股票代號：2349

RiTEK 錸德科技

2021 Annual General Meeting
Meeting Agenda

June 18, 2021
No. 12, Kuangfu N. Rd., Hsinchu Industrial Park, Huko Township, Hsinchu County

Content

RITEK Corporation

2021 Shareholders' Meeting Procedure

1.**Call meeting to order**

2.**Chairman in place**

3.**Chairman's address**

4.**Report items**

5.**Acceptance items**

6.**Special Motion**

7.**Adjournment**

RITEK Corporation

2021 Shareholders' Meeting Agenda

Time: 9:00 a.m. June 18, 2021(Friday)

Place: No. 12, Kuangfu N. Rd., Hsinchu Industrial Park, Huko Township, Hsinchu County

I.Call meeting to order (report total shares presented by shareholders present in person or by proxy)

II.Chairman in place

III.Chairman's Address

IV.Report Items

1.2020 business report

2.2020 Audit Committee's Review Report

3.Report of endorsement/guarantee management

4.Reinvestment report

5.The status of capital reduction for covering loss management and progress of solid operation plan

V.Acceptance

Proposal 1: Adoption of the 2020 Business Report and Financial Statements

Proposal 2: Proposal for the loss covering in 2020

VI. Special Motion

VII. Adjournment

Report Items

I.2020 business report

2020 business report, please refer to attachment 1 on page 7-9

II.2020 Audit Committee's Review Report

2020 Audit Committee's Review Report, please refer to attachment 2 on page 10

III.Report of endorsement/guarantee management

According to the procedures for endorsement/guarantee of the company, the endorsement/guarantee amount shall not exceed fifty percent current net worth of the company (note 1) and the endorsement/guarantee amount to single enterprise shall not exceed thirty percent current net worth of the company (note 2). As of March 31, 2021, the total endorsement/guarantee amount of the company was NT$599,024 thousands, which did not exceed the limit.

The endorsement/guarantee amounts were as follows:

Subject	Endorsement/Guarantee Amount
Ritek Vietnam CO.,Ltd	NTD 179,424,000
PRORIT CORPORATION.	NTD 50,000,000
Chung Yuan Venture Capital & Investment International Inc.	NTD 50,000,000
Chung Fu Investment Ltd.	NTD 50,000,000
RITFAST CORPORATION	NTD 239,600,000
TOGOWIN TECHNOLOGY CO.,Ltd.	NTD 30,000,000

Note 1: 50% net worth of audited financial report as of December 31, 2020 was 3,012,167 thousands

Note 2: 30% net worth of audited financial report as of December 31, 2020 was 1,807,300 thousands

IV.Reinvestment report

The income improvement regarding the reinvestment improvement plan proposed by the company has achieved slight success and is now undergoing.

V.The status of capital reduction for covering loss management and progress of solid operation plan

(1) With approval letter FSC Security Issuance No. 1090350632 of Financial Supervisory Commission dated on July 31, 2020, the capital reduction ratio was 45.98175%, and 590,478,237 shares were cancelled. The new shares after capital reduction was listed on October 12, 2020 and the company had completed capital reduction related matters.

Plan

	2020	2021	2022	2023
Sales revenue	7,550,792	7,503,458	7,548,125	7,457,381
Cost of goods sold	6,811,626	6,529,818	6,348,245	6,136,496
Gross margin	739,166	973,640	1,199,880	1,320,885
GM%	10%	13%	16%	18%
SG&A	1,147,463	1,102,774	1,096,584	1,072,138
Net operating loss	(408,297)	(129,134)	103,296	248,747
Interest expenses	153,130	151,137	149,665	148,340
Non-operating expenses (income)	(114,582)	(147,079)	(149,238)	(151,390)
Net loss before income tax	(446,845)	(133,192)	102,869	251,797

Financial Statement

	2020
Sales revenue	6,578,209
Cost of goods sold	5,700,940
Gross margin	877,269
GM%	13%
SG&A	1,359,177
Net operating loss	(481,908)
Interest expenses	156,806
Non-operating expenses (income)	(91,041)
Net loss before income tax	(729,755)

Achievement Rate

	2020
Sales revenue	87%
Cost of goods sold	84%
Gross margin	119%
GM%	133%
SG&A	118%
Net operating loss	118%
Interest expenses	102%
Non-operating expenses (income)	79%
Net loss before income tax	163%

Acceptance

Proposal 1

Proposal: Adoption of the 2020 Business Report and Financial Statements (proposed by the BOD)

Explanation: 1. The Corporation's individual and consolidated financial statements were audited by independent auditors, CPA Hsu, Jung-Huang and Tu, Chia-Lin of Ernst & Young Taiwan. Also Business Report and Financial Statements have been examined by the Audit Review Committee, which were considered as sufficient to present the financial conditions as of December 31, 2020 and operational results of 2020. (Please refer to attachment 1 on page 7-9 and attachment 3 on page 11-29).

2. It is hereby proposed for acceptance

Resolution:

Proposal 2

Proposal: Adoption of proposal for 2020 loss covering (proposed by the BOD)

Explanation: 1. The loss of the company as of December 31, 2020 to be covered was total in 891,794,133. The proposal for 2020 loss covering is as follows:

RITEK Corporation

Proposal for 2020 Loss Covering

2020.01.01 Loss to be covered	$	(5,904,782,379)
Addition(+/－)		
To manage capital reduction for covering loss		5,904,782,370
Chang in the ownership to subsidiaries		(411,399)
Other comprehensive income (actuarial income under defined benefit plan)		(6,003,287)
2020 net loss after tax		(897,386,012)
2020.12.31 loss to be covered	$	(891,794,133)

Chairman: Yeh, Chwei-Jing　Manager: Yeh, Chwei-Jing　Chief Accountant: Shih, Gu-Fu

2. It is hereby proposed for acceptance

Resolution:

Special Motion

Adjournment

Attachment 1

BUSINESS REPORT

To all shareholders,

Facing the impact of COVID-19 and operational challenge from lockdown of cities and countries in 2020, in addition to continuous development of edging 300GB and above AD disc, RITEK also completes the mass production of 200GB DSD and 100GB BDXL as well as actively invests in the long-life certification ISO13963 for various disc products with highest standard in the industry as solid preparation for ARCHIVE optical storage market.

Since the disc is featured at long life over fifty years, room temperature storage and saft storage against electromagnetic interference (EMI), it is gradually gaining the popularity among cold storage market. In addition to big capacity, high speed access AD disc as required by large cloud data center, more and more enterprises have introduced the cold storage in optical disc storage system. Therefore, DB and DVD such disc with different capacities will be introduced to ARCHIVE level products with industrial benchmark, the long-life certification ISO16963.

In addition to our principal media business, the OLED display and solar power plant of RITEK also helps with the promotion of overall operational performance after experiencing the epidemic impact.

RITEK will further focus on B2B upstream market to explore fields in related with ARCHIVE market, AIOT, electric vehicle and green energy. It is expected to bring operational strength and effects along with the growth of emerging market.

The following is a report of the 2020 operation overview and the 2021 outlook.

I. 2020 operation overview

（1）The results of business plan implementation are as follows:

Annual turnover for 2020 was NT$ 6,578,209,000 with a loss of NT$ 801,727,000

（2）Budget implementation: the 2020 financial forecast is not published and therefore is inapplicable.

（3）Financial status and profitability analysis:

1. Financial status: The net loss was NT$ 801,727,000 in 2020, net cash inflow of operating activities NT$ 1,061,336,000, net cash inflow of investing activities NT$ 280,485,000, and net cash outflow of financing activities NT$ 480,085,000. The net increase of cash and cash equivalents was NT$ 141,510,000, and the balance of cash and cash equivalents at the end of the year was NT$ 4,187,025,000.

2、Profitability analysis:

Analytical items \ Year		Financial Analysis	
		2019	2020
Financial Structure	Debt ratio (%)	46.70	47.38
	Long-term capital to property, plant, and equipment ratio	160.22	158.70
Liquidity	Current ratio (%)	180.30	169.91
	Acid test ratio (%)	131.39	135.49

Ratios	Interest coverage ratio (times)	(12.77)	(3.65)
Profitability Ratios	Return on assets ratio (%)	(10.88)	(3.34)
	Return on equity ratio (%)	(21.10)	(7.47)
	EBIT to paid-in capital ratio %	(19.24)	(10.52)
	Net income ratio (%)	(33.06)	(12.19)
	EPS (dollar)	(1.76)	(1.29)

(3) Research and development directions:

The research and development of the Corporation is oriented to the blue disc trend, and the following product developments have been successively completed:

- Double layer blue ray 4x BD-R disc
- Double layer blue ray 6X BD-R disc
- Organic blue ray 4X BD-R disc
- Organic blue ray 6X BD-R disc
- Archive disc
- USB 2.0 Drive ID37, ID48, ID50, OJ3, OJ15, OD3, OD11, OD13, OD16, OJ9, OD6B, OJ10, SD10, SD11, OT2, Topy, Penguin development
- USB 3.0 Drive HD7, HD8, HD9, HD12, HD13, HD50, HM1, HM2, HJ3, HJ15
- Lightning USB3.0 Drive OA2
- Bluetooth heart rate smart wristband
- SSD 2.5"SATA III 6Gb/s
- mSATA SSD 8GB / 16GB /32GB /64GB
- M.2 SSD(NGFF 64GB/ 128GB /256GB
- PCIE M.2 NVMe SSD External USB3.1 Gen 2 240GB/480GB
- OTG USB Drive /OTG card reader
- Continuous secure digital memory card
- Continuous secure USB
- iPhone/Smart phone related applications
- Tablet related applications
- All value added software and system

II. 2021 business plan overview

(1) Operational guidelines

1. Reinforce the development of high-capacity, long-life data storage disc products
2. Increase diversified product sales corresponding with the needs of market
3. Aggressively expand the businesses regarding high-end, high-threshold upstream materials processing
4. Continuously develop comprehensive resource effects of the group, seizing the market demand for smart networks and smart vehicles

(2) Expected sales volume and basis

According to the research report sponsored by SEAGATE and implemented by IDC, the stunning data created in 2025 will reach 163ZB, which will be 10 times in 2016. Therefore, the demand for achieve recording media of cold storage will be promoted as well. However, the overall demand this year will be deferred due to COVID-19.

(3) Production and sales policies:

1.Be aggressively dedicated to big capacity data storage and technology for business customers

2. Adjust the weight of the consumer and B2B markets depending on market demands

3.In the face of the incoming cloud smart time, reinforce the introduction of high-end components and materials in our core technology.

III. Future development strategies

1. Develop high-capacity and next-generation long-life disc productivity to correspond with database filing requirements.
2. Reinforce market competition of products through resources integration under cross-group strategic cooperation.
3. Vitalize group resources to reinforce B2B market operation ability

IV. Effects of external competition environment, legal environment, and macro operational environment

1. External competition environment:

With effects of COVID-19, the demand is facing strict challenge and we will carefully adjust the combination of sales and customers to seek for stable operation.

2. Legal environment:

Both the product and quality system of the Company comply with international regulations, and certifications have been acquired successively, all of which benefit the Company's operation.

3. Macro operational environment:

The consumer market of disc industry is decreasing every year and global market development and sales are affected by the impact to materials, products and logistic arising from COVID-19. Accordingly, the demand of Achieve Disc developed for safety storage aiming at large (cloud) data over decades is also deferred. However, Ritek still considers to aggressively increase the weight of B2B database storage and AD products to consolidate the operation of Ritek in term of media business and expect to lead stable growth from positive operation brought by increasing AD disc shipment

Chairman: Yeh, Chwei-Jing Manager: Yeh, Chwei-Jing Chief Account: Shih, Gu-Fu

Attachment 2

RITEK Corporation
Audit Committee's Review Report

The Board of Directors has prepared the Corporation's 2020 Business Report, Financial Statements, and proposal for loss covering. The CPA Hsu, Jung-Huang and Tu, Chia-Lin of Ernst & Young was retained to audit Financial Statements and has issued an audit report relating to the Financial Statements. The Business Report, Financial Statements, and loss covering proposal have been reviewed and determined to be correct and accurate by the Audit Committee. According to article 14-4 of the Securities and Exchange Act and article 219 of the Company Law, we hereby submit this report.

To

RITEK Corporation
2021 Annual Shareholders' Meeting

RITEK Corporation 

Convener of Audit Committee: Chen, Jun-Chao

March 26, 2021

Attachment 3

Independent Auditor's Report

The Board of Directors and Shareholders:
RITEK Corporation

Opinion

We have audited the accompanying balance sheets of RITEK Corporation as of December 31, 2020 and 2019, and the related statements of comprehensive income, changes in stockholders' equity, cash flows and notes to individual financial statements (including the summary of significant accounting policies) for the period from January 1 to December 31, 2020 and 2019. These financial statements are the responsibility of the Company's management.

In our opinion, based on our audit results and audit reports of other independent auditors (please refer to other matters section), the individual financial statements referred to first paragraph present fairly, in all material respects, the financial position of RITEK Corporation as of December 31, 2020 and 2019, and the results of its financial performance and its cash flows for the years then ended in conformity with Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended 2020. These matters were address in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of non-financial assets

The amount of consolidated property, plant and equipment of RITEK Corporation was NT$ 2,289,233,000 as of December 31, 2020, accounting for around 23% of total assets. Since RITEK Corporation and its subsidiaries had operation loss in 2020, showing that the assets may have impairment. With features of highly hypothesis and estimation of impairment over non-financial assets, we decide to take impairment of non-financial assets as key audit matter.

Our audit procedures include (but not limitation to) following audit procedures: evaluate the sign of impairment on cash generation unit identified by of management, measure recoverable amount of assets or cash generation unit, the higher one of fair value deducted by disposition costs and its use value as recoverable amount, refer to the Company's historical information and other external industrial analysis, evaluate the reasonableness of major assumptions and discount rates as basis of such impairment tests, evaluate the key assumptions made by the management for the cash flow forecast (including the revenue growth and gross margin by products) in the future.

We also evaluate the disclosure of RITEK Corporation regarding the impairment loss of non-financial assets. Please refer to note 4, 5 and 6 of individual financial statements.

Revenue recognition

RITEK Corporation recognized revenue NT$ 2,831,898,000 in 2020. The major sources of income were manufacturing and sales of disc and green energy products (solar power module/LED/ battery related products) such optical information services and products. The build to order was adopted for transactions. Different terms of transactions were involved due to industrial features and customer demands. Therefore, the judgment is required to determine performance obligations and the criteria of satisfaction. Accordingly, the identification of revenue recognition is the key audit matter.

Our audit procedures include (but not limitation to) following audit procedures: evaluate the appropriateness of accounting policies made by management aiming at revenue recognition, understand the transaction flow of revenue recognition procedures against the performance obligations identified, test the effectiveness of internal control design and implementation in related with the revenue recognition as satisfactory to the performance obligations, conduct analytical procedures aiming at the sales price, sales volume, costs and gross margin and implement analytical procedures aiming at top ten customers, select sample for tests of transaction details and review the trading conditions and related sales receipts in the order to ensure the appropriateness of revenue recognition as satisfactory to performance obligations, conduct revenue cutoff test in certain period before and after the balance sheet date and check relevant certificates to ensure that the revenue is recognized in period as appropriate, review huge sales return after the balance sheet date to investigate and understand its reason and nature, carry out ordinary journal tests.

We also evaluate the disclosure of RITEK Corporation and its subsidiaries regarding revenue recognition. Please refer to note 4 and 6 of individual financial statements.

Other matters- referring to the audit of other certified public accountant

The financial statements of some investees included in the individual financial statements of RITEK Corporation were audited by other certified public accountants. Therefore, in our opinions of preceding individual financial statements, the amounts listed in the financial statements of such investees were based on the audit reports of other CPAs. The investment on investees under equity method as of December 31, 2020 and 2019 were NT$ 420,153,000 and NT$ 526,054,000 respectively, accounting for 4% and 6% of total assets. The profit and loss of subsidiaries, affiliates and venture capital recognized under equity method in the period from January 1 to December 31, 2020 and 2019 were (NT$ 31,277,000) and (NT$ 35,264,000) respectively, accounting for 3% and 2% of consolidated net loss before income tax. The other comprehensive income of subsidiaries, affiliates and venture capital recognized under equity method in the period from January 1 to December 31, 2020 and 2019 were NT$ (22,678,000) and NT$ 22,555,000 respectively, accounting for 22% and 56% of net other comprehensive income.

Responsibilities of Management and those Charged With Governance for the Individual Financial Statements

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

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

Those charged with governance of RITEK Corporation (including the audit committee) are responsible for overseeing the financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the individual 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 RITEK Corporation.

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 of RITEK Corporation to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the individual 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 RITEK Corporation to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements (including relevant notes), and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the individual financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the individual financial statements of RITEK Corporation for 2020 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Earnest & Young
Financial Report of Public Company as Approved by Competent Authority
Audit File No.:
(93) Jing-Guan-Cheng (VI) No. 0930133943
(100) Jing-Guan-Cheng (Shan) No. 1000002854

CPA： Hsu, Jung-Huang
Tu, JIa-Ling

March 26, 2021

RITEK Technology Co., Ltd.
Balance Sheet
December 31, 2020 and December 31, 2019

Unit: NT$ thousand dollars

Assets			December 31, 2020		December 31, 2019	
Code	Accounts	Notes	Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	VI.1	$505,171	5	$673,943	6
1110	Financial assets at fair value through profit or loss-current	VI.2	60,972	1	50,451	-
1136	Financial assets measured at amortized cost-current	VI.4 and VIII	53,800	1	53,743	-
1147	Investments in Debt Securities with No Active Market-current	VI.6 and VIII	-	-	-	-
1150	Net notes receivable	VI.5, VI.20	3,733	-	4,055	-
1160	Net accounts receivable-related parties		1,097	-	-	-
1170	Net accounts receivable	VI.6, VI.20 and VII	311,330	3	466,313	4
1180	Net accounts receivable-related parties	VI.6, VI.20 and VIII	200,563	2	470,939	4
1200	Other receivables	VI.26, VI.20 and VII	12,700	-	14,541	-
1210	Other receivables-related parties	VI.20	19,643	-	7,478	-
130x	Inventory	VI.7	632,205	6	996,483	8
1410	Advance payment		64,134	1	8,120	-
1470	Other current assets	VII	1,358	-	2,776	-
11xx	Total current assets		1,866,706	19	2,748,842	22
	Non-current assets					
1517	Financial assets at fair value through other comprehensive profit and loss-Non-	VI.3 and VIII	101,112	1	80,400	1
1550	Investments accounted for using equity method	VI.8 and VIII	5,419,239	54	6,020,656	50
1600	Property, plant and equipment	VI.9 and VIII	2,289,233	23	2,352,069	20
1755	right-of-use asset	VI.21 and VII	111,840	1	130,789	1
1760	Net investment property	VI.10 and VIII	66,157	1	59,237	1
1780	Intangible assets	VI.11	9,342	-	12,644	-
1840	Deferred tax assets	VI.26	-	-	-	-
1900	Other non-current assets	VI.12	30,335	-	47,471	-
1942	Long-term receivables-related parties	VII	85,300	1	600,608	5
1970	Other long-term investments		-	-	-	-
15xx	Total non-current assets		8,112,558	81	9,303,874	78
1xxx	Total assets		$9,979,264	100	$12,052,716	100

(Please refer to the notes to individual financial statements)

Chairman: Yeh, Chwei-Jing Manager: Yeh, Chwei-Jing Chief Account: Shih, Gu-Fu

RITEK Technology Co., Ltd.
Balance Sheet (continued)
December 31, 2020 and December 31, 2019

Unit: NT$1000

Liabilities and Equity			December 31, 2020		December 31, 2019	
Code	Accounts	Notes	Amount	%	Amount	%
	Current liabilities					
2100	Short-term borrowings	VI.13 and VIII	$970,774	10	$1,051,275	9
2110	Short-term notes and bills payable	VI.14	24,959	-	24,993	-
2120	Financial liabilities at fair value through profit or loss-current	VI.15	-	-	11,845	-
2150	Notes payable		29,101	-	37,147	-
2160	Notes payable-related parties	VII	13,949	-	209,257	2
2170	Accounts payable		184,153	2	247,251	2
2180	Accounts payable-related parties	VII	9,592	-	20,825	-
2200	Other payables	VII	319,349	3	685,585	6
2280	Lease liabilities- current	VI.21 and VII	14,538	-	16,707	-
2300	Other current liabilities	VI.19 and VII	91,147	1	55,683	-
2320	Long-term liabilities maturing within one year or one operating	VI.16 and VIII	483,039	5	452,063	4
2355	Lease payable-current	VI.17 and VII	-	-	-	-
21xx	Total current liabilities		2,140,601	21	2,812,631	23
	Non-current liabilities					
2540	Long-term loans	VI.16 and VIII	1,579,526	16	1,995,702	17
2570	Deferred tax liabilities	VI.26	-	-	-	-
2580	Lease liabilities －Non-current	VI.21 and VII	101,477	1	117,534	1
2613	Lease payable-noncurrent	VI.17 and VII	-	-	-	-
2640	Net defined benefit liabilities-noncurrent	VI.17	96,833	1	114,379	1
2670	Other non-current liabilities	VI.8	36,494	-	4,959	-
25xx	Total non-current liabilities		1,814,330	18	2,232,574	19
2xxx	Total liabilities		3,954,931	39	5,045,205	42
	Owner's equity					
3100	Capital stock	VI.18				
3110	Common stock		6,936,797	70	12,841,579	107
	Total of share capital		-	-	-	-
3200	Capital surplus	VI.18	1,147,123	11	1,129,918	9
3300	Retained earnings	VI.18				
3350	Loss to be made up		(891,794)	(9)	(5,904,783)	(49)
	Total of retained earnings			-		-
3400	Other owner's equity		(1,167,793)	(11)	(1,059,203)	(9)
3500	Treasury shares	VI.21	-	-	-	-
3xxx	Total owner's equity		6,024,333	61	7,007,511	58
	Total liabilities and owner's equity		$9,979,264	100	$12,052,716	100

(Please refer to the notes to individual financial statements)

Chairman: Yeh, Chwei-Jing Manager: Yeh, Chwei-Jing Chief Account: Shih, Gu-Fu

RITEK Technology Co., Ltd.
Statement of Comprehensive Income
From January 1 to December 31 of 2020 and 2019

Unit: NT$ thousand dollar

Code	Accounts	Notes	The year of 2020		The year of 2019	
			Amount	%	Amount	%
4000	Operating income	VI.19 and VII	$2,831,898	100	$4,224,977	100
5000	Operating costs	VI.7, VI.22 and VII	2,787,798	98	4,167,857	99
5900	Operating gross loss		44,100	2	57,120	1
5920	Realized sales benefit (loss)		(19,723)	(1)	(14,311)	-
5950	Net operating gross loss		24,377	1	42,809	1
6000	Operating expenses	VI.22 and VII				
6100	Selling expenses		147,092	5	162,897	4
6200	General and administration expenses		95,416	3	110,161	3
6300	Research and development expenses		37,392	1	39,535	1
6450	Expected credit impairment benefits	VI.20	(5,600)	-	52,751	1
	Total operating expenses		274,300	9	365,344	9
6900	Operating loss		(249,923)	(8)	(322,535)	(8)
7000	Non-operating income and expenditure	VI.23 and VII				
7100	Interest income		17,370	1	12,682	-
7010	Other income		39,196	1	31,837	1
7020	Other profit and loss		(102,835)	(3)	(300,540)	(6)
7050	Financial costs		(68,734)	(2)	(87,281)	(2)
7055	Expected credit impairment loss	VI.21	-	-	-	-
7070	Share of profit (loss) of subsidiaries, associates and joint ventures accounted for using equity method	VI.8	(532,460)	(19)	(1,534,571)	(36)
	Total non-operating income and expenditure		(647,463)	(23)	(1,877,873)	(43)
7900	Net loss before tax		(897,386)	(31)	(2,200,408)	(51)
7950	Income tax expense	VI.25	-	-	(54,499)	(1)
8200	Net loss for the year		(897,386)	(31)	(2,254,907)	(52)
8300	Other comprehensive gain and loss	VI.24				
8310	Items that will not be reclassified subsequently to profit or loss					
8311	Remeasurements of defined benefit plans		9,611	-	(6,729)	-
8316	Unrealized loss on equity instrument investment at fair value through other comprehensive gain(loss)		20,712	1	12,904	-
8330	Share of other comprehensive gain(loss) of subsidiary, associates and joint ventures accounted for using equity method-items that will not be reclassified subsequently to profit or loss		(54,437)	(2)	28,627	1
8349	Income tax relating to the items that will not be reclassified subsequently to profit or loss			-	-	-
8360	Items that may be reclassified subsequently to profit or loss					
8380	Share of other comprehensive gain(loss) of subsidiary, associates and joint ventures accounted for using equity method-items that may	VI.8	(78,883)	(3)	(75,055)	(2)
8399	Income tax relating to the items that may be reclassified subsequently to profit or loss	VI.25	-	-	-	-
	Other comprehensive income for the year (net of income tax)		(102,997)	(4)	(40,253)	(1)
8500	Total comprehensive income for the year		$(1,000,383)	(35)	$(2,295,160)	(53)
	Loss per share (NT$)	VI.26				
9750	Basic loss per share					
	Net loss for the year		$(1.29)		$(3.25)	

(Please refer to the notes to individual financial statements)

Chairman: Yeh, Chwei-Jing Manager: Yeh, Chwei-Jing Chief Account: Shih, Gu-Fu

RITEK Technology Co., Ltd.
Statements of changes in equity
From January 1 to December 31 of 2020 and 2019
(Review only without audit under general accepted audit standards)

Unit: NT$1000

Item	Capital stock	Capital surplus	Loss to be covered	Other equity: Exchange difference on translation of financial statements of foreign operations	Other equity: Unrealized gains/losses on financial assets at fair value through other comprehensive income	Total equity
	3100	3200	3350	3410	3420	3XXX
Balance as of January 1, 2019						$-
Effects of retroactive application and retroactive restatement						-
Balance as of January 1, 2019	$12,841,579	$950,835	$(3,583,955)	$(629,035)	$(409,674)	$9,169,750
Change in other capital surplus						
Change in associates and joint venture recognized by using equity method	-	-	-	-	-	-
Net loss in 2018	-	-	(2,254,907)	-	-	(2,254,907)
Other comprehensive income in 2018	-	-	(17,185)	(75,055)	51,987	(40,253)
Total comprehensive income	-	-	(2,272,092)	(75,055)	51,987	(2,295,160)
Capital reduction for covering loss	-	-	-	-	-	-
The shares of parent company disposed by a subsidiary are deemed as treasury stock transactio		-	-	-	-	
Increase or decrease of non-controlling equity	-	-	-	-	-	-
Cancellation of treasury stock			-	-	-	-
The shares of subsidiary actually acquired or disposed	-	1,503	-	-	-	1,503
Change in the ownership of subsidiary	-	177,580	(46,162)	-	-	131,418
The disposal of equity instrument measured at fair value through other c	-	-	(2,574)	-	2,574	-
Balance as of December 31, 2019	$12,841,579	$1,129,918	$(5,904,783)	$(704,090)	$(355,113)	$7,007,511
Balance as of January 1, 2020	$12,841,579	$1,129,918	$(5,904,783)	$(704,090)	$(355,113)	$7,007,511
Effects of retroactive application and retroactive restatement	-	-		-		-
Balance after restatement as of January 1, 2019	12,841,579	1,129,918	(5,904,783)	(704,090)	(355,113)	7,007,511
Change in other capital surplus						
Arising from acceptance of consolidated						
Arising from acceptance of gift						
The equity component recognized due to issuance of convertible corporate bond – from option						
Change in associates and joint venture recognized by using equity method	-	-	-	-	-	-
Covering loss via capital surplus	-	-	-	-		-
Net loss in 2020	-	-	(897,386)	-	-	(897,386)
Other comprehensive income in 2020	-	-	6,004	(78,883)	(30,118)	(102,997)
Total comprehensive income	-	-	(891,382)	(78,883)	(30,118)	(1,000,383)
Capital reduction for covering loss	(5,904,782)	-	5,904,782	-	-	-
Cancellation of treasury stock	-		-	-		-
The shares of parent company disposed by a subsidiary are deemed as tre	-	-	-	-	-	-
The shares of subsidiary actually acquired or disposed	-	44,800	-	-	-	44,800
Change in the ownership of subsidiary	-	(27,595)	-	-	-	(27,595)
The disposal of equity instrument measured at fair value through other c	-	-	(411)	-	411	-
Balance as of December 31, 2020	$6,936,797	$1,147,123	$(891,794)	$(782,973)	$(384,820)	$6,024,333

(Please refer to the notes to individual financial statements)

Chairman: Yeh, Chwei-Jing

Manager: Yeh, Chwei-Jing

RITEK Technology Co., Ltd.
Statements of Cash Flow
From January 1 to December 31 of 2020 and 2019

Unit: NT$1000

Item	2020 Amount	2019 Amount
Cash flow from operating activities:		
Net loss before income tax for this year	$(897,386)	$(2,200,408)
Adjustments:		
Items of gains, expenses and losses:		
Depreciation expenses and other losses	99,909	396,229
Amortization expenses and other expenses	32,242	38,201
Impairment loss (impairment gain and reversal of impairment loss	(5,600)	52,751
Loss on Financial Assets (Liabilities) at Fair Value through Profit	50,789	(5,193)
Interest expenses	68,734	87,281
Interest revenue	(17,370)	(12,682)
Dividend income	(1,237)	(1,118)
Share of loss/profit of subsidiaries, associates and joint ventures	532,460	1,534,571
Gain on disposal of scrapped real estate, plant and equipment and	(20,763)	(20,081)
Impairment loss on non-financial assets	-	242,000
Realized sales loss/profit	19,723	14,311
Changes in operating assets and liabilities:		
Decrease/increase of notes receivable	(775)	(1,215)
Decrease/increase of accounts receivable	430,959	369,343
Decrease of other receivables	(10,325)	(4,727)
Decrease/increase of inventory	364,278	286,002
Decrease/increase of advance payment	(56,014)	4,690
Increase of other current assets	1,413	2,654
Decrease of notes payable	(203,354)	(52,124)
Increase/decrease of accounts payable	(74,331)	(222,747)
Increase/decrease of other payables	(365,699)	(9,301)
Decrease of other current liabilities	35,456	(61,967)
Decrease of net defined benefit liabilities	(7,935)	(8,704)
Cash outflow from operating activities	(24,826)	427,766
Interest received	17,375	12,661
Interest paid	(68,730)	(93,910)
Income tax refunded/paid	1	1,326
Net cash outflow from operating activities	(76,180)	347,843

Item	2020 Amount	2019 Amount
Cash flow from investment activities:		
Dispose of financial assets at fair value through other comprehensive gain (loss)	$(383,995)	$(118,296)
Acquisition of financial assets at amortization cost	323,340	115,550
Disposal of financial assets at amortization cost	(57)	(69)
Acquisition of equity-method investments	(172,697)	(29,204)
Disposal of equity-method investments	69,062	141,439
Equity method of the invested company's capital reduction and ret	62,219	479,299
Acquired Property, Plant and Equipment	(39,214)	(31,568)
Cash returned of capital reduction of invested company	11,827	215
Acquisition of real estate, plant and equipment	(554)	(614)
Disposal of real estate, plant and equipment	515,308	(323,978)
Acquisition of intangible assets	(11,250)	(36,732)
Decrease of long-term receivables-related parties	26,958	97,353
Cash provided by (used in) investing activities	400,947	293,395
Cash flow from financing activities:		
Increase in short-term borrowings	(80,501)	(350,861)
Increase/decrease in short-term bills payable	(34)	(199,834)
Payments of finance lease liabilities.	-	634,690
Repayments of long-term borrowings	(385,200)	(635,125)
financial asset or financial liability at fair value through profit or l	(12,500)	11,845
Payments of lease liabilities	(15,799)	(13,999)
Increase/decrease of other non-current liabilities	495	438
Net cash inflow/outflow from financing activities	(493,539)	(552,846)
Decrease in cash and cash equivalents	(168,772)	88,392
Cash and cash equivalents at the beginning of the year	673,943	585,551
Cash and cash equivalents at the end of the year	$505,171	$673,943

Chairman: Yeh, Chwei-Jing   Manager: Yeh, Chwei-Jing   Chief Account: Shih, Gu-Fu

Independent Auditors' Report

To the Board of Directors and Shareholders
of Ritek Corporation

Opinion

We have audited the accompanying consolidated balance sheets of Ritek Corporation and its subsidiaries (collectively, the "Company") as of December 31, 2020 and 2019, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2020 and 2019, and notes to the consolidated financial statements, including the summary of significant accounting policies (together "the consolidated financial statements").

In our opinion, based on our audits and the reports of other auditors (please refer to the *Other Matter – Making Reference to the Audits of Component Auditors* section of our report), the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of December 31, 2020 and 2019, and their consolidated financial performance and cash flows for the years ended December 31, 2020 and 2019, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company and its subsidiaries 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 other auditor(s), 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 2020 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Judgement of Consolidated Components

According to International Financial Reporting Standards of Republic of China No. 10, regardless of the nature of the investment, investor should assess whether they have control over investee in order to determine whether they are parent company. Since the Company does not have shareholding ratio over 50% for some consolidated components, the judgement of whether the Company has control over them would significantly influence the preparation and fair presentation of the consolidated financial statement, therefore we conclude that judgement of control over consolidated components whose shareholding ratio is not over 50% is a key audit matter.

The audit procedures we performed included but not limited to the following related audit procedures: review the group's investment structure, inquire the shareholding ratios of the subsidiaries, assess the number of seats and ratio of current board of directors, verify the proxy forms that directly or indirectly held majority voting power and inquire into evidence exhibiting the actual ability to significantly impact related activities, including the main management, to confirm that Ritek Corporation has control over all merged entities.

We assessed appropriateness of disclosures regarding consolidation of the Company and its subsidiaries. Please refers to Notes 4 and 5 for related consolidation information.

Non-Financial Assets Impairment

The Company recognized consolidated property, plant and equipment in the amount of NT$9,474,412 thousand as of December 31, 2020, which represented 48% of total consolidated assets. Due to the Company's year-end loss in 2020, its assets may be impaired. In fact, the assessment procedure of no-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 Company on signs of impairment for the cash generation unit; measure the recoverable amount of the asset or cash generating unit, which is the higher of the fair value less the cost and the use value; 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 and its subsidiaries. Please refer to Notes 4, 5 and 6 for related consolidation information.

Revenue Recognition

The Company recognized consolidated sales revenue in the amount of NT$6,578,209 thousand in 2020. The main activities of the Company are the sale and manufacturing of CD-ROM, OLED, conductive glass and green products (solar module / LED / battery and related products), 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 Company'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 and its subsidiaries. Please refer to Notes 4 and 6 for related consolidation information.

Other Matter – Making Reference to the Audit(s) of (a) Component Auditor(s)

We did not audit the financial statements of certain consolidated subsidiaries, which statements reflect total assets of NT$1,458,793 thousand and NT$2,516,864 thousand, constituting 7% and 12% of consolidated total assets as of December 31, 2020 and 2019, respectively, and total operating revenues of NT$296,597 thousand and NT$726,241 thousand, constituting 5% and 9% of consolidated operating revenues for the years ended December 31, 2020 and 2019, respectively. 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$82,460 thousand and NT$38,925 thousand, representing 0% and 0% of consolidated total assets as of December 31, 2020 and 2019, respectively. The related shares of profits from the associates and joint ventures under the equity method amounted to NT$(4,722) thousand and NT$4,101 thousand, representing 1% and 0% of the consolidated net income before tax for the years ended December 31, 2020 and 2019, respectively, and the related shares of other comprehensive income from the associates and joint ventures under the equity method amounted to NT$(1,742) thousand and NT$(602) thousand, representing 1% and 0% of the consolidated other comprehensive income for the years ended December 31, 2020 and 2019.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the ability to continue as a going concern of the Company and its subsidiaries, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and its subsidiaries 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 and its subsidiaries.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1.Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2.Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company and its subsidiaries.

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 and its subsidiaries. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.

5.Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6.Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2020 consolidated 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.

We have audited and expressed an unqualified opinion on the parent company only financial statements of the Company as of and for the years ended December 31, 2020 and 2019.

HSU, JUNG-HUANG
TU, JIA-LING
Ernst & Young, Taiwan
March 26, 2021

RITEK Technology Co., Ltd. and Its Subsidiaries
Consolidated Balance Sheet
December 31, 2020 and December 31, 2019

Unit: NT$1000

Code	Assets: Accounts	Notes	December 31, 2020: Amount	%	December 31, 2018: Amount	%
	Current assets					
1100	Cash and cash equivalents	VI.1	$4,187,025	21	$4,045,515	19
1110	Financial assets at fair value through profit or loss-current	VI.2	368,835	2	212,648	1
1120	Financial assets at fair value through other comprehensive profit and loss-current	VI.3	12,513	-	26,237	-
1136	Financial assets measured at amortized cost-current	VI.4 and VIII	106,745	1	118,857	1
1150	Net notes receivable	VI.5 andVI.23	26,581	-	28,905	-
1160	Notes Receivable-related parties			-		-
1170	Net accounts receivable	VI.6, VI.23 and VIII	1,131,615	6	1,120,613	6
1175	Lease payment receivables	VI.7, VI.21 and VIII	-	-	-	-
1180	Net accounts receivable-related parties	VI.6, VI.23 and VII	7,166	-	7,258	-
1197	Net of finance lease receivables	VI.7, VI.21 aand VIII	2,235	-	1,997	-
1200	Other Non-operating Receivables			-		-
1210	Other Non-operating Receivables-related parties			-		-
1220	Current tax assets			-		-
130x	Inventory	VI.8	1,439,936	7	2,133,518	10
1400	Biological transformation-current			-		-
1410	Prepayments			-		-
1450	non-current assets (or disposal groups) as held for distribution to owners			-		-
1460	non-current assets held for sale	VI.9		-	-	-
1470	Other current assets	VI.23, VI.28 and VII	390,191	2	434,596	2
11xx	Total current assets		7,672,842	39	8,130,144	39
	Non-current assets					
1510	Financial assets at fair value through profit or loss-Noncurrent	VI.2	80,042	-	109,936	1
1517	Financial assets at fair value through other comprehensive profit and loss-Non-current	VI.3 and VIII	368,586	2	506,348	2
1527	Financial asset in held-to-maturity-noncurrent			-		-
1535	Financial assets measured at amortized cost-noncurrent	VI.4 and VIII	172,810	1	163,413	1
1550	Investments accounted for using equity method	VI.9	140,667	1	38,925	-
1600	Property, plant and equipment	VI.10 and VIII	9,474,412	48	10,264,640	49
1750	Net Accounts of Natural Resources			-		-
1755	right-of-use asset	VI.24 and VIII	325,140	2	313,279	1
1760	Net investment property	VI.11 and VIII	373,522	2	343,650	2
1780	Intangible assets	VI.12 and VI.14	555,664	3	590,530	3
						-
1840	Deferred tax assets	VI.28	327,158	2	382,527	2
1900	Other non-current assets	VI.13	16,572	-	65,387	-
1935	Long-term lease payment receivables	VI.7, VI.22 and VIII		-		-
1960	Current prepayments for investments		-	-	-	-
194D	Net of long-term finance lease receivables	VI.7, VI.23 and VIII	44,254	-	46,611	-
1970	Other long-term investments		-	-	-	-
15xx	Total non-current assets		11,878,827	61	12,825,246	61
1xxx	Total assets		$19,551,669	100	$20,955,390	100

(Please refer to the notes to the Consolidated Financial Statements)

Chairman: Yeh, Chwei-Jing Manager: Yeh, Chwei-Jing Chief Account: Shih, Gu-Fu

RITEK Technology Co., Ltd. and Its Subsidiaries

Consolidated Balance Sheet

December 31, 2020 and December 31, 2019

Unit: NT$1000

Code	Liabilities and Equity Accounts	Notes	December 31, 2020 Amount	%	December 31, 2019 Amount	%
	Current liabilities					
2100	Short-term borrowings	VI.15 and VIII	$1,639,797	9	$1,744,767	8
2110	Short-term notes and bills payable	VI.16 and VIII	44,951	-	78,883	1
2120	Financial liabilities at fair value through profit or loss-current	VI.17	-	-	11,845	-
2125	Derivative financial liability for hedging - noncurrent.			-		-
2130	Contract liabilities-current			-		-
2145	Finance liabilities at cost-current			-		-
2130	Contract liabilities-current			-	-	-
2150	Notes payable		42,522	-	50,920	-
2160	Notes payable-related parties	VII	-	-	-	-
2170	Accounts payable		629,373	3	657,308	3
2180	Accounts payable-related parties	VII	863	-	899	-
2200	Other payables	VII	647,000	3	631,227	3
2220	Other accounts payable – related parties		196	-	-	-
2230	Current income tax liability	VI.28	7,972	-	16,399	-
2250	Provisions - Current			-		-
2260	Liabilities included in disposal groups classified as held for sale			-		-
2280	Lease liabilities －current	VI.24	25,656	-	39,098	-
2300	Other current liabilities	VI.22	121,195	1	105,733	1
2320	Long-term liabilities maturing within one year or one operating cycle	VI.19 and VIII	1,356,413	7	1,172,211	6
21xx	Total current liabilities		4,515,938	23	4,509,290	22
	Non-current liabilities					
2500	Financial liability at fair value through profit or loss-noncurrent	VI.17 and VIII	385	-	-	-
2510	Derivative financial liability for hedging - noncurrent			-		-
2525	Financial liabilities carried at cost-noncurrent			-		-
2530	Bonds payable	VI.18and VIII	327,030	2	-	-
2540	Long-term loans	VI.19 and VIII	3,936,993	20	4,814,255	23
2550	Non-current provisions			-		-
2570	Deferred tax liabilities	VI.28	47,595	-	35,517	-
2580	Lease liabilities －noncurrent	VI.24	216,915	1	196,789	1
2640	Net defined benefit liabilities-noncurrent	VI.20	148,346	1	168,243	1
2660	Deferred Credits-Gains on Inter-Afffiliate Accounts			-		-
2670	Other non-current liabilities		70,521	-	63,045	-
25xx	Total non-current liabilities		4,747,785	24	5,277,849	25
2xxx	Total liabilities		9,263,723	47	9,787,139	47
31xx	Equity attributable to owners of the parent	VI.21				
3100	Capital stock					
3110	Common stock		6,936,797	35	12,841,579	61
3120	Capital - preferred stock.			-		-
3130	Certificates of Bond-to-Stock Conversion			-		-
3140	Advance Receipts for Common Stock			-		-
3150	Stock Dividend to be Distributed			-		-
3160	Certificate of Entitlement form preferred stock to sommon stock			-		-
	Total capital stock.			-		-
3200	Capital surplus	VI.21	1,147,123	6	1,129,918	5
3300	Retained earnings	VI.21				
3310				-		-
3320				-		-
3350	Loss to be made up		(891,794)	(5)	(5,904,783)	(28)
	Total amount of retained earnings			-		
3400	Other owner's equity		(1,167,793)	(6)	(1,059,203)	(5)
3500		VI.19		-	-	-
36xx	Non-controlling interests	VI.21	4,263,613	23	4,160,740	20
3xxx	Total owner's equity		10,287,946	53	11,168,251	53
	Total liabilities and owner's equity		$19,551,669	100	$20,955,390	100

(Please refer to the notes to the Consolidated Financial Statements)

Chairman: Yeh, Chwei-Jing Manager: Yeh, Chwei-Jing Chief Account: Shih, Gu-Fu

RITEK Technology Co., Ltd. and Its Subsidiaries

Consolidated Statements of Comprehensive Income

From January 1 to December 31 of 2020 and 2019

Unit: NT$1000

Code	Accouts	Notes	December 31, 2020 Amount	%	December 31, 2019 Amount	%
4000	Operating income	VI.22 and VII	$6,578,209	115	$7,779,123	107
5000	Operating costs	VI.8, 24, 25 and VII	5,700,940	100	7,240,537	100
5900	Operating gross profit		877,269	15	538,586	7
6000	Operating expenses	VI.24, 25 and VII				
6100	Selling expenses		474,008	8	512,162	7
6200	General and administration expenses		720,381	13	763,224	11
6300	Research and development expenses		146,486	3	182,507	3
6450	Expected credit impairment benefits	VI.23	18,302	-	56,716	1
	Total operating expenses		1,359,177	24	1,514,609	22
6900	Operating loss		(481,908)	(9)	(976,023)	(15)
7000	Non-operating income and expenditure	VI.26				
7100	Interest income		20,955	-	44,576	1
7010	Other income	VII	391,209	7	229,401	3
7020	Other profit and loss		(491,898)	(9)	(1,592,857)	(22)
7050	Financial costs		(156,806)	(3)	(179,399)	(2)
7055	Expected credit impairment loss	VI.21	-	-	-	-
7060	Share of profit (loss) of subsidiaries, associates and joint ventures accounted for using equity method	VI.9	(11,307)	-	4,101	-
	Total non-operating income and expenditure		(247,847)	(5)	(1,494,178)	(20)
7900	Net loss before tax		(729,755)	(14)	(2,470,201)	(35)
7950	Income tax expense	VI.28	(71,972)	-	(101,281)	(1)
8200	Net loss for the year		(801,727)	(14)	(2,571,482)	(36)
8300	Other comprehensive gain and loss	VI.27				
8310	Components of other comprehensive income that will not be reclassified to profit or loss.					
8311	Remeasurements of defined benefit plans	VI.20	11,079	-	(31,875)	-
8316	Unrealized loss on equity instrument investment at fair value through other comprehensive gain(loss)		(141,220)	(2)	(70,218)	(1)
8349	Income tax relating to the items that will not be reclassified subsequently to profit or loss	VI.26	-	-	-	-
8349	Income tax relating to the items that will not be reclassified subsequently to profit or loss	VI.28	(5,075)	-	5,075	-
8360	Items that may be reclassified subsequently to profit or loss					
8361	Exchange difference on translation of financial statements of foreign operations		(73,147)	(2)	(95,612)	-
8370	Share of other comprehensive gain(loss) of associates and joint ventures accounted for using equity method-items that Share of (loss) -items that may be reclassified subsequently to porfit or loss	VI.9	(1,742)	-	(602)	-
8399	Income tax relating to the items that may be reclassified subsequently to profit or loss	VI.28	64	-	1,847	-
	Other comprehensive income for the year (net of income tax)		(210,041)	(4)	(191,385)	(1)
8500	Total comprehensive income for the year		$(1,011,768)	(18)	$(2,762,867)	(37)
8600	Net profit (loss) attributable to :					
8610	Owners of parent company		$(897,386)		$(2,254,907)	
8620	Non-controlling interests		95,659		(316,575)	
			$(801,727)		$(2,571,482)	
8700	The total comprehensive profit(loss) attributable to :					
8710	Owners of parent company		$(1,000,383)		$(2,295,160)	
8720	Non-controlling interests		(11,385)		(467,707)	
			$(1,011,768)		$(2,762,867)	
	Loss per share (NT$)	VI.29				
9750	Basic loss per share					
	Net loss for the year		$(1.29)		$(3.25)	

(Please refer to the notes to the Consolidated Financial Statements)

Chairman: Yeh, Chwei-Jing Manager: Yeh, Chwei-Jing Chief Account: Shih, Gu-Fu

RITEK Technology Co., Ltd. and Subsidiaries
Consolidated Statements of Changes in Equity
From January 1 to December 31 of 2020 and 2019
(Review only without audit under general accepted audit standards)

Unit: NT$1000

Item	Equity attributable to owners of the parent						Non-controlling interest	Total equity
	Capital stock	Capital surplus	Loss to be covered	Other equity: Exchange difference on translation of financial statements of foreign operations	Other equity: Unrealized gains(losses) on financial assets at fair value through other comprehensive income	Total		
	3100	3200	3350	3410	3420	31XX	36XX	3XXX
Balance as of January 1, 2019	$12,841,579	$950,835	$(3,583,955)	$(629,035)	$(409,674)	$9,169,750	$4,037,714	$13,207,464
Effects of retroactive application and retroactive resta	-	-		-		-		-
Balance after restatement as of January 1, 2019								
Capital surplus used to cover accumulated deficits						-	-	-
Change in other capital surplus								
Produced by consolidated								
Produced as a result of receiving								
ecognizing equity due to the issuance of convertible corporate bonds.- stock opti								
Changes in ownership interests in subsidiaries.	-	-	-	-		-	-	0
Net loss in 2019	-	-	(2,254,907)	-	-	(2,254,907)	(316,575)	(2,571,482)
Other comprehensive income in 2019	-	-	(17,185)	(75,055)	51,987	(40,253)	(151,132)	(191,385)
Total comprehensive income	-	-	(2,272,092)	(75,055)	51,987	(2,295,160)	(467,707)	(2,762,867)
Capital reduction for covering loss	-	-	-	-	-	-	-	-
The shares of parent company disposed by a subsidiar	-	-		-	-	-	-	-
The shares of subsidiary actually acquired or disposed	-	1,503	-	-	-	1,503	208,335	209,838
Change in the ownership of subsidiary	-	177,580	(46,162)	-	-	131,418	386,216	517,634
The disposal of equity instrument measured at fair va	-	-	(2,574)	-	2,574	-	-	-
Changes in equity of non-controlling equity	-	-		-	-	-	(3,818)	(3,818)
The disposal of equity instrument measured at fair va	-	-	-	-	-	-	-	-
Treasury Stock Retired	-	-	-	-		-	-	-
Treasury Stock Acquired	-	-	-	-	-	-	-	-
Balance as of December 31, 2019	$12,841,579	$1,129,918	$(5,904,783)	$(704,090)	$(355,113)	$7,007,511	$4,160,740	$11,168,251
Balance as of January 1, 2020	$12,841,579	$1,129,918	$(5,904,783)	$(704,090)	$(355,113)	$7,007,511	$4,160,740	11,168,251
Effect of retrospective application and retrospective r	-	-	-	-	-	-	-	-
Capital surplus								
Produced by consolidated								
Produced as a result of receiving								
The project is composed of recognizing equity due to the issuance of convertible corporate bonds.- stock option								
Changes of Associates Accounted for Using Equity Method	-	-		-		-	-	0
Changes of capital surplus:								
Changes of Associates Accounted for Using Equity Method	-	-	-	-	-	-	-	-
Net loss in 2020	-	-	(897,386)	-	-	(897,386)	95,659	(801,727)
Other comprehensive income in 2020	-	-	6,004	(78,883)	(30,118)	(102,997)	(107,044)	(210,041)
Total comprehensive income	-	-	(891,382)	(78,883)	(30,118)	(1,000,383)	(11,385)	(1,011,768)
Capital reduction for covering loss	(5,904,782)	-	5,904,782	-	-	-	-	-
The shares of parent company disposed by a subsidiar	-	-		-	-	-	-	-
The shares of subsidiary actually acquired or disposed	-	44,800	-	-	-	44,800	172,625	217,425
Change in the ownership of subsidiary	-	(27,595)	-	-	-	(27,595)	71,109	43,514
The disposal of equity instrument measured at fair va	-	-	(411)	-	411	-	-	-
Changes in equity of non-controlling equity	-	-	-	-	-	-	(129,476)	(129,476)
The disposal of equity instrument measured at fair value through other comprehensive income	-	-	-	-	-	-	-	-
Treasury Stock Retired	-		-	-	-	-	-	-
Balance as of December 31, 2020	$6,936,797	$1,147,123	$(891,794)	$(782,973)	$(384,820)	$6,024,333	$4,263,613	$10,287,946

(Please refer to the notes to the Consolidated Financial Statements)

Chairman: Yeh, Chwei-Jing Manager: Yeh, Chwei-Jing Chief Account: Shih, Gu-Fu

RITEK Technology Co., Ltd. and its Subsidiaries
Consolidated Statements of Cash Flows
From January 1 to December 31 of 2020 and 2019

Unit: NT$1000

Item	2020 Amount	2019 Amount
Cash flow from operating activities:		
Net loss before income tax for this year	$(729,755)	$(2,470,201)
Adjustments:		
Items of gains, expenses and losses:		
Depreciation expenses and other losses	937,893	1,655,153
Amortization expenses and other expenses	75,275	112,661
Impairment loss (impairment gain and reversal of impairment loss)	18,302	56,716
(Gains on Financial Assets (Liabilities) at Fair Value through Profit or Loss)	(11,660)	(66,959)
Interest expenses	156,806	179,399
Interest revenue	(20,955)	(44,576)
Dividend income	286	(16,583)
Share of loss/profit of subsidiaries, associates and joint ventures accounted for	(3,996)	-
Loss (Profit) from disposing and scrapping real estate, plant and equipment	11,095	-
Loss (benefit) from disposal of investments	52,589	(5,717)
Loss of impairment of non-financial assets	(4,166)	17,238
Bargain purchase gains	-	-
Changes in operating assets and liabilities	8,346	(23,453)
Increase of available-for-sale financial assets	(2,156)	1,362,187
Decrease (increase) of notes receivable	-	-
Decrease (increase) of accounts receivable		
Decrease in lease receivables	2,324	(6,563)
Decrease (increase) of inventory	56,215	488,349
Decrease (increase) of other current assets	729,579	756,289
Increase (decrease) in available-for-sale financial liabilities	49,452	22,246
Decrease of notes payable	-	11,845
Increase (decrease) of accounts payable	(8,398)	(44,250)
decrease of other payables	(51,938)	(421,937)
Decrease of other current liabilities	16,419	(236,843)
Decrease of net defined benefit liabilities	9,828	(36,452)
Increase of net defined benefit liabilities	(13,893)	(12,835)
Interest received	1,212,160	1,275,714
Interest paid	22,140	44,522
Income tax paid	(155,036)	(187,210)
Net cash (outflow) inflow from operating activities	(17,928)	(29,872)
	1,061,336	1,103,154

Item	2020 Amount	2019 Amount
Cash flow from investment activities:		
Acquisition of financial assets at fair value through other comprehensive gain (loss)	$(985,943)	$(117,096)
Disposal of financial assets at fair value through other comprehensive gain (loss)	854,783	136,517
Cash returned of capital reduction of financial assets at fair value through other	(6,284)	(198,740)
Acquisition of financial assets at amortization cost	15,581	8,002
Acquisition of equity-method investments	23,618	40,850
	2,715	(33,740)
	(127,548)	(30,000)
Disposal of equity-method investments	-	75,746
Acquisition of subsidiaries (deducting the cash obtained)	100,000	-
Disposal of subsidiaries	(23,494)	-
Acquisition of investments using the equity method	21,122	-
Disposal of investments using the equity method	(318,823)	(637,316)
Acquisition of intangible assets	40,118	48,363
Cash inflow due to Consolidation	-	(614)
Rents Receivable	(848)	169,182
Other non-current assets	2,119	1,657
Dividends received	57,067	40,807
Net cash inflow/outflow from investment activities	65,332	16,583
	(280,485)	(479,799)
Cash flow from financing activities:		
Increase in short-term borrowings	323,802	-
Increase (decrease) in short-term bills payable	(163,678)	(458,393)
Borrowing (repaying) long-term loans	(33,932)	(172,096)
Increase of other non-current liabilities	-	1,355,752
Other non-current liabilities	(779,901)	(1,319,615)
Disposal of treasury stock	32,431	(16,853)
Acquisition of equity in subsidiaries	3,476	7,555
Disposal of equity in subsidiary (no loss of control)	(314)	(51,205)
Changes in non-controlling interests	166,253	261,043
Net cash inflow (outflow) from financing activities	36,640	397,157
	(480,085)	3,345
Effect of exchange rate changes on cash and cash equivalents		
	(159,256)	(78,923)
Current increase in cash and cash equivalents		
Cash and cash equivalents at the beginning of the year	141,510	547,777
Cash and cash equivalents at the end of the year	4,045,515	3,497,738
	$4,187,025	$4,045,515

(Please refer to the notes to the Consolidated Financial Statements)

Chairman: Yeh, Chwei-Jing　　Manager: Yeh, Chwei-Jing　　Chief Account: Shih, Gu-Fu

Annex I

RITEK Corporation

Chapter 1 General Provisions

Article 1: The Corporation shall be incorporated under the Company Act of the Republic of China, and its name is RITEK Corporation.

Article 2: The scope of business of the corporation shall be as follows:

1.CC01110 Computers and Computing Peripheral Equipments Manufacturing
CC01120 Data Storage Media Manufacturing and Duplicating
2.CC01080 Electronic Parts and Components Manufacturing
3.C805030 Plastic Made Grocery Manufacturing
4.C805050 Industrial Plastic Products Manufacturing
5.CC01060 Wired Communication Equipment and Apparatus Manufacturing
6.CC01070 Telecommunication Equipment and Apparatus Manufacturing
7.CE01030 Photographic and Optical Equipment Manufacturing
8.F107200 Wholesale of Chemistry Raw Material
9.F107190 Wholesale of Plastic Sheets & Bags
10.F113050 Wholesale of Computing and Business Machinery Equipment
11.F113070 Wholesale of Telecom Instruments
12.F118010 Wholesale of Computer Software
13.F119010 Wholesale of Electronic Materials
14.F207200 Retail sale of Chemistry Raw Material
15.F207190 Retail Sale of Plastic Sheets & Bags
16.F213030 Retail sale of Computing and Business Machinery Equipment
17.F213060 Retail Sale of Telecom Instruments
18.F218010 Retail Sale of Computer Software
19.F219010 Retail Sale of Electronic Materials
20.I301010 Software Design Services
21.I301020 Data Processing Services
22.I301030 Digital Information Supply Services
23.F601010 Intellectual Property
24.JE01010 Rental and Leasing Business
25.H703100 Real Estate Rental and Leasing
26.F401010 International Trade
27.D101060 Self-usage power generation equipment utilizing renewable energy
28.E601010 Electric Appliance Construction
29.IG03010 Energy Technical Services
30.ZZ99999 All business items that are not prohibited or restricted by law, except those

that are subject to special approval.

Article 2-1: The Corporation may provide guaranteed to related parties or correspondent companies as necessary for the businesses.

Article 2-2: The total investment amount of the Corporation may exceed forty percent of the paid-in capital.

Article 3: The Corporation shall have its head office in Hsinchu County and may decide to set up branch offices upon resolution of Board of Director within and without in territory of the Republic of China as necessary.

Article 4: Public announcement of the Corporation shall be made in accordance with the Article 28 of Company Act.

Chapter 2 Shares

Article 5: The total registered capital stock of the Corporation shall be in the amount of 40,000,000,000 New Taiwan Dollars, divided into 4,000,000,000 shares, at ten New Taiwan Dollars each, may be issued, in whole or in part, by common shares or preferred shares. To cooperate with the request of Central Depositary Company, the stock with higher par value could be issues alternatively. The stock options are offered to the extent of NT$300,000,000 among preceding total capital, total in 30,000,000 shares, at ten dollars each to be partially issued by the board of directors.

Article 5-1: The rights, obligations and other important matters regarding type A registered preferred stock issued by the Corporation are as follows:

1. The dividend of preferred stock shall be up to 10% calculated by actual issuance price. The dividend shall be distributed once by cash every year. After the financial statements are accepted by annual shareholders' meeting, the board of directors shall determine the record date of dividend on preferred stocks to distribute the dividend payable in previous year. The cash dividend shall be calculated by actual days issued in the issuance year, and the issuance date shall be defined as the record date of capital increment.
2. Where there is profit of annual final account, except for rending all taxes, when allocating the net profits for each fiscal year, the Corporation shall first offset its losses in previous years and set aside legal capital reserve and special earning reserve pursuant to laws. The balance shall be first distributed to dividends of preferred shares.
3. If there is no earning or the earning distribution is not sufficient for dividends of type A preferred shares in said fiscal year, the unappropriated or deficit dividend shall be accumulated as soon as there is earning to made it up. Upon or after the preferred shares being recalled, the Corporation shall first make up the accumulative unappropriated dividend of preferred shares.
4. In addition to collection of dividend of preferred shares, type A registered preferred shares may join the distribution of earning and capital surplus divided

of common shares. Type A preferred shares converted to common shares before the ex-dividend date shall not join the dividend distribution of preferred shares, however, they are entitled to join the distribution of earning and capital surplus divided of common shares in that year. However, where there is accumulative unappropriated dividend of preferred shares, it shall be first distributed in that year and years afterward.

5. The type A preferred shares shall be privileged to the distribution of remaining properties of the Corporation, however, the amount shall be subject their issuance amount.
6. The shareholders of type A preferred shares shall have not voting and election rights in shareholders' meeting. However, they are eligible for election of Directors or Supervisors.
7. As issuing new shares of capital increase by cash, the shareholders of type A preferred shares shall have subscription right equal to the shareholders of common shares.
8. The issuance term of type A preferred shares is five years. From the next day of three years since the issuance date until three months before the expiration date, the request for conversion to common shares issued by the Corporation may be filed anytime. Regarding preferred shares not yet converted from three months prior to the expiration until the due date, the Corporation may mandatorily request shareholders of preferred shares to convert all holding shares to common shares. The conversion ratio shall be one preferred share to one common share. After the preferred shares are converted to common shares, the rights and obligations shall be equal to the common shares originally issued. Meanwhile, the Corporation may recall type A preferred shares in three years after the issuance, and the recalled price shall be the original issue price plus unappropriated dividend of preferred shares.

Article 6: The share certificates of the Corporation shall be name-bearing with company seal affixed and at least three directors signed or sealed, and shall be issued with company logo and serial number after authentication by competent authority. The Corporation may issue shares without printing share certificate(s). However, the registration shall be made to centralized securities depository institution.

Article 7: All transfer of stocks, pledge of rights, loss, succession, gift, loss of seal, amendment of seal, change of address or similar stock transaction conducted by shareholders of the Corporation shall follow the "Guidelines for Stock Operations for Public Companies" unless specified otherwise by law and securities regulations.

Article 8: (deleted)

Article 9: (deleted)

Article 10: (deleted)

Article 11: Registration for transfer of shares shall be suspended sixty (60) days immediately before the date of regular meeting of shareholders, and thirty (30) days immediately before the date of any special meeting of shareholders, or within five (5) days before the day on which dividend, bonus, or any other benefit is scheduled to be paid by the Corporation.

Chapter 3 Shareholders' Meeting

Article 12: Shareholders' meetings of the Corporation shall be convened, by the Board of Directors, within six (6) months after the close of each fiscal year. Special meetings may be convened if necessary. Written notices with date, place and purpose of convening such meeting shall be sent to all shareholders at least thirty (30) days in advance, in case of regular meetings; and at least fifteen (15) days in advance, in case of special meetings.

Article 13: The shareholders' meeting shall be presided over by the Chairman of the Board of Directors of the Corporation. In his absence, the Chairman of the Board of Directors shall designate one director to act on his/her behalf. If the Chairman of the Board of Directors does not designate any proxy to preside over the Meeting, the Directors shall elect one from among themselves as the Chairman.

Article 14: Except for the event of no voting right provided under article 179 of the Company Act, , each share of stock shall be entitled one vote.

Article 15: If a shareholder is unable to attend a meeting, he/she may sign and present the proxy with extinct scope of authorization and appoint a representative to attend the meeting.

Article 16: Except otherwise provided by the Company Act, the resolutions of shareholders' shall be adopted by the concurrence of a majority of the votes held by shareholders present in the meeting representing over one half of the total issued stock of the Corporation.

Article 17: The resolutions of the shareholders' meeting shall be recorded in the minutes, and such minutes shall be managed in accordance with article 183 of the Company Act.

Chapter 4 Directors and Supervisors

Article 18: The Corporation shall have seven to nine Directors and two Supervisors. The tenure of office of Directors shall be three years and they shall be eligible for successive assignment. Directors and Supervisors shall be elected by adopting candidates nomination system and shareholders shall elect them from the candidate list. The nomination method shall comply with article 192-1 of the Company Act. ◦

Article 18-1: In compliance with article 183 of the Securities and Exchange Act, the aforesaid Board of Directors must have at least three independent directors.

The Corporation has established Audit Committee to replace Supervisors in accordance with article 14-4 of the Securities and Exchange Act since 2017 Shareholders' Meeting. The Audit Committee shall consist of all independent directors, and the number of independent directors is set at three. The Audit Committee or the members of Audit Committee shall be responsible for those responsibilities of Supervisors specified in relevant laws. The articles regarding the Audit Committee herein shall be invalid from the establishment date of Audit Committee.

Article 19: In the case that vacancies on the Board of Directors exceed one third of the total number of the Directors, then the Board of Directors shall convene a special shareholders' meeting to elect new Directors to fill such vacancies within sixty days and the tenure of office shall succeed until the expiration of original term of office.

Article 20: When the tenure of office is expired while the re-election cannot be managed timely, the Directors and Supervisors shall extend their duties until the re-elected Directors and Supervisors take the post of office.

Article 21: The Board of Directors shall be organized by Directors. The Directors shall elect from among themselves a Chairman of the Board of Directors by a majority in a meeting attended by over two-thirds of the Directors. The Chairman shall execute all affairs of the Corporation based on the laws, articles of incorporation, resolutions of Shareholders' meeting and Board of Directors.

Article 22: The Board of Directors shall determine the operational guidelines and other important matters of the Corporation. Except the first Board meeting of every term of the newly elected Board of Directors, which shall be convened in accordance with article 203 of the Company Act, all remaining meetings of the Board of Directors shall be convened by the Chairman of the Board of Directors, unless in his absence or he cannot exercise duties for cause, the proxy shall be managed in accordance with Article 208 of the Company Act.

Article 22-1: In addition to compliance with Company Act, the following matters shall not be executed unless they have been resolved by the Board of Directors:

1. Preparation of the amendment on articles of incorporation
2. Approval for annual budget and review of fiscal account, including the review and supervision of annual business plan.
3. Approval for the investment on other enterprises or transfer of shares with amount 300,000,000 (included) or above. However, the Chairman may be authorized for the execution when the amount is below 300,000,000 and report to next Board meeting.
4. The selection, employment and discharge of independent auditor of the Corporation
5. The preparation for the assignment, sales, rent, pledge, attachment or disposition of the Corporation's properties or operation, in whole or in part, in other manner.
6. The approval for the financing, guarantee, acceptance and any other loan or debt filed with financial institution or third party with amount 300,000,000 (included) or above. However, if the amount is below 300,000,000, it shall be reported to next Board meeting.
7. The approval for capital expenditure with amount 500,000,000 (included) and above. However, if the amount is below 500,000,000, the proviso as set forth in preceding paragraph shall be applied mutatis mutandis.
8. The management of endorsement, guarantee in name of the Corporation

according to the Procedures for Endorsement and Guarantee.

9. The approval of important transactions between the Corporation and related parties (including related enterprises).
10. The acquisition, assignment, license and lease of professional technology and patent as well as the approval, amendment and termination of technological cooperation contract.
11. The approval for important contracts or other material matters.

Article 23: Except as otherwise provided in the Company Act of the Republic of China, a meeting of the Board of Directors may be held if attended by a majority of total Directors and resolutions shall be adopted with the concurrence of the majority of the Directors present at the meeting. A Director may, by proxy with distinct authorization, appoint another Director to attend on his behalf any meeting of the Board of Directors, but no Director may act as proxy for more than one other Director.

Article 23-1: The meeting of the Board of Directors shall be held at least once every quarter. The meetings of the Board of Directors may be convened at any time if necessary. The written notice may be replaced by telephone, facsimile, and email such methods.

Article 24: Resolutions adopted at a meeting of Board of Directors shall be recorded in the minutes of the meeting. The Article 183 of the Company Act shall be applied mutatis mutandis to the meeting minute.

Article 25: In addition to exercising supervision independently, the Supervisors may attend the Board meeting for observation but shall not be entitled to vote.

Article 26: The Corporation may compensate the Chairman, Directors and Supervisors for managing businesses of the Corporation regardless of the profit of loss. The Board of Directors is authorized to determine the compensation, taking into account the extent and value of the services provided for the management of the Corporation and the standards of the industry.

The Corporation may purchase the D&O liability insurance to for the Directors and Supervisors to the extent of their business management during the term of office.

Chapter 5 Managers and Staffs

Article 27: The Corporation may appoint one or more Chief Executive Officer and certain number of Deputy Chief Executive Officers. Their employment, discharges and compensation shall be resolved by concurrence of a majority directors present in the meeting representing over one half of the total Directors.

Article 28: The employment, discharges and compensation of managers of the Corporation shall be managed in accordance with Article 29 of the Company Act.

Chapter 6 Accounting

Article 29: After the close of each fiscal year, the reports as stipulated in Article 28 the Company Act shall be prepared by the Board of Directors, and submitted to the review of

Supervisors in thirty days prior to the Shareholders' Meeting before submitting to regular shareholders' meeting for acceptance. If the capital amount reaches the number stipulated by central competent authority, the Article 20 of the Company Act shall govern.

Article 29-1: Where there is profit of the annual final account, the bonus to employees not less than 5% and the compensation to Directors and Supervisors not more than 4% shall be set aside. However, if there is still accumulated loss of the Corporation, the covering amount shall be reserved in advance.

Preceding bonus to employees may be distributed by cash or stock, and the subjects may include employees of subsidiaries as satisfactory to certain conditions which are determined by the Board of Directors.

Article 30: The industrial environment where the Corporation is situated changes rapidly and it is under rapid growth phase of business life cycle. In consideration of future capital demand, long-term financial planning and earnings growth of the Corporate as well as to satisfy the demand of shareholders for cash inflow, except for rendering business income tax and recovering previous losses, when allocating the earnings for each fiscal year, the Corporation shall first set aside a legal capital reserve at 10% of the earnings left over, until the accumulated legal capital reserve has equaled the total capital of the Corporation; then set aside special capital reserve in accordance with relevant laws or regulations and the balance shall be allocated to dividend of preferred shares first. The balance left over plus unappropriated earning in previous years shall be allocated 50% to 100% as dividend to shareholders. Among them, the ratio of cash dividend shall be assessed in considering the earnings growth in the future to the extent not more than one half of capital budget. Preceding dividend appropriation ratio and cash dividend ratio may be adjusted upon the resolution of Shareholders' Meeting depending on actual profit and capital conditions of the Corporation.

Where there is previously accumulated or current equity deduction due to deficit earnings after tax, the special capital reserve shall be set aside from previous accumulated unappropriated earnings and deducted first before allocating to the dividend of shareholders. 。

Chapter 7 Supplementary Provisions

Article 31: The internal organization of the Corporation and the detailed procedures of business operation shall be determined by the Board of Directors otherwise.

Article 32: In regard to all matters not provided for in these Articles of Incorporation, the Company Act and other relevant laws shall govern.

Article 33: These Articles of Incorporation are established on December 17, 1988, and the first Amendment on May 5, 1979, the second Amendment on June 27, 1979, the third Amendment on February 18, 1979, the fourth Amendment on January 1, 1990, the fifth Amendment on November 20, 1990, the sixth Amendment on June 9, 1991, the seventh

Amendment on May 17, 1992, the eighth Amendment on February 1, 1993, the ninth Amendment on May 30, 1993, the tenth Amendment on May 29, 1994, the eleventh Amendment on May 26, 1995, the twelfth Amendment on June 3, 1996, the thirteenth Amendment on January 29, 1996, the fourteenth Amendment on May 16, 1996, the fifteenth Amendment on June 1, 1998, the sixteenth Amendment on May 17, 1999, the seventeenth Amendment on May 17, 1999, the eighteenth Amendment on April 19, 2000, the nineteenth Amendment on June 4, 2001, the twentieth Amendment on May 27, 2002, the twenty-first Amendment on May 27, 2002, the twenty-second Amendment on June 27, 2003, the twenty-third Amendment on June 11, 2004, the twenty-fourth Amendment on June 13, 2005, the twenty-fifth Amendment on June 14, 2006, the twenty-sixth Amendment on September 22, 2006, the twenty-seventh Amendment on June 13, 2006, the twenty-eighth Amendment on June 13, 2008, the twenty-ninth Amendment on June 10, 2007, the thirtieth Amendment on June 17, 2010, the thirty-first Amendment on June 18, 2012, the thirty-second Amendment on June 14, 2013, and the thirty-third Amendment on June 14, 2016.

RITEK Corporation

Chairman: Yeh, Chwei-Jing

Annex II

RITEK Corporation
RULES AND PROCEDURES OF SHAREHOLDERS' MEETING

1. Unless there is provision provided otherwise by laws, Shareholders' Meeting of the Corporation shall be conducted in accordance with these Rules and Procedures.
2. The attendance list shall be provided for attending shareholders to sign in or shareholders attending the Meeting may alternatively submit the attendance card for the purpose of signing in. The number of shares represented by shareholders attending the Meeting shall be calculated in accordance with the attendance list or attendance cards submitted by the shareholders plus the shares exercising voting rights in writing or electronic method.
3. The attendance and voting of Shareholders' Meeting shall be calculated by shares.
4. The Meeting shall be held at the head office of the Company or at any other appropriate place that is convenient for the shareholders to attend. The time to start the Meeting shall not be earlier than 9:00 a.m. or later than 3:00 p.m.
5. The Chairman of the Board of Directors shall be the chairman presiding at the Meeting in the case that the Meeting is convened by the Board of Directors. If, for any reason, the Chairman of the Board of Directors cannot preside at the Meeting, the Vice Chairman of the Board of Directors o shall preside at the Meeting. If there is no Vice Chairman or Vice Chairman is absent or cannot preside at the Meeting, the Chairman shall appoint one Managing Director to ace on behalf. If there is no Managing Director, one of the Directors shall be appointed to preside the Meeting. If Chairman does not appoint the proxy, the Managing Directors or Directors shall recommend one among them to preside the Meeting.

   If the Meeting is convened by any other person entitled to convene the Meeting, such person shall be the chairman to preside at the Meeting.
6. The designated counsel, CPA or other related persons may attend the Meeting for observation.

   Persons handling affairs of the Meeting shall wear identification cards or badges.
7. The process of the Meeting shall be tape recorded or videotaped and these tapes shall be preserved for at least one year.
8. Chairman shall call the Meeting to order at the time scheduled for the Meeting. If the number of shares represented by the shareholders present at the Meeting has not yet constituted the quorum at the time scheduled for the Meeting, the chairman may postpone the time for the Meeting. The postponements shall be limited to two times at the most and Meeting shall not be postponed for longer than one hour in the aggregate. If after two postponements no quorum can yet be constituted but the shareholders present at the Meeting represent more than one - third of the total outstanding shares, tentative resolutions may be made in accordance with Section 1 of Article 175 of the Company Act of the Republic of China.

If during the process of the Meeting the number of outstanding shares represented by the shareholders present becomes majority, the chairman may submit the tentative resolutions to the Meeting for approval in accordance with Article 174 of the Company Act of the Republic of China.

9. The agenda of the Meeting shall be set by the Board of Directors if the Meeting is convened by the Board of Directors. Unless otherwise resolved at the Meeting, the Meeting shall proceed in accordance with the agenda.

   The above provision applies mutatis mutandis to cases where the Meeting is convened by any person, other than the Board of Directors, entitled to convene such Meeting.

   Unless otherwise resolved at the Meeting, the chairman cannot announce adjournment of the Meeting before all the discussion items (including special motions) listed in the agenda are resolved.

   The shareholders cannot designate any other person as chairman and continue the Meeting in the same or other place after the Meeting is adjourned. However, in the event that the Chairman adjourns the Meeting in violation of these Rules and Procedures, the shareholders may designate, by a majority of votes represented by shareholders attending the Meeting, one person as chairman to continue the Meeting.

10. When a shareholder present at the Meeting wishes to speak, a Speech Note should be filled out with summary of the speech, the shareholder's number (or the number of Attendance Card) and the name of the shareholder. The sequence of speeches by shareholders should be decided by the chairman. If any shareholder present at the Meeting submits a Speech Note but does not speak, no speech should be deemed to have been made by such shareholder. In case the contents of the speech of a shareholder are inconsistent with the contents of the Speech Note, the contents of actual speech shall prevail.

    Unless otherwise permitted by the chairman and the shareholder in speaking, no shareholder shall interrupt the speeches of the other shareholders; otherwise the chairman shall stop such interruption.

11. Unless otherwise permitted by the chairman, each shareholder shall not, for each discussion item, speak more than two times, each time not exceeding 5 minutes. In case the speech of any shareholder violates the above provision or exceeds the scope of the discussion item, the chairman may stop the speech of such shareholder.

12. If a corporate shareholder is designated to attend the Meeting, such corporate may only appoint one representative to attend.

    If a corporate shareholder designates two or more representatives to attend the Meeting, only one representative can speak for each discussion item.

13. After the speech of a shareholder, the chairman may respond himself/herself or appoint an appropriate person to respond.

14. The chairman may announce to end the discussion of any resolution and go into voting if the

Chairman deems it appropriate.

15.The person(s) to check and the person(s) to record the ballots during a vote by casting ballots shall be appointed by the chairman. The person(s) checking the ballots shall be a shareholder(s). The result of voting shall be announced at the Meeting and placed on record.

16.During the Meeting, the chairman may, at his discretion, set time for intermission. I

17.Except otherwise specified in the Company Act or the Articles of Incorporation of the Corporation, a resolution shall be adopted by a majority of the votes represented by the shareholders present at the Meeting. The resolution shall be deemed adopted and shall have the same effect as if it was voted by casting ballots if no objection is voiced after solicitation by the chairman.

18.If there is amendment to or substitute for a discussion item, the chairman shall decide the sequence of voting for such discussion item, the amendment or the substitute. If any one of them has been adopted, the others shall be deemed vetoed and no further voting is necessary.

19.The chairman may conduct the disciplinary officers (or the security guard) to assist in keeping order of the Meeting place. Such disciplinary officers or security guards shall wear badges marked "Disciplinary Officers" for identification purpose.

20.These Rules and Procedures shall be effective from the date it is approved by the Shareholders' Meeting. The same applies in case of revision.

ANNEX III

RITEK Corporation
Shareholding of all Directors

1.The paid-in capital of the Corporation is 6,936,796,630, and total 693,679,663 shares are issued
2.According to article 26 of the Securities and Exchange Act, the minimum number of shares to be hold by all directors is 22, 197, 749 shares. The shareholding of all directors has achieved statutory percentage.
3.As of the book closure date (April 20, 2021), the shareholding of individual and all directors are shown as following table, which is satisfactory to the percentage as stipulated in article 26 of the Securities and Exchange Act.

Shareholding of Directors

As of April 20, 2021

Title	Name	Shareholding	Shareholding%
Chairman	Yeh, Chwei-Jing	10,666,857	1.54%
Director	Yang, Wei-Feng	7,653,142	1.10%
Director	Chiang, Wei-Fong	0	0.00%
Director	Khung Kai Investment Co.,Ltd.: Pan, Yan-Ming	4,368,099	0.63%
Independent Director	Chen, Jun-Chao	0	0.00%
Independent Director	Hsin, Chih-Hsiu	9,347	0.00%
Independent Director	Chang,Tso-Hsia	0	0.00%
Shareholding of all Directors		**22,697,445**	3.27%