

# **GIGA-BYTE TECHNOLOGY CO., LTD.**

## **Minutes of the 2021 Annual General Meeting**

### **(Translations)**

Time: 9:00 a.m., July 2, 2021 (Friday)

Place: The Company's Taoyuan Nanping plant, 1F., No. 215, Nanping Rd., Pingzhen Dist., Taoyuan City, Taiwan

Attendance: The total amount of shares represented by attended shareholders and proxies is 548,146,064 shares (438,853,066 shares representing electronic voting), commanding 86.22% of the totally issued shares of this Company at 635,688,886 shares, reaching the statutory requirement for the annual general meeting of shareholders. The chairman thus called the meeting to order according to the law.

Attendees: Ming-Hsiung Liu, Mou-Ming Ma, Chun-Ming Tseng, E-Tay Li (these are directors) and Hwei-Min Wang (independent director).

Guests: Se-Kai Lin of PwC Taiwan, CFO Chun-Ying Chen and General Counsel Chih-Peng Chiu.

Chairman: Pei-Chen Yeh

Recorder: Yu-Chi Ting

- I. Calling the meeting to order:** The total amount of shares represented by attended shareholders and proxies has exceeded the statutory requirement, the chairman thus called the meeting to order.
- II. Chairman's address:** (Omitted).
- III. Management presentations**
- (1) 2020 business reports**
- Explanation: Please refer to Appendix 1 2020 Business Report.
- (2) Audit Committee's review report on the 2020 financial statements**
- Explanation: Please refer to Appendix 2 Approval/Audit Report of the Audit Committee.
- (3) Reports on the distribution of compensations to employees and directors in 2020**
- 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 2020, this Company plans to appropriate NT\$583,127,434 and NT\$46,000,000 as compensations for employees and directors respectively. The appropriation ratio is 10% and 0.79% respectively. Both are distributed in cash.
  3. This proposal has been approved by the Compensations Committee Meeting and the Board Meeting.

**(4) Report on 2020 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\$2,542,755,544 to shareholders in accordance with the Articles of Incorporation, at NT\$4 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.
3. The Company proposes to distribute capital reserve of NT\$635,688,886 from the income derived from the issuance of new shares at a premium, at NT\$1 per share. Capital reserve in cash 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.
4. 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.

**(5) Other matters: None.**

**IV. Adoptions**

**Proposal 1: Adoption of the 2020 Business Report and Financial Statements (proposed by the Board)**

Explanation:

1. The 2020 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 2020 Business Report, CPA Audit Report, and Financial Statements of this Company.
3. The 2020 Business Report and 2020 Financial Statements have been approved by the Board meeting and audited by the Audit Committee.
4. Please adopt.

Resolution : The voting results, with 88.99% of shareholders attended the AGM voting for the proposal, of this proposal are shown as follows. The proposal was approved accordingly.

Item	Voting rights represented by attended shareholders	Number of agree votes	Number of disagree votes	Number of invalid votes	Waiver/Not Voted
Number	543,404,102	483,624,571	4,190	0	59,775,341
Proportion	100%	88.99%	0.00%	0%	11.00%
Voting electronically		374,369,144	4,190		59,737,770

## Proposal 2: Adoption of the Proposal for Distribution of 2020 Profits (proposed by the Board)

Explanation:

- 1.2020 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 2020**

(Unit: NT\$)

Items	Total
Beginning retained earnings	7,025,654,842
Add: 2020 Net profit before tax	5,202,146,906
Income tax expense	(827,817,674)
Net profit after tax	4,374,329,232
Other adjustments <sup>2</sup>	(20,056,794)
Less: 10% legal reserve	(435,427,244)
Distributable net profit	10,944,500,036
Cash dividend to shareholders@NT\$4 (see note)	(2,542,755,544)
Unappropriated retained earnings	8,401,744,492

Note:

1. For current year's surplus distribution, 2020 profit shall first be distributed.
2. Other adjustments: This year to determine the benefits of the benefit plan actuarial gains and losses to decrease NT\$ 20,056,794.
3. Current distribution based on 635,688,886 shares (calculated based on number of outstanding shares as of April 18, 2021).

Resolution : The voting results, with 89.65% of shareholders attended the AGM voting for the proposal, of this proposal are shown as follows. The proposal was approved accordingly.

Item	Voting rights represented by attended shareholders	Number of agree votes	Number of disagree votes	Number of invalid votes	Waiver/Not Voted
Number	543,404,102	487,215,142	24,604	0	56,164,356
Proportion	100%	89.65%	0.00%	0%	10.33%
Voting electronically		377,959,715	24,604		56,126,785

## V. Proposals and Discussions

### Proposal 1: Amendment to the Company’s “Rules of Procedure for Shareholder Meetings” (proposed by the Board)

Explanation:

1. With reference to announcement Tai-Zheng-Zhi-Li No.1100001446, “Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings” by Taiwan Stock Exchange Corporation dated January 28, 2021, the revision of the Company’s Rules of Procedure for Meetings of Shareholders is established.
2. Below shows the correspondence of the amendment to the “Rules of Procedure for Shareholder Meetings”.
3. Please discuss.

Revised Edition	Previous Edition	Description
<p>Article 3 Item 1-3 (omitted)</p> <p>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. Below omitted.</p>	<p>Article 3 Item 1-3 (omitted)</p> <p>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. <u>The essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the Company, and such website shall be indicated in the above notice.</u> Below omitted.</p>	<p>To Adjust the announcement method in line with the regulations and to revise the relevant regulations.</p>
<p>Article 9 Item 1 (omitted)</p> <p>The chair shall call the meeting to order at the appointed meeting time <u>and announce information such as the number of non-voting rights shares and shares represented by the attending shareholders.</u> 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. 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. Below omitted.</p>	<p>Article 9 Item 1 (omitted)</p> <p>The chair shall call the meeting to order at the appointed meeting time. 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. 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. Below omitted.</p>	<p>Amendment of relevant provisions to improve corporate governance and safeguard the rights and interests of shareholders.</p>
<p>Article 14</p> <p>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, <u>as well as the names of those not elected and the number of votes they obtain.</u> Below omitted.</p>	<p>Article 14</p> <p>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. Below omitted.</p>	<p>Amendment of relevant provisions to improve corporate governance and safeguard the rights and interests of shareholders.</p>

Resolution : The voting results, with 89.64% of shareholders attended the AGM voting for the proposal, of this proposal are shown as follows. The proposal was approved accordingly.

Item	Voting rights represented by attended shareholders	Number of agree votes	Number of disagree votes	Number of invalid votes	Waiver/Not Voted
Number	543,404,102	487,132,312	102,886	0	56,168,904
Proportion	100%	89.64%	0.01%	0%	10.33%
Voting electronically		377,876,885	102,886		56,131,333

**Proposal 2: Amendment to the Company’s “Rules for Director Election” (proposed by the Board)**

Explanation:

- 1.To amend the “Rules for Director Election” in coordination with the practical needs of the Company and the relevant laws and regulations.
- 2.Below shows the correspondence of the amendment to the “Rules for Director Election”.
- 3.Please discuss.

Revised Edition	Previous Edition	Description
<p>Article 4</p> <p>The eligibility and election of independent directors of this Company shall comply with the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies and Article 24 of the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.</p> <p><u>When the number of independent directors is lower than the requirement in Article 14-2 Paragraph 1 of the Securities and Exchange Act, an independent director by-election shall be held at the next shareholders meeting. When all independent directors have been dismissed, the Company shall convene a special shareholders meeting to hold a by-election within 60 days from the date on which the situation arose.</u></p>	<p>Article 4</p> <p>The eligibility and election of independent directors of this Company shall comply with the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies and Article 24 of the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.</p>	<p>In line with practical needs and related laws and regulations, the paragraph 2 has been added.</p>
<p>Article 5</p> <p>The nomination scheme as specified in Article 192-1 of the Company Act shall apply to the director elections of this Company and be specified in the articles of incorporation. Shareholders shall select directors from the list of candidates.</p> <p>Below omitted.</p>	<p>Article 5</p> <p>The nomination scheme as specified in Article 192-1 of the Company Act shall apply to the director elections of this Company and be specified in the articles of incorporation. Shareholders shall select directors from the list of candidates. <u>To review the eligibility, education background, and involvement in any one of the situations specified in Article 30 of the Company Act of candidates, documents of proof for other eligibility requirements shall not be added without permission. The review results shall be submitted to shareholders for reference to elect the qualified directors.</u></p> <p>Below omitted.</p>	<p>In line with the amendment to Article 192-1 of the Company Act., the procedure for nomination of directors was simplified, and the paragraph 1 was amended.</p>
<p>Article 6</p> <p><u>The Company shall adopt a cumulative voting method for the election of directors.</u> 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).</p>	<p>Article 6</p> <p>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).</p>	<p>Textual amendment in line with practice.</p>

Revised Edition	Previous Edition	Description
<p>Article 10 (Deleted)</p>	<p>Article 10 If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or juristic-person shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered.</p>	<p>A candidate nomination scheme has been adopted for the election of directors. Shareholders shall select directors from the list of candidates. Shareholders can learn the names, academic experience and other information of the candidates from the list of candidates before the shareholders meeting is held. Therefore, using shareholder account number or identity card number to identify the candidate's identity is unnecessary, and this article is deleted.</p>
<p>Article 10 A ballot is invalid under any of the following circumstances: (1)The ballot was not prepared by a person with the <u>right to convene</u>. (2)A blank ballot is placed in the ballot box. (3)The writing is unclear and indecipherable or has been altered. (4)The candidate whose name is entered in the ballot <u>does not conform to the director candidate list</u>. (5)Other words or marks are entered in addition to the number of voting rights allotted. (6) (Deleted)</p>	<p>Article 11 A ballot is invalid under any of the following circumstances: (1)The board of directors did not prepare the ballot. (2)A blank ballot is placed in the ballot box. (3)The writing is unclear and indecipherable or has been altered. (4)The candidate whose name is entered in the ballot <u>is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity card number do not match</u>. (5)Other words or marks are entered in addition to the <u>candidate's account name or shareholder account number (or identity card number) and the number of voting rights allotted</u>. (6)<u>The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account number or identity card number is provided in the ballot to identify such individual.</u></p>	<p>Amended in line with the Article 173 of the Company Act. Amended for the reason that A candidate nomination scheme has been adopted for the election of directors and Shareholders shall select directors from the list of candidates.</p>
<p>Article 11 The voting rights shall be calculated on site immediately after the end of the poll, and the chair on the site shall announce the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected. The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the</p>	<p>Article 12 The voting rights shall be calculated on site immediately after the end of the poll, and the chair on the site shall announce the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected. The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the</p>	<p>Amendment of article order.</p>

Revised Edition	Previous Edition	Description
monitoring personnel and kept in proper custody 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.	monitoring personnel and kept in proper custody 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.	
Article 12 The board of directors of this Company shall issue notifications to the persons elected as directors.	Article 13 The board of directors of this Company shall issue notifications to the persons elected as directors.	Amendment of article order.
Article 13 This "Rules for Director Elections" and amendments hereto shall be implemented after approval by the meeting of shareholders.	Article 14 This "Rules for Director Elections" and amendments hereto shall be implemented after approval by the meeting of shareholders.	Amendment of article order.

Resolution : The voting results, with 89.64% of shareholders attended the AGM voting for the proposal, of this proposal are shown as follows. The proposal was approved accordingly.

Item	Voting rights represented by attended shareholders	Number of agree votes	Number of disagree votes	Number of invalid votes	Waiver/Not Voted
Number	543,404,102	487,129,627	102,567	0	56,171,908
Proportion	100%	89.64%	0.01%	0%	10.33%
Voting electronically		377,874,200	102,567		56,134,337

## VI. To elect Directors (proposed by the Board)

Explanation:

1. The term of office of the existing directors expires on June 10, 2021, and as no election of new directors is effected after the expiration, in accordance with Article 195 of the Company Act, the term of office of the out-going directors shall be extended until the time when new directors have been elected and assumed their office.
2. The Company, in accordance with Article 192-1 of the Company Act and Article 17 of the Articles of Incorporation, proposes to re-elect all directors.
3. In the current regular shareholders' meeting, 6 directors and 3 independent directors will be elected. The new directors shall assume office on the day of election during the current year's regular shareholder meeting, for a term of 3 years. According to the announcement of the competent authority, "Contingency measures of the public companies shall suspend the convening of shareholders' meetings for pandemic prevention", the Company shareholders' meeting was postponed to July 2, 2021, so the term of office of the newly elected directors shall be calculated from the actual date of election, the term of office is from July 2, 2021 to July 1, 2024.
4. For Rules for Director Election of the Company, please refer to Appendix 6 and Discussion proposal 2.
5. According to the Articles of Incorporation, the Company's election of directors adopts a candidates nomination scheme. The resolution of the "final roster of director candidates" has been passed by the board of directors on March 15, 2021, and the list is as follows.
6. Please elect.

### List of Candidates for Directors

No.	Name	Shares held as of the book closure date for the meeting of shareholders	Education	Experience
1	Pei-Cheng Yeh	30,151,237	Mingshin University of Science and Technology	Chairman and President of Giga-byte Technology Co., Ltd.

2	Ming Wei Investments Co., Ltd. Represented by: Ming-Hsiung Liu	14,062,200	EMBA, National Cheng Chi University	Vice Chairman, Senior Vice President and General Manager of Giga-byte Technology Co., Ltd.
3	Shija Investments Co., Ltd. Represented by: Mou-Ming Ma	3,959,725	Electronic & Computer Engineering, National Taiwan University of Technology	Director and Senior Vice President of Giga-byte Technology Co., Ltd.
4	Yuei-yei Kai Fa Investment Limited. Represented by: Chun-Ming Tseng	2,192,200	Minghsin University of Science and Technology	Director and Senior Vice President of Giga-byte Technology Co., Ltd.
5	Shi Da Investment Limited Represented by: Cong-Yuan Ko	9,219,000	Master of Engineering Management, Tsinghua University	Director of Giga-byte Technology Co., Ltd. Engineer of Acer group
6	Xi Wei Investment Co., Ltd. Represented by: E-Tay Lee	9,063,075	California State University (CSU), Chico Master of Computer Engineering	Manager at Intel Director and General Manager of Giga-byte Technology Co., Ltd.

#### List of Candidates for Independent Directors

No.	Name	Shares held as of the book closure date for the meeting of shareholders	Education	Experience
1	Hwei-Min Wang	0	Chung Hua University Master of Industrial Management	Chairman, Moores Rowland CPAs
2	Yi-Hung Chan	0	California State University, Fullerton EMBA, National Chengchi University	Chairman, Taisun Enterprise Co., Ltd.
3	Cheng-Li Yang	0	MBA, Tulane University, USA. EMBA, National Chengchi University	Chairman, King Core Electronics Inc.

Election results: List of directors and independent directors elected:

Shareholder account No. / ID Card No.	Account Name/Name	Received Votes	Position Elected
1	Pei-Cheng Yeh	440,551,888	Director
143343	Ming-Hsiung Liu, representative of Ming Wei Investment Co., Ltd.	410,535,888	Director
143342	Mou-Ming Ma, representative of Shija Investment Co., Ltd.	410,535,888	Director
164617	Chun-Ming Tseng, representative of Yue Ye Development & Investment Ltd.	410,535,888	Director
162973	Cong-Yuan Ko, representative of Shida Investment Ltd.	410,535,888	Director
143344	E-Tay Lee, representative of Xi Wei Investment Co., Ltd.	410,535,888	Director
F12003****	Hwei-Min Wang	380,562,855	Independent Director
N12074****	Yi-Hong Chan	380,560,856	Independent Director
R12146****	Cheng-Li Yang	380,560,856	Independent Director

## VII. Other Proposals and Discussions

### Releasing the restriction of non-compete clause for new directors (propose by the Board)

Explanation:

1. According to Article 209 Paragraph 1 of the Company Act: "A director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval."
2. The Company's newly elected directors who invest or engage in business similar to that of the Company, and does not prejudice the interests of the Company, shall submit to the shareholders meeting for approval in accordance with the law. When such circumstances occur in the newly elected directors, propose to agree to release the prohibition on the newly elected directors and their representatives from participating in competitive business.
3. The list of prohibition on the Company's newly elected directors from participating in competitive business proposed to be released are as follows.
4. Please discuss.

Name	Other mail positions in other companies
Pei-Cheng Yeh	Director of Albatron Technology Co., Ltd.
Ming Wei Investments Co., Ltd. Represented by: Ming-Hsiung Liu	Director of Info-Tek Corporation
Shi Da Investment Limited Represented by: Cong-Yuan Ko	Chairman of Albatron Technology Co., Ltd.

Resolution : The voting results, with 85.06% of shareholders attended the AGM voting for the proposal, of this proposal are shown as follows. The proposal was approved accordingly.

Item	Voting rights represented by attended shareholders	Number of agree votes	Number of disagree votes	Number of invalid votes	Waiver/Not Voted
Number	543,404,102	462,270,124	206,508	0	80,927,470
Proportion	100%	85.06%	0.03%	0%	14.89%
Voting electronically		353,014,697	206,508		80,889,899

**VIII. Questions and Motions: None.**

**IX. Meeting Adjournment: 9:31 a.m., July 2,2021.**

## Appendix 1

### 2020 Business Report

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

Unit: NT\$100 million

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

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

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

#### Motherboard and graphics card business

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

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

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

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

#### Network and communications business

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

In addition, as 5G related communication technologies continue to advance, Internet of Everything that brings convenience to life has transformed science fiction into reality. To realize the characteristics of 5G's Enhanced Mobile Broadband (eMBB), massive Machine Type

Communications (mMTC), Ultra-Reliable and Low Latency Communications (URLLC) technologies, the applications brought about require network service architecture with large amount of Multi-access Edge Computing, also known as Mobile Edge Computing, to reduce the burden of the core network. High-resolution image processing and data sending are performed at the local end without having to wait for the remote server's response, thereby reducing latency. It is also flexible and new applications and services can be quickly provided, allowing users to have a better experience, as well as reduce network operating cost. Using edge computing technologies and infrastructure, GIGABYTE has developed immersive VR stadium experience solutions, smart city solutions which include but not limited to smart energy management, parking management and waste management, as well as automated car network solutions, and it will continue to develop other solutions that can create a better living environment.

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

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

### Laptops and peripherals business

Continuing the consumer-oriented approach actively adopted in the past few years, and to meet the needs of different user groups such as gamer/creator, GIGABYTE produces unique innovations in terms of software and hardware of its laptops and peripherals. In 2020, GIGABYTE, with the themes, "Game like a Pro" and "AERO: Creativity Starts Here", launched a series of AORUS professional gaming laptops and AERO creator laptops. GIGABYTE worked closely with G2 Esports teams in meeting the high standards of professional esports players and professional games by introducing the new generation AORUS professional gaming laptops which feature fast computing performance, faster refresh rate and fast actuation, and the exclusively imported Microsoft Azure AI automatic tuning software which optimizes gaming experience with just one click, re-defining the benchmark for professional gaming laptop. At the same time, GIGABYTE

also designed new generation AERO creator laptops which feature higher scalability, lighter weight, longer lasting power, better performance and more efficient heat dissipation, and a panel color calibration program co-developed with X-Rite Pantone, a leader in color measurement and management. It aims to allow creators to “focus on more possibilities” in their audio and visual editing, 3D modeling design and other creative work, in line with the core values of AERO creator laptop product line. The new generation AORUS professional gaming laptop and AERO creator laptop have won several awards both at home and abroad after launching, and their product strengths have also won recognition from professional reviewers.

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

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

#### Corporate social responsibilities and sustainable development

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

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

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

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

Wish You Health and Happiness.

Dandy Yeh  
Chairman

Chairman: Pei-Cheng Yeh

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

To

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

Hwei-Min Wang  
Convener  
Audit Committee  
16 April, 2021

## Appendix 3-1

### INDEPENDENT AUDITORS' REPORT

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

#### *Opinion*

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

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

#### *Basis for opinion*

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

#### *Key audit matters*

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

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

### **Occurrence of revenue from significant new counterparty**

#### Description

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

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

#### How our audit addressed the matter

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

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

## **Assessment of allowance for valuation of inventory loss**

### Description

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

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

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

### How our audit addressed the matter

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

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

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

### ***Other matter – Report of other auditors***

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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Fang-Yu Wang

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

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

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

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

(Continued)

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

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

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

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

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

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

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

GIGA-BYTE TECHNOLOGY CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY

YEARS ENDED DECEMBER 31, 2020 AND 2019

(Expressed in thousands of New Taiwan dollars)

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

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

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

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

(Continued)

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

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

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

## INDEPENDENT AUDITOR'S REPORT

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

### ***Opinion***

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

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

### ***Basis for opinion***

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

### ***Key audit matters***

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

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

### **Occurrence of revenue from significant new counterparties**

#### Description

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

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

#### How our audit addressed the matter

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

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

## **Assessment of allowance for valuation of inventory loss**

### Description

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

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

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

### How our audit addressed the matter

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

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

### ***Other matter – Report of other independent auditors***

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

### ***Other matter – Parent company only financial statements***

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

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

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

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

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

### ***Auditors' responsibilities for the audit of the consolidated financial statements***

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

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

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

We also:

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

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

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

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

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Se-Kai Lin

Fang-Yu Wang

For and on behalf of PricewaterhouseCoopers, Taiwan

March 15, 2021

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

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

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

(Expressed in thousands of New Taiwan dollars)

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

(Continued)

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

(Expressed in thousands of New Taiwan dollars)

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

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

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

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

(Continued)

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

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

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

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

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

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

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

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

(Continued)

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

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

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