

ITE Tech. Inc.

2024 Annual Shareholders' Meeting Minutes

(Translation)

Time: 9:00 a.m. on Tuesday, May 28, 2024

Place: ITE's office, No. 9, Chuangsin 1st Rd., Science Park, Hsinchu

Convening Methods: Physical Shareholders' Meeting

Attendants: All shareholders and their proxy holders, representing 124,197,894 shares (among them, 71,734,434 shares voted via electronic transmission), or 77.10% of the total 161,080,124 outstanding shares (deducting 0 non-voting share as required in Article 179 of the Company Act).

Directors present: Chun-Yang Hu (Chairman), Hung-Yao Lin, Yun-Yu Chen, Yi-Tsung Huang (Independent Director & the Convener of the Audit Committee), Shih-Fang Hsu (Independent Director), Shou-Shan Chen (Independent Director), Fan-Tine Lee (Independent Director)

Others present: CPA Shen-Chieh Hu, Ya-Shu Hsu (Financial Director)

Chairman: Mr. Chun-Yang Hu, the Chairman of the Board of Directors

Minute Recorder: Kuei-Lan Fan

I . Chairman announced commencement. (The aggregate shareholding of the shareholders present in person or by proxy constituted a quorum.)

II . Chairman's Address (omitted)

III . Report Items

1. The Business of 2023 (Annex 1)
Acknowledged
2. 2023 Audit Committee's Review Report (Annex 2)
Acknowledged

3. 2023 Distributable Compensation for Directors and Employees
Acknowledged
4. Cash Dividends Distribution of 2023 Earnings
Acknowledged
5. Cash Dividends Distribution from Capital Surplus
Acknowledged

IV. Approval Items

1. 2023 Business Report and Financial Statements

Description: (1) The 2023 financial statements have been completed with the auditing and attestation by certified public accountants Shen-Chieh Hu and Hsin-Min Hsu of Ernst & Young accounting firm.

(2) For the business report, independent auditors' report, and financial statements in the preceding paragraph, please refer to Annex 1 and Annex 3 to Annex 12.

Voting Result: 124,197,894 shares were represented at the time of voting (including 71,734,434 shares voted via electronic transmission)

Voting Results	% of the total represented share present
Votes in favor: 113,101,055 votes (including 60,637,595 shares voted via electronic transmission)	91.06%
Votes against: 105,677 votes (including 105,677 shares voted via electronic transmission)	0.08%
Votes invalid: 0 votes	0.00%
Votes abstained: 10,991,162 votes (including 10,991,162 shares voted via electronic transmission)	8.84%

Resolution: Approved and acknowledged as proposed by the Board of Directors.

2. 2023 Earnings Distribution

Description: The 2023 earnings distribution table were approved by the 4th meeting of the Company's 11th term Board of Directors and were submitted to the Audit Committee; the written review report

is on file. For the earnings distribution table, please refer to Annex 13.

Voting Result: 124,197,894 shares were represented at the time of voting
(including 71,734,434 shares voted via electronic transmission)

Voting Results	% of the total represented share present
Votes in favor: 114,684,853 votes (including 62,221,393 shares voted via electronic transmission)	92.34%
Votes against: 18,120 votes (including 18,120 shares voted via electronic transmission)	0.01%
Votes invalid: 0 votes	0.00%
Votes abstained: 9,494,921 votes (including 9,494,921 shares voted via electronic transmission)	7.64%

Resolution: Approved and acknowledged as proposed by the Board of Directors.

V. Extempore Motion: None

VI. Adjournment: Meeting ended at 09:20 am

There are no questions from shareholders at this shareholders meeting.

VII. Annex

1. 2023 Business report

2023 Business report

The year 2023 presented a landscape fraught with variables and challenges, as global economic predictions faced uncertainties fueled by disruptive geopolitical tensions and inflationary concerns. The demand in the global electronics industry exhibited weakness, leading to brand manufacturers actively destocking end-user inventories. This resulted in sluggish transaction activities in the upstream supplier market, and the performance of most enterprises inevitably suffered from the impact of the downturn.

However, ITE has carefully navigated this wave of production and sales adjustments, successfully easing inventory pressure in the distribution channels, and the product launches have proceeded seamlessly. Despite the impact of the aforementioned external factors, there was a dip in performance in the first quarter. Nevertheless, starting from the second quarter, customers' inventory levels gradually normalized, and this, coupled with a rebound in demand, led to a notable improvement in performance. Ultimately, annual revenue and profits surpassed the initial expectations.

Closing the fiscal year with revenue of 6.276 billion NT dollars, ITE, despite missing out on the WFH-related surge brought on by the COVID-19 pandemic, proved resilient. Market demand, contrary to initial conservative predictions, remained robust. ITE's success can be attributed to its product competitiveness, securing unwavering support from customers and delivering commendable results throughout the year.

1. Operating outcome in 2023

In the second quarter of 2023, inventory levels had successfully normalized, prompting customers to actively replenish stock. The imposition of royalty fees on Chromebooks by Google, coupled with the Indian government's regulations on the import of PCs and laptops, acted as catalysts, resulting in a surge in orders during the subsequent quarters. This surge significantly contributed to the company's overall revenue. Here is ITE 2023 operating performance,

1. The annual revenue was NT\$6.276 billion, an increase of 20.41% from the previous year.
2. The annual gross profit margin was 54.55%, an increase of 2.25% from the previous year.
3. The annual net income after tax was NT\$1.587 billion, an increase of 30.39% from the previous year.

2. Overview of Annual Business Plan for 2024

(1) Product development policy

A. PC/NB related ICs

ITE will stay abreast of the evolving mainstream CPU technology, collaborating with computer manufacturers to deliver swiftly advanced technologies and products tailored to their requirements.

B. High-speed interface ICs

ITE will continue to develop high-speed interface technologies and products to satisfy the escalating data requirements of multimedia streaming, aligning with the product specifications for the new generation of mobile devices and consumer electronics.

C. HMI ICs

In response to the gradual transformation to digital color display controls in human-machine interfaces such as home appliances, and automotive and industrial applications, ITE will develop corresponding software and hardware-integrated chips to improve the performance of HMI-related development systems.

(2) Sales goals

The year 2023 marked a period of inventory adjustment, and from the second quarter onwards, a discernible positive trend emerged as customers actively engaged in stock replenishment. Looking forward to the year 2024, there is optimism that an economic upswing, akin to the arrival of spring, is on the horizon. Notably, the year 2021 witnessed a historic surge in global NB shipments due to the pandemic, setting the stage for an anticipated rebound in demand in 2024. This resurgence is expected to be driven by work-related needs and business requirements. Key sectors such as live streaming, gaming, HPC, AI, 5G, and other industrial applications will continue to fuel the demand for PC and audio-visual products. ITE's strategic focus in the year 2024 will center on products such as USB Type-C PD and SoC.

3. The Company's future development strategies

- (1) Continue developing key technologies to strengthen technology roadmap, and continue developing new processes to reduce costs.
- (2) Actively explore innovative applications, and design customized, high-value, growth-oriented new products.
- (3) Actively seek strategic customer cooperation, strengthen brand-customer marketing, and strive for the market initiative through a pragmatic business model.

4. The influenced of the external competitive environment, regulatory environment, and overall business environment

The global economy grappled with the lingering effects of the pandemic, compounded by persistent geopolitical issues and inflation, which continued to impede the anticipated recovery. These factors rendered the external competitive environment increasingly unpredictable. On the regulatory front, the ongoing US-China confrontation and restrictions on technology exports to China imposed regulatory constraints on chip exports, necessitating adherence to US standards. In the broader macro-business landscape, the PC market is conclusively transitioning away from the pandemic-induced demand era, reverting to a pre-pandemic mode. Notwithstanding this shift, the global manufacturing sector is undergoing noteworthy changes, gradually relocating to countries like India and Vietnam. This shift in the supply chain away from China presents challenges that companies in related industries must confront and adapt to.

As we anticipate future industry trends, the concept of "AI PC" has solidified. The future of the PC industry will pivot toward a foundation rooted in diverse technologies, necessitating the capability to design products catering to various applications. ITE's product portfolio is strategically aligned with emerging trends and international specifications. We hold the conviction that we can sustain our dominant market position, confidently navigating and overcoming the impacts and challenges presented by the prevailing industry environment.

Chairman: Hu, Chun-yang
President: Lin, Hung-yao
Chief Financial Officer: Hsu, Ya-shu

2. 2023 Audit Committee's Review Report

Audit Committee's Review Report

The Board of Directors has prepared and submitted the Company's 2023 business report, financial statements, and earnings distribution proposal. The financial statements have been completed with an audit by CPAs Hu, Shen-Chieh and Hsu, Hsin-Min of Ernst & Young Accounting Firm, and an audited report has been issued thereon. The aforementioned business report, financial statements, and earnings distribution proposal have been reviewed by this Committee and found to have no discrepancy. The above is hereby reported in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

To ITE Tech. Inc. 2024 Annual General Shareholders' Meeting.

Independent director: Huang, Yi-tsung

Independent director: Hsu, Shih-fang

Independent director: Chen, Shou-shan

Independent director: Lee, Fan-tine

February 23, 2024

3. Independent Auditors' Report on Consolidated Financial Statements

Independent Auditors' Report Translated from Chinese

To ITE Tech. Inc.

Opinion

We have audited the accompanying consolidated balance sheets of ITE Tech. Inc. and its subsidiaries (“the Group”) as of December 31, 2023 and 2022, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2023 and 2022, and notes to the consolidated financial statements, including the summary of material accounting policies (together “the consolidated financial statements”).

In our opinion, based on our audits and the reports of the other auditors (please refer to the *Other Matter – Making Reference to the Audits of Other Auditors section of our report*), the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and their consolidated financial performance and cash flows for the years ended December 31, 2023 and 2022, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the 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 Accountant of the Republic of China (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits and the reports of the other auditors, 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 2023 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition

The Group recognized NT\$6,276,443 thousand as operating revenues for the year ended December 31, 2023, which includes sale of goods and other operating revenues for the year ended December 31, 2023. It is necessary for the Group to judge and determine the performance obligation of a contract, the timing of its satisfaction, and the estimate of the variable considerations. As a result, we determined the matter to be a key audit matter.

Our audit procedures include (but are not limited to) testing the effectiveness of internal control; assessing the appropriateness of the accounting policy for revenue recognition; conducting analytical procedures for gross profit by product; selecting the samples to perform detailed transaction tests and reviewing the significant terms of sales agreements and trade terms to determine the accuracy of the timing of revenue recognition, testing the accuracy of the sales discount calculation and reviewing the payments of refund liabilities in the subsequent period; and performing cut-off procedures on selected samples for a period before and after the reporting date.

We also considered the appropriateness of the disclosures of operating revenues. Please refer to Note 4(17), Note 5 and Note 6(16) in notes to the Group's consolidated financial statements.

Other Matter – Making Reference to the Audits of Other Auditors

We did not audit the financial statements of certain associates and joint ventures accounted for under the equity method. Those financial statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinions expressed herein are based solely on the reports of the other auditors. These associates and joint ventures under equity method amounted to NT\$11,804 thousand and NT\$8,278 thousand, representing 0.14% and 0.12% of consolidated total assets as of December 31, 2023 and 2022, respectively. The related shares of profit or loss from the associates and joint ventures under the equity method amounted to NT\$(9,765) thousand and NT\$(5,016) thousand, representing (0.51)% and (0.34)% of the consolidated net income before tax for the years ended December 31, 2023 and 2022, respectively.

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 requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and became effective by Financial Supervisory Commission of the Republic of China 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 ability to continue as a going concern of the Group, 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 audit committee, are responsible for overseeing the financial reporting process of the Group.

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 judgment 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 internal control of the Group.
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 ability to continue as a going concern of the Group. 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 accompanying notes, 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 2023 consolidated financial statements 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.

Other

We have audited and expressed an unqualified opinion including an Other Matter Paragraph on the parent company only financial statements of ITE Tech. Inc. as of and for the years ended December 31, 2023 and 2022.

Hu, Shen-Chieh

Hsu, Hsin-Min

Ernst & Young, Taiwan

February 23, 2024

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

Accordingly, the accompanying consolidated financial statements and report of independent auditors are not intended for use by those who are not informed about the accounting principles or Standards on Auditing of the Republic of China, and their applications in practice. As the consolidated financial statements are the responsibility of the management, Ernst & Young 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.

4. Consolidated Balance Sheets

English Translation of Consolidated Financial Statements Originally Issued in Chinese

ITE TECH. INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

As of December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

ASSETS	Notes	As of December 31,				LIABILITIES AND EQUITY	Notes	As of December 31,			
		2023		2022				2023		2022	
Current assets						Current liabilities					
Cash and cash equivalents	4,6(1)	\$3,297,069	40.14	\$1,785,488	26.77	Contract liabilities-current	4,6(16)	\$8,034	0.10	\$11,887	0.18
Financial assets at fair value through profit or loss-current	4,6(2)	400,861	4.88	663,670	9.95	Trade payables		384,385	4.68	257,378	3.86
Notes receivables, net	4,6(5),6(17)	7,294	0.09	8,665	0.13	Trade payables to related parties	7	177,102	2.16	109,850	1.65
Trade receivables, net	4,6(6),6(17)	867,926	10.57	717,584	10.76	Other payables		546,212	6.65	472,151	7.08
Trade receivables from related parties, net	4,6(6),6(17),7	847	0.01	-	-	Other payables to related parties	7	10,565	0.13	6,565	0.10
Other receivables		7,783	0.09	1,391	0.02	Current tax liabilities	4,6(22)	286,613	3.49	113,039	1.69
Inventories, net	4,5,6(7)	804,480	9.79	1,071,211	16.06	Lease liabilities-current	4,6(18)	6,152	0.07	6,860	0.10
Prepayments		75,442	0.92	74,262	1.12	Other current liabilities	4,5,6(12)	185,227	2.25	119,833	1.80
Other current assets		104	-	129	-	Total current liabilities		1,604,290	19.53	1,097,563	16.46
Total current assets		5,461,806	66.49	4,322,400	64.81	Non-current liabilities					
						Lease liabilities-noncurrent	4,6(18)	77,011	0.94	80,633	1.21
						Net defined benefit liabilities-noncurrent	4,6(13)	78,347	0.95	83,535	1.25
						Deposits received		28,290	0.35	28,290	0.42
						Total non-current liabilities		183,648	2.24	192,458	2.88
						Total liabilities		1,787,938	21.77	1,290,021	19.34
Non-current assets						Equity attributable to owners of the parent					
Financial assets at fair value through profit or loss-noncurrent	4,6(2)	168,908	2.06	88,835	1.33	Share capital	6(14)				
Financial assets at fair value through other comprehensive income-noncurrent	4,6(3)	1,459,037	17.76	1,154,912	17.32	Common stock		1,610,801	19.61	1,610,801	24.15
Financial assets measured at amortized cost-noncurrent	4,6(4),8	4,230	0.05	4,230	0.06	Capital surplus	6(14)	1,229,824	14.97	1,297,073	19.45
Investments accounted for using the equity method	4,6(8)	11,804	0.14	8,278	0.12	Retained earnings	6(14)				
Property, plant and equipment	4,6(9)	662,142	8.06	629,367	9.44	Legal reserve		710,912	8.65	588,175	8.82
Right-of-use assets	4,6(18)	79,888	0.97	84,549	1.27	Undistributed earnings		2,375,480	28.92	1,731,439	25.96
Intangible assets	4,5,6(10),6(11)	277,680	3.38	282,553	4.24	Other equity		499,276	6.08	151,932	2.28
Deferred tax assets	4,6(22)	86,835	1.06	91,491	1.37	Total equity		6,426,293	78.23	5,379,420	80.66
Other noncurrent assets		1,901	0.03	2,826	0.04						
Total non-current assets		2,752,425	33.51	2,347,041	35.19						
Total assets		\$8,214,231	100.00	\$6,669,441	100.00	Total liabilities and equity		\$8,214,231	100.00	\$6,669,441	100.00

(The accompanying notes are an integral part of the consolidated financial statements.)

5. Consolidated Statements of Comprehensive Income

English Translation of Consolidated Financial Statements Originally Issued in Chinese

ITE TECH. INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Description	Notes	For the years ended December 31,			
		2023		2022	
		Amount	%	Amount	%
Operating revenues	4,5,6(16),7	\$6,276,443	100.00	\$5,212,206	100.00
Operating costs	6(7),6(18),6(19),7	(2,852,442)	(45.45)	(2,486,324)	(47.70)
Gross profit		3,424,001	54.55	2,725,882	52.30
Operating expenses	6(18),6(19),7				
Selling expenses		(390,131)	(6.21)	(310,657)	(5.96)
Administrative expenses		(293,535)	(4.68)	(230,981)	(4.43)
Research and development expenses		(977,680)	(15.58)	(833,642)	(16.00)
Total operating expenses		(1,661,346)	(26.47)	(1,375,280)	(26.39)
Operating income		1,762,655	28.08	1,350,602	25.91
Non-operating income and expenses					
Interest income	6(20)	31,533	0.50	7,106	0.14
Other income	6(20)	137,878	2.20	121,135	2.32
Other gains and losses	6(20)	7,845	0.12	(9,944)	(0.19)
Finance costs	6(20)	(1,587)	(0.02)	(1,766)	(0.03)
Share of loss of associates and joint ventures accounted for using the equity method	6(8)	(9,765)	(0.15)	(5,016)	(0.10)
Total non-operating income and expenses		165,904	2.65	111,515	2.14
Net income before income tax		1,928,559	30.73	1,462,117	28.05
Income tax expense	4,6(22)	(340,751)	(5.43)	(244,425)	(4.69)
Net income		1,587,808	25.30	1,217,692	23.36
Other comprehensive income (loss)	6(21)				
Items that may not be reclassified subsequently to profit or loss					
Remeasurements of defined benefit plans	6(13)	4,244	0.07	2,898	0.06
Unrealized gains (losses) from equity instrument investments measured at fair value through other comprehensive income		412,321	6.57	(661,495)	(12.69)
Income tax relating to those items not to be reclassified to profit or loss		(4,269)	(0.07)	8,856	0.17
Items that may be reclassified subsequently to profit or loss					
Exchange differences resulting from translating the financial statements of foreign operations		(41)	-	39	-
Other comprehensive income (loss), net of tax		412,255	6.57	(649,702)	(12.46)
Total comprehensive income		\$2,000,063	31.87	\$567,990	10.90
Net income for the periods attributable to:					
Owners of the parent		\$1,587,808		\$1,217,692	
Total comprehensive income for the periods attributable to:					
Owners of the parent		\$2,000,063		\$567,990	
Earning per share (in New Taiwan Dollars)	6(23)				
Basic earnings per share (in New Taiwan Dollars)		\$9.86		\$7.56	
Diluted earnings per share (in New Taiwan Dollars)		\$9.75		\$7.43	

(The accompanying notes are an integral part of the consolidated financial statements.)

6. Consolidated Statements of Changes in Equity

English Translation of Consolidated Financial Statements Originally Issued in Chinese

ITE TECH. INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

Description	Equity attributable to owners of the parent							Total equity
	Share capital	Capital surplus	Retained Earnings		Other equity		Equity attributable to owners of the parent	
			Legal reserve	Undistributed earnings	Exchange differences resulting from translating the financial statements of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income		
Balance as of January 1, 2022	\$1,610,801	\$1,458,153	\$414,947	\$1,965,937	\$(245)	\$811,558	\$6,261,151	\$6,261,151
Appropriation and distribution of 2021 earnings:								
Legal reserve	-	-	173,228	(173,228)	-	-	-	-
Cash dividends	-	-	-	(1,288,641)	-	-	(1,288,641)	(1,288,641)
Changes in other capital surplus								
Cash dividends distributed from capital surplus	-	(161,080)	-	-	-	-	(161,080)	(161,080)
Profit for the year ended December 31, 2022	-	-	-	1,217,692	-	-	1,217,692	1,217,692
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	2,318	39	(652,059)	(649,702)	(649,702)
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	1,220,010	39	(652,059)	567,990	567,990
Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	7,361	-	(7,361)	-	-
Balance as of December 31, 2022	\$1,610,801	\$1,297,073	\$588,175	\$1,731,439	\$(206)	\$152,138	\$5,379,420	\$5,379,420
Balance as of January 1, 2023	\$1,610,801	\$1,297,073	\$588,175	\$1,731,439	\$(206)	\$152,138	\$5,379,420	\$5,379,420
Appropriation and distribution of 2022 earnings:								
Legal reserve	-	-	122,737	(122,737)	-	-	-	-
Cash dividends	-	-	-	(885,941)	-	-	(885,941)	(885,941)
Changes in other capital surplus								
Changes in associates and joint ventures accounted for using the equity method	-	13,291	-	-	-	-	13,291	13,291
Cash dividends distributed from capital surplus	-	(80,540)	-	-	-	-	(80,540)	(80,540)
Profit for the year ended December 31, 2023	-	-	-	1,587,808	-	-	1,587,808	1,587,808
Other comprehensive income (loss) for the year ended December 31, 2023	-	-	-	3,395	(41)	408,901	412,255	412,255
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	1,591,203	(41)	408,901	2,000,063	2,000,063
Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	61,516	-	(61,516)	-	-
Balance as of December 31, 2023	\$1,610,801	\$1,229,824	\$710,912	\$2,375,480	\$(247)	\$499,523	\$6,426,293	\$6,426,293

(The accompanying notes are an integral part of the consolidated financial statements.)

7. Consolidated Statements of Cash Flows

English Translation of Consolidated Financial Statements Originally Issued in Chinese

ITE TECH. INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31, 2023 and 2022
(Expressed in thousands of New Taiwan Dollars)

Description	For the years ended December 31,		Description	For the years ended December 31,	
	2023	2022		2023	2022
Cash flows from operating activities:			Cash flows from investing activities:		
Profit before tax	\$1,928,559	\$1,462,117	Acquisition of financial assets at fair value through other comprehensive income	(37,500)	-
Adjustments for:			Proceeds from disposal of financial assets at fair value through other comprehensive income	95,696	22,551
The profit or loss items which did not affect cash flows:			Proceeds from capital return of financial assets at fair value through other comprehensive income	50,000	-
Depreciation	51,173	45,722	Acquisition of financial assets at fair value through profit or loss	(75,201)	(76,904)
Amortization	12,104	9,275	Disposal of subsidiary	-	5,378
(Gains) losses on financial assets at fair value through profit or loss	(10,912)	11,315	Acquisition of property, plant and equipment	(76,059)	(20,878)
Interest expenses	1,587	1,766	Acquisition of intangible assets	(7,241)	(65,646)
Interest income	(31,533)	(7,106)	Decrease in other non-current assets	925	420
Dividend income	(93,597)	(117,629)	Dividends received	93,597	117,629
Share of loss of associates and joint ventures accounted for using the equity method	9,765	5,016	Net cash provided by (used in) investing activities	44,217	(17,450)
Changes in operating assets and liabilities:					
Financial assets mandatorily measured at fair value through profit or loss	266,792	875,905			
Notes receivables	1,371	583			
Trade receivables	(150,342)	317,355			
Trade receivables from related parties	(847)	3,011			
Other receivables	24	(24)	Cash flows from financing activities:		
Inventories	266,731	5,677	Decrease in deposits received	-	(193)
Prepayments	(1,180)	(2,756)	Cash payment for the principal portion of the lease liabilities	(7,622)	(7,025)
Other current assets	25	(9)	Cash dividends	(966,481)	(1,449,721)
Contract liabilities	(3,853)	6,891	Net cash used in financing activities	(974,103)	(1,456,939)
Trade payables	127,007	(363,180)			
Trade payables to related parties	67,252	(188,337)			
Other payables	74,061	(226,984)			
Other payables to related parties	4,000	3,460			
Other current liabilities	65,394	(62,611)			
Net defined benefit liabilities	(944)	(1,425)			
Cash generated from operating activities:	2,582,637	1,778,032			
Interest received	27,174	8,886	Effect of exchange rate changes on cash and cash equivalents	33	(135)
Interest paid	(1,587)	(1,766)	Net increase (decrease) in cash and cash equivalents	1,511,581	(190,437)
Income tax paid	(166,790)	(501,065)	Cash and cash equivalents at the beginning of the year	1,785,488	1,975,925
Net cash provided by operating activities	2,441,434	1,284,087	Cash and cash equivalents at the end of the year	\$3,297,069	\$1,785,488

(The accompanying notes are an integral part of the consolidated financial statements.)

8. Independent Auditors' Report on Parent Company Only Financial Statements

Independent Auditors' Report Translated from Chinese

To ITE Tech. Inc.

Opinion

We have audited the accompanying parent company only balance sheets of ITE Tech. Inc. (“the Company”) as of December 31, 2023 and 2022, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2023 and 2022, and notes to the parent company only financial statements, including the summary of material accounting policies (together “the parent company only financial statements”).

In our opinion, based on our audits and the reports of the other auditors (please refer to the *Other Matter – Making Reference to the Audits of Other Auditors* section of our report), the parent company only financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and cash flows for the years ended December 31, 2023 and 2022, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the 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 Accountant of the Republic of China (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits and the reports of the other auditors, 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 2023 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, and we do not provide a separate opinion on these matters.

Revenue recognition

The Company recognized NT\$6,276,443 thousand as operating revenues for the year ended December 31, 2023, which includes sale of goods and other operating revenues for the year ended December 31, 2023. It is necessary for the Company to judge and determine the performance obligation of a contract, the timing of its satisfaction, and the estimate of the variable considerations. As a result, we determined the matter to be a key audit matter.

Our audit procedures include (but are not limited to) testing the effectiveness of internal control; assessing the appropriateness of the accounting policy for revenue recognition; conducting analytical procedures for gross profit by product; selecting the samples to perform detailed transaction tests and reviewing the significant terms of sales agreements and trade terms to determine the accuracy of the timing of revenue recognition, testing the accuracy of the sales discount calculation and reviewing the payments of refund liabilities in the subsequent period; and performing cut-off procedures on selected samples for a period before and after the reporting date.

We also considered the appropriateness of the disclosures of operating revenues. Please refer to Note 4(16), Note 5 and Note 6(16) in notes to the parent company only financial statements.

Other Matter – Making Reference to the Audits of Other Auditors

We did not audit the financial statements of certain associates and joint ventures accounted for under the equity method. Those financial statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinions expressed herein are based solely on the reports of the other auditors. These associates and joint ventures under equity method amounted to NT\$11,804 thousand and NT\$8,278 thousand, representing 0.14% and 0.12% of parent company only total assets as of December 31, 2023 and 2022, respectively. The related shares of profit or loss from the associates and joint ventures under the equity method amounted to NT\$(9,765) thousand and NT\$(5,016) thousand, representing (0.51)% and (0.34)% of the parent company only net income before tax for the years ended December 31, 2023 and 2022, respectively.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the requirements of 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 ability to continue as a going concern of the Company, 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 audit committee, are responsible for overseeing the financial reporting process of the Company.

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 judgment 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 internal control of the Company.
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 ability to continue as a going concern of the Company. 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 accompanying notes, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2023 parent company only financial statements 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.

Hu, Shen-Chieh

Hsu, Hsin-Min

Ernst & Young, Taiwan

February 23, 2024

Notice to Readers

The accompanying financial statements are intended only to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally accepted and applied in the Republic of China.

Accordingly, the accompanying financial statements and report of independent auditors are not intended for use by those who are not informed about the accounting principles or Standards on Auditing of the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young 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.

9. Parent Company Only Balance Sheets

English Translation of Financial Statements Originally Issued in Chinese

ITE TECH. INC.

PARENT COMPANY ONLY BALANCE SHEETS

As of December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

ASSETS	Notes	As of December 31,				LIABILITIES AND EQUITY	Notes	As of December 31,			
		2023		2022				2023		2022	
Current assets						Current liabilities					
Cash and cash equivalents	4, 6(1)	\$3,296,815	40.15	\$1,784,959	26.79	Contract liabilities-current	4, 6(16)	\$8,034	0.10	\$11,887	0.18
Financial assets at fair value through profit or loss-current	4, 6(2)	400,861	4.88	663,670	9.96	Trade payables		384,385	4.68	257,378	3.86
Notes receivables, net	4, 6(5), 6(17)	7,294	0.09	8,665	0.13	Trade payables to related parties	7	177,102	2.16	109,850	1.65
Trade receivables, net	4, 6(6), 6(17)	867,926	10.57	717,584	10.77	Other payables		546,212	6.65	472,151	7.08
Trade receivables from related parties, net	4, 6(6), 6(17), 7	847	0.01	-	-	Other payables to related parties	7	10,565	0.13	6,565	0.10
Other receivables		7,783	0.09	1,391	0.02	Current tax liabilities	4, 6(22)	286,613	3.49	113,039	1.70
Inventories, net	4, 5, 6(7)	804,480	9.80	1,071,211	16.08	Lease liabilities-current	4, 6(18)	3,740	0.05	3,102	0.05
Prepayments		75,724	0.92	75,339	1.13	Other current liabilities	4, 5, 6(12)	185,155	2.25	119,756	1.80
Other current assets		104	-	129	-	Total current liabilities		1,601,806	19.51	1,093,728	16.42
Total current assets		5,461,834	66.51	4,322,948	64.88						
						Non-current liabilities					
						Lease liabilities-noncurrent	4, 6(18)	77,011	0.94	78,291	1.18
						Net defined benefit liabilities-noncurrent	4, 6(13)	78,347	0.95	83,535	1.25
						Deposits received		28,290	0.34	28,290	0.42
						Total non-current liabilities		183,648	2.23	190,116	2.85
						Total liabilities		1,785,454	21.74	1,283,844	19.27
Non-current assets						Equity					
Financial assets at fair value through profit or loss-noncurrent	4, 6(2)	168,908	2.06	88,835	1.33	Share capital	6(14)				
Financial assets at fair value through other comprehensive income-noncurrent	4, 6(3)	1,459,037	17.77	1,154,912	17.33	Common stock		1,610,801	19.61	1,610,801	24.17
Financial assets measured at amortized cost-noncurrent	4, 6(4), 8	4,230	0.05	4,230	0.06	Capital surplus	6(14)	1,229,824	14.98	1,297,073	19.47
Investments accounted for using the equity method	4, 6(8)	13,871	0.17	10,776	0.16	Retained earnings	6(14)				
Property, plant and equipment	4, 6(9)	661,571	8.05	628,753	9.44	Legal reserve		710,912	8.66	588,175	8.83
Right-of-use assets	4, 6(18)	77,734	0.95	78,901	1.19	Undistributed earnings		2,375,480	28.93	1,731,439	25.98
Intangible assets	4, 5, 6(10), 6(11)	277,187	3.37	281,879	4.23	Other equity		499,276	6.08	151,932	2.28
Deferred tax assets	4, 6(22)	86,835	1.06	91,491	1.37	Total equity		6,426,293	78.26	5,379,420	80.73
Other noncurrent assets		540	0.01	539	0.01						
Total non-current assets		2,749,913	33.49	2,340,316	35.12						
Total assets		\$8,211,747	100.00	\$6,663,264	100.00	Total liabilities and equity		\$8,211,747	100.00	\$6,663,264	100.00

(The accompanying notes are an integral part of the parent company only financial statements.)

10. Parent Company Only Statements of Comprehensive Income

English Translation of Financial Statements Originally Issued in Chinese

ITE TECH. INC.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

For The Years Ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Description	Notes	For the years ended December 31,			
		2023		2022	
		Amount	%	Amount	%
Operating revenues	4, 5, 6(16), 7	\$6,276,443	100.00	\$5,212,206	100.00
Operating costs	6(7), 6(18), 6(19), 7	(2,852,437)	(45.45)	(2,486,318)	(47.70)
Gross profit		3,424,006	54.55	2,725,888	52.30
Operating expenses	6(18), 6(19), 7				
Selling expenses		(390,131)	(6.21)	(310,657)	(5.96)
Administrative expenses		(293,276)	(4.67)	(231,134)	(4.43)
Research and development expenses		(977,680)	(15.58)	(833,642)	(16.00)
Total operating expenses		(1,661,087)	(26.46)	(1,375,433)	(26.39)
Operating income		1,762,919	28.09	1,350,455	25.91
Non-operating income and expenses					
Interest income	6(20)	31,526	0.50	7,096	0.14
Other income	6(20)	137,847	2.20	121,069	2.32
Other gains and losses	6(20)	7,797	0.12	(10,173)	(0.19)
Finance costs	6(20)	(1,393)	(0.02)	(1,408)	(0.03)
Share of loss of subsidiaries, associates, and joint ventures accounted for using the equity method	6(8)	(10,155)	(0.16)	(4,976)	(0.10)
Total non-operating income and expenses		165,622	2.64	111,608	2.14
Net income before income tax		1,928,541	30.73	1,462,063	28.05
Income tax expense	4, 6(22)	(340,733)	(5.43)	(244,371)	(4.69)
Net income		1,587,808	25.30	1,217,692	23.36
Other comprehensive income (loss)	6(21)				
Items that may not be reclassified subsequently to profit or loss					
Remeasurements of defined benefit plans	6(13)	4,244	0.07	2,898	0.06
Unrealized gains (losses) from equity instrument investments measured at fair value through other comprehensive income		412,321	6.57	(661,495)	(12.69)
Income tax relating to those items not to be reclassified to profit or loss		(4,269)	(0.07)	8,856	0.17
Items that may be reclassified subsequently to profit or loss					
Exchange differences resulting from translating the financial statements of foreign operations		(41)	-	39	-
Other comprehensive income (loss), net of tax		412,255	6.57	(649,702)	(12.46)
Total comprehensive income		\$2,000,063	31.87	\$567,990	10.90
Earnings per share (in New Taiwan Dollars)	6(23)				
Basic earnings per share (in New Taiwan Dollars)		\$9.86		\$7.56	
Diluted earnings per share (in New Taiwan Dollars)		\$9.75		\$7.43	

(The accompanying notes are an integral part of the parent company only financial statements.)

11. Parent Company Only Statements of Changes in Equity

English Translation of Financial Statements Originally Issued in Chinese

ITE TECH. INC.

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY

For The Years Ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

Description	Share capital	Capital surplus	Retained earnings		Other equity		Total equity
			Legal reserve	Undistributed earnings	Exchange differences resulting from translating the financial statements of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	
Balance as of January 1, 2022	\$1,610,801	\$1,458,153	\$414,947	\$1,965,937	\$(245)	\$811,558	\$6,261,151
Appropriation and distribution of 2021 earnings:							
Legal reserve	-	-	173,228	(173,228)	-	-	-
Cash dividends	-	-	-	(1,288,641)	-	-	(1,288,641)
Changes in other capital surplus							
Cash dividends distributed from capital surplus	-	(161,080)	-	-	-	-	(161,080)
Profit for the year ended December 31, 2022	-	-	-	1,217,692	-	-	1,217,692
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	2,318	39	(652,059)	(649,702)
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	1,220,010	39	(652,059)	567,990
Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	7,361	-	(7,361)	-
Balance as of December 31, 2022	<u>\$1,610,801</u>	<u>\$1,297,073</u>	<u>\$588,175</u>	<u>\$1,731,439</u>	<u>\$(206)</u>	<u>\$152,138</u>	<u>\$5,379,420</u>
Balance as of January 1, 2023	\$1,610,801	\$1,297,073	\$588,175	\$1,731,439	\$(206)	\$152,138	\$5,379,420
Appropriation and distribution of 2022 earnings:							
Legal reserve	-	-	122,737	(122,737)	-	-	-
Cash dividends	-	-	-	(885,941)	-	-	(885,941)
Changes in other capital surplus							
Changes in associates and joint ventures accounted for using the equity method	-	13,291	-	-	-	-	13,291
Cash dividends distributed from capital surplus	-	(80,540)	-	-	-	-	(80,540)
Profit for the year ended December 31, 2023	-	-	-	1,587,808	-	-	1,587,808
Other comprehensive income (loss) for the year ended December 31, 2023	-	-	-	3,395	(41)	408,901	412,255
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	1,591,203	(41)	408,901	2,000,063
Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	61,516	-	(61,516)	-
Balance as of December 31, 2023	<u>\$1,610,801</u>	<u>\$1,229,824</u>	<u>\$710,912</u>	<u>\$2,375,480</u>	<u>\$(247)</u>	<u>\$499,523</u>	<u>\$6,426,293</u>

(The accompanying notes are an integral part of the parent company only financial statements.)

12. Parent Company Only Statements of Cash Flows

English Translation of Financial Statements Originally Issued in Chinese

ITE TECH. INC.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

For The Years Ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

Description	For the years ended December 31,		Description	For the years ended December 31,	
	2023	2022		2023	2022
Cash flows from operating activities:			Cash flows from investing activities:		
Profit before tax	\$ 1,928,541	\$ 1,462,063	Acquisition of financial assets at fair value through other comprehensive income	(37,500)	-
Adjustments for:			Proceeds from disposal of financial assets at fair value through other comprehensive income	95,696	22,551
The profit or loss items which did not affect cash flows:			Proceeds from capital return of financial assets at fair value through other comprehensive income	50,000	-
Depreciation	47,219	41,846	Acquisition of financial assets at fair value through profit or loss	(75,201)	(76,904)
Amortization	11,933	9,051	Proceeds from disposal of investments accounted for using the equity method	-	5,378
(Gains) losses on financial assets at fair value through profit or loss	(10,912)	11,315	Acquisition of property, plant and equipment	(75,818)	(20,629)
Interest expenses	1,393	1,408	Acquisition of intangible assets	(7,241)	(65,646)
Interest income	(31,526)	(7,096)	Increase in other non-current assets	(1)	(430)
Dividend income	(93,597)	(117,629)	Dividends received	93,597	117,629
Share of loss of subsidiaries, associates, and joint ventures accounted for using the equity method	10,155	4,976	Net cash provided by (used in) investing activities	43,532	(18,051)
Changes in operating assets and liabilities:					
Financial assets mandatorily measured at fair value through profit or loss	266,792	875,905			
Notes receivables	1,371	583			
Trade receivables	(150,342)	317,355			
Trade receivables from related parties	(847)	3,011			
Other receivables	24	(24)			
Inventories	266,731	5,677	Cash flows from financing activities:		
Prepayments	(385)	(1,857)	Decrease in deposits received	-	(193)
Other current assets	25	(9)	Cash payment for the principal portion of the lease liabilities	(3,694)	(3,668)
Contract liabilities	(3,853)	6,891	Cash dividends	(966,481)	(1,449,721)
Trade payables	127,007	(363,180)	Net cash used in financing activities	(970,175)	(1,453,582)
Trade payables to related parties	67,252	(188,337)			
Other payables	74,061	(226,984)			
Other payables to related parties	4,000	3,460			
Other current liabilities	65,399	(62,624)			
Net defined benefit liabilities	(944)	(1,425)			
Cash generated from operating activities:	2,579,497	1,774,376			
Interest received	27,167	8,876			
Interest paid	(1,393)	(1,408)	Net increase (decrease) in cash and cash equivalents	1,511,856	(190,800)
Income tax paid	(166,772)	(501,011)	Cash and cash equivalents at the beginning of the year	1,784,959	1,975,759
Net cash provided by operating activities	2,438,499	1,280,833	Cash and cash equivalents at the end of the year	\$ 3,296,815	\$ 1,784,959

(The accompanying notes are an integral part of the parent company only financial statements.)

13. Earnings Distribution Table

ITE Tech. Inc. 2023 Earnings Distribution Table

Unit: NT\$

Item	Amount	
	Subtotal	Total
Beginning balance		722,761,093
Net profit after tax for the current year	1,587,808,394	
Add: Disposal of financial assets at fair value through Other Comprehensive income	61,515,535	
Add: Actuarial gain on defined benefit plan	3,395,176	
Amount of net profit after tax for the current period, plus the amount of items other than the net profit after tax for the current period that are recorded in undistributed earnings for the current year	1,652,719,105	
Less: Legal reserve appropriated	(165,271,911)	1,487,447,194
Distributable earnings		2,210,208,287
Distributions:		
Shareholders cash dividend (The proposed dividend NT\$7.5 per share)	(1,208,100,930)	
Ending undistributed earnings		1,002,107,357

Chairman: Hu, Chun-yang

President: Lin, Hung-yao

Chief Financial Officer: Hsu, Ya-shu