of Audit Committee members shall be specified in the minutes of the board meeting.</p> <p>The transaction amount referred to in the paragraph 1 shall be calculated in accordance with paragraph 2 of Article 26, and "within one previous year" refers to the year preceding the date of occurrence of the current transaction. The section(s) with an appraisal report from a professional appraiser or the CPA opinion obtained in accordance with this Procedure shall be exempted.</p> <p>Below omitted.</p>	
<p>Article 26</p> <p>When acquiring or disposing assets, the Company shall publish/report relevant information by the asset type in the required format on the website designated by FSC within two days after occurrence under any one of the following circumstances:</p> <p>Item 1-5 (omitted)</p> <p>6.Asset transactions, obligations disposed by financial institutions, or investments in mainland China other than that mentioned in the foregoing five paragraphs at an amount up to 20% of the Company's paid-in capital or over NT\$300 million, except for the following circumstances:</p> <p>(1)Trading of domestic <u>government bonds or foreign government bonds with a credit rating not lower than the ROC's sovereign rating.</u></p> <p>(2)Securities trade in stock exchanges or securities companies of professional investment companies, or <u>foreign government bonds or ordinary corporate bonds and non-share-related ordinary financial bonds(excluding subordinated debt) from offering subscribed from the primary market or subscription or redemption of securities investment trust funds or futures trust funds, or subscribing to or selling back index investment securities,</u> or securities subscribed in accordance with the regulations of from Taipei Exchange by a securities company for underwriting needs or consulting emerging companies.</p> <p>(3)Trading RP/RS securities, subscribing or buying back MMFs issued by domestic securities investment trust companies.</p> <p>Below omitted.</p>	<p>Article 26</p> <p>When acquiring or disposing assets, the Company shall publish/report relevant information by the asset type in the required format on the website designated by FSC within two days after occurrence under any one of the following circumstances:</p> <p>Item 1-5 (omitted)</p> <p>6.Asset transactions, obligations disposed by financial institutions, or investments in mainland China other than that mentioned in the foregoing five paragraphs at an amount up to 20% of the Company's paid-in capital or over NT\$300 million, except for the following circumstances:</p> <p>(1)Domestic bond trading.</p> <p>(2)Securities trade in stock exchanges or securities companies of professional investment companies, or ordinary corporate bonds and non-share-related ordinary financial bonds(excluding subordinated debt) from offering subscribed from the primary market or subscription or redemption of securities investment trust funds or futures trust funds or securities subscribed in accordance with the regulations of from Taipei Exchange by a securities company for underwriting needs or consulting emerging companies.</p> <p>(3)Trading RP/RS securities, subscribing or buying back MMFs issued by domestic securities investment trust companies.</p> <p>Below omitted.</p>	<p>In compliance with the revision of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.</p>

Resolution:

**Proposal 4: Amendment to the Company’s “Rules of Procedure for Shareholder Meetings”
(proposed by the Board)**

Explanation:

1. It is proposed to amend the “ Rules of Procedure for Shareholder Meetings” of the Company by adding the relevant provisions that the shareholders’ meeting may be convened by video conference and the practical needs of the Company.
2. Below shows the correspondence of the amendment to the “ Rules of Procedure for Shareholder Meetings”.
3. Please discuss.

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<p>Article 3 Unless otherwise specified in other laws and regulations, meetings of shareholders of the Company shall be convened by the Board of Directors. <u>The change of the convening method of the shareholders’ meeting of the Company shall be decided by the board meeting and shall be made before the notice of the shareholders’ meeting is sent at the latest.</u> This Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. This Company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. <u>If the paid-in capital of the Company reaches NT\$10 billion at the end of the most recent fiscal year, or if the total shareholding ratio of foreign capital and mainland capital recorded in the shareholders’ register reaches 30% in the most recent fiscal year, the transmission of the abovementioned electronic file shall be completed 30 days before the general shareholders’ meeting.</u> In addition, before 15 days before the date of the shareholders meeting, the Company shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated.</p> <p><u>On the day of the shareholders’ meeting, the Company shall provide shareholders with the proceedings manual and supplementary information of the meeting referred to in the preceding paragraph in the following ways:</u></p> <p><u>1. When convening a physical shareholders’ meeting, they shall be distributed at the venue of the shareholders’ meeting.</u></p> <p><u>2. When holding a video-assisted shareholders’ meeting, they shall be distributed at the venue of the shareholders’ meeting and transmitted to the video conference platform in electronic files.</u></p>	<p>Article 3 Unless otherwise specified in other laws and regulations, meetings of shareholders of the Company shall be convened by the Board of Directors. This Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. This Company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, the Company shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby as well as being distributed on-site at the meeting place. Below omitted.</p>	<p>Revision in compliance with the revision of the laws and regulations and the practical needs of the Company.</p>

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<p><u>3. When a video shareholders' meeting is held, they shall be transmitted to the video conference platform in electronic files.</u> Below omitted.</p>		
<p>Article 4 For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization. A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting and shall deliver the proxy form to the Company before 5 days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment. After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company before 2 business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail. <u>After the power of attorney is delivered to the Company, if a shareholder wishes to attend the shareholders' meeting by video, he/she shall give a written notice to the Company to cancel the power of attorney two days before the shareholders' meeting. In case of cancellation after the deadline, the voting rights of the agent present shall prevail.</u></p>	<p>Article 4 For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization. A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting and shall deliver the proxy form to the Company before 5 days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment. After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company before 2 business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.</p>	<p>Revision in compliance with the revision of the laws and regulations and the practical needs of the Company.</p>
<p>Article 5 The venue for a shareholders meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. <u>When deciding the place and time of the meeting, fully consideration shall be given to the opinions of independent directors. When the Company holds a video shareholders' meeting, it is not subject to the restrictions above on the place of holding the shareholders' meeting.</u></p>	<p>Article 5 The venue for a shareholders meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.</p>	<p>Revision in compliance with the revision of the laws and regulations and the practical needs of the Company.</p>
<p>Article 6 This Company shall specify in its shareholders meeting notices the time during which shareholder, solicitors, and entrusted agents (hereinafter referred to as shareholders) attendance registrations will be accepted, the place to register for attendance, and other matters for attention. The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. <u>For a video shareholders' meeting, the registration shall be accepted on the video conference platform of the shareholders' meeting 30 minutes before the start of the meeting, and the shareholders who complete the registration shall be deemed to have attended the</u></p>	<p>Article 6 This Company shall specify in its shareholders meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention. The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. <u>Shareholders and their proxies (collectively, "shareholders") shall attend meetings of shareholders based on attendance cards, sign-in cards, or other certificates of attendance. This Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall</u></p>	<p>Revision in compliance with the revision of the laws and regulations and the practical needs of the Company.</p>

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<p><u>shareholders' meeting in person.</u> Shareholders shall attend meetings of shareholders based on attendance cards, sign-in cards, or other certificates of attendance. This Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification. This Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in. This Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished. When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting. <u>If the shareholders' meeting is held by video conference, shareholders who wish to attend by video shall register with the Company two days before the shareholders' meeting.</u> <u>If the shareholders' meeting is held by video conference, the Company shall upload the proceedings manual, annual report and other relevant materials to the video conference platform for the shareholders' meeting at least 30 minutes before the meeting, and continue to disclose them until the end of the meeting.</u></p>	<p>also bring identification documents for verification. This Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in. This Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished. When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.</p>	
<p><u>Article 6-1</u> <u>When the Company holds a video shareholders' meeting, the following matters shall be specified in the notice of convening the shareholders' meeting:</u> <u>1. Method for shareholders to participate in video conference and exercise their rights.</u> <u>2. The handling method of obstacles to the video conference platform or participation by video due to natural disasters, accidents or other force majeure, which shall at least include the following matters:</u> <u>(1) The time when the meeting needs to be postponed or resumed due to the continuous failure to remove the obstacles before the occurrence, and the date for the continuation or resumption of the meeting.</u> <u>(2) Shareholders who have not registered to participate in the original shareholders' meeting by video shall not participate in the continuation or resumption of the meeting.</u> <u>(3) If a video-assisted shareholders' meeting cannot be resumed, the shareholders' meeting shall be continued if the total number of shares attending the shareholders' meeting reaches the quorum of the shareholders' meeting after deducting the number of shares attending the shareholders' meeting by video. The number of shares attending the shareholders' meeting by video shall be included in the total number of shareholders' shares attending the meeting, and the voting on all proposals at the shareholders' meeting</u></p>	<p>None</p>	<p>Revision in compliance with the revision of the laws and regulations and the practical needs of the Company.</p>

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<p>shall be deemed to have been abstained.</p> <p><u>(4) The handling method in the event that the results of all proposals have been announced but no extempore motion has been made.</u></p> <p><u>3. If the shareholders' meeting is held by video conference, it shall be specified in the meeting notice the appropriate alternative measures provided to shareholders who have difficulties in participating in the shareholders' meeting by video.</u></p>		
<p>Article 8</p> <p>This Company shall videotape or audiotape the whole process of the meeting of shareholders and retain relevant copies for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.</p> <p><u>If the shareholders' meeting is held by video conference, the Company shall keep records of the enrollment, registration, check-in, questioning, voting and vote counting results of the shareholders, and continuously audio and video record the whole process of the video meeting.</u></p> <p><u>The information and audio and video recordings referred to in the preceding paragraph shall be properly kept by the Company during its existence, and the audio and video recordings shall be provided to those entrusted to handle video conference affairs for preservation.</u></p>	<p>Article 8</p> <p>This Company shall videotape or audiotape the whole process of the meeting of shareholders and retain relevant copies for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.</p>	<p>Revision in compliance with the revision of the laws and regulations and the practical needs of the Company.</p>
<p>Article 9</p> <p>Attendance at meetings of shareholders shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in <u>and the those registered on the video conference platform</u> plus the number of shares whose voting rights are exercised by correspondence or electronically.</p> <p>The chair shall call the meeting to order at the appointed meeting time and announce information such as the number of non-voting rights shares and shares represented by the attending shareholders. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made.</p> <p>If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. <u>If the shareholders' meeting is held by video conference, the Company shall separately announce the abortion of the current meeting on the video conference platform.</u></p> <p>If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. <u>If the</u></p>	<p>Article 9</p> <p>Attendance at meetings of shareholders shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.</p> <p>The chair shall call the meeting to order at the appointed meeting time and announce information such as the number of non-voting rights shares and shares represented by the attending shareholders. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made.</p> <p>If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.</p> <p>If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month.</p> <p>When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.</p>	<p>Revision in compliance with the revision of the laws and regulations and the practical needs of the Company.</p>

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<p><u>shareholders' meeting is held by video conference, shareholders who wish to attend by video shall re-register with the Company in accordance with Article 6.</u></p> <p>When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.</p>		
<p>Article 11 Item 1-3 (omitted)</p> <p>When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.</p> <p>After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.</p> <p><u>If the shareholders' meeting is held by video conference, shareholders participating by video may ask questions in writing on the video conference platform of the shareholders' meeting after the chairman announces the start of the meeting and before the adjournment of the meeting. The number of questions for each proposal shall not exceed two, each question is limited to 200 words, and the provisions of paragraphs 1 to 5 shall not apply.</u></p>	<p>Article 11 Item 1-3 (omitted)</p> <p>When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.</p> <p>After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.</p>	<p>Revision in compliance with the revision of the laws and regulations and the practical needs of the Company.</p>
<p>Article 13 Item 1-3 (omitted)</p> <p>After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person <u>or by video</u>, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before 2 business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.</p> <p>Item 5-8 (omitted)</p> <p>Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.</p> <p><u>If the shareholders' meeting is held by video conference, after the chairman announces the start of the meeting, the shareholders participating by video shall vote on various proposals and elections through the video conference platform and shall complete the voting before the chairman announces the end of the voting. If their voting is overdue, they shall be deemed to have abstained.</u></p> <p><u>If the shareholders' meeting is held by video</u></p>	<p>Article 13 Item 1-3 (omitted)</p> <p>After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before 2 business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.</p> <p>Item 5-8 (omitted)</p> <p>Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.</p>	<p>Revision in compliance with the revision of the laws and regulations and the practical needs of the Company.</p>

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<p>conference, the votes shall be counted in one go after the chairman announces the end of voting, and the voting and election results shall be announced.</p> <p><u>When the company holds a video-assisted shareholders' meeting, shareholders who have registered to attend the shareholders' meeting by video in accordance with Article 6 but want to attend the physical shareholders' meeting in person shall cancel their registration in the same manner as the registration two days before the shareholders' meeting; if the cancellation is overdue, they can only attend the shareholders' meeting by video.</u></p> <p><u>Those who exercise their voting rights in writing or electronically but did not revoke their expression of intention and participate in the shareholders' meeting by video, except for extempore motions, shall not exercise their voting rights on the original proposal, propose amendments to the original proposal, or exercise their voting rights on the amendments to the original proposal.</u></p>		
<p>Article 15 Item 1-3 (omitted)</p> <p>Where shareholders express no objection to the resolution method described above when enquired by the chairman, this shall be noted as "unanimous approval of all attending shareholders when enquired by the chairman". Where shareholders express an objection, the voting method and the number of passing votes and their proportion shall be specified.</p> <p><u>If the shareholders' meeting is held by video conference, in addition to the items to be recorded in accordance with the preceding paragraph, the minutes shall record the beginning and end time of the shareholders' meeting, the method of holding the meeting, the name of the chairman and the minute taker, as well as the handling method and circumstances in case of obstacles to the video conference platform or participation by video due to natural disasters, incidents or other force majeure.</u></p> <p><u>If the shareholders' meeting is held by video conference, the Company shall, in addition to following the provisions of the preceding paragraph, specify in the minutes the alternative measures provided to shareholders who have difficulties in participating in the shareholders' meeting by video.</u></p>	<p>Article 15 Item 1-3 (omitted)</p> <p>Where shareholders express no objection to the resolution method described above when enquired by the chairman, this shall be noted as "unanimous approval of all attending shareholders when enquired by the chairman". Where shareholders express an objection, the voting method and the number of passing votes and their proportion shall be specified.</p>	<p>Revision in compliance with the revision of the laws and regulations and the practical needs of the Company.</p>
<p>Article 16</p> <p>On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies and shall make an express disclosure of the same at the place of the shareholders meeting. <u>If the shareholders' meeting is held by video conference, the Company shall upload the information above to the video conference platform of shareholders' meeting at least 30 minutes before the meeting and continue to disclose it until the end of the meeting.</u></p> <p><u>If the shareholders' meeting is held by video conference, when announcing the start of the meeting, the total number of shareholders' shares attending the meeting shall be disclosed on the video conference</u></p>	<p>Article 16</p> <p>On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies and shall make an express disclosure of the same at the place of the shareholders meeting.</p> <p>Below omitted.</p>	<p>Revision in compliance with the revision of the laws and regulations and the practical needs of the Company.</p>

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<p>platform. If the total number of shares and voting rights of shareholders attending the meeting are otherwise counted at the meeting, the same shall apply. Below omitted.</p>		
<p><u>Article 19</u> <u>If the shareholders' meeting is held by video conference, the Company shall immediately disclose the voting results of various proposals and election results on the video conference platform of the shareholders' meeting after the voting is completed, and shall continue to disclose them for at least 15 minutes after the chairman announces the adjournment of the meeting.</u></p>	None	Revision in compliance with the revision of the laws and regulations and the practical needs of the Company.
<p><u>Article 20</u> <u>If the shareholders' meeting is held by video conference, the chairman and the minute taker shall be in the same place in Taiwan, and the chairman shall announce at the meeting the address of that place.</u></p>	None	Revision in compliance with the revision of the laws and regulations and the practical needs of the Company.
<p><u>Article 21</u> <u>If the shareholders' meeting is held by video conference, before the chairman announces the adjournment of the meeting, if the obstacles to the video conference platform or participation by video continue for more than 30 minutes due to natural disasters, incidents or other force majeure, the meeting shall be continued or resumed within five days, and the provisions of Article 182 of the company law shall not apply.</u> <u>In the event of a continued or resumed meeting referred to in the preceding paragraph, shareholders who have not registered to participate in the original shareholders' meeting by video shall not participate in the continued or resumed meeting.</u> <u>If the meeting should be postponed or resumed in accordance with the provisions of paragraph, for shareholders who have registered to participate in the original shareholders meeting by video and have completed the registration but who have not participated in the continued or resumed meeting, the number of shares attended at the original shareholders meeting, their voting rights exercised and election rights shall be included in the total number of shares, voting rights and election rights of shareholders present at the continued or resumed meeting.</u> <u>When handling the continued or resumed shareholders' meeting in accordance with paragraph 1, there is no need to re-discuss and re-adopt resolutions on the proposals for which the voting and counting have been completed and the voting results or the list of directors and supervisors have been announced.</u> <u>When the Company holds a video-assisted shareholders' meeting, and the video meeting cannot be resumed in accordance with paragraph 1, if the total number of shares attending the shareholders' meeting by video still meets the quorum after deducting the number of shares attending the shareholders' meeting by video, the shareholders' meeting shall continue without being postponed or resumed in accordance</u></p>	None	Revision in compliance with the revision of the laws and regulations and the practical needs of the Company.

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<p>with paragraph 1.</p> <p><u>In the event that the meeting should be continued in accordance with the preceding paragraph, the number of shares presented by shareholders participating in the shareholders' meeting by video shall be included in the total number of shares attended by shareholders, but the voting on all proposals at the shareholders' meeting shall be deemed to have been abstained.</u></p> <p><u>When the Company continues or resumes the meeting in accordance with paragraph 1, it shall handle the relevant preparatory operations in accordance with the provisions in paragraph 7, Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies in the same manner as for the original shareholders' meeting and pursuant to the provisions of each article.</u></p> <p><u>During the period specified in the latter part of Article 12 and paragraph 3, Article 13 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and paragraph 2, Article 44-5, paragraph 15, Article 44, and paragraph 1, Article 44-17 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall postpone or resume the shareholders' meetings in accordance with paragraph 1.</u></p>		
<p><u>Article 22</u></p> <p><u>If the shareholders' meeting is held by video conference, it shall provide appropriate alternative measures for shareholders who have difficulties in attending the shareholders' meeting by video.</u></p>	None	Revision in compliance with the revision of the laws and regulations and the practical needs of the Company.
<p><u>Article 23</u></p> <p>These Rules, and any amendments hereto, shall be implemented after adoption by meetings of shareholders.</p>	<p><u>Article 19</u></p> <p>These Rules, and any amendments hereto, shall be implemented after adoption by meetings of shareholders.</p>	Amendment of Article No.

Resolution:

4. Questions and Motions

5. Meeting Adjournment

Appendices

Appendix 1

2021 Business Report

Dear shareholders,

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

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

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

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

Unit: NT\$100 million

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

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

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

Motherboard and graphics card business

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

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

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

Network and communications business

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

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

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

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

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

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

Laptops and peripherals business

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

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

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

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

Corporate social responsibilities and sustainable development

Gigabyte has long been investing in the Company’s sustainable governance and development, giving full play to our influence in the economy, environment and society, and actively practicing our commitments to stakeholders. With the Company’s core concept of “Innovating science and technology to beautify life” as the corporate purpose, and integrating the concern of stakeholders, Gigabyte summed up four CSR visions – zero waste and zero pollution, low-carbon technology transformation, leading a sustainable cycle, and realizing humanistic values – which have become the long-term goals of the sustainable development of Gigabyte. We further outlined the expected values to be created according to the vision – reducing the operating footprint, cultivating

innovation strength, establishing a friendly brand and creating shared value; by examining the current situation and practices of the Company's operation, we formulated four operational strategies to respond to the economic value and ESG to create a perfect blueprint for sustainable governance.

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

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

Wish You Health and Happiness.

Dandy Yeh
Chairman

Chairman: Pei-Cheng Yeh

CEO: E-Tay Li

CFO: Chun-Ying Chen

Appendix 2

Audit Committee Approval/Audit Report

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

To

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

Hwei-Min Wang
Convener
Audit Committee
18 April, 2022

INDEPENDENT AUDITORS' REPORT

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

Opinion

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

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

Basis for opinion

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

Key audit matters

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

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

Occurrence of revenue from significant new counterparty

Description

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

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

How our audit addressed the matter

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

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

Assessment of allowance for valuation of inventory loss

Description

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

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

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

How our audit addressed the matter

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

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

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

Other matter – Report of other auditors

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Fang-Yu Wang

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

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

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

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

(Continued)

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

(Expressed in thousands of New Taiwan dollars)

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

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

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

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

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

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

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

(Expressed in thousands of New Taiwan dollars)

	Notes	Common stock	Retained earnings			Unappropriated retained earnings	Exchange differences arising from translation of foreign operations	Other equity		Treasury shares	Total equity
			Capital surplus	Legal reserve	Special reserve			Unrealized gain or loss on valuation of financial assets at fair value through other comprehensive income			
<u>Year 2020</u>											
Balance at January 1, 2020		\$ 6,356,889	\$ 4,381,896	\$ 426,354	\$ 8,618,094	\$ 673,470	\$ 1,291,159		\$ -	\$ 24,297,811	
Profit for the year		-	-	-	4,374,329	-	-	-	-	4,374,329	
Other comprehensive (loss) income for the year		-	-	-	(20,056)	66,386	87,222		-	133,552	
Total comprehensive income for the year		-	-	-	4,354,273	66,386	87,222		-	4,507,881	
Appropriations of 2019 earnings:	6(17)										
Legal reserve		-	193,924	-	(193,924)	-	-	-	-	-	
Cash dividends		-	-	-	(1,398,516)	-	-	-	-	(1,398,516)	
Changes in equity of associates accounted for using equity method		-	-	-	-	-	-	-	-	(11,985)	
Balance at December 31, 2020		\$ 6,356,889	\$ 4,575,820	\$ 426,354	\$ 11,379,927	\$ 607,084	\$ 1,378,381		\$ -	\$ 27,395,191	
<u>Year 2021</u>											
Balance at January 1, 2021		\$ 6,356,889	\$ 4,575,820	\$ 426,354	\$ 11,379,927	\$ 607,084	\$ 1,378,381		\$ -	\$ 27,395,191	
Profit for the year		-	-	-	13,337,960	-	-	-	-	13,337,960	
Other comprehensive (loss) income for the year		-	-	-	10,827	(136,382)	94,333		-	(31,222)	
Total comprehensive income (loss) for the year		-	-	-	13,348,787	(136,382)	94,333		-	13,306,738	
Appropriations of 2020 earnings:	6(17)										
Legal reserve		-	435,427	-	(435,427)	-	-	-	-	-	
Cash dividends		-	-	-	(2,542,756)	-	-	-	-	(2,542,756)	
Cash dividends from capital surplus	6(17)	-	-	-	-	-	-	-	-	(635,688)	
Changes in equity of associates accounted for using equity method		-	-	-	-	-	-	-	-	-	
Purchase of treasury shares	6(15)	-	-	-	-	-	-	-	(281)	2,281	
Share-based payment transactions	6(14)	-	-	-	-	-	-	-	(280,919)	(280,919)	
Balance at December 31, 2021		\$ 6,356,889	\$ 5,011,247	\$ 426,354	\$ 21,750,531	\$ 743,466	\$ 1,472,714		\$ 66,016	\$ 37,487,984	

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

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

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

(Continued)

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

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

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

Appendix 3-2

INDEPENDENT AUDITORS' REPORT

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

Opinion

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

In our opinion, based on our audits and the report of other independent auditors, as described in the Other matters section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

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

Key audit matters

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

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

Occurrence of revenue from significant new counterparties

Description

Please refer to Note 4(31) for the accounting policies on revenue recognition. For the year ended December 31, 2021, the consolidated operating revenue amounted to NT\$121,905,357 thousand.

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

How our audit addressed the matter

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

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

Assessment of allowance for valuation of inventory loss

Description

Please refer to Note 4(14) for the accounting policies on evaluation of inventories; Note 5(2) for uncertainty of accounting estimates and assumption on inventory evaluation; and Note 6(6) for the details of the inventories. As of December 31, 2021, the inventories and allowance for valuation loss amounted to NT\$27,377,652 thousand and NT\$787,922 thousand, respectively.

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

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

How our audit addressed the matter

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

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

Other matter – Report of other independent auditors

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

Other matter – Parent company only financial statements

We have audited and expressed an unmodified opinion with Other matter paragraph on the parent company only financial statements of Giga-Byte Technology Co., Ltd. as at and for the years ended December 31, 2021 and 2020.

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

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

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

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

Auditors' responsibilities for the audit of the consolidated financial statements

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

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

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

We also:

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

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

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

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

Se-Kai Lin

Fang-Yu Wang

For and on behalf of PricewaterhouseCoopers, Taiwan

March 11, 2022

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

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

GIGA-BYTE TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2021 AND 2020

(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2021		December 31, 2020	
			Amount	%	Amount	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 18,928,473	27	\$ 15,564,617	32
1110	Financial assets at fair value through profit or loss - current	6(2)	1,450,496	2	735,586	1
1136	Financial assets at amortised cost - current	6(4) and 8	1,156,617	2	1,105,293	2
1150	Notes receivable, net	6(5)	5,710	-	2,897	-
1170	Accounts receivable, net	6(5)	10,822,436	16	7,883,297	16
1200	Other receivables		194,564	-	63,806	-
130X	Inventories, net	6(6)	26,589,730	39	15,227,960	31
1410	Prepayments		862,896	1	977,239	2
1470	Other current assets		287,227	-	4,765	-
11XX	Total current assets		<u>60,298,149</u>	<u>87</u>	<u>41,565,460</u>	<u>84</u>
Non-current assets						
1517	Financial assets at fair value through other comprehensive income-non-current	6(3)	2,515,460	4	2,351,596	5
1535	Financial assets at amortized cost-non-current	6(4) and 8	228,827	-	236,479	1
1550	Investments accounted for using the equity method	6(7)	518,711	1	77,439	-
1600	Property, plant and equipment, net	6(8)	4,206,997	6	4,048,823	8
1755	Right-of-use assets	6(9)	196,740	-	187,568	-
1760	Investment property, net	6(11)	41,698	-	46,861	-
1780	Intangible assets		29,329	-	31,990	-
1840	Deferred income tax assets	6(29)	1,009,779	2	657,554	1
1900	Other non-current assets	6(12)	132,500	-	225,387	1
15XX	Total non-current assets		<u>8,880,041</u>	<u>13</u>	<u>7,863,697</u>	<u>16</u>
1XXX	Total assets		<u>\$ 69,178,190</u>	<u>100</u>	<u>\$ 49,429,157</u>	<u>100</u>

(Continued)

GIGA-BYTE TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2021 AND 2020

(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2021		December 31, 2020	
			Amount	%	Amount	%
Liabilities						
Current liabilities						
2100	Short-term borrowings	6(13)	\$ -	-	\$ 303,217	1
2130	Contract liabilities-current	6(22)	1,197,240	2	3,987,907	8
2150	Notes payable		22,868	-	404	-
2170	Accounts payable		15,886,668	23	9,024,919	18
2200	Other payables	6(14)	10,020,250	15	5,461,410	11
2230	Current income tax liabilities		2,524,197	4	809,318	2
2250	Provisions for liabilities - current	6(15)	768,663	1	820,274	2
2280	Lease liabilities-current		98,602	-	70,112	-
2300	Other current liabilities	6(16)	<u>231,090</u>	-	<u>506,803</u>	1
21XX	Total current liabilities		<u>30,749,578</u>	<u>45</u>	<u>20,984,364</u>	<u>43</u>
Non-current liabilities						
2540	Long-term borrowings	6(16)	200,000	-	210,032	-
2570	Deferred income tax liabilities	6(29)	-	-	38,209	-
2580	Lease liabilities-non-current		64,375	-	79,013	-
2600	Other non-current liabilities	6(17)	<u>661,137</u>	<u>1</u>	<u>704,417</u>	<u>2</u>
25XX	Total non-current liabilities		<u>925,512</u>	<u>1</u>	<u>1,031,671</u>	<u>2</u>
2XXX	Total liabilities		<u>31,675,090</u>	<u>46</u>	<u>22,016,035</u>	<u>45</u>
Equity						
Equity attributable to owners of the parent						
Capital stock						
3110	Common stock	6(19)				
Capital surplus						
3200	Capital surplus	6(20)	6,356,889	9	6,356,889	13
Retained earnings						
3310	Legal reserve	6(21)	3,279,731	5	3,884,904	8
3320	Special reserve		5,011,247	7	4,575,820	9
3320	Special reserve		426,354	1	426,354	1
3350	Unappropriated retained earnings		21,750,531	31	11,379,927	23
Other equity						
3400	Other equity		729,248	1	771,297	1
3500	Treasury shares	6(18)(19)	(66,016)	-	-	-
31XX	Total equity attributable to owners of the parent		<u>37,487,984</u>	<u>54</u>	<u>27,395,191</u>	<u>55</u>
36XX	Non-controlling interest		<u>15,116</u>	<u>-</u>	<u>17,931</u>	<u>-</u>
3XXX	Total equity		<u>37,503,100</u>	<u>54</u>	<u>27,413,122</u>	<u>55</u>
Significant events after the balance sheet date						
3X2X	Total liabilities and equity	11	<u>\$ 69,178,190</u>	<u>100</u>	<u>\$ 49,429,157</u>	<u>100</u>

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

GIGA-BYTE TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except for earnings per share)

Items	Notes	2021		2020	
		Amount	%	Amount	%
4000 Operating revenue	6(22)	\$ 121,905,357	100	\$ 84,602,841	100
5000 Operating costs	6(6)(27)	(92,315,325)	(76)	(70,138,404)	(83)
5900 Gross profit		<u>29,590,032</u>	<u>24</u>	<u>14,464,437</u>	<u>17</u>
Operating expenses	6(27)				
6100 Selling expenses		(7,989,015)	(7)	(5,351,482)	(6)
6200 General and administrative expenses		(3,014,173)	(2)	(2,551,127)	(3)
6300 Research and development expenses		(4,091,372)	(3)	(2,360,903)	(3)
6450 Expected credit (losses) gains	6(27) and 12(2)	(8,959)	-	16,910	-
6000 Total operating expenses		(15,103,519)	(12)	(10,246,602)	(12)
6900 Operating profit		<u>14,486,513</u>	<u>12</u>	<u>4,217,835</u>	<u>5</u>
Non-operating revenue and expenses					
7100 Interest income	6(23)	74,576	-	88,344	-
7010 Other income	6(24)	1,267,712	1	953,574	1
7020 Other gains and losses	6(25)	306,235	-	216,331	-
7050 Finance costs	6(26)	(5,399)	-	(10,629)	-
7060 Share of loss of associates and joint ventures accounted for using the equity method	6(7)	(16,265)	-	(14,650)	-
7000 Total non-operating revenue and expenses		<u>1,626,859</u>	<u>1</u>	<u>1,232,970</u>	<u>1</u>
7900 Profit before income tax		16,113,372	13	5,450,805	6
7950 Income tax expense	6(29)	(2,778,226)	(2)	(1,119,570)	(1)
8200 Profit for the year		<u>\$ 13,335,146</u>	<u>11</u>	<u>\$ 4,331,235</u>	<u>5</u>

(Continued)

GIGA-BYTE TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except for earnings per share)

Items	Notes	2021		2020	
		Amount	%	Amount	%
Other comprehensive income-net					
Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
8311	Remeasurements of defined benefit plans	6(17)	\$ 13,534	-	(\$ 25,070) -
8316	Unrealised gain on valuation of investment in equity instruments measured at fair value through other comprehensive income	6(3)	94,333	-	87,222 -
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(29)	(2,707)	-	5,014 -
8310	Components of other comprehensive income that will not be reclassified to profit or loss		<u>105,160</u>	-	<u>67,166</u> -
Components of other comprehensive income that will be reclassified to profit or loss					
8361	Exchange differences arising from translation of foreign operations		(136,383)	-	66,389 -
8360	Components of other comprehensive (loss) income that will be reclassified to profit or loss		(136,383)	-	66,389 -
8300	Other comprehensive (loss) income, net		<u>(\$ 31,223)</u>	-	<u>\$ 133,555</u> -
8500	Total comprehensive income for the year		<u>\$ 13,303,923</u>	<u>11</u>	<u>\$ 4,464,790</u> <u>5</u>
Profit(loss) attributable to:					
8610	Owners of parent		\$ 13,337,960	11	\$ 4,374,329 5
8620	Non-controlling interest		(2,814)	-	(43,094) -
	Total		<u>\$ 13,335,146</u>	<u>11</u>	<u>\$ 4,331,235</u> <u>5</u>
Comprehensive income (loss) attributable to:					
8710	Owners of parent		\$ 13,306,738	11	\$ 4,507,881 5
8720	Non-controlling interest		(2,815)	-	(43,091) -
	Total		<u>\$ 13,303,923</u>	<u>11</u>	<u>\$ 4,464,790</u> <u>5</u>
9750	Basic earnings per share	6(30)	<u>\$ 21.01</u>		<u>\$ 6.88</u>
9850	Diluted earnings per share	6(30)	<u>\$ 20.60</u>		<u>\$ 6.79</u>

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

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

	Equity attributable to equity holders of the company											
	Notes	Capital stock- Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences arising from translation of foreign operations	Unrealised gain or loss on valuation of financial assets at fair value through other comprehensive income	Treasury shares	Total	Non-controlling interest	Total equity
Year 2020												
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)	-	-	-	-	-	-	-	-	-	-	-
Acquisition of non-controlling interest	6(31)	-	(11,985)	-	-	-	-	-	-	(11,985)	11,985	(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
Year 2021												
Balance at January 1, 2021		\$ 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
Profit (loss) for the year		-	-	-	-	13,337,960	-	-	-	13,337,960	(2,814)	13,335,146
Other comprehensive (loss) income for the year		-	-	-	-	(435,427)	(136,382)	94,333	-	(31,222)	(1)	(31,223)
Total comprehensive income (loss)		-	-	-	-	(435,427)	(136,382)	94,333	-	(31,222)	(1)	(31,223)
Appropriations of 2020 earnings:	6(21)	-	-	-	-	-	-	-	-	-	(2,815)	(2,815)
Legal reserve		-	-	435,427	-	(435,427)	-	-	-	-	-	-
Cash dividends		-	-	-	-	(2,542,756)	-	-	-	(2,542,756)	-	(2,542,756)
Cash dividends from capital surplus	6(21)	-	-	-	-	-	-	-	-	-	-	-
Changes in equity of associates accounted for using equity method	6(19)	-	2,281	-	-	-	-	-	-	2,281	-	2,281
Purchase of treasury shares	6(18)	-	28,234	-	-	-	-	-	214,903	(280,919)	-	(280,919)
Share-based payment transactions		-	-	-	-	-	-	-	243,137	-	-	243,137
Balance at December 31, 2021		\$ 6,356,889	\$ 3,279,731	\$ 5,011,247	\$ 426,354	\$ 21,750,531	(\$ 743,466)	\$ 1,472,714	(\$ 66,016)	\$ 37,487,984	\$ 15,116	\$ 37,503,100

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

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

	Notes	2021	2020
<u>Cash flows from operating activities:</u>			
Profit before income tax		\$ 16,113,372	\$ 5,450,805
Adjustments to reconcile profit before income tax to net cash provided by operating activities:			
Income and expenses having no effect on cash flows			
Depreciation	6(8)(9)(27)	613,141	628,135
Depreciation charge on investment property	6(11)	4,781	4,713
Amortisation	6(27)	62,370	66,643
(Gain) loss from lease modification	6(9)(25)	(519)	2,380
Expected credit loss (gain)	6(27) and 12(2)	8,959	(16,910)
Gain on valuation of financial assets at fair value through profit or loss	6(25)	(131,685)	(31,783)
Share of loss of associates and joint ventures accounted for using equity method	6(7)	16,265	14,650
Loss on disposal of property, plant and equipment	6(25)	3,206	20,526
Loss on disposal of intangible assets	6(25)	4,445	-
Interest income	6(23)	(74,576)	(88,344)
Interest expense	6(26)	5,399	10,629
Dividends income	6(24)	(73,327)	(65,111)
Grants revenue	6(33)	(44,349)	-
Share-based payments	6(18)	28,234	-
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Financial assets at fair value through profit or loss		(643,285)	25,624
Notes receivable		(2,813)	99
Accounts receivable		(2,947,270)	(1,245,173)
Other receivables		(132,083)	67,872
Inventories		(11,356,539)	(3,882,357)
Prepayments		113,824	(372,088)
Other current assets		(282,462)	15,939
Net changes in liabilities relating to operating activities			
Contract liabilities		(2,790,667)	3,740,751
Notes payable		22,464	(57,712)
Accounts payable		6,861,749	1,794,241
Other payables		4,566,965	1,532,221
Provisions for liabilities		(51,261)	262,886
Other current liabilities		(241,253)	243,349
Other non-current liabilities		14,569	3,544
Cash generated from operations		9,667,654	8,125,529
Interest received		75,901	86,283
Dividend received		73,327	65,111
Interest paid		(5,399)	(10,629)
Income tax paid		(1,456,488)	(364,894)
Net cash generated from operating activities, net		8,354,995	7,901,400

(Continued)

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

	<u>Notes</u>	<u>2021</u>	<u>2020</u>
<u>Cash flows from investing activities:</u>			
Acquisition of financial assets at fair value through other comprehensive income		(\$ 69,531)	(\$ 40,584)
Acquisition of financial assets at amortised cost		(43,672)	(424,935)
Acquisition of investments accounted for under equity method	6(7)	(393,230)	(70,000)
Acquisition of property, plant and equipment	6(32)	(586,534)	(534,146)
Proceeds from disposal of property, plant and equipment		1,641	107,680
Acquisition of intangible assets		(55,687)	(58,468)
Decrease (increase) in refundable deposits		885	(8,033)
Increase in other non-current assets		(57,623)	(53,577)
Net cash used in investing activities		(1,203,751)	(1,082,063)
<u>Cash flows from financing activities:</u>			
Repayments of short-term borrowings	6(33)	(303,217)	(298,445)
Proceeds from short-term borrowings		-	312,574
Repayments of long-term debt	6(33)	-	(10,667)
Proceeds from long-term debt	6(33)	-	244,492
Payments of lease liabilities	6(33)	(102,598)	(97,107)
(Decrease) increase in deposits received	6(33)	(44,315)	43,354
Cash dividends	6(21) (33)	(2,542,756)	(1,398,516)
Cash dividends from capital surplus	6(21) (33)	(635,688)	-
Purchase of treasury shares	6(19)	(280,919)	-
Treasury shares sold to employees	6(18) (19)	214,903	-
Acquisition of ownership interests in subsidiaries	6(31)	-	(12,421)
Changes in non-controlling interest		-	6,158
Net cash used in financing activities		(3,694,590)	(1,210,578)
Effect of exchange rate changes on cash and cash equivalents		(92,798)	48,013
Net increase in cash and cash equivalents		3,363,856	5,656,772
Cash and cash equivalents at beginning of year		15,564,617	9,907,845
Cash and cash equivalents at end of year		<u>\$ 18,928,473</u>	<u>\$ 15,564,617</u>

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

Appendix 4

Business Division Plan

WHEREAS Gigabyte Technology Co., Ltd. (hereinafter referred to as “Gigabyte”), based on its business operation considerations, plans to divide and transfer all the businesses, assets, liabilities and relevant contractual rights and obligations of its Netcom business unit that can operate independently (hereinafter collectively referred to as the “Netcom business”) to Giga Computing Technology Co., Ltd. (hereinafter referred to as “Giga Computing”) as the consideration for the issuance of new shares by Giga Computing to Gigabyte (hereinafter referred to as “the division case”).

Therefore, in accordance with the Business Mergers and Acquisitions Act, the Company Act and other relevant laws and regulations of the Republic of China, this division plan (hereinafter referred to as the “plan”) is formulated as follows:

Article 1 Division method and companies participating in the division

1.1 Division method

This division is based on the existing division method, that is, Gigabyte transfers the relevant business (including assets, liabilities and business) of its Netcom business department to Giga Computing, and Giga Computing issues new shares to Gigabyte as the consideration.

1.2 Companies participating in the division

Divided company: Gigabyte Technology Co., Ltd.;

The surviving company undertaking the business: Giga Computing Technology Co., Ltd.

Article 2 Changes to the articles of association of the surviving company undertaking the business

The articles of association of Giga Computing are shown in Annex I.

Article 3 Business scope, business value, assets and liabilities of the divided company

3.1 Scope of business, assets and liabilities transferred through the division

1. Equipment, wealth generating instruments, bank deposits, accounts receivable and other related assets (including tangible and intangible assets) and related liabilities required by Gigabyte's Netcom business.
2. Related contracts, litigation cases, legal relations, legal status, licenses, permits and related rights and interests of Gigabyte's Netcom business. However, if the transfer of the preceding contracts, litigation cases, legal relationship, legal status, licenses, permits and related rights and interests requires the consent of the counterparty or a third party according to the contracts or law, it shall take effect only with the consent of the counterparty or third party.
3. Other assets, liabilities, rights and obligations, rights and interests, business or property divided, tax incentives, licenses and permits that have been enjoyed but have not expired or deducted, and relevant legal relations, factual relations and status related to Gigabyte's Netcom business.

3.2 Business value of the division and transfer

The value of the assets less liabilities divided and transferred is expected to be NT\$833,600,000.

3.3 Assets divided and transferred

The assets expected to be divided and transferred are shown in Annex II, and the value is expected to be NT\$6,746,348,000.

3.4 Liabilities divided and transferred

The liabilities expected to be divided and transferred are shown in Annex II, and the value is expected to be NT\$5,912,748,000.

3.5 The business value, assets and liabilities transferred by the above-mentioned division are temporarily calculated based on the book value of the financial statements of Gigabyte audited and certified by a CPA on December 31, 2021, but the actual amount is still subject to the book value on the base date of the division.

3.6 If necessary, the shareholders' meeting of both parties may authorize the board meeting to adjust the divided and transferred assets and liabilities specified above; the same shall apply if it is necessary to adjust the business value or the proportion of shares issued by Giga Computing.

Article 4 The number and type of shares issued by the surviving company undertaking the business, and the number and types of shares issued by the surviving company in exchange for the division and transfer of business of the divided company as well as the basis for calculation

4.1 Number of shares issued

The business value, assets and liabilities assumed by Giga Computing due to the division and transfer by Gigabyte are expected to be NT\$833,600,000. Giga Computing will issue 83,360,000 ordinary shares at par to Gigabyte for the business value, assets and liabilities assumed by Giga Computing, with a value of NT\$10 per share. The business value, assets and liabilities transferred by Gigabyte will be swapped for 83,360,000 ordinary shares issued at par by Giga Computing, at a value of NT\$10 per share. If there is any odd-lot share due to the swap, Giga Computing will pay cash to Gigabyte in one go according to the business value of the odd-lot share within 30 days after completing the change registration.

4.2 Calculation basis

The number of shares to be issued as mentioned above is determined by taking into account the expert opinion on the book value of the assets and liabilities to be divided and transferred by Gigabyte up to the base date of the division and the rationality of the division and share swap. For details, please refer to the expert opinion in Annex III.

4.3 Giga Computing shall complete the change registration according to law after the base date of the division, and issue ordinary shares to Gigabyte. After the completion of this division, Gigabyte will directly hold 100% equity of Giga Computing.

Article 5 Adjustment of the number and proportion of shares issued by the surviving company in exchange for the business value, assets and liabilities transferred by the divided company

In the following circumstances, the business value, assets and liabilities to be divided and the number and proportion of shares of Giga Computing to be issued for the swap may be changed by the board meeting of both parties with the authorization of the shareholders' meeting of both parties for the division case, and the business value acquired by Giga Computing due to the division shall be adjusted accordingly:

- 5.1 After the signing of this plan, Gigabyte intends to increase or adjust the business, assets or liabilities to be divided and transferred.
- 5.2 After the signing of this plan, either party handles capital increase by cash, issuance of convertible corporate bonds, free allotment of shares, issuance of corporate bonds with stock options, preferred shares with stock options, warrants and other equity securities.
- 5.3 Either party has disposed of its major assets and other acts that affect its financial business.
- 5.4 Either party encounters any major disaster, major technological change or other events that affect the shareholders' equity or its securities price.
- 5.5 Either party buys back treasury shares according to law.
- 5.6 Other circumstances where it is necessary to adjust the proportion of shares issued under Article 4 due to changes in laws and regulations or approval by the relevant competent authority.

Article 6 Purchase and cancellation of dissenting shareholders' shares

The shareholders of Gigabyte and Giga Computing may request Gigabyte and Giga Computing to buy back their shares respectively if they express their objections in writing or orally before or during the shareholders' meeting at which the division is resolved, and have waived their voting rights. Gigabyte and Giga Computing shall buy back the shares held by such dissenting shareholder in accordance with the law; the shares bought back shall be disposed of or cancelled according to law, and the change shall be registered.

Article 7 Creditor notice and announcement related matters

After the resolution of the shareholders' meeting of Gigabyte and Giga Computing on the division, the companies shall immediately prepare their balance sheets and property catalogue, notify and announce the division resolution to their creditors, specify a deadline of more than 30 days away, and state that creditors may raise objections before the deadline. If the creditors raise objections before the deadline, the companies shall deal with them in accordance with the relevant laws and regulations.

Article 8 General acceptance of rights and obligations and related matters after division

- 8.1 The business, assets and liabilities, rights and obligations divided and transferred in this plan shall be generally accepted by Giga Computing in accordance with the law from the base date of division. If it is necessary to go through relevant transfer procedures, both parties shall comply. The cost of the relevant rights after the base date of division shall be borne by Giga Computing.
- 8.2 Except where the debts to be divided and transferred and the debts of Gigabyte before the division are separable, Giga Computing shall be jointly and severally liable with Gigabyte for the debts owed by Gigabyte before the division and within the scope of capital contribution to the business transferred. However, the creditor's claim for creditor's rights shall be extinguished if not exercised within two years from the base date of division.

Article 9. Handling of employee matters

Gigabyte and Giga Computing shall negotiate whether there are employees to be retained in accordance with legal procedures and consult their willingness to be retained. The employees who agree to be retained will be recognized by Giga Computing for their years of service with Gigabyte before the base date of division, or, on the premise of compliance with relevant laws and regulations, Gigabyte shall negotiate with the employees on other means sufficient to protect their rights and interests.

Article 10. Division base date

After the division plan is approved by the board meeting and shareholders' meeting of both parties and the permit or approval of the relevant competent authorities, the board meeting of both companies shall be authorized to decide the division base date of this division plan. At present, it is tentatively set on January 1, 2023. If it is necessary to adjust the division base date, the board meeting of both parties shall be authorized to decide.

Article 11 Plan implementation progress, expected completion date and overdue handling

- 11.1 The division plan is expected to be adopted by the shareholders' meeting on June 14, 2022, but another date may be fixed by the board meeting of both parties based on the actual implementation.

- 11.2 In case of any overdue completion of this plan and its scheduled implementation progress, the board meeting of both companies shall, based on the actual situation and needs, set the date for convening the shareholders' meeting or the board meeting according to the law, and/or proceed with other necessary disposals.

Article 12. Sharing of taxes and fees

- 12.1 Unless otherwise agreed in this plan or other contracts, or otherwise agreed by both parties, all taxes or fees arising from the execution or performance of this plan, except those which meet the provisions of tax waiver or exemption, shall be borne by both companies according to law. If this plan is not valid because it is not approved by the shareholders' meeting or disapproved by the relevant competent authorities or due to other reasons, the lawyer's fee, the accountant's fee and related expenses incurred shall be borne by Gigabyte.
- 12.2 The two parties shall cooperate with each other to obtain preferential tax treatments related to this division plan.

Article 13. Handling of breach of contract

- 13.1 If either party violates the provisions of this plan and fails to make a correction within 30 days after being notified by the other party in writing, the non-defaulting party may terminate this plan after notifying the defaulting party in writing.
- 13.2 If either party violates the provisions of this plan and fails to make a correction before the deadline after being notified by the other party, or the violation is serious which results in damage to the other party, the breaching party shall compensate the damaged party for any expenses incurred therefrom (including but not limited to relevant lawyer's fee, accountant's fee and expenses, losses or other damages arising from this division case).

Article 14 Change of paid-in capital of the divided company

Except for the reduction of capital by share cancellation in accordance with other laws, the paid-in capital of Gigabyte will maintain its original amount after the completion of this division without capital reduction.

Article 15 Applicable laws

This division plan shall be interpreted and performed in accordance with the relevant laws of the Republic of China. In case of any dispute arising from this plan, both parties agree to appoint Taiwan Taipei District Court as the court of first instance.

Article 16 Other matters

- 16.1 If any provisions of this plan conflict with relevant laws and regulations and are invalid, only the conflicting provisions shall be invalid and the other provisions shall be still valid. As for the provisions that are invalid due to violation of relevant laws and regulations, they shall be separately negotiated by the board meeting of Gigabyte and Giga Computing within the legal scope in accordance with relevant laws and regulations.
- 16.2 If any provision of this plan needs to be changed in accordance with the approval of the relevant competent authority, it shall be revised either directly in accordance with the contents approved by the competent authority, or by the board meeting of Gigabyte and Giga Computing based on the approval of the relevant competent authority.
- 16.3 This plan shall not come into force until it is submitted to the shareholders' meeting of Gigabyte and Giga Computing for resolution. However, if the plan fails to obtain the approval or permission of the relevant competent authority, the plan will not be effective from the beginning.
- 16.4 Any matters not covered in this plan shall be handled in accordance with the relevant laws and regulations and the provisions of the competent authority. If not specified in the laws and regulations or the competent authority, the shareholders' meeting of both parties shall authorize the board meeting of Gigabyte and Giga Computing to handle them with full power.
- 16.5 The annexes to this plan are also part of this plan.

Article 17 Number of copies of the plan

This plan is made in duplicate.

Parties to the division plan:

Gigabyte Technology Co., Ltd.

Convener of Audit Committee: Wang, Hui-Min

Giga Computing Technology Co., Ltd.

Chairman: Yeh, Pei-Cheng

March 11, 2022

Appendix 4-1

Giga Computing Technology Co., Ltd.

Articles of Association

Chapter I General Provisions

Article 1: The Company is organized in accordance with the provisions of the Company Act on companies limited by shares, and is named Giga Computing Technology Co., Ltd.

Article 2: The business scope of the Company is as follows:

1. CC01110 Computer and Peripheral Equipment Manufacturing
2. I301010 Software Design Services
3. F113010 Wholesale of Machinery
4. CC01080 Electronic Components Manufacturing
5. CH01040 Toys Manufacturing
6. CC01070 Telecommunication Equipment and Apparatus Manufacturing
7. F118010 Wholesale of Computer Software
8. F113050 Wholesale of Computers and Clerical Machinery Equipment
9. F113070 Wholesale of Telecom Instruments
10. F213060 Retail Sale of Telecom Instruments
11. I301030 Electronic Information Supply Services
12. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3: The Company is located at 7 F, No. 6, Baoqiang Rd., Xindian Dist., New Taipei City. Depending on business needs, the Company may, by resolution of the board meeting, set up branches at home and abroad.

Article 4: The announcement method of the Company shall be in compliance with Article 28 of the Company Act.

Article 5: The Company may provide external guarantees for business needs.

Chapter II Shares

Article 6: The capital of the Company is set at NT\$2,000,000,000, divided into 200,000,000 shares at a face value of NT\$10 per share, which may be issued in installments.

Article 7: All shares issued by the Company are registered which shall be numbered and signed or sealed by the director representing the Company and issued after being certified by the bank that may act as the issuer of shares in accordance with the law.

Article 8: No change of name or transfer of ownership of the register of shareholders shall be made within 30 days before the general shareholders' meeting, 15 days before the extraordinary shareholders' meeting, or five days before the book-close date on which the Company decides to distribute dividends, bonuses or other benefits.

Article 9: For the transfer of shares, the applicant shall apply with the Company for transfer of ownership. The transfer shall not be used against the Company before the completion of the transfer procedures.

Article 10: For shares purchased by the Company in accordance with the Company Act, the objects of share transfer may include employees of controlled or subordinate companies who meet certain criteria.

The objects of issuance of employee stock option certificates by the Company in accordance with the Company Act may include employees of controlled or subordinate companies who meet certain criteria.

Employees who subscribe to the new shares of the Company in accordance with the provisions of the Company Act may include employees of controlled or subordinate companies who meet certain criteria.

The objects of new shares issued by the Company with restricted employee rights in accordance with the Company Act may include employees of controlled or subordinate companies who meet certain criteria.

Chapter III Shareholders' Meetings

Article 11: The Company's shareholders' meetings are divided into the following two types:

1. The general shareholders' meetings are held at least once a year within six months after the end of each fiscal year and convened by the board meeting according to law.
2. The extraordinary shareholders' meeting is held in accordance with the law when necessary.

Article 12: The Chairman of the board of directors shall be the chairman of the shareholders' meeting. When the Chairman is on leave or is unable to exercise his/her functions and powers for some reason, he/she may appoint one director to act as the agent. If the Chairman fails to appoint an agent, the directors shall elect one person among them to act as the agent.

Article 13: If a shareholder is unable to attend the shareholders' meeting for some reason, he/she may issue a power of attorney specifying the scope of authorization and entrust an agent to attend the shareholders' meeting.

Article 14: Unless otherwise specified in the Company Act or the articles of association, each shareholder of the Company has one voting right per share.

Article 15: Unless otherwise provided by the Company Act, the resolution of the shareholders' meeting shall be adopted in a shareholders' meeting attended by shareholders representing more than half of the total issued shares, with the consent of more than half of the voting rights of the shareholders present.

Article 16: The shareholders' meeting of the Company may be held by video conference or other means announced by the central competent authority. If the shareholders' meeting is held by video conference, the shareholders who participate in the meeting by video shall be deemed to be present in person.

Article 17: The resolutions of the shareholders' meeting shall be made into minutes, which shall be signed or sealed by the chairman of the shareholders' meeting and distributed to all shareholders within 20 days after the meeting.

The minutes referred to in the preceding paragraph may be prepared and distributed electronically.

Article 18: When the shareholder structure of the Company consists of only the government or one corporate shareholder, the functions and powers of the shareholders' meeting shall be exercised by the board meeting, and the provisions of the Articles of Association on the shareholders' meeting shall not apply.

Chapter IV Directors, Supervisors and Managers

Article 19: The Company shall set up five seats of directors and no supervisors. The term of office is three years. The directors shall be persons with legal capacity appointed by the sole corporate shareholder and may serve consecutive terms. When there is no supervisor seat set up, the provisions of the Company Act and these Articles of Association on supervisors shall not apply.

Article 20: The board of directors shall be organized by directors, and one person shall be elected as the Chairman from among them in a board meeting with the presence of more than two-thirds of the directors, and the consent of more than half of the directors present. The Chairman shall represent the company externally.

Article 21: Unless otherwise provided by the Company Act, a resolution of the board meeting shall be adopted with the consent of more than half of the directors present.

Unless otherwise provided by the Company Act, the board meeting shall be convened by the Chairman of the board of directors with the reasons specified, and each director shall be notified three days in advance. However, in case of emergency, the meeting may be called at any time.

The board meeting of the Company may be convened in writing, by fax or by electronic means.

Article 22: The chairman of the board meeting is the Chairman of the board of directors. If the chairman is on leave or unable to exercise his/her functions and powers for some reason, his/her agency chair the meeting in accordance with Article 208 of the Company Act. The directors shall attend the board of directors in person; if a director is unable to attend for some reason, he/she may entrust another director to act as his/her agent.

The agent referred to in the preceding paragraph shall only be entrusted by one director.

The board meeting may be held by video conference. Directors who participate in the meeting by video conference shall be deemed to be present in person.

The directors may, with the consent of all directors, exercise their voting rights in writing on the proposal of the current board meeting without the holding of a physical meeting.

Article 23: The board meeting is authorized to pay the remuneration of the Company's directors according to the degree of contribution of directors and the general standard of the industry.

Article 24: The Company may set up positions of manager whose appointment, dismissal and remuneration shall be handled in accordance with Article 29 of the Company Act.

Chapter V Accounting

Article 25: The accounting year of the Company starts from January 1 to December 31 each year. At the end of each accounting year, the board meeting shall prepare a business report, financial statements and a proposal for earnings distribution or loss compensation, and submit them to the general shareholders' meeting for recognition in accordance with the law.

Article 26: In order to motivate the employees and the management team, if there is any balance after deducting the cumulative loss from the profit of the current year, the Company shall allocate 3% to 10% of it as the employees' remuneration, and the remuneration of directors and supervisors shall not be higher than 3%.

The objects of employees' remuneration by the issuing of shares or cash may include employees of controlled or subordinate companies who meet certain criteria.

Article 27: In case of any earnings in the final accounts of the year, the Company shall pay taxes and make up for losses according to law, and 10% of the balance shall be appropriated as the legal reserve. However, this requirement shall not apply when the legal reserve has reached the paid-in capital. In addition, after the special reserve is appropriated or reversed in accordance with relevant laws and regulations, the balance plus the undistributed earnings at the beginning of the same period will be the cumulative distributable earnings to shareholders, and the board meeting shall formulate an earnings distribution proposal and submit it to the shareholders' meeting for resolution.

Chapter VI Supplementary Provisions

Article 28: Any matters not covered in these Articles of Association shall be handled in accordance with the Company Act and other relevant laws and regulations.

Article 29: The Articles of Association is established on March 8, 2022.

Appendix 4-2

GIGA-BYTE TECHNOLOGY CO., LTD.

Book value of relevant operating assets and liabilities of the Netcom business to be divided

<u>2021/12/31</u>	<u>Unit : NT\$ thousand</u>
Assets	
Current assets	6,426,959
Investments using equity method	227,170
Fixed assets	83,934
Other assets	8,285
Total assets (1)	6,746,348
Liabilities	
Current liabilities	5,788,680
Other liabilities	124,068
Total liabilities (2)	5,912,748
Net (business value) (1)-(2)	833,600

Appendix 4-3



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Company tax code : 20396901

Summary of Accountant's Opinion

March 9, 2022

Cheng-Bei-Chuan No. 111035

Appointor: Gigabyte Technology Co., Ltd. (hereinafter referred to as the Company)

Appointment content: In order to improve the competitiveness and operating performance, the Company plans to carry out organizational adjustment and professional division of labor, and transfer the relevant operations (including assets, liabilities and business) (hereinafter referred to as the evaluation object) of its Netcom business to Giga Computing Technology Co., Ltd. (hereinafter referred to as "Giga Computing"), a 100% owned subsidiary of the Company, and appoints the account to express an opinion on the reasonableness of the value of the share swap for the division.

Legal basis: Article 10 of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.

Basis for forming the opinion: After making reference to the relevant Q&A set and explanatory letter of the Accounting Research and Development Foundation, and performing necessary evaluation and analysis, the accountant adopted the book value method as the transaction consideration of this division case.

Conclusion: According to the analysis and evaluation of the accountant, the net value of the evaluation object is equal to the consideration of the new shares expected to be issued by Giga Computing, with no profit or loss generated. Besides this, Giga Computing is a 100% owned subsidiary of the Company before and after the division and transfer, and this division has no impact on the equity of the Company's shareholders. Therefore, the accountant believes that it is reasonable for the share swap for the division to be conducted based on the book value of relevant operations as the consideration.

WeTec International CPAs

Accountant: Lai, Ming-Yang

March 9, 2022

Declaration

In accordance with the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” and relevant laws and regulations, and with reference to the Evaluation Criteria Bulletin of the Republic of China, or the relevant self-discipline norms issued by the professional association and Practical Guidelines for Expert Opinions, the accountant has issued the evaluation opinion, and hereby declares the following:

1. The opinion issued by the accountant and the data sources, parameters and information used in the implementation of operating procedures are complete, correct and reasonable, so as to serve as the basis for issuing this opinion.
2. Before undertaking this case, it was confirmed that the qualification requirements in paragraph 1, Article 5 of the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” were met by the accountant, and the professional ability and practical experience of the accountant were carefully evaluated in accordance with subparagraph 1, paragraph 2 of the same article.
3. During the execution of this case, the appropriate operation process was properly planned and implemented to form a conclusion and issue an opinion accordingly; the procedures, data collected and conclusion are detailed in the working paper of the case.
4. There are no such situations of mutual or substantial relationship between the accountant and the transaction parties in this case or the professional appraiser or appraising staff who issue the appraisal opinion as specified in subparagraphs 2 and 3, paragraph 1, Article 5 of the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies,” and the accountant declares that there are none of the following circumstances:
 - (1) The accountant or his spouse is currently employed by the transaction parties in this case as a regular employee for a fixed salary, or serves as a director or supervisor.
 - (2) The accountant or his spouse has served as a director, supervisor or manager of the transaction parties, or an employee with a significant influence on the case who has been relieved or resigned for less than two years.

- (3) The entity for which the accountant or his spouse works is a related party of the transaction parties in this case.
 - (4) The accountant has a spouse or second-class relative relationship with the transaction parties' directors, supervisors, managers or employees with a significant influence on the case.
 - (5) The accountant or his spouse has a significant investment in or financial interest relationship with the transaction parties in this case.
5. The accountant has the professionalism and independence required, has assessed the important basis for forming an opinion, has assessed that the information used is correct and reasonable, and has followed the Practical Guidelines for Expert Opinions and relevant laws and regulations, and there is no contingent remuneration or pre-set opinion or conclusion.

Accountant's Opinion

1. Appointor: Gigabyte Technology Co., Ltd. (hereinafter referred to the Company or Gigabyte)
2. Appointed expert: Accountant Lai, Ming-Yang of WeTec International CPAs
3. Appointment content: In order to improve the competitiveness and operating performance, the Company plans to carry out organizational adjustment and professional division of labor, and transfer the relevant operations (including assets, liabilities and business) (hereinafter referred to as the evaluation object) of its Netcom business to Giga Computing Technology Co., Ltd. (hereinafter referred to as "Giga Computing"), a 100% owned subsidiary of the Company, and appoints the accountant to express an opinion on the reasonableness of the value of the share swap for the division.
4. Value standard: As this case is an organizational reorganization, the book value is taken as the value standard for this opinion.
5. Value premise: This opinion is based on the premise that the business of the Company complies with laws and regulations and continues to operate.
6. Valuation base date: December 31, 2021.
7. Significant assumptions and restrictions:
 - (1) Because the internal and external factors of the Company have a significant impact on the evaluation, the information disclosed in this opinion is crucial to the conclusion of value, and this opinion does not hide any information.
 - (2) The accountant only assesses the rationality of the division case from the perspective of an independent third party, and has not actually participated in the structural design and planning of the division case. If the actual transaction content is inconsistent with the information provided by the management of Gigabyte on the evaluation base date, or the hypothetical premise such as economic situation changes later, the conclusion of this opinion will also change

accordingly. After the issuance of this opinion, if the actual situation changes or the premise assumptions change, then the actual results will be different from the analysis results of the accountant, and the accountant will not make an update unless appointed for a re-evaluation.

- (3) The accountant's main business is not to provide professional legal services. Therefore, the accountant cannot judge any legal proceedings that may affect the evaluation from the perspective of a professional lawyer.
 - (4) The accountant's evaluation procedures are based on the book value of the financial statements audited by the CPA of Gigabyte as of December 31, 2021 provided by the management of Gigabyte, and the accountant has not conducted an independent verification or review of the overall fidelity, completeness and correctness of such information provided by the Company. Due to the scope of appointment, the accountant also has not conducted an audit in accordance with the Generally Accepted Auditing Standards. The accountant assumes that such information is true, reliable and trustworthy; therefore, the accountant does not express any opinion or provide any guarantee on the content of such financial information.
8. The accountant expresses an opinion on the reasonableness of the value of the shares to be swapped for this division case in accordance with Article 10 of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.
 9. Gigabyte is a listed company in Taiwan mainly engaged in the manufacturing, processing and trading of computer hardware peripherals and parts. In order to improve the competitiveness and operating performance of the group, Gigabyte intends to carry out organizational adjustment and professional division of labor and divide and transfer the evaluation object to Giga Computing, and Giga Computing will issue shares to Gigabyte as the consideration. Gigabyte will make a swap for the ordinary shares newly issued by Giga Computing at NT\$10 per share, for totally 83,360,000 ordinary shares of Giga Computing (par value 10 per share). If there is any odd-lot share due to the swap, Giga Computing will pay cash to Gigabyte in one

go according to the business value of the odd-lot share within 30 days after completing the change registration, but the actual amount of the division shall still be subject to the book value on the base date of the division. The base date of the division is tentatively set on January 1, 2023.

10. As the evaluation object and Giga Computing are 100% owned by the Company, the Company holds 100% of the business value of the evaluation object before this division, and still holds it indirectly after this division, there is no material transfer of the management right and control right of the evaluation object, and the essence of the transaction should be organizational restructuring.
11. As of the evaluation base date, the book value of the subject assets the Company intends to divide and transfer to Giga Computing is NT\$6,746,348 thousand, the book value of liabilities is NT\$5,912,748 thousand, and the net amount is NT\$833,600 thousand. The book values of the assets and liabilities of the evaluation object on the base date are as follows:

Subject	Book value on the evaluation base date (NT\$ thousand)
Assets	
Current assets	6,426,959
Investments using equity method	227,170
Fixed assets	83,934
Other assets	8,285
Total assets	6,746,348
Liabilities	
Current liabilities	5,788,680
Other liabilities	124,068
Total liabilities	5,912,748
Net (business value)	833,600

Source: Provided by Gigabyte management

12. Evaluation method:

In view of the fact that there is no material transfer of the management right and control right of the evaluation object, the essence of the transaction should be organizational restructuring. The accountant believes that this division and transfer does not meet the definition in Appendix A of IFRS 3 “Business Merger” (hereinafter referred to as “IFRS 3”), so the relevant accounting treatment of IFRS 3 is not applicable. In accordance with the explanation in paragraph 11 of IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors,” the management may refer to and consider the requirements of IFRS on the treatment of similar and related issues, as well as the definitions of asset, liability, income and expense, recognition criteria and applicability of measurement concepts. Therefore, with reference to the reply on the Q&As of the International Accounting Standards released by the Accounting Research and Development Foundation on October 26, 2018, since IFRS 3 does not clearly define the merger of enterprises under common control, the provisions in the relevant explanatory letters already issued locally shall still apply, and the book value method shall be used.

In addition, with reference to the explanation in the letter from the Accounting Research and Development Foundation referenced (91) Ji-Mi No. 128 on the accounting theory in the third paragraph concerning the accounting treatment involved in a division, if the transferee company becomes an affiliate after the transfer, the original book value of the transferred assets and liabilities shall be regarded as the cost of acquiring the assets and liabilities, with the net amount of the two as the basis and the nominal amount as the share capital; the part exceeding the nominal amount shall be taken as the capital reserve.

The evaluation on the evaluation base date is based on the proforma balance sheet provided by the management of Gigabyte on the evaluation base date, and the total net value (business value) of the evaluation object is NT\$833,600 thousand.



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13. Conclusion:

After referring to the Q&As of released by the Accounting Research and Development Foundation and its explanation letter, the accountant adopts the book value method for accounting treatment and takes the original book value of the transferred assets and liabilities as the cost of acquiring the assets and liabilities, with the net worth of both as the basis. Based on the proforma balance sheet provided by the management of Gigabyte on the evaluation base date and after performing necessary evaluation and analysis, the business value of the evaluation object is NT\$833,600 thousand. As of the evaluation base date, Giga Computing plans to issue 83,360,000 ordinary shares (with a face value of NT\$10 per share) to Gigabyte as the consideration at NT\$10 per share. After verification, the net value after the assessment and analysis above remains the same, and no profit or loss has been incurred. In addition, since Giga Computing is a 100% subsidiary of Gigabyte both before and after the division and transfer, the division has no impact on the rights and interests of Gigabyte's shareholders. Therefore, the accountant believes that it is reasonable to carry out the share swap at the book value as the consideration for the division and transfer of the relevant business.



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Brief Introduction to the Independent Expert

Name: Lai, Ming-Yang

Education: Master of Business Administration, Institute of Engineering and Management, National Taiwan University of Science and Technology

Certificate: The Advanced Examination for Accountants of the Republic of China (Accountant's practice certificate number: Bei-Shi-Kuai-Cheng No. 2123)

Experience: Deloitte Taiwan
BDO Taiwan
Ernst & Young Taiwan

Current position: Accountant/Director of WeTec International CPAs

Appendix 5

GIGABYTE™		GIGA-BYTE TECHNOLOGY CO., LTD.			
Document title	Articles of Incorporation		Ref. No.	—	
Establishing date	2019.06.12	Version	27.0	Page	7 — 1
Established by (unit/staff)	Board of Directors		Doc. Level	General	

Chapter I General Provisions

- Article 1 This Company is incorporated as a company limited by shares in accordance with the Company Act and other applicable laws of the Republic of China in the name of 技嘉科技股份有限公司 in Chinese or Gigabyte Technology Co., Ltd. in English.
- Article 2 This Company shall conduct business in the following areas:
- (1) CC01110 Office Machines Manufacturing
 - (2) I301010 Software Publication
 - (3) F113010 Wholesale of Other Machinery and Equipment
 - (4) CC01080 Electronic Parts and Components Manufacturing
 - (5) CH01040 Toys Manufacturing
 - (6) CC01070 Telecommunication Equipment and Apparatus Manufacturing
 - (7) CC01101 Restrained Telecom Radio Frequency Equipment and Materials Manufacturing
 - (8) F401021 Restrained Telecom Radio Frequency Equipment and Materials Import
 - (9) F118010 Wholesale of Computer Software
 - (10) F113050 Wholesale of Computing and Business Machinery Equipment
 - (11) F113070 Wholesale of Telecom Instruments
 - (12) F213060 Retail Sale of Telecom Instruments
 - (13) I301030 Digital Information Supply Services
 - (14) ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 2-1 The Corporation may provide endorsement and guarantee and act as a guarantor for business purpose in accordance with the rules and regulations of securities competent authorities.
- Article 2-2 The total amount of the Company's re-investments shall not be subject to the restriction of not more than forty percent of the Company's paid-up capital.
- Article 3 This Company headquarters in New Taipei City, Republic of China. With the resolution made by the Board of Directors, the Company may establish branches inside and outside of the territory of the Republic of China.
- Article 4 (Deleted).

Chapter II Shares

- Article 5 The total authorized capital of the Company is New Taiwan Dollar Nine Point Five Billion (NTD9.5 billion) divided into nine hundred and fifty million (950,000,000) shares with a par value at New Taiwan Dollar Ten (NTD10) each. The Board of Directors is authorized to issue such shares in a series of issuance. A total of 50,000,000 shares among the above total capital stock should be reserved for issuing employee stock options, preferred shares with warrants, or bonds with warrants for exercising warrants.
- Article 6 The Corporation may issue shares without printing share certificate(s), provided that registration is made to centralized securities depository enterprises.

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Established by (unit/staff)	Board of Directors		Doc. Level	7 — 2 General

Article 7 Unless otherwise specified other laws and regulations, the Company shall handle shareholder services in accordance with the Regulations Governing the Administration of Shareholder Services of Public Companies promulgated by securities competent authorities.

Article 8 (Deleted)

Article 9 Registration for transfer of shares shall be suspended sixty (60) days prior to the date of the annual meeting of shareholders, thirty (30) days prior to the date of a provisional meeting of shareholders, or within five (5) days prior to the day on which dividend, bonus, or any other benefit is scheduled to be paid by the Company.

Chapter III Meetings of Shareholders

Article 10 Meetings of shareholders include the annual meeting of shareholders and the provisional meeting of shareholders. The Board of Directors according to the law shall convene the former once a year within six (6) months after the end of each accounting year and the latter shall be convened according to the law where necessary.

Article 11 Unless otherwise specified by other laws and regulations, written notices shall be sent to all shareholders at least thirty (30) days prior to the annual meeting of shareholders and at least fifteen (15) days prior to the provisional meeting of shareholders. With the consent of respondents, the notice of shareholders' meetings shall be delivered by e-mail.

Article 12 Shareholders holding more than three percent (3%) of the total amount of issued shares for more than one (1) year may make proposals and specify the explanation in writing to request the Board of Directors to convene a provisional meeting of shareholders. The Board of Directors shall issue the notice of provisional meeting of shareholders within fifteen (15) days after the request is made.

Article 13 The chairman of the Company shall host the meetings of shareholders. In the absence of the chairman, the vice chairman shall host the meetings of shareholders. In the absence of both the chairman and vice chairman, the chairman may assign a director to host such meetings. Where the chairman assigns no agent, directors should elect a director to host the meetings.

Article 14 Where a shareholder is unable to attend a meeting, he/she may appoint a proxy to represent him/her and specify the scope authorization in the proxy issued by the Company. The use of proxies shall be subject to the Company Act and the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies promulgated by securities competent authorities.

Article 15 Unless otherwise specified by other laws and regulations, each shareholder of the Company is entitled to one vote.

Article 16 Unless otherwise specified by other laws and regulations, a meeting of shareholders shall be held with the attendance of shareholders representing at least half of total amount of issued shares, and resolutions of the meetings of shareholders shall be made with the approval of over 50% vote of shareholders attending the meeting.

Article 16-1 Shareholders of the Company shall make resolutions on the following:

- (1) Amendment of this "Articles of Incorporation".
- (2) Election and dismissal of directors.

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- (3) Granting permission for a director to do anything for himself or on behalf of another person within the scope of business of the Company.
- (4) Entering into, amending, or terminating any contracts for the lease of the Company's business in whole, or for entrusted business, or for regular joint operations with others.
- (5) Transfer of whole of or any essential part of the Company's business or assets.
- (6) Acceptance of transfer of whole of the business or assets of others that may bring significant influence to the Company's operations.
- (7) Other affairs required for the resolution of the meeting of shareholders according to other applicable laws and regulations.

Article 16-2 When issuing certificates of employee stock operations at a price lower than the closing price of the Company's common shares on the date of issue, this shall be approved by at least two-third of votes at a meeting of shareholders attended by shareholders representing at least more than half of total amount issued shares of the Company prior to issue.

Article 16-3 This Company may buy back shares of the Company and transfer them to employees at an average price lower than the actual buyback price. This shall be approved by at least two-third of votes at a meeting of shareholders attended by shareholders representing at least more than half of total amount issued shares of the Company prior to transfer.

Article 17 This Company shall have five to nine (7-11) authorized directors elected from by the meeting of shareholders among competent shareholders. The term of each role shall be three (3) years, and each role is eligible for a second term.

At least three of these directors shall be independent directors and the number of seats shall at least be one fifth of the board.

The ratio of shares held by all directors shall be subject to the regulations promulgated by securities competent authorities.

In a director election, each share has the same voting rights equal to the number of directors to be elected, and a shareholder may cast all his/her voting rights to one candidate or among several candidates (not more than the total number of candidates in the same election), and candidates receiving more voting rights shall be elected as directors.

Independent directors and non-independent directors shall be elected at the same election, with number of seats calculated separately.

Independent directors shall exercise their authority and follow codes according to relevant regulations promulgated by securities competent authorities.

Article 17-1 This Company adopts the nomination scheme for director elections in Article 192-1 of the Company Act. Accepting way and announcement of the nomination of candidates for directors and other related matters shall be handled in accordance with the provisions of the relevant laws of the Company Act and the Securities and Exchange Act.

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Article 17-2 The Board of Directors of the Company may establish various functional committees according to relevant laws and regulations or based on business needs.

This Company forms the Audit Committee with all independent directors in accordance with Article 14-4 of the Securities and Exchange Act. Committee members of the committee shall exercise the duties and authority of a supervisor specified in the Company Act, Securities and Exchange Act, and relevant laws and regulations.

Article 18 Directors shall elect from among themselves a chairman and a vice chairman of the Board of Directors by at least half of directors at a board meeting attended at least two-third of all directors. The chairman represents the Company externally and administers corporate business internally. The vice chairman shall assist the chairman on carrying out his/her duties.

Article 19 The Board of Directors shall hold at least one board meeting each quarter. Provisional board meetings shall be held where necessary. Except for the first board meeting of every term of the newly established Board of Directors, which shall be convened by the director with the majority votes in the election, board meetings shall be convened and chaired by the chairman of the board. In the absence of the chairman, the vice chairman shall take his/her place at the board meeting. In the absence of both the chairman and vice chairman, the chairman may assign a director to take his/her place at the board meeting. Where the chairman assigns no agent, directors should elect a director to host the meetings. A board meeting notice may be delivered by fax or by e-mail.

Article 20 Unless otherwise specified by the law or the resolutions that shall be made by the meeting of shareholders in this “Articles of Incorporation”, business of the Company shall be executive according to the resolution made by the Board of Directors.

Article 21 Unless otherwise specified in the Company Act, a board resolution shall be approved by at least half of all directors and half of directors attending the board meeting.

Article 22 A director may authorize another director to represent him/her at a board meeting by written authorization. Such authorization may include exercising the voting rights of the assignor for all proposals discussed at the board meeting. Each director shall only represent one other director at a board meeting.

Article 23 (Deleted).

Article 23-1 (Deleted).

Article 24 (Deleted).

Article 24-1 (Deleted).

Article 25 The board in accordance with Article 28 of this “Articles of Incorporation” shall determine the remuneration for the directors of the Company. The Board of Directors is authorized to determine through discussions the travel expenses and meeting attendance fee of directors according to the general standard of the same industry. This Company may arrange liability insurance for the scope of business executed by directors during their term.

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Established by (unit/staff)	Board of Directors		Doc. Level	7 — 5 General

Chapter V Managerial Officers

Article 26 This Company shall have one president and several vice presidents. Each business unit shall have a unit president and several vice presidents. Their appointment, dismissal, and remuneration shall be approved by at least half of all directors at a board meeting attended by at least half of all directors. These managerial officers shall execute routine business operations and management of the Company in accordance with the internal codes of the Company and the resolutions made by the meeting of shareholders and the Board of Directors. They are authorized to sign documents for and on behalf of the Company within their authority.

Chapter VI Accounting

Article 27: The accounting year of the Company begins from January 1 and ends on December 31 of each year. After the end of each accounting year, the board shall prepare the following reports and statements and submit them meeting of shareholders for recognition:

1. business report;
2. financial statements; and
3. proposal for profit allocation or action to deal with losses and relevant reports and statements.

Article 28: Dividend Policy

If there is a profit after the annual closing of books, the Company shall appropriate 3-10% as compensations for employees and not more than 3% as remuneration for directors. If there are accumulative deficits, the amount for covering the losses of previous years shall first be retained.

The compensations for employees described above shall be distributed in either stock or cash, and the remuneration for directors shall be distributed in cash. Compensations shall be approved by over half of the directors at a board meeting attended by two-third of the board members. In addition, the compensations for employees and directors shall be reported to the meeting of shareholders.

Employees receiving the compensations for employees distributed in stock or cash shall include employees of affiliates meeting relevant requirements. The Board of Directors shall determine the definition of affiliates, distribution requirements, and distribution methods.

This Company is in a highly competitive industry with a changeful environment, and the business life cycle has become mature. In consideration of the need for operating funds in the future and long-term financial planning, and to fulfill the demand for cash in-flow of shareholders, if there is a profit after the annual closing of books, the Company shall appropriate, the Company shall distribute the profit according to the following orders:

1. Cover the losses of previous years and pay the profit-seeking enterprise annual income tax.
2. Appropriate 10% to the legal reserve (except when the amount of legal reserve has reached the total authorized capital of the Company).
3. Appropriate or revert to special reserves according to the laws and regulations or the rules of competent authorities.

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4. After deducting the amount calculated under Item 1 to Item 3, together with 5% to 80% of the accumulated undistributed surplus of the previous year, the Board shall, at the time of issue of the issuance of new shares, call upon the shareholders' meeting to authorize the Board to delegate to more than two-thirds directors and to attend the resolutions of more than half of the directors in accordance with the provisions of the Company Act, and shall assign dividends and dividends or all or part of the statutory surplus reserve and capital public funds provided for in Paragraph I of Article 241 of the Company Act, for the payment of cash, and report to the shareholders' meeting. However, the ratio for distribution of this profit and the ratio of cash dividends should be adjusted with the resolution of the meeting of shareholders according to the actual profit and fund condition of that year. The ratio of cash dividends for shareholders shall not be less than 5% of the total shareholder dividend. In addition, cash dividends less than NT\$0.1 per share will only be distributed through stock dividends.

Article 28-1 When making the profit distribution proposal, the Board of Directors shall consider the general bonus standard in relevant industries and adopt the dividend equalization policy to distribute bonus on a healthy and steady principle. When distributing bonus in new share or cash with the legal reserve or capital reserve, the Board of Directors shall coordinate with the status of stock dividend from retained earnings and dividend equalization policy and implement in accordance with relevant laws and regulations.

Chapter VII Supplemental Provisions

Article 29 The regulations governing the internal organization of the Company shall be established independently.

Article 30 Matters not addressed by this “Articles of Incorporation” shall be governed by the Company Act and other applicable laws.

Article 31 This “Articles of Incorporation” was established on March 24, 1986.

1st amendment was made on September 1, 1986.

2nd amendment was made on August 30, 1988.

3rd amendment was made on March 20, 1989.

4th amendment was made on June 3, 1991.

5th amendment was made on July 2, 1995.

6th amendment was made on May 15, 1996.

7th amendment was made on January 27, 1997.

8th amendment was made on April 19, 1997.

9th amendment was made on March 25, 1998.

10th amendment was made on May 4, 2000.

11th amendment was made on May 11, 2001.

12th amendment was made on May 23, 2002.

13th amendment was made on June 17, 2003.

14th amendment was made on June 9, 2004.

15th amendment was made on June 9, 2005.

16th amendment was made on April 12, 2006.

17th amendment was made on June 13, 2008.

18th amendment was made on June 16, 2009.

19th amendment was made on June 17, 2010.

20th amendment was made on June 15, 2011.

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21st amendment was made on June 18, 2012.
22nd amendment was made on June 11, 2014.
23rd amendment was made on June 17, 2015.
24th amendment was made on June 15, 2016.
25th amendment was made on June 11, 2018.
26th amendment was made on June 12, 2019.

Appendix 6

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Chapter I General Provision

Article 1 This Procedure is established in accordance with Article 36-1 of the Securities and Exchange Act and relevant regulations prescribed by the competent authority to protect investment, enforce information disclosure, and reinforce the management of asset acquisition and disposal of the Company for the basis of implementation.

Article 2 In this Procedure, the scope of “asset” includes:

1. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.
2. Real property (including land, houses and buildings, investment property, rights to use land, and construction enterprise inventory) and equipment.
3. Memberships.
4. Patents, copyrights, trademarks, franchise rights, and other intangible assets.
5. Right-of-use assets.
6. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
7. Derivatives.
8. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.
9. Other major assets.

Article 3 Terms used in this Procedure are defined as follows:

1. Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) agreements.
2. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156-3 of the Company Act.
3. Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

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4. Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.
5. Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.
6. Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.
7. Investment professional: Refers to financial holding companies, banks, insurance companies, bill finance companies, trust enterprises, securities firms operating proprietary trading or underwriting business, futures commission merchants operating proprietary trading business, securities investment trust enterprises, securities investment consulting enterprises, and fund management companies, that are lawfully incorporated and are regulated by the competent financial authorities of the jurisdiction where they are located.
8. Securities exchange: “Domestic securities exchange” refers to the Taiwan Stock Exchange Corporation; “foreign securities exchange” refers to any organized securities exchange market that is regulated by the competent securities authorities of the jurisdiction where it is located.
9. Over-the-counter venue: “Domestic OTC venue” refers to a venue for OTC trading provided by a securities firm in accordance with the Regulations Governing Securities Trading on the Taipei Exchange; “foreign OTC venue” refers to a venue at a financial institution that is regulated by the foreign competent authority and that is permitted to conduct securities business.

Article 4 Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters who provide the Company with appraisal reports, certified public accountant opinions, attorney opinions, or underwriter opinions shall meet the following requirements:

1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.
2. May not be a related party or de facto related party of any party to the transaction.
3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.

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When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:

1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.
2. When examining a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.
3. They shall undertake an item-by-item evaluation of the comprehensiveness, accuracy, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.
4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and accurate, and that they have complied with applicable laws and regulations.

Chapter II Disposition Procedure

Section 1 Establishment of Disposition Procedures

Article 5 Appraisal Procedure for Asset Acquisition or Disposal

When acquiring or disposing assets, this Company shall specify the method(s) and references for price determination and advantages, disadvantages, and efficiency of acquisition or disposal of assets.

Article 6 Asset Acquisition or Disposal Operating Procedure

1. Scope of investments: The scope of investments of the Company covers long-term and short-term securities, derivatives, real property (for business or non-business use) and equipment, except for precious metals and products relating to derivatives.
2. Investment limits
 - (1) The total amount of long-term and short-term external investments of the Company shall not exceed 80% of the Company's net worth as disclosed in the latest CPA audit (review) reports.
 - (2) The total amount of investments in Company owned business and the holding company of owned business shall not exceed 70% of the Company's net worth as disclosed in the latest CPA audit (review) reports; and the total amount of investments in other business and the holding company of other business shall not exceed 20% of the Company's net worth as disclosed in the latest CPA audit (review) reports.
 - (3) The total amount of property or real property investments not intended for business operations shall not exceed 30% of the Company's net worth as disclosed in the latest CPA audit (review) reports.

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3.Amount authorization and authorization level

(1)The transaction terms for asset acquisition or disposal of the Company shall be determined as follows:

Item	Approval	Price Determination
Property and real property for business operations	Subject to the authorization regulations of the Company	Price comparison and negotiation
Property, real property and right-of-use assets thereof not for business operations	Resolution of the Board of Directors	Price comparison and negotiation
Stocks, bonds, and other securities of unlisted companies	Resolution of the Board of Directors	Price comparison and negotiation
Stocks, bonds, and other securities of listed companies	Resolution of the Board of Directors	Market price
Financial assets with fixed profit: stocks, bonds, and other securities	Subject to the authorization regulations of the Company	Market price

(2)Where expert opinions or appraisal reports are required, the expert opinions or appraisal reports shall prevail over the above limitations on transaction terms.

(3)Asset acquisition or disposal projects that shall be approved by the Board of Directors shall first be approved by more than half of the members of the Audit Committee. Where the approval of more than half of the members of the Audit Committee is unavailable, an asset acquisition or disposal project may proceed with the approval of more than two thirds of all directors, and the resolution of Audit Committee members shall be specified in the minutes of the board meeting.

4.Implementation unit(s) and transaction process: The in-charge department(s) of asset acquisition or disposal of the Company shall make a written application and submit to the authorization officer(s) as specified in Article 5 and the preceding article for approval. The procurement, sale, acceptance, settlement, and property registration shall proceed in accordance with the fixed asset management policy of the Company.

Article 6-1 The total amount of long-term and short-term investments or investments in property or real-property not intended for business use and the amount limit on investments in individual securities of individual subsidiaries of the Company, also the scope and amount limit of investments, shall be subject to the net worth as disclosed in the latest CPA audit (review) reports and the paid-in capital of individual subsidiaries in the same proportion as that of the parent company.

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Article 6-2 Apart from handling in accordance with relevant regulations of the Company, managers or case officers of the Company violating this Procedure shall indemnify for any loss caused.

Article 7 In addition to the regulations specified in the preceding article, related party transactions, derivatives transactions, mergers, spin-off, acquisition, or share transfers of the Company shall be implemented in accordance with the regulations specified in sections 3-5 of this Procedure.

Article 7-1 Subsidiaries of the Company shall establish an “asset acquisition or disposal operating and Handling procedure” in accordance with this Procedure. After being approved by the Board of Directors, it shall be submitted to the supervisors and the meeting of shareholders for approval. The same shall apply to the amendments thereof.

Section 2 Acquisition or Disposition of Assets

Article 8 Except for transactions with domestic government agencies, outsourcing construction projects on own property, outsourcing construction projects on leased property, acquiring/disposing equipment or right-of-use assets thereof for business use, when acquiring or disposing real property, equipment or right-of-use assets thereof with a transaction amount up to 20% of the Company’s paid-in capital or over NT\$300 million, this Company shall obtain a professional appraisal report on the subject matter issued by professional appraisers prior to transaction and meet the following requirements:

1. Where a transaction shall be conducted at a limited price, specific price, or special price for a special reason (special reasons), the transaction shall first be approved by the Board of Directors. The same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.
2. When the transaction amount is above NT\$1 billion, two or more professional appraisers shall be hired to appraise the subject matter of transaction.
3. Unless all appraisal prices of asset acquisition are otherwise higher than the transaction price or all appraisal prices of asset disposal are otherwise lower than the transaction price, the in-charge department(s) shall engage a CPA to review the cause(s) of price difference and express opinion on the fairness on the transaction price in accordance with the Statements on Auditing Standards (SAS) 20 published by the Accounting Research and Development Foundation in Taiwan under any one of the following circumstances:
 - (1) The difference between the appraisal price and transaction price is over 20% of the transaction price.
 - (2) The appraisal price of two or more professional appraisers is over 10% of the transaction price.
4. No more than three months shall elapse between the date of issue of the appraisal report by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.

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Article 9 The Company acquiring or disposing securities shall, prior to the date of occurrence of the event, obtain the latest financial statements of the issuing company certified or reviewed by a certified public accountant for the reference of appraising the transaction price.

Except for securities with publicly quoted prices in the active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC), when the transaction amount is 20 percent of the Company's paid-in capital or above NT\$300 million, the Company shall additionally engage a CPA to express an opinion on the fairness of the transaction price prior to the date of occurrence of the event. Where an expert report is required as evidence, the CPA shall proceed in accordance with the SAS 20 published by the Accounting Research and Development Foundation in Taiwan under any of the following circumstances:

1. Acquiring or disposing securities not traded through the stock market or securities companies.
2. Acquiring or disposing privately placed securities.

Article 10 Except for trading with domestic government agencies, when acquiring or disposing intangible assets or right-of-use assets thereof or memberships amounting up to 20% of the Company's paid-in capital or NT\$300 million, the Company shall consult a CPA to express opinion on the fairness of the amount prior to transaction. The CPA shall, in return, proceed in accordance with SAS 20 published by the Accounting Research and Development Foundation in Taiwan.

Article 10-1 The transaction amount referred to in the preceding three articles shall be calculated in accordance with paragraph 2 of Article 26, and "within one previous year" refers to the year preceding the date of occurrence of the current transaction. The section(s) with an appraisal report from a professional appraiser or the CPA opinion obtained in accordance with this Procedure shall be exempted.

Article 11 Where the Company acquires or disposes of assets through a court auction procedure, the evidentiary documentation issued by the court may substitute the appraisal report or CPA opinion.

Section 3 Related Party Transaction

Article 12 When acquiring or disposing assets with a related party, apart from ensuring that the required resolutions are adopted and the fairness of the transaction terms is appraised in accordance with the Procedure, the Company shall obtain an appraisal report from a professional appraiser or the CPA opinion, where transaction amount exceeds 10% of the Company's net worth as disclosed in the latest CPA audit (review) financial report. The transaction amount referred to in the preceding paragraph shall be calculated in accordance with Article 10-1.

When judging whether or not the counterparty is a related party, in addition to the legal formalities, the substance of the relationship shall be considered.

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Article 13 Except for trading domestic bonds and repurchase (RP)/ reserve repurchase (RS) securities, subscribing or buying back money market funds (MMFs) issued by domestic securities investment trust companies, when acquiring or disposing property or right-of-use assets thereof for related parties, or acquiring or disposing assets other than property or right-of-use assets thereof with related parties at a transaction amount up to 20% of the Company’s paid-in capital, up to 10% of the total assets as disclosed in the latest CPA audit (review) report, or over NT\$300 million, the Company shall submit the following data to the Audit Committee and then to the Board of Directors for approval prior to concluding the transaction agreement and disburse the payment:

1. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
2. The reason for choosing the related party as a trading counterparty.
3. With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 14 and Article 15.
4. The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading counterparty's relationship to the Company and the related party.
5. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.
6. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.
7. Restrictive covenants and other important stipulations associated with the transaction.

Acquisition or disposal projects in the preceding paragraph without the approval of more than half of the members of the Audit Committee may proceed with the approval of more than two thirds of all directors, and the resolution of Audit Committee members shall be specified in the minutes of the board meeting.

The transaction amount referred to in the paragraph 1 shall be calculated in accordance with paragraph 2 of Article 26, and “within one previous year” refers to the year preceding the date of occurrence of the current transaction. The section(s) with an appraisal report from a professional appraiser or the CPA opinion obtained in accordance with this Procedure shall be exempted.

With respect to the types of transactions listed below, when to be conducted between the company and subsidiaries, or between subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Board of Directors may authorize the chairman to directly proceed with acquisition or disposal within a designated limit in accordance with item 3, paragraph 1, Article 6, and apply for adoption of the transaction in the next board meeting:

1. Acquisition or disposal of equipment or right-of-use assets thereof held for business use.
2. Acquisition or disposal of real property right-of-use assets held for business use.

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When the transaction is submitted to the Board of Directors for discussion in accordance with paragraph 1, the Board of Directors shall take into full consideration the opinion of each independent director. The disapproval or qualified opinion, if any, of independent directors shall be specified in the minutes of the board meeting.

Article 14 When acquiring real property or right-of-use assets thereof from a related party, the Company shall evaluate the fairness of the transaction cost by appraising:

1. The cost including the transaction price and necessary interest on funding of the related party and the buyer's cost. "Necessary interest on funding" is calculated based on the weighted average interest rate on borrowing in the year the Company purchases the property, provided that the rate shall not exceed the maximum lending rate of non-financial industries announced by the Ministry of Finance.
2. The total value appraised by the lending financial institution where a related party has mortgaged the real property to a financial institution, provided that the actual cumulative amount lent by the financial institution shall be above 70% of the appraised total value and the period of lending shall be over one year. This shall not apply where the financial institution is a related party of one of the trading counterparties.

Where both the land and premises of the same subject matter are purchased or leased in the same transaction, the transaction cost of the land and the premises can be appraised individually in accordance with either means in the preceding paragraph.

When purchasing real property or right-of-use assets thereof from a related party, after appraising the cost in accordance with the preceding two paragraphs, the Company shall engage a CPA to review and express specific opinion on the appraisal results.

Where acquiring real property or right-of-use assets thereof from a related party under any one of the following circumstances, the preceding three paragraphs shall not apply, and the Company shall proceed in accordance with the preceding Article :

1. The related party acquires the real property or right-of-use assets thereof through inheritance or as a gift.
2. More than five years have elapsed between the time when the related party acquires the real property by contract and date of contract execution of the current transaction.
3. The real property or right-of-use assets thereof is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on Company owned land or on rented land.
4. The real property right-of-use assets for business use are acquired by the Company with subsidiaries, or by subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.

Article 15 Where the results of appraisals conducted in accordance with paragraphs 1 and 2 of the preceding article are lower than the transaction price, acquisition shall be proceeded in accordance with Article 16, except under the following circumstance, and objective evidence and the opinion on the fairness of the price expressed by a professional real property appraiser and a CPA are presented.

1. When acquiring undeveloped land or leased land for development, a related party shall submit proof of compliance with any one of the following conditions:

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(1)The sum of the value of undeveloped land appraised in accordance with the preceding paragraph and the value of premises calculated in accordance with the construction cost plus reasonable construction profit of the related party exceeds the actual transaction price. “Reasonable construction profit” shall be either the average gross profit margin of the related party’s construction sector over the last three years or the lasted gross profit margin for the construction industry promulgated by the Ministry of Finance, whichever is lower.

(2)Completed transactions by unrelated parties within the previous year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.

2. When acquiring real property or obtaining real property right-of-use assets through leasing from a related party, this Company shall provide evidence to prove that the terms of the transaction are similar to the terms of transactions completed for the acquisition of neighboring or closely valued parcels of land of a similar size by unrelated parties within the previous year.

Completed transactions for neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transaction for similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the previous year refers to the year preceding the date of occurrence of the acquisition of the real property or right-of-use assets thereof.

Article 16 When acquiring real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with the preceding two Article are uniformly lower than the transaction price, this Company shall:

1. A special reserve shall be set aside in accordance with paragraph 1 of Article 41 of the Securities and Exchange Act against the difference between the real property or right-of-use assets thereof transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. When accounting for investments in another company with the equity method, then the special reserve called for under paragraph 1 of Article 41, paragraph of the Securities and Exchange Act shall be set aside pro rata in a proportion consistent with the share of the company's equity stake in the other company.

2. Supervisors shall comply with Article 218 of the Company Act.

3. Actions taken pursuant to the preceding item shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.

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After setting aside a special reserve under the foregoing paragraph, this Company shall not use the special reserve until it has been recognized as a loss on decline in market value of the assets it purchased or leased at a premium, or has been disposed, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that no unfairness about the transaction is found, and the FSC has given its consent.

When acquiring real property or right-of-use assets thereof from a related party, this Company shall also comply with the foregoing two paragraphs if there is other evidence indicating that the acquisition is not an arm's length transaction.

Section 4 Engaging in Derivatives Trading

Article 17 Derivatives trading shall proceed in accordance with the “Derivatives Trading Operating Procedure” established by the Company.

Section 5 Mergers, Spin-off, Acquisitions, and Transfer of Shares

Article 18 When conducting a merger, spin-off, acquisition, or transfer of shares, prior to convening an audit committee meeting, the Company shall engage a CPA, attorney, or securities underwriter to express opinion on the fairness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit the opinion to the audit committee for approval before referring to the Board of Directors for discussions and approval, except for merging with subsidiaries of which this Company holds, either directly or indirectly, 100% of the totally issued shares or the total capital of such subsidiaries, or the mergers among subsidiaries of which this Company holds, either directly or indirectly, 100% of the totally issued shares or the total capital of such subsidiaries, where said expert opinions can be omitted.

Where the approval of more than half of the members of the Audit Committee is unavailable, such projects may be proceeded with the approval of more than two thirds of all directors, and the resolution of Audit Committee members shall be specified in the minutes of the board meeting.

Article 19 When conducting a merger, spin-off or acquisition project, the Company shall prepare a public report to shareholders specifying the important contractual contents and terms relevant to the merger, spin-off, or acquisition prior to a general meeting of shareholders and include the expert opinion referred to in paragraph 1 of the preceding article when sending the notice of general shareholder meeting to shareholders for the reference of approval of the merger, spin-off, or acquisition; except when the resolution on mergers, spin-offs, or acquisitions by the general meeting of shareholders is otherwise exempted by other laws.

Where the general meeting of shareholders of any one of the companies participating in a merger, spin-off, or acquisition fails to convene or pass a resolution due to the lack of a quorum, insufficient votes, or other legal restrictions, or the proposal is rejected by the general meeting of shareholders, the companies participating in the merger, spin-off, or acquisition shall immediately explain to the public the reason(s), the follow-up measures, and the scheduled date of the next general meeting of shareholders.

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Article 20 Unless other law specifies or for special reasons that have been reported to and approved by FSC, the Company shall convene a board meeting and a general meeting of shareholders on the same day of transaction to resolve relevant matters when conducting a merger, spin-off, or acquisition.

Unless other law otherwise specifies or for special reasons that have been reported to and approved by FSC, the Company shall convene a general meeting of shareholders on the same day of transaction when conducting a transfer of shares.

Article 21 When conducting a merger, spin-off, acquisition, or transfer of shares, the Company shall document the following data and retain such data for five years for auditing:

1. Basic data of personnel: Including the title, name, and citizen ID number (or passport number for aliens) of all persons involved in the planning or implementation of a merger, spin-off, acquisition, or transfer of shares prior to the disclosure of information.

2. Important dates: Including the data of execution of any letters of intent or memoranda of understanding; the date of appointment of a financial advisor or legal consult; the date of contract execution; and the date of the board meeting.

3. Important documents and minutes: Including plan of a merger, spin-off, acquisition, or transfer of shares, any letters of intent or memoranda of understanding, important contracts, and the minutes of board meeting.

When participating in a merger, spin-off, acquisition, or transfer of shares, the Company report the data specified in items 1 and 2 to FSC over the internet in the required format within two days after BOD approval.

Where any of the companies participating in a merger, spin-off, acquisition, or transfer of shares is neither listed on an exchange nor has its shares traded on an OTC market, this Company shall sign an agreement with them and proceed in accordance with paragraphs 1 and 2.

Article 21-1 Every person participating in or acknowledging the plan of a merger, spin-off, acquisition, or transfer of shares shall sign a non-disclosure agreement and shall neither disclose the contents of the plan nor trade any stocks or other equity-based securities of any companies related to the plan of a merger, spin-off, acquisition, or transfer of shares in their own name or in the name of other persons prior to the public disclosure of information.

Article 22 When conducting a merger, spin-off, acquisition, or transfer of shares, the Company shall not arbitrarily alter the share exchange ratio or acquisition price except for the following circumstances. The Company shall also specify in the contract the circumstances for altering the terms of the merger, spin-off, acquisition, or transfer of shares.

1. Issuance of common stock for cash, convertible corporate bonds, bonus shares, corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity-based securities.

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2. An action, such as a disposal of major corporate assets, that affects the Company's financial operations.
3. An event, such as a major disaster or major change in technology, that affects shareholder equity or share price.
4. An adjustment where any one of the companies participating in a merger, spin-off, acquisition, or transfer of shares buys back treasury stock by law.
5. An increase or decrease in the number of entities or companies participating in a merger, spin-off, acquisition, or transfer of shares.
6. Other terms/conditions that can be altered as specified in the contract and that have been publicly disclosed.

Article 23 When conducting a merger, spin-off, acquisition, or transfer of share, apart from the rights and duties of participants, the Company shall specify the following:

1. Handling of breach of contract.
2. Principles for handling equity-based securities previously issued or treasury stock previously bought back by a participant that will be extinguished after a merger or spin-off.
3. The quantity of treasury stocks that participants permitted to buy back by law after the base date of calculation of the share exchange ratio, and the principles for handling thereof.
4. The way(s) for handling changes in the number of participating entities or companies.
5. Preliminary schedule for plan execution and the anticipated date of completion.
6. The procedures, including the scheduled date, for convening a general meeting of shareholders by law where the plan is overdue.

Article 24 Where a participant wishes to conduct a merger, spin-off, acquisition, or transfer of shares with another company after publicly disclosing a merger, spin-off, acquisition, or transfer of shares with the Company, all participants shall process again all procedures or legal actions that have been completed for the previous merger, spin-off, acquisition, or transfer of shares; except for a reduction of the number of participants that has been resolved and authorized the Board of Directors to change the authority by the general meeting of shareholders that participants may be exempted from calling another general meeting of shareholders to resolve on the merger, spin-off, acquisition, or transfer of shares again.

Article 25 Where the participant of a merger, spin-off, acquisition, or transfer of shares is not a public company, the Company shall sign an agreement with this participant and proceed in accordance with articles 20, 21-1, 21-1, and 24.

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Chapter III Public Disclosure of Information

Article 26 When acquiring or disposing assets, the Company shall publish/report relevant information by the asset type in the required format on the website designated by FSC within two days after occurrence under any one of the following circumstances:

1. Acquiring or disposing property or right-of-use assets thereof for related parties, or acquiring or disposing assets other than property or right-of-use assets thereof with related parties at a transaction amount up to 20% of the Company's paid-in capital, up to 10% of the total assets as disclosed in the latest CPA audit (review) report, or over NT\$300 million, except for trading domestic bonds and RP/RS securities, subscribing or buying back MMFs issued by domestic securities investment trust companies.
2. Conducting mergers, spin-offs, acquisitions, or transfer of shares.
3. Acquiring or disposing of equipment or right-of-use assets thereof for business operations with counterparties who are not a related party at an amount up to any one of the following:
 - (1) Public companies with a paid-in capital under NT10 billion and a transaction amount over NT\$500 million.
 - (2) Public companies with a paid-in capital over NT10 billion and a transaction amount over NT\$1 billion.
4. Acquiring or disposing of property or right-of-use assets thereof for construction with counterparties who are not a related party of public construction companies at an amount over NT\$500 million; among such cases, if the public company has paid-in capital of NT\$10 billion or more, and it is disposing of real property from a completed construction project that it constructed itself, and furthermore the transaction counterparty is not a related party, then the threshold shall be a transaction amount reaching NT\$1 billion or more.
5. Acquiring property through outsourcing construction projects on owned property, outsourcing construction projects on leased property, or joint construction and furthermore the transaction counterparty is not a related party at a planned investment amount over NT\$500 million.
6. Asset transactions, obligations disposed by financial institutions, or investments in mainland China other than that mentioned in the foregoing five paragraphs at an amount up to 20% of the Company's paid-in capital or over NT\$300 million, except for the following circumstances:
 - (1) Domestic bond trading.
 - (2) Securities trade in stock exchanges or securities companies of professional investment companies, or ordinary corporate bonds and non-share-related ordinary financial bonds (excluding subordinated debt) from offering subscribed from the primary market or subscription or redemption of securities investment trust funds or futures trust funds or securities subscribed in accordance with the regulations of from Taipei Exchange by a securities company for underwriting needs or consulting emerging companies.
 - (3) Trading RP/RS securities, subscribing or buying back MMFs issued by domestic securities investment trust companies.

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The amount of the said transactions shall be calculated as follows:

1. The amount of individual transactions.
2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty within one year.
3. The cumulative transaction amount of real property or right-of-use assets thereof acquisitions and disposals (cumulative acquisitions and disposals, respectively) under the same development project within one year.
4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within one year.

Within one previous year” in the above paragraph refers to the year previous the date of occurrence of the current transaction.

Where there are mistakes or omissions of the items required for disclosure requiring corrections or supplementations found at the time of disclosure, the Company shall re-disclose all items within two days after acknowledgement.

Unless other law otherwise specifies, when acquiring or disposing assets, the Company shall retain for at least five years all relevant contracts; minutes of meetings; memorandum book; appraisal reports; and the opinion expressed by the CPA, attorney, and securities underwriter.

Article 27 After publishing/reporting a transaction as specified above, the Company shall publish/report relevant information on the website designated by the FSC within two days from occurrence under any one of the following circumstances:

1. Alteration, termination, or rescission of signed contracts relating to the transaction.
2. A merger, spin-off, acquisition, or transfer of share is not completed as scheduled.
3. Change in the published information.

Article 28 This Company may represent a subsidiary that is not a domestic public company in acquisition or disposal of assets that shall be disclosed in accordance with articles 26 and 27.

The paid-in capital or the total assets as disclosed in the latest CPA audit (review) report shall apply to the information disclosure criteria in paragraph 1 of Article 26: a transaction amount up to 20% of the Company’s paid-in capital or up to 10% of the total assets as disclosed in the latest CPA audit (review) report for subsidiaries mentioned in the preceding paragraph.

Article 28-1 The transaction restriction at 10% of total assets in this Procedure shall be calculated in accordance with the amount of total capital disclosed in the latest individual financial statements prepared in accordance with the Preparation of Financial Reports by Securities Issuers.

Where shares have no par value or a par value other than NT\$10, the transaction restriction at 20% of paid-in capital in this Procedure shall be calculated at 10% of the equity attributed to owners of the parent company.

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Chapter IV Addendum

Article 29

This procedure shall be approved by more than half of all audit committee members and submitted to the Board of Directors for a resolution. And to report on the implementation of the resolution of the shareholders' meeting after its adoption, and the amendment likewise.

When the procedures are submitted for discussion by the Board of Directors, the Board of Directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting.

When acquiring or disposing assets, it shall be approved by more than half of all audit committee members and submitted to the Board of Directors for a resolution.

When the transactions for the acquisition and disposal of assets are submitted for discussion by the Board of Directors, the Board of Directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

If approval of more than half of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting.

The terms "all audit committee members" and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.

Appendix 7

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1. To establish a strong governance system and optimize supervisory functions of the meeting of shareholders and to strengthen management functions, the Company establishes these Rules in accordance with Article 5 of the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.
2. The rules of procedures for the meetings of shareholders of the Company shall comply with these Rules, unless otherwise specified in other laws and regulations.
3. Unless otherwise specified in other laws and regulations, meetings of shareholders of the Company shall be convened by the Board of Directors.

This Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. This Company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, the Company shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby as well as being distributed on-site at the meeting place.

The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

The election or discharge of directors or supervisors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, dissolution, merger, or demerger of the Company, or any matter under Article 185 paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, or Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, shall be set out in the notice of the reasons for convening the shareholders meeting and the essential contents shall be explained. None of the above matters may be raised by an extraordinary motion.

Re-election of directors and their date of assuming office have been stated in the reasons for convening shareholders meeting. After the re-election in the current shareholders' meeting, the date of assuming office shall not be changed by extraordinary motions or other methods in the same meeting.

A shareholder holding 1% or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular shareholders meeting. Only one matter shall be

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allowed in each single proposal, and in case a proposal contains more than one matter, such proposal shall not be included in the agenda. However, a shareholder proposal urging the Company to promote public interests or fulfill its social responsibilities may still be included in the list of proposals by the Board of Directors. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda.

Prior to the book closure date before a regular shareholders meeting is held, the Company shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.

Prior to the date for issuance of notice of a shareholders meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the Board of Directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

4. For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting and shall deliver the proxy form to the Company before 5 days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company before 2 business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

5. The venue for a shareholders meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.

6. This Company shall specify in its shareholders meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.

Shareholders and their proxies (collectively, "shareholders") shall attend meetings of shareholders based on attendance cards, sign-in cards, or other certificates of attendance. This

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Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

This Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

This Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

7. If a shareholders meeting is convened by the Board of Directors, the meeting shall be chaired by the chairman of the board. When the chairman of the board is on leave or for any reason unable to exercise the powers of the chairman, the vice chairman shall act in place of the chairman; if there is no vice chairman or the vice chairman also is on leave or for any reason unable to exercise the powers of the vice chairman, the chairman shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairman does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.

When a managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the Company. The same shall be true for a representative of a juristic person director that serves as chair.

It is advisable that meetings of shareholders convened by the Board of Directors be chaired by the chairman of the board in person and attended by a majority of the directors, at least one supervisor in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

If a shareholders meeting is convened by a party with power to convene but other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

This Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.

8. This Company shall videotape or audiotape the whole process of the meeting of shareholders and retain relevant copies for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.
9. Attendance at meetings of shareholders shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chair shall call the meeting to order at the appointed meeting time and announce information such as the number of non-voting rights shares and shares represented by the attending shareholders. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be

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made.

If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

10. If a shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the Board of Directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote, and arrange adequate voting time.

11. Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.

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After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

12. Voting at a shareholders meeting shall be calculated based the number of shares.

With respect to resolutions of meetings of shareholders, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3 percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

13. A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

When the Company holds a shareholders meeting, it may allow the shareholders to exercise voting rights by correspondence or electronic means (in accordance with the proviso of Article 177-1 of the Company Act regarding companies that shall adopt electronic voting. When the Company holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence). When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company before 2 days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before 2 business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

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Except as otherwise provided in the Company Act and in the Company’s articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company.

Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

14. The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected, as well as the names of those not elected and the number of votes they obtain.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

15. Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

This Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their results (include statistical weight); and where there is election of directors, disclose the number of votes which they were elected. It shall be retained for the duration of the existence of the Company.

Where shareholders express no objection to the resolution method described above when enquired by the chairman, this shall be noted as “unanimous approval of all attending shareholders when enquired by the chairman”. Where shareholders express an objection, the voting method and the number of passing votes and their proportion shall be specified.

16. On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at

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the place of the shareholders meeting.

If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Company (or GreTai Securities Market) regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

17. Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

18. When a meeting is in progress, the chair may announce a break based on time considerations.

If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholders meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

19. These Rules, and any amendments hereto, shall be implemented after adoption by meetings of shareholders.

Appendix 8

GIGA-BYTE TECHNOLOGY CO., LTD.

Shareholding Status by Directors

1. The amount of paid-in capital of the Company is NT\$6,356,888,860, and the number of issued shares is 635,688,886.
2. Referring to Article 26 of the Securities and Exchange Act, the minimum amount of shares held by all directors shall be 20,342,044 shares.
3. Shares held by individual and all directors registered in the list of shareholders by the date of stock transfer suspension for the present meeting of shareholders are tabulated below. This number complies with the minimum requirement specified in Article 26 of the Securities and Exchange Act.

2022/04/16

Title	Name	Shares held	Remarks
Chairman	Pei-Cheng Yeh	30,201,237	
Vice Chairman	Ming Wei Investments Co., Ltd. Represented by: Ming-Hsiung Liu	14,062,200	
Director	Shija Investments Co., Ltd. Represented by: Mou-Ming Ma	3,959,725	
Director	Yuei-yei Kai Fa Investment Limited Represented by: Chun-Ming Tseng	2,192,200	
Director	Shi Da Investment Limited Represented by: Cong-Yuan Ko	9,008,000	
Director	Xi Wei Investment Co., Ltd. Represented by: E-Tay Li	9,187,075	
Independent Director	Hwei-Min Wang	-	
Independent Director	Yi-Hong Chan	-	
Independent Director	Cheng-Li Yang	-	
Total of all directors		68,610,437	

Other Matters

Report on handing proposals made by shareholders for the present annual meeting of shareholders.

Description

1. According to Article 172-1 of the Company Act, shareholders holding more than one percent (1%) of the total amount of issued shares may make one written proposal of not more than 300 words at the annual meeting of shareholders.
2. This Company accepts proposals made by shareholders for the present annual meeting of shareholders during April 1-April 11, 2022. All proposals have been published on the Market Observation Post System (MOPS) according to the law.
3. No shareholder proposal was received this year.