

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

## **Minutes of the 2023 Annual General Meeting**

### **(Translations)**

Time: 9:00 a.m., Friday, 9 June 2023

Place: Hotel Kuva Chateau No. 398, Minquan Road, Zhongli District, Taoyuan City

Attendance: The total amount of shares represented by attended shareholders and proxies is 481,288,629 shares (422,568,619 shares representing electronic voting), commanding 75.71% 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: Mou-Ming Ma, Chun-Ming Tseng, E-Tay Li (these are directors) and Hwei-Min Wang, Yi-Hong Chan, Cheng-Li Yang (these are independent directors).

Guests: Chun-Yuan Xiao of PwC Taiwan, CFO Chun-Ying Chen and General Counsel Chih-Peng Chiu.

Chairman: Pei-Chen Yeh

Recorder: Si-Zheng Huang

- 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) 2022 business reports**

Explanation: Please refer to Appendix 1 2022 Business Report.
  - (2) Audit Committee's review report on the 2022 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 2022**

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 2022, this Company plans to appropriate NT\$894,836,324 and NT\$46,000,000 as compensations for employees and directors respectively. The appropriation ratio is 10% and 0.51% respectively. Both are distributed in cash.

3. This proposal has been approved by the Compensations Committee Meeting and the Board Meeting.

**(4) Report on 2022 surplus distribution in the form of cash dividend 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, in whole or in part by cash, and be submitted to the shareholders' meeting.
2. The Company proposes to distribute cash dividend of NT\$3,941,271,093 to shareholders in accordance with the Articles of Incorporation, at NT\$6.2 per share. Cash dividends will be distributed up to one dollar (rounded down values below NT\$1). The odd amount will be combined to the Company's non-operating income. Subsequently, if the number of shares outstanding is affected and the distribution ratio per share is changed due to the repurchase of shares of the Company, the transfer or cancellation of treasury shares, etc., it is proposed to authorize the Chairman to deal with it with full power.
3. Upon resolution of the meeting of the Board of Directors, the Board of Directors shall set the dividend (distribution) record date, distribution date and other related matters.

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

#### **IV. Adoption**

**Proposal 1: Adoption of the 2022 Business Report and Financial Statements (proposed by the Board)**

Explanation:

1. The 2022 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 2022 Business Report, CPA Audit Report, and Financial Statements of this Company.
3. The 2022 Business Report and 2022 Financial Statements have been approved by the Board meeting and audited by the Audit Committee.
4. Please adopt.

Resolution : The voting results, with 90.84% 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	477,428,667	433,718,482	56,909	0	43,653,276
Proportion	100%	90.84%	0.01%	0%	9.14%
Voting electronically		375,110,051	56,909		43,542,697

## Proposal 2: Adoption of the Proposal for Distribution of 2022 Profits (proposed by the Board)

### Explanation:

1. 2022 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 2022

(Unit: NT\$)

Items	Total
Beginning retained earnings	12,795,846,399
Add: 2022 Net profit before tax	8,007,526,918
Income tax expense	(1,469,005,955)
Net profit after tax	6,538,520,963
Other adjustments <sup>2</sup>	65,871,686
Less: 10% legal reserve	(660,439,265)
Distributable net profit	18,739,799,783
Cash dividend to shareholders@NT\$6.2 (see note)	(3,941,271,093)
Unappropriated retained earnings	14,798,528,690

### Note:

1. For current year's surplus distribution, 2022 profit shall first be distributed.
2. Other adjustments: This year to determine the benefits of the benefit plan actuarial gains and losses to increase NT\$ 65,871,686.
3. Current distribution based on 635,688,886 shares (calculated based on number of outstanding shares as of April 11, 2023). Subsequently, if the number of shares outstanding is affected and the distribution ratio per share is changed due to the repurchase of shares of the Company, the transfer or cancellation of treasury shares, etc., it is proposed to authorize the Chairman to deal with it with full power.
4. Cash dividends will be distributed up to one dollar (rounded down values below NT\$1). The odd amount will be combined to the Company's non-operating income. The Board of Directors shall set the dividend (distribution) record date, distribution date and other related matters.

Resolution: The voting results, with 91.16% 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	477,428,667	435,241,517	65,910	0	42,121,240
Proportion	100%	91.16%	0.01%	0%	8.82%
	Voting electronically	376,633,086	65,910		42,010,661

## V. Proposals and Discussions

### Proposal 1: Amendment to the Company's "Articles of Incorporation" (proposed by the Board)

Explanation:

1. In response to the practical necessities of the Company, it has been proposed to revise the Articles of Incorporation to include: When the Company repurchases shares for transfer to employees, issues new shares, issues employee stock option certificates, or issues restricted stock awards, it must do so to employees from this Company or controlled subsidiaries who meet eligibility conditions.
2. Please refer to attachment 1 for a comparison of the Articles of Incorporation before and after revisions. Please discuss.
3. Please discuss.

Revised Edition	Previous Edition	Description
<p>Article 16.4</p> <p>When the Company repurchases shares for transfer to employees, issues new shares, issues employee stock option certificates, or issues restricted stock awards, it must do so to employees from this Company or controlled subsidiaries who meet eligibility conditions.</p>	<p>Article 16.4</p> <p>None</p>	<p>Name unification in compliance with the actual needs of the Company.</p>
<p>Article 31</p> <p>This "Articles of Incorporation" was established on March 24, 1986.</p> <p>1st amendment was made on September 1, 1986.</p> <p>2nd amendment was made on August 30, 1988.</p> <p>3rd amendment was made on March 20, 1989.</p> <p>4th amendment was made on June 3, 1991.</p> <p>5th amendment was made on July 2, 1995.</p> <p>6th amendment was made on May 15, 1996.</p> <p>7th amendment was made on January 27, 1997.</p> <p>8th amendment was made on April 19, 1997.</p> <p>9th amendment was made on March 25, 1998.</p> <p>10th amendment was made on May 4, 2000.</p> <p>11th amendment was made on May 11, 2001.</p> <p>12th amendment was made on May 23, 2002.</p> <p>13th amendment was made on June 17, 2003.</p> <p>14th amendment was made on June 9, 2004.</p> <p>15th amendment was made on June 9, 2005.</p> <p>16th amendment was made on April 12, 2006.</p> <p>17th amendment was made on June 13, 2008.</p> <p>18th amendment was made on June 16, 2009.</p> <p>19th amendment was made on June 17, 2010.</p> <p>20th amendment was made on June 15, 2011.</p> <p>21st amendment was made on June 18, 2012.</p>	<p>Article 31</p> <p>This "Articles of Incorporation" was established on March 24, 1986.</p> <p>1st amendment was made on September 1, 1986.</p> <p>2nd amendment was made on August 30, 1988.</p> <p>3rd amendment was made on March 20, 1989.</p> <p>4th amendment was made on June 3, 1991.</p> <p>5th amendment was made on July 2, 1995.</p> <p>6th amendment was made on May 15, 1996.</p> <p>7th amendment was made on January 27, 1997.</p> <p>8th amendment was made on April 19, 1997.</p> <p>9th amendment was made on March 25, 1998.</p> <p>10th amendment was made on May 4, 2000.</p> <p>11th amendment was made on May 11, 2001.</p> <p>12th amendment was made on May 23, 2002.</p> <p>13th amendment was made on June 17, 2003.</p> <p>14th amendment was made on June 9, 2004.</p> <p>15th amendment was made on June 9, 2005.</p> <p>16th amendment was made on April 12, 2006.</p> <p>17th amendment was made on June 13, 2008.</p> <p>18th amendment was made on June 16, 2009.</p> <p>19th amendment was made on June 17, 2010.</p> <p>20th amendment was made on June 15, 2011.</p> <p>21st amendment was made on June 18, 2012.</p>	<p>Added the date of the latest amendment.</p>

Revised Edition	Previous Edition	Description
22nd amendment was made on June 11, 2014. 23rd amendment was made on June 17, 2015. 24th amendment was made on June 15, 2016. 25th amendment was made on June 11, 2018. 26th amendment was made on June 12, 2019. 27th amendment was made on June 14, 2022. 28th amendment was made on June 9, 2023.	22nd amendment was made on June 11, 2014. 23rd amendment was made on June 17, 2015. 24th amendment was made on June 15, 2016. 25th amendment was made on June 11, 2018. 26th amendment was made on June 12, 2019. 27th amendment was made on June 14, 2022.	

Resolution: The voting results, with 91.06% 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	477,428,667	434,749,411	539,335	0	42,139,921
Proportion	100%	91.06%	0.11%	0%	8.82%
Voting electronically		376,140,980	539,335		42,029,342

## **Proposal 2: The issuance of employee restricted stock awards (proposed by the board)**

Explanation:

I. In order to attract and retain exceptional key talent and encourage colleagues to collaborate in achieving the Company's mid and long-term operating goals, this proposal aims to discuss the issuance of restricted stock awards for 2023 in accordance with "Regulations Governing the Offering and Issuance of Securities by Securities Issuers" ("issuance regulations") announced by the Financial Supervisory Commission and Paragraph 9, Article 267 of the Company Act.

II. The current issuance of restricted stock awards is as follows:

1. The necessary reason of the current issuance of RSA: Attract and retain the required professional talent, encourage employees, and improve employees' coherence to build benefits for the Company and its shareholders, thereby ensuring that the rights and interests of employees and shareholders align.
2. Employee eligibility, qualifications, and number of shares to be allocated:
  - 2.1 Eligibility of newly issued restricted stock awards are restricted to employees at this Company or its affiliates who have reported for duty on the designated date and have achieved a certain performance. The eligibility of employees receiving allocation shall be limited to: (a) individuals whose ability and qualities are highly relevant to the Company's future strategy and development, (b) individuals who have a major impact on Company operations, (c) and key talent in core technologies.
  - 2.2 The number of shares granted shall be determined by the employee's seniority, position, performance, overall contribution, special contribution and other meaningful factors in management. The number of shares granted shall be reviewed proposed by the Chairman and approved by the board. However, for employees who are managerial officers or the board members, the award of such shares is subject to approval from the Compensation Committee; employees who are not concurrently managerial officers or board members must receive prior approval from the Audit and Compensation Committees.

- 2.3 Employees holding over 10% of the Company's outstanding common shares are not eligible for the plan. Compensation Committee members and directors board members who are not concurrently employees are not eligible for the plan.
- 2.4 The maximum number of shares granted to an employee shall be handled in accordance with issuance regulations.
3. Issue price: Issued for free.
4. Vesting conditions:
- 4.1 Employees receiving restricted stock awards must remain in employment upon the vesting date and, during their tenure, have no involvement in violation of this Company's labor contract, work guidelines, non-competes, confidentiality agreements, and any other contractual agreements with the Company; furthermore, they must qualify for the personal performance evaluation indicators set by the Company, their affiliated division must also achieve the Company's annual budget as well as the Company's overall operating targets.
- 4.2 The personal performance target must meet an appraisal grade of A (including) or above of the most recent year upon which the vesting period expires; work achievements must meet the personal performance standards agreed upon between the Company and individual employees. The Company's overall operating target is based on the cumulative consolidated operating profit margin ranking (based on publicly disclosed financial information by each company) prior to the vesting date of each year, which may not be lower than the top 25% of domestic publicly listed companies in the same industry.
- 4.3 The vested date is September 30th of the current year of issuance. If employees meet the above condition, all the employee restricted stock awards they receive in the current year will be vested.
5. Expected total amount (shares) of issuance and price: It is expected to issue a total of 9,000,000 shares of common stock, three tranches of 3,000,000 shares each, with a value of NT\$10 per share. The total issuance amount is expected to be NT\$90,000,000, approximately 1.42% of the Company's issued common stock. It shall be reported to the competent authority after the shareholders' meeting resolution, then issued within two year on the arrival date of the approval notice from the competent authority.
6. Calculated expense amount: The Company shall value the fair market value of shares and record expenses during the vesting period annually. Assuming the market price of the new shares at the time of issuance is NTD 130 per share, and 3,000,000 shares are issued in each of the years 2023, 2024, and 2025, the maximum estimated expense for each year of issuance is NTD 390 million.
7. Dilution of the Company's earnings per share (EPS) and other matters affecting shareholder's equity: Based on the current number of shares issued by the company, the maximum possible reduction in earnings per share for the years 2023, 2024, and 2025 due to the aforementioned expense is NTD 0.614 per share. The dilutive effect on the company's earnings per share is still limited, so there is no significant impact on shareholder equity.
8. Restrictions before employees meet the vesting conditions once the RSA is received: During the vesting period, employees may not sell, pledge, transfer, give to another person, create encumbrance on, or otherwise dispose restricted stock awards.
9. Other important terms and conditions (including stock trust custody, etc.): The restricted stock awards issued by the Company shall be handled in the manner of stock trust custody.
10. Other matters to be stated:

10.1 If some revision or adjustment has to be made due to the competent authority's instruction, amendment to the laws and regulations, financial market conditions, or other objective circumstances, it is proposed that the Annual Shareholders' Meeting authorizes the Board of Directors or the appointed person by the Board of Directors with full power and authority to handle all the issues regarding the issuance of restricted stock awards.

10.2 The issuance of restricted stock awards, relevant restrictions, important matters of agreement, or unfinished matters are handled in accordance with relevant laws and regulations as well as the issuance methods established by the Company.

III. Please refer to appendix 4 in this handbook for this Company's Procedures for First Issuance of Restricted Stock Awards in 2023.

IV. This proposal has been reviewed and approved by the 5th Compensation Committee, the 3rd Audit Committee, and the board of directors on April 28, 2023. It will be submitted to the shareholders' meeting for approval in accordance with the law.

Resolution: The voting results, with 89.20% 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	477,428,667	425,909,395	9,377,777	0	42,141,495
Proportion	100%	89.20%	1.96%	0%	8.82%
Voting electronically		367,300,964	9,377,777		42,030,916

## VI. Elections

### **Proposal to elect two additional independent directors. (Proposed by the Board)**

Explanation:

- Two additional independent directors shall be elected at the annual shareholders' meeting. The newly elected directors will begin their appointment after election on the date of this year's annual shareholders' meeting and serve for the term of 1 year from June 9, 2023 to July 1, 2024.
- Refer to appendix 7 in this handbook for the Company's procedures of electing directors.
- According to the Articles of Association, the Company's election of directors adopts a candidate nomination system. The resolution of the "final roster of independent director candidates" has been passed by the board of directors on March 13, 2023, and the list is as follows.

Final roster of independent director candidates:

No.	Name	Shares held as of the book closure date for the meeting of shareholders	Education	Experience
1	Li-Chen Lin	0	MBA, A. B. Freeman School of Business, Tulane University of Louisiana Department of Law, National Taipei University	Presiding Lawyer, PCL Transasia Law Offices
2	Peng-Huang Peng	0	MBA, Soochow University Department of Electrical Engineering, National Taipei University of Technology	Chairman and President, Singatron Group Director, Info-Tek Corp. Director, Kingstate Electronics Corporation

Election results:

Shareholder account No. / ID Card No.	Account Name/Name	Received Votes	Position Elected
J12056****	Peng-Huang Peng	357,725,480	Independent director
E20097****	Li-Chen Lin	357,725,479	Independent director

## VII. Other Proposals

### Releasing the restriction of the non-compete clause for new directors (Proposed 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 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.



Name	Current duties at other companies
Peng-Huang Peng	Director, Info-Tek Corp. Director, Kingstate Electronics Corporation

Resolution: The voting results, with 85.41% 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	477,428,667	407,806,906	7,779,777	0	61,841,984
Proportion	100%	85.41%	1.62%	0%	12.95%
Voting electronically		349,198,475	7,779,777		61,731,405

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

**IX. Meeting Adjournment: 9:30 a.m., June 9, 2023.**

**There are no questions from shareholders at this shareholders meeting**

# Appendices

## Appendix 1

### 2022 Business Report

Dear shareholders,

It can be said that 2022 was a strange and change-filled year. Despite the global price surge of food and energy, the continuing conflict between Russia and Ukraine, and the challenges caused by lockdown in China due to COVID-19, we have maintained strong financial performance and continue in our mission to provide customers with innovative, high quality products. The details of GIGABYTE's financial and operational performance are as follows:

Unit: NT\$100 million

Item	2022	2021	Difference	Percentage of Difference(%)
Operating income	1,072.63	1,219.05	-146.42	-12.01
Gross profit	166.16	295.90	-129.74	-43.85
Net profit after tax	65.39	133.38	-67.99	-50.97

Item		2022	2021
Financial structure (%)	Debt to total assets (%)	43.46	45.79
	Long-term capital to property & equipment (%)	739.73	913.09
Solvency (%)	Current ratio (%)	203.23	196.09
	Quick ratio (%)	117.93	105.88
Profitability (%)	Return on assets (%)	9.86	22.50
	Return on equity (%)	17.81	41.11
	Profit margin (%)	6.10	10.94
	Basic EPS (NT\$)	10.29	21.01

The following summarizes GIGABYTE's various products and business performances in 2022, and its future outlook:

### Global price surge of food and energy:

Due to a combination of factors such as supply chain interruptions, a surge in pricing of commodities, and increased demand for products and services, the global economy has been facing pressures for inflation. This inflationary pressure has caused increased costs for many companies, especially those with global supply chains. However, our proactive management of operations at GIGABYTE has allowed us to respond to inflationary pressure by optimizing supply chains and production processes and ensure our customers are provided with products of the highest quality.

**Russia-Ukraine War:**

The continuing conflict between Russia and Ukraine have caused political and economic instability in the region. As a global tech company, GIGABYTE continues to comply with all laws and regulations despite impacted sales in the region. We have complied with government policy and are dedicated to strengthening sales in other regions to decrease impact. While conflict brings challenges, we must remain vigilant and monitor all circumstances to take the necessary measures that can dampen any potential impact to our businesses and operations in nearby regions while we provide services and support our customers and partners.

We are confident in our continuing ability to provide high quality products in our core businesses such as motherboards, graphics cards, laptop computers, and servers. The following is a simple description of our various products:

**Motherboards:**

GIGABYTE's motherboard offerings cater to the requirements of a wide range of users from gamers to professionals by providing models of varying specifications that satisfy any performance requirement. GIGABYTE motherboards are known for their high quality, stability, and reliability. Support for PCIe 4.0, Thunderbolt 4, and Wi-Fi 6E ensures our customers can access the latest and most advanced technologies.

**Graphics Cards:**

Graphics cards developed by GIGABYTE focus on providing high performance, low power consumption, and premium functions such as ray tracing technology. Graphics cards of varying specifications are provided to satisfy any customer requirement. Graphics cards enjoy a wide range of applications from gaming to cryptocurrency mining. GIGABYTE continues to invest in R&D to push the latest, most advanced graphics card technology to market.

**Laptop Computers:**

The design of GIGABYTE laptops focus on performance, portability, and user experience. We offer laptop models with various display sizes, processing power, and battery life to satisfy the requirements of varying customers. In addition to advanced technologies such as Intel Evo, NVIDIA RTX graphics cards, and AI noise reduction, GIGABYTE laptops also feature upgraded cooling performance to ensure they remain cool and quiet under high-load.

**Servers:**

Server products aim to provide high performance, reliability, and scalability to satisfy the requirements of enterprise customers. In addition to providing models of varying specifications to satisfy the application requirements of small enterprises to large data centers, our servers have adopted advanced technologies such as AMD EPYC processors, PCIe Gen 4.0, and NVMe SSD to provide optimal performance and efficiency. The Company continues to invest in performance improvements of our server products to decrease energy consumption and carbon footprint.

**Inventory crisis and management:**

The Russia-Ukraine War, COVID-19 induced lockdown in China, Ethereum 2.0 transitioning from proof-of-work (PoW) to proof-of-stake (PoS), and obstruction caused to consumer product markets due to severe inflation have interrupted global demand and supply, causing an inventory crisis in many industries. However, our secure relationships with suppliers and active management of supply chains allows GIGABYTE to manage inventory effectively. This was achieved by working closely with partners to ensure sufficient inventory levels and implementing timely production as well as other strategies to optimize inventory management.

**2023 Business Outlook:**

Looking forward in 2023, we maintain a cautiously optimistic outlook towards the business. We will continue our focus in core businesses such as motherboards, graphics cards, laptop computers, servers, and expand R&D investment to push even more advanced technologies to market. In 2023, GIGABYTE will implement the professional division of labor so that each division can more effectively apply their resources and focus on product and business development. We will also strive to separate our server products and Netcom Business Division into an independent company - Giga Computing Technology. Hopefully, GIGABYTE's organizational planning will allow more flexibility and efficiency to the development of our Netcom Business Division and server products to emphasize their core competitiveness and lead to increased operational growth. The separation is estimated to boost GIGABYTE's overall business performance and maximize benefit for both consumer (motherboards, graphics cards, laptop computers) and commercial (servers) products as they continue to create greater benefits for all shareholders.

Finally, we want to thank our shareholders for their continued trust and support in GIGABYTE. We will continue to strive and provide customers with innovative, high quality products as well as respond to the challenges of the global economic environment. We hope together, we can achieve continued growth and future successes.

Wish You Health and Happiness.

Dandy Yeh  
Chairman

Chairman: Pei-Cheng Yeh

CEO: E-Tay Li,

Yin-Yu Lin

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 2022 that have been passed by the Board of Directors. The CPA firm PwC Taiwan was then retained to audit such statements by CPAs Chun-Yuan Xiao and Se-Kai Lin 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 2022 passed by the Board of Directors and determined they have complied with relevant laws and regulations. This report is thus issued in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

To

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

Hwei-Min Wang  
Convener  
Audit Committee  
18 April, 2023

## 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, 2022 and 2021, 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, 2022 and 2021, 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 Standards on Auditing of 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 2022 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 2022 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 and Note 6(18) for details of the operating revenue.

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 accounting policies on inventories, Note 5(2) for accounting estimates and assumption uncertainty and Note 6(5) for details of inventories.

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 for the year ended December 31, 2021 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 NT\$0 thousand, representing 0% of total parent company only assets as of December 31, 2021, and total net comprehensive loss were NT\$10,053 thousand, representing (0.08%) of total parent company only comprehensive loss for the year then ended.

### ***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 Standards on Auditing of 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 Standards on Auditing of the Republic of China, we exercise professional judgement and professional skepticism throughout the audit. We also:

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

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

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

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

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Chun-Yuan, Hsiao

Se-Kai Lin

For and on behalf of PricewaterhouseCoopers, Taiwan

March 13, 2023

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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, 2022 AND 2021

(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2022		December 31, 2021		
		Amount	%	Amount	%	
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 11,021,033	17	\$ 14,145,435	20
1110	Financial assets at fair value through profit or loss - current	6(2)	272,783	1	1,131,758	1
1136	Financial assets at amortized cost-current	6(3)	-	-	619,516	1
1150	Notes receivable, net	6(4)	2,785	-	2,725	-
1170	Accounts receivable, net	6(4)	5,981,499	9	6,200,375	9
1180	Accounts receivable-related parties, net	7	15,168,316	23	12,882,184	18
1200	Other receivables	7	148,216	-	389,364	-
130X	Inventories, net	6(5)	15,939,386	24	19,944,879	28
1410	Prepayments		279,739	1	479,964	1
1470	Other current assets		258,457	-	270,652	-
11XX	<b>Total current assets</b>		<u>49,072,214</u>	<u>75</u>	<u>56,066,852</u>	<u>78</u>
<b>Non-current assets</b>						
1535	Financial assets at amortized cost-non-current	6(3) and 8	161,900	-	151,078	-
1550	Investments accounted for using equity method	6(6) and 7	12,222,431	19	12,022,295	17
1600	Property, plant and equipment, net	6(7)	2,802,994	5	2,685,920	4
1755	Right-of-use assets	6(8)	35,896	-	79,913	-
1780	Intangible assets		127,405	-	27,438	-
1840	Deferred income tax assets	6(25)	806,074	1	847,135	1
1900	Other non-current assets		63,276	-	57,856	-
15XX	<b>Total non-current assets</b>		<u>16,219,976</u>	<u>25</u>	<u>15,871,635</u>	<u>22</u>
1XXX	<b>Total assets</b>		<u>\$ 65,292,190</u>	<u>100</u>	<u>\$ 71,938,487</u>	<u>100</u>

(Continued)

GIGA-BYTE TECHNOLOGY CO., LTD.  
PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2022 AND 2021

(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2022		December 31, 2021		
		Amount	%	Amount	%	
<b>Current liabilities</b>						
2130	Contract liabilities - current	6(18)	\$ 1,040,938	2	\$ 1,051,029	1
2150	Notes payable		11,441	-	18,966	-
2170	Accounts payable		13,656,856	21	15,449,011	22
2180	Accounts payable-related parties	7	5,338,606	8	4,309,837	6
2200	Other payables	6(10) and 7	6,191,706	10	9,172,314	13
2230	Current income tax liabilities		1,528,610	2	2,378,159	3
2250	Provisions for liabilities - current	6(11)	818,265	1	725,193	1
2280	Lease liabilities-current		25,445	-	48,403	-
2300	Other current liabilities		155,465	-	199,635	-
21XX	<b>Total current liabilities</b>		<u>28,767,332</u>	<u>44</u>	<u>33,352,547</u>	<u>46</u>
<b>Non-current liabilities</b>						
2540	Long-term borrowings	6(12)	-	-	200,000	1
2570	Deferred income tax liabilities	6(25)	5,890	-	-	-
2580	Lease liabilities-non-current		10,859	-	32,169	-
2600	Other non-current liabilities	6(6)(13)	<u>574,635</u>	<u>1</u>	<u>865,787</u>	<u>1</u>
25XX	<b>Total non-current liabilities</b>		<u>591,384</u>	<u>1</u>	<u>1,097,956</u>	<u>2</u>
2XXX	<b>Total liabilities</b>		<u>29,358,716</u>	<u>45</u>	<u>34,450,503</u>	<u>48</u>
<b>Capital stock</b>						
		6(15)				
3110	Common stock		6,356,889	10	6,356,889	9
<b>Capital surplus</b>						
		6(16)				
3200	Capital surplus		3,281,465	5	3,279,731	5
<b>Retained earnings</b>						
		6(17)				
3310	Legal reserve		6,346,126	10	5,011,247	7
3320	Special reserve		426,354	-	426,354	-
3350	Unappropriated retained earnings		19,400,238	30	21,750,531	30
<b>Other equity</b>						
3400	Other equity		122,402	-	729,248	1
3500	Treasury shares	6(14)(15)	-	-	(66,016)	-
3XXX	<b>Total equity</b>		<u>35,933,474</u>	<u>55</u>	<u>37,487,984</u>	<u>52</u>
	Significant events after the balance sheet date	11				
3X2X	<b>Total liabilities and equity</b>		<u>\$ 65,292,190</u>	<u>100</u>	<u>\$ 71,938,487</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, 2022 AND 2021

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

Items	Notes	2022		2021	
		Amount	%	Amount	%
4000 <b>Operating revenue</b>	6(18) and 7	\$ 100,712,224	100	\$ 121,741,896	100
5000 <b>Operating costs</b>	6(5)(23) (24) and 7	( 89,011,001)	( 88)	( 94,467,818)	( 78)
5900 <b>Gross profit</b>		<u>11,701,223</u>	<u>12</u>	<u>27,274,087</u>	<u>22</u>
<b>Operating expenses</b>	6(23) (24) and 7				
6100 Selling expenses		( 4,304,861)	( 5)	( 6,290,855)	( 5)
6200 General and administrative expenses		( 933,725)	( 1)	( 2,227,585)	( 2)
6300 Research and development expenses		( 2,169,723)	( 2)	( 4,045,591)	( 3)
6450 Expected credit losses	6(23) and 12(2)	( 63,015)	-	( 6,683)	-
6000 <b>Total operating expenses</b>		<u>( 7,471,324)</u>	<u>( 8)</u>	<u>( 12,570,714)</u>	<u>( 10)</u>
6900 <b>Operating profit</b>		<u>4,229,899</u>	<u>4</u>	<u>14,703,364</u>	<u>12</u>
<b>Non-operating income and expenses</b>					
7100 Interest revenue	6(19)	57,045	-	36,858	-
7010 Other income	6(20)	901,621	1	1,044,689	1
7020 Other gains and losses	6(21)	1,505,727	2	232,283	-
7050 Finance costs	6(22)	( 2,290)	-	( 2,168)	-
7070 Share of profit of subsidiaries, associates and joint ventures accounted for under the equity method	6(6)	( 1,315,525)	1	( 162,253)	-
7000 <b>Total non-operating income and expenses</b>		<u>3,777,628</u>	<u>4</u>	<u>1,149,409</u>	<u>1</u>
7900 <b>Profit before income tax</b>		<u>8,007,527</u>	<u>8</u>	<u>15,852,773</u>	<u>13</u>
7950 Income tax expense	6(25)	( 1,469,006)	( 1)	( 2,514,813)	( 2)
8200 <b>Profit for the year</b>		<u>\$ 6,538,521</u>	<u>7</u>	<u>\$ 13,337,960</u>	<u>11</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)	\$ 82,340	-	\$ 13,534	-
8330 Share of other comprehensive (loss) 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		( 881,281)	( 1)	94,333	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(25)	( 16,468)	-	( 2,707)	-
8310 <b>Components of other comprehensive (loss) income that will not be reclassified to profit or loss</b>		<u>( 815,409)</u>	<u>( 1)</u>	<u>105,160</u>	<u>-</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		274,435	-	( 136,382)	-
8360 <b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>		<u>274,435</u>	<u>-</u>	<u>( 136,382)</u>	<u>-</u>
8300 <b>Other comprehensive loss for the year, net</b>		<u>(\$ 540,974)</u>	<u>( 1)</u>	<u>(\$ 31,222)</u>	<u>-</u>
8500 <b>Total comprehensive income for the year</b>		<u>\$ 5,997,547</u>	<u>6</u>	<u>\$ 13,306,738</u>	<u>11</u>
9750 <b>Basic earnings per share</b>	6(26)	\$ 10.29		\$ 21.01	
9850 <b>Diluted earnings per share</b>	6(26)	\$ 10.12		\$ 20.60	

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, 2022 AND 2021

(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	Treasury shares	
<u>Year 2021</u>										
Balance at January 1, 2021		\$ 6,356,889	\$ 3,884,904	\$ 4,575,820	\$ 426,354	\$ 11,379,927	(\$ 607,084)	\$ 1,378,381	\$ -	\$ 27,395,191
Profit for the year		-	-	-	-	13,337,960	-	-	-	13,337,960
Other comprehensive (loss) income for the year		-	-	-	-	10,827	( 136,382)	94,333	-	( 31,222)
Total comprehensive income (loss) for the year		-	-	-	-	13,348,787	( 136,382)	94,333	-	13,306,738
Appropriations of 2020 earnings:	6(17)									
Legal reserve		-	-	435,427	-	( 435,427)	-	-	-	-
Cash dividends		-	-	-	-	( 2,542,756)	-	-	-	( 2,542,756)
Cash dividends from capital surplus	6(17)	-	( 635,688)	-	-	-	-	-	-	( 635,688)
Changes in equity of associates accounted for using equity method		-	2,281	-	-	-	-	-	-	2,281
Purchase of treasury shares	6(15)	-	-	-	-	-	-	-	( 280,919 )	( 280,919)
Share-based payment transactions	6(14)	-	28,234	-	-	-	-	-	214,903	243,137
Balance at December 31, 2021		\$ 6,356,889	\$ 3,279,731	\$ 5,011,247	\$ 426,354	\$ 21,750,531	(\$ 743,466)	\$ 1,472,714	(\$ 66,016 )	\$ 37,487,984
<u>Year 2021</u>										
Balance at January 1, 2022		\$ 6,356,889	\$ 3,279,731	\$ 5,011,247	\$ 426,354	\$ 21,750,531	(\$ 743,466)	\$ 1,472,714	(\$ 66,016 )	\$ 37,487,984
Profit for the year		-	-	-	-	6,538,521	-	-	-	6,538,521
Other comprehensive (loss) income for the year		-	-	-	-	65,872	274,435	( 881,281 )	-	( 540,974)
Total comprehensive income (loss) for the year		-	-	-	-	6,604,393	274,435	( 881,281 )	-	5,997,547
Appropriations of 2021 earnings:	6(17)									
Legal reserve		-	-	1,334,879	-	( 1,334,879)	-	-	-	-
Cash dividends		-	-	-	-	( 7,619,807)	-	-	-	( 7,619,807)
Changes in equity of associates accounted for using equity method		-	1,199	-	-	-	-	-	-	1,199
Share-based payment transactions	6(14)	-	-	-	-	-	-	-	66,016	66,016
Past due expired dividends		-	535	-	-	-	-	-	-	535
Balance at December 31, 2022		\$ 6,356,889	\$ 3,281,465	\$ 6,346,126	\$ 426,354	\$ 19,400,238	(\$ 469,031 )	\$ 591,433	\$ -	\$ 35,933,474

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, 2022 AND 2021  
(Expressed in thousands of New Taiwan dollars)

	<u>Notes</u>	<u>2022</u>	<u>2021</u>
<u>Cash flows from operating activities</u>			
Profit before income tax		\$ 8,007,527	\$ 15,852,773
Adjustments to reconcile profit before income tax to net cash provided by operating activities			
Income and expenses having no effect on cash flows			
Depreciation	6(7)(8)(23)	329,187	325,548
Amortization	6(23)	85,438	52,928
Gain from lease modification	6(8)(21)	( 61 )	( 88 )
Expected credit losses	6(23)and12(2)	63,015	6,683
(Gain) loss on valuation of financial assets at fair value through profit or loss	6(21)	( 10,356 )	12,338
Share of profit (loss) of subsidiaries and associates accounted for using the equity method	6(6)	( 1,315,525 )	162,253
Gain on disposal of property, plant and equipment	6(21)	( 8,651 )	-
Interest income	6(19)	( 57,045 )	( 36,858 )
Interest expense	6(22)	2,290	2,168
Share-based payments	6(14)	-	28,234
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Financial assets at fair value through profit or loss		869,331	( 598,332 )
Notes receivable		( 60 )	172
Accounts receivable		( 2,130,271 )	( 5,858,094 )
Other receivables		241,326	( 317,564 )
Inventories		4,005,493	( 8,837,684 )
Prepayments		200,225	66,930
Other current assets		12,195	( 269,169 )
Net changes in liabilities relating to operating activities			
Contract liabilities		( 10,091 )	( 2,796,216 )
Notes payable		( 7,525 )	18,709
Accounts payable		( 763,386 )	6,936,879
Other payables		( 2,984,721 )	4,185,735
Provisions for liabilities		93,072	( 51,261 )
Other current liabilities		( 44,170 )	55,841
Other non-current liabilities		( 50,611 )	2,433
Cash generated from operations		6,526,626	8,944,358
Interest received		56,867	38,183
Dividends received		183,482	158
Interest paid		( 2,290 )	( 2,168 )
Income tax paid		( 2,288,072 )	( 1,211,335 )
Net cash generated from operating activities		<u>4,476,613</u>	<u>7,769,196</u>

(Continued)



GIGA-BYTE TECHNOLOGY CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021  
(Expressed in thousands of New Taiwan dollars)

	<u>Notes</u>	<u>2022</u>	<u>2021</u>
<u>Cash flows from investing activities</u>			
Acquisition of financial assets at amortized cost		\$ -	(\$ 27,181)
Proceeds from disposal of financial assets at amortised cost		608,694	-
Acquisition of investments accounted for using equity method	6(6) and 7	( 1,000)	( 740,000)
Proceeds from disposal of investments accounted for using equity method	6(6)	80,000	200,000
Acquisition of property, plant and equipment	6(27)	( 384,671)	( 530,325)
Proceeds from disposal of property, plant and equipment		14,631	-
Acquisition of intangible assets		( 185,296)	( 56,378)
Decrease in guarantee deposit paid		2,429	836
(Increase) decrease in other non-current assets		( 20,417)	90,679
Net cash flows from (used in) investing activities		<u>114,370</u>	<u>( 1,062,369)</u>
<u>Cash flows from financing activities</u>			
Repayments of long-term borrowings	6(28)	( 200,000)	-
Increase (decrease) in deposits received	6(28)	89,059	( 43,790)
Repayments of principal portion of lease liabilities	6(28)	( 51,188)	( 50,757)
Cash dividends paid	6(17)	( 7,619,807)	( 2,542,756)
Cash dividends from capital surplus	6(17)	-	( 635,688)
Purchase of treasury shares		-	( 280,919)
Treasury shares sold to employees		66,016	214,903
Past due expired unpaid dividends for shareholders		535	-
Net cash used in financing activities		<u>( 7,715,385)</u>	<u>( 3,339,007)</u>
Net (decrease) increase in cash and cash equivalents		( 3,124,402)	3,367,820
Cash and cash equivalents at beginning of year		<u>14,145,435</u>	<u>10,777,615</u>
Cash and cash equivalents at end of year		<u>\$ 11,021,033</u>	<u>\$ 14,145,435</u>

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

## INDEPENDENT AUDITORS' REPORT

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

### *Opinion*

We have audited the accompanying consolidated balance sheets of Giga-Byte Technology Co., Ltd. and subsidiaries (the "Group") as at December 31, 2022 and 2021, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the report of other independent auditors, as described in the Other matters section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2022 and 2021, 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 that came into effect 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 Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountants in the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Key audit matters*

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

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

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

#### Description

Please refer to Note 4(31) for accounting policies on operating revenue and Note 6(21) for details of operating revenue.

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 accounting policies on inventories, Note 5(2) for accounting estimates and assumption uncertainty and Note 6(6) for details of inventories.

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 for the year ended December 31, 2021 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 NT\$0 thousand, representing 0% of total consolidated assets as of December 31, 2021, and total net comprehensive loss were NT\$10,053 thousand, representing (0.08%) of total consolidated comprehensive loss for the year then ended.

### ***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, 2022 and 2021.

### ***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 that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of 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 Standards on Auditing of the Republic of China, we exercise professional judgement and 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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Chun-Yuan, Hsiao

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Se-Kai Lin

For and on behalf of PricewaterhouseCoopers, Taiwan

March 13, 2023

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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, 2022 AND 2021

(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2022		December 31, 2021	
			Amount	%	Amount	%
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 16,265,510	26	\$ 18,928,473	27
1110	Financial assets at fair value through profit or loss - current	6(2)	527,995	1	1,450,496	2
1136	Financial assets at amortised cost - current	6(4)	641,814	1	1,156,617	2
1150	Notes receivable, net	6(5)	3,975	-	5,710	-
1170	Accounts receivable, net	6(5)	14,126,596	22	10,822,436	16
1200	Other receivables		234,663	-	194,564	-
130X	Inventories, net	6(6)	21,777,245	34	26,589,730	39
1410	Prepayments		960,445	2	862,896	1
1470	Other current assets		264,651	-	287,227	-
11XX	<b>Total current assets</b>		<u>54,802,894</u>	<u>86</u>	<u>60,298,149</u>	<u>87</u>
<b>Non-current assets</b>						
1517	Financial assets at fair value through other comprehensive income–non-current	6(3)	1,637,776	3	2,515,460	4
1535	Financial assets at amortized cost-non-current	6(4) and 8	236,361	-	228,827	-
1550	Investments accounted for using the equity method	6(7)	528,720	1	518,711	1
1600	Property, plant and equipment, net	6(8)	4,946,900	8	4,206,997	6
1755	Right-of-use assets	6(9)	158,352	-	196,740	-
1760	Investment property, net	6(11)	37,429	-	41,698	-
1780	Intangible assets		129,151	-	29,329	-
1840	Deferred income tax assets	6(28)	956,439	2	1,009,779	2
1900	Other non-current assets	6(12)	137,827	-	132,500	-
15XX	<b>Total non-current assets</b>		<u>8,768,955</u>	<u>14</u>	<u>8,880,041</u>	<u>13</u>
1XXX	<b>Total assets</b>		<u>\$ 63,571,849</u>	<u>100</u>	<u>\$ 69,178,190</u>	<u>100</u>

(Continued)



**GIGA-BYTE TECHNOLOGY CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2022 AND 2021**

(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2022		December 31, 2021	
			Amount	%	Amount	%
<b>Current liabilities</b>						
2130	Contract liabilities-current	6(21)	\$ 2,788,051	4	\$ 1,197,240	2
2150	Notes payable		11,564	-	22,868	-
2170	Accounts payable		13,984,884	22	15,886,668	23
2200	Other payables	6(13)	7,457,810	12	10,020,250	15
2230	Current income tax liabilities		1,645,699	3	2,524,197	4
2250	Provisions for liabilities - current	6(14)	818,265	1	768,663	1
2280	Lease liabilities-current		67,054	-	98,602	-
2300	Other current liabilities		193,243	-	231,090	-
21XX	<b>Total current liabilities</b>		<u>26,966,570</u>	<u>42</u>	<u>30,749,578</u>	<u>45</u>
<b>Non-current liabilities</b>						
2540	Long-term borrowings	6(15)	-	-	200,000	-
2570	Deferred income tax liabilities	6(28)	5,930	-	-	-
2580	Lease liabilities-non-current		59,160	-	64,375	-
2600	Other non-current liabilities	6(16)	595,269	1	661,137	1
25XX	<b>Total non-current liabilities</b>		<u>660,359</u>	<u>1</u>	<u>925,512</u>	<u>1</u>
2XXX	<b>Total liabilities</b>		<u>27,626,929</u>	<u>43</u>	<u>31,675,090</u>	<u>46</u>
<b>Equity attributable to owners of the parent</b>						
<b>Capital stock</b>						
		6(18)				
3110	Common stock		6,356,889	10	6,356,889	9
<b>Capital surplus</b>						
		6(19)				
3200	Capital surplus		3,281,465	5	3,279,731	5
<b>Retained earnings</b>						
		6(20)				
3310	Legal reserve		6,346,126	10	5,011,247	7
3320	Special reserve		426,354	1	426,354	1
3350	Unappropriated retained earnings		19,400,238	31	21,750,531	31
<b>Other equity</b>						
3400	Other equity		122,402	-	729,248	1
3500	Treasury shares	6(17)(18)	-	-	(66,016)	-
31XX	<b>Total equity attributable to owners of the parent</b>		<u>35,933,474</u>	<u>57</u>	<u>37,487,984</u>	<u>54</u>
36XX	<b>Non-controlling interest</b>		<u>11,446</u>	<u>-</u>	<u>15,116</u>	<u>-</u>
3XXX	<b>Total equity</b>		<u>35,944,920</u>	<u>57</u>	<u>37,503,100</u>	<u>54</u>
Significant events after the balance sheet date		11				
3X2X	<b>Total liabilities and equity</b>		<u>\$ 63,571,849</u>	<u>100</u>	<u>\$ 69,178,190</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, 2022 AND 2021  
(Expressed in thousands of New Taiwan dollars, except for earnings per share)

Items	Notes	2022		2021	
		Amount	%	Amount	%
4000 <b>Operating revenue</b>	6(21)	\$ 107,263,644	100	\$ 121,905,357	100
5000 <b>Operating costs</b>	6(6)(26)(27)	( 90,647,566)	( 84)	( 92,315,325)	( 76)
5900 <b>Gross profit</b>		<u>16,616,078</u>	<u>16</u>	<u>29,590,032</u>	<u>24</u>
<b>Operating expenses</b>	6(26) (27)				
6100 Selling expenses		( 6,476,937)	( 6)	( 7,989,015)	( 7)
6200 General and administrative expenses		( 1,857,835)	( 2)	( 3,014,173)	( 2)
6300 Research and development expenses		( 2,226,275)	( 2)	( 4,091,372)	( 3)
6450 Expected credit losses	6(26) and 12(2)	( 209,817)	-	( 8,959)	-
6000 <b>Total operating expenses</b>		( 10,770,864)	( 10)	( 15,103,519)	( 12)
6900 <b>Operating profit</b>		<u>5,845,214</u>	<u>6</u>	<u>14,486,513</u>	<u>12</u>
<b>Non-operating revenue and expenses</b>					
7100 Interest income	6(22)	120,456	-	74,576	-
7010 Other income	6(23)	1,145,659	1	1,267,712	1
7020 Other gains and losses	6(24)	1,338,807	1	306,235	-
7050 Finance costs	6(25)	( 5,722)	-	( 5,399)	-
7060 Share of profit (loss) of associates and joint ventures accounted for using the equity method	6(7)	1,327	-	( 16,265)	-
7000 <b>Total non-operating revenue and expenses</b>		<u>2,600,527</u>	<u>2</u>	<u>1,626,859</u>	<u>1</u>
7900 <b>Profit before income tax</b>		8,445,741	8	16,113,372	13
7950 Income tax expense	6(28)	( 1,910,892)	( 2)	( 2,778,226)	( 2)
8200 <b>Profit for the year</b>		<u>\$ 6,534,849</u>	<u>6</u>	<u>\$ 13,335,146</u>	<u>11</u>

(Continued)

GIGA-BYTE TECHNOLOGY CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021  
(Expressed in thousands of New Taiwan dollars, except for earnings per share)

Items	Notes	2022		2021		
		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(16)	\$ 82,340	-	\$ 13,534	-
8316	Unrealised (loss) gain on valuation of investment in equity instruments measured at fair value through other comprehensive income	6(3)	( 881,281)	( 1)	94,333	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(28)	( 16,468)	-	( 2,707)	-
8310	<b>Components of other comprehensive (loss) income that will not be reclassified to profit or loss</b>		( 815,409)	( 1)	105,160	-
<b>Components of other comprehensive income that will be reclassified to profit or loss</b>						
8361	Exchange differences arising from translation of foreign operations		274,437	1	( 136,383)	-
8360	<b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>		274,437	1	( 136,383)	-
8300	<b>Other comprehensive loss, net</b>		(\$ 540,972)	-	(\$ 31,223)	-
8500	<b>Total comprehensive income for the year</b>		\$ 5,993,877	6	\$ 13,303,923	11
<b>Profit (loss) attributable to:</b>						
8610	Owners of parent		\$ 6,538,521	6	\$ 13,337,960	11
8620	Non-controlling interest		( 3,672)	-	( 2,814)	-
	<b>Total</b>		\$ 6,534,849	6	\$ 13,335,146	11
<b>Comprehensive income (loss) attributable to:</b>						
8710	Owners of parent		\$ 5,997,547	6	\$ 13,306,738	11
8720	Non-controlling interest		( 3,670)	-	( 2,815)	-
	<b>Total</b>		\$ 5,993,877	6	\$ 13,303,923	11
9750	<b>Basic earnings per share</b>	6(29)	\$ 10.29		\$ 21.01	
9850	<b>Diluted earnings per share</b>	6(29)	\$ 10.12		\$ 20.60	

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, 2022 AND 2021  
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to equity holders of the company										
		Retained earnings					Other equity interest					
Notes	Capital stock- Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences arising from translation of foreign operations	Unrealised gain or loss on valuation of financial assets at fair value through other comprehensive income	Treasury shares	Total	Non-controlling interest	Total equity	
<u>Year 2021.</u>												
	Balance at January 1, 2021	\$ 6,356,889	\$ 3,884,904	\$ 4,575,820	\$ 426,354	\$ 11,379,927	(\$ 607,084)	\$ 1,378,381	\$ -	\$ 27,395,191	\$ 17,931	\$ 27,413,122
	Profit (loss) for the year	-	-	-	-	13,337,960	-	-	-	13,337,960	( 2,814)	13,335,146
	Other comprehensive (loss) income for the year	-	-	-	-	10,827	( 136,382)	94,333	-	( 31,222)	( 1)	( 31,223)
	Total comprehensive income (loss)	-	-	-	-	13,348,787	( 136,382)	94,333	-	13,306,738	( 2,815)	13,303,923
	Appropriations of 2020 earnings:	6(20)										
	Legal reserve	-	-	435,427	-	( 435,427)	-	-	-	-	-	-
	Cash dividends	-	-	-	-	( 2,542,756)	-	-	-	( 2,542,756)	-	( 2,542,756)
	Cash dividends from capital surplus	6(20)	( 635,688)	-	-	-	-	-	-	( 635,688)	-	( 635,688)
	Changes in equity of associates accounted for using equity method	-	2,281	-	-	-	-	-	-	2,281	-	2,281
	Purchase of treasury shares	6(18)	-	-	-	-	-	-	( 280,919)	( 280,919)	-	( 280,919)
	Share-based payment transactions	6(17)	-	28,234	-	-	-	-	214,903	243,137	-	243,137
	Balance at December 31, 2021	<u>\$ 6,356,889</u>	<u>\$ 3,279,731</u>	<u>\$ 5,011,247</u>	<u>\$ 426,354</u>	<u>\$ 21,750,531</u>	<u>(\$ 743,466)</u>	<u>\$ 1,472,714</u>	<u>(\$ 66,016)</u>	<u>\$ 37,487,984</u>	<u>\$ 15,116</u>	<u>\$ 37,503,100</u>
<u>Year 2022.</u>												
	Balance at January 1, 2022	\$ 6,356,889	\$ 3,279,731	\$ 5,011,247	\$ 426,354	\$ 21,750,531	(\$ 743,466)	\$ 1,472,714	(\$ 66,016)	\$ 37,487,984	\$ 15,116	\$ 37,503,100
	Profit (loss) for the year	-	-	-	-	6,538,521	-	-	-	6,538,521	( 3,672)	6,534,849
	Other comprehensive (loss) income for the year	-	-	-	-	65,872	274,435	( 881,281)	-	( 540,974)	2	( 540,972)
	Total comprehensive income (loss)	-	-	-	-	6,604,393	274,435	( 881,281)	-	5,997,547	( 3,670)	5,993,877
	Appropriations of 2021 earnings:	6(20)										
	Legal reserve	-	-	1,334,879	-	( 1,334,879)	-	-	-	-	-	-
	Cash dividends	-	-	-	-	( 7,619,807)	-	-	-	( 7,619,807)	-	( 7,619,807)
	Changes in equity of associates accounted for using equity method	6(7)	-	1,199	-	-	-	-	-	1,199	-	1,199
	Share-based payment transactions	6(17)	-	-	-	-	-	-	66,016	66,016	-	66,016
	Past due expired dividends	-	-	535	-	-	-	-	-	535	-	535
	Balance at December 31, 2022	<u>\$ 6,356,889</u>	<u>\$ 3,281,465</u>	<u>\$ 6,346,126</u>	<u>\$ 426,354</u>	<u>\$ 19,400,238</u>	<u>(\$ 469,031)</u>	<u>\$ 591,433</u>	<u>\$ -</u>	<u>\$ 35,933,474</u>	<u>\$ 11,446</u>	<u>\$ 35,944,920</u>

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

GIGA-BYTE TECHNOLOGY CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021  
(Expressed in thousands of New Taiwan dollars)

	<u>Notes</u>	<u>2022</u>	<u>2021</u>
<u>Cash flows from operating activities:</u>			
Profit before income tax		\$ 8,445,741	\$ 16,113,372
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)(26)	640,380	613,141
Depreciation charge on investment property	6(11)	4,867	4,781
Amortisation	6(26)	87,775	62,370
Gain from lease modification	6(9)(24)	( 99 )	( 519 )
Expected credit loss	6(26) and 12(2)	209,817	8,959
Gain on reversal of legal claims provision	6(14)	( 44,407 )	-
Gain on valuation of financial assets at fair value through profit or loss	6(24)	( 7,107 )	( 131,685 )
Share of (profit) loss of associates and joint ventures accounted for using equity method	6(7)	( 1,327 )	16,265
Loss on disposal of property, plant and equipment	6(24)	6,651	3,206
Loss on disposal of intangible assets	6(24)	42	4,445
Interest income	6(22)	( 120,456 )	( 74,576 )
Interest expense	6(25)	5,722	5,399
Dividends income	6(23)	( 68,871 )	( 73,327 )
Grants revenue	6(31)	-	( 44,349 )
Share-based payments	6(17)	-	28,234
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Financial assets at fair value through profit or loss		929,608	( 643,285 )
Notes receivable		1,735	( 2,813 )
Accounts receivable		( 3,507,332 )	( 2,947,270 )
Other receivables		( 36,046 )	( 132,083 )
Inventories		4,812,485	( 11,356,539 )
Prepayments		( 97,549 )	113,824
Other current assets		22,576	( 282,462 )
Net changes in liabilities relating to operating activities			
Contract liabilities		1,590,811	( 2,790,667 )
Notes payable		( 11,304 )	22,464
Accounts payable		( 1,901,784 )	6,861,749
Other payables		( 2,566,553 )	4,566,965
Provisions for liabilities		93,072	( 51,261 )
Other current liabilities		( 37,847 )	( 241,253 )
Other non-current liabilities		( 72,310 )	14,569
Cash generated from operations		8,378,290	9,667,654
Interest received		120,278	75,901
Dividend received		68,871	73,327
Interest paid		( 5,722 )	( 5,399 )
Income tax paid		( 2,746,588 )	( 1,456,488 )
Net cash generated from operating activities, net		<u>5,815,129</u>	<u>8,354,995</u>

(Continued)

GIGA-BYTE TECHNOLOGY CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021  
(Expressed in thousands of New Taiwan dollars)

	Notes	2022	2021
<u>Cash flows from investing activities:</u>			
Acquisition of financial assets at fair value through other comprehensive income		\$ -	(\$ 69,531)
Acquisition of financial assets at amortised cost		-	( 43,672)
Proceeds from disposal of financial assets at amortised cost		507,269	-
Acquisition of investments accounted for under equity method	6(7)	( 12,500)	( 393,230)
Acquisition of property, plant and equipment	6(30)	( 1,121,924)	( 586,534)
Proceeds from disposal of property, plant and equipment		28,284	1,641
Acquisition of intangible assets		( 164,881)	( 55,687)
Decrease in refundable deposits		419	885
Increase in other non-current assets		( 151,745)	( 57,623)
Net cash used in investing activities		( 915,078)	( 1,203,751)
<u>Cash flows from financing activities:</u>			
Repayments of short-term borrowings	6(31)	-	( 303,217)
Repayments of long-term borrowings	6(31)	( 200,000)	-
Increase (decrease) in deposits received	6(31)	88,782	( 44,315)
Payments of lease liabilities	6(31)	( 111,474)	( 102,598)
Cash dividends	6(20)	( 7,619,807)	( 2,542,756)
Cash dividends from capital surplus	6(20)	-	( 635,688)
Purchase of treasury shares		-	( 280,919)
Treasury shares sold to employees		66,016	214,903
Past due expired unpaid dividends for shareholders		535	-
Net cash used in financing activities		( 7,775,948)	( 3,694,590)
Effect of exchange rate changes on cash and cash equivalents		212,934	( 92,798)
Net (decrease) increase in cash and cash equivalents		( 2,662,963)	3,363,856
Cash and cash equivalents at beginning of year		18,928,473	15,564,617
Cash and cash equivalents at end of year		\$ 16,265,510	\$ 18,928,473

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