

English Translation of Financial Statements and a Report Originally Issued in Chinese

Ticker: 2349

**RITEK CORPORATION
PARENT-COMPANY-ONLY FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REPORT
AS OF DECEMBER 31, 2024 AND 2023
AND FOR THE YEARS THEN ENDED**

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The reader is advised that these financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

Parent-company-only financial statements

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Independent Auditors' Report Translated from Chinese

Independent Auditors' Report

To Ritek Corporation

Opinion

We have audited the accompanying parent-company-only balance sheets of Ritek Corporation (the “Company”) as of December 31, 2024 and 2023, and the related parent-company-only statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2024 and 2023, 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 auditor (please refer to the Other Matter – Making Reference to the Audits of Other Auditor section of our report), the parent-company-only financial statements referred to above present fairly, in all material respects, the parent-company-only financial position of the Company as of December 31, 2024 and 2023, and their parent-company-only financial performance and cash flows for the years ended December 31, 2024 and 2023, 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 auditor, 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 2024 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.

Non-Financial Assets Impairment

The Company recognized property, plant and equipment in the amount of NT\$1,345,201 thousand as of December 31, 2024, which represented 15% of total assets. Due to the Company's year-end loss in 2024, its assets may be impaired. In fact, the assessment procedure of non-financial assets impairment highly involves making assumptions and estimation, therefore we conclude that impairment of non-financial assets is a key audit matter.

The audit procedures we performed included but not limited to the following related audit procedures: assess judgement of the management on signs of impairment for the cash generation unit; measure the recoverable amount of the asset or cash generating unit; examine the Company's historical data and other external industrial analysis report to assess the rationality of the assumption and discount rate that were used for impairment testing; assess the rationality of the key assumption that was made by management when forecasting future cash flow (including sales growth rate and gross profit margin rate by products).

We assessed appropriateness of disclosures regarding non-financial assets impairment of the Company. Please refer to Notes 4, 5 and 6 for related information.

Revenue Recognition

The Company recognized sales revenue in the amount of NT\$2,763,909 thousand in 2024. The main activities of the Company are the sale and manufacturing of CD-ROM and other optical products. Build to order method was adopted for transactions. Different contract terms were made in response to the market traits and customers' demands. Since the timing of the satisfaction of performance obligation needs to be determined based on each contract term, we conclude that revenue recognition is a key audit matter.

The audit procedures we performed included but not limited to the following related audit procedures: assess the appropriateness of the management's revenue recognition accounting policy and understand revenue recognition procedures of identified performance obligations ; evaluate and test the design and effectiveness of internal control over the timing of revenue recognition when performance obligations satisfied ; perform analytical procedure for selling price, sales volume, cost and gross profit margin by products and also for the top 10 customers; select samples to perform tests of details, review terms of contracts and supporting documents to verify the appropriateness and reasonableness of the timing of revenue recognition; perform cut-off testing for revenue before and after the balance sheet date and review supporting documents to ensure revenue was recognized in the proper period; review huge sales returns subsequent to the balance sheet date and clarify the cause and nature; and perform general journal entries test.

We assessed appropriateness of disclosures regarding revenue recognition of the Company. Please refer to Notes 4 and 6 for related information.

Other Matter – Making Reference to the Audits of Component Auditors

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 audit reports of the other auditors. We did not audit the financial statements of certain associates accounted for under the equity method whose statements are based solely on the reports of other auditors. These associates under equity method amounted to NT\$442,463 thousand and NT\$448,778 thousand, representing 5% and 5% of total assets as of December 31, 2024 and 2023, respectively. The related shares of profits from the associates and joint ventures under the equity method amounted to NT\$(15,053) thousand and NT\$(34,139) thousand, representing (32%) and 11% of the net income before tax for the years ended December 31, 2024 and 2023, respectively, and the related shares of other comprehensive income from the associates and joint ventures under the equity method amounted to NT\$5,031 thousand and NT\$(1,759) thousand, representing 5% and 4% of the other comprehensive income for the years ended December 31, 2024 and 2023.

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 or supervisors, are responsible for overseeing the financial reporting process of the Company.

Auditor's 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 company 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 auditor's 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.

HSIEH, SHENG-AN
CHIU, WAN-JU
Ernst & Young, Taiwan
March 12, 2025

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 accountants 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.

English Translation of Financial Statements Originally Issued in Chinese

Ritek Corporation

Parent-Company-Only Balance Sheets

As of December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

Assets			2024.12.31		2023.12.31	
Code	Accounts	Notes	Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	6(1)	\$507,223	6	\$531,142	6
1110	Financial assets at fair value through profit or loss-current	6(2)	32,941	1	49,260	1
1136	Financial assets measured at amortized cost-current	6(4), 8	3,630	-	3,584	-
1150	Notes receivables, net	6(5), 6(19)	8,478	-	2,370	-
1170	Accounts receivable, net	6(6), 6(19)	364,030	4	374,939	4
1180	Accounts receivable-related parties, net	6(6), 6(19), 7	178,626	2	195,427	2
1197	Finance lease receivable, net	6(7)	1,124		1,100	
1200	Other receivables	6(19)	22,356	-	15,883	-
1210	Other receivables-related parties	6(19), 7	6,628	-	4,841	-
130x	Inventories	6(8)	536,056	6	454,643	5
1410	Prepayments		21,514	-	41,259	1
1470	Other current assets	7	8,146	-	2,347	-
11xx	Total current assets		1,690,752	19	1,676,795	19
	Non-current assets					
1517	Financial assets at fair value through other comprehensive income-non-current	6(3)	19,126	-	34,112	-
1550	Investments accounted for under equity method	6(9), 8	5,019,119	57	4,612,773	54
1600	Property, plant and equipment	6(10), 8	1,345,201	15	1,689,904	20
1755	Right-of-use assets	6(20), 7	63,122	1	68,521	1
1760	Investment property, net	6(11), 8	617,958	7	403,215	5
1780	Intangible assets	6(12)	129	-	1,635	-
1900	Other non-current assets	6(13)	33,026	-	26,253	-
1942	Long-term accounts receivable-related parties	7	98,232	1	91,974	1
194D	Long-term finance lease receivable, net	6(7)	2,822	-	3,946	-
15xx	Total non-current assets		7,198,735	81	6,932,333	81
1xxx	Total Assets		\$8,889,487	100	\$8,609,128	100

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

English Translation of Financial Statements Originally Issued in Chinese

Ritek Corporation

Parent-Company-Only Balance Sheets (Continued)

As of December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity			2024.12.31		2023.12.31	
Code	Accounts	Notes	Amount	%	Amount	%
	Current liabilities					
2100	Short-term loans	6(14), 8	\$556,000	6	\$496,000	6
2150	Notes payable		25,038	-	15,586	-
2160	Notes payable-related parties	7	177	-	401	-
2170	Accounts payable		161,846	2	151,197	2
2180	Accounts payable-related parties	7	23,023	-	5,590	-
2200	Other payables		273,416	3	227,193	3
2280	Lease liabilities-current	6(20), 7	17,479	-	13,601	-
2300	Other current liabilities	6(18), 7	70,604	1	47,405	1
2320	Current portion of long-term liabilities	6(15), 8	95,098	1	79,595	1
21xx	Total current liabilities		1,222,681	13	1,036,568	13
	Non-current liabilities					
2540	Long-term loans	6(15), 8	1,470,399	17	1,567,000	18
2580	Lease liabilities-non-current	6(20), 7	51,353	1	60,866	1
2640	Net defined benefit liability-non-current	6(16)	3,620	-	33,048	-
2670	Other non-current liabilities	6(9)	453,373	5	457,104	5
25xx	Total non-current liabilities		1,978,745	23	2,118,018	24
2xxx	Total liabilities		3,201,426	36	3,154,586	37
	Equity					
3100	Capital	6(17)				
3110	Common stock		6,936,797	78	6,936,797	81
3200	Capital surplus	6(17)	1,322,901	15	1,233,814	14
3300	Retained earnings	6(17)				
3350	Unappropriated accumulated deficit		(1,780,493)	(20)	(1,867,974)	(22)
3400	Other components of equity		(791,144)	(9)	(848,095)	(10)
3xxx	Total equity		5,688,061	64	5,454,542	63
	Total liabilities and equity		\$8,889,487	100	\$8,609,128	100

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

English Translation of Financial Statements Originally Issued in Chinese

Ritek Corporation

Parent-Company-Only Statements Of Comprehensive Income

For the Years Ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

Code	Accounts	Notes	2024		2023	
			Amount	%	Amount	%
4000	Operating revenues	6(18), 7	#####	100	#####	100
5000	Operating costs	6(8), 6(21), 7	2,625,095	95	2,290,217	91
5900	Gross profit		138,814	5	233,356	9
5920	Realized profit (loss) from sales		56	-	(1,054)	-
5950	Gross profit		138,870	5	232,302	9
6000	Operating expenses	6(21), 7				
6100	Selling and marketing expenses		108,115	4	121,522	5
6200	General and administrative expenses		209,301	8	131,962	5
6300	Research and development expenses		55,040	2	67,113	3
6450	Expected credit losses (gains)	6(19)	3,241	-	(1,841)	-
	Total operating expenses		375,697	14	318,756	13
6900	Operating income (loss)		(236,827)	(9)	(86,454)	(4)
7000	Non-operating income and expenses	6(22), 7				
7100	Interest income		14,588	1	17,469	1
7010	Other income		123,308	4	103,323	4
7020	Other gains and losses		149,988	5	23,337	1
7050	Finance costs		(50,543)	(2)	(45,715)	(2)
7055	Expected credit (losses) gains	6(19)	(300)	-	(900)	-
7070	Share of profit (loss) of subsidiaries, associates and joint ventures accounted for using equity method	6(9)	46,534	2	(314,374)	(12)
	Total non-operating income and expenses		283,575	10	(216,860)	(8)
7900	Income (loss) before income tax		46,748	1	(303,314)	(12)
7950	Income tax expense	6(24)	-	-	-	-
8200	Net income (loss)		46,748	1	(303,314)	(12)
8300	Other comprehensive income (loss)	6(23)				
8310	Items that will not be reclassified subsequently to profit or loss					
8311	Actuarial gains (losses) on defined benefit plans		22,204	1	14,875	1
8316	Unrealized gains (losses) on equity instrument investment at fair value through other comprehensive income		16,789	1	(11,637)	-
8330	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method that will not be reclassified to profit or loss		12,740	-	20,007	1
8360	Items that may be reclassified subsequently to profit or loss					
8380	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method that will be reclassified to profit or loss	6(9)	45,951	2	(66,501)	(3)
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(24)	-	-	-	-
	Total other comprehensive income, net of tax		97,684	4	(43,256)	(1)
8500	Total comprehensive income (loss)		\$144,432	5	\$(346,570)	(13)
	Earnings per share (in NTD)	6(25)				
9750	Earnings per share - basic					
	Net income (loss)		\$0.07		\$(0.44)	

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

English Translation of Financial Statements Originally Issued in Chinese

Ritek Corporation

Parent-Company-Only Statements of Changes in Equity

For the Years Ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

Items	Common stock 3100	Capital surplus 3200	Unappropriated accumulated deficit 3350	Other components of equity		Total Equity 3XXX
				Exchange differences on translation of foreign financial statements 3410	(losses) on financial assets at fair value through other comprehensive income 3420	
Balance as of January 1, 2023	\$6,936,797	\$1,264,816	\$(1,563,903)	\$(695,162)	\$(110,434)	\$5,832,114
Net income (loss) for 2023	-	-	(303,314)	-	-	(303,314)
Other comprehensive income (loss) for 2023	-	-	15,047	(66,501)	8,198	(43,256)
Total comprehensive income (loss)	-	-	(288,267)	(66,501)	8,198	(346,570)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	(32,770)	-	-	-	(32,770)
Changes in ownership interests in subsidiaries	-	1,768	-	-	-	1,768
Disposal of investments in equity instruments measured at fair value through other comprehensive income	-	-	(15,804)	-	15,804	-
Balance as of December 31, 2023	<u>\$6,936,797</u>	<u>\$1,233,814</u>	<u>\$(1,867,974)</u>	<u>\$(761,663)</u>	<u>\$(86,432)</u>	<u>\$5,454,542</u>
Balance as of January 1, 2024	\$6,936,797	\$1,233,814	\$(1,867,974)	\$(761,663)	\$(86,432)	\$5,454,542
Net income (loss) for 2024	-	-	46,748	-	-	46,748
Other comprehensive income (loss) for 2024	-	-	25,330	45,951	26,403	97,684
Total comprehensive income (loss)	-	-	72,078	45,951	26,403	144,432
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	36,141	-	-	-	36,141
Changes in ownership interests in subsidiaries	-	52,946	-	-	-	52,946
Disposal of investments in equity instruments measured at fair value through other comprehensive income	-	-	15,403	-	(15,403)	-
Balance as of December 31, 2024	<u>\$6,936,797</u>	<u>\$1,322,901</u>	<u>\$(1,780,493)</u>	<u>\$(715,712)</u>	<u>\$(75,432)</u>	<u>\$5,688,061</u>

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

English Translation of Financial Statements Originally Issued in Chinese

Ritek Corporation

Parent-Company-Only Statements of Cash Flows

For the Years Ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

Items	2024	2023	Items	2024	2023
Cash flows from operating activities:			Cash flows from investing activities:		
Net income (loss) before tax	\$46,748	\$(303,314)	Acquisition of financial assets at fair value through profit or loss	(11,149)	(11,772)
Adjustments:			Proceeds from disposal of financial assets at fair value through profit or loss	19,535	3,662
Profit or loss not effecting cash flows:			Acquisition of financial assets at fair value through other comprehensive income	(867)	-
Depreciation expense and other losses	107,900	100,063	Proceeds from disposal of financial assets at fair value through other comprehensive income	28,517	1,294
Amortization expenses and other expenses	15,461	17,641	Acquisition of financial assets measured at amortized cost	(46)	-
Expected credit losses (gains)	3,541	(941)	Proceeds from disposal of financial assets measured at amortized cost	-	61,480
Net losses (gains) of financial assets and liabilities at fair value through profit or loss	7,933	3,602	Acquisition of investment accounted for under equity method	(40,500)	(5,598)
Interest expense	50,543	45,715	Acquisition of property, plant and equipment	(68,518)	(109,161)
Interest income	(14,588)	(17,469)	Proceeds from disposal of property, plant and equipment	148	7,100
Dividend income	(234)	(255)	Long-term receivables-related parties	(6,258)	51
Share of profit or loss of subsidiaries, associates and joint ventures accounted for using equity method	(46,534)	314,374	Accounts receivable for lease payments	1,100	(5,046)
Loss (Gain) on disposal of property, plant and equipment	(12,586)	(21,949)	Other non-current assets	(20,403)	(15,117)
Gains (losses) on disposal of investments	(191,182)	-	Dividends received	26,673	53,511
Impairment loss on non-financial assets	107,335	-	Net cash used in investing activities	(71,768)	(19,596)
Realized loss (profit) from sales	(56)	1,054			
Changes in operating assets and liabilities:			Cash flows from financing activities:		
Notes receivable	(6,108)	3,549	Short-term loans	60,000	(209,770)
Accounts receivable	24,469	(74,534)	Long-term loans	1,180,000	11,150,000
Other receivables	(7,770)	2,387	Repayments of long-term loans	(1,261,098)	(11,125,150)
Inventories	(81,413)	45,933	Cash payments for the principal portion of the lease liabilities	(17,711)	(13,856)
Prepayment	19,745	(36,232)	Other non-current liabilities	6,234	5,944
Other current assets	(5,550)	(1,603)	Net cash used in financing activities	(32,575)	(192,832)
Notes payable	9,228	(5,502)			
Accounts payable	28,082	(7,606)			
Other payables	46,163	2,105			
Other current liabilities	23,199	(28,264)			
Net defined benefit liability	(7,224)	(6,955)			
Interest received	14,339	17,966			
Interest paid	(50,227)	(44,622)	Net decrease in cash and cash equivalents	(23,919)	(208,489)
Income taxes received (paid)	(790)	(1,204)	Cash and cash equivalents at beginning of period	531,142	739,631
Net cash provided by operating activities	80,424	3,939	Cash and cash equivalents at end of period	\$507,223	\$531,142

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

English Translation of Financial Statements Originally Issued in Chinese
 RITEK CORPORATION
 Notes to the Parent-Company-Only Financial Statements
 For the Year Ended December 31, 2024 and 2023
 (Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

1. History and organization

RITEK CORPORATION (“the Company”) was established in December 1988 and the main business is the manufacturing and processing of optical information products and memory products and related equipment (including peripheral products), as well as trading and import and export of materials. The Company was officially listed on the Taipei Exchange on April, 1996. The registered and operating address of the Company is No. 42, North Kuang-Fu Rd., Hsinchu Industrial Park, Hukou Township, Hsinchu County.

2. Date and procedures of authorization of financial statements for issue

The parent-company-only financial statements of the Company for the years ended December 31, 2024 and 2023 were authorized for issue by the Board of Directors on March 12, 2025.

3. Newly issued or revised standards and interpretations

(1) Changes in accounting policies resulting from applying for the first-time certain standards and amendments

The Company applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission (“FSC”) and become effective for annual periods beginning on or after January 1, 2024. Apart from the nature and impact of the new standard and amendment is described below, the remaining new standards and amendments had no material impact on the Company.

(2) Standards or interpretations issued, revised or amended, by International Accounting Standards Board (“IASB”) which have been endorsed by FSC, and not yet adopted by the Company as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	Lack of Exchangeability – Amendments to IAS 21	1 January 2025

(a) Lack of Exchangeability – Amendments to IAS 21

These amendments specify whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide.

RITEK CORPORATION

Notes to Parent-Company-Only Financial Statements (Continued)

(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

The abovementioned standards and interpretations were issued by IASB and endorsed by FSC so that they are applicable for annual periods beginning on or after January 1, 2025. The standards and interpretations have no material impact on the Company.

- (3) Standards or interpretations issued, revised or amended, by IASB which have not been endorsed by FSC, and not yet adopted by the Company as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” – Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
b	IFRS 17 “Insurance Contracts”	1 January 2023
c	IFRS 18 “Presentation and Disclosure in Financial Statements”	1 January 2027
d	Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)	1 January 2027
e	Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	1 January 2026
f	Annual Improvements to IFRS Accounting Standards – Volume 11	1 January 2026
g	Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	1 January 2026

- (a) IFRS 10“Consolidated Financial Statements” and IAS 28“Investments in Associates and Joint Ventures” – Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors’ interests in the associate or joint venture.

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Notes to Parent-Company-Only Financial Statements (Continued)

(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

(b) IFRS 17 “Insurance Contracts”

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

IFRS 17 was issued in May 2017 and it was amended in 2020 and 2021. The amendments include deferral of the date of initial application of IFRS 17 by two years to annual beginning on or after January 1, 2023 (from the original effective date of January 1, 2021); provide additional transition reliefs; simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain. IFRS 17 replaces an interim Standard – IFRS 4 Insurance Contracts – from annual reporting periods beginning on or after January 1, 2023.

(c) IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 replaces IAS 1 Presentation of Financial Statements. The main changes are as below:

A. Improved comparability in the statement of profit or loss (income statement)

IFRS 18 requires entities to classify all income and expenses within their statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. The first three categories are new, to improve the structure of the income statement, and requires all entities to provide new defined subtotals, including operating profit or loss. The improved structure and new subtotals will give investors a consistent starting point for analyzing entities’ performance and make it easier to compare entities.

B. Enhanced transparency of management-defined performance measures

IFRS 18 requires entities to disclose explanations of those entity-specific measures that are related to the income statement, referred to as management-defined performance measures.

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Notes to Parent-Company-Only Financial Statements (Continued)

(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

C. Useful grouping of information in the financial statements

IFRS 18 sets out enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes. The changes are expected to provide more detailed and useful information. IFRS 18 also requires entities to provide more transparency about operating expenses, helping investors to find and understand the information they need.

(d) Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)

This standard permits subsidiaries without public accountability to provide reduced disclosures when applying IFRS Accounting Standards in their financial statements. IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

(e) Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

The amendments include:

- A. Clarify that a financial liability is derecognised on the settlement date and describe the accounting treatment for settlement of financial liabilities using an electronic payment system before the settlement date.
- B. Clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features.
- C. Clarify the treatment of non-recourse assets and contractually linked instruments.
- D. Require additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.

(f) Annual Improvements to IFRS Accounting Standards – Volume 11

A. Amendments to IFRS 1

The amendments mainly improve the consistency in wording between first-time adoption of IFRS and requirements for hedge accounting in IFRS 9.

B. Amendments to IFRS 7

The amendments update an obsolete cross-reference relating to gain or loss on derecognition.

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Notes to Parent-Company-Only Financial Statements (Continued)

(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

C. Amendments to Guidance on implementing IFRS 7

The amendments improve some of the wordings in the implementation guidance, including the introduction, disclosure of deferred difference between fair value and transaction price and credit risk disclosures.

D. Amendments to IFRS 9

The amendments add a cross-reference to resolve potential confusion for a lessee applying the derecognition requirements and clarify the term “transaction price”

E. Amendments to IFRS 10

The amendments remove the inconsistency between paragraphs B73 and B74 of IFRS 10.

F. Amendments to IAS 7

The amendments remove a reference to “cost method” in paragraph 37 of IAS 7.

(g) Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

The amendments include:

- A. Clarify the application of the ‘own-use’ requirements.
- B. Permit hedge accounting if these contracts are used as hedging instruments.
- C. Add new disclosure requirements to enable investors to understand the effect of these contracts on a company’s financial performance and cash flows.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Company’s financial statements were authorized for issue, the local effective dates are to be determined by FSC. As the Company is still currently determining the potential impact of the new or amended standards and interpretations listed under (c), it is not practicable to estimate their impact on the Company at this point in time. The remaining new or amended standards and interpretations have no material impact on the Company.

4. Summary of significant accounting policies

(1) Statement of compliance

The parent-company-only financial statements of the Company for the ended December 31, 2024 and 2023 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (“the Regulations”).

RITEK CORPORATION

Notes to Parent-Company-Only Financial Statements (Continued)

(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

(2) Basis of preparation

The parent-company-only financial statements of the Company have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The Company prepared parent-company-only financial statements in accordance with Article 21 of the Regulations, which provided that the profit or loss and other comprehensive income for the period presented in the parent-company-only financial statements shall be the same as the profit or loss and other comprehensive income attributable to shareholders of the parent presented in the consolidated financial statements for the period, and the total equity presented in the parent-company-only financial statements shall be the same as the equity attributable to the parent company presented in the consolidated financial statements. Therefore, the Company accounted for its investments in subsidiaries using equity method and, accordingly, made necessary adjustments.

The parent-company-only financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The parent-company-only financial statement financial statements are expressed in thousands of New Taiwan Dollars (“NT\$”) unless otherwise stated.

(3) Foreign currency transactions

The Company’s parent-company-only financial statements are presented in NT\$, which is also the Company’s functional currency.

Transactions in foreign currencies are initially recorded by the Company at functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency closing rate of exchange ruling at the reporting date. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following:

- (a) Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.
- (b) Foreign currency items within the scope of IFRS 9 Financial Instruments are accounted for based on the accounting policy for financial instruments.
- (c) Exchange differences arising on a monetary item that forms part of a reporting entity’s net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

RITEK CORPORATION

Notes to Parent-Company-Only Financial Statements (Continued)

(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

(4) Translation of financial statements in foreign currency

The assets and liabilities of foreign operations are translated into NT\$ at the closing rate of exchange prevailing at the reporting date and their income and expenses are translated at an average rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognized. The following partial disposals are accounted for as disposals:

- (a) when the partial disposal involves the loss of control of a subsidiary that includes a foreign operation; and
- (b) when the retained interest after the partial disposal of an interest in a joint arrangement or a partial disposal of an interest in an associate that includes a foreign operation is a financial asset that includes a foreign operation.

On the partial disposal of a subsidiary that includes a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is re-attributed to the non-controlling interests in that foreign operation. In partial disposal of an associate or joint arrangement that includes a foreign operation that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Any goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and expressed in its functional currency.

(5) Current and non-current distinction

An asset is classified as current when:

- (a) The Company expects to realize the asset, or intends to sell or consume it, in its normal operating cycle
- (b) The Company holds the asset primarily for the purpose of trading
- (c) The Company expects to realize the asset within twelve months after the reporting period
- (d) The Group does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

RITEK CORPORATION

Notes to Parent-Company-Only Financial Statements (Continued)

(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

A liability is classified as current when:

- (a) The Company expects to settle the liability in its normal operating cycle
- (b) The Company holds the liability primarily for the purpose of trading
- (c) The liability is due to be settled within twelve months after the reporting period
- (d) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(6) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid time deposits (including ones that have maturity within 12 months) or investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(7) Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities within the scope of IFRS 9 Financial Instruments are recognized initially at fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial assets or financial liabilities.

(a) Financial instruments: Recognition and Measurement

The Company accounts for regular way purchase or sales of financial assets on the trade date.

The Company classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss considering both factors below:

- A. the Company's business model for managing the financial assets and
- B. the contractual cash flow characteristics of the financial asset.

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Notes to Parent-Company-Only Financial Statements (Continued)

(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

A financial asset is measured at amortized cost if both of the following conditions are met and presented as note receivables, accounts receivable, financial assets measured at amortized cost and other receivables etc., on balance sheet as at the reporting date:

- A. the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- B. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are subsequently measured at amortized cost (the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and adjusted for any loss allowance) and is not part of a hedging relationship. A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or in order to recognize the impairment gains or losses.

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

- A. purchased or originated credit-impaired financial assets. For those financial assets, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
- B. financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Company applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Financial asset measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- A. the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- B. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

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Notes to Parent-Company-Only Financial Statements (Continued)

(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

Recognition of gain or loss on a financial asset measured at fair value through other comprehensive income are described as below:

- A. A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.
- B. When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.
- C. Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:
 - (i) Purchased or originated credit-impaired financial assets. For those financial assets, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
 - (ii) Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Company applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Besides, for certain equity investments within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, the Company made an irrevocable election to present the changes of the fair value in other comprehensive income at initial recognition. Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss (when disposal of such equity instrument, its cumulated amount included in other components of equity is transferred directly to the retained earnings) and these investments should be presented as financial assets measured at fair value through other comprehensive income on the balance sheet. Dividends on such investment are recognized in profit or loss unless the dividends clearly represent a recovery of part of the cost of investment.

Financial asset measured at fair value through profit or loss

Financial assets were classified as measured at amortized cost or measured at fair value through other comprehensive income based on aforementioned criteria. All other financial assets were measured at fair value through profit or loss and presented on the balance sheet as financial assets measured at fair value through profit or loss.

Such financial assets are measured at fair value, the gains or losses resulting from remeasurement is recognized in profit or loss which includes any dividend or interest received on such financial assets.

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Notes to Parent-Company-Only Financial Statements (Continued)

(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

(b) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on debt instrument investments measured at fair value through other comprehensive income and financial asset measured at amortized cost. The loss allowance on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and not reduce the carrying amount in the balance sheet.

The Company measures expected credit losses of a financial instrument in a way that reflects:

- A. an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- B. the time value of money; and
- C. reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The loss allowance is measures as follow:

- A. At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Company measures the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period but determines at the current reporting date that the credit risk on a financial asset has increased significantly since initial recognition is no longer met.
- B. At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.
- C. For accounts receivable or contract assets arising from transactions within the scope of IFRS 15, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.
- D. For lease receivables arising from transactions within the scope of IFRS 16, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

At each reporting date, the Company needs to assess whether the credit risk on a financial asset has increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note 12 for further details on credit risk.

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Notes to Parent-Company-Only Financial Statements (Continued)

(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

(c) Derecognition of financial assets

A financial asset is derecognized when:

- A. The rights to receive cash flows from the asset have expired
- B. The Company has transferred the asset and substantially all the risks and rewards of the asset have been transferred
- C. The Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognized in other comprehensive income, is recognized in profit or loss.

(d) Financial liabilities and equity

Classification between liabilities or equity

The Company classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Financial liabilities

Financial liabilities within the scope of IFRS 9 Financial Instruments are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost upon initial recognition.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated as at fair value through profit or loss.

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Notes to Parent-Company-Only Financial Statements (Continued)

(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

A financial liability is classified as held for trading if:

- A. it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
- B. on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
- C. it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

If a contract contains one or more embedded derivatives, the entire hybrid (combined) contract may be designated as a financial liability at fair value through profit or loss; or a financial liability may be designated as at fair value through profit or loss when doing so results in more relevant information, because either:

- A. it eliminates or significantly reduces a measurement or recognition inconsistency; or
- B. a group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the key management personnel.

Gains or losses on the subsequent measurement of liabilities at fair value through profit or loss including interest paid are recognized in profit or loss.

Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

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Notes to Parent-Company-Only Financial Statements (Continued)

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When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified (whether or not attributable to the financial difficulty of the debtor), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts and the consideration paid or payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

(e) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(8) Derivative instrument

The Company uses derivative instruments to hedge its foreign currency risks and interest rate risks. A derivative is classified in the balance sheet as financial assets or liabilities at fair value through profit or loss except for derivatives that are designated as and effective hedging instruments which are classified as financial assets or liabilities for hedging.

Derivative instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The changes in fair value of derivatives are taken directly to profit or loss, except for the effective portion of hedges, which is recognized in either profit or loss or equity according to types of hedges used.

When the host contracts are either non-financial assets or liabilities, derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not designated at fair value through profit or loss.

(9) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (a) In the principal market for the asset or liability, or
- (b) In the absence of a principal market, in the most advantageous market for the asset or liability

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Notes to Parent-Company-Only Financial Statements (Continued)

(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(10) Inventories

Inventories are valued at lower of cost and net realizable value item by item.

Costs incurred in bringing each inventory to its present location and condition are accounted for as follows:

Raw materials – Purchase cost on a first in, first out basis

Finished goods and work in progress – Cost of direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(11) Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered through a sale transaction that is highly probable within one year from the date of classification and the asset or disposal group is available for immediate sale in its present condition. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized.

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(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

(12) Investments accounted for using the equity method

The Company accounted for its investments in subsidiaries using equity method and made necessary adjustments in accordance with Article 21 of the Regulations, which provided that the profit or loss and other comprehensive income for the period presented in the parent-company-only financial statements shall be the same as the profit or loss and other comprehensive income attributable to shareholders of the parent presented in the consolidated financial statements for the period, and the total equity presented in the parent-company-only financial statements shall be the same as the equity attributable to the parent company presented in the consolidated financial statements. Such adjustments were made after the Company considered the different accounting treatments to account for its investments in subsidiaries in the consolidated financial statements under IFRS 10 “Consolidated Financial Statements” and the different IFRSs adopted from different reporting entity’s perspectives, and the Company recorded such adjustments by crediting or debiting to investments accounted for under the equity method, share of profit or loss of subsidiaries, associates and joint ventures and share of other comprehensive income of subsidiaries, associates and joint ventures.

The Company’s investment in its associate is accounted for using the equity method other than those that meet the criteria to be classified as held for sale. An associate is an entity over which the Company has significant influence. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture.

Under the equity method, the investment in the associate or an investment in a joint venture is carried in the balance sheet at cost and adjusted thereafter for the post-acquisition change in the Company’s share of net assets of the associate or joint venture. After the interest in the associate or joint venture is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. Unrealized gains and losses resulting from transactions between the Company and the associate or joint venture are eliminated to the extent of the Company’s related interest in the associate or joint venture.

When changes in the net assets of an associate or a joint venture occur and not those that are recognized in profit or loss or other comprehensive income and do not affects the Company’s percentage of ownership interests in the associate or joint venture, the Company recognizes such changes in equity based on its percentage of ownership interests. The resulting capital surplus recognized will be reclassified to profit or loss at the time of disposing the associate or joint venture on a prorata basis.

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Notes to Parent-Company-Only Financial Statements (Continued)

(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

When the associate or joint venture issues new stock, and the Company's interest in an associate or a joint venture is reduced or increased as the Company fails to acquire shares newly issued in the associate or joint venture proportionately to its original ownership interest, the increase or decrease in the interest in the associate or joint venture is recognized in additional paid in capital and investment accounted for using the equity method. When the interest in the associate or joint venture is reduced, the cumulative amounts previously recognized in other comprehensive income are reclassified to profit or loss or other appropriate items. The aforementioned capital surplus recognized is reclassified to profit or loss on a pro rata basis when the Company disposes of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Company.

The Company determines at each reporting date whether there is any objective evidence that the investment in the associate or an investment in a joint venture is impaired in accordance with IAS 28 Investments in Associates and Joint Ventures. If this is the case the Company calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognizes the amount in the 'share of profit or loss of an associate' in the statement of comprehensive income in accordance with IAS 36 Impairment of Assets. In determining the value in use of the investment, the Company estimates:

- (a) Its share of the present value of the estimated future cash flows expected to be generated by the associate or joint venture, including the cash flows from the operations of the associate and the proceeds on the ultimate disposal of the investment; or
- (b) The present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.

Because goodwill that forms part of the carrying amount of an investment in an associate or an investment in a joint venture is not separately recognized, it is not tested for impairment separately by applying the requirements for impairment testing goodwill in IAS 36 Impairment of Assets.

Upon loss of significant influence over the associate or joint venture, the Company measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss. Furthermore, if an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the entity continues to apply the equity method and does not remeasure the retained interest.

RITEK CORPORATION

Notes to Parent-Company-Only Financial Statements (Continued)

(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

(13) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognized such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 Property, plant and equipment. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings	5~46 years (main structure is 46 years, decoration is 5~15 years)
Machinery and equipment	3~20 years
Transportation equipment	3~5 years
Office equipment	3~10 years
Other equipment	3~10 years
Right-of-use assets / leased assets (Note)	8~15 years

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

(14) Property, plant and equipment

The Company's owned investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, other than those that meet the criteria to be classified as held for sale (or are included in a disposal group that is classified as held for sale) in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, investment properties are measured using the cost model in accordance with the requirements of IAS 16 Property, plant and equipment for that model. If investment properties are held by a lessee as right-of-use assets and is not held for sale in accordance with IFRS 5, investment properties are measured in accordance with the requirements of IFRS 16.

RITEK CORPORATION

Notes to Parent-Company-Only Financial Statements (Continued)

(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings	45~46 years(main structure is 45~46 years)
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Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

The Company transfers properties to or from investment properties according to the actual use of the properties.

The Company transfers to or from investment properties when there is a change in use for these assets. Properties are transferred to or from investment properties when the properties meet, or cease to meet, the definition of investment property and there is evidence of the change in use.

(15) Leases

The Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Company assesses whether, throughout the period of use, has both of the following:

- (a) the right to obtain substantially all of the economic benefits from use of the identified asset; and
- (b) the right to direct the use of the identified asset.

For a contract that is, or contains, a lease, the Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Company for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Company estimates the stand-alone price, maximizing the use of observable information.

RITEK CORPORATION

Notes to Parent-Company-Only Financial Statements (Continued)

(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

The Company as a lessee

Except for leases that meet and elect short-term leases or leases of low-value assets, the Company recognizes right-of-use asset and lease liability for all leases which the Company is the lessee of those lease contracts.

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- (a) fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- (b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- (c) amounts expected to be payable by the lessee under residual value guarantees;
- (d) the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
- (e) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Company measures the lease liability on an amortized cost basis, which increases the carrying amount to reflect interest on the lease liability by using an effective interest method; and reduces the carrying amount to reflect the lease payments made.

At the commencement date, the Company measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

- (a) the amount of the initial measurement of the lease liability;
- (b) any lease payments made at or before the commencement date, less any lease incentives received;
- (c) any initial direct costs incurred by the lessee; and
- (d) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

RITEK CORPORATION

Notes to Parent-Company-Only Financial Statements (Continued)

(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

For subsequent measurement of the right-of-use asset, the Company measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Company measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Company will exercise a purchase option, the Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Company depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Company applies IAS 36 “Impairment of Assets” to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for those leases that the Company accounted for as short-term leases or leases of low-value assets, the Company presents right-of-use assets and lease liabilities in the balance sheet and separately presents lease-related interest expense and depreciation charge in the statement of comprehensive income.

For short-term leases or leases of low-value assets, the Company elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

For the rent concession arising as a direct consequence of the Covid-19 pandemic, the Company elected not to assess whether it is a lease modification but accounted it as a variable lease payment.

The Company as a lessor

At inception of a contract, the Company classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. At the commencement date, the Company recognizes assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

For a contract that contains lease components and non-lease components, the Company allocates the consideration in the contract applying IFRS 15.

The Company recognizes lease payments from operating leases as rental income on either a straight-line basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognized as rental income when incurred.

RITEK CORPORATION

Notes to Parent-Company-Only Financial Statements (Continued)

(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

(16) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss for the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

Patent

Patent is the authorized right from acquiring or purchasing.

A summary of the policies applied to the Company's intangible assets is as follows:

	Patents
Useful economic life	5-12 years
Amortization method	Straight-line method during the contract term
Internally generated or acquired externally	Acquired externally

RITEK CORPORATION

Notes to Parent-Company-Only Financial Statements (Continued)

(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

(17) Impairment of non-financial assets

The Company assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 Impairment of Assets may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

(18) Revenue recognition

The Company's revenue arising from contracts with customers mainly includes sale of goods. The accounting policies are explained as follow:

Sale of goods

The Company manufactures and sells goods. Sales are recognized when control of the goods is transferred to the customer and the goods are delivered to the customers (i.e. when the customer has the ability to direct the use of, and obtain substantially all of the remaining benefits from the goods). The main products of the Company are the optical information service products such as CDs and green products (solar module/LED/battery related products) and revenue is recognized based on the consideration stated in the contract.

RITEK CORPORATION

Notes to Parent-Company-Only Financial Statements (Continued)

(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

The credit period of the Company's sale of goods is from 30 to 150 days. For most of the contracts, when the Company transfers the goods to customers and has a right to an amount of consideration that is unconditional, these contracts are recognized as accounts receivable. The Company usually collects the payments shortly after transfer of goods to customers; therefore, there is no significant financing component to the contract. For some of the contracts, the Company has transferred the goods to customers but does not have a right to an amount of consideration that is unconditional, these contracts should be presented as contract assets. Besides, in accordance with IFRS 9, the Company measures the loss allowance for a contract asset at an amount equal to the lifetime expected credit losses.

The period between the transfers of contract liabilities to revenue is usually within one year, thus, no significant financing component is arising.

(19) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(20) Post-employment benefits

All regular employees of the Company and its domestic subsidiaries are entitled to pension plans that are managed by an independently administered pension fund committee. Fund assets are deposited under the committee's name in the specific bank account and hence, not associated with the Company and its domestic subsidiaries. Therefore, fund assets are not included in the Company's parent-company-only financial statements.

For the defined contribution plan, the Company will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Company recognizes expenses for the defined contribution plan in the period in which the contribution becomes due.

Post-employment benefit plan that is classified as a defined benefit plan uses the Projected Unit Credit Method to measure its obligations and costs based on actuarial assumptions. Remeasurements, comprising of the effect of the actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets, excluding net interest, are recognized as other comprehensive income with a corresponding debit or credit to retained earnings in the period in which they occur. Past service costs are recognized in profit or loss on the earlier of:

- (a) the date of the plan amendment or curtailment, and
- (b) the date that the Company recognizes restructuring-related costs or termination benefits

RITEK CORPORATION

Notes to Parent-Company-Only Financial Statements (Continued)

(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payment.

(21) Income taxes

Income tax expense (income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The income tax for undistributed earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the Shareholders' meeting.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- (a) Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.
- (b) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

RITEK CORPORATION

Notes to Parent-Company-Only Financial Statements (Continued)

(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- (a) Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.
- (b) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

According to the temporary exception in the International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12), information about deferred tax assets and liabilities related to Pillar Two income tax will neither be recognized nor be disclosed.

RITEK CORPORATION

Notes to Parent-Company-Only Financial Statements (Continued)

(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

5. Significant accounting judgements, estimates and assumptions

The preparation of the Company's parent-company-only financial statements require management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumption and estimate could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

(1) Judgement

None.

(2) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date less incremental costs that would be directly attributable to the disposal of the asset or cash generating unit. The value in use calculation is based on a discounted cash flow model. The cash flows projections are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

(b) Inventories

Estimates of net realizable value of inventories take into consideration that inventories may be damaged, become wholly or partially obsolete, or their selling prices have declined. The estimates are based on the most reliable evidence available at the time the estimates are made. Please refer to Note 6 for more details.

RITEK CORPORATION

Notes to Parent-Company-Only Financial Statements (Continued)

(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

6. Contents of significant accounts

(1) Cash and cash equivalents

	As at	
	December 31, 2024	December 31, 2023
Cash on hand	\$305	\$174
Demand and checking deposits	432,354	486,240
Time deposits (note)	74,564	44,728
Total	<u>\$507,223</u>	<u>\$531,142</u>

Note: The contract will expire within 3 months and it must be readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value.

(2) Financial assets at fair value through profit or loss

	As at	
	December 31, 2024	December 31, 2023
Mandatorily measured at fair value through profit or loss:		
Stocks	\$19,411	\$19,411
Funds	29,849	29,849
Total	<u>\$49,260</u>	<u>\$49,260</u>
Current	\$49,260	\$49,260
Non-current	-	-
Total	<u>\$49,260</u>	<u>\$49,260</u>

Financial assets at fair value through profit or loss were not pledged.

(3) Financial assets at fair value through other comprehensive income

	As at	
	December 31, 2024	December 31, 2023
Equity instrument investments measured at fair value through other comprehensive income:		
Listed companies stocks	<u>\$34,112</u>	<u>\$34,112</u>
Current	\$-	\$-
Non-current	34,112	34,112
Total	<u>\$34,112</u>	<u>\$34,112</u>

RITEK CORPORATION

Notes to Parent-Company-Only Financial Statements (Continued)

(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

The Company classified certain of its financial assets as financial assets at fair value through other comprehensive income. The financial assets at fair value through other comprehensive income were not pledged.

The Company's dividend income related to equity instrument investments measured at fair value through other comprehensive income for the years ended December 31, 2024 and 2023 are as follow:

	For the year ended December 31,	
	2024	2023
Related to investments held at the end of the reporting period	\$234	\$200
Related to investments derecognized during the period	-	-
Dividends recognized during the period	<u>\$234</u>	<u>\$200</u>

In consideration of the Company's investment strategy, the Company disposed and derecognized partial equity instrument investments measured at fair value through other comprehensive income. Details on derecognition of such investments for the years ended December 31, 2024 and 2023 are as follow:

	For the year ended December 31,	
	2024	2023
The fair value of the investments at the date of derecognition	\$28,517	\$1,294
The cumulative gain or loss on disposal reclassified from other equity to retained earnings	16,789	(11,640)

(4) Financial assets measured at amortized cost

	As at	
	December 31, 2024	December 31, 2023
Restricted deposits	<u>\$3,630</u>	<u>\$3,584</u>
Current	\$3,630	3,584
Non-current	-	-
Total	<u>\$3,630</u>	<u>\$3,584</u>

The Company classified certain financial assets as financial assets measured at amortized cost. Please refer to Note 8 for more details on financial assets measured at amortized cost under pledge and Note 12 for more details on credit risk.

RITEK CORPORATION

Notes to Parent-Company-Only Financial Statements (Continued)

(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

(5) Notes receivables and notes receivables-related parties

	As at	
	December 31, 2024	December 31, 2023
Notes receivables arising from operating activities (total carrying amount)	\$8,478	\$2,370
Less: loss allowance	-	-
Subtotal	8,478	\$2,370
Notes receivables from related parties (total carrying amount)	-	-
Less: loss allowance	-	-
Subtotal	-	-
Total	<u>\$8,478</u>	<u>\$2,370</u>

Notes receivables were not pledged.

The Company follows the requirement of IFRS 9 to assess the impairment. Please refer to Note 6(19) for more details on loss allowance and Note 12 for details on credit risk.

(6) Accounts receivable and accounts receivable-related parties

	As at	
	December 31, 2024	December 31, 2023
Accounts receivable (total carrying amount)	\$574,023	\$575,290
Less: loss allowance	(209,993)	(200,351)
Subtotal	364,030	374,939
Accounts receivable from related parties (total carrying amount)	178,626	195,427
Less: loss allowance	-	-
Subtotal	178,626	195,427
Total	<u>\$542,656</u>	<u>\$570,366</u>

Accounts receivable were not pledged.

Accounts receivable are generally on 30-90 day terms. The total carrying amount as at December 31, 2024 and 2023, are NT\$752,649 thousand and NT\$770,717 thousand, respectively. Please refer to Note 6(19) for more details on loss allowance of trade receivable for the years ended December 31, 2024 and 2023. Please refer to Note 12 for more details on credit risk management.

RITEK CORPORATION

Notes to Parent-Company-Only Financial Statements (Continued)

(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

(7) Finance lease receivables

	As at	
	December 31, 2024	December 31, 2023
Total investment in the lease		
Less than one year	\$1,200	\$1,200
More than one year but less than five years	2,900	4,100
More than five years	-	-
Total	4,100	5,300
Less: Unearned finance income	(154)	(254)
Present value of receivable on minimum lease payments	<u>\$3,946</u>	<u>\$5,046</u>

	As at	
	December 31, 2024	December 31, 2023
<u>Financial lease receivables</u>		
Current	\$1,124	\$1,100
Non-current	2,822	3,946
Present value of receivable on minimum lease payments	<u>\$3,946</u>	<u>\$5,046</u>

The Company entered finance lease agreement for certain leased equipment and all leases are denominated in NT dollars. The average finance lease period is 5 years. Finance lease receivables are discounted at the expected net cash flows from leasing.

None of the finance lease receivables have been overdue or impaired.

No finance lease receivables were pledged.

(8) Inventories

	As at	
	December 31, 2024	December 31, 2023
Raw materials	\$116,740	\$125,822
Semi-finished goods and work in process	245,938	215,213
Finished goods	41,771	27,833
Merchandise inventory	99,819	48,141
Inventory in transit	31,788	37,634
Total	<u>\$536,056</u>	<u>\$454,643</u>

RITEK CORPORATION

Notes to Parent-Company-Only Financial Statements (Continued)

(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

The cost of inventories recognized as expense by the Company for the year ended December 31, 2024 and 2023 were NT\$2,625,095 thousand and NT\$2,290,217 thousand, respectively, including the (loss) gain on reversal of write-down of inventories of NT\$(44,502) thousand and NT\$52,949 thousand, respectively.

The aforementioned gain was because the written-down inventories have been sold or scrapped.

No inventories were pledged.

(9) Investments accounted for using the equity method

The following table lists the investments accounted for using the equity method of the Company:

Investees	As at			
	December 31, 2024		December 31, 2023	
	Carrying amount	Percentage of ownership	Carrying amount	Percentage of ownership
Investments in subsidiaries:				
Chung-Fu Investments Ltd	\$63,357	100.00	\$60,140	100.00
Chung-Yuan Venture Capital Fund Ltd.	351,970	100.00	350,266	100.00
Ritdisplay Corporation	719,642	28.71	605,264	33.50
U-tech Technology Co., Ltd.	-	-	435,156	22.26
PRORIT Corporation	997,945	85.87	953,824	85.87
AimCore Technology Co., Ltd	392,425	21.27	390,515	21.27
PVNEXT Corporation	806	62.01	2,602	62.01
RiteDia Co., Ltd.	6,205	100.00	6,201	100.00
Bircle Corporation	-	-	981	100.00
Ricare Corporation	-	-	27,405	19.23
Ritwin Corporation	154	0.78	3,672	1.12
Affluence International Co., Ltd. (B.V.I.)	433,755	100.00	433,518	100.00
Ritek Group Inc. (Cayman)	115,598	100.00	113,649	100.00
Max Online Ltd. (B.V.I.)	543,372	100.00	608,591	100.00
Score High Group Ltd. (B.V.I.)	436,925	92.69	353,384	92.69
ART Management Ltd. (B.V.I.)	256,918	100.00	239,017	100.00
Ritrax Corporation Ltd.	10,843	14.92	21,173	14.92
Sky Chance International Corp.	(1,610)	100.00	(55)	100.00
Investments in associates:				
U-tech Technology Co., Ltd.	635,567	20.96	-	-
Ricare Corporation	45,965	10.09	-	-
GoldenRiver Investment International Corp.	9,282	23.14	7,415	23.14
Total	<u>\$5,019,119</u>		<u>\$4,612,718</u>	
Investments accounted for using the equity method	<u>\$5,019,119</u>		<u>\$4,612,773</u>	
Credit balance of the investment accounted for using the equity method	<u>\$-</u>		<u>\$(55)</u>	

RITEK CORPORATION

Notes to Parent-Company-Only Financial Statements (Continued)

(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

(a) Investments in subsidiaries

Investments in subsidiaries were present in the Parent-Company-Only financial statements under the caption of investments accounted for under equity method. Valuation adjustment is made if deemed necessary.

(b) Investments in associates

Investments in associates are not material to the Company. The aggregate carrying amount of the Company's interests in associates was NT\$690,814 thousand and NT\$34,826 thousand, as at December 31, 2024 and 2023. The associate's summarized financial information presented to the carrying amount of the Company's interest in the associate:

	For the year ended December 31,	
	2024	2023
Profit (loss) in current period	\$19,955	\$1,813
Other comprehensive income (net of tax)	1,010	(770)
Total comprehensive income	<u>\$20,965</u>	<u>\$1,043</u>

The associated had no contingent liabilities or capital commitments and were not pledged as collateral as at December 31, 2024 and 2023, respectively.

(c) Please refer to Note 8 for more details on equity investment under pledge.

(10) Property, plant and equipment

	As at	
	December 31, 2024	December 31, 2023
Owner occupied property, plant and equipment	\$1,345,201	\$1,689,904
Property, plant and equipment leased out under operating leases	-	-
Total	<u>\$1,345,201</u>	<u>\$1,689,904</u>

RITEK CORPORATION

Notes to Parent-Company-Only Financial Statements (Continued)

(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

(a) Owner occupied property, plant and equipment

	Land	Buildings	Machinery and equipment	Other equipment	Construction in progress and equipment awaiting examination	Total
Cost:						
As at Jan. 1, 2024	\$641,662	\$1,606,088	\$501,927	\$13,947	\$26,269	\$2,789,893
Addition	-	-	36,287	3,618	28,613	68,518
Disposal	-	-	(260)	-	-	(260)
Transfer	(126,124)	(211,214)	14,409	-	(14,734)	(337,663)
As at Dec.2024	<u>\$515,538</u>	<u>\$1,394,874</u>	<u>\$552,363</u>	<u>\$17,565</u>	<u>\$40,148</u>	<u>\$2,520,488</u>
As at Dec. 31, 2023	\$641,662	\$1,575,176	\$430,168	\$14,695	\$32,759	\$2,694,460
Addition	-	-	-	-	109,161	109,161
Disposal	-	-	(2,546)	-	-	(2,546)
Transfer	-	30,912	74,305	(748)	(115,651)	(11,182)
As at Dec.2023	<u>\$641,662</u>	<u>\$1,606,088</u>	<u>\$501,927</u>	<u>\$13,947</u>	<u>\$26,269</u>	<u>\$2,789,893</u>
Depreciation and impairment:						
As at Jan. 1, 2024	\$-	\$825,224	\$261,261	\$13,504	\$-	\$1,099,989
Depreciation	-	38,914	37,649	140	-	76,703
Impairment loss	-	-	107,335	-	-	107,335
Disposal	-	-	(124)	-	-	(124)
Transfer	-	(136,576)	-	-	-	(136,576)
As at Dec. 31,2024	<u>\$-</u>	<u>\$755,522</u>	<u>\$406,121</u>	<u>\$13,644</u>	<u>\$-</u>	<u>\$1,175,287</u>
As at Dec. 31, 2023	\$-	\$783,633	\$230,817	\$13,652	\$-	\$1,028,102
Depreciation	-	41,591	34,953	58	-	76,602
Disposal	-	-	(2,546)	-	-	(2,546)
Transfer	-	-	(1,963)	(206)	-	(2,169)
As at Dec. 31, 2023	<u>\$-</u>	<u>\$825,224</u>	<u>\$261,261</u>	<u>\$13,504</u>	<u>\$-</u>	<u>\$1,099,989</u>
Net carrying amount as at:						
31 Dec. 2024	<u>\$515,538</u>	<u>\$639,352</u>	<u>\$146,242</u>	<u>\$3,921</u>	<u>\$40,148</u>	<u>\$1,345,201</u>
31 Dec. 2023	<u>\$641,662</u>	<u>\$780,864</u>	<u>\$240,666</u>	<u>\$443</u>	<u>\$26,269</u>	<u>\$1,689,904</u>

The Company adopted value in use and the net realizable value of current assets as a recoverable amount for the impairment test as at December 31, 2024 and 2023. The discount rates used to estimate value in use were 11.74% on both December 31, 2024 and 2023.

RITEK CORPORATION

Notes to Parent-Company-Only Financial Statements (Continued)

(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

(b) Property, plant and equipment leased out under operating leases

None.

Please refer to Note 8 for more details on property, plant and equipment under pledge.

(11) Investment property

	Land	Buildings	Total
Cost:			
As at Jan. 1, 2024	\$185,461	\$438,768	\$624,229
Additions from subsequent expenditure	-	-	-
Transfer	126,124	211,214	337,338
As at Dec. 31, 2024	<u>\$311,585</u>	<u>\$649,982</u>	<u>\$961,567</u>
As at Dec. 31, 2023	\$185,461	\$438,768	\$624,229
Additions from subsequent expenditure	-	-	-
Transfer	-	-	-
As at Dec. 31, 2023	<u>\$185,461</u>	<u>\$438,768</u>	<u>\$624,229</u>
Depreciation and impairment :			
As at Jan. 1, 2024	\$-	\$221,014	\$221,014
Depreciation	-	13,980	13,980
Transfer	-	108,615	108,615
As at Dec. 31, 2024	<u>\$-</u>	<u>\$343,609</u>	<u>343,609</u>
As at Dec. 31, 2023	\$-	\$211,621	\$211,621
Depreciation	-	9,393	9,393
As at Dec. 31, 2023	<u>\$-</u>	<u>\$221,014</u>	<u>\$221,014</u>
Net carrying amount as at:			
31 Dec. 2024	<u>\$311,585</u>	<u>\$306,373</u>	<u>\$617,958</u>
31 Dec. 2023	<u>\$185,461</u>	<u>\$217,754</u>	<u>\$403,215</u>
	For the year ended		
	December 31,		
	2024	2023	
Rental income from investment property	\$116,326	\$81,442	
Less:			
Direct operating expenses from investment property generating rental income	(13,980)	(9,393)	
Direct operating expenses from investment property not generating rental income	-	-	
Total	<u>\$102,346</u>	<u>\$72,049</u>	

RITEK CORPORATION

Notes to Parent-Company-Only Financial Statements (Continued)

(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

Please refer to Note 8 for more details on investment property under pledge.

Investment properties held by the Company is not measured at fair value but for which the fair value is disclosed. The fair value measurements of the investment properties are categorized within Level 3. The fair value of investment properties was NT\$2,295,327 thousand and NT\$1,429,925 thousand, as at December 31, 2024 and 2023, respectively. The fair value mentioned above refers to the evaluation of the recent transaction price of similar targets by referring to the real price query of the property transaction by the Ministry of the Interior.

(12) Intangible property

	Patents
Cost:	
As at Jan. 1, 2024	\$194,692
Addition-acquired separately	-
As at Dec. 31, 2024	\$194,692
As at Jan. 1, 2023	\$194,692
Addition-acquired separately	-
As at Dec. 31, 2023	\$194,692
Amortization and impairment:	
As at Jan. 1, 2024	\$193,057
Amortization	1,506
As at Dec. 31, 2024	\$194,563
As at Jan. 1, 2023	\$190,356
Amortization	2,701
As at Dec. 31, 2023	\$193,057
Net carrying amount as at:	
31 Dec. 2024	\$129
31 Dec. 2023	\$1,635

Amortization expense of intangible assets under the statement of comprehensive income:

	For the year ended December 31,	
	2024	2023
Operating costs and operating expenses	\$1,506	\$2,701

RITEK CORPORATION

Notes to Parent-Company-Only Financial Statements (Continued)

(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

(13) Other non-current assets

	As at	
	December 31, 2024	December 31, 2023
Other prepaid repair costs	\$31,330	\$24,557
Refundable deposits	1,696	1,696
Total	<u>\$33,026</u>	<u>\$26,253</u>

(14) Short-term borrowings

	As at	
	December 31, 2024	December 31, 2023
Bank loans	<u>\$556,000</u>	<u>\$496,000</u>
Interest Rate (%)	<u>2.1250~2.3170</u>	<u>2.0000~2.2300</u>

As at December 31, 2024 and 2023, the unused short-term lines of credit for the Company amounted to NT\$632,353 thousand and NT\$352,000 thousand, respectively

Please refer to Note 8 for more details on short-term borrowings under pledge.

(15) Long-term borrowings

	As at	
	December 31, 2024	December 31, 2023
Bank loans	\$1,565,497	\$1,646,595
Less: current portion	(95,098)	(79,595)
Total	<u>\$1,470,399</u>	<u>\$1,567,000</u>
Interest Rate (%)	<u>2.2400~2.3250</u>	<u>2.1200~2.3850</u>

(a) The Company entered into a financing contract with Taishin International Commercial Bank, for an amount of NT\$800 million, for two years in August 2021. The major commitment of the preceding loan is as follows:

A. Except formal elimination of machinery equipment and sales of inventories, if all or major parts of assets are sold, transferred, lent, leased or disposed by other means, or major changes occur to the business items or operated business, consent from the majority of guaranteeing banks shall be acquired.

RITEK CORPORATION

Notes to Parent-Company-Only Financial Statements (Continued)

(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

B. The total liabilities of the consolidated financial statements shall not exceed 100% of the net tangible value; current assets shall not be less than 100% of current liabilities, and the tangible net value shall not be less than NT\$9 billion.

C. As at December 31, 2024 and 2023, the outstanding loan balance of the Company is NT\$0 thousand and NT\$700,000 thousand respectively.

(b) The Company entered into a financing contract with Yuanta International Commercial Bank, for an amount of NT\$500 million for three years in August 2022. The major commitment of the preceding loan is as follows:

A. Total liabilities of Consolidated Financial Statements shall not exceed 100% of net tangible value; current assets shall not be less than 100% of current liabilities, and the tangible net value shall not be less than NT\$9 billion.

B. As at December 31, 2024, and 2023, the outstanding loan balance of the Company was NT\$450,000 thousand.

(c) The remaining loan repayment period starts from 2019 and ends in 2029 in stages.

(d) Please refer to Note 8 for more details on long-term borrowings under pledge.

(16) Post-employment benefits

Defined contribution plan

The Company adopt a defined contribution plan in accordance with the Labor Pension Act of the R.O.C. Under the Labor Pension Act, the Company will make monthly contributions of no less than 6% of the employees' monthly wages to the employees' individual pension accounts. The Company have made monthly contributions of 6% of each individual employee's salaries or wages to employees' pension accounts.

Expenses under the defined contribution plan for the years ended December 31, 2024 and 2023 were NT\$16,422 thousand and NT\$15,532 thousand, respectively.

RITEK CORPORATION

Notes to Parent-Company-Only Financial Statements (Continued)

(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

Defined benefits plan

The Company adopts a defined benefit plan in accordance with the Labor Standards Act of the R.O.C. The pension benefits are disbursed based on the units of service years and the average salaries in the last month of the service year. Two units per year are awarded for the first 15 years of services while one unit per year is awarded after the completion of the 15th year. The total units shall not exceed 45 units. Under the Labor Standards Act, the Company contributes an amount equivalent to 2% of the employees' total salaries and wages on a monthly basis to the pension fund deposited at the Bank of Taiwan in the name of the administered pension fund committee. If the amount is inadequate to pay pensions calculated for workers retiring in the same year, the Company and its domestic subsidiaries will make up the difference in one appropriation before the end of March the following year.

The Ministry of Labor is in charge of establishing and implementing the fund utilization plan in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund. The pension fund is invested in-house or under mandation, based on a passive-aggressive investment strategy for long-term profitability. The Ministry of Labor establishes checks and risk management mechanism based on the assessment of risk factors including market risk, credit risk and liquidity risk, in order to maintain adequate manager flexibility to achieve targeted return without over-exposure of risk. With regard to utilization of the pension fund, the minimum earnings in the annual distributions on the final financial statement shall not be less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. Treasury Funds can be used to cover the deficits after the approval of the competent authority. As the Company does not participate in the operation and management of the pension fund, no disclosure on the fair value of the plan assets categorized in different classes could be made in accordance with paragraph 142 of IAS 19. The Company expects to contribute NT\$7,678 thousand to its defined benefit plan during the 12 months beginning after December 31, 2024.

As at December 31, 2024 and 2023, the weighted average duration of the defined benefit plan of the Company was 8 years and 10 years respectively.

Pension costs recognized in profit or loss is as follows:

	For the year ended December 31,	
	2024	2023
Current period service costs	\$88	\$110
Net interest expense (income)	366	635
Past service cost	-	-
Total	<u>\$454</u>	<u>\$745</u>

RITEK CORPORATION

Notes to Parent-Company-Only Financial Statements (Continued)

(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

Reconciliation in the defined benefit obligation and fair value of plan assets are as follows:

	As at	
	December 31, 2024	December 31, 2023
Defined benefit obligation	\$241,074	\$246,670
Plan assets at fair value	237,454	213,622
Other non-current liabilities-net defined benefit liability (asset)	<u>\$3,620</u>	<u>\$33,048</u>

Reconciliation of liability (asset) of the defined benefit liability is as follows:

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liability (asset)
As at Jan. 1, 2023	\$268,082	\$213,204	\$54,878
Current period service costs	110	-	110
Net interest expense (income)	3,351	2,716	635
Subtotal	<u>271,543</u>	<u>215,920</u>	<u>55,623</u>
Remeasurement on net defined benefit liability/assets:			
Experience adjustments	(12,997)	-	(12,997)
Return on plan assets	-	1,878	(1,878)
Subtotal	<u>(12,997)</u>	<u>1,878</u>	<u>(14,875)</u>
Payments from the plan	(11,876)	(11,876)	-
Contributions by employer	-	7,700	(7,700)
As at Dec. 31, 2023	<u>246,670</u>	<u>213,622</u>	<u>33,048</u>
Current period service costs	88	-	88
Net interest expense (income)	3,084	2,718	366
Subtotal	<u>249,842</u>	<u>216,340</u>	<u>33,502</u>
Remeasurement on net defined benefit liability/assets:			
Actuarial gains and losses arising from changes in financial assumptions	(3,181)	-	(3,181)
Experience adjustments	248	-	248
Return on plan assets	-	19,271	(19,271)
Subtotal	<u>(2,933)</u>	<u>19,271</u>	<u>(22,204)</u>
Payments from the plan	(5,835)	(5,835)	-
Contributions by employer	-	7,678	(7,678)
As at Dec. 31, 2024	<u>\$241,074</u>	<u>\$237,454</u>	<u>\$3,620</u>

RITEK CORPORATION
Notes to Parent-Company-Only Financial Statements (Continued)
(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

The following significant actuarial assumptions are used to determine the present value of the defined benefit obligation:

	As at	
	2024	2023
Discount rate	1.50%	1.25%
Expected rate of salary increases	2.00%	2.00%

A sensitivity analysis for significant assumption as at December 31, 2024 and 2023 is, as shown below:

	For the year ended December 31,			
	2024		2023	
	Increase defined benefit obligation	Decrease defined benefit obligation	Increase defined benefit obligation	Decrease defined benefit obligation
Discount rate increase by 0.5%	\$-	\$6,362	\$-	\$7,594
Discount rate decrease by 0.5%	6,697	-	8,032	-
Future salary increase by 0.5%	6,857	-	8,144	-
Future salary decrease by 0.5%	-	6,577	-	7,776

The sensitivity analyses above are based on a change in a significant assumption (for example: change in discount rate or future salary), keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

There was no change in the methods and assumptions used in preparing the sensitivity analyses compared to the previous period.

(17) Equities

(a) Common stock

The Company's issued capital were both NT\$6,936,797 thousand as at December 31, 2024 and 2023, each at a par value of NT\$10 and 693,679,663 share.

RITEK CORPORATION

Notes to Parent-Company-Only Financial Statements (Continued)
(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

(b) Capital surplus

	As at	
	December 31, 2024	December 31, 2023
Difference between consideration given/ received and carrying amount of interests in subsidiaries acquired/disposed of	\$691,799	\$655,658
Donated assets received	4,937	4,937
Increase (decrease) through changes in ownership interests in subsidiaries	626,165	573,219
Total	<u>\$1,322,901</u>	<u>\$1,233,814</u>

According to the Company Act, the capital reserve shall not be used except for making good the deficit of the company. When a company incurs no loss, it may distribute the capital reserves related to the income derived from the issuance of new shares at a premium or income from endowments received by the company. The distribution could be made in cash or in the form of dividend shares to its shareholders in proportion to the number of shares being held by each of them.

(c) Retained earnings and dividend policies

According to the Company's Articles of Incorporation, current year's earnings, if any, shall be distributed in the following order:

- A. Payment of all taxes and dues;
- B. Offset prior years' operation losses;
- C. Set aside 10% of current period's net income after tax plus the amount included in current period's undistributed earnings other than the net income after tax as legal reserve, unless where such legal reserve amounts to the total paid-in capital.
- D. Set aside or reverse special reserve in accordance with law and regulations. For the net deduction of other comprehensive income for the current period, set aside the equal amount of special reserve from current period's net income after tax plus the amount included in current period's undistributed earnings other than the net income after tax. If the amount is still insufficient, the remaining amount shall be set aside from the unappropriated retained earnings from previous periods.

RITEK CORPORATION

Notes to Parent-Company-Only Financial Statements (Continued)

(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

When net deduction of other comprehensive income from previous periods is insufficient to be provided from prior period's unappropriated earnings and the remaining amount shall be aside from current period's net income after tax plus the amount included in current period's undistributed earnings other than the net income after tax.

E. The distribution of the remaining portion, if any, is priority for preferred stocks.

F. The remaining portion, if any, plus undistributed earnings will be recommended by the Board of Directors and resolved in the shareholders' meeting for common stocks.

The Company's industry environment is changing rapidly, and the life cycle of the enterprise is in the stage of rapid growth. Considering the Company's future capital needs, long-term financial planning and the growth of the Company's earnings, and meeting shareholders' needs for cash inflow. When the Company decides to distribute earnings, the distribution of dividends shall not be less than 50% of the distributable earnings each year. However, the accumulated distributable earnings is less than 10% of the paid-in capital, the dividend may not be distributed. When distributing dividends, cash dividends are given priority, and the distribution ratio is 30-100% of the total dividends for the current year, and the remaining are distributed as stock dividends.

The FSC on March 31, 2021 issued Order No. Financial-Supervisory-Securities Corporate-1090150022, which sets out the following provisions for compliance: On a public company's first-time adoption of the IFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders' equity that the company elects to transfer to retained earnings by application of the exemption under IFRS 1, the company shall set aside special reserve. For any subsequent use, disposal or reclassification of related assets, the special reserve in the amount equal to the reversal may be released for earnings distribution.

The Company did not set aside any special reserve due to the first application of IFRS.

Please refer to Note 6(21) for information on the basis and amount of employees' compensation and remuneration to directors and supervisors.

(18) Operating revenue

	For the year ended December 31,	
	2024	2023
Revenue from contracts with customers		
Sale of goods	\$2,763,909	\$2,523,573

RITEK CORPORATION

Notes to Parent-Company-Only Financial Statements (Continued) (Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

Analysis of revenue from contracts with customers during the years ended December 31, 2024 and 2023 are as follows:

(a) Disaggregation of revenue

	For the year ended December 31,	
	2024	2023
Sales of goods	<u>\$2,763,909</u>	<u>\$2,523,573</u>
The timing for revenue recognition:		
At a point of time	<u>\$2,763,909</u>	<u>\$2,523,573</u>

(b) Contract balances

A. Contract assets-current

	As at		
	December 31, 2024	December 31, 2023	January 1, 2023
Sales of goods	<u>\$42,810</u>	<u>\$30,513</u>	<u>\$68,849</u>

The balances of contractual liabilities at the beginning of years 2024 and 2023 were reduced due to the fulfillment of obligations. The amounts reversed to income in current period were NT\$30,513 thousand and NT\$68,849 thousand respectively.

(c) Assets recognized from costs to fulfil a contract

None.

(19) Expected credit losses/ (gains)

	For the year ended December 31,	
	2024	2023
Operating expenses-expected credit losses/(gains)		
Accounts receivable	\$3,241	\$(1,841)
Non-operating income and expenses-expected credit losses/(gains)		
Other receivable	300	900
Total	<u>\$3,541</u>	<u>\$(941)</u>

Please refer to Note 12 for more details on credit risk.

RITEK CORPORATION

Notes to Parent-Company-Only Financial Statements (Continued)

(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

The Company measures the loss allowance of receivables (including notes receivables, accounts receivable and other receivable) at an amount equal to lifetime expected credit losses. The assessment of the Company's loss allowance as at December 31, 2024 and 2023 are as follows:

- (a) The total carrying amount of notes receivables of NT\$8,478 thousand and NT\$2,370 thousand was not overdue, and the loss allowance, measured by 0% of the expected credit loss rate, was NT\$0.
- (b) The total carrying amount of other receivable was NT\$31,484 thousand and NT\$22,924 thousand. Among them, the loss allowance, measured at 0%~100% of the individual expected credit loss rate and was NT\$2,500 thousand and NT\$2,200 thousand. The remaining total carrying amount was not overdue and its expected credit loss rate is 0%.
- (c) Accounts receivable shall be grouped based on the factors such as counterparties' credit rating, geographical region and industry sector and its loss allowance is measured by using a provision matrix. Details are as follows:

As at December 31, 2024

	Not yet due	Overdue					Total
		<=30 days	31-60 days	61-90 days	91-120 days	>=121 days	
Total carrying amount	\$259,420	\$41,315	\$30,190	\$27,228	\$23,079	\$371,417	\$752,649
Loss rate	0%	1%	2%	5%	10%	20~100%	
Lifetime expected credit losses	-	413	604	1,361	2,308	205,307	209,993
Total carrying amount	\$259,420	\$40,902	\$29,586	\$25,867	\$20,771	\$166,110	\$542,656

As at December 31, 2023

	Not yet due	Overdue					Total
		<=30 days	31-60 days	61-90 days	91-120 days	>=121 days	
Total carrying amount	\$494,584	\$27,342	\$9,275	\$1,902	\$1,962	\$235,652	\$770,717
Loss rate	0%	1%	2%	5%	10%	20~100%	
Lifetime expected credit losses	-	273	186	95	196	199,601	200,351
Total carrying amount	\$494,584	\$27,069	\$9,089	\$1,807	\$1,766	\$36,051	\$570,366

RITEK CORPORATION

Notes to Parent-Company-Only Financial Statements (Continued)

(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

The movement in the provision for impairment of notes receivables, accounts receivable and other receivables during the years ended December 31, 2024 and 2023 are as follows:

	Notes receivable	Accounts receivable	Other receivables
As at January 1, 2024	\$-	\$200,351	\$2,200
Addition/(reversed) for the current period	-	3,241	300
Exchange differences	-	6,401	-
As at December 31, 2024	<u>\$-</u>	<u>\$209,993</u>	<u>\$2,500</u>
As at January 1, 2023	\$-	\$206,000	\$1,300
Addition/(reversed) for the current period	-	(1,841)	900
Exchange differences	-	(3,808)	-
As at December 31, 2023	<u>\$-</u>	<u>\$200,351</u>	<u>\$2,200</u>

(20) Leases

(a) Company as a lessee

The Company leases various properties, including buildings and machinery and equipment. The lease terms range from 3 to 15 years.

The Company's leases effect on the financial position, financial performance and cash flows are as follow:

A. Amounts recognized in the balance sheet

(i) Right-of-use assets

The carrying amount of right-of-use assets

	As at	
	December 31, 2024	December 31, 2023
Machinery and equipment	\$62,526	\$68,521
Transportation equipment	596	-
Total	<u>\$63,122</u>	<u>\$68,521</u>

During the years ended December 31, 2024 and 2023, the Company's additions to right-of-use assets amounting to NT\$640 thousand and NT\$0 thousand, respectively.

RITEK CORPORATION

Notes to Parent-Company-Only Financial Statements (Continued)

(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

(ii) Lease liabilities

	As at	
	December 31, 2024	December 31, 2023
Lease liabilities	<u>\$68,832</u>	<u>\$74,467</u>
Current	\$17,479	\$13,601
Non-current	<u>51,353</u>	<u>60,866</u>
Total	<u>\$68,832</u>	<u>\$74,467</u>

Please refer to Note 6(22)(d) for the interest on lease liabilities recognized during and refer to Note 12 Liquidity Risk Management for the maturity analysis for lease liabilities.

B. Amounts recognized in the statement of profit or loss

Depreciation charge for right-of-use assets

	For the year ended December 31,	
	2024	2023
Machinery and equipment	\$17,173	\$14,068
Transportation equipment	44	-
Total	<u>\$17,217</u>	<u>\$14,068</u>

C. Income and costs relating to leasing activities

	For the year ended December 31,	
	2024	2023
The expenses relating to short-term leases	\$2,748	\$4,517
The expenses relating to leases of low-value assets (Not including the expenses relating to short-term leases of low-value assets)	100	88
The expenses relating to variable lease payments not included in the measurement of lease liabilities	1,982	2,691

RITEK CORPORATION

Notes to Parent-Company-Only Financial Statements (Continued)

(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

D. Cash outflow relating to leasing activities

During the years ended December 31, 2024 and 2023, the Company's total cash outflows for leases amounted to NT\$22,541 thousand and NT\$21,152 thousand, respectively.

E. Other information relating to leasing activities

Variable lease payments

The Company leased some roofs of buildings to build solar power system construction, including the variable lease payment linked with percentage of revenues from selling solar power. Since such variable lease payments do not meet the definition of lease payments, it is excluded from the measurement of assets and liabilities. The Company estimates that additional NT\$7~NT\$8 thousand rent expenses will be incurred per additional NT\$100 thousand of solar power revenues.

(b) Company as a lessor

Please refer to Note 6(11) for details on the Company's owned investment properties. Leases of owned investment properties are classified as operating leases as they do not transfer substantially all the risks and rewards incidental to ownership of underlying assets. Please refer to Note 6(10) for relevant disclosure of property, plant and equipment for operating leases under IFRS 16.

	For the year ended December 31,	
	2024	2023
Lease income for operating leases		
Income relating to fixed lease payments and variable lease payments that depend on an index or a rate	<u>\$118,353</u>	<u>\$95,923</u>

For operating leases entered by the Company, the undiscounted lease payments to be received and a total of the amounts for the remaining years as at December 31, 2024 and 2023 are as follows:

	As at	
	December 31, 2024	December 31, 2023
Not later than one year	\$93,584	\$45,226
Later than one year but not later than two years	87,671	11,854
Later than two years but not later than three years	23,756	6,570
Later than three years but not later than four years	949	2,217
Later than four years but not later than five years	-	181
Later than five years	-	-
Total	<u>\$205,960</u>	<u>\$66,048</u>

RITEK CORPORATION

Notes to Parent-Company-Only Financial Statements (Continued)

(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

(21) Summary statement of employee benefits, depreciation and amortization by function:

Function Nature	For the year ended December 31,							
	2024				2023			
	Operating costs	Operating expenses	Non-operating expense	Total amount	Operating costs	Operating expenses	Non-operating expense	Total amount
Employee benefits expense								
Salaries	\$259,084	\$141,367	\$-	\$400,451	\$227,959	\$128,540	\$-	356,499
Labor and health insurance	27,471	11,888	-	39,359	25,212	11,537	-	36,749
Pension	10,502	6,372	-	16,874	10,116	6,162	-	16,278
Directors' remuneration	-	1,020	-	1,020	-	880	-	880
Other employee benefits expense	2,748	786	-	3,534	931	277	-	1,208
Depreciation	44,991	62,737	172	107,900	52,814	41,226	6,023	100,063
Amortization	9,451	6,010	-	15,461	11,779	5,862	-	17,641

Note 1: The number of employees in 2024 and 2023 were 620 and 534 respectively, of which the number of directors who were not employees were 3.

Note 2: (a) Average employee benefits of 2024 and 2023 are NT\$746 thousand and NT\$774 thousand respectively.

(b) Average salaries of 2024 and 2023 are NT\$649 thousand and NT\$671 thousand respectively.

(c) Changes in average salaries are -3.3%

(d) The Company set an Audit Committee, consisting of all independent directors, in accordance with the "Securities Exchange Act". There is no supervisor and therefore no compensation for supervisors. The policies of remuneration to directors and managers are proposed to the Remuneration Committee for review in accordance with the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or Taipei Exchange". The distribution of remuneration to directors shall be reviewed by the Remuneration Committee and approved by the Board of Directors, depending on the participation and contribution of all directors as referring to the general standards in the same industry. The policies of remuneration to managers and employees shall be determined with reference to the general standards in the same industry, as well as in consideration of the reasonableness of relevancy of their proficiency, time, responsibilities, performance achieved, and financial condition and performance of the Company and future risks.

RITEK CORPORATION

Notes to Parent-Company-Only Financial Statements (Continued)

(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

According to the Articles of Incorporation, 3~10% of profit of the current year is distributable as employees' compensation and no higher than 4% of profit of the current year is distributable as remuneration to directors and supervisors. However, the Company's accumulated losses shall have been covered. The Company may have the profit distributable as employees' compensation in the form of shares or in cash, the object of the payment may include the employees of the subordinate company who meet certain conditions prescribed by the board of directors. Information on the Board of Directors' resolution regarding the employees' compensation and remuneration to directors and supervisors can be obtained from the "Market Observation Post System" on the website of the TWSE.

The Company was in a state of loss in 2024 and 2023, employees' compensation and remuneration to directors and supervisors were not estimated.

(22) Non-operating income and expenses

(a) Interest income

	For the year ended December 31,	
	2024	2023
Interest income from bank deposits	\$8,676	\$12,010
Interest income from others	5,912	5,459
Total	<u>\$14,588</u>	<u>\$17,469</u>

(b) Other income

	For the year ended December 31,	
	2024	2023
Rental income	\$118,353	\$95,923
Dividend income	234	255
Other income	4,721	7,145
Total	<u>\$123,308</u>	<u>\$103,323</u>

(c) Other gains and losses

	For the year ended December 31,	
	2024	2023
Gains on disposal of property, plant and equipment	\$12,586	\$21,949
Gains on disposal of investments	191,182	-
Foreign exchange losses (gains), net	61,997	5,534
Impairment losses – Property, plant and equipment	(107,335)	-
Losses on financial assets at fair value through profit or loss	(7,933)	(3,602)
Other losses	(509)	(544)
Total	<u>\$149,988</u>	<u>\$23,337</u>

RITEK CORPORATION

Notes to Parent-Company-Only Financial Statements (Continued)

(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

(d) Finance costs

	For the year ended December 31,	
	2024	2023
Interest on borrowings from bank and other	\$50,285	\$45,396
Interest on lease liabilities	258	319
Total	<u>\$50,543</u>	<u>\$45,715</u>

(23) Components of other comprehensive income

For the year ended December 31, 2024:

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of other comprehensive income	Other comprehensive income, net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Remeasurements of defined benefit plans	\$22,204	\$-	\$22,204	\$-	\$22,204
Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income	16,789	-	16,789	-	16,789
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	12,740	-	12,740	-	12,740
To be reclassified to profit or loss in subsequent periods:					
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	45,951	-	45,951	-	45,951
Total of other comprehensive income	<u>\$97,684</u>	<u>\$-</u>	<u>\$97,684</u>	<u>\$-</u>	<u>\$97,684</u>

For the year ended December 31, 2023:

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of other comprehensive income	Other comprehensive income, net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Remeasurements of defined benefit plans	\$14,875	\$-	\$14,875	\$-	\$14,875
Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income	(11,637)	-	(11,637)	-	(11,637)
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	20,007	-	20,007	-	20,007
To be reclassified to profit or loss in subsequent periods:					
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	(66,501)	-	(66,501)	-	(66,501)
Total of other comprehensive income	<u>\$(43,256)</u>	<u>\$-</u>	<u>\$(43,256)</u>	<u>\$-</u>	<u>\$(43,256)</u>

RITEK CORPORATION

Notes to Parent-Company-Only Financial Statements (Continued)

(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

(24) Income tax

- (a) The major components of income tax expense for the year ended December 31, 2024 and 2023 are as follows:

Income tax expense (income) recognized in profit or loss

	For the year ended December 31,	
	2024	2023
Current income tax expense:		
Current income tax charge	\$-	\$-
Deferred tax expense:		
Deferred tax expense (income) relating to origination and reversal of temporary differences	-	-
Total income tax expense (income)	<u>\$-</u>	<u>\$-</u>

Income tax relating to components of other comprehensive income

	For the year ended December 31,	
	2024	2023
Deferred tax expense (income):		
Remeasurements of defined benefit plans	<u>\$-</u>	<u>\$-</u>

- (b) The amount of income tax expense and accounting profit multiplied by the applicable income tax rate are adjusted as follows:

	For the year ended December 31,	
	2024	2023
Accounting profit (loss) before tax from continuing operations	<u>\$46,748</u>	<u>\$ (303,314)</u>
Tax at the domestic rates applicable to profits in the country concerned	9,349	(60,663)
Income tax effect of tax exempted revenues	(8,432)	-
Income tax effect of non-deductible expenses on tax return	-	15,801
Income tax effect of deferred tax assets/liabilities	<u>-</u>	<u>44,862</u>
Total income tax expense recognized in profit or loss	<u>\$-</u>	<u>\$-</u>

RITEK CORPORATION

Notes to Parent-Company-Only Financial Statements (Continued)

(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

(c) Unused tax loss information of the Company is summarized as below:

Occurrence year	Accumulated net operating losses	Unused balance		Expiration Year
		For the year ended		
		December 31,		
		2024	2023	
2014	\$2,300,611	\$-	\$2,300,611	2024
2015	5,783,839	5,783,839	5,783,839	2025
2016	1,144,980	1,144,980	1,144,980	2026
2017	817,581	817,581	817,581	2027
2018	704,179	701,320	701,320	2028
2019	22,153	22,153	22,153	2029
2020	501,860	501,860	501,860	2030
2021	31,517	31,517	31,517	2031
		\$9,003,250	\$11,303,861	

Unrecognized deferred income tax assets

As at December 31, 2024 and 2023, deferred tax assets that have not been recognized amounted to NT\$4,815,501 thousand and NT\$4,809,091 thousand, respectively.

The assessment of income tax returns

The assessment of the income tax returns of the Company was approved up to the year of 2021 as at December 31, 2024.

(25) Earnings per share

Basic earnings (loss) per share amounts are calculated by dividing net profit (loss) for the year attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

As the Company does not issue dilutive potential ordinary shares, there is no need for the Company to dilute the amount of the basic earnings per share.

	For the year ended	
	December 31,	
	2024	2023
Basic loss per share		
Net loss attributable to ordinary equity holders of the Company (in thousand NT\$)	<u>\$46,748</u>	<u>\$(303,314)</u>
Retroactively adjusted weighted average number of ordinary shares of basic losses per share (in thousands)	<u>693,679</u>	<u>693,679</u>
Basic gain (loss) per share (NT\$)	<u>\$0.07</u>	<u>\$(0.44)</u>

RITEK CORPORATION

Notes to Parent-Company-Only Financial Statements (Continued)

(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of the financial statements.

7. Related party transactions

Information of the related parties that had transactions with the Company during the financial reporting period is as follows:

Name and nature of relationship of the related parties

Name of the related parties	Nature of relationship of the related parties
Ritdisplay Corporation (Ritdisplay)	Subsidiary
U-tech Technology Co., Ltd. (U-tech)	Ultimate parent company's associate
PRORIT Corporation (PRORIT)	Subsidiary
AimCore Technology Co., Ltd. (AimCore)	Subsidiary
RICARE CORPORATION (RICARE)	Ultimate parent company's associate
RITFAST Corporation (RITFAST)	Ultimate parent company's associate
FINESIL TECHNOLOGY INC. (FINESIL)	Subsidiary
Newrit Asset Co., Ltd.	Subsidiary
FORMOSA SUN ENERGY CORP.	Ultimate parent company's associate
RITEK Solar CORP.	Ultimate parent company's associate
KunShan Hutek Co.,Ltd. (Hutek)	Subsidiary
Kunshan Ritek Trading Company Ltd. (Ritek Trading)	Subsidiary
Kunshan Protek Co. Ltd. (Protek)	Subsidiary
Dollars Cultural & Creative Company Limited	Ultimate parent company's associate
O-View Technology Co., Ltd. (O-View)	The subsidiary is the corporate director of O-View
Ritek Foundation	The Company's Chairman is the director of Ritek Foundation
Ritek Vietnam Company., Ltd. (RVC)	Subsidiary
Advanced Media Inc. (AMI)	Subsidiary
Conrexx Technology B.V. (Conrexx)	Subsidiary
Ritek Latin America, Inc.	Subsidiary
Ritrax Corportion Ltd.	Subsidiary
RITWIN CORPORATION (RITWIN)	Subsidiary
WELLTECH ENERGY INC. (WELLTECH)	Subsidiary
IKARI COFFEE CO., LTD. (IKAR)	Ultimate parent company's associate
ShokuRaku Corporation	Ultimate parent company's associate
Jingle Hot Pot Corporation	Ultimate parent company's associate
Sun, Moon and Star International Co., Ltd	Ultimate parent company's associate
PVNEXT Corporation (PVNEXT)	Subsidiary
GLOBAL MULTIMEDIA LTD	Subsidiary
Bircle international Trading Limited	Ultimate parent company's associate

RITEK CORPORATION

Notes to Parent-Company-Only Financial Statements (Continued)

(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

Significant transactions with the related parties

(1) Sales

	For the year ended December 31,	
	2024	2023
Subsidiary		
Conrexx	\$144,296	\$137,145
Ritek Trading	368,880	365,648
Other	27,630	108,079
Subtotal	540,806	610,872
Associates	9,444	250
Total	<u>\$550,250</u>	<u>\$611,122</u>

- (a) The sales price to the above related parties was determined through mutual agreement based on the market rates; if the interested parties are a domestic company, the collection term shall be similar to the domestic client, to receive the payment in 90 to 150 days.
- (b) The sales of goods between the Company and its subsidiaries in accordance with the provisions of Letter Tai-Tsai-Cheng (VI) No. 00747 on March 18, 1998(1998) have been treated by consigned processing accounting instead of treated as sales. Thus, the relevant items and amounts have been reduced as follows:

	For the year ended December 31,	
	2024	2023
Sales revenue	\$376,698	\$329,556
Sales cost	376,698	329,556

As at December 31, 2024 and 2023, the above-consigned processing-related accounts receivable and payable of NT429,915 thousand and NT\$218,509 thousand have been offset and expressed as a net amount.

(2) Purchases

	For the year ended December 31,	
	2024	2023
Subsidiary		
RVC	\$773,264	\$718,691
PRORIT	37,645	40,216
Other	12,356	1,255
Subtotal	823,265	760,162
Associates	293	-
Other related parties	20	6
Total	<u>\$823,578</u>	<u>\$760,168</u>

RITEK CORPORATION

Notes to Parent-Company-Only Financial Statements (Continued)

(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

There is no significant difference between the trading conditions of the Company's purchase of goods from interested parties and the general trading conditions. Payment terms are monthly statement 90-120 days after delivery.

(3) Accounts receivable-related parties

	As at	
	December 31, 2024	December 31, 2023
Subsidiary		
RVC	\$-	\$29,031
Conrexx	30,216	16,304
Ritek Latin America, Inc.	31,006	29,031
Ritek Trading	104,297	103,017
Other	8,026	18,044
Subtotal	173,545	195,427
Associates	5,080	-
Net balance	<u>\$178,625</u>	<u>\$195,427</u>

(4) Other receivables-related parties

	As at	
	December 31, 2024	December 31, 2023
Subsidiary		
RVC	\$2,774	\$827
Ritdisplay	1,681	1,858
Other	1,908	2,156
Subtotal	6,363	4,841
Associates	265	-
Total	<u>\$6,628</u>	<u>\$4,841</u>

(5) Notes payable and other notes payable-related parties

	As at	
	December 31, 2024	December 31, 2023
Subsidiary		
Ritdisplay	\$177	\$-
PRORIT	-	401
Total	<u>\$177</u>	<u>\$401</u>

RITEK CORPORATION

Notes to Parent-Company-Only Financial Statements (Continued)

(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

(6) Accounts payable-related parties

	As at	
	December 31, 2024	December 31, 2023
Subsidiary		
RVC	\$18,094	\$-
AimCore	1,299	1,266
Other	3,017	4,321
Subtotal	22,410	5,587
Associates	611	-
Other related parties	2	3
Total	<u>\$23,023</u>	<u>\$5,590</u>

(7) Financings provided to related parties

(a) Long-term receivables

	As at	
	December 31, 2024	December 31, 2023
Subsidiary		
RVC	<u>\$98,232</u>	<u>\$91,974</u>

(b) Interest revenue

	For the year ended December 31,	
	2024	2023
Subsidiary		
RVC	<u>\$5,786</u>	<u>\$5,374</u>

For conditional recovery for financing of the subsidiary, depending on the capital turnover of the subsidiary, the interest rate ranges in 2024 and 2023 are 5.76% and 5.96% respectively; please refer to Note 13 Table 1 for relevant instructions. No collateral is provided for the above financing.

RITEK CORPORATION

Notes to Parent-Company-Only Financial Statements (Continued)

(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

(8) Contract liability

	As at	
	December 31, 2024	December 31, 2023
Subsidiary		
RITFAST	\$-	\$1,676
GLOBAL MULTIMEDIA LTD	12,080	-
Other	33	-
Total	<u>\$12,113</u>	<u>\$1,676</u>

(9) Lease-related parties

Lease payments

	For the year ended December 31,	
	2024	2023
Subsidiary	<u>\$2,461</u>	<u>\$2,355</u>

Rental income

	For the year ended December 31,	
	2024	2023
Subsidiary	<u>\$812</u>	<u>\$1,578</u>

Right-of-use assets

	As at	
	December 31, 2024	December 31, 2023
Subsidiary		
AimCore	\$48,206	\$59,775
Hsin Bao	6,247	8,746
Total	<u>\$54,453</u>	<u>\$68,521</u>

Lease liabilities

	As at	
	December 31, 2024	December 31, 2023
Subsidiary		
AimCore	\$54,342	\$65,405
Hsin Bao	6,524	9,062
Total	<u>\$60,866</u>	<u>\$74,467</u>
Current	<u>\$13,665</u>	<u>\$13,601</u>
Non-current	<u>\$47,201</u>	<u>\$60,866</u>

RITEK CORPORATION

Notes to Parent-Company-Only Financial Statements (Continued)

(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

Financial costs

	For the year ended December 31,	
	2024	2023
Subsidiary		
AimCore	\$129	\$152
Hsin Bao	127	167
Total	<u>\$256</u>	<u>\$319</u>

The term of the lease and repayments are based on the contract. In general, 8 to 15 years for a short-term lease, and payment is mainly collected monthly.

(10) Transaction of property

(a) For the year ended December 31, 2024

A. The Company purchased the property, plant and equipment from the following related parties:

None.

B. The Company sold the property, plant and equipment to the following related parties:

Name	Property	Disposal price	Disposal gain
The Company's subsidiary	Machinery and equipment	<u>\$148</u>	<u>\$13</u>

C. Disposal gain or loss from the above transactions has been removed according to IFRS and IAS.

(b) For the year ended December 31, 2023

None.

(11) Key management personnel compensation

	For the year ended December 31,	
	2024	2023
Short-term employee benefits	\$18,019	\$13,854
Post-employment benefits	876	842
Total of other comprehensive income	<u>\$18,895</u>	<u>\$14,696</u>

RITEK CORPORATION

Notes to Parent-Company-Only Financial Statements (Continued)

(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

8. Assets pledged as security

The following table lists assets of the Company pledged as security:

Items	Carrying amount		Secured liabilities
	December 31, 2024	December 31, 2023	
Financial assets measured at amortized cost	\$3,630	\$3,584	Bank loan, Security deposit to custom authority, Leases and performance bond
Investment by equity method	165,600	163,680	Bank loan and subsidiary loan endorsement guarantee
Property, plant and equipment-land and	525,703	626,190	Bank loan
Property, plant and equipment-depreciated assets	554,484	666,768	Bank loan
Investment property	574,093	403,026	Bank loan
Total of other comprehensive income	<u>\$1,823,510</u>	<u>\$1,863,248</u>	

9. Significant contingencies and unrecognized contractual commitments

- (1) The guaranteed notes issued by the Company for the purchase of machinery and equipment, long-term loans, L/C loans for raw materials, lawsuits and issuance of commercial promissory notes are NT\$100,094 thousand. In addition, the Company will collect NT\$924,831 thousand of guaranteed notes from the manufacturers who purchase goods from the Company and provide labor services to the Company.
- (2) The amount guaranteed by the banks for loans, imported materials, and national taxation booking was a total of NT\$5,350 thousand.
- (3) The Company has entered into the following contracts for the purchase of fixed assets:

	In Thousands of New Taiwan Dollars		
	Total contract price	Paid amount	Unpaid amount
Prepayments for equipment	<u>NT\$66,821</u>	<u>NT\$40,149</u>	<u>NT\$26,672</u>

- (4) The Company has entered into a license agreement with SANDISC, PIONEER, ONE BLUE and JVC for disc and memory card related products and have agreed to pay royalties to each company based on the sales volume of the related products during the validity period of the contract of 5 to 10 years.

RITEK CORPORATION

Notes to Parent-Company-Only Financial Statements (Continued)

(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

10. Losses due to major disasters

None.

11. Significant subsequent events

None.

12. Other

(1) Categories of financial instruments

Financial assets

	As at	
	December 31, 2024	December 31, 2023
Financial assets at fair value through profit or loss:		
Mandatorily measured at Fair value through profit or loss	\$32,941	\$49,260
Financial assets at fair value through other comprehensive income	19,126	34,112
Financial assets measured at amortized cost		
Cash and cash equivalents (exclude cash on hand)	506,918	530,968
Financial assets measured at amortized cost	3,630	3,584
Notes receivables (including related parties)	8,478	2,370
Accounts receivable (including related parties)	542,656	570,366
Other receivables (including related parties)	28,984	20,724
Finance lease receivables	3,946	5,046
Subtotal	1,094,612	1,133,058
Total of other comprehensive income	\$1,146,679	\$1,216,430

Financial liabilities

	As at	
	December 31, 2024	December 31, 2023
Financial liabilities at amortized cost:		
Short-term borrowings	\$556,000	\$496,000
Notes payable and accounts payable (including related parties)	210,084	172,774
Other payables	273,416	227,193
Long-term borrowings (including current portion with maturity less than 1 year)	1,565,497	1,646,595
Lease liabilities	68,832	74,467
Total of other comprehensive income	\$2,673,829	\$2,617,029

RITEK CORPORATION

Notes to Parent-Company-Only Financial Statements (Continued)

(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

(2) Financial risk management objectives and policies

The Company's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activities. The Company identifies measures and manages the aforementioned risks based on the Company's policy and risk appetite.

The Company has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due approval process by the Board of Directors must be carried out based on related protocols and internal control procedures. The Company complies with its financial risk management policies at all times.

(3) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market prices comprise currency risk, interest rate risk and other price risk (such as equity risk).

In practice, it is rarely the case that a single risk variable will change independently from other risk variable, there is usually interdependencies between risk variables. However, the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

Foreign currency risk

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense are denominated in a different currency from the Company's functional currency) and the Company's net investments in foreign subsidiaries.

The Company has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables, therefore natural hedge is received. The Company also uses forward contracts to hedge the foreign currency risk on certain items denominated in foreign currencies. Hedge accounting is not applied as they did not qualify for hedge accounting criteria. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Company.

RITEK CORPORATION

Notes to Parent-Company-Only Financial Statements (Continued)

(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Company's profit is performed on significant monetary items denominated in foreign currencies as at the end of the reporting period. The Company's foreign currency risk is mainly related to the volatility in the exchange rates for USD, JPY and EUR. The information of the sensitivity analysis is as follows:

- (a) When NTD appreciates/depreciates against USD by 1%, the net income (loss) for the years ended December 31, 2024 and 2023 would increase/decrease by NT\$9,585 thousand and increase/decrease by NT\$9,490 thousand, respectively.
- (b) When NTD appreciates/depreciates against JPY by 1%, the net income (loss) for the years ended December 31, 2024 and 2023 would increase/decrease by NT\$196 thousand and increase/decrease by NT\$174 thousand, respectively.
- (c) When NTD appreciates/depreciates against EUR by 1%, the net income (loss) for the years ended December 31, 2024 and 2023 would increase/decrease by NT\$1,335 thousand and increase/decrease by NT\$652 thousand, respectively.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt instrument investments at variable interest rates, bank borrowings with fixed interest rates and variable interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable loans and borrowings and entering into interest rate swaps. Hedge accounting does not apply to these swaps as they do not qualify for it.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as at the end of the reporting period, including investments and borrowings with variable interest rates and interest rate swaps. At the reporting date, a change of 10 basis points of interest rate in a reporting period could cause the profit for the years ended December 31, 2024 and 2023 to increase/decrease by NT\$2,118 and NT\$2,139, respectively.

RITEK CORPORATION

Notes to Parent-Company-Only Financial Statements (Continued)

(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

Equity price risk

The fair value of the Company's listed and unlisted equity securities and conversion rights of the Euro-convertible bonds issued are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company's listed and unlisted equity securities are classified under financial assets measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income. The Company manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, a change of 1% in the price of the listed equity securities measured at fair value through profit or loss could increase/decrease the Company's profit for the years ended December 31, 2024 and 2023 by NT\$169 thousand and NT\$493 thousand, respectively

At the reporting date, a change of 1% in the price of the listed companies stocks classified as equity instruments investments measured at fair value through other comprehensive income could have an impact of NT\$191 and NT\$341 on the equity attributable to the Company for the years ended December 31, 2024 and 2023, respectively.

Please refer to Note 12(9) for sensitivity analysis information of other equity instruments or derivatives that are linked to such equity instruments whose fair value measurement is categorized under Level 3.

(4) Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss. The Company is exposed to credit risk from operating activities (primarily for trade and notes receivables) and from its financing activities, including bank deposits and other financial instruments.

Credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to credit risk management. Credit limits are established for all counter parties based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Company's internal rating criteria etc. Certain counter parties' credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment or insurance.

As at December 31, 2024 and 2023, accounts receivable from top ten customers represent 54% and 55% of the total accounts receivable of the Company, respectively. The credit concentration risk of other accounts receivable is insignificant.

RITEK CORPORATION

Notes to Parent-Company-Only Financial Statements (Continued)

(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

Credit risk from balances with banks, fixed income securities and other financial instruments is managed by the Company's treasury in accordance with the Company's policy. The Company only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies and government entities with good credit rating. Consequently, there is no significant credit risk for these counter parties.

The Company adopted IFRS 9 to assess the expected credit losses. Except for the loss allowance of accounts receivable is measured at lifetime expected credit losses, the remaining debt instrument investments which are not measured at fair value through profit or loss, low credit risk for these investments is a prerequisite upon acquisition and by using their credit risk as a basis for the distinction of categories.

Financial assets are written off when there is no realistic prospect of future recovery (the issuer or the debtor is in financial difficulties or bankruptcy).

When the credit risk on debt instrument investment has increased, the Company will dispose that investment in order to minimize the credit losses. When assessing the evaluation of the forward-looking information (available without undue cost and effort) is mainly based on the macroeconomic information and the credit loss ratio is further adjusted if there is significant impact from forward-looking information.

(5) Liquidity risk management

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, highly liquid equity investments, bank borrowings and finance leases. The table below summarizes the maturity profile of the Company's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

Non-derivative financial liabilities

	Less than 1 year	2 to 3 years	4 to 5 years	> 5 years	Total
December 31, 2024					
Borrowings	\$785,603	\$1,149,887	\$360,961	\$-	\$2,296,451
Short-term notes and bills payable	483,500	-	-	-	483,500
Lease liabilities	17,935	30,729	21,219	-	69,883
December 31, 2023					
Borrowings	\$611,765	\$1,273,384	\$33,984	\$302,849	\$2,221,982
Short-term notes and bills payable	399,967	-	-	-	399,967
Lease liabilities	13,944	27,888	23,892	9,863	75,587

RITEK CORPORATION

Notes to Parent-Company-Only Financial Statements (Continued)

(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

(6) Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for the year ended December 31, 2024:

	Short-term borrowings	Long-term borrowings	Other non-current liability	Leases liabilities	Total liabilities from financing activities
January 1, 2024	\$496,000	\$1,646,595	\$457,104	\$74,467	\$2,674,166
Cash flows	60,000	(81,098)	6,234	(17,711)	(32,575)
Non-cash changes	-	-	(9,965)	12,076	2,111
December 31, 2024	<u>\$556,000</u>	<u>\$1,565,497</u>	<u>\$453,373</u>	<u>\$68,832</u>	<u>\$2,643,702</u>

Reconciliation of liabilities for the year ended December 31, 2023:

	Short-term borrowings	Long-term borrowings	Other non-current liability	Leases liabilities	Total liabilities from financing activities
January 1, 2023	\$705,770	\$1,621,745	\$530,166	\$88,004	\$2,945,685
Cash flows	(209,770)	24,850	5,944	(13,856)	(192,832)
Non-cash changes	-	-	(79,006)	319	(78,687)
December 31, 2023	<u>\$496,000</u>	<u>\$1,646,595</u>	<u>\$457,104</u>	<u>\$74,467</u>	<u>\$2,674,166</u>

(7) Fair value of financial instruments

- (a) The methods and assumptions applied in determining the fair value of financial instruments:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Company to measure or disclose the fair values of financial assets and financial liabilities:

- A. The carrying amount of cash and cash equivalents, receivables, payables and other current liabilities approximate their fair value due to their short maturities.

RITEK CORPORATION

Notes to Parent-Company-Only Financial Statements (Continued)

(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

- B. For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price at the reporting date.
- C. Fair value of equity instruments without market quotations are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information.
- D. Fair value of debt instruments without market quotations, bank loans and other non-current liabilities are determined based on the counterparty prices or valuation method. The valuation method uses DCF method as a basis, and the assumptions such as the interest rate and discount rate are primarily based on relevant information of similar instrument.
- E. The fair value of derivatives which are not options and without market quotations, is determined based on the counterparty prices or discounted cash flow analysis using interest rate yield curve for the contract period. Fair value of option-based derivative financial instruments is obtained using on the counterparty prices or appropriate option pricing model or other valuation method.

(b) Fair value of financial instruments measured at amortized cost

The carrying amount of the Company's financial assets and liabilities measured at amortized cost approximate their fair value.

(c) Fair value measurement hierarchy for financial instruments

Please refer to Note 12(9) for fair value measurement hierarchy for financial instruments of the Company.

(8) Derivative financial instruments

As at December 31, 2024 and 2023, the Company did not hold derivative instruments that meet the requirements of hedging accounting and had not yet expired.

RITEK CORPORATION

Notes to Parent-Company-Only Financial Statements (Continued)

(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

(9) Fair value measurement hierarchy

(a) Fair value measurement hierarchy

All asset and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 – Unobservable inputs for the asset or liability

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

(b) Fair value measurement hierarchy of the Company's assets and liabilities

The Company does not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Company's assets and liabilities measured at fair value on a recurring basis is as follows:

As at December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Stocks	\$3	\$16,069	\$-	\$16,072
Funds	16,869	-	-	16,869
Financial assets at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	19,126	-	-	19,126

RITEK CORPORATION

Notes to Parent-Company-Only Financial Statements (Continued)
(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

As at December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Stocks	\$6	\$19,405	\$-	\$19,411
Funds	29,849	-	-	29,849
Financial assets at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	34,112	-	-	34,112

Transfers between Level 1 and Level 2 during the period

During the years ended December 31, 2024 and 2023, there were no transfers between Level 1 and Level 2 fair value measurements.

Reconciliation for fair value measurements in Level 3 of the fair value hierarchy for movements during the period is as follows:

December 31, 2024: None.

December 31, 2023: None.

Information on significant unobservable inputs to valuation

Description of significant unobservable inputs to valuation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy is as follows:

December 31, 2024: None.

December 31, 2023: None.

Valuation process used for fair value measurements categorized within Level 3 of the fair value hierarchy

The Company's Investment Department is responsible for validating the fair value measurements and ensuring that the results of the valuation are in line with market conditions, based on independent and reliable inputs which are consistent with other information, and represent exercisable prices. The Investment Department analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies at each reporting date.

RITEK CORPORATION

Notes to Parent-Company-Only Financial Statements (Continued)

(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

- (c) Fair value measurement hierarchy of the Company's assets and liabilities not measured at fair value but for which the fair value is disclosed

As at December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investments accounted for using the equity method (Please refer to Note 6(9))	\$2,107,923	\$-	\$-	\$2,107,923
Investment property (Please refer to Note 6(11))	-	-	\$2,295,327	\$2,295,327

As at December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investments accounted for using the equity method (Please refer to Note 6(9))	\$1,748,862	\$-	\$-	\$1,748,862
Investment property (Please refer to Note 6(11))	-	-	1,429,925	1,429,925

(10) Significant assets and liabilities denominated in foreign currencies

Information regarding the significant assets and liabilities denominated in foreign currencies is listed below:

	As at December 31, 2024			As at December 31, 2023		
	Foreign currencies	Foreign exchange rate	NTD	Foreign currencies	Foreign exchange rate	NTD
Financial assets						
Monetary items:						
USD	\$43,499	32.7440	\$1,424,335	\$38,918	30.6580	1,193,141
JPY	17,099	0.2083	3,562	14,894	0.21550	3,210
EUR	4,156	33.9300	141,022	2,027	33.7600	68,420
CNY	1,845	4.4540	8,218	1,680	4.30100	7,228
Non-monetary items:						
USD	283	32.7900	9,282	241	30.7100	7,415
GBP	263	41.2100	10,844	541	39.1600	21,173

RITEK CORPORATION

Notes to Parent-Company-Only Financial Statements (Continued)

(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

	As at December 31, 2024			As at December 31, 2023		
<u>Financial liabilities</u>						
Monetary items:						
USD	14,466	32.8440	475,127	8,177	30.7580	251,517
JPY	109,045	0.2123	23,151	93,705	0.2195	20,568

As the Company has a large variety of foreign currencies, it is not possible to disclose the foreign currency exchange gains or losses information of monetary financial assets and financial liabilities on each foreign currency's exposure to major impact. The Company's foreign exchange gains for the years ended December 31, 2024 and 2023 were NT\$61,996 thousand and NT\$5,534 thousand, respectively

The above information is disclosed based on the carrying amount of foreign currency (after conversion to functional currency).

(11) Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

13. Other disclosure

(1) Information at significant transactions :

- Lending funds to others: Table 1.
- Providing endorsements or guarantees for others: Table 2.
- Holding of securities at the end of the period: Table 3.
- Aggregate purchases or sales of the same securities reaching NT\$300 million or 20 percent of paid-in capital or more: Table 4.
- Acquisition of real estate reaching NT\$300 million or 20 percent of paid-in capital or more: Table 5.
- Disposal of real estate reaching NT\$300 million or 20 percent of paid-in capital or more: Table 6.
- Accounts receivable from related parties reaching NT\$100 million or 20 percent of paid-in capital or more: Table 7.
- Trading in derivative instruments: Note 12.

RITEK CORPORATION

Notes to Parent-Company-Only Financial Statements (Continued)

(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

(2) Information on investees:

For investees not in mainland China in which the Company has significant influence, control, or joint control, please refer to Table 8 for the relevant information of the invested companies.

(3) Information on investments in mainland China: Table 9.

(4) Information on major shareholders: As at December 31, 2024, there were no major shareholders holding more than 5% of the outstanding shares.

RITEK CORPORATION

Notes to the Parent-Company-Only Financial Statements (Continued)

(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

Attachment 1: Financing provided to others

No.	Lender	Counter-party	Financial accounting account	Related party	Maximum balance for the period	Ending balance approved by the Board of Directors	Actual amount provided	Interest rate	Nature of financing (Note 1)	Amount of sales to (purchases from) counter-party	Reason for financing	Loss allowance	Collateral		Limit of financing amount for individual counter-party	Limit of total financing amount
													Item	value		
0	Ritek Corporation	RVC	Long-term accounts receivables	Yes	\$383,748	\$196,464	\$98,232	5.760% (Note4)	2	\$-	Business turnover	\$-	None	\$-	\$568,806 (Note2)	\$1,137,612 (Note2)
1	Ritdisplay Corporation	Ritwin Corporation	Other receivables -related parties	Yes	100,000	100,000	-	-% (Note4)	2	-	Business turnover	-	None	-	256,388 (Note3)	1,025,554 (Note3)
1	Ritdisplay Corporation	Welltech Energy Inc.	Other receivables -related parties	Yes	100,000	100,000	-	-% (Note4)	2	-	Business turnover	-	None	-	256,388 (Note3)	1,025,554 (Note3)

Note 1: As for Nature of Financing Provided, 1 refers to business transaction and 2 refers to short-term financing.

Note 2: The maximum financial limit is not more than 20% of the net value of the Company, and the financial limit for each counter-party is not more than 10% of the net value of the Company.

Note 3: For the Ritdisplay Corporation lending to other companies, the lending amount shall not exceed 40% of its net equity, the amount for lending to a single enterprise shall not exceed 10% of RiTdisplay Corporation's net equity.

Note 4: It has been written off when the consolidated financial statements are prepared.

RITEK CORPORATION

Notes to the Parent-Company-Only Financial Statements (Continued)
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Attachment 2: Endorsements/Guarantees Provided

No.	Collaterals/Guarantee Provider	Counter-part		Limits on Each Counter-party's Collateral/Guarantee Amounts (Note 1)	Maximum balance accumulated up to the end of this month	Ending Balance	Actual Amount Drawn Down	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Amount of Collateral to Net Asset Value of the Latest Financial Statement (%)	Maximum Collateral/Guarantee Amounts Allowable	Provision of Endorsements by Parent Company to Subsidiary	Provision of Endorsements by Subsidiary to Parent Company	Provision of Endorsements to the Company in Mainland China
		Name	Relationship (Note 2)										
2	Ritdisplay Corporation	Han Tai Co., Ltd.	2	2,563,884	2,100,000	1,200,000	-	-	46.80	2,563,884	Y	N	N
3	RitAsset Co., Ltd.	Han Tai Co., Ltd.	4	402,817	380,000	380,000	-	380,000	47.17	805,634	N	N	N

Note 1: The total amount of guarantee provided is 50% of the current net value. For each company, the total amount of guarantee provided is 30% of the current net value

The limitation of endorsement or guarantee for other subsidiaries shall not exceed 100% of current net value of Ritdisplay Corporation. The limitation of endorsement or guarantee for one of the subsidiaries shall not exceed 30% of current net value of Ritdisplay Corporation.

The limitation of endorsement or guarantee for Ritdisplay Corporation that directly holds 100% of the shares with voting rights of subsidiary not exceed 100% of the current net value of Ritdisplay Corporation.

The limitation of endorsement or guarantee for other subsidiaries shall not exceed 100% of current net value of RitAsset Co., Ltd. Among them, the limitation of endorsement or guarantee for one of the subsidiaries shall not exceed 50% of current net value of RitAsset Co., Ltd.

Note 2: The relationship between the collaterals/guarantee provider and the counter-party is as follows:

- 1.The company with business transaction
- 2.The Company owns directly or indirectly over 50% ownership of the investee company.
- 3.The investee company owns directly or indirectly over 50% ownership of the Company.
- 4.The Company owns directly or indirectly over 90% ownership of the investee company.
- 5.Companies that guarantee each other in accordance with the provisions of the contract between its peers or co-creators based on the needs of undertaking works.
- 6.Company that guaranteed by all the contributing shareholders according to the shareholding ratio due to the joint investment relationship.
- 7.In accordance with the consumer protection law, the joint guarantee of performance for the sale contract of pre-sale houses among peers.

Ritek Corporation and Subsidiaries
Notes to the Parent-Company-Only Financial Statements (Continued)
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Attachment 3: Holding of securities at the end of the period

Holding Company	Securities Type and Name	Relationship with the Holding Company	Financial Statement Account	End of the year of 2024				Note
				Shares/Units (thousand)	Carrying Value	Percentage of Ownership (%)	Fair Value	
Ritek Corporation	Powerchip Semiconductor Manufacturing Corporation	None	Financial assets at fair value through profit or loss - current	-	\$4	-	\$4	
	MegaPro Biomedical Co., Ltd.	The director of our company is a chairman of this company	"	1,104	16,068	-	16,068	
	Amundi TW - US Dollar Core Fixed Income Fund- A2 TWD (C)	"	"	100	1,054	-	1,054	
	Yuanta Japan Leaders Equity Fund-TWD(A)	"	"	1,000	10,590	-	10,590	
	Mega Income and Growth Multi-Asset Fund TWD Acc	"	"	500	5,225	-	5,225	
	Total				<u>\$32,941</u>		<u>\$32,941</u>	
	I-CHIUN PRECISION INDUSTRY CO., LTD.	The chairman of our company is a director of this company	Financial assets at fair value through other comprehensive income -non-current	-	\$21	-	\$21	
	GIANPLUS TECHNOLOGY CO., LTD.	"	"	404	6,061	0.09	6,061	
	INNOLUX CORPORATION	"	"	909	13,044	0.01	13,044	
	Total				<u>\$19,126</u>		<u>\$19,126</u>	
Zhongyuan International Venture Capital Co., Ltd.	Allianz Global Investors Income and Growth Fund A	None	Financial assets at fair value through profit or loss - current	72	\$980	-	\$980	
	Fuh Hwa China New Economy Balance Fund TWD	"	"	217	1,903	-	1,903	
	O-BANK NO. 1 REITs	"	"	100	703	-	703	
	Yuanta Taiwan Value High Dividend ETF	"	"	300	2,823	-	2,823	
	Total				<u>\$6,409</u>		<u>\$6,409</u>	
	Legend Crown Investment Ltd.	None	Financial assets at fair value through other comprehensive income -non-current	1,248	\$28,455	5.20	\$28,455	
	O-VIEW TECHNOLOGY CO., LTD.	The subsidiary is the legal supervisor of this company	"	726	14,746	8.90	14,746	
	Huazhi Venture Capital Co., Ltd	The subsidiary is the legal supervisor of this company	"	16	163	3.26	163	
	Long March International Investment Co., Ltd	None	"	209	-	15.00	-	
	Total				<u>\$43,364</u>		<u>\$43,364</u>	
Chung-Fu Investments Ltd.	O-BANK NO. 1 REITs	None	Financial assets at fair value through profit or loss - current	100	<u>\$703</u>	-	<u>\$703</u>	
Prorit Corporation	Fuh Hwa Small Capital Fund	None	Financial assets at fair value through profit or loss - current	13	\$2,138	-	\$2,138	
	Fuh Hwa Global IoT and Tech Fund TWD	"	"	54	1,750	-	1,750	
	Fuh Hwa Asia Pacific Tech Equity Fund TWD	"	"	70	1,430	-	1,430	
	TAIWAN TRUEWIN TECHNOLOGY CO., LTD	"	"	1,500	55,865	4.31	55,865	
	ABITL US Umbrella Fund - ABITL US Multi-Asset Income Fund-A2 USD	"	"	12	7,146	-	7,146	
	Yuanta Japan Leaders Equity Fund-TWD(A) (Non-dividend)	"	"	1,005	10,643	-	10,643	
					<u>\$78,972</u>		<u>\$78,972</u>	
	HAN-WIN TECHNOLOGY CO., LTD.	The subsidiary is the legal supervisor of this company	Financial assets at fair value through other comprehensive income -non-current	1,701	<u>\$37,793</u>	10.90	<u>\$37,793</u>	
	Aimcore Technology Co., Ltd.	None	Financial assets at fair value through profit or loss - current	15	\$2,760	-	\$2,760	
	Stocks- Phison Electronics Corporation	"	"	16	8,544	0.01	8,544	
Aimcore Technology Co., Ltd.	Stocks- Mega Financial Holding Co., Ltd.	"	"	1	39	-	39	
	Stocks- Fubon Financial Holding Co., Ltd.	"	"	8	722	-	722	
	Stocks- Cheng Mei Materials Technology Corporation	"	"	7	93	-	93	
	Stocks- Cathay Sustainability High Dividend ETF	"	"	28	621	-	621	
	Stocks-CAPITAL TIP CUSTOMIZED TAIWAN SELECT HIGH DIVIDEND EXCHANGE TRADED FUND	"	"	6	140	-	140	
	Fund- Yuanta Taiwan Value High Dividend ETF	"	"	300	2,823	-	2,823	
	Fund- Mega 20 plus Year US Business ETF	"	"	200	2,910	0.09	2,910	
	Fund— Yuanta Japan Leaders Equity Fund-TWD(A)	"	"	2,010	21,287	0.09	21,287	
	Total				<u>\$39,939</u>		<u>\$39,939</u>	
	Taishin Financial Holding Co., Ltd-Preferred Shares E	無	Financial assets at fair value through other comprehensive income -non-current	400	\$20,640	0.05	\$20,640	
	Smart performer co.,Ltd.	"	"	627	<u>10,486</u>	8.61	<u>10,486</u>	
	Total				<u>\$31,126</u>		<u>\$31,126</u>	

Ritek Corporation and Subsidiaries
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Attachment 3: Holding of securities at the end of the period

Holding Company	Securities Type and Name	Relationship with the Holding Company	Financial Statement Account	End of the year of 2024				Note
				Shares/Units (thousand)	Carrying Value	Percentage of Ownership (%)	Fair Value	
RiTdisplay Corporation	Kaimet Electronic Corporation	None	Financial assets at fair value through profit or loss - current	179	\$12,351	0.16	\$12,351	
	Evergreen Marine Corporation	"	"	18	4,140	-	4,140	
	Shin Kong Financial Holding Co.,Ltd. - Preferred Shares B	"	"	100	3,535	-	3,535	
	ANALOG INTEGRATIONS CORP.	"	"	4	376	0.01	376	
	Total				<u>\$20,402</u>		<u>\$20,402</u>	
	Sg Biomedical Co., Ltd.	None	Financial assets at fair value through other comprehensive income - current	1,934	63,888	12.81	63,888	
	HAN-WIN TECHNOLOGY CO., LTD.	The affiliated company of the Group's ultimate parent corporation serves as the legal entity's board of directors.	"	600	15,000	2.82	15,000	
					<u>\$78,888</u>		<u>\$78,888</u>	
Welltech Energy Inc.	Fuh Hwa Taiwan Technology High Dividend Fund	None	Financial assets at fair value through profit or loss - current	4,040	2,964	-	2,964	
	Total				<u>\$2,964</u>		<u>\$2,964</u>	
Welltech Energy Inc.	CynLing Renewables INC.	None	Financial assets at fair value through profit or loss - current	300	2,000	2.96	2,000	
	Total				<u>\$2,000</u>		<u>\$2,000</u>	

Ritek Corporation and Subsidiaries

Notes to the Parent-Company-Only Financial Statements (Continued)

(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

Attachment 4: The accumulative amount of purchases and sales of the same financial instrument during the period reaches NT\$300 million or exceeds 20 percent of the paid-in capital. (In Thousands of Dollars)

Company	Securities Type and Name (Note 1)	Financial Statement Account	Counterparty (Note 2)	Relationship (Note 2)	Beginning of the year of 2024		Purchase (Note 3)		Sell (Note 3)				End of the year of 2024	
					Shares	Amount	Shares	Amount	Shares	Sale	Carrying amount	Gain or loss on disposal	Shares	Amount (Note 5)
RiTdisplay Corporation	Han Tai Co., Ltd.	Investment accounted for using the equity method	Evergreat E&C Co., Ltd.	Others	-	\$-	60,000,000	\$750,000	-	\$-	\$-	\$-	60,000,000	\$745,727
RiTdisplay Corporation	Ritwin Corporation	Investment accounted for using the equity method	(Note5)	(Note5)	17,831,155	\$372,297	3,440,959	\$132,530	3,440,000	\$240,800	\$93,097	(註5)	17,832,114	\$456,726
Ritwin Corporation	Welltech Energy Inc.	Investment accounted for using the equity method	RiTdisplay Corporation	Parent and subsidiary companies and other unrelated	18,627,929	\$306,865	20,477,866	\$450,513	-	-	-	-	39,105,795	626,229

Note1: Securities referred to herein include stocks, bonds, beneficial certificates, and securities derived from the aforementioned items.

Note2: Securities accounted for as investment using the equity method shall fill in these two columns, while others have the option to leave them blank.

Note3: Accumulative purchase and sale amounts should be separately calculated based on market value to determine if they reach NT\$300 million or 20% of paid-in capital.

Note4: Paid-in capital refers to the paid-in capital of the parent company. For shares without par value or with a par value other than NT\$10 per share, the transaction amount requirement of 20% of paid-in capital shall be calculated based on 10% of the equity attributable to the owners of the parent company on the balance sheet.

Note5: To assist Ritwin Corporation in applying for emerging or listed stocks registration, RiTdisplay Corporation released 3,440,000 common shares of the subsidiary Ritwin Corporation to shareholders of RiTdisplay Corporation and certain persons at NT\$70 per share. The transaction was a sale of part of the subsidiary's equity which was accounted for as an equity transaction since the Company did not cease to have control over the subsidiary. The difference between the selling price and the book value has been recognized as capital surplus of NT\$147,703 thousand.

Note6: RiTdisplay Corporation was composed of NT\$(4,273) thousand in a share of losses of associates and joint venture accounted for using equity method.

Note7: RiTdisplay Corporation was composed of NT\$53,571 thousand in a share of profit of associates and joint venture accounted for using equity method, NT\$(27,469) thousand in unrealized gross profit on sales from sidestream transactions, NT\$1,373 thousand in realized gross profit on sales from sidestream transactions, NT\$1,555 thousand in a share of other comprehensive income of associates and joint venture, NT\$15,789 thousand in an adjustment of the balance of the capital surplus due to the change of the shareholding ratio, and NT\$177 thousand in an adjustment of the change of the capital surplus of subsidiary recognized using the equity method.

Note8: RiTdisplay Corporation was composed of NT\$37,623 thousand in a share of profit of associates and joint venture accounted for using equity method, NT\$(19,054) thousand in cash dividends received, NT\$(2,544) thousand in a share of other comprehensive loss of associates and joint venture, NT\$(147,297) thousand in accumulated gain or losses due to the change of the shareholding ratio, and NT\$123 thousand in an adjustment of the change of the capital surplus of subsidiary recognized using the equity method.

Ritek Corporation and Subsidiaries
Notes to the Parent-Company-Only Financial Statements (Continued)
(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

Attachment 5: Acquired of individual real estate with amount of at least NT\$300 million or 20 percent of the paid-in capital

(In Thousands of Dollars)

Acquired Company	Name of Property	Transaction Date	Transaction Amount	Payment Status	Counter-party	Relationship	Prior Transaction of Related Counter-part				Price Reference	Purpose and Use of Disposition	Other Terms
							Owner	Relationship with the issuer	Transfer Date	Amount			
Han Tai Co., Ltd.	HanTai LongJing 60MW energy storage system construction in progress	113.05.15	3,000,000	As of December 31, 2024, the Group has paid NT\$500,000 thousand	Company B	None	None	None	None	None	Refer to market conditions and follow the company's procurement procedures	Construction of factories and expansion of production capacity to provide for future operational development needs	None

Ritek Corporation and Subsidiaries
Notes to the Parent-Company-Only Financial Statements (Continued)
(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

Attachment 6: Purchases or sales of goods from or to related parties reaching NT\$100 million or 20 percent of paid-in capital or more

Company Name	Related Party	Nature of Relationship	Transaction details				Details of non-arm's length transaction		Notes/ Accounts Payable or Receivable		Note
			Purchase (Sales)	Amount	% to Total	Payment/ Collection Term	Unit Price	Payment/ Collection Term	Ending Balance	% to Total	
Ritek Corporation	Kunshan Ritek	The company is the ultimate holding company of this company	(Sales)	<u>\$ (368,880)</u>	<u>5</u>	60days	None	None	<u>\$104,297</u>	<u>8</u>	
	Conrexx	The company is the ultimate holding company of this company	(Sales)	<u>(144,296)</u>	<u>2</u>	75days	"	"	<u>\$30,216</u>	<u>2</u>	
	RVC	The company is the ultimate holding company of this company	Purchase	<u>773,264</u>	<u>13</u>	60~90days	"	"	<u>\$-</u>	<u>-</u>	
Ritwin Corporation	RitAsset Co., Ltd.	Associate	Purchase	<u>\$148,012</u>	<u>2</u>	60days	According to the contract.	According to the contract.	<u>\$-</u>	<u>-</u>	
Welltech Energy Inc.	Changzhou Shangyang Photoelectricity Co., Ltd.	Subsidiary	Purchase	<u>\$968,855</u>	<u>16</u>	60days	Specs of goods purchased are different from others. Cannot be reasonably compared.	Payment due in 60 days	<u>\$-</u>	<u>-</u>	
	Changzhou Shangyang Photoelectricity Co., Ltd.	Parent company	(Sales)	<u>\$ (968,855)</u>	<u>13</u>	60days	The average cost increased by approximately 1 to 5 percent.	Payment due in 60 days	<u>\$-</u>	<u>-</u>	

Note: The method of disclosure is based on sales or purchase, and its relative transactions will not be disclosed separately.

Ritek Corporation and Subsidiaries

Notes to the Parent-Company-Only Financial Statements (Continued)

(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

Attachment 7: Receivables from related parties with amounts exceeding the lower of 100 million dollars or 20 percent of capital stock as of December 31, 2024

(In Thousands of Dollars)

Company	Related party	Relationship	Ending Balance	Turnover rate (times)	Overdue receivables		Amounts received in subsequent period	Allowance for doubtful accounts
					Amount	Collection status		
Ritek Corporation	Kunshan Ritek Trading Company Ltd.	The company is the ultimate holding company of this company	\$104,297	-	\$-	Collected based on the financial position of the company	\$-	\$-

Ritek Corporation and Subsidiaries
Notes to the Parent-Company-Only Financial Statements (Continued)
(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

Attachment 8: Information on investees

Investor Company	Investee Company	Location	Main Business activities	Initial investment amount		Held by the company			Net Income (Loss) of the investee	Share of Income (Loss) of the Investee	Notes
				As of December 31, 2024	As of December 31, 2023	Shares(thousand)	(%)	Carrying value			
錄德科技	Affluence	B.V.I.	Investment and controlling stakes in various production businesses.	\$1,198,163	\$1,198,163	34,648	100.00	\$433,755	\$95	\$95	
	ART	B.V.I.	Investment and controlling stakes in various production businesses.	838,418	838,418	26,650	100.00	256,918	6,376	6,376	
	GoldenRiver	U.S.A.	Venture investment business	13,035	13,035	378	23.14	9,282	-	-	
	Max Online	B.V.I.	Investment and controlling stakes in various production businesses.	5,171,711	5,171,711	156,293	100.00	543,372	(54,436)	(56,154)	
	RGI	Cayman	Investment and controlling stakes in various production businesses.	2,050,348	2,050,348	54,801	100.00	115,598	1,504	1,504	
	Ritrax	U.K.	Trademark agent limited company	172,567	172,567	124	14.92	10,843	101	(10,352)	
	Score High	B.V.I.	Investment and controlling stakes in various production businesses.	5,752,468	5,752,468	171,737	92.69	436,925	61,518	56,727	
	Sky Chance	Samoa	Investment and controlling stakes in various production businesses.	67,648	67,648	2,106	100.00	(1,610)	(1,555)	(1,555)	
	Zhongyuan International Venture Capital Co., Ltd.	Taiwan	Venture investment business	2,752,607	2,752,607	40,391	100.00	351,970	(3,074)	(3,074)	
	Chung-Fu Investments Ltd.	Taiwan	General investment business	2,597,976	2,597,976	105,851	100.00	63,357	1,535	1,535	
	PVNEXT Corporation	Taiwan	Batteries manufacturing industry	133,500	133,500	13,350	62.01	806	(3,165)	(1,963)	
	Bircle international Trading Limited	Taiwan	Buying and Selling	-	1,000	-	0.00	-	33	33	
	Aimcore Technology Co., Ltd.	Taiwan	Electronic components manufacturing	151,884	151,884	14,564	21.27	392,425	47,356	7,453	
	Prorit Corporation	Taiwan	Electronics industry	3,123,997	3,123,997	45,464	85.87	997,945	22,160	19,029	
	U-tech Media Corporation	Taiwan	CD manufacturing and sales	516,910	333,685	32,489	20.96	635,567	84,838	18,008	
	Ricare Corporation	Taiwan	Management consulting business	27,280	27,280	2,500	10.09	45,965	17,208	1,947	
	Ritdisplay Corporation	Taiwan	Manufacture of the related OLED products	7,610,429	7,569,929	26,024	28.71	719,642	13,228	6,332	
	Ritedia Corporation	Taiwan	Manufacturing of lighting equipment	10,000	10,000	1,000	100.00	6,205	3	3	
	Ritwin Corporation	Taiwan	Electronic components manufacturing, batteries manufacturing	9,587	9,587	227	0.78	154	68,278	590	
Chung-Fu Investments Ltd.	Aimcore Technology Co., Ltd.	Taiwan	Electronic components manufacturing	96,015	96,015	2,278	3.33	74,489	47,356		
	Prorit Corporation	Taiwan	Electronics industry	636	636	109	0.21	2,241	22,160		
Zhongyuan International Venture Capital Co., Ltd.	Prorit Corporation	Taiwan	Electronics industry	378,112	378,112	5,249	9.91	80,560	22,160		
	U-tech Media Corporation	Taiwan	CD manufacturing and sales	75,351	75,351	3,778	2.44	115,249	84,838		
	PVNEXT Corporation	Taiwan	Batteries manufacturing industry	81,800	81,800	8,180	37.99	80,900	(3,165)		
AMI	Shine Service Inc.	USA	Real Estate Leasing Industry	157	-	-	100.00	157	-		
AFFLUENCE	Ritrax	U.K.	Trademark agent limited company	994,657	994,657	672	80.91	433,544	101		
ART	AMI	USA	CD sales	423,780	423,780	6,100	100.00	211,137	6,651		
	RITEK LATIN AMERICA	USA	Trading company	-	-	250	100.00	-	(274)		
RGI	Conrexx	Netherlands	CD sales	750,610	750,610	12	100.00	119,247	1,499		
	Ritrax	U.K.	Trademark agent limited company	63,552	63,552	50	4.17	149	101		
	RME	Germany	CD sales	391,800	391,800	1,000	100.00	-	-		
SCORE HIGH	RVC	Vietnam	CD manufacturing and sales	4,826,844	4,826,844	160,000	100.00	664,777	4,898		
	RIC	Vietnam	Investment holding	34,639	-	1,294	100.00	82,154	63,697		
Kunshan Hutek Co., Ltd.	Kunshan Kunlai Trade Co., Ltd.	China	CD sales	CNY900	CNY900	1,000	100.00	CNY3,851	CNY(43)		
	Comfort Vision (Jiangsu) Co., Ltd.	China	Optical Products Manufacturing	CNY10,000	-	1,000	100.00	CNY8,505	CNY(1,495)		
Prorit Corporation	Arlewood	B.V.I.	Investment holding	1,855,501	1,855,501	57,412	100.00	387,666	41,051		
	Score High	B.V.I.	Investment and controlling stakes in various production businesses.	412,230	412,230	14,000	7.31	388,456	61,518		
	Ritdisplay Corporation	Taiwan	Manufacture of the related OLED products	33,140	33,140	3,798	4.19	126,539	13,228		
	U-tech Media Corporation	Taiwan	CD manufacturing and sales	59,389	11,004	4,093	2.80	65,352	84,838		
	Ritwin Corporation	Taiwan	Electronic components manufacturing, batteries manufacturing	3,699	7,000	102	0.35	5,442	68,278		
Arlewood	Prorit Corporation, Vietnam Ltd.	Vietnam	Electronics industry	373,614	373,614	-	100.00	53,034	36,330		
RiTdisplay Corporation	Welltech Energy Inc.	Taiwan	Electronics industry	\$-	\$119,871	-	-	\$-	\$63,781		
	RitAsset Co., Ltd.	Taiwan	Leasing industry	810,594	810,594	81,000	100.00	805,634	(827)		
	Ritwin Corporation	Taiwan	Electronic components manufacturing, batteries manufacturing	302,169	410,424	17,831	61.01	456,726	68,278		
	Han Tai Co., Ltd.	Taiwan	Energy Technology Services Industry	750,000	-	60,000	100.00	745,727	(5,451)		
	U-Tech Media Corporation	Taiwan	CD manufacturing and sales	83,050	-	4,040	2.61	65,386	84,838		
Welltech Energy Inc.	Saintop Group Co., Ltd.	B.V.I.	Investment holding	73,067	73,067	2,000	100.00	31,591	13,731		
	Formosa Fortune Holding Limited	B.V.I.	Investment holding	151,455	151,455	5,023	100.00	54,566	10,982		

Ritek Corporation and Subsidiaries
Notes to the Parent-Company-Only Financial Statements (Continued)
(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

Attachment 8: Information on investees

Investor Company	Investee Company	Location	Main Business activities	Initial investment amount		Held by the company			Net Income (Loss) of the investee	Share of Income (Loss) of the Investee	Notes
				As of December 31, 2024	As of December 31, 2023	Shares(thousand)	(%)	Carrying value			
Saintop Group Co., Ltd.	Hi-Tech Energy Limited	Hongkong	Investment holding	53,192	53,192	5,050	100.00	31,505	13,731		
Formosa Fortune Holding Limited	Global Resources Channel Co., Ltd	B.V.I.	Investment holding	164,612	164,612	5,012	100.00	22,890	10,982		
Ritwin Corporation	Cashido Corporation	Taiwan	Electronics industry	66,479	66,479	1,710	100.00	1,505	1,551		
	Welltech Energy Inc.	Taiwan	Electronics industry	860,328	409,815	39,106	100.00	626,229	63,781		
Aimcore Technology Co., Ltd.	U-tech Media Corporation	Taiwan	CD manufacturing and sales	171,262	61,116	12,863	8.30	202,508	84,838		
	Ritdisplay Corporation	Taiwan	Manufacture of the related OLED products	4,808	-	2,846	3.14	85,131	13,228		
	ARMOR INVESTMENT GROUP CORP.	Samoa	Investment holding	207,588	207,588	6,500	100.00	68,584	(18,487)		
	FORMOSA SUN ENERGY CORP.	Taiwan	Power Generation	272,177	272,177	26,565	29.18	341,738	62,555		
	FINESIL TECHNOLOGY INC.	Taiwan	Chemical Material Manufacturing	78,622	78,410	8,357	71.43	87,092	(29,700)		
	JHEN JHUAN CO., LTD.	Taiwan	Optical Products Manufacturing	75,000	75,000	3,300	30.99	137,325	70,222		
	Ritek Japan Inc.	Japan	Trading company	15,443	2,111	8	100.00	13,462	(2,348)		
	Ritwin Corporation	Taiwan	Electronic components manufacturing, batteries manufacturing	14,000	-	200	0.68	11,008	68,278		
FINESIL TECHNOLOGY INC.	GLOBAL MULTIMEDIA LTD.	Taiwan	Retail industry	15,000	15,000	-	100.00	2,338	190		
JHEN JHUAN CO., LTD.	Yi Zin Corporation	Taiwan	Electronic Products Manufacturing	1,000	1,000	-	100.00	2,125	593		
U-Tech Media Corporation	Dollars Cultural & Creative Company Limited	Taiwan	Catering industry	385,500	195,500	27,828	100.00	186,350	(85,662)		
	ProRit Corporation	Taiwan	Electronics industry	23,653	23,653	333	0.63	7,352	22,160		
	RiTdisplay Corporation	Taiwan	Manufacture of the related OLED products	36,111	36,111	4,986	5.50	140,390	13,228		
	Chao Fu Co., Ltd.	Taiwan	Wine industry	5,000	5,000	500	100.00	2,015	(395)		
	Formosa Sun Energy Corporation	Taiwan	Renewable energy self-use power generation equipment industry	642,860	642,860	64,459	70.82	829,400	62,555		
	Jade Investment Services Ltd.	B.V.I.	Investment holding	106,501	106,501	1,685	100.00	344,920	28,625		
	Ricare Corporation	Taiwan	Management consulting industry	489,994	40,000	23,041	89.91	547,956	17,208		
Dollars Cultural & Creative Company Limited	ShokuRaku Corporation	Taiwan	Catering industry	18,000	18,000	1,800	85.71	6,991	(4,299)		
	Ikari Coffee Co., Ltd.	Taiwan	Catering industry	105,200	75,200	7,970	96.72	29,797	(12,980)		
	Ink Design Space Co., Ltd.	Taiwan	Landscape and interior design	7,000	7,000	810	25.00	9,416	7,101		
	Jingle Hot Pot Corporation	Taiwan	Catering industry	28,000	13,000	2,306	94.90	10,800	(12,751)		
	Foodspace Corporation	Taiwan	Catering industry	9,660	3,220	966	92.00	3,995	(4,123)		
	Yi International Co., Ltd.	Taiwan	Catering industry	8,000	-	800	20.00	6,610	(6,951)		
	Bircle international Trading Limited	Taiwan	Catering industry	1,014	-	-	100.00	902	(79)		
Formosa Sun Energy Corporation	RITEK Solar CORP.	Taiwan	Renewable energy self-use power generation equipment industry	10,000	1,000	1,000	100.00	9,054	(713)		
	RitFast Corporation	Taiwan	Renewable energy self-use power generation equipment industry	346,888	346,888	32,728	99.18	372,003	12,363		
	FD COMPANY	Japan	International Trade Industry	2,120	-	10	100.00	1,999	(94)		
Ricare Corporation	Fang Si Advisory Ltd.	Taiwan	Management consulting industry	500	500	50	100.00	467	3		
	Ricare Services Corporation	Taiwan	Care Services Industry	500	500	50	100.00	460	3		
	KEIYOO Co.,Ltd.	Japan	Care Services Industry	65,340	65,340	0	100.00	111,507	8,514		
	K.K. RICAREJAPAN	Japan	Care Services Industry	269,452	724	2	100.00	264,633	(498)		
	Ricare International Corporation Ltd.	Hongkong	Management consulting industry	-	-	-	100.00	-	-		
Jade Investment Services Ltd.	Glory Days Services Ltd.	B.V.I.	Investment holding	186,981	186,981	3,920	100.00	342,448	28,534		

Ritek Corporation and Subsidiaries
Notes to the Parent-Company-Only Financial Statements (Continued)
(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

Attachment 9: Information on investments in mainland China

(In Thousands of Dollars)

Investee in Mainland China	Main Business	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2024	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2024	Net Income (Loss) of the Investee	% Ownership through Direct or Indirect Investment	Share of Income (Loss) of the Investee (Note3)	Carrying Amount of the Investment as of December 31, 2024	Accumulated Inward Remittance of Earnings as of December 31, 2024
					Outflow	Inflow						
Kunshan Hutek Co., Ltd.	CD manufacturing and sales	USD82,000	Note1	\$2,674,127 USD82,000	\$-	\$-	\$2,674,127 USD82,000	\$(48,372)	100.00%	\$(48,372)	\$600,306	\$-
Ritpower (yangzhou) Co., Ltd	Solar module	USD65,529	"	\$1,305,615 USD42,600	\$-	\$-	\$1,305,615 USD42,600	\$(20,214)	65.01%	\$(13,141)	\$26,769	\$-

Investee in Mainland China	Accumulated Investment in Mainland China as of December 31, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment Stipulated by Investment Commission, MOEA
Kunshan Hutek Co., Ltd.	USD82,000	USD99,400	\$3,412,837
Ritpower (yangzhou) Co., Ltd	USD42,600	USD43,000	(Note4)

Note1: Investment method: Indirect investments in Mainland China through companies registered in a third region.(MAXONLINE)

Note2: The significant transaction items, including their prices, payment conditions, and unrealized gains and losses, directly or indirectly, with the Mainland China invested companies through a third territory, are as follows:

- (1) Purchase(Sales):None.
- (2) Property transaction: No significant property transactions.
- (3) End-of-period balance and purpose of bills endorsed, guaranteed or provided collateral for: Please refer to Attachment 2.
- (4) The maximum balance, ending balance, interest rate range, and total interest for funding and financing: None.
- (5) Other significant transactions that have an impact on the current income or financial position: None.

Note3: Financial statements audited by the signing CPA of the Taiwan parent company.

Note4: Due to the continuous losses of the company, the investment amount has exceeded the investment limit set by Upper Limit on Investment Stipulated by Investment Commission, MOEA

Ritek Corporation and Subsidiaries
Notes to the Parent-Company-Only Financial Statements (Continued)
(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

Attachment 9.1: PVNEXT Corporation

1.Information on Investment in Mainland China

(In Thousands of Dollars)

Investee in Mainland China	Main Business	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2024	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2024	Net Income (Loss) of the Investee	% Ownership through Direct or Indirect Investment	Share of Income (Loss) of the Investee (Note2)	Carrying Amount of the Investment as of December 31, 2024	Accumulated Inward Remittance of Earnings as of December 31, 2024
					Outflow	Inflow						
Ritpower (yangzhou) Co., Ltd	Solar module	USD65,529	Direct investment	\$287,730 USD10,000	\$-	\$-	\$287,730 USD10,000	\$(20,214)	15.26%	\$(3,085)	\$(24,318)	\$-

Investee in Mainland China	Accumulated Investment in Mainland China as of December 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment Stipulated by Investment Commission, MOEA
Ritpower (yangzhou) Co., Ltd	USD10,000	USD10,000	\$- (Note1)

Note 1: Due to the continuous losses of PVNEXT Corporation, the investment amount has exceeded the investment limit set by Upper Limit on Investment Stipulated by Investment Commission, MOEA.

Note 2: Financial statements audited by the signing CPA of the Taiwan parent company.

Ritek Corporation and Subsidiaries
Notes to the Parent-Company-Only Financial Statements (Continued)
(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

Attachment 9.2: Prorit Corporation

1.Information on Investment in Mainland China

(In Thousands of Dollars)

Investee in Mainland China	Main Business	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2024	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2024	Net Income (Loss) of the Investee	% Ownership through Direct or Indirect Investment	Share of Income (Loss) of the Investee (Note3)	Carrying Amount of the Investment as of December 31, 2024	Accumulated Inward Remittance of Earnings as of December 31, 2024
					Outflow	Inflow						
Kunshan Proteck Corporation	Plastic precision injection	USD45,223	Note1	\$1,480,325 USD45,223	\$-	\$-	\$1,480,325 USD45,223	\$4,720	100.00%	\$4,720	\$334,624	\$-

Investee in Mainland China	Accumulated Investment in Mainland China as of December 31, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment Stipulated by Investment Commission, MOEA
Kunshan Proteck Corporation	USD45,223	USD45,223	\$700,126 (Note2)

Note1: Investment method : Indirect investments in Mainland China through companies registered in a third region. (Arlewood)

Note2: Due to the continuous losses of Prorit Corporation, the investment amount has exceeded the investment limit set by Upper Limit on Investment Stipulated by Investment Commission, MOEA.

Note3: Financial statements audited by the signing CPA of the Taiwan parent company.

Ritek Corporation and Subsidiaries
Notes to the Parent-Company-Only Financial Statements (Continued)
(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

Attachment 9.3: Welltech Energy Inc.

1. Information on Investment in Mainland China

(In Thousands of Dollars)

Investee in Mainland China	Main Business	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2024	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2024	Net Income (Loss) of the Investee	% Ownership through Direct or Indirect Investment	Share of Income (Loss) of the Investee	Carrying Amount of the Investment as of December 31, 2024	Accumulated Inward Remittance of Earnings as of December 31, 2024
					Outflow	Inflow						
Welldone Company in Shanghai	Investment holding	\$153,540	Note1	\$46,062	\$-	\$-	\$46,062	\$13,726	100.00%	\$13,726	\$31,368	\$-
Changzhou Shangyang Photoelectricity Co., Ltd.	Design and assembly of lithium battery products, production and sales of battery module spare parts	\$422,081	Note2	\$153,638	\$-	\$-	\$153,638	\$30,181	100.00%	\$30,181	\$62,621	\$-

Accumulated Investment in Mainland China as of December 31, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment Stipulated by Investment Commission, MOEA
\$199,700	\$199,700	\$317,183

Note1: Investment method: Indirect investments in Mainland China through companies registered in a third region.(Hi-Tech Eenergy Ltd (BVI))

Note1: Investment method: Indirect investments in Mainland China through companies registered in a third region. (Welldone Company in Shanghai)

Note3: Financial statements audited by the signing CPA of the Taiwan parent company.

Ritek Corporation and Subsidiaries
Notes to the Parent-Company-Only Financial Statements (Continued)
(Expressed In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

Attachment 8.2: Aimcore Technology Co., Ltd.

1.Information on Investment in Mainland China

(In Thousands of Dollars)

Investee in Mainland China	Main Business	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2024	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2024	Net Income (Loss) of the Investee	% Ownership through Direct or Indirect Investment	Share of Income (Loss) of the Investee (Note2)	Carrying Amount of the Investment as of December 31, 2024	Accumulated Inward Remittance of Earnings as of December 31, 2024
					Outflow	Inflow						
AimCore Technology Co., Ltd.(Yangzhou)	Optical Products Manufacturing											

Investee in Mainland China	Accumulated Investment in Mainland China as of December 31, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment Stipulated by Investment Commission, MOEA
AimCore Technology Co., Ltd.(Yangzhou)			

Note1: Investment method: Indirect investments in Mainland China through companies registered in a third region.(ARMOR INVESTMENT GROUP CORP.)

Note 2: Financial statements audited by the signing CPA of the Taiwan parent company.

RITEK CORPORATION

1. Statement of cash and cash equivalents

As of December 31, 2024

(In Thousands of New Taiwan Dollars)

Item	Description		Amount
Cash on hand			\$305
Deposits:			
Demand deposits			74,130
Foreign currency deposits			
	<u>Original currency</u>	<u>Exchange rate</u>	
USD	6,050	32.74	198,100
JPY	8,760	0.21	1,825
EUR	4,156	33.93	141,024
AUD	103	20.30	2,091
GBP	31	41.01	1,268
CHF	156	36.21	5,656
RMB	1,854	4.45	8,260
Time deposits:			
Foreign currency time deposit:	<u>Original currency</u>	<u>Exchange rate</u>	
USD	1,800	32.74	58,939
ZAR	9,165	1.71	15,625
Total			<u><u>\$507,223</u></u>

RITEK CORPORATION

2. Statement of notes receivable and accounts receivable

As of December 31, 2024

(In Thousands of New Taiwan Dollars)

Client Name	Description	Amount	Note
Notes receivable			
Vendor A	Payment for goods	\$2,997	
Vendor B	Payment for goods	4,989	
Vendor C	Payment for goods	492	
Total		<u>\$8,478</u>	
Accounts receivable			
Vendor A	Payment for goods	54,118	
Vendor B	Payment for goods	39,710	
Vendor C	Payment for goods	38,377	
Vendor D	Payment for goods	29,556	
Other	Payment for goods	590,888	(Those balances less than 5% of the account balance)
Total		752,649	
Less: loss allowance		<u>(209,993)</u>	
Net balance		<u>\$542,656</u>	

Note: please refer to Note 8 for details about pledge.

RITEK CORPORATION

3. Statement of inventories

As of December 31, 2024

(In Thousands of New Taiwan Dollars)

Item	Amount		Note
	Cost	Net realizable value	
Raw materials	\$152,038	\$116,740	The method for determining the net realizable value, please refer to Note 4.
Semi-finished goods and work in process	337,218	245,938	
Finished goods	50,457	41,771	
Merchandise inventory	123,767	99,819	
Inventory in transit	32,578	31,788	
Total	696,058	\$536,056	
Less: loss allowance	(160,002)		
Net balance	\$536,056		

RITEK CORPORATION

4. Statement of financial assets measured at fair value through other comprehensive income-non-current

As of December 31, 2024

(In Thousands of New Taiwan Dollars)

Financial instruments	As of January 1, 2024		Increase		Decrease		Valuation adjustments	Reclassify to investments accounted for using the equity method	As of December 31, 2024		Assets pledged as security	Note
	Shares/Unit	Fair value	Shares/Unit	Amount	Shares/Unit	Amount	Amount	Amount	Shares/Unit	Fair Value		
Stock												
INNOLUX CORPORATION (Those balances of investment less than \$100,000,000)	-	\$34,112	-	\$867	-	\$28,517	\$12,664	\$-	-	\$19,126	None	
Total		<u>\$34,112</u>		<u>\$867</u>		<u>\$28,517</u>	<u>\$12,664</u>	<u>\$-</u>		<u>\$19,126</u>		

RITEK CORPORATION
5. Statement of changes in investments accounted for using the equity method (Domestic)
For the Year ended December 31, 2024

(In Thousands of New Taiwan Dollars)

Investee companies	As of January 1, 2024		Increase			Decrease			As of December 31, 2024			Fair value/Net equity		Assets pledged as security	Note
	Shares (in thousand)	Amount	Shares (in thousand)	Amount		Shares (in thousand)	Amount		Shares (in thousand)	%	Amount	Unit price	Total amount		
Chung-Fu Investments Ltd.	105,851	\$60,140		\$3,217	Note 1		-		105,851	100.00%	\$63,357	\$0.85	\$90,469	None	
Chung-Yuan Venture Capital Fund Ltd.	40,391	350,266		4,778	Note 1		3,074	Note 1	40,391	100.00%	351,970	8.65	349,301	None	
RiTdisplay Corporation	24,674	605,264	1,350	75,079	Note 1		1,201	Note 1	26,024	28.71%	719,642	43.85	1,141,152	None	
				40,500	Note 3		-								
U-Tech Media Corporation	32,489	435,156		19,392	Note 1		2,206	Note 1	32,489	20.96%	635,567	17.25	560,435	Note 4	
				199,470	Note 5		16,245	Note 2							
Prorit Corporation	45,464	953,824		44,121	Note 1		-		45,464	85.87%	997,945	21.76	989,414	None	
AimCore Technology	14,564	390,515		12,602	Note 1		497	Note 1	14,564	21.27%	392,425	27.90	406,336	None	
							10,195	Note 2							
PVNEXT Corporation	13,350	2,602		166	Note 1		1,962	Note 1	13,350	62.01%	806	0.06	806	None	
RITEDIA Corporation	10,000	6,201		4			-		10,000	100.00%	6,205	0.62	6,205	None	
Ricare Corporation	2,500	27,405		19,077	Note 1		517	Note 1	2,500	10.09%	45,965	18.39	45,965	None	
Bircle international Trading Limited	100	981		-		100	981	Note 5	-	0.00%	-	0.00	-	None	
Ritwin Corporation	227	3,672		590	Note 1		4,108	Note 1	227	0.78%	154	27.19	6,172	None	
Subtotal		<u>2,836,026</u>		<u>418,996</u>			<u>40,986</u>				<u>3,214,036</u>				

Note 1: Amount accounted for using equity method.

Note 2: Distribution of cash dividends.

Note 3: Capital increase/acquisition for this year.

Note 4: Partial shareholdings provided as guarantee for bank borrowings and endorsement of subsidiaries, with an amount of NT\$163,680 thousand.

Note 5: Partial shareholdings provided as guarantee for bank borrowings and endorsement of subsidiaries.

Note 6: Reduction of capital to cover loss.

Note 7: Disposal of Investment.

Note 8: Cash returned from capital reduction.

Note 9: Other non-current liabilities.

RITEK CORPORATION

5.1 Statement of changes in investment accounted for under equity method (Overseas)

For the Year ended December 31, 2024

(In Thousands of New Taiwan Dollars)

Investee companies	As of January 1, 2024		Increase			Decrease		As of December 31, 2024			Fair Value/Net assets value		Assets pledged as security	Note
	Shares (in thousand)	Amount	Shares (in thousand)	Amount		Shares (in thousand)	Amount	Shares (in thousand)	%	Amount	Unit price	Total amount		
Affluence International Co. Ltd. (B.V.I.)	34,648	\$433,518		\$237	Note 1		-	34,648	100.00%	\$433,755	\$12.52	\$433,755	None	
Ritek Group Inc. (Cayman)	54,473	113,649		1,949	Note 1		-	54,473	100.00%	115,598	2.15	116,928	None	
Max Online Ltd. (B.V.I.)	156,293	608,591		-			65,219	156,293	100.00%	543,372	3.45	539,258	None	
Score High Group Ltd.(B.V.I.)	177,608	353,384		83,541	Note 1		-	177,608	92.69%	436,925	4.36	773,737	None	
ART Management Ltd. (B.V.I.)	26,652	239,017		17,901	Note 1		-	26,652	100.00%	256,918	7.70	205,260	None	
Ritrax Corporation Ltd. (U.K.)	124	21,173		23	Note 1		10,353	124	14.92%	10,843	3.84	476	None	
Sky Chance International Corp.	111	(55)		-			1,555	111	100.00%	(1,610)	256.85	28,510	None	
GoldenRiver Investment International Corp.	378	7,415		1,867	Note 1		-	378	23.14%	9,282	77.88	29,438	None	
Subtotal		<u>1,776,692</u>		<u>105,518</u>			<u>77,127</u>			<u>1,805,083</u>				
Total		<u>\$4,612,718</u>		<u>\$524,514</u>			<u>\$118,113</u>			<u>\$5,019,119</u>				
Investment Accounted for Under Equity Method (Other current liabilities)		<u>(\$55)</u>								<u>\$-</u>				
Investment Accounted for Under Equity Method		<u>\$4,612,773</u>								<u>\$5,019,119</u>				

Note 1: Amount accounted for using equity method.

Note 2: Capital increase/acquisition.

Note 3: Refund of pre-paid shares.

RITEK CORPORATION

6. Statement of short-term borrowings

As of December 31, 2024

(In Thousands of New Taiwan Dollars / Foreign currency)

Type	Description	As of December 31, 2024	Contract period	Interest rates	Loan commitments	Collateral	Note
Bank borrowings							
O-Bank	Credit	\$100,000	Within a year	Note	\$100,000	Note 8	
Far Eastern International Bank	Short-term secured loans	96,000	Within a year	Note	100,000	Note 8	
Sunny Bank	Short-term secured loans	200,000	Within a year	Note	200,000	Note 8	
Taiwan Cooperative Bank	Credit	160,000	Within a year	Note	500,000	Note 8	
Total		<u>\$556,000</u>					

Note: Interest rate range: 2.125%~2.317%

RITEK CORPORATION

7.Statement of notes payables and accounts payables

As of December 31, 2024

(In Thousands of New Taiwan Dollars)

Vendor Name	Description	Amount	Note
Notes payables			
Vendor A	Payment for goods	\$2,744	
Vendor B	Payment for goods	1,447	
Vendor C	Payment for goods	1,321	
Vendor D	Payment for goods	5,302	
Vendor E	Payment for goods	1,657	
Vendor F	Payment for goods	11,409	
Others	The amount of individual item included in "others" does not exceed 5% of the account balance.	1,335	
Total		<u>\$25,215</u>	
Accounts payables			
Vendor A	Payment for goods	\$16,119	
Vendor B	Payment for goods	12,842	
Vendor C	Payment for goods	18,094	
Others	The amount of individual item included in "others" does not exceed 5% of the account balance.	137,814	
Total		<u>\$184,869</u>	

RITEK CORPORATION
8. Statement of long-term borrowings
As of December 31, 2024

(In Thousands of New Taiwan Dollars)

Lenders	Description	Amount	Duration	Interest Rates (%)	Collateral	Note
The Shanghai Commercial & Savings Bank, Ltd.	The first year is a grace period during which only monthly interest payments are required. The principal will be amortized over 16 quarterly installments, with an average principal payment of NT \$200,000,000 per installment.	\$75,000	2021.6.29~2026.6.29	Note	Note8	
Taishin International Bank	The Taishin medium-term secured loan has a principal amount of NT \$800,000,000 and the principal will be repaid in full at maturity.	550,000	2024.9.23~2026.8.31	Note	Note8	
Taiwan Cooperative Bank	The Taiwan Cooperative Bank fixed deposit index-linked monthly interest rate is calculated based on a floating rate, which is the reference rate plus a markup of 0.565%.	148,497	2024.1.2~2029.1.2	Note	Note8	
Sunny Bank	The fixed deposit interest rate at the bank is adjusted quarterly and has a markup of 0.61%.	342,000	2022.1.26~2029.1.26	Note	Note8	
Yuanta Bank	The interest rate for this fixed-term deposit is fixed at a markup of 0.8% over the Taipei Interbank Offered Rate (TAIBOR) for the corresponding period on the previous day. The current annual interest rate is 2.304%, which is calculated based on a fixed interest rate.	450,000	2024.8.25~2026.8.25	Note	Note8	
Total		1,565,497				
Less: Current portion of long-term borrowings		(95,098)				
Net balance		<u>\$1,470,399</u>				

Note: Interest rate range: 2.2400%~2.3250%

9. Statement of operating revenues

For the Year ended December 31, 2024

Item	Description	Amount	Note
Operating revenues	Storage media and other products	\$2,777,036	
Less: sales return and allowance		<u>(13,127)</u>	
Net operating revenues		<u><u>\$2,763,909</u></u>	

RITEK CORPORATION
10. Statement of operating costs
For the Year ended December 31, 2024

(In Thousands of New Taiwan Dollars)

Item	Amount	
	Subtotal	Total
Manufacturing business		
Direct and supplies materials		
Add: Beginning balance	\$159,800	
Raw materials purchased	527,539	
Less: Transferred out	(250,715)	
Ending balance	<u>(152,038)</u>	
Direct and supplies materials used		\$284,586
Direct labor		222,075
Manufacturing overhead		<u>317,164</u>
Manufacturing cost		823,825
Add: Work in process, beginning balance	287,535	
Work in process purchased	489,769	
Less: Transferred out	(168,279)	
Work in process, ending balance	<u>(337,218)</u>	<u>271,807</u>
Cost of finished goods		1,095,632
Add: Finished goods, beginning balance	33,545	
Finished goods purchased	1,013,302	
Less: Transferred out	(415,920)	
Finished goods, ending balance	<u>(50,457)</u>	<u>580,470</u>
Cost of goods sold		1,676,102
Trading business		
Add: Inventory, beginning balance	89,263	
Inventory purchased	685,905	
Transferred in	375,375	
Less: Transferred out	(703)	
Inventory, ending balance	<u>(156,345)</u>	
Cost of goods sold		993,495
Gain from inventory valuation and obsolescence recovery		<u>(44,502)</u>
Total		<u><u>\$2,625,095</u></u>

RITEK CORPORATION

11. Statement of manufacturing overhead

For the Year ended December 31, 2024

(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Salaries	Note 1	\$71,276	1. It includes pension and meal allowance.
Repair and maintenance expense		32,099	
Utilities		72,909	2. The amount of individual item included in "others" does not exceed 5% of the account
Manufacturing		24,136	
Depreciation		44,991	
Others	Note 2	<u>71,753</u>	
Total		<u><u>\$317,164</u></u>	

RITEK CORPORATION

12. Statement of selling and marketing expenses

For the Year ended December 31, 2024

(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Salaries	Note 1	\$25,685	1. It includes pension and food stipend expense.
Traveling expense		5,488	
Shipping expenses		14,778	
Depreciation		13,460	2. The amount of individual item included in "others" does not exceed 5% of the account balance.
Royalties		19,685	
Others	Note 2	<u>29,019</u>	
Total		<u><u>\$108,115</u></u>	

RITEK CORPORATION

13. Statement of general and administrative expenses

For the Year ended December 31, 2024

(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Salaries	Note 1	\$95,193	1. It includes pension and meal allowance.
Repair and maintenance expense		54,038	
Depreciation		36,953	2. The amount of individual item included in "others" does not exceed 5% of the account balance.
Others	Note 2	<u>23,117</u>	
Total		<u><u>\$209,301</u></u>	

RITEK CORPORATION

14. Statement of research and development expenses

For the Year ended December 31, 2024

(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Depreciation	Note 1	\$27,649	1. It includes pension and meal allowance.
Salaries		12,324	
Others	Note 2	<u>15,067</u>	2. The amount of individual item included in "others" does not exceed 5% of the account balance.
Total		<u>\$55,040</u>	