

Overview of GIGABYTE

Material Topics of This Chapter	Financial Performance
Management Approach	Be responsible for shareholders, and take into consideration environmental and social aspects for financial performance.
Policy and Action	<ul style="list-style-type: none"> Hold regular Shareholders' Meetings and Institutional Investor Conference to provide transparent information. Establish and improve the internal audit system and appoint accountants to ensure the proper use of the Company's financial resources. Track industry trends to ensure that product research and development is advancing with the times.
Vision and Goals	<ul style="list-style-type: none"> Maintain stable profitability, strengthen sufficient capital for Company operations and innovation. Actively research and develop new products, explore new fields, expand product lines and market positioning.
2022 Major Achievement	<ul style="list-style-type: none"> [●] 2022 revenues were second highest in recent years and surpassed TWD100 billion again. [●] Continued to develop emerging technologies and services of servers, autotronics, AI and edge computing in order to expand the markets for intelligent solutions and reverse logistic services.

[●] Stage objectives completed [●] In progress [○] Not yet implemented [●] Incomplete objective

● GIGABYTE Profile

Listing	First listed on the Taiwan Stock Exchange on September 24, 1998 (Stock Code 2376)
Company Name	GIGA-BYTE Technology Co., Ltd.
Capital	NTD6.36 billions
Number of Employees	7,269 employees worldwide
Date of Establishment	April 1986
Manufacturing Factory	Taiwan Taoyuan Nanping Factory, China Dongguan Factory, China Ningbo Factory
Operating Headquarters	No.6, Baoqiang Rd., Xindian Dist., New Taipei City
Operating Locations	Taiwan, China, America, Europe, Asia, and other regions of the world
Key Products and Services	Motherboards, graphics cards, AORUS Tactical Gaming range, AERO series products for content creators, BRIX Ultra compact computers, computer peripherals, high-performance servers Reverse logistic solutions, smart application solutions
Chairman	Yeh, Pei-Chen
General Manage	Li, E-Tay / Lin, Yin-Yu

GIGABYTE was founded in 1986. "Upgrade Your Life" has always been the mission and goal of GIGABYTE. We strongly believe that continued progress depends on the continuous creation of new value – and quality can only be realized through the pursuit of perfection.

As a leading global technology brand, GIGABYTE drew on more than three decades of R&D experience in motherboards and PCs to expand into new fields and craft solutions to meet industry requirements. We have more than twenty years of experience in server development and the cloud industry that align with the latest and most important technology trends today, such as AI, edge computing, and data centers. GIGABYTE is now making great strides towards cloud and 5G with our customers to explore the unlimited possibility of technology.

(For more intelligent technology applications, please refer to [GIGABYTE INDUSTRY](#))

Thanks to active and effective integration of strengths and resources from each department, GIGABYTE has now developed many innovative, high-tech products, such as our data center offering better energy efficiency, lower power consumption, and thus less GHG emissions. These more eco-friendly, secure and high-performance cloud communications products provided to public sector, private sector, and even individual users help reduce unnecessary waste of resources and also encourage the industry to adopt a wider range of environmental initiatives. In terms of consumer electronic products, GIGABYTE's AERO series of content creator notebooks and the AORUS premium e-sports brand not only provide users with a great sensory experience but also facilitate the formation of sustainable supply chains by upstream/downstream suppliers.

GIGABYTE strives to create environmental and social value in addition to economic value. Several sustainability initiatives were launched by GIGABYTE in 2022, including: mitigating the environmental impact of business operations by mentoring the supply chain on greenhouse gas inventory as well as partnering with the Plant-for-the-Planet Foundation from Germany again on tree planting and ecological conservation; hosting Group sustainability courses, launching the "3unlight" volunteering platform, and hosting the annual flea market. Cultivating the sustainability awareness of employees and encouraging them to put sustainability into practice help strengthen the corporate sustainability culture through everyday activities and promote the sustainability philosophy in the local community.

(For more annual milestones, please refer to the [GIGABYTE CSR website](#))

Membership of Associations

GIGABYTE is an active participant in many international organizations. We are a Supporting Organization of the Open Infrastructure Foundation and a founding member of MLCommons. We invest in developing open-source architectures and data sets so that organizations worldwide can have equal access to key technologies. We also hope to recruit more technical experts from around the world and contribute what we learned to the common knowledge platform shared by all mankind.

At the same time, GIGABYTE plays an active role in important domestic industry associations, including the Taiwan Electrical and Electronic Manufacturers' Association (TEEMA), Taipei Computer Association (TCA), and Taiwan Excellent Brand Association. We actively participate in association events as well. GIGABYTE has been a partner in the Trans-Action Award for 8 consecutive years and strives to cultivate talented individuals for the industry.

In addition to technological developments, GIGABYTE joined the New Taipei City Disaster Prevention Association and helped organize community disaster prevention activities; took part in the CDP while also adopting the Responsible Business Alliance (RBA) Code of Conduct, the Task Force on Climate-related Financial Disclosures (TCFD) framework, and Sustainability Accounting Standards board (SASB) Standards. The voluntary standards are used by GIGABYTE for the transparent disclosure and reporting of our efforts in social and environmental responsibility.

Industry Overview and Business Performance

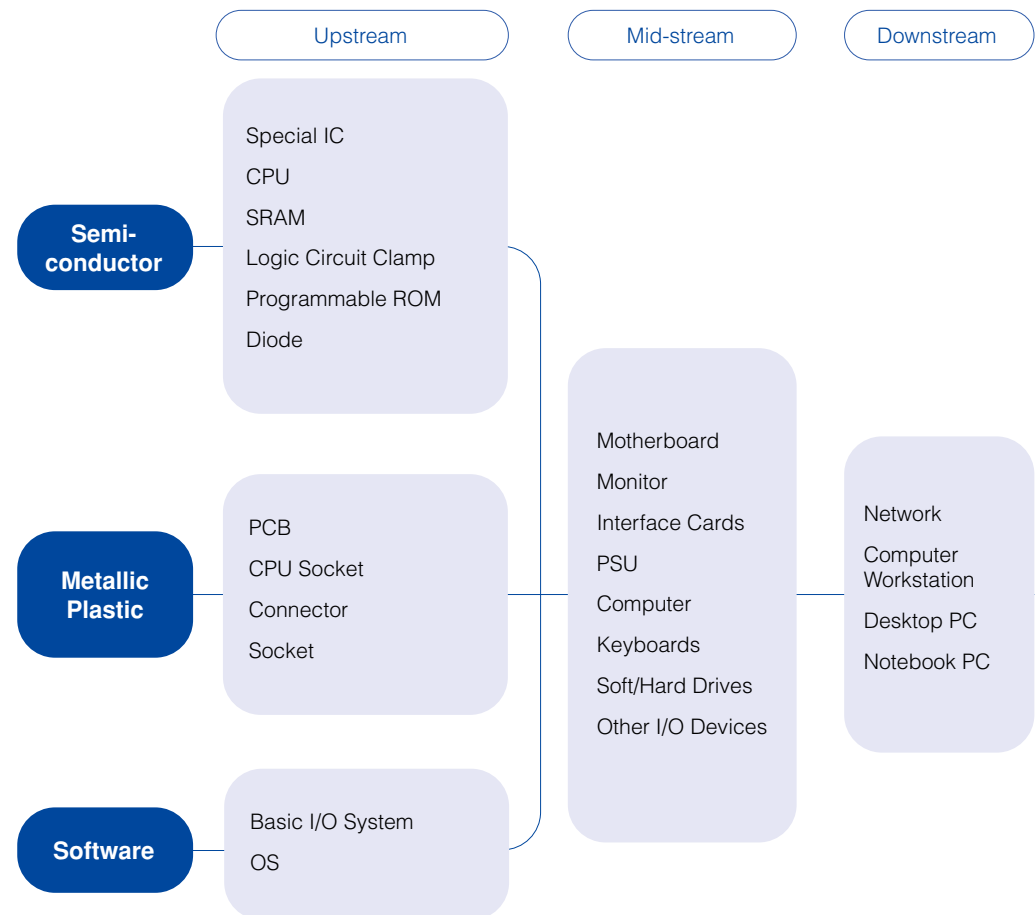
Overview of the Industry

High inflation, new COVID-19 variants, and the Russo-Ukrainian War triggered a global supply chain crisis in 2022. People beginning to revert to their old, pre-pandemic lifestyles after working/studying from home also contributed to a structural imbalance in supply-and-demand for consumer electronics. Gartner estimated a 16.2% drop in 2022 global PC shipments compared to 2021, a trend expected to run through to early 2024. Fortunately, thanks to our agile market strategy, GIGABYTE's inventory destocking time and cycle for consumer electronic product lines were shorter than our competitors, so export sales remained strong.

Metaverse applications are now all the rage around the world. The commonality between 3D metaverse developments in applications such as gaming and social networking is set to become the next trend nexus. GIGABYTE has responded by launching PC gaming motherboards, graphics cards, notebooks, and e-sports peripheral products. These have garnered GIGABYTE many international awards, such as the iF and Red Dot product design awards in Germany and the CES Innovation Award. The server business has been growing at breakneck speed in recent years. Here, GIGABYTE has continued to develop new application markets in the spirit of constant innovation. We now supply a wide range of high-quality products and services in fields such as immersion cooling technology, AI, and HPC based

on modular GPU architecture and ARM64 architecture. Their popularity is widely recognized by academics, research, government agency, and enterprise customers, making GIGABYTE an outstanding leader in the industry. In 2023, the Networking & Communication BU will be formally spun off to become Giga Computing and also all customer service centers will be transferred to the subsidiary Bestyield International. We hope the increased specialization will deliver better quality products and services to our customers while also enhancing our core competitiveness as a whole.

Upstream and Downstream Linkages of Key Products



● Generation and Distribution of Direct Economic Value in the Past 3 years

Unit: NTD Thousand

Operational Performance	2020	2021	2022
Generation of Direct Economic Value			
Operating Income	84,602,841	121,905,357	107,263,644
Distribution of Direct Economic Value			
Operating Cost	70,138,404	92,315,325	90,647,566
Employee Salary and Benefits	6,860,068	10,670,727	4,822,550
Payments to Investors	1,398,516	2,542,756	7,619,807
Income Tax	1,119,570	2,778,226	1,910,892
Retained Economic Value	5,086,283	13,598,323	2,262,829

● Production Output and Value in the Past 3 Years

Unit: 1000 pcs, NTD Million

Key Products	2020		2021		2022	
	Output	Value	Output	Value	Output	Value
Motherboards and Graphics Cards	18,990	55,328	17,630	63,641	15,167	67,375
Other	1,630	12,895	3,646	32,216	3,880	25,649
Total	20,620	68,223	21,277	95,856	19,047	93,024

● GIGABYTE Sales and Distribution by Regions in the Past 3 Years

Unit: NTD Thousand

