2024 Annual Report
Winstar Display Co., Ltd.

Stock Code: 6916

I. Spokesperson or acting spokesperson of the Company

Spokesperson:	Hsin-Fu Huang	Acting Spokesperson:	Chun-Chieh Lin
Job title:	Finance Director	Job title:	Executive Assistant to the Chairman
Tel:	(04)2568-9987	Tel:	(04)2568-9987
Email:	finance@winstar.com.tw	Email:	finance@winstar.com.tw

II. Address and telephone number of the company's headquarters, branch offices and factories

Headquarters address: 2F., No. 43, Keya Rd., Xiushan Li, Daya Dist., Taichung City

Tel: (04)2568-9987

Factory addresses:

Daya factory: 5F., No. 33, Keya Rd., Xiushan Li, Daya Dist., Taichung City

Tel: (04)2568-9987

Changshu Factory, China: Taiwan Industrial Zone, Xinzhuang Town, Changshu City, Jiangsu Province, China

Tel: +86-512-5248-8236

Dongguan Factory, China: Xiangdong Industrial Zone, Dalingshan Town, Dongguan City, Guangdong Province, China

Tel: +86-769-8278-8236

Myanmar Factory: Holding No. 21/1-A, Latpanwin Kwin, Field No. (1172), Latpanwin Village, Bago Township, Myanmar

III. Shares Transfer Agency

Name: Department of Stock Transfer Services, Yuanta Securities Co., Ltd.

Address: B1, No. 67, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City

Website: http://www.yuanta.com.tw

Tel: (02) 2586-5859

IV. CPAs for financial statements in the most recent year

Names of Accountants: Accountants Amy Chiang, Eddy Su

Firm name: Deloitte Taiwan

Address: 22nd Floor, No. 88, Section 1, Huizhong Road, Xitun District, Taichung City

URL: http://www.deloitte.com.tw

Tel: (02)2725-9988

V. Name of stock exchange where overseas securities are listed and the method for accessing this information: None.

VI. Company URL: http://www.winstar.com.tw/

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I. Letter to Shareholders

1. Foreword

Dear Shareholders of Winstar Display,

We sincerely thank all shareholders for your continued support and trust in the Company. Reflecting on 2024, the global economic recovery did not meet expectations, constrained by persistent inflationary pressures, tightened monetary policies in major economies, and heightened geopolitical risks. These uncertainties led to weak end-market demand and slow inventory destocking, especially in the European market. Although the Company secured multiple international orders, overall operating performance in the first half of the year remained below expectations. Beginning in the third quarter, easing inflationary pressures and gradual recovery in certain end-market applications, combined with the progressive realization of international project orders, contributed to sequential revenue improvement. This recovery was primarily driven by the performance of our OLED product line. Leveraging a diversified product portfolio and broad industry application base, the Company effectively mitigated external macroeconomic risks. Consequently, consolidated revenue for 2024 reached NT$2.033 billion, representing a decline of 8.7% compared to 2023.

Looking ahead to 2025, the global economy continues to face risks, including adjustments in U.S. tariff policies, supply chain restructuring, rising trade protectionism, intensified geopolitical tensions, and ongoing impacts of climate change. The Company will continue to adopt a prudent and flexible approach in response to international developments, adjust operational strategies accordingly, and progressively expand our Made in Taiwan (MIT) production capacity to enhance supply chain resilience and meet demands from regional manufacturing shifts and international customers.

In parallel, the Company will further strengthen its R&D capabilities, enhance core technological advantages, and promote high value-added products and services to seize opportunities within niche markets. We are actively expanding our global customer base and deepening collaborations with international partners, steadily advancing toward our vision of becoming a global leading brand in industrial display solutions.

Once again, we express our sincere gratitude to all shareholders for your unwavering support and trust. The Company remains firmly committed to sound and prudent management principles, striving to create long-term and sustainable value for shareholders, customers, and all stakeholders. The following is the Company’s Business Report for fiscal year 2024.

2. Business Report

(1) 2024 Operating Results

1. Business plan implementation results

   The Company's 2024 operating revenues were NTD 2,033,923 thousand, a decrease of NTD 195,307 thousand, or 8.76%, from 2023 operating revenues; the Company's 2024 net income was NTD 31,935 thousand, and the earnings per share was NTD 0.47. This is less than the net profit after tax of NTD 81,031 thousand and earnings per share of NTD 1.33 in 2023.

2. Budget implementation

   The Company did not disclose financial forecasts for 2024, so there is no need to disclose budget implementation.

3. Analysis of financial revenues, expenses, and profitability

Item		2024	2023
Financial structure	Debt to total assets ratio (%)	53.80	49.28
Solvency	Current ratio (%)	144.24	164.88
	Quick ratio (%)	105.35	124.53
Profitability	Return on assets (%)	1.84	3.93
	Return on shareholders' equity (%)	2.76	7.64
	Earnings per share (NTD)	0.47	1.33

4. Research and development status

The Company remains committed to advancing display technology through continuous R&D investment and process optimization, aiming to enhance product performance, improve manufacturing efficiency, and expand into diversified application fields. Annual R&D expenditure accounts for approximately 3% to 5% of total revenue, with a focus on technology upgrades for key product lines including TFT, OLED, and smart displays. In addition, we are developing embedded display solutions that integrate system design and customization services, providing a one-stop display solution for our customers.

Our R&D priorities encompass high-brightness outdoor visibility, ultra-low power display architectures, OLED transparency and lighting applications, embedded product development, display module integration design, and the implementation of automated manufacturing processes. In terms of quality and process control, the Company has adopted AI-driven image recognition technology to enhance AOI (Automated Optical Inspection) accuracy, improving defect detection rates. In 2025, we plan to further implement AI models for automatic process parameter calculation and adjustment, aiming to enhance production stability and yield rates. Additionally, we have deployed local large language model (LLM) to support R&D, documentation, and knowledge management, significantly boosting overall operational efficiency.

Aligned with ESG trends, the Company is promoting green design initiatives, developing energy-efficient and low-carbon display solutions to reduce the carbon footprint across the entire product lifecycle. Moving forward, we will continue to strengthen our leadership position in the global display solutions market through technological innovation and strategic foresight.

(2) 2025 Business Plan Summary

1. Operating guidelines and important policies
   (1) Identify market trends and develop new technologies and products to continuously meet the evolving needs of diverse niche markets.
   (2) Provide energy-efficient display and system integration solutions to enhance product value-added.
   (3) Implement automation and process optimization to improve production efficiency and operational performance.
   (4) Enforce ISO 9001, ISO 14001, and IATF 16949 management systems to continuously strengthen quality and workforce capabilities.
   (5) Optimize the customer service system to increase satisfaction and market loyalty.
   (6) Develop professional talent to enhance overall competitiveness.
   (7) Drive digital transformation by implementing the ISO 27001 information security management system to strengthen digital operational security.

(8) Adopt carbon reduction initiatives and promote carbon management in line with ISO 14067 standards, moving toward the 2050 net-zero goal.
(9) Fulfill corporate social responsibility (CSR) by improving employee benefits and planning the implementation of ISO 45001 to establish a safe workplace.

2. Important production and sales policies
   (1) Optimize product portfolio and strengthen customized service capabilities to meet customers' diversified product needs.
   (2) Develop display solutions with enhanced weather resistance, waterproofing, dustproofing, impact resistance, and energy efficiency.
   (3) Provide comprehensive solutions integrating software, hardware, and firmware to enhance product value-added.
   (4) Expand OLED panel and MIT module production lines to optimize processes and improve production efficiency.
   (5) Establish a European subsidiary to deliver localized, real-time services and expand potential markets.
   (6) Continuously develop and optimize touch modules to meet the growing demand for touch applications.
   (7) Actively pursue collaboration opportunities with major international companies while strengthening existing customer relationships

We extend our sincere appreciation to all shareholders for your steadfast support and trust. The Company remains committed to its vision of becoming a leading global brand in display solutions. We will continue to deliver high-quality, value-added products, actively expand into emerging application markets, promote sustainable development, and create greater value for all stakeholders.

We sincerely wish you continued health, safety, and success in all your endeavors.

Best regards
Healthy, safe, and prosperous business

Chairman: President: Accounting Supervisor:

II. Corporate Governance Report

1. Directors, President, vice presidents, assistant vice presidents, heads of departments and branches

1. Directors

April 25, 2025; Units: Shares, %

Job Title	Name	Gender Age	Nationality or Registration Place	First Elected Date	Election Date	Term Expires	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Shares Held through Other Parties		Experience (Education)	Also Serves Concurrently as	Directors or Supervisor Officers, Directors, or Supervisors are Spouse or Within the Second Degree of Kinship to Each Other			Remarks
							Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Job title	Name	Relationship	
Chairman	Yu-Pin Liao	Male 51-60	Republic of China	1998.6.8	2022.9.29	3 years	5,254,754	10.51%	5,953,672	8.82%	3,684,422	5.46%	23,746,680	35.18%	Doctoral Degree Program in Business, Feng Chia University Engineer, Powertip Technology	Note 1	–	–	–	–
Director	Jastar Investment.	–	Republic of China	2022.9.29	2022.9.29	3 years	7,461,921	14.92%	8,527,909	12.63%	–	–	–	–	EMBA, National Chung Hsing University R&D Engineer, Powertip Technology	–	–	–	–	–
	Yao-Wen Tsai	Male 51-60	Republic of China				–	–	2,431,876	3.60%	639,481	0.95%	4,949,392	7.33%		Note 2				–
Director	Kenstar Investment.	–	Republic of China	2022.9.29	2022.9.29	3 years	9,307,186	18.61%	10,636,783	15.76%	–	–	–	–	Department of English, Tamkang University Special Assistant, Raystar Optronics, Inc.	–	–	–	–	–
	Ssu-Chun Sung	Female 41-50	Republic of China				–	–	2,624,394	3.89%	7,013,700	10.36%	–	–		Note 3				–
Independent Director	Hsiang-Tsai Chiang	Male 51-60	Republic of China	2022.9.29	2022.9.29	3 years	–	–	–	–	–	–	–	–	PhD in Accounting and Information Management, Nova Southeastern University, USA Dean of Business School, Feng Chia University Full Time Instructor, Department of Accounting, Feng Chia University Director of Accounting Office, Feng Chia University CFO, Feng Chia University Director of Human Resources, Feng Chia University	Note 4	–	–	–	–
Independent Director	San-Shan Hung	Male 61-70	Republic of China	2022.9.29	2022.9.29	3 years	–	–	–	–	–	–	–	–	Doctor of Engineering, Department of Electrical Engineering, National Taiwan University of Science and Technology Full-Time Professor, Department of Automatic Control Engineering, Feng Chia University Dean of the School of Information and Electrical Engineering, Feng Chia University	Note 5	–	–	–	–
Independent Director	Ming-Shih Chiu	Male 41-50	Republic of China	2022.9.29	2022.9.29	3 years	–	–	–	–	–	–	–	–	PhD in Architectural Structures, University of Leeds, UK President, Feng Jing Construction Co., Ltd. President, Nan Yue Construction Co., Ltd. Responsible Person, Fengrun Construction Co., Ltd.	Note 6	–	–	–	–
Independent Director	Yen-Jen Chang	Male 51-60	Republic of China	2022.9.29	2022.9.29	3 years	–	–	–	–	–	–	–	–	Ph.D., Institute of Information Engineering, National Taiwan University Professor, Department of Engineering, National Chung Hsing University	Note 7	–	–	–	–

Note 1: Chairman, Raystar Optronics, Inc.; Chairman, Winstar Display (Changshu) Co., Ltd.; Chairman, Vanstar Technology Co., Ltd.
Note 2: Vice President, Winstar Display Co., Ltd.; President, Kenstar Display Co., Ltd.
Note 3: Special Assistant, Raystar Optronics, Inc.
Note 4: Dean of Business School, Feng Chia University、Independent Director of Orange Electronic Co ., Ltd
Note 5: Full-Time Professor, Department of Automatic Control Engineering, Feng Chia University
Note 6: Chairman, Fengrun Construction Co., Ltd.
Note 7: Full-Time Professor, Department of Information Engineering, National Chung Hsing University
Note 8: When the chairman and the general manager or equivalent (top manager) are the same person, or are spouses or relatives within one degree of kinship to each other, the reasons, rationality, necessity, and corresponding measures (such as increasing the number of independent director seats, with more than half of the directors not concurrently serving as employees or managers, etc.) should be disclosed along with relevant information: The Chairman concurrently serves as President of the Company to enhance operational efficiency and decision-making implementation. However, to strengthen the independence of the Board of Directors, the Chairman closely communicates with all directors to fully understand the Company's operational status and policy direction in order to implement corporate governance. The Company held an extraordinary meeting of shareholders on September 29, 2022, to completely re-elect the Board of Directors (including four independent directors) and to establish an audit committee to replace the supervisor, in compliance with corporate governance principles.

2. Major shareholders of institutional shareholders represented by directors:

April 25, 2025

Name of Juristic Person Shareholder	Major Shareholders of Juristic Person Shareholder
Kenstar Investment Co., Ltd.	Ssu-Chun Sung (37.50%), Yu-Pin Liao (62.50%)
Jastar Investment Co., Ltd.	Kenstar Investment (85.00%), Ssu-Chun Sung (2.50%), Yu-Pin Liao (5.00%), Ying-Shun Liao (2.50%), Kuan-Chuan Liao (2.50%), Yen-Hua Liao (2.50%)

3. Major shareholders represented by corporate shareholders:

April 25, 2025

Name of Juristic Person Shareholder	Major Shareholders of Juristic Person Shareholder
Kenstar Investment Co., Ltd.	Ssu-Chun Sung (37.50%), Yu-Pin Liao (62.50%)

4. Information on Professional Qualification of Directors and Independence of Independent Directors

April 25, 2025

Criteria / Name	Professional Qualification & Experience	Independence	Concurrently serving as an independent director in other publicly listed companies
Yu-Pin Liao	Education: Doctoral Degree Program in Business, Feng Chia University Professional experience: Engineer, Powertip Technology Chairman and President of the Company Chairman and President, Raystar Optronics, Inc. Chairman and President, Winstar Display (Changshu) Co., Ltd. Executive Director and President, Vanstar Technology Co., Ltd. Chairman, Kenstar Display Co., Ltd. Representative, Winbest Technology LLC. Representative, Wincaelum Global (Samoa) Corp. Representative, Fairlink Group Ltd. Not been a person of any conditions defined in Article 30 of the Company Act	With the exception of Chairman Yu-Pin Liao and institutional representative director Ssu-Chun Sung, who are spouses, the other directors do not have spousal relationships nor are they relatives within the second degree of kinship. Therefore, among the Company's directors, there are no instances where more than half of the seats are held by individuals with spousal relationships or relations within the second degree of kinship,	None

Criteria / Name	Professional Qualification & Experience	Independence	Concurrently serving as an independent director in other publicly listed companies
Yao-Wen Tsai	Education: EMBA, National Chung Hsing University Professional experience: R&D Engineer, Powertip Technology Vice President of the Company Director, Winstar Display (Changshu) Co., Ltd. Supervisor, Vanstar Technology Co., Ltd. President, Kenstar Display Co., Ltd. Not been a person of any conditions defined in Article 30 of the Company Act	and there is no violation of Article 26-3, Paragraphs 3 and 4 of the Securities and Exchange Act.	None
Ssu-Chun Sung	Education: Department of English, Tamkang University Professional experience: Supervisor of the Company Special Assistant, Raystar Optronics Co., Ltd. Director, Raystar Optronics, Inc. Supervisor, Winstar Display (Changshu) Co., Ltd. Not been a person of any conditions defined in Article 30 of the Company Act		None
Hsiang-Tsai Chiang	Education: PhD in Accounting and Information Management, Nova Southeastern University, USA Professional experience: Dean of Business School, Feng Chia University Full Time Instructor, Department of Accounting, Feng Chia University Director of Accounting Office, Feng Chia University CFO, Feng Chia University Director of Human Resources, Feng Chia University Not been a person of any conditions defined in Article 30 of the Company Act	The Company's four independent directors all comply with the independence requirements set forth in the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.	None
San-Shan Hung	Education: Doctor of Engineering, Department of Electrical Engineering, National Taiwan University of Science and Technology Professional experience: Full-Time Professor, Department of Automatic Control Engineering, Feng Chia University Dean of the School of Information and Electrical Engineering, Feng Chia University Not been a person of any conditions defined in Article 30 of the Company Act		None

Criteria / Name	Professional Qualification & Experience	Independence	Concurrently serving as an independent director in other publicly listed companies
Ming-Shih Chiu	Education: PhD in Architectural Structures, University of Leeds, UK Professional experience: President, Feng Jing Construction Co., Ltd. President, Nan Yue Construction Co., Ltd. Responsible Person, Fengrun Construction Co., Ltd. Not been a person of any conditions defined in Article 30 of the Company Act		None
Yen-Jen Chang	Education: Ph.D., Institute of Information Engineering, National Taiwan University Professional experience: Professor, Department of Engineering, National Chung Hsing University Not been a person of any conditions defined in Article 30 of the Company Act		None

Note 1: Professional qualifications and experience: Describe the professional qualifications and experience of individual directors. If they are members of the audit committee and have accounting or financial expertise, their accounting or financial background and work experience should be stated, and explain whether there are no circumstances described in Article 30 of the Company Act.

Note 2: Independent directors should disclose their compliance with the independence criteria, including but not limited to whether they, their spouses, or second-degree relatives serve as directors, supervisors, or employees of the Company or other related companies; whether they hold shares of the Company; whether they serve as directors, supervisors, or employees of companies with specific relationships with the Company; and whether they have received remuneration for providing business, legal, financial, accounting, or other services to the Company or other related companies in the last two years.

5. Diversity and Independence of the Board of Directors

(1) Board diversity: The Company advocates and respects a policy of director diversity, believing that such a policy enhances corporate governance, fosters the sound development of the Board of Directors' composition and structure, and contributes to the overall performance of the Company. The selection of board members is based on the principle of meritocracy, ensuring a diverse range of complementary skills across various industries. Each member possesses industry experience, relevant skills, and capabilities in business judgment, management, leadership, and decision-making. In order to strengthen the functions of the Board of Directors to achieve ideal goals of corporate governance, the Company's Board of Directors as a whole should have the following capabilities:

Core items of diversification / Name of Director	Basic Composition								Abilities					
	Nationality	Gender	Con-current Position as Employee of the Company	Age			independent director Service Term		Operational judgment	Accounting and financial analysis	Operation Management	Industry Knowledge	Vision of the global market	Leadership and decision-making
				41~50	51~60	61~70	Less than 3 years	Over 3 years						
Yu-Pin Liao	Republic of China	Male	V		V				V		V	V	V	V
Yao-Wen Tsai	Republic of China	Male	V		V				V		V	V		V
Ssu-Chun Sung	Republic of China	Female	V	V					V		V			V
Hsiang-Tsai Chiang	Republic of China	Male			V		V		V	V	V			V
San-Shan Hung	Republic of China	Male				V	V		V		V	V		V
Ming-Shih Chiu	Republic of China	Male		V			V		V		V		V	V
Yen-Jen Chang	Republic of China	Male			V		V		V		V	V		V

Overview of the Company's 11th Board of Directors: The board comprises a total of 7 members, including 4 independent directors. Collectively, they possess operational judgment, accounting and financial analysis skills, management expertise, industry knowledge, international market perspectives, leadership, and decision-making abilities. They have industry experience and professional knowledge. All seven directors of the Company hold domestic nationality. In terms of the age distribution of the board members, two directors are aged between 41 and 50, four directors are aged between 51 and 60, and one director is aged between 61 and 70. The Company's directors have diverse backgrounds, complementing each other and grounded in practical experience. In the future, the Company will adjust its diversification policy based on the operation of the board, the operational model, and development needs. This includes, but is not limited to, standards such as basic qualifications and values, professional knowledge, and skills. This is to ensure that board members generally possess the knowledge, skills, and qualities necessary to perform their duties.

Our company also pays attention to the principle of selecting board members based on talent, considering aspects of diversity such as gender, age, nationality, and culture. In the past, when selecting directors, our company primarily considered professional capabilities and experience without setting specific gender ratio requirements. In future director nomination processes, we will prioritize female candidates and actively seek female professionals with industry experience to join. We aim to achieve a proportion of at least one-third of board seats for a single gender in the coming terms. Currently, the board consists of 86% males (6 positions) and 14% females (1 position). In the future, we will strive to increase the number of female directors and regularly review the progress of board diversity

(2) Independence of the Board of Directors: Among the Company's directors, there are a total of seven seats, including four independent directors. Except for Chairman Yu-Pin Liao and Director Ssu-Chun Sung, who are spouses, the directors do not have spousal relationships or relations within the second degree of kinship with each other. Therefore, there are no instances where more than half of the seats held by the Company's directors are individuals with spousal relationships or relations within the second degree of kinship, and there is no violation of Article 26-3, Paragraphs 3 and 4 of the Securities and Exchange Act.

6. Information on General Manager, Vice General Managers, Assistant General Managers, and heads of departments and branch units

April 25, 2025; Units: Shares, %

Job Title	Nationality	Name	Gender	Date assumed office	Shareholding		Shares held by spouse and minor children		Shares Held through Other Parties		Experience (Education)	Position concurrently held in other companies	Having spouse or any relative within the second degree of kinship who serves as the Company's officer			Remarks
					Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Job title	Name	Relationship	
General Manager	Republic of China	Yu-Pin Liao	Male	2020/07/24	5,953,672	8.82%	3,684,422	5.46%	23,746,680	35.18%	Doctoral Degree Program in Business, Feng Chia University Engineer, Powertip Technology	Chairman, Raystar Optronics, Inc. Chairman, Winstar Display (Changshu) Co., Ltd. Chairman, Vanstar Technology Co., Ltd.	–	–	–	Note 1
Vice General Manager	Republic of China	Yao-Wen Tsai	Male	2022/07/21	2,431,876	3.60%	639,481	0.95%	4,949,392	7.33%	EMBA, National Chung Hsing University R&D Engineer, Powertip Technology	President, Kenstar Display Co., Ltd.	–	–	–	–
Vice President of Finance	Republic of China	Wen-Chin Chang	Male	2020/07/27	474,183	0.70%	–	–	–	–	Master of Business Administration, Feng Chia University Director, Sanyo Electronics	Supervisor, Raystar Optronics, Inc.	–	–	–	–
Business VP	Republic of China	Chien-Chih Lin	Male	2012/03/05	2,188,000	3.24%	–	–	–	–	Department of Electrical/Sub-Engineering, National Chin-Yi University of Technology Engineer, Shenghua Electronics	Director, Raystar Optronics, Inc.	–	–	–	–
Special Assistant to the Chairman	Republic of China	Chun-Chieh Lin	Male	2021/06/01	214,301	0.32%	–	–	–	–	Master of Materials Science and Engineering, National Chiao Tung University Shenzhen Royole Display Technology Co., Ltd. Director	–	–	–	–	–
Assistant Manager, R&D Division	Republic of China	Liang Jung-Chih	Male	2020/10/01	35,678	0.05%	–	–	–	–	Department of Electrical/Electronic Engineering, Chienkuo Technology University Manager, Winstar Display	–	–	–	–	–
Assistant Manager, R&D Division	Republic of China	Lai Kuo-Chien	Male	2020/10/01	80,741	0.12%	–	–	–	–	Department of Electrical/Electronic Engineering, National United University Manager, Winstar Display	–	–	–	–	–
Assistant Manager, R&D Division	Republic of China	Hsu Chien-Chou	Male	2019/05/06	17,067	0.03%	–	–	–	–	Master of Information Science and Engineering, National Chung Hsing University Senior Manager, Coretronic	–	–	–	–	–
Assistant Manager, R&D Division	Republic of China	Wang Hsing-Fa	Male	2023/07/24	60,073	0.09%	–	–	–	–	Master of Electrical Engineering, National Chung Hsing University Director, Chenfeng Optronics	–	–	–	–	–
Assistant Manager, Business Division	Republic of China	Wang Hui-Tsu	Female	2020/10/01	70,361	0.10%	–	–	–	–	Department of International Trade, Shih Chien University Manager, Winstar Display	–	–	–	–	–
Assistant Manager, Business Division	Republic of China	Lu,Li-Chuan	Female	2020/10/01	25,393	0.04%	–	–	–	–	Associate Manager, Raystar Display					
Assistant Manager, IT Department	Republic of China	Kao Tzu-Hui	Female	2020/10/01	60,969	0.09%	–	–	–	–	Master of Business Administration, National Changhua University of Education Associate Manager, Winstar Display	–	–	–	–	–
Assistant Manager, Finance Department	Republic of China	Huang Hsin-Fu	Male	2020/01/15	37,729	0.06	–	–	–	–	Department of Accounting, National Chung Hsing University Director, Crowe (TW) CPAs	–	–	–	–	–
Manager, Quality Assurance Department	Republic of China	Ho Min-Chang	Male	2012/07/06	89,634	0.13%	–	–	–	–	Department of Electrical/Sub-Engineering, National Chin-Yi University of Technology Director, Jinjia Photoelectric	–	–	–	–	–

Note 1: When the chairman and the general manager or equivalent (top manager) are the same person, or are spouses or relatives within one degree of kinship to each other, the reasons, rationality, necessity, and corresponding measures (such as increasing the number of independent director seats, with more than half of the directors not concurrently serving as employees or managers, etc.) should be disclosed along with relevant information: The Chairman concurrently serves as President of the Company to enhance operational efficiency and decision-making implementation. However, to strengthen the independence of the Board of Directors, the Chairman closely communicates with all directors to fully understand the Company's operational status and policy direction in order to implement corporate governance. The Company held an extraordinary meeting of shareholders on September 29, 2022, to completely re-elect the Board of Directors (including four independent directors) and to establish an audit committee to replace the supervisor, in compliance with corporate governance principles.

7. Remuneration paid to directors and supervisors in the most recent year (2024)

(1) Remuneration paid to directors and independent directors

Unit: NTD thousand

Job title	Name	Remuneration for directors								Sum of A+B+C+D and ratio to net income (%) (Note 1)		Remuneration received for concurrent service as an employee								Sum of A+B+C+D+E+F+G and ratio to net income (%)		Remuneration received from any re-invested business other than subsidiaries or from Parent Company
		Compensation (A)		Retirement pension (B)		Director profit-sharing compensation (C)		Expenses and perquisites (D)				Salary, rewards, and special disbursements (E)		Retirement pension (F)		Employee's compensation (G)						
																The Company		All companies in financial report				
		The Company	All companies in financial report	The Company	All companies in financial report	The Company	All companies in financial report	The Company	All companies in financial report	The Company	All companies in financial report	The Company	All companies in financial report	The Company	All companies in financial report	Cash Amount	Stocks Amount	Cash Amount	Stocks Amount	The Company	All companies in financial report	
Chairman	Yu-Pin Liao	–	–	–	–	1,500	1,500	30	30	1,530; 4.83%	1,530; 4.83%	11,777	11,777	387	387	55	–	55	–	13,749; 43.36%	13,749; 43.36%	–
Director	Kenstar Investment Corporate representative: Ssu-Chun Sung																					
Director	Jastar Investment Corporate representative: Yao-Wen Tsai																					
Independent Director	Hsiang-Tsai Chiang	1,440	1,440	–	–	–	–	36	36	1,476 4.65%	1,476; 4.65%	–	–	–	–	–	–	–	–	1,476 4.65%	1,476; 4.65%	–
Independent Director	Ming-Shih Chiu																					
Independent Director	San-Shan Hung																					
Independent Director	Yen-Jen Chang																					

1. Please state the policies, systems, standards and structure of independent directors' remuneration, and according to the responsibilities, risks, time invested and other factors, describe the relevance to the remuneration amount: The Company's independent directors, in accordance with the Regulations Governing the Compensation of Directors, Independent Directors, and Managers, proposed a fixed compensation recommendation based on industry standards and the time and responsibilities of the independent directors. This recommendation was approved by the Board of Directors. Independent directors do not participate in annual distributions of directors' remuneration
2. Other than the content revealed in the table above, remuneration received by directors of the Company for their services in the most recent year (such as serving as an external consultant to the parent company, to any company listed in the financial statements, or to a reinvested company): None.

Remuneration Bracket Table

Brackets of Remuneration for Individual Directors	Name of Director			
	Total amount of the first four remuneration items (A+B+C+D)		Total amount of the first seven remuneration items (A+B+C+D+E+F+G)	
	The Company	All companies in financial report (H)	The Company	All companies in financial report (I)(I)
Less than NT$1,000,000	Hsiang-Tsai Chiang, Ming-Shih Chiu, San-Shan Hung, Yen-Jen Chang	Hsiang-Tsai Chiang, Ming-Shih Chiu, San-Shan Hung, Yen-Jen Chang	Hsiang-Tsai Chiang, Ming-Shih Chiu, San-Shan Hung, Yen-Jen Chang	Hsiang-Tsai Chiang, Ming-Shih Chiu, San-Shan Hung, Yen-Jen Chang
NT$1,000,000 (incl.) – NT$2,000,000 (excl.)	Kenstar Investment Co., Ltd. (Representative: Ssu-Chun Sung), Jastar Investment Co., Ltd. (Representative: Yao-Wen Tsai)	Kenstar Investment Co., Ltd. (Representative: Ssu-Chun Sung), Jastar Investment Co., Ltd. (Representative: Yao-Wen Tsai)	Kenstar Investment Co., Ltd. (Representative: Ssu-Chun Sung)	Kenstar Investment Co., Ltd. (Representative: Ssu-Chun Sung)
NT$2,000,000 (incl.) – NT$3,500,000 (excl.)	—	—	Jastar Investment Co., Ltd. (Representative: Yao-Wen Tsai)	Jastar Investment Co., Ltd. (Representative: Yao-Wen Tsai)
NT$3,500,000 (incl.) – NT$5,000,000 (excl.)	—	—	—	—
NT$5,000,000 (incl.) – NT$10,000,000 (excl.)	—	—	—	—
NT$10,000,000 (incl.) – NT$15,000,000 (excl.)	—	—	—	—
NT$15,000,000 (incl.) – NT$30,000,000 (excl.)	Yu-Pin Liao	Yu-Pin Liao	Yu-Pin Liao	Yu-Pin Liao
NT$30,000,000 (incl.) – NT$50,000,000 (excl.)	—	—	—	—
NT$50,000,000 (incl.) – NT$100,000,000 (excl.)	—	—	—	—
More than NT$100,000,000	—	—	—	—
Total	7 seats	7 seats	7 seats	7 seats

(2) Remuneration for President and Vice Presidents

Unit: NTD thousand, %

Job Title	Name	Salary (A)		Retirement pension (B)		Bonus and special expenses, etc. (C)		Employee Compensation Amount (D)				Sum of A+B+C+D and ratio to net income (%)		Remuneration received from any re-invested business other than subsidiaries or from Parent Company
		The Company	All companies in financial report	The Company	All companies in financial report	The Company	All companies in financial report	The Company		All companies in financial report .		The Company	All companies in financial report	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
General Manager	Yu-Pin Liao	12,514	12,514	519	519	1,444	1,444	95	－	95	－	14,572; 45.96%	14,572; 45.96%	－
Vice General Manager	Yao-Wen Tsai													
Business VP	Chien-Chih Lin													
Vice President of Finance	Wen-Chin Chang													

Remuneration Bracket Table

Brackets of Remuneration for General Manager and Individual Vice General Managers	Name of General Manager or Vice General Manager	
	The Company	All companies in financial report (E)
Less than NT$1,000,000	—	—
NT$1,000,000 (incl.) – NT$2,000,000 (excl.)	Yao-Wen Tsai, Chien-Chih Lin	Yao-Wen Tsai, Chien-Chih Lin
NT$2,000,000 (incl.) – NT$3,500,000 (excl.)	—	—
NT$3,500,000 (incl.) – NT$5,000,000 (excl.)	Wen-Chin Chang	Wen-Chin Chang
NT$5,000,000 (incl.) – NT$10,000,000 (excl.)	—	—
NT$10,000,000 (incl.) – NT$15,000,000 (excl.)	Yu-Pin Liao	Yu-Pin Liao
NT$15,000,000 (incl.) – NT$30,000,000 (excl.)	—	—
NT$30,000,000 (incl.) – NT$50,000,000 (excl.)	—	—
NT$50,000,000 (incl.) – NT$100,000,000 (excl.)	—	—
More than NT$100,000,000	—	—
Total	4 seats	4 seats

8. Names of managerial personnel receiving distributed employee compensation and distribution:

Unit: NTD thousand, %

<table>
<tr><th colspan="2">Job Title</th><th>Name</th><th>Stock Amount</th><th>Cash Amount</th><th>Total</th><th>As a % of net profit</th></tr>
<tr><td rowspan="13">Managers</td><td>General Manager</td><td>Yu-Pin Liao</td><td rowspan="13">—</td><td rowspan="13">296</td><td rowspan="13">296</td><td rowspan="13">0.93%</td></tr>
<tr><td>Vice General Manager</td><td>Yao-Wen Tsai</td></tr>
<tr><td>Business VP</td><td>Chien-Chih Lin</td></tr>
<tr><td>Vice President of Finance</td><td>Wen-Chin Chang</td></tr>
<tr><td>Special Assistant to the Chairman</td><td>Chun-Chieh Lin</td></tr>
<tr><td>Assistant Manager, R&D Division</td><td>Liang Jung-Chih</td></tr>
<tr><td>Assistant Manager, R&D Division</td><td>Lai Kuo-Chien</td></tr>
<tr><td>Assistant Manager, R&D Division</td><td>Hsu Chien-Chou</td></tr>
<tr><td>Assistant Manager, R&D Division</td><td>Wang Hsing-Fa</td></tr>
<tr><td>Assistant Manager, Business Division</td><td>Wang Hui-Tsu</td></tr>
<tr><td>Assistant Manager, IT Department</td><td>Kao Tzu-Hui</td></tr>
<tr><td>Assistant Manager, Finance Department</td><td>Hsin-Fu Huang</td></tr>
<tr><td>Manager, Quality Assurance Department</td><td>Ho Min-Chang</td></tr>
</table>

1. Separate comparison and explanation of the ratios of remuneration paid to directors, supervisors, the President and vice president(s) of the Company and of all companies in the consolidated financial statements to net profit after tax in the parent company only or individual financial statements in the last two years. Further explain the correlation between the policies, standards, and combinations of payment procedures for determination of remuneration, business performance, and future risks:

(1) Analysis of the proportions to net profits after tax in parent company only and individual financial statements of the total remuneration paid to directors, supervisors, the general manager, and deputy general managers by the Company and all companies in the consolidated financial statements in the most recent two years:

Unit: NTD thousand, %

Item	2023		2024	
	The Company	Consolidated statements	The Company	Consolidated statements
Total directors' remuneration	5,000	5,000	1,500	1,500
Proportion of total directors' remuneration to net profit after tax (%)	6.19	6.19	4.73	4.73
Total supervisor's remuneration	—	—	—	—
Proportion of total supervisor's remuneration to net profit after tax (%)	—	—	—	—
Total remuneration of President and Vice Presidents	19,143	19,143	14,572	14,572
Proportion of total remuneration of President and Vice Presidents to net profit after tax (%)Total remuneration of President and Vice Presidents Ratio (%)	23.69	23.69	45.96	45.96

2. Remuneration policies, standards, and packages for directors, supervisors, general manager, and deputy general manager, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure
   (1) Directors and supervisors

   In accordance with the Company's Articles of Incorporation, the remuneration of directors and supervisors shall be appropriated not exceeding 5% of the profits of the current year (i.e., the profit before tax deduction for employee remuneration and director and supervisor remuneration). Independent directors shall not participate in the distribution of director remuneration.

   (2) President and Vice President

   The remuneration of the President and Vice President(s) includes salary, bonuses, and employee benefits. The salary level is determined based on the position held, the responsibilities undertaken, and the contribution to the Company, taking into account industry standards. The standards for the distribution of employee benefits follow the Company's Articles of Incorporation, are submitted to the Board of Directors, and are distributed after being approved by the Board of Directors.

   The Company's remuneration policies and procedures for Directors, President, and Vice Presidents, as described above, are positively related to business performance for all parts of remuneration except for basic salary, and the amount of payment is disclosed in accordance with laws and regulations.

2. Corporate Governance Practices

(1) Practices of Board of Directors

1. The Company's Board of Directors held a total of 11 meetings in 2024. The attendance of directors is as follows:

Job Title	Name	Frequency of actual attendance (presence)	Frequency of proxy attendance (presence)	Actual attendance (presence) ratio (%)	Remarks
Chairman	Yu-Pin Liao	5	-	100%	
Corporate director	Jastar Investment Co., Ltd. Representative: Yao-Wen Tsai	5	-	100%	
Corporate director	Kenstar Investment Co., Ltd. Representative: Ssu-Chun Sung	5	-	100%	
Independent Director	Hsiang-Tsai Chiang	5	1	80%	
Independent Director	Ming-Shih Chiu	4	1	80%	
Independent Director	San-Shan Hung	4	-	100%	
Independent Director	Yen-Jen Chang	5	-	100%	

Others:

1. Where any of the following happens in a meeting of the company's Board of Directors, the meeting's date, term, contents, all independent directors' opinion, and the company's action on the independent directors' opinion shall be specified:
   (1) Any matter as set forth in Article 14-3 of Securities and Exchange Act: Not applicable. The Company has established an audit committee, which applies to matters related to Article 14-5 of the Securities and Exchange Act.
   (2) Other than the matters above, any adverse opinion or qualified opinion of the Independent Directors against the resolutions of the Board: No such circumstances.
2. For recusal of directors from motions due to conflicts of interest, specify the names of the Directors, the content of the motions, the reasons for recusal, and the participation in voting:

Board of Directors	Content of motion	Name	Reasons for avoidance of interest	Participation in voting
11th sESSION, 16th meeting 2024.05.14	1.Proposal for the appointment of members to the Company's first Sustainability Development Committee. 2.Review of the distribution of employee compensation and directors' compensation for the fiscal year 2023	Yu-Pin Liao、Hsiang-Tsai Chiang、Jastar Investment Co., Ltd. Representative: Yao-Wen Tsai	Since the aforementioned director is the chairman of the board or concurrently serves as a manager of the company, he should recuse himself in accordance with the rules of procedure of the board of directors.	The resolution was passed as proposed by the remaining directors present at the meeting.
11th Session, 19th meeting 2024.12.26	Proposal for the Company to acquire right-of-use assets from related parties	Yu-Pin Liao、Kenstar Investment Co., Ltd. Representative: Ssu-Chun Sung	Since the counterparty to the transaction is a second-degree relative of the aforementioned director, he should be subject to conflict of interest in accordance with the board meeting rules.	The resolution was passed as proposed by the remaining directors present at the meeting.

3. For a TWSE or TPEx listed company, disclose information including the evaluation cycle and period(s) of the board of directors' self-evaluations (or peer evaluations) and the evaluation method and content:
   The Company conducted evaluations of the Board of Directors in 2023 and disclosed the relevant matters in a board meeting report on March 11, 2024.
4. Evaluation of the goals and implementation status of strengthening Board of Directors functions in the current year and the most recent year:
   (1) The Company has established an Audit Committee and a Remuneration Committee to assist the Board of Directors in its duties. The aforementioned functional committees are composed of four independent directors and may, as needed, engage external experts to provide opinions.
   (2) The Company's Board of Directors indeed operates in accordance with the Rules of Procedure for Board of Directors Meetings and relevant legal regulations. The Finance and Audit Supervisors also attend the Board of Directors meetings and issue relevant reports for the directors' reference.
   (3) The Company has established Board of Directors Performance Evaluation Measures, and the Board of Directors conducts regular internal self-assessments each year to enhance board functions and corporate governance.
   (4) The Company completed the comprehensive re-election of the 11th Board of Directors at the extraordinary meeting of shareholders held on September 29, 2022. Seven directors were appointed, including four independent directors, to enhance board functions and corporate governance. The Company arranges regular training courses for directors each year to strengthen their legal knowledge on topics related to corporate governance.

2. Board of Directors status of evaluation and implementation

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Once a year	January 1, 2024 through December 31, 2024	The overall Board of Directors. Individual members of Board. Functional committees.	1. Self-evaluation within Board. 2. Self-evaluation of board members. 3. Entrusting external professional institutions and experts for evaluation every three years.	Evaluation of the performance of the board: should include, at a minimum, the degree of the board's involvement in Company operations, enhancement of the board's decision-making quality, composition and structure of the board, election and ongoing education of directors, and internal controls. Evaluation of the performance of individual directors: should include at least familiarity with the goals and missions of the Company, awareness of the duties of a director, participation in the operation of the company, management of internal relationships and communication, the director's professionalism and continuing education, and internal controls. Evaluation of the performance of functional committees: Includes degree of participation in the Company's operations, awareness of the functional committee's responsibilities, elevation of the decision-making quality of the functional committee, composition and member selection of the functional committee, and internal controls.

(2) Information on practices of the Audit Committee

Ten meetings have been held by the Audit Committee in 2024. The records of attendance by independent directors are shown as follows:

Job title	Name	Frequency of actual attendance (presence)	Frequency of proxy attendance (presence)	Actual attendance (presence) ratio (%)	Remarks
Independent Director	Hsiang-Tsai Chiang	5	-	100%	
Independent Director	Ming-Shih Chiu	4	1	80%	
Independent Director	San-Shan Hung	4	1	80%	
Independent Director	Yen-Jen Chang	5	-	100%	

Others:

1. Responsibilities and working priorities of the Audit Committee in 2024 were mainly to review the following matters of the Company:
   (1) The annual financial statements signed or sealed by the chairman, manager and accounting officer
   (2) Establishment or revision of the internal control system and evaluation of its effectiveness.
   (3) Adoption of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others.
   (4) Matters in which a director is an interested party.
   (5) Asset transactions or derivatives trading of a material nature.
   (6) Loans of funds, endorsements, or provision of guarantees of a material nature.
   (7) The offering, issuance, or private placement of equity-type securities.
   (8) The hiring or dismissal of a certified public accountant, or their compensation.
   (9) The appointment or discharge of a financial, accounting, or internal audit officer.
   (10) Other material matters as may be required by this Corporation or by the competent authority.
2. If the operation of the Audit Committee falls into one of the circumstances, the date and duration of the meeting of the Board, details of proposals, resolutions of the Audit Committee, and how the Company deals with the opinions of the Audit Committee shall be stated:
   (1) Matters specified in Article 14-5 of the Securities and Exchange Act.
   (2) Other than the matters above, any resolutions not approved by the Audit Committee but agreed upon by two-thirds or more of all directors.

Audit Committee	Content of motion and subsequent action	Matters specified in article 14-5 of the securities and exchange act	Resolutions not approved by the audit committee but approved by more than two-thirds of all directors
1st session 13rd meeting 2024.03.12	1. Statement of internal control system for 2023	V	None
	2. Evaluation of the independence and competency of the certifying CPAs.	V	None
	3. 2023 business report and financial statements.	V	None
	4. 2023 earnings distribution proposal.	V	None
	5. Proposed amendment of the Audit Committee Organizational Regulations of the company.	V	None
	6. Proposed amendment of the company's rules of procedure for the Board of Directors	V	None
	7. Proposed provide endorsement and guarantee for the Company's subsidiary.	V	None
	Resolution of audit committee: all members present unanimously approved the motion without objection.		
	Company's action on audit committee's opinion: none		
1st session 14th meeting 2024.05.14	1. Appointment and remuneration of certified public accountants for the Company's fiscal year 2024.	V	None
	2. Consolidated financial statements for the first quarter of 2024.	V	None
	3. Proposed to conduct a cash capital increase by the company's subsidiary Raystar Optronics, Inc.	V	None
	4. Proposed adoption of the company's provision of endorsement and guarantee of subsidiary Raystar Optronics, Inc.	V	None
	Resolution of audit committee: all members present unanimously approved the motion without objection.		
	Company's action on audit committee's opinion: none		
1st session 15th meeting 2024.08.07	1. Consolidated financial statements for the second quarter of 2024.	V	None
	2. Proposed to conduct a cash capital increase by the company's subsidiary WINBEST TECHNOLOGY LLC.	V	None
	3. Proposed to conduct a cash capital increase by the company's sub-subsidiary Winstar Display (Changshu) Co., Ltd.	V	None
	4. Proposed adoption of the company's provision of endorsement and guarantee of subsidiary Raystar Optronics, Inc.	V	None
	Resolution of audit committee: all members present unanimously approved the motion without objection.		
	Company's action on audit committee's opinion: none		
1st session 16th meeting 2024.11.12	1. Consolidated financial statements for the third quarter of 2024.	V	None
	2. Proposed lending of funds from subsidiary Winstar Display (Changshu) Co., Ltd. to subsidiary Vanstar Technology Co., Ltd.	V	None
	3. Proposed additions to the company's procedures for Management Measures for Sustainability Information.		
	4. Proposed additions to the company's procedures for Operating Procedures for the Preparation and Verification of Sustainability Reports		
	Resolution of audit committee: all members present unanimously approved the motion without objection.		
	Company's action on audit committee's opinion: none		
1st session 17th meeting 2024.12.26	1. Internal audit plan for 2025.	V	None
	2. Business plan and budget for 2025.	V	None
	3. Proposed adoption of corporate governance self-assessment report.	V	None
	4. Proposed change of head of corporate governance.	V	None
	5. Proposed adoption of the company's provision of endorsement and guarantee for the financing needs of subsidiaries	V	None
	6. Proposed amendment of the company's articles of incorporation.	V	None
	7. Proposed to conduct a cash capital increase by the company's subsidiary WINSTAR DISPLAY GMBH.	V	None
	Resolution of audit committee: all members present unanimously approved the motion without objection.		
	Company's action on audit committee's opinion: none		

3. In the event that an independent director has to avoid voting on a resolution because of a conflict of interest, the name of the independent director, the issue to be discussed, reasons and the result of the vote shall be noted: No such circumstances and therefore inapplicable.
4. Communication between independent directors and internal audit officers and accountants (including significant matters, methods, and results of communication concerning the Company's financial and business situations):
   The Company's external auditors and internal auditors report the results of their audit (review) of the annual and semi-annual financial reports, as well as the operation of the internal control system, to the Audit Committee. During these meetings, independent directors have the opportunity for extensive face-to-face communication with the auditors and internal auditors to grasp the Company's operational status and provide appropriate supervision. In addition to quarterly Audit Committee meetings, independent directors

also maintain contact and interact with the auditors and internal auditors through electronic communication methods on a regular basis. Communication between independent directors and the chief internal auditor/CPAs in 2024 is shown in the table below.

(1) Communication between independent directors and internal audit officer:

Date	Key points	Suggestions
2024.03.12	1. Internal audit business implementation summary report.	None
2024.05.14	1. Internal audit business implementation summary report.	None
2024.08.07	1. Internal audit business implementation summary report.	None
2024.11.12	1. Internal audit business implementation summary report.	None
2024.12.26	1. Internal audit business implementation summary report.	None

(2) Communication between independent directors and CPAs:

Date	Key points	Suggestions
2024.03.12	1. Evaluation of the independence and competency of the certifying CPAs.	None

(3) Status of corporate governance, and deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof

Evaluation Item	Operation			Difference from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Y	N	Brief description	
1. Does Company follow the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies to establish and disclose its corporate governance practices?	V		The Company has taken into account the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies and the actual operational circumstances of the Company to establish the Corporate Governance Best Practice Principles. Furthermore, it has diligently implemented and processed various information disclosures in accordance with relevant regulations to safeguard the rights and interests of investors, stakeholders, and employees.	No significant deviations, in compliance with the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies.
2. The Company's ownership structure and shareholders' interest (1) Has the company set up internal operating procedures for handling shareholder proposals, inquiries, disputes, and litigation, and implemented the procedures?	V		The Company has appointed a spokesperson and a deputy spokesperson in accordance with the Corporate Governance Best Practice Principles to handle shareholder suggestions, queries, and disputes.	No significant deviations, in compliance with the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies.
(2) Does the company retain a register of major shareholders who have controlling power, and of the persons with ultimate control over those major shareholders?	V		The majority of the Company's major shareholders are members of the management team and long-term shareholders. We continuously monitor the shareholdings of major shareholders and directors, and regularly report changes in shareholdings of directors, managers, and shareholders holding 10% or more of the Company's shares.	No significant deviations, in compliance with the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies.
(3) Has the company set up and implemented risk control and firewall mechanisms to protect itself from its affiliated enterprises?	V		The Company and its affiliated enterprises operate independently, and relevant controls have been established in the internal control system, as well as in the Supervision and Management Measures for Subsidiaries and in the Measures for the Management of Related Party Transactions.	No significant deviations, in compliance with the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies.
(4) Has the company adopted internal rules prohibiting company insiders from trading securities using information not disclosed to the market?	V		The Company has established Management Operating Procedures for Handling of Internal Material Information and Prevention of Insider Trading, which prohibit directors, employees, and other insiders from trading in securities based on undisclosed material information. These regulations have been disclosed on the Company's website. The directors of the Company attend courses on corporate governance and internal control regulations organized by external institutions periodically to acquire relevant knowledge.	No significant deviations, in compliance with the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies.

Evaluation Item	Operation			Difference from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Y	N	Brief description	
3. Organization and Responsibilities of Board (1) In terms member composition, has the Board of Directors formulated a diversity policy and specific management objectives, and implemented them?	V		The Company has established Corporate Governance Best Practice Principles, which stipulate that the board of directors should consider diversity in its structure. These regulations have been disclosed on the company's website and on the Market Observation Post System. The Company fully adopts a candidate nomination system for directors in accordance with Article 16-1 of its Articles of Incorporation. We evaluate the academic and professional qualifications of each candidate and adhere to the Corporate Governance Best-Practice Principles to ensure the diversity of the Board of Directors. Based on Article 20, Paragraph 3 of the Corporate Governance Best Practice Principles of the Company, members of the Board of Directors should generally possess the knowledge, skills, qualities, and diversity representation necessary to perform their duties, and should reasonably consider the benefits of diversity among Board members. In order to achieve the goals of corporate governance, the board as a whole should have the following capabilities: 1. Ability to make operational judgments. 2. Accounting and financial analysis. 3. Business administration. 4. Industry Knowledge. 5. Vision of the global market. 6. Leadership and decision-making. The Company also recognizes that the selection of board members should adhere to the principle of merit-based appointments, while taking into consideration diversified aspects such as gender, age, nationality, and culture. In the past, when selecting directors, the Company has primarily considered professional capabilities and experience as the main criteria, without specifically setting gender ratio requirements. In the future nomination process for directors, the Company will prioritize female candidates and actively seek female professionals with industry experience to join the board, with the expectation of achieving at least one-third representation for any single gender in the board seats over the next few terms. Currently, the board composition consists of 86% male members (6 persons) and 14% female members (1 person). The Company will strive to increase female director positions in the future and regularly review the progress of board diversification. For the academic and professional backgrounds of each director, please refer to pages 4 of the annual report. Please refer to page 8 to 9 of the Annual Report for information on the diversity of individual Board members.	No significant deviations, in compliance with the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies.
(2) Has the Company voluntarily set up other functional committees other than the Remuneration Committee and the Audit Committee according to law?		V	The Company has currently established both a Remuneration Committee、an Audit Committee and Sustainable Development Committee, both composed of all independent directors. Other functional committees are under continuous evaluation.	No significant deviations, in compliance with the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies.

Evaluation Item	Operation			Difference from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Y	N	Brief description	
(3) Does the Company formulate the Board's performance assessment and evaluation method, conduct performance evaluation annually and regularly, and apply it to individual directors' remuneration and nomination renewal?	V		The Company has established Board of Directors and Functional Committee Performance Evaluation Measures, which were implemented after being approved by the Board on December 20, 2022. The regulations stipulate that performance evaluations shall be completed by the end of the first quarter of the year following the end of each fiscal year. Members of the Board of Directors and functional committees are required to individually complete the "Board of Directors' Performance Self-Assessment Questionnaire," "Directors' Self-Assessment Questionnaire," and "Functional Committee Performance Self-Assessment Questionnaire" for internal performance evaluations. Additionally, Article 2 of the regulations specifies that an external performance evaluation shall be conducted at least once every three years. The evaluation results will serve as a reference for selection or nomination of directors; and the individual director performance evaluation results will serve as a reference for determining their individual compensation. Measurement items for the Company's Board of Directors performance evaluation should include the following five aspects at a minimum: 1. Participation in the operation of the company. 2. Improving the quality of Board decisions. 3. Board composition and structure. 4. Election and continuing education of directors. 5. Internal control. Measurement items for Board member performance evaluation include the following six aspects at a minimum: 1. Mastery of the Company's goals and tasks. 2 Awareness of directors' responsibilities. 3. Participation in the operation of the Company. 4. Internal relationship management and communication. 5. Directors' professional and continuing education. 6. Internal control. Measurement items for functional committee performance evaluation should include the following five aspects at a minimum: 1. Participation in the operation of the company. 2. Recognition of functional committee responsibilities. 3. Improvement of quality of decisions made by the functional committee. 4. Functional committee composition and member selection. 5. Internal control. After the directors and functional committee members complete the questionnaire, the board's secretariat will collect and compile the scores. The internal evaluation for the year 2024 has been completed. The overall scores for the board of directors, individual board members, and functional committees were all above 90 points, and the performance was assessed as good, with no areas requiring improvement. The evaluation results were reported to the Board of Directors on March 11, 2025.	No significant deviations, in compliance with the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies.

Evaluation Item	Operation			Difference from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Y	N	Brief description	
(4) Does the Company regularly evaluate the independence of its certifying CPAs?	V		The Company obtains a statement from a CPA firm and conducts an annual assessment of the independence of the accountants at the Board of Directors' meeting in accordance with the "Code of Professional Ethics for Accountants No. 10 Bulletin: Integrity, Objectivity, and Independence" established by the National Federation of CPA Associations of the Republic of China. The assessment items include: (a) Audit Committee members and their spouses do not hold significant direct or indirect financial interests in the Company. (b) Audit Committee members and their spouses do not have any business relationships with the Company, its directors, or executives that could affect their independence. (c) During the audit period, Audit Committee members and their spouses did not hold positions as directors, executives, or in other roles that could have a direct and significant impact on the audit work. (d) No relationship as a spouse, direct blood relative, immediate in-law, or collateral blood relative within the second degree of kinship with directors or executives of the Company. (e) Audit Committee members have not received significant gifts or benefits of significant value from the Company, its directors, executives, or major shareholders (not exceeding normal social courtesy standards). (f) Audit Committee members have performed necessary independence/conflict of interest procedures and have not identified any independence violations or unresolved conflicts of interest. Based on the confirmation by the Board of Directors on March 11, 2025, the accountants, apart from fees for certification and tax matters, have no other financial interests or business relationships with the Company. Members of the accountants' immediate families also do not violate independence requirements and meet the Company's independence assessment criteria, making them suitable to serve as the Company's CPAs. On March 11, 2025, the Board of Directors of the Company evaluated the professionalism, independence, quality control, supervision, and innovation capabilities of the appointed accounting firm and audit team. This evaluation was based on the 13 indicators within the five dimensions of the Audit Quality Indicators (AQI) published by the Financial Supervisory Commission (FSC) of Taiwan, as well as the AQI report provided by the firm. No factors affecting independence were found, indicating that they are deemed suitable for the task.	No significant deviations, in compliance with the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies.

Evaluation Item	Operation			Difference from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Y	N	Brief description	
4. Is the TWSE / TPEX listed company equipped with qualified and appropriate number of corporate governance personnel, and appoint a corporate governance officer responsible for corporate governance related matters (including but not limited to providing information needed by directors and supervisors to carry out business, assisting directors to comply with laws and regulations, handling matters related to meetings of the Board of Directors and shareholders' meeting in accordance with the law, and producing minutes of board meetings and shareholders' meetings)?	V		On May 30, 2023, the Board of Directors approved the appointment of Assistant Manager Chia-Hsuan Yu as the head of corporate governance, responsible for corporate governance-related matters. The Chairman of the Board of Directors is responsible for supervising this role. The Head of Corporate Governance carried out the following main responsibilities and business operations in 2023 in accordance with their duties: 1. Provide directors with information needed to perform their duties and arrange for directors to receive further training. 2. Provide the latest regulatory developments to the board to assist directors in compliance with laws and regulations. 3. Formulate and plan appropriate corporate systems and organizational structures to promote board independence, corporate transparency, and compliance with laws and regulations. 4. Solicit the opinions of all directors before board meetings to plan and formulate agendas, and notify all directors at least seven days before the meeting, providing sufficient meeting materials and explanations of each agenda item for directors to understand the content. Complete the minutes of the board meeting within 20 days after the meeting. 5. Annually register the date of the shareholders' meeting in accordance with legal deadlines, prepare and submit meeting notices, meeting handbooks, and meeting minutes before the deadline, and process changes in registration after amending the Articles of Incorporation or electing directors. 6. Improve corporate governance-related information according to the evaluation indicators of the corporate governance evaluation system. 7. Ensure information transparency and symmetry, safeguarding shareholder rights.	No significant deviations, in compliance with the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies.
5. Has the Company established communication channels with stakeholders (including but not limited to shareholders, employees, customers, and suppliers), set up stakeholder zones on the company's website, and properly responded to important corporate social responsibility issues of concern to stakeholders?	V		The Company's website includes a section dedicated to stakeholders, such as employees, customers, suppliers, investors, etc. Specific departments are tasked with establishing communication channels for each stakeholder category. This ensures continuous listening to stakeholders' feedback, understanding their concerns, and providing appropriate responses to issues of stakeholder concern.	No significant deviations, in compliance with the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies.
6. Has the Company appointed a professional share registration and investors service agent for handling matters pertaining to the Shareholders' Meeting?	V		The Company has appointed the stock agency department of Yuanta Securities Co., Ltd., a professional stock agency, to handle the affairs of the shareholders' meeting.	No significant deviations, in compliance with the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies.

Evaluation Item	Operation			Difference from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Y	N	Brief description	
7. Information disclosure (1) Has the Company set up a website to disclose financial business and corporate governance information?	V		The Company has established a corporate website (https://www.winstar.com.tw) to regularly disclose and update information on the Company's financial operations and corporate governance.	No significant deviations, in compliance with the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies.
(2) Does the Company disclose information by other means (such as setting up an English website, putting dedicated personnel in charge of collecting and disclosing company information, and publishing the spokesperson systems, and the process for legal person briefing session on the Company's website)?	V		The Company has designated personnel responsible for information collection and ensures timely and appropriate disclosure of relevant information in accordance with regulations. 1. The Company has established the position of spokesperson and deputy spokesperson in accordance with regulations, and their names and contact information are disclosed on the Company's website. 2. The Company has disclosed the corporate briefing information on the Company's website	No significant deviations, in compliance with the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies.
(3) Does the Company announce and declare its annual financial report within two months after the end of the fiscal year, and announce and declare the first, second, and third quarter financial reports and the monthly operating situation as early as possible within the prescribed time limit?	V		The Company was unable to announce and file its annual financial reports within two months after the end of the accounting year. However, the Company has announced and filed its first, second, and third quarter financial reports and monthly operational status ahead of the prescribed deadlines.	No significant deviations, in compliance with the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies.

Evaluation Item	Operation			Difference from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Y	N	Brief description	
8. Does the Company have other important information that can help to understand the operation of corporate governance (including but not limited to employee rights and interests, employee care, investor relations, supplier relations, rights of interested parties, directors and supervisors' further study, implementation of risk management policies and risk measurement standards, implementation of customer policies, and the Company's purchase of liability insurance for directors and supervisors)?	V		The management of the Company actively promotes corporate governance. The following is a summary of the systems, measures, and implementation status adopted: 1. The Company has established work rules and effectively implements the care of employees' rights and interests, regardless of rank, gender, or nationality. In addition to providing employees with various insurances, education and training, physical examinations, and retirement services in a manner that exceeds legal requirements, the Company's Employee Welfare Committee is established to serve as a communication channel between labor and management. Its purpose is to promote and implement various employee welfare policies, create a harmonious working environment, and enrich employees' lives. 2. Investor relations, supplier relations, and stakeholder rights: We strive to enhance the transparency of corporate information by disclosing financial and operational information in a timely and appropriate manner, in accordance with legal requirements. We have established contact points and email addresses to provide channels for investors, suppliers, and stakeholders to leave messages and provide feedback. In order to protect the rights and interests of domestic and foreign investors simultaneously. The Company signs written contracts or purchase orders with suppliers based on the principle of equality, to clearly define the rights and obligations of both parties during the cooperation period, and to protect their respective legal rights and interests. 3. Training of directors: All directors of the Company attend relevant courses in accordance with the Main Points of Advanced Training Implementation for Directors and Supervisors of Listed Companies. Please refer to pages 32 to 33 of the annual report for the director training status in 2023. 4. Execution of risk management policy and compliance with risk measurement standards: The Company focuses on its core business operations in compliance with relevant laws and regulations, promoting and implementing the execution of various policies. It formulates risk management measures and related management policies to reduce and avoid any risks that may harm the interests of the Company, placing great emphasis on maintaining personnel safety. Significant operational policies, investment projects, acquisition or disposal of assets, endorsements, guarantees, and other matters of the Company are submitted to the Board of Directors for resolution and execution after evaluation and analysis by the relevant departments responsible for such matters. Based on the results of the execution of the risk management measures, the Audit Office formulates an annual audit plan and implements it effectively to ensure the supervision mechanisms such as risk control are implemented.	No significant deviations, in compliance with the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies.

Evaluation Item	Operation			Difference from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Y	N	Brief description	
			5. Implementation of customer policies: The Company's sales department is responsible for regular communication and coordination with customers. They provide excellent service and address customer needs, conducting periodic customer satisfaction surveys to facilitate two-way communication channels. 6. The Company's purchase of directors' liability insurance: The Company has purchased directors' liability insurance for its directors. The details, including the insured amount, coverage scope, and insurance premium rate, were reported to the Board of Directors on November 12, 2024.	
9. Please explain corrective action taken in response to the result of the Corporate Governance Evaluation conducted by the Corporate Governance Center of Taiwan Stock Exchange Corporation, and the priority of action on issues pending for corrective action in the most recent year: Not applicable.				

(Attachment 1) On-the-job training of the Company's directors

Job Title	Name	Date of continuing education courses	Organizer	Course Name	Hours of Training
Chairman	Yu-Pin Liao	2024/10/16	China Financial and Economic Development Association	Succession Team Building and Talent Development	3
		2024/08/22	China Financial and Economic Development Association	ESG Investing and Corporate Social Responsibility	3
Representative of Juristic Person Director	Yao-Wen Tsai	2024/09/06	Securities and Futures Institute	Succession Team Building and Talent Development	3
		2024/01/11	China Financial and Economic Development Association	Management Tools Basic Application Training Certificate	3
Representative of Juristic Person Director	Ssu-Chun Sung	2024/10/16	China Financial and Economic Development Association	Succession Team Building and Talent Development	3
		2024/08/22	China Financial and Economic Development Association	ESG Investing and Corporate Social Responsibility	3
Independent Director	Hsiang-Tsai Chiang	2024/08/27	Accounting Research and Development Foundation	Global Net Zero Impacts and ESG Action	3
		2024/07/12	Taiwan Project Management Association	Driving green transformation: Towards net-zero carbon emissions	3
Independent Director	Ming-Shih Chiu	2024/12/16	Taipei Foundation of Finance	Carbon accounting and financial reporting	3
		2024/09/20	Securities and Futures Institute	Board of Directors vs. Management Team	3
Independent Director	San-Shan Hung	2024/08/08	Taiwan Science Park Science and Technology Industry Association	Current CBAM guidelines and international carbon tariff formulation trends	3
		2024/08/08	Taiwan Science Park Science and Technology Industry Association	Establishing ESG sustainable strategies to enhance competitiveness	3
Independent Director	Yen-Jen Chang	2024/12/17	China Financial and Economic Development Association	Board of Directors vs. Management Team	3
		2024/12/02	Taipei Foundation of Finance	Enterprise circular economy and sustainable development	3

Disclose the composition, responsibilities, and functioning of the Remuneration Committee or Nominating Committee, if available

1. The Company's Board of Directors resolved and appointed Mr. Hsiang-Tsai Chiang, Mr. Ming-Shih Chiu, Mr. San-Shan Hung, and Mr. Yen-Jen Chang as the members of the first Remuneration Committee on October 11, 2022, and elected Mr. Ming-Shih Chiu, an independent director, as the convener of the Remuneration Committee.
2. The function of this committee is to professionally and objectively evaluate the company's directors' and managers' compensation policies, performance assessments, and systems, and to provide recommendations to the Board of Directors for its decision-making reference.
3. Members of Remuneration Committee

<table>
<tr><th>Capacity</th><th>Name</th><th>Professional Qualification & Experience</th><th>Independence</th><th>Number of other public listed companies where concurrent service as a member of Remuneration Committee is provided</th><th>Remarks</th></tr>
<tr><td>Convener and independent director</td><td>Ming-Shih Chiu</td><td rowspan="4">Please see page 7-8 of 3. Disclosure of Information Regarding the Professional Qualifications and Experience of Directors and Supervisors and the Independence of Independent Directors</td><td rowspan="4">(1) Not an employee of the company or any of its affiliates.
(2) Not a director or supervisor of the company or any of its affiliates.
(3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children or held by the person under others' names, in an aggregate amount of 1% or more of the total number of issued shares of the Company or ranks as one of its top ten shareholders.
(4) Other than spouses, relatives within the 2nd degree of kinship or lineal relatives within the 3rd degree kinship of any of managerial personnel as defined in subparagraph (1) or any of the individuals defined in subparagraphs (2) and (3).
(5) Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, Paragraph 1 or 2 of the Company Act.
(6) Not a director, supervisor or employee of another company or institution in which the majority of board seats or voting rights are controlled by the same person in the Company.
(7) Not a director, supervisor or employee of another company or institution, who is also the chairman, president or equivalent position, or a spouse of these personnel, of the Company.
(8) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares of a specified company or institution that has a financial or business relationship with the company.
(9) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the Company or any affiliate of the Company, or that provides commercial, legal, financial, accounting, or related services to the Company or any affiliate of the Company for which the provider in the most recent two fiscal years has received cumulative compensation exceeding NT$500,000, or a spouse thereof.
(10) Not exhibiting any of the circumstances specified under Article 30 of the Company Act. Not an employee of the Company; nor an employee of its affiliated enterprises.</td><td>0</td><td></td></tr>
<tr><td>Independent Director</td><td>Hsiang-Tsai Chiang</td><td>0</td><td></td></tr>
<tr><td>Independent Director</td><td>San-Shan Hung</td><td>0</td><td></td></tr>
<tr><td>Independent Director</td><td>Yen-Jen Chang</td><td>0</td><td></td></tr>
</table>

4. Information on Operating Status of Remuneration Committee

(1) There are four members of the Remuneration Committee of the Company.

(2) Current term of members: October 11, 2022 to September 28, 2025; the Remuneration Committee met four times in the most recent year (2024) and member qualifications and attendance are as follows:

Job Title	Name	Frequency of actual attendance (presence)	Frequency of proxy attendance (presence)	Actual attendance (presence) ratio (%)	Remarks
Convener	Ming-Shih Chiu	4	0	100%	
Commissioner	Hsiang-Tsai Chiang	4	0	100%	
Commissioner	San-Shan Hung	3	1	75%	
Commissioner	Yen-Jen Chang	4	0	100%	

Others:

1. If the Board of Directors does not adopt or amend the recommendations of the Remuneration Committee, the date and period of the Board of Directors, the content of the proposal, the resolution of the Board of Directors, and the Company's handling of the opinions of the Remuneration Committee should be stated. (If the remuneration approved by the Board of Directors exceeds the recommendation of the Remuneration Committee, the differences and reasons should be stated): No such circumstances.
2. On resolutions of the Remuneration Committee, if members have objections or reservations and have records or written declarations, the date, period, proposal content, opinions of all Remuneration Committee members and the handling of the opinions of the members shall be stated: No such circumstances.
3. Powers of the Remuneration Committee are as follows:
   (1) Regularly review the Remuneration Committee Charter and propose amendments.
   (2) Establish and regularly review the performance evaluation standards for the Company's directors and managers, annual and long-term performance goals, and the policies, systems, standards, and structures of remuneration and compensation.
   (3) Regularly evaluate the achievement of the performance objectives by the Company's directors and managers, and determine the details and amounts of salary and compensation for individual managers based on the evaluation results from the performance evaluation criteria.
4. Resolutions of the Remuneration Committee for 2023 are as follows:

Date	Resolutions	Result of the resolution	The Company's handling of members' opinions
1st session 8th meeting 2024.03.12	1. Amounts of employee remuneration and director remuneration disbursed for 2023. 1. Proposed IPO project bonus plan.	After consultation by the presiding chair of all attending members, the proposal passed without objection.	No opinion
1st session 9th meeting 2024.05.14	1. Directors' remuneration and employee compensation payment for 2023	After consultation by the presiding chair of all attending members, the proposal passed without objection.	No opinion
1st session 10th meeting 2024.11.12	1. Review of the 2024 annual promotion and salary increase proposal of the subsidiary Raystar.	After consultation by the presiding chair of all attending members, the proposal passed without objection.	No opinion
1st session 11th meeting 2024.12.26	1. 2024 Manager Promotion and Salary Payment Circumstances 2. 2024 Manager Year-end Bonus Payment Circumstances 3. Proposed revision of the key points of the internal person new employment (termination) information reporting and shareholding change reporting and announcement process, for discussion	After consultation by the presiding chair of all attending members, the proposal passed without objection.	No opinion

5. Information on members of the Nominating Committee and information on its operations: Not applicable.

(4) Implementation of sustainable development promotions and the deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof

Evaluation Item	Operation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Y	N	Brief description	
1. Does the Company establish a governance structure to promote sustainable development, and set up a designated full-time (or part-time) unit to promote Sustainable Development, and the Board of Directors authorizes senior management to handle this and the Board of Directors supervises the situation?	V		The Company's Board of Directors resolved to establish a Sustainability Committee on May 14, 2024. The committee shall comprise at least three members and include at least one independent director to ensure the decision-making, promotion, and implementation of corporate sustainability-related initiatives. The Company adheres to the Sustainability Practices adopted by the Board of Directors, with each department implementing these practices in their daily operations according to their organizational responsibilities. The Sustainability Committee reports its performance to the Board of Directors annually. Management must propose corporate strategies and action plans to the Board of Directors, and the Board must evaluate the likelihood of success of these strategies, review the progress of strategy implementation, and urge the management team to make adjustments when necessary. The Sustainability Committee convened one meeting on August 7, 2024, with the agenda covering reports on the Company's current ESG implementation status and future planning. No Sustainability Committee meetings have been held in 2025 to date.	No significant deviations, in compliance with the fundamental spirit and standards of the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
2. Does the Company follow materiality principle to conduct risk assessment for environmental, social and corporate governance topics related to company operation, and establish risk management related policy or strategy?	V		The Company's business operations are primarily based at its operational headquarters in Taichung City, Taiwan. After considering the scale of each operational location and its impact on the Company's overall operations, the Company has included its major subsidiaries - Yao Ling Optoelectronics Co., Ltd., Hua Ling Optoelectronics (Changshu) Co., Ltd., and Dongguan Hanling Electronics Co., Ltd. - within the scope of disclosure in its sustainability report. The Company's Sustainability Committee conducts analysis based on the materiality principle of the sustainability report, communicates with internal and external stakeholders, and evaluates material ESG issues through reviewing domestic and international research reports, literature, and integrating assessment data from various departments and subsidiaries. Based on this evaluation, the Company establishes risk management policies for effective identification, measurement, assessment, supervision, and control, and adopts concrete action plans to mitigate the impact of related risks.	The Company plans to establish a dedicated unit for sustainable development as needed in the future, and there are no other discrepancies.
3. Environmental issues				
(1) Has the Company established an appropriate environmental management system that is appropriate for its industry?	V		In accordance with industry characteristics, the Company has established standard operating procedures and standard manuals. Beyond requiring personnel to strictly follow company regulations in their operations, the Company is committed to strengthening safety and health risk control for	No significant deviations, in compliance with the fundamental spirit and standards of the Sustainable

Evaluation Item	Operation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Y	N	Brief description	
			work environments, activities, instruments, and equipment, and regularly conducts workplace environment measurements. The Company's Changshu plant and Dongguan plant obtained ISO 14001:2015 Environmental Management System certification in 2023 and 2024, respectively. The latest certificates are valid from July 6, 2023, to July 5, 2026, and from August 26, 2024, to November 2, 2025, respectively. To respond to international net-zero trends and comply with the regulatory authority's "Sustainability Development Roadmap for Listed Companies" requirements, the Company began conducting ISO 14064-1:2018 version inventory guidance in 2024 and completed the greenhouse gas inventory for the Group's 2023 data in January 2025.	Development Best Practice Principles for TWSE/TPEX Listed Companies
(2) Is the Company committed to improving resource efficiency, and to the use of renewable materials with low environmental impact?	V		The Company's products require the reduction or restriction of substances that could cause environmental harm, and the Company implements waste classification and resource recycling. The Company also supports the green office initiatives promoted by the Ministry of Environment, including energy conservation and carbon reduction, and the prohibition of single-use plastic utensils.	No significant deviations, in compliance with the fundamental spirit and standards of the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
(3) Does the Company assess the potential risks and opportunities of climate change for the Company now and in the future, and take measures to deal with climate-related issues?		V	The Company has established the Sustainability Committee as the highest-level organization for climate change management, with the General Manager and CEO serving as the chief responsible officer. Following the TCFD recommendation framework published by the Financial Stability Board, the Company evaluates climate change risks and opportunities and adopts corresponding measures for related issues. The Committee annually reviews the company's climate change strategies and objectives, manages climate change risks and opportunity actions, examines implementation status and discusses future plans, with a comprehensive reassessment conducted every three years. Detailed information is disclosed in the Company's sustainability report.	The Company will evaluate and formulate response measures through a dedicated unit as needed in the future.
(4) Has the Company quantified greenhouse gas emissions, water consumption and total weight of waste, and the development of energy saving and carbon reduction, greenhouse gas reduction, water reduction or other waste management policies for the past two years?	V		As of the annual report publication date, the Company has not yet completed the 2024 greenhouse gas emissions statistics and water and electricity consumption statistics, therefore only 2023 and 2022 data are disclosed. The Company has compiled greenhouse gas emissions data for the past two years from its major operational sites: Taiwan headquarters, Central Taiwan Science Park plant, Changshu plant, and Dongguan plant. Water consumption and total waste weight data for Taiwan headquarters and Central Taiwan Science Park plant have also been compiled, with related management policies established and detailed information disclosed on the Company's official website. The summary is as follows:	No significant deviations, in compliance with the fundamental spirit and standards of the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies

Evaluation Item	Operation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Y	N	Brief description	
			Greenhouse Gas: The greenhouse gas emissions for 2023 and 2022 are shown in the following table:	

Unit : mt/CO2e

Project/Year	2023 年	2022 年
Category 1	480.6162	484.0208
Category 2	6,057.1619	6,329.7811
Category 3	311.0251	283.7163
Category 4	4,174.2199	6,424.0986
Total	11,023.0230	13,521.6170

In 2022, Hualing Group's Category 1 to Category 4 greenhouse gas emissions totaled 13,521.617 metric tons, primarily from Category 2 electricity emissions and Category 4 product emissions, accounting for 46.81% and 47.51% of total emissions respectively.
In 2023, Hualing Group's Category 1 to Category 4 greenhouse gas emissions totaled 11,023.023 metric tons, primarily from Category 2 electricity emissions and Category 4 product emissions, accounting for 54.95% and 37.87% of total emissions respectively.

2. Water consumption: Water consumption for 2023 and 2022 is shown in the table below:

Unit : mt

Project/Year	2023 年	2022 年
Water consumption	82,459	91,118

3. Waste: The total amount of waste in 2023 and 2022 is as follows：

Unit : mt

Project/Year	2023 年	2022 年
Hazardous waste	19.11	31.8
Non-hazardous waste	43.97	51.44
Total	63.08	83.24

Evaluation Item	Operation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Y	N	Brief description	
			The Company implements waste management in accordance with the "Waste Management Regulations" and entrusts qualified waste disposal operators with Class B or higher waste removal permits to handle waste disposal while maintaining removal records.	
4. Social topics (1) Has the Company formulated relevant management policies and procedures in accordance with the relevant regulations and international human rights conventions?	V		While engaging in business operations, the Company actively practices corporate sustainable development and fulfills its corporate social responsibility to enhance contributions to the national economy. The Company also complies with various regulations to protect workers' basic human rights, referencing international regulations such as the "United Nations Universal Declaration of Human Rights," "International Human Rights Covenants," "United Nations Global Compact," and the International Labour Organization's "Declaration on Fundamental Principles and Rights at Work" to protect rights including gender equality, right to work, and prohibition of discrimination. The Company formulates various policies based on these principles to safeguard employees' basic labor rights. To fulfill its responsibility in protecting human rights, the Company has established relevant management policies and procedures, including: Compliance with internationally recognized labor rights such as freedom of association, collective bargaining rights, care for vulnerable groups, prohibition of child labor, elimination of all forms of forced labor, elimination of employment and workplace discrimination, and ensuring that human resource policies do not discriminate based on gender, race, socioeconomic class, age, marital and family status, thereby achieving equality and fairness in employment, working conditions, compensation, benefits, training, evaluation, and promotion opportunities. Assessment of the impact of company operations and internal management on human rights, and establishment of corresponding handling procedures. For matters that harm workers' rights, the Company provides effective and appropriate grievance mechanisms to ensure equality and transparency in the grievance process. Grievance channels should be clear, convenient, and accessible, and employee complaints should receive appropriate responses. In cases involving human rights violations, disclosure of handling procedures for affected stakeholders should be made. Regular review of the effectiveness of the Company's human rights policies or statements. Since its establishment, the Company has implemented and reviewed the effectiveness of human rights policies while expanding its business, and to	No significant deviations, in compliance with the fundamental spirit and standards of the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies

Evaluation Item	Operation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Y	N	Brief description	
			date, there have been no disputes regarding violations of regulations or infringement of employee human rights.	
(2) Has the Company formulated and implemented reasonable employee welfare measures (including salary, vacation and other benefits, etc.), and appropriately reflected business performance or results in employee compensation?	V		The Company complies with the "Labor Standards Act" and related laws, establishing salary management procedures, performance evaluation management procedures, attendance management procedures, and other regulations which are properly implemented. The Company has established an Employee Welfare Committee to provide employees with various reasonable welfare measures that often exceed legal requirements, including employee travel subsidies, arts and culture appreciation subsidies, birthday gift certificates, marriage allowances, maternity allowances, funeral allowances, and free health examination programs to care for employee health, with detailed disclosure on the Company's official website. The Company values workplace diversity and equality, insisting on equal pay for equal work and equal promotion opportunities for men and women. As of the end of 2024, male and female employees accounted for 43% and 57% respectively, while male and female managers accounted for 58% and 42% respectively. To attract and retain outstanding talent and enable employees to share in operational results, the Company has established a comprehensive compensation structure including fixed monthly salaries and variable compensation such as performance bonuses, year-end bonuses, and employee rewards, combining various business objectives with individual performance to reflect actual operational achievements in employee compensation. Monthly salaries are determined based on employees' past experience, capabilities, and the value of the position applied for. Performance bonuses are awarded based on individual monthly work performance and attendance status. Year-end bonuses are distributed based on company operating performance and individual annual performance evaluations. According to Article 24 of the Company's Articles of Incorporation, if there are profits in a year, no less than 1% should be allocated as employee rewards, and salary adjustments are made annually based on profit levels.	No significant deviations, in compliance with the fundamental spirit and standards of the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
(3) Has the Company provided a safe and healthy working environment for employees, and provided safety and health education for employees on a regular basis?	V		The Company provides a safe working environment to ensure employee life and health protection, establishing relevant policies such as "Safety and Health Work Rules Procedures" and "Work Environment Safety Procedures." The Environmental Safety and Health unit coordinates and communicates with various departments to plan, supervise, and execute employee safety and work environment measures, ensuring comprehensive protection of employee personal safety and work environment, as described below:	No significant deviations, in compliance with the fundamental spirit and standards of the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies

Evaluation Item	Operation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Y	N	Brief description	
			Compliance with legal regulations: The Company establishes occupational safety and health, occupational disaster prevention and handling, and various environmental protection standards in accordance with regulations to maintain employee safety in the workplace and avoid environmental pollution. Regular implementation of education, training, and promotion: Education, training, and promotion are conducted regarding work environment, traffic safety, equipment, and hazardous substance management to enhance employee safety awareness. All employees and non-company personnel working at company premises must comply with safety and health work rules and management regulations. Regular monitoring of work environment: The Company conducts workplace environment monitoring for workers every six months to ensure no harmful health or unsafe factors exist in the work environment, implementing relevant preventive measures. Regular assessment of risk factors: Related units conduct regular 6S inspections, periodically assessing risk factors that may cause environmental safety impacts and hazards. Emergency response organizations are established with defined roles and related operational procedures to enable immediate response when disasters occur. Employee health examinations: The Company regularly organizes basic health examinations and special physical health examinations, regularly reviewing employee health status and ensuring the health of specific employees. Fire drills: Fire safety self-defense organization training and drills are conducted twice annually to enhance employee fire safety and evacuation awareness, aiming to implement preventive measures and enable immediate adoption of correct safety protection measures when incidents occur. Occupational Safety Committee: This committee meets regularly every three months to plan, evaluate, and make recommendations regarding various occupational safety-related items. The Company plans to introduce ISO 45001:2018 certification in 2025 to implement improvements in workplace safety and expects to reduce or even eliminate workplace hazards and related diseases.	
(4) Has the Company developed an effective career development training program for its employees?	V		The Company has formulated Education and Training Management Measures to assess annual education and training needs and formulate plans. The courses include professional courses, general courses, safety courses, and management training, allowing individuals to plan their careers and grow together with the overall interests of the Company through work and training.	No significant deviations, in compliance with the fundamental spirit and standards of the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.

Evaluation Item	Operation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Y	N	Brief description	
(5) Does the Company follow the relevant laws and regulations and international standards on issues such as customer health and safety, customer privacy, marketing and labeling of its products and services, and has it established relevant policies and complaint procedures to protect the rights of consumers or customers?	V		To implement information security, the Company has established Information Security Management Measures to ensure the interests of stakeholders. The Company has a "Stakeholder" section on its website, providing contact channels through which customers can contact relevant departments with any questions.	No significant deviations, in compliance with the fundamental spirit and standards of the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
(6) Has the Company formulated a supplier management policy that requires suppliers to comply with the relevant specifications on issues such as environmental protection, occupational safety and health, or labor human rights and their implementation status?	V		The Company has established Supplier Management Measures and Sustainable Development Best Practice Principles which stipulate that before conducting business transactions with suppliers, assessment is to be made whether they have policies that conflict with environmental and social responsibility.	No significant deviations, in compliance with the fundamental spirit and standards of the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
5. Has the Company made reference to international standards or guidelines for the preparation of reports, such as corporate social responsibility reports, which disclose non-financial information about the Company? Have the abovementioned reports obtained the verification or assurance opinions from third-party certification organizations?		V	The Company plans to issue the 2024 perpetual report in August 2025, but no perpetual report was prepared for 2023.	Not applicable.
6. If the Company has its own sustainable development code in accordance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please describe the differences between its operation and the Principles:	V		The Company has established Sustainable Development Best Practice Principles to implement its commitment to corporate social responsibility, formulate employee ethical standards and codes of conduct, as well as policies for environmental, safety, and health management, and ensure their implementation. In compliance with the basic spirit and standards of the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.	No significant deviations, in compliance with the fundamental spirit and standards of the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
7. Other material information to facilitate better understanding of the Company's implementation of sustainable development: 1. Promote and implement environmental protection concepts 2. The Company values social care and timely assistance to and support for socially disadvantaged groups. 3. Please refer to the Corporate Sustainability section of our website at http://www.winstar.com.tw.				

(5) Climate-related information for TWSE/TPEx listed companies:

Project	Implementation
1. Describe the supervision and governance of climate-related risks and opportunities by the board of directors and management.	■The Board of Directors The Board of Directors serves as the company's highest climate governance decision-making body, with directors responsible for overseeing the company's governance performance and goal achievement on climate-related issues. The Board conducts annual reviews during board meetings of the annual corporate sustainability governance performance reported by the "Sustainability Development Committee," including the current status of climate-related issue governance and goal achievement. ■Sustainable Development Committee To strengthen the company's management and identification of climate-related risk and opportunity issues, a "Sustainability Development Committee" was established in 2024, responsible for promoting and implementing sustainability initiatives. The committee comprises the Chairman, Independent Directors, and a Vice General Manager, with the Chairman serving as convener. Together with supervisors from various departments including the General Manager's Office, Finance Department, and Management Department, the committee holds meetings periodically to integrate resources across departments, promote various sustainability development operations, and establish short, medium, and long-term sustainability development plans. Committee members are responsible for collecting and consolidating domestic and international climate issue trends, regularly implementing and formulating the company's overall climate risk and opportunity management policies and response strategies, ensuring the appropriateness of the company's climate governance direction and implementation, and providing annual reports to the Board of Directors on the management performance of climate-related risks and opportunities.
2. The direction and suitability of climate governance practices, and report the management performance of climate-related risks and opportunities to the board of directors on a regular basis each year.	The company needs to identify potential climate risks it may face, including the impact of extreme climate events on the company's business and assets, as well as the operational impact of policy changes, technology upgrades, or market demand changes. To define short, medium, and long-term risks and opportunities, the company defines short-term as within the next 3 years, medium-term as within the next 10 years, and long-term as beyond 10 years, based on the company's financial planning, strategic direction, and vision objectives. Short-term impacts from climate events include business disruptions such as production interruptions, affecting related supply chains and company operations; management must develop strategies to address climate change, such as improving production processes to reduce carbon emissions; and financial impacts where climate risks may lead to asset value depreciation and other climate-related risks. Medium to long-term impacts involve climate change causing changes in market structure and consumer behavior. The company needs to conduct a comprehensive review of its business model and value chain, consider possible climate change scenarios, adjust products and services to meet market demands, invest in research and development and innovation programs, develop low-carbon and recyclable products or services, and plan for additional capital investment on the financial front.
3. Describe the financial impact of extreme climate events and transition actions.	Extreme climate events such as typhoons and heavy rainfall are becoming more frequent and severe. Production bases or partner manufacturers may face power outages, flooding, and damage to equipment and facilities from strong winds and water damage, leading to increased maintenance costs at operational sites, operational disruptions, or production material shortages.

4. Describe how the identification, assessment and management process of climate risks are integrated into the overall risk management system.	To enable the company to grasp current key climate opportunities and risks, the Sustainability Development Committee annually convenes working groups to collect climate risk information from relevant departments and conduct interviews with departments related to climate issues regarding their views on the impact level and likelihood of occurrence of these issues, in order to consolidate and identify annual key climate risks and opportunities. The results are reported to the Board of Directors, which makes decisions and formulates company strategies.
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be explained.	The company has not yet used scenario analysis to assess resilience in facing climate change risks.
6. If there is a transition plan to manage climate-related risks, explain the content of the plan and the indicators and targets used to identify and manage physical risks and transition risks.	Currently, there is no transition plan for managing climate-related risks.
7. If internal carbon pricing is used as a planning tool, the basis for price setting should be explained.	The company currently has no plans to use carbon pricing as a planning tool.
8. If climate-related targets are set, the activities covered, the scope of greenhouse gas emissions, the planning period, and the annual progress should be explained; if carbon offsets or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon reduction credits or the number of renewable energy certificates (RECs) used should be explained.	To continuously achieve international emission reduction trends, the company conducts emission reduction tracking through the Sustainability Development Committee. The company has designated 2022 as the baseline year for company emissions and has also established reduction targets for 2025, 2030, and 2050. The annual total carbon emissions will be reduced by 4.2% compared to the baseline year emissions. By 2030, total carbon emission reduction will reach 30% of the baseline year emissions, and by 2050, total carbon emission reduction will reach 100% of the baseline year emissions.
9. Greenhouse gas inventory and confirmation status and reduction targets, strategies and specific action plans (fill in 1-1 and 1-2).	The company has established a Sustainability Development Committee and formed a sustainability development team. The team has begun researching and discussing greenhouse gas inventories, future targets, and action plans; however, greenhouse gas inventory implementation had not yet been executed prior to the publication of this annual report.

(6) Ethical business performance conditions, as well as differences and reasons for differences with Ethical Corporate Management Best Practice Principles for TWSE / GTSM Listed Companies:

Evaluation Item	Operation: Y	Operation: N	Operation: Brief description	Difference from Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies and reason thereof
1. Establishment of Corporate Conduct and Ethics Policy and Implementation Measures (1) Does the Company have a clear ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team?	V		(1) The Company has established Ethical Corporate Management Best Practice Principles, the formulation and amendment of which are approved by the Board of Directors. They stipulate that directors, managers, and employees must comply with legal requirements in conducting business.	No significant deviations, in compliance with the fundamental spirit and standards of the Ethical Corporate Management Best Practice Principles for TWSE / TPEX Listed Companies
(2) Has the Company established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates within a business context, the business activities with a higher risk of unethical conduct; and has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in Article 7, Paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies?	V		The Company has established Procedures for Ethical Management and Guidelines for Conduct as a program to prevent unethical behavior, analyze business activities within the scope of operations with a higher risk of unethical behavior, and strengthen related preventive measures.	No significant deviations, in compliance with the fundamental spirit and standards of the Ethical Corporate Management Best Practice Principles for TWSE / TPEX Listed Companies
(3) Has the Company established relevant policies that are duly enforced to prevent unethical conduct, provided implementation procedures, guidelines, consequences of violation and complaint procedures, and does it periodically review and revise such policies?	V		The Company's Ethical Corporate Management Best Practice Principles and its Procedures for Ethical Management and Guidelines for Conduct clearly stipulate approaches for preventing dishonest behavior, including operation procedures, behavioral guidelines, disciplinary actions for violations, and a complaint system, which are implemented and regularly reviewed and amended.	No significant deviations, in compliance with the fundamental spirit and standards of the Ethical Corporate Management Best Practice Principles for TWSE / TPEX Listed Companies
2. Implementation of Ethical Corporate Management (1) Does the Company assess a trading counterpart's ethical management record and expressly state the ethical management clause in the contract to be signed with the trading counterpart?	V		The Company conducts appropriate evaluations of customers and suppliers, and contracts with them include clauses on integrity. The Company expressly prohibits the acceptance of any form of improper benefits from suppliers, and violations may result in immediate termination or cancellation of contracts.	No significant deviations, in compliance with the fundamental spirit and standards of the Ethical Corporate Management Best Practice Principles for TWSE / TPEX Listed Companies

Evaluation Item		Operation			Difference from Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies and reason thereof
		Y	N	Brief description	
(2)	Does the Company have a dedicated unit under the Board of Directors responsible for promoting corporate integrity and ethics, which regularly (at least once a year) reports to the board on its policies for integrity and ethical conduct, measures to prevent dishonest behavior, and the supervision of their implementation?	V		The Company's Ethical Corporate Management Best Practice Principles designate the Finance Department as the responsible unit for revising, implementing, interpreting, providing consultation services, and recording reports related to the operational procedures and behavioral guidelines, and supervises their implementation, and shall regularly report to the Board of Directors annually.	No significant deviations, in compliance with the fundamental spirit and standards of the Ethical Corporate Management Best Practice Principles for TWSE / TPEX Listed Companies
(3)	Has the Company developed a policy to prevent conflicts of interest, provided a proper presentation channel, and put such policy in place?	V		The Company has established Ethical Corporate Management Best Practice Principles and has set up a stakeholder section on the Company's website, providing channels for employees and the public to lodge complaints, and conducts intermittent audits through the internal control system.	No significant deviations, in compliance with the fundamental spirit and standards of the Ethical Corporate Management Best Practice Principles for TWSE / TPEX Listed Companies
(4)	Has the Company established an effective accounting system for the implementation of ethical management, internal control system, and the evaluation result of the risk of dishonesty by the internal audit unit, to formulate relevant audit plans, and check the compliance with the plan to prevent dishonesty, or entrusted an accountant to perform the audit?	V		The accounting system of the Company is established in accordance with the Securities and Exchange Act, the Company Act, the Commercial Accounting Act, the Regulations Governing the Preparation of Financial Reports by Securities Issuers, International Financial Reporting Standards recognized by the Financial Supervisory Commission, International Accounting Standards, interpretations and announcements, and other relevant laws and regulations, and is formulated according to the actual business situation of the Company. The internal control system is established in accordance with relevant regulations such as the Regulations Governing the Establishment of Internal Control Systems by Public Companies and is effectively implemented. The Board of Directors' Audit Committee also regularly audits compliance with accounting and internal control systems, reporting to the Board of Directors.	No significant deviations, in compliance with the fundamental spirit and standards of the Ethical Corporate Management Best Practice Principles for TWSE / TPEX Listed Companies
(5)	Does the Company hold education training in ethical corporate management inside and outside the Company on a regular basis?	V		The Company provides training on topics related to corporate governance and ethical management for new employees.	No significant deviations, in compliance with the fundamental spirit and standards of the Ethical Corporate Management Best Practice Principles for TWSE / TPEX Listed Companies

Evaluation Item	Operation			Difference from Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies and reason thereof
	Y	N	Brief description	
3. Reporting system practices of the Company (1) Has the Company established a specific whistleblower and reward system, established a convenient channel for whistleblowing, and assigned appropriate personnel to handle complaints?	V		The Company's website has a reporting contact email for handling related matters, with designated personnel responsible for processing such reports.	No significant deviations, in compliance with the fundamental spirit and standards of the Ethical Corporate Management Best Practice Principles for TWSE / TPEX Listed Companies
(2) Has the Company established standard operating procedures for accepting complaints, follow-up measures to be taken after the investigation is completed, and relevant confidentiality mechanisms?	V		The Company assigns dedicated personnel to investigate reported issues, ensuring the confidentiality of the reporter and the reported matter.	No significant deviations, in compliance with the fundamental spirit and standards of the Ethical Corporate Management Best Practice Principles for TWSE / TPEX Listed Companies
(3) Has the Company taken measures to protect whistle-blowers from retaliation due to reporting?	V		The Company not only strictly maintains the confidentiality of the whistleblower's identity but also ensures that the whistleblower is not subjected to any improper treatment due to the whistleblowing.	No significant deviations, in compliance with the fundamental spirit and standards of the Ethical Corporate Management Best Practice Principles for TWSE / TPEX Listed Companies
4. Strengthening of information disclosure (1) Has the company, on its website and on the Market Observation Post System, disclosed the content and promotion effectiveness of its Ethical Corporate Management Best Practice Principles?	V		The Company's Ethical Corporate Management Best Practice Principles are posted on the Company's website, along with a stakeholder section disclosing corporate culture and management policies.	No significant deviations, in compliance with the fundamental spirit and standards of the Ethical Corporate Management Best Practice Principles for TWSE / TPEX Listed Companies
5. If the Company has enacted the Ethical Corporate Management Best Practice Principles in accordance with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, please describe the difference between its operation and the Principles: The Company has formulated Ethical Corporate Management Best Practice Principles and Procedures for Ethical Management and Guidelines for Conduct in accordance with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies in consideration of the Company's actual operations, and with no material discrepancies in its adherence to the above regulations.				

Evaluation Item	Operation			Difference from Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies and reason thereof
	Y	N	Brief description	
6. Other information that enables a better understanding of the Company's ethical corporate management (for example, the Company's review and revision of the Ethical Corporate Management Best Practice Principles): The Company's management actively implements ethical management, with a summary of related systems, measures, and performance as follows: To establish a culture of integrity, strengthen corporate governance, and enhance risk management, the Company has stipulated in the Procedures for Ethical Management and. Guidelines for Conduct that directors, managers, and employees shall comply with legal requirements and prevent dishonest behavior in the performance of their duties, thereby fostering a sound operating environment.				

(7) Other important information that is sufficient to improve the understanding of corporate governance operations
The Company has established Management Operating Procedures for Handling of Internal Material Information and Prevention of Insider Trading, and any amendments are approved by the Board of Directors and publicly announced before implementation. Please refer to the "Corporate Governance" section under the "Investor Relations" section on the Company's website for details: http://www.winstar.com.tw.

(8) Implementation status of internal control system:

1. Statement of Internal Control: Please refer to the Market Observation Post System → Corporate Governance → Internal Control Zone → Internal Control Statement Announcement https://mopsov.twse.com.tw/mops/web/t06sg20.
2. The special internal control audit report issued by the CPA, if any: No such circumstances.

(9) Important resolutions of the shareholders meeting and Board of Directors in the most recent year and as of the printing date of the annual report:

1. Content of important resolutions of shareholders' meetings

Convening date	Important issues	Implementation
2024/05/31 General Meeting of Shareholders	Ratification Matters: 1. 2023 Business Report and financial statements.	According to the voting results, the total voting rights of shareholders present at the vote: 48,099,803 votes; votes in favor: 48,043,171 votes, representing 99.88% of the total voting rights; votes against: 15,100 votes; invalid votes: 0 votes; abstentions/non-votes: 41,532 votes. This proposal was passed as proposed by the Board of Directors.
	Ratification Matters: 2. 2023 earnings distribution proposal.	

2. Content of important resolutions of the Board of Directors

Convening date	Important Resolution
2024/03/12	1. Statement of Internal Control System for 2023.
	2. Evaluation of the independence and competency of the certifying CPAs.
	3. Amounts distributed for employee remuneration and director remuneration for 2023.
	4. 2023 Business Report and financial statements.
	5. 2023 earnings distribution proposal.
	6. Proposed amendment of the Company's "Audit Committee Organizational Rules."
	7. Proposed amendments to the Company's Procedural Rules of Board of Directors Meetings.
	8. Convening of the 2024 General Meeting of Shareholders and matters related to shareholders' proposals.
	9. The Company's proposed application for a bank line of credit in order to meet operational needs.
	10. Proposed provision of endorsements/guarantees for the Company's subsidiaries
	11. Proposed allocation of IPO project bonus
2024/05/14	1. The appointment and remuneration of the company's 2024 accounting firm.
	2. The first quarter consolidated financial statements for 2024..
	3. The company's subsidiary, Yaoling Optoelectronics Co., Ltd., intends to carry out a cash capital increase and submit it for discussion.
	4. The company's subsidiary, Yaoling Optoelectronics Co., Ltd., intends to provide an endorsement guarantee.
	5. The company intends to establish a sustainable development committee and formulate the "Sustainable Development Committee Organization Charter".
	6. The company intends to appoint the first term of the company's sustainable development committee members.
	7. Review the employee remuneration and director remuneration payment for 2023.
2024/08/07	1. The second quarter consolidated financial statements for 2024.
	2. The company's subsidiary, WINBEST TECHNOLOGY LLC., intends to carry out a cash capital increase.
	3. The company's subsidiary, Hualing Optoelectronics (Changshu) Co., Ltd., intends to carry out a cash capital increase.
	4. To formulate the base date for the company's cash dividend distribution in 2014 and

Convening date	Important Resolution
	related operations.
	5. To meet operational needs, the company intends to apply for a bank line.
	6. To provide an endorsement guarantee for the company's subsidiary, Yaoling Optoelectronics Co., Ltd.
2024/11/12	1. The consolidated financial statements for the third quarter of 2024.
	2. To change the custodian of the company's seals and stamps.
	3. The subsidiary Hualing Optoelectronics Changshu Co., Ltd. intends to loan funds to the subsidiary Dongguan Hanling Electronics Co., Ltd.
	4. To formulate the "Management Measures for Sustainability Information".
	5. To formulate the "Operational Procedures for the Preparation and Verification of Sustainability Reports".
2024/12/26	1. The internal audit plan for 2025.
	2. The operating plan and budget for 2025.
	3. To provide an endorsement guarantee for the financing needs of the subsidiary through the company.
	4. To meet operational needs, a bank line is intended to be applied.
	5. Dongguan Hanling Electronics Co., Ltd., a subsidiary, plans to lease a factory from Hualing Optoelectronics (Changshu) Co., Ltd., a subsidiary.
	6. The company plans to acquire right-of-use assets from related parties..
	7. Proposed amendments to the key points of the internal person's new employment (dismissal) information reporting and shareholding change reporting and announcement.
	8. Proposed amendments to the company's articles of association.
	9. The company's subsidiary WINSTAR DISPLAY GmbH plans to increase its capital in cash.
2025/03/11	1. 2024 internal control system statement.
	2. The company's 2014 certification accountant appointment and remuneration..
	3. Evaluation of the independence and competency of the certifying CPAs.
	4. The amount of employee remuneration and director remuneration paid in 2024.
	5. 2024 business report and financial statements.
	6. 2024 profit distribution.
	7. The company plans to apply for a bank line to meet operational needs.
	8. The proposal to re-elect all directors (including independent directors) of the company is submitted for discussion.
	9. The proposal to lift the non-competition restriction of the new directors and their representatives.
	10. The proposal to accept the relevant matters of the nomination of directors (including independent directors) candidates by shareholders at the 2025 General Meeting of Shareholders is submitted for discussion.
	11. The convening of the 2025 General Meeting of Shareholders and the acceptance of shareholder proposals.

(10) In the most recent year and up to the date of publication of the annual report, the major contents of the opposition to or qualified opinions expressed by directors about the significant resolutions passed by the Board of Directors that have been noted in the records or declared in writing: No such circumstances.

3. Information on the professional fees of the attesting CPAs (external auditors)

(1) Information on the professional fees of the attesting CPAs (external auditors)

Unit: NTD thousand

Name of Accounting firm	Name of accountant	Period of accountant audit	Audit fees	Non-audit fees	Total	Remarks
Deloitte and Touche	Amy Chiang Eddy Su	2024.01.01~ 2024.12.31	3,300	460	3,760	(Note)

Note: Non-audit fees include tax certification fees of NT$210 thousand, transfer pricing report fees of NT$250 thousand..

(2) If the accounting fees paid during the year when the accounting firm is replaced are less than the previous year, the amount of the audit fees before and after the replacement and the reasons shall be disclosed: Not applicable.

(3) If the audit fees are reduced by more than 10% compared with the previous year, the amount, proportion and reasons for the reduction in the audit fees shall be disclosed: Not applicable.

4. Information on changes of CPA in the most recent two years: No such circumstances.

5. The Company's chairman, president, or manager responsible for financing or accounting affairs, who has worked for the accounting firm to which CPAs belong or the affiliated enterprises in the within the past year: No such circumstances.

6. Changes to the shares held by directors, managers, and shareholders holding more than 10% of the shares in the most recent year and through the printing date of the annual report

(1) Directors, managers and major shareholders' equity changes

Unit: share

Job title	Name	2024		Through April 25, 2025	
		Increased (decreased) number of shares held	Increased (decreased) number of shares pledged	Increased (decreased) number of shares held	Increased (decreased) number of shares pledged
Chairman and President	Yu-Pin Liao	–	–	(52,000)	–
Corporate Director Representative and Vice President	Yao-Wen Tsai	–	–	(361,000)	–
Corporate directors and major shareholders holding 10%	Kenstar Investment Co., Ltd.	–	–	–	–
Corporate directors and major shareholders holding 10%	Jastar Investment Co., Ltd.	–	–	–	–
Representative of Juristic Person Director	Ssu-Chun Sung	–	–	(105,000)	–
Independent Director (Note 1)	Hsiang-Tsai Chiang	–	–	–	–
Independent Director (Note 1)	Ming-Shih Chiu	–	–	–	–
Independent Director (Note 1)	San-Shan Hung	–	–	–	–
Independent Director (Note 1)	Yen-Jen Chang	–	–	–	–
Vice President of Finance	Wen-Chin Chang			–	–
Business VP Special Assistant to the Chairman and Head of Management Department	Chien-Chih Lin			–	–
Assistant Manager, R&D Division	Liang Jung-Chih	(25,000)	–	(5,000)	–
Assistant Manager, R&D Division	Lai Kuo-Chien	(32,000)	–	(9,000)	–
Assistant Manager, R&D Division	Hsu Chien-Chou	–	–	(10,000)	–
Assistant Manager, R&D Division	Wang Hsing-Fa	–		–	–
Assistant Manager, Business Division	Wang Hui-Tsu	–	–	–	–
Assistant Manager, IT Department	Kao Tzu-Hui	(12,000)	–	(7,000)	–
Assistant Manager, Finance Department	Hsin-Fu Huang	–	–	–	–

(2) Information on the transfer of equity of directors, managers, and shareholders holding more than 10% of shares: None.

7. Information about relationships among top ten shareholders such as related parties, spouses, or relatives within the second degree of kinship

April 25, 2025; Units: Shares, %

Name	Shares held by itself		Shares held by spouse and minor children		Total shareholding under the name of third parties		For two of the Top-10 shareholders who are interested parties or spouses or relatives within the second degree of kinship, their names or names and relationship.		Remarks
	Number of Shares	Shareholding Ratio (%)	Number of Shares	Shareholding Ratio (%)	Number of Shares	Shareholding Ratio (%)	Name (or designation)	Relationship	
Kenstar Investment Co., Ltd. Representative: Ssu-Chun Sung	10,636,783	15.76	—	—	—	—	Ssu-Chun Sung	Responsible person	—
							Yu-Pin Liao	Director	
	2,624,394	3.89	7,013,700	10.36	—	—	Yu-Pin Liao	Spouse	
							Liao Kuan-Chuan	Mother and son	
							Jastar Investment Co., Ltd.	Responsible person	
Jastar Investment Co., Ltd. Representative: Ssu-Chun Sung	8,527,909	12.63	—	—	—	—	Ssu-Chun Sung	Responsible person	—
							Yu-Pin Liao	Director	
	2,624,394	3.89	7,013,700	10.36	—	—	Yu-Pin Liao	Spouse	
							Liao Kuan-Chuan	Mother and son	
							Kenstar Investment Co., Ltd.	Responsible person	
Yu-Pin Liao	5,953,672	8.82	3,684,422	5.46	23,746,680	35.18	Ssu-Chun Sung	Spouse	—
							Liao Kuan-Chuan	Father and son	
							Sunglowed International Ltd.	Responsible person	
							Kenstar Investment Co., Ltd.	Director	
							Jastar Investment Co., Ltd.	Director	
Huatsen Investment Co., Ltd. Representative: Shu-Chu Lin	4,949,392	7.33	—	—	—	—	—	—	—
	639,481	0.95	2,431,876	3.60	—	—	Yao-Wen Tsai	Spouse	
Sunglowed International Ltd. Representative: Yu-Pin Liao	4,581,988	6.79	—	—	—	—	Yu-Pin Liao	Responsible person	—
	5,953,672	8.82	3,684,422	5.46	23,746,680	35.18	Ssu-Chun Sung	Spouse	

Name	Shares held by itself		Shares held by spouse and minor children		Total shareholding under the name of third parties		For two of the Top-10 shareholders who are interested parties or spouses or relatives within the second degree of kinship, their names or names and relationship.		Remarks
	Number of Shares	Shareholding Ratio (%)	Number of Shares	Shareholding Ratio (%)	Number of Shares	Shareholding Ratio (%)	Name (or designation)	Relationship	
							Liao Kuan-Chuan	Father and son	
							Kenstar Investment Co., Ltd.	Director	
							Jastar Investment Co., Ltd.	Director	
Chienchuang Investment Co., Ltd.	4,068,000	6.03	–	–	–	–	–	–	–
Representative: Fu-Cheng Lin	46,000	0.07	–	–	–	–	Chien-Chih Lin	Sibling	
Yao-Wen Tsai	2,431,876	3.60	639,481	0.95	4,949,392	7.33	Huatsen Investment Co., Ltd.	Responsible person is his/her spouse	–
Ssu-Chun Sung	2,624,394	3.89	7,013,700	10.36	–	–	Yu-Pin Liao	Spouse	–
							Liao Kuan-Chuan	Mother and son	
							Kenstar Investment Co., Ltd.	Responsible person	
							Jastar Investment Co., Ltd.	Responsible person	
Chien-Chih Lin	2,188,000	3.24	–	–	–	–	Chienchuang Investment Co., Ltd.	Responsible person is his/her brother	–
Liao Kuan-Chuan	1,165,571	1.73	–	–	–	–	Yu-Pin Liao	Father and son	–
							Ssu-Chun Sung	Mother and son	

Note 1: Please list all the top-10 shareholders, and where a shareholder is a juristic person, the names of the juristic person and its representative name seperately.

Note 2: Shareholding (%) refer the shareholding ratios calculated using the numbers of shares under the names of the indicated person, its spouse and minor children, and others, respectively.

Note 3: Where the above-disclosed shareholders include both juristic persons and natural persons, please disclose their mutual relationship in accordance with the provisions as set forth in the issuer’s regulations governing the preparation of financial reports.

Note 4: There is no relevant information for non-company insiders.

8. The number of shares held by the Company, its directors, managers, and enterprises directly or indirectly controlled by the Company in the same reinvested enterprise, and the consolidated shareholding ratio: None.

III. Fundraising Overview

1. Capital & Shares

(1) Source of share capital

1. Changes in the Company's share capital in the most recent five years and as of the publication date of the annual report

April 25, 2025; Units: Thousand shares, NTD thousand

Month Year	Issuing price	Authorized share capital		Paid-in share capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Capital stock Source	Assets other than cash used as share capital	Others
2021.12	10	80,000	800,000	50,000	500,000	Cash capital increase of NT$100,000 thousand	—	Note 1
2022.09	22	80,000	800,000	52,500	525,000	Cash capital increase of NT$25,000 thousand	—	Note 2
2023.07	—	80,000	800,000	60,000	600,000	Capitalization of retained earnings of NT$75,000 thousand	—	Note 3
2023.12	24	80,000	800,000	67,500	675,000	Cash capital increase of NT$75,000 thousand	—	Note 4

Note 1: Change of registration date document number: Zhongshanzi No. 1110000098
Note 2: Change of registration date document number: Zhongshanzi No. 1110023901
Note 3: Change of registration date document number: Zhongshanzi No. 1120015418
Note 4: Change of registration date document number: Zhongshanzi No. 1120028948

2. Type of shares

April 25, 2025; Units:

Type of shares	Authorized share capital			Remarks
	Outstanding shares	Unissued shares	Total	
Registered common stock	67,500,000	12,500,000	80,000,000	Shares of TWSE-listed companies

(2) Major Shareholders

April 25, 2025; Units: Shares, %

Shares of Stock / Name of major shareholder	Number of shares held	Shareholding ratio
Kenstar Investment Co., Ltd.	10,636,783	15.76
Jastar Investment Co., Ltd.	8,527,909	12.63
Yu-Pin Liao	5,953,672	8.82
Huatsen Investment Co., Ltd.	4,949,392	7.33
Sunglowed International Ltd.	4,581,988	6.79
Chienchuang Investment Co., Ltd.	4,068,000	6.03
Yao-Wen Tsai	2,431,876	3.60
Ssu-Chun Sung	2,624,394	3.89
Chien-Chih Lin	2,188,000	3.24
Liao Kuan-Chuan	1,165,571	1.73
Total	47,127,585	69.82

(3) Company dividend policy and implementation status:

1. Dividend policy:

In accordance with the dividend policy stipulated by the Company’s Articles of Incorporation, if there is a surplus in the annual final accounts, taxes should first be paid and accumulated losses covered. Thereupon, another 10% should be set aside as legal reserve. However, this does not apply when legal has reached the amount of paid-in capital. The remainder shall be set aside or reversed as special reserve in accordance with laws and regulations. If there is any remaining balance, then it shall be combined with cumulative undistributed earnings and an earnings distribution proposal drafted by the Board of Directors for submission to the shareholders’ meeting for resolution on the distribution of shareholder dividends.

The Company's dividend policy adheres to a principle of prudent balance, taking into consideration factors such as profit status, financial structure, and future development. It allocates 10% to 90% of the distributable profits for the year to shareholders as dividends, with cash dividends accounting for no less than 10% of the total dividend amount. If the dividend per share is less than NT$0.1, the Board of Directors may propose not to distribute dividends and submit it to the shareholders' meeting for resolution.

2. Proposed dividend distribution for the year:

Cash dividends: A total of NT$18,900,000 from the earnings of the year 2024 has been allocated as cash dividends, distributing NT$0.28 per share. The distribution of cash dividends for the year 2024 is subject to the resolution of the 2025 General Meeting of Shareholders.

(4) The influence of stock dividends planned to the paid in the shareholders' meeting of this year on the operating performance and earnings per share of the Company: Not applicable.

(5) Remuneration to employees and directors

1. Percentages and ranges of compensation for employees and directors as provided in Articles of Incorporation:

In accordance with the Articles of Incorporation, the Company allocates no less than 1% and no more than 5% of the profits before tax of the current year as the remuneration of employees and the remuneration of directors, respectively.

2. The accounting treatment for differences between the estimated amount of employee and director remuneration, the basis for the estimation, the basis for calculating the number of shares distributed as employee remuneration in stock, and the actual amount distributed, when there is a difference from the estimated amount:

The estimated amount of employee and director remuneration is calculated based on the percentage stipulated in the Company's Articles of Incorporation and recognized as salary expenses. If there are still changes in the amounts after the financial statements are approved for issuance, they shall be regarded as changes in accounting estimates, and the profit or loss for the following year shall be adjusted.

3. Information on any approval by the board of directors of distribution of compensation:
   (1) The amount of any employee compensation distributed in cash or stocks and compensation for directors and supervisors:

   The Company approved the distribution of employee remuneration and director remuneration for 2024 at the board meeting held on March 11, 2025. Employee remuneration to be distributed in cash is NT$1,900 thousand, and director remuneration is NT$1,500 thousand. The aforementioned amounts will be distributed in cash.

   If there is a discrepancy with the annual estimated amount of recognized expenses, the amount of the discrepancy, reason and handling circumstances should be disclosed: Not applicable.

   (2) The amount of any employee profit-sharing compensation distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial reports for the current period and total employee profit-sharing compensation: No such circumstances.

4. The actual payment of remuneration to the employees and directors in the previous year (including the number of distributed shares, amount, and stock price); if there is a difference with the recognized amount of remuneration for employees and directors, the amount of the difference, the reason, and the handling circumstances should be stated:

   The Company approved the distribution of employee remuneration and director remuneration for 2023 at the board meeting held on March 12, 2024. Employee remuneration to be distributed in cash was NT$4,186 thousand, and director remuneration was NT$5,000 thousand. The aforementioned amounts was to be distributed in cash.

2. Repurchase of shares by the Company: No such circumstances for the Company.

3. Handling of corporate bonds: No such circumstances for the Company.

4. Handling of preferred shares: No such circumstances for the Company.

5. Handling of overseas depositary receipts: No such circumstances for the Company.

6. Handling of employee stock options: No such circumstances for the Company.

7. Handling of restricted employee shares: No such circumstances for the Company.

8. Status of new share issuance in connection with mergers and acquisitions: No such circumstances for the Company.

9. Implementation status of fund utilization plan (issuances of securities, whether completed within the last three years or ongoing, for which the anticipated benefits have not yet materialized): No such circumstances for the Company.

IV. Operation Overview

1. Business summary

(1) Business scope

1. Principal business activities of the Company:

Research, development, manufacturing, and sales of the following products:

(3) Organic Light Emitting Diode (OLED) display modules.

(4) E-Paper display modules.

(5) Liquid crystal display modules.

The industries and codes of the above products are as follows:

1. CC01080 Electronics Components Manufacturing.
2. CC01050 Data Storage Media Units Manufacturing.

The following business operations are limited to outside the Science Park:

(1) F113050 Wholesale of Office Machinery and Equipment.

(2) F119010 Wholesale of Electronic Materials.

(3) ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

2. Business proportions of major products

Unit: NTD thousand, %

Product item	2023		2024	
	Operating revenues	Weight of business	Operating revenues	Weight of business
STN display module	1,048,597	47.04%	886,840	43.60%
TFT display modules	640,873	28.75%	505,552	24.86%
OLED display panels and modules	512,643	23.00%	615,853	30.28%
Others	27,117	1.21%	25,678	1.26%
Total	2,229,230	100.00%	2,033,923	100.00%

3. The Company’s current products (services)

(1) Research, design, production, and sales of standard and customized STN LCD display module products

(2) Research, design, production, and sales of standard and customized TFT LCD display module products

(3) Production and sales of Organic Light-Emitting Diode (OLED) panels

(4) Research and development, design, production, and sales of standard and custom OLED display module products

(5) Customized R&D, design, production and sales of backlight modules

(6) Research and development, design, production, and sales of System Integration (SI) modules

(7) Research and development, design, production, and sales of Smart Display series products

(8) Research, design, production, and sales of embedded display solution series products.

(9) R&D, design, and sales of touch panel standard products and customized products.

(10) Research, design, and sales of standard and customized E-Paper displays.

4. New products (services) planned and developed

(1) STN display module

A. Research and development of new functional products to enhance module functionality and increase product added value.

B. Develop high-resolution, high-contrast, and low-power consumption products.

C. Research and development of new standard product specifications to expand product lines and increase market share.

D. Research and development of LCD panels combined with touch functionality and LCD multi-color printing to enhance product competitiveness.

E. Integration of client circuits and functions into STN modules to enhance product value-added services.

(2) TFT display modules

A. Research and development of new functional products to increase product added value.

B. Development of weather-resistant, rugged, long-life, high-contrast, high-resolution, narrow-border products.

C. Develop various interface conversion functions for displays.

D. Development of energy-saving, low-power consumption, sunlight-readable, wide-temperature, and wide-viewing-angle products.

E. Development of various signal adapter boards and control boards such as eDP, HDMI signal, MIPI, etc.

(3) OLED display panels and modules

A. Improve product performance and product lifetime.

B. Develop weather-resistant, high-resolution, and large-panel OLEDs.

C. Develop transmissive OLED products.

D. Research and development of OLED lighting technology.

(4) System integration

A. Research and development of new functional standard products to increase product added value and expand product application areas.

B. Customized control board design, providing comprehensive solutions according to customer demand specifications.

C. Research and development of systematic software tools to reduce the technical threshold for application introduction.

D. Development of standard smart display products, aiming to expand support for application system interfaces and communication protocols. R&D efforts also focus on innovating display usage scenarios through new application-specific objects and functionalities.

(5) Embedded Solutions

A. Development of embedded solutions for display modules to broaden application coverage across various industries.

B. Design and development of embedded industrial touch panel computers.

C. Provision of customized embedded system solutions tailored to customer-specific needs and requirements.

(6) E-Paper Displays

A. Introduction of a series of standard E-paper displays, offering customers new energy-efficient display options.

B. Development of E-paper displays integrated with touch functionality and front light modules to enhance versatility.

C. Custom mechanical design of E-paper solutions to meet specific customer requirements and application specifications.

D. Expansion of product specifications to include wide-temperature operation, high resolution, and multi-color capabilities.

(2) Industry Overview

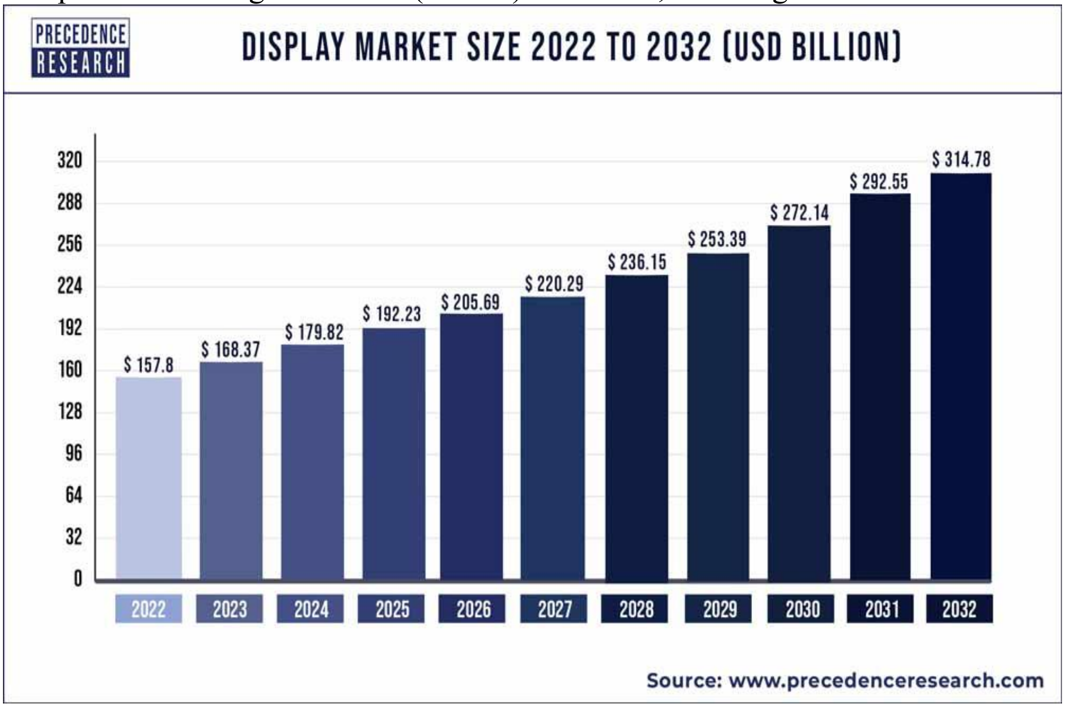
1. Current status and development of the industry

The display industry encompasses a wide range of technologies, including Liquid Crystal Display (LCD), Organic Light-Emitting Diode (OLED), Mini LED, Micro LED, and E-paper. Its applications span across various sectors such as smartphones, notebook computers, televisions, automotive displays, industrial control systems, medical equipment, and smart wearable devices. In recent years, driven by evolving global market demands and rapid technological advancements, the development of the Internet of Things (IoT), Artificial Intelligence (AI), 5G, smart cities, and electric vehicle technologies has accelerated.

Demand for display technology continues to grow, advancing toward ultra-high resolution, extended lifetime, fast response time, wide viewing angles, low power consumption, wide color gamut, and multi-touch capabilities. These developments aim to deliver a higher-definition, smarter, and more interactive immersive visual experience. Consequently, the display industry has gradually transformed from a traditional information output device to a critical medium that drives technological innovation, enhances user experience, and optimizes decision-making efficiency.

In response to the global “Net Zero Carbon Emissions by 2050” initiative, governments worldwide have been strengthening environmental regulations and promoting energy efficiency. This has led to increasing demand for high-performance, low-power display solutions. Diversified low-carbon display technologies are expected to become a key trend.

Looking ahead, the display industry will continue to develop in the direction of higher efficiency, intelligence, and environmental sustainability. The widespread adoption of 5G and AI applications will further drive innovative uses and market opportunities. According to a report by Precedence Research, the global display market is projected to grow at a compound annual growth rate (CAGR) of 7.20%, reaching USD 314.7 billion by 2032.



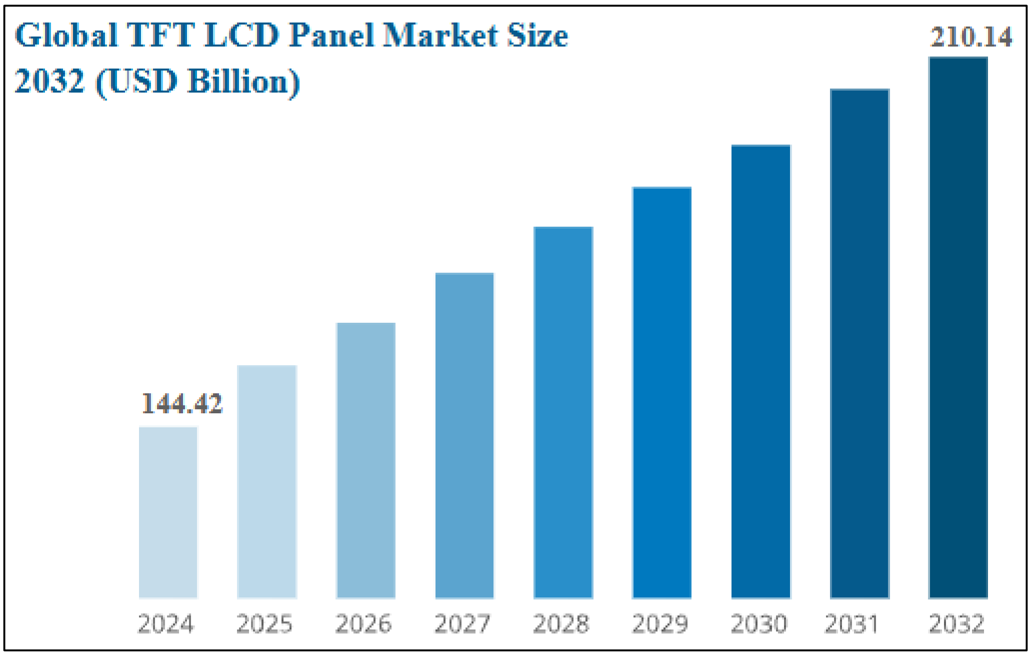
(Source: Precedence Research)

The Company's main products are small and medium-sized liquid crystal displays (LCDs) and Organic Light Emitting Diode (OLED). The following describes the current industry status of these products:

A. Liquid crystal display (LCD)

With the advancement of technology and evolving human needs, liquid crystal display (LCD) technology has developed from single/dual-color TN/STN LCDs to full-color TFT LCD. Due to advantages such as lower cost, low power consumption, energy efficiency, and longer product lifetime, STN LCD are still widely adopted in applications that require extended durability and cost-efficiency. As such, monochrome STN LCD continue to maintain a competitive edge in industrial sectors and are commonly used in measuring instruments, fuel dispensers, communication devices, and automation systems.

Color TFT LCD technology has matured significantly in recent years. Its features such as full color capability, wide viewing angles, high resolution, and high brightness make it suitable for a broad range of applications, including televisions, mobile phones, notebook computers, tablets, desktop monitors, automotive displays, and industrial/commercial displays. According to Business Research Insights, the global TFT LCD panel market is estimated to reach USD 144.42 billion in 2024 and is projected to grow to USD 210.14 billion by 2032, with a compound annual growth rate (CAGR) of 4.8% over the forecast period from 2024 to 2032.



(Source：Business Research Insights)

Our company focuses on small to medium-sized TFT LCD products, which are used in various sectors including consumer electronics, industrial control, automotive, medical, household appliances, energy, audiovisual equipment, and marine applications. As display quality expectations continue to rise and the usage of smartphones and tablets becomes more widespread, TFT LCDs have become the mainstream choice for small and medium-sized displays. In recent years, major international smartphone brands have increasingly adopted OLED panels for their displays. OLED penetration has grown across high-end smartphones, tablets, and wearable devices. According to market research firm Omdia, OLED displays are expected to account for 51% of all smartphone panel shipments in 2024, surpassing LCDs for the first time. The increase is primarily driven by the expanded adoption of OLED in mid-to-low-end smartphones. While demand for small-size TFT LCDs in smartphones is gradually declining, their applications in industrial, automotive, and medical fields continue to grow. According to research from Expert Market Research, the global market for small and medium-sized TFT LCDs is projected to reach approximately USD 97.18 billion by 2032, growing at a CAGR of 5.1% from 2024 to 2032.

B. Organic light-emitting diode display (OLED)

Organic Light-Emitting Diode (OLED) displays have advantages such as self-illumination (no need for a backlight), energy efficiency, lightweight, foldability, wide viewing angles, short response times, and vibrant colors. In recent years, rapid technological advancements have made OLED one of the mainstream technologies in the high-end display market. Application areas include smartphones, premium televisions, laptops, automotive displays, wearable devices, AR/VR, and foldable devices.

OLED displays can be divided into active-matrix organic light-emitting diode (AMOLED) and passive-matrix organic light-emitting diode (PMOLED) according to the driving method. The Company mainly focuses on PMOLED. Compared with AMOLED, PMOLED has the advantages of lower production material costs, simpler process technology, and lower equipment investment costs. It can better meet customers' demands for low-volume, low-cost customization. Currently, PMOLED has been applied in products such as industrial control, medical, networking, audio-visual, portable devices, automotive, smart home appliances, and smart homes. AMOLED has high technical barriers, process technology difficulties, and high costs, and is mainly applied in high-end consumer products such as smartphones, TVs, tablets, and laptops, showing a clear differentiation in application areas from PMOLED. The following table compares PMOLED and AMOLED：

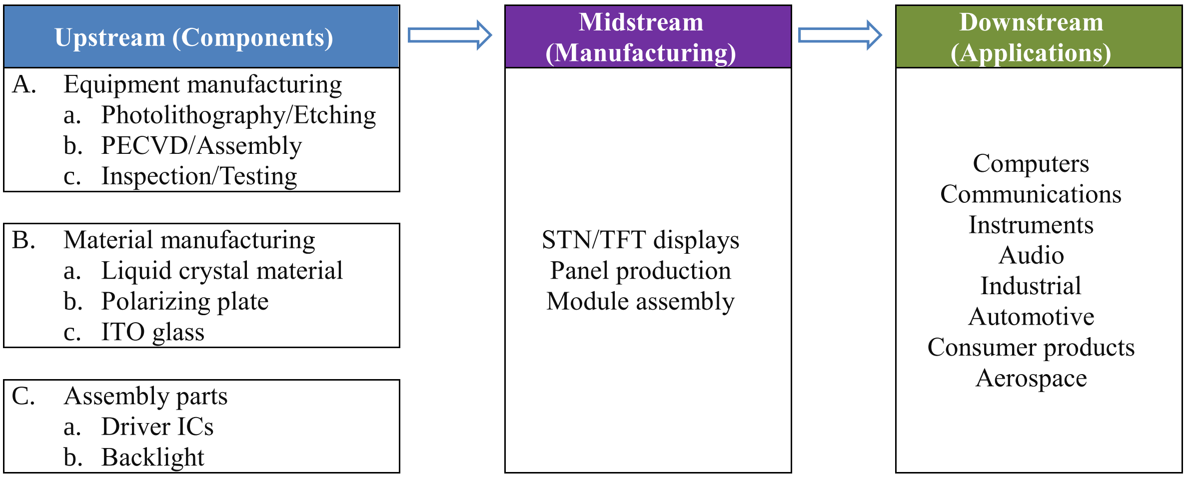
PMOLED and AMOLED comparison table

Features	PMOLED	AMOLED
Lighting method	Instant high luminance illumination	Continuous drive illumination
Energy consumption	High power consumption	Low power consumption
Luminous life	Shorter luminous lifetime, not suitable for large sizes	Easy to improve luminous life and brightness
Display quality	Lower brightness and resolution	High brightness and high resolution
Cost of production	Low	High
Drive circuit design	Easy	Complex
Major application products	Mainly used for wearable applications, with niche applications in industrial control and automotive industries	Smartphones, smart watches, TVs, and laptops

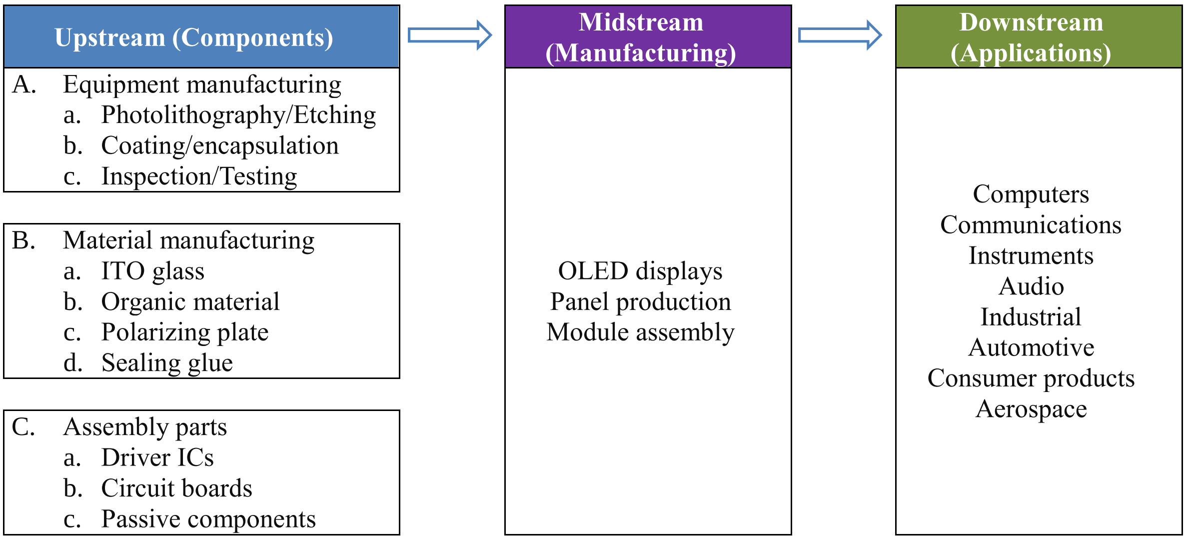
The low power consumption characteristic of OLEDs positions them as a new development trend in the lighting technology sector. The primary differentiators of OLED lighting compared to other technologies lie in its flexibility and capability for localized lighting. Additionally, OLED lighting supports mirror finishes, transparency, color tunability, and touch functionality. Current OLED lighting specifications already meet the brightness requirements for most lighting applications. OLED lighting has found unique use cases in general lighting, medical lighting, architectural/decorative lighting, automotive lighting, and aircraft lighting. OLED’s flexibility and transparency allow for slimmer and more versatile automotive lighting designs. Furthermore, due to its rapid response time and high brightness and color saturation, OLED lighting has already been adopted in premium vehicle models, particularly for tail and brake lights.

2. Links between the upstream, midstream, and downstream segments of the industry supply chain

A. LCD display industry structure



B. OLED display industry structure



3. Development trends for the company's products

With the rapid advancement of technology and continuous improvements in display technologies, user expectations for display products have significantly increased. Key demands now include high resolution, wide viewing angles, ultra-high brightness, and energy efficiency. Display applications have expanded from consumer markets such as smartphones, televisions, and tablets to niche industries including industrial control, medical equipment, automotive systems, and home appliances. Each of these sectors presents distinct requirements and use cases for display technologies, making displays a critical human-machine interface across a wide range of industries.

Display technologies have evolved from traditional monochrome TN/STN LCDs to color TFT LCDs, and further into emerging technologies such as Organic Light Emitting Diode (OLED) displays, Mini LEDs, and Micro LEDs. Among these, OLED displays have emerged as the mainstream successor to TFT LCDs, offering significant advantages such as high brightness, high contrast ratios, and superior clarity. In addition, OLEDs feature a thin and lightweight form factor, low power consumption, wide operating temperature range, and high design flexibility. As OLED manufacturing processes have matured and production costs have decreased, OLED displays have gained broad market acceptance and are now widely adopted in smartphones, televisions, industrial control panels, automotive displays, and medical monitors—especially in high-value niche markets.

Technological innovation has become a focal point in the industry. In particular,

E-paper displays have gained traction due to their ultra-low power consumption and eye-friendly characteristics, accelerating adoption in smart retail, electronic shelf labels, and digital reading devices. Meanwhile, advancements in flexible and transparent display technologies continue to progress, laying the foundation for future applications in smart homes and in-vehicle display systems.

Since 2018, emerging display technologies such as Mini LED and Micro LED have attracted significant market attention due to their exceptional performance characteristics. Mini LED technology is now widely used in gaming monitors and premium laptops. Micro LED, widely regarded as the next-generation display technology, still faces challenges in terms of manufacturing cost and technical complexity; however, it has begun to make inroads into applications such as automotive displays, commercial signage, and wearable devices.

4. Competition

Our company is the only manufacturer in Taiwan that offers a full spectrum of display solutions, including STN LCD displays, TFT LCD displays, PMOLED displays, Embedded solutions, E-paper displays, and system integration solutions. In contrast, competitors typically focus on only a subset of these product lines. Our core applications lie in industrial control, with extended deployments across medical devices, home appliances, automotive systems, network communications, energy solutions, and other sectors reaching a total of 173 distinct industries.

Over the past two decades, we have implemented a low-volume, high-mix production strategy, enabling us to build a vast and diverse customer base across a wide range of application fields. We have also rapidly expanded both the M type and L type customer segments, demonstrating strong adaptability to evolving market dynamics and customer structures. This broad scope across product lines, application industries, and global sales regions sets us apart from other display manufacturers in Taiwan, creating a distinct competitive advantage.

A. The LCD display market is a mature industry with a stable upstream and downstream supply chain, and most players possess comparable technical capabilities. However, differentiation arises in areas such as product customization, application focus, and geographic markets. Our company stands out by offering a wide range of standard LCD products across diverse industries. We are committed to continuous R&D to meet emerging market demands, while also providing highly customized services and system-level solutions to deliver optimal display performance tailored to our clients' needs.

B. In Taiwan, WiseChip and Ritdisplay are the only manufacturers of PMOLED displays that are comparable to the Company. The main differences lie in product applications and market focus. RiTdisplay, for instance, has shifted much of its strategic focus toward the energy sector, resulting in a significant decrease in its PMOLED related revenue. In contrast, our company continues to invest in R&D for innovative PMOLED products, with a primary focus on industrial control and niche market applications. This distinguishes us from competitors that mainly serve the consumer electronics and general-purpose markets. Furthermore, our sales distribution differs notably, highlighting our unique strategic positioning in the PMOLED segment.

(3) Overview of technology and R&D

1. Technical level of the business

A. STN display modules

The STN panel and module industry has reached a high level of technological maturity. Applications include industrial machinery, medical devices, fitness equipment, home appliances, and handheld instruments. While global demand for color displays in recent years has eroded the market share of STN modules, STN still holds competitive advantages such as broad applicability, low manufacturing and tooling costs. For markets with minimal color display requirements especially in industrial control and other specific sectors STN modules continue to be widely adopted. In addition to ongoing enhancements to product quality and technology, many of our recent product developments have become mainstream in customized solutions, enabling us to maintain competitiveness and deliver high-quality products in an intensely competitive landscape.

B. TFT display modules

Our TFT LCD display module technology is primarily based on in-house R&D. In response to rapid growth in AI, IoT, telecommunications, and consumer electronics, we leverage decades of experience in the display industry, along with our professional R&D expertise, to develop a wide range of touchscreen TFT LCD displays and diverse interface solutions. These include displays integrated with specialized touch features such as water and dust resistance, thick glove operation, impact resistance, antibacterial surfaces, and hover touch. We are also actively developing energy-efficient TFT LCD products and customized software services to meet the varied and evolving needs of our customers.

C. OLED display panels and modules

The core technology of the Company's OLED panels can be divided into two main categories: process technology research and development, and the development of new driving technologies. In terms of process technology research and development, the OLED panels produced by the Company are characterized by high performance, high brightness, and long lifetime. In the development of new driving technologies, the Company is able to meet the demand for high resolution. Currently, the technologies developed by the Company have all been integrated into mass-produced products.

The OLED panels produced by the Company are manufactured using the COB process for character-type OLED display modules. The Company has independently developed an analog IC that incorporates multiple fonts on the same IC, enabling a single OLED module to support multiple languages worldwide. Customers no longer need to prepare modules with multiple fonts for different sales regions. Additionally, the Company's development and production of COG process-based character and graphic OLED modules offer even lighter and thinner characteristics. The Company has further developed value-added products that combine COG with PCB, helping customers integrate circuits and shorten their development cycle to meet their needs.

D. System integration

Our core system integration technologies encompass both display interfaces and system-level interfaces. The former is built on over 20 years of experience in display module development, while the latter has become a key focus area in our smart display solutions. Since 2020, we have developed and commercialized several smart display projects. These include standard communication interfaces such as CAN bus, RS485, and UART. While CAN bus is traditionally used in automotive applications, we are extending it to industrial and medical sectors, supporting protocols such as J1939 (for large vehicles), NMEA 2000 (for marine equipment), and CANopen (for industrial/medical systems). These protocols require firmware-level stack development, and our modular approach enhances development efficiency and reusability. Firmware development focuses on protocol implementation and user interface logic. Software architecture is designed flexibly across platforms and operating systems. Our smart displays now offer embedded PC functionality, significantly enhancing user experience and system integration benefits.

E. Embedded Solutions

Industrial embedded systems must withstand harsh conditions including extreme temperatures, humidity, and vibration. Our embedded solutions integrate electronic hardware, operating systems, and thermal design, and undergo rigorous reliability and environmental testing to ensure stable operation in industrial environments. Based on edge computing modules, we combine various in-house standard display products using an open architecture that allows flexible integration of different sizes and interfaces.

Our systems support multi independent display, multiple communication protocols, and various applications, while retaining networking capability for backend integration and IoT use cases. Our comprehensive product line and system integration capability from panel modules, driver boards, and touch modules to embedded controllers allow us to offer end-to-end solutions tailored to different application scenarios. This vertical integration increases product value and opens up new opportunities in the fields of industrial control, medical and energy management.

F. E-Paper Displays

E-paper technology operates on a bi-stable display principle, allowing static images to remain visible without the need for continuous power. Power is only consumed during image updates, resulting in exceptional energy efficiency and making e-paper ideally suited for applications that require the prolonged display of static content. As a reflective display technology, e-paper does not require a backlight. Instead, it utilizes ambient light to render images, which enhances visibility in bright environments, reduces blue light exposure, and minimizes eye strain during extended viewing periods.

To meet growing customer demands for energy-efficient and environmentally sustainable solutions, we are actively expanding the application scope of e-paper technology. Our product offerings include panels that combine low power consumption, high readability, and eco-friendly characteristics, thereby enriching our product portfolio and enabling entry into niche markets such as industrial and commercial sectors.

2. Research and development

A. STN display modules

(A)High contrast display effect VATN

STN is a mature and stable industry. The Company continues to develop new technologies and products, and the products that combine driver ICs and LCD panels to develop new functions are as follows:

By utilizing the high-speed scanning frequency and excellent driving capability of the driving IC, coupled with a precise LCD panel wiring design, VATN LCDs can achieve better contrast than general products. This allows customers to use the product indoors or outdoors, and it can be paired with color silk screen printing to enhance the product's visual appeal.

(B) LCD panel with touch function

Without the need for external touch panels, touch functionality can be directly achieved on the LCD panel, realizing In Cell Touch. By utilizing the latest driving IC features and combining them with a specially designed LCD panel wiring, customer costs are significantly reduced, making the product more competitive.

(C) STN display module combined with client circuit

Integrating customer-side components on the PCB board of the STN display module helps with customer-side circuit integration and functional testing, increasing the added value of STN display module products and ensuring the completeness of product functionality. Helping customers reduce the workload of procurement and quality assurance units, simply placing an order with Winstar can reduce dozens of material order operations and many component inspection tasks.

(D) Low power STN display module

We provide handheld products to extend battery life to meet customers' needs for power-saving products.

B. TFT display modules

(A) Support HDMI signal interface products

In response to the increasing number of customers in the industrial control market using standard HDMI connectors as the image transmission interface, when paired with the Raspberry PI development system board, it can accelerate the experimentation and product development of terminal products. The Company has developed HDMI Interface series products below 10.1 inches, adding value to color displays.

(B) Weather-resistant industrial control display solutions

As the demand in the industrial control market for displays to operate continuously and reliably in extremely high and ultra-low-temperature environments, as well as in special application scenarios, continues to increase, we actively develop displays that are weather-resistant, reliable, and suitable for ultra-wide temperature, UV-resistant, ultra-bright, high-resolution, sunlight-readable, waterproof, and shock-resistant applications. We are committed to meeting the needs of our customers and providing a full range of customized products with tailored specifications.

(C) Capacitive touch products

In the industrial control market, over 90% of applications for color displays are gradually adopting capacitive touch products adhered to the display. Compared to general consumer applications, industrial control demands a surface cover thickness of over 3mm, a special ceramic screen printing process for navigation applications under sunlight's ultraviolet radiation, touch technologies that can prevent misoperation from 5% saltwater, support for medical and industrial glove touch requirements, and contactless suspended touch technology. In recent years, the Company has accumulated custom development experience and technology to meet customer needs for these special applications.

(D) Optical bonding products

The Company provides advanced industrial control application solutions. Unlike traditional double-sided adhesive frame bonding methods, we utilize advanced optical bonding technology, combining capacitive touch screens with TFT displays to effectively enhance the performance and durability of our products. Through optical bonding, we have effectively increased the brightness of backlight passing through glass, while enhancing the product's impact resistance, meeting higher levels of impact protection standards (IK). Furthermore, our solutions can effectively reduce the reflection of external light sources, significantly improving the visual quality of displays, ensuring outstanding user experiences in various special application scenarios.

C. OLED display panels and modules

The Company develops PMOLED technology, mainly comprising forward-looking and innovative core technologies and products. They include the following important areas to meet evolving market needs:

(A) Improved quality, performance, and lifetime of existing PMOLED products

The Company is actively enhancing the brightness, lifetime, and environmental durability of its existing PMOLED panels. These improvements are driven by key technological breakthroughs in organic materials, device architecture, efficiency, luminance, and encapsulation processes. Our OLED display products have been recognized with the Taiwan Excellence Award for eight consecutive years. Over the years, our R&D efforts have covered a comprehensive range of areas, including equipment, process technology, materials, structural design, module integration, testing, product applications, and innovative services. These developments have significantly upgraded the technical specifications of our PMOLED products, further strengthening their global competitiveness.

(B) OLED lighting panels

OLED lighting has emerged in recent years as one of the most promising new applications of OLED technology. Utilizing high-brightness OLEDs as ultra-thin surface light sources, OLED lighting offers advantages such as energy efficiency, soft illumination, high color rendering index, and uniform surface emission. Additionally, the potential to develop flexible or transparent OLED light panels introduces entirely new possibilities in lighting design. In recent years, the Company has also begun developing OLED lighting panels. In 2013, the company received subsidies from the National Science and Technology Program for Research and Development and successfully developed the Ultra-Low Color Temperature White Light Illumination OLED, winning the Outstanding Optoelectronic Product Award in 2014. In 2020, the Company received subsidies from the Central Taiwan Science Park Administration for the Deep Red Organic Light Emitting Diode Component Development project, aiming to construct new red light technology, displays with redder color coordinates, and modules for applications related to medical aesthetics lighting panels.

(C) Transmissive OLED technology

Transmissive OLED products are often used in head-up displays, sights, helicopter helmets, night vision goggles, or vehicle window glass. In recent years, with the rise of wearable devices and smart business applications, they have also begun to be applied to more diversified products such as watch surfaces, glasses, helmet mirrors, shop windows, and tour guides. The development of high-transparency OLED technology is a key project in the Company's forward-looking technology development. In 2010, the Company developed the first generation of transmissive OLED displays, adopting an indium tin oxide (ITO) anode and an all-metal cathode structure. In 2014, the Company successfully developed the second generation of transmissive OLED, optimizing the metal cathode to further increase the transmittance to >60%. In 2016, it received subsidies from the R&D Enhancement Program and collaborated with the Department of Materials Science and Engineering at National Chung Hsing University to develop indium zinc tin oxide thin film technology. Preliminary results have been achieved, and efforts are ongoing towards mass production. In 2021, it received support from the Central Taiwan Science Park Administration for the Emerging Technology Application Program and collaborated with National Taiwan University on industry-academia cooperation. The main focus is on developing two new technology application products, namely, deep red displays and transmissive OLEDs with patented technology for metal transmissive electrodes and TCO upper electrodes.

Among them, the TCO upper electrode technology and the carrier injection/buffer/protection layer structure will be matched with high-performance organic materials, luminescent materials, and high-efficiency OLED stack structures for component fabrication and testing, achieving high transparency and high efficiency in transparent OLED components. Simultaneously, detailed optoelectronic property analysis will be conducted on components with TCO upper electrodes, including upper/lower light emission characteristics, viewing angle luminance and color performance, optical transparency/transmission spectrum, and so on. It is planned to achieve an EQE of 17% for high-efficiency transparent OLEDs, making the component's IV characteristics and efficiency similar to traditional bottom-emitting OLED components, and achieving a high transparency of >70%. This will further enhance the Company’s technical capabilities in transmissive displays.

(D) Innovative narrow bezel design

The Company has independently developed a narrow border design, reducing the width of the border on three sides of the display to below 1 millimeter through innovative "electrode layering" and "electrical junction hole" technologies, thereby increasing the proportion of the active area (AA) within the panel. The narrow border design can create excellent display effects and is also easier to install on consumer electronics and wearable devices with a focus on space utilization. In recent years, in order to increase the active area (AA), industrial control applications have also begun to adopt narrow border design OLED products.

(E) Leading the industry in launching high-efficiency drive circuits

To address the shortened lifetime of PMOLED panels as resolution increases, the Company has independently developed advanced OLED panel and module technologies. We pioneered a high-efficiency driving method that effectively extends panel lifetime by 2 to 4 times and delays pixel burn-in by the same factor. This breakthrough successfully mitigates the inherent longevity issues of high-resolution PMOLED displays. Importantly, to meet market expectations for cost-efficiency, these improvements were achieved without relying on expensive high-spec organic emitting materials, ensuring our final products remain competitively priced.

(F) Low-resistance anode and cathode wire technology

New-generation high-efficiency driver modules and narrow bezel panels require highly dense circuit layouts within limited panel space, necessitating the miniaturization of both anode and cathode circuitry. Conventional metal traces under existing conditions may result in brightness uniformity issues. To resolve this, we have developed a proprietary metal trace structure that reduces anode resistance to below 0.04 Ω, significantly enhancing panel uniformity and device conversion efficiency

D. System integration

The Company has successfully developed and launched a full range of CAN bus smart displays, including CAN TFT series (3.5", 3.9", 4.3", 5", 7", and 10.1") and OLED CAN bus series (such as 3.55"). These products have received positive market feedback and have been applied in various sectors. Our standard product lines are categorized into three application areas: industrial control, medical, and automotive. Some medical clients have adopted standard modules and integrated them directly into their final products with customized user interfaces, underscoring the strong potential of CAN display products.

We have also completed the development of smart displays with RS485 interfaces for traditional industrial control applications, and UART interfaces widely used in experimental environments. The RS485 interface is mature and extensively applied in industrial control, offering backward compatibility while supporting color interface upgrades and advanced functionalities. For customized projects, specifications vary based on client requirements in size and features. Leveraging broad system integration expertise and diverse design capabilities, we offer customers complete hardware, firmware, and software integration services.

Our Smart Display platform reduces development costs and shortens time-to-market for clients. This product line has received recognition through a Taiwanese invention patent. Each Smart Display consists of a standard Holitech display module integrated with pre-installed UI graphical objects, enabling rapid development through built-in firmware. Our GUI Builder software supports Windows-based environments, offering a drag-and-drop WYSIWYG (What You See Is What You Get) interface that simplifies GUI design and significantly reduces development time. A built-in simulator allows clients to test display functionality and effects before purchasing hardware.

We have introduced a complete suite of Smart Display communication interface options including Smart CAN, Smart RS485 and Smart UART, all supported by the GUI Builder, with features such as zero-code UI design and ISP (In-System Programming) capabilities.

E. Embedded Solutions

The Company has developed embedded edge computing system modules that integrate industrial-grade displays with touch interfaces, significantly reducing the time required for customers' system integration. These solutions are widely applied in industrial control, smart factories, smart retail, and various interactive kiosk systems. The mid-range platform supports independent multi-screen display and offers a variety of communication interfaces to accommodate customized application requirements.

F. E-Paper Displays

The Company offers small-batch, highly customized E-Paper development services. Leveraging extensive experience in TFT module technologies, we assist customers in integrating components such as touch panels and front light modules onto E-Paper platforms, thereby expanding the scope of applications. For clients introducing E-Paper displays for the first time, we also provide driver design consultation and mechanical integration support to ensure smooth implementation and an enhanced user experience.

3. R&D expenses spent by the company during the preceding fiscal year and in the current fiscal year up to the date of the publication of the report

Unit: NTD thousand

Item	2020	2021	2022	2023	2024
R&D expenses	91,223	101,484	124,141	118,794	145,944
Net operating revenue	1,839,102	2,237,901	2,999,262	2,229,230	2,033,923
Proportion of net operating amount	4.96%	4.53%	4.14%	5.33%	7.18%

Data Source: Financial statements audited or reviewed by accountants for the years 2020 to 2024.

4. Success of development in technologies or products

The Company specializes in the development and application of various display module technologies. Recent developments in related products are as follows:

Item	Success of development in technologies or products
Application development of Wireless Organic Light-Emitting Diode (OLED) display products	This project was supported by the Central Taiwan Science Park Administration in 2022 under the Emerging Technology Application Program and was conducted in collaboration with National Taiwan University. The project aims to establish various organic materials and structures for white OLED displays, conduct simulation optimization, and transfer them to Raystar for trial production and validation. Simultaneously, innovative concept designs for new back covers are developed to address issues related to product defects caused by cutting, resulting in the development of improved mass-produced white OLED pixel-type displays. Furthermore, by integrating hardware, firmware, and software technologies related to wireless technology, the Company aims to establish its own key core technologies and innovate Wireless-OLED products for application in the emerging smart AIoT market.
Integrated cover OLED solution	In response to the diverse needs of customers, Winstar launched an integrated OLED cover solution, which helps customers achieve the same color tone in both the display area and the non-display area, enhancing the appearance and texture of customer products. Currently, the development of integrated black and integrated mirror

Item	Success of development in technologies or products
	finishes has been completed, and mass production has been introduced to customers.
Economical OLED solution	To meet the increasingly competitive market demands, the Company is developing modules that are more competitively priced and directly replaceable in the market, expanding the Company's product line.
Automotive OLED solution	To meet the demand for OLEDs in cars, Winstar has proposed high-temperature resistant (~105C) OLEDs, and the Company has obtained IATF16949 certification, with actual cases already in progress.
Development of transmissive organic light-emitting diode displays	This project was supported by the Central Taiwan Science Park Administration in 2021 under the Emerging Technology Application Program and was conducted in collaboration with National Taiwan University. The main focus is on developing two new technology application products, namely, deep red displays and transmissive OLEDs with patented technology for metal transmissive electrodes and TCO upper electrodes. Among them, the TCO upper electrode technology and the carrier injection/buffer/protection layer structure will be matched with high-performance organic materials, luminescent materials, and high-efficiency OLED stack structures for component fabrication and testing, achieving high transparency and high efficiency in transparent OLED components. Simultaneously, detailed optoelectronic property analysis will be conducted on components with TCO upper electrodes, including upper/lower light emission characteristics, viewing angle luminance and color performance, optical transparency/transmission spectrum, and so on. It is planned to achieve an EQE of 17% for high-efficiency transparent OLEDs, making the component's IV characteristics and efficiency similar to traditional bottom-emitting OLED components, and achieving a high transparency of >70%. This will further enhance Raystar’s technical capabilities in transmissive displays.
Development of deep red organic light emitting diode components	The project was supported by the Central Taiwan Science Park Administration's R&D Enhancement Industry-Academia Collaboration Program in 2020, and was in collaboration with Yuan Ze University. The project aims to develop deep red organic light-emitting diode (OLED) components, achieving tangible results. It has discovered a material structure suitable for mass production, enhancing the red light technology to a deeper red, shifting the CIE coordinates towards the lower right, and developing into a mass-producible model of deep red light displays. Simultaneously, it has successfully developed a "high-performance medical and aesthetic deep red OLED electronic comb," obtaining patents and receiving recognition with the "Excellent Vendor Innovation Award" from the Central Taiwan Science Park.
Promoting the application of complexes in the development of new high-efficiency white OLED structures	The project was supported by the Central Taiwan Science Park Administration's R&D Enhancement Industry-Academia Collaboration Program in 2019, and was in collaboration with National Taiwan University and Ming Chi University of Technology. Successfully developed high-efficiency Exciplex white OLED technology.

Item	Success of development in technologies or products
Promoted the application of complexes in the development of high-efficiency OLED fluorescent materials and component technologies.	The project was supported by the Central Taiwan Science Park Administration's "R&D Enhancement Industry-Academia Collaboration Program" in 2018, and was in collaboration with National Taiwan University. Successfully developed high-efficiency Exciplex yellow and orange OLED technology.
Development of aerospace-type PMOLED film encapsulation equipment	This project is supported by the Central Taiwan Science Park Administration's 2018 project for "Enhancement of Regional Cooperation to Promote the Upgrading of Smart Machinery and Aerospace Industries in Central and Southern Taiwan," and reflects industry-research collaboration with the Industrial Technology Research Institute and Syskey Technology Co., Ltd. The project successfully developed the first PECVD_ALD dual-mode thin film encapsulation equipment. It successfully deposited SiNx and ALD Al_2O_3 thin films using low-temperature 80°C plasma-enhanced chemical vapor deposition. This solution addresses the issues of slow production capacity with single ALD use and non-dense single PECVD film layers in encapsulation. As a result, the device products are more efficient in reducing the need for glass back covers and overall weight, marking a significant milestone in OLED device encapsulation.
Narrow bezel organic light emitting diode technology development	This project was supported by the Taichung City Government Economic Development Bureau in 2017 and was carried out in collaboration with National Taiwan University. The narrow bezel technology development project aims to increase the effective display area by reducing the width of the panel encapsulation area. The key lies in improving the wiring width and encapsulation technology to reduce the encapsulation area width to below 1 millimeter, thereby enhancing the product's competitiveness in the consumer electronics field.
Narrow bezel OLED module	OLED products are often used in small-sized products such as smart wristbands. Customer demand for narrow bezels is increasing. Currently, Winstar has completed the development of narrow bezel OLEDs, with the bezel width expected to shrink to 1mm, expanding the acceptable range for customer designs.
Long life OLED	OLED constitutes an organic light-emitting diode, and its luminous lifetime has always been a focus of research and development. Based on the original 50K-hour lifetime, Winstar has extended the usable time, achieving a usage time of 100K hours on a 2.4-inch panel.
PCB integrated OLED	In addition to the general Chip-On-Glass (COG) structure OLEDs, Winstar has introduced as many as dozens of PCB-integrated OLEDs, addressing the previous issues customers faced with fixing COG structure OLEDs and the problem of multiple power supplies, thereby significantly reducing customers' Time-to-Market (TTM) for product development.
Rotary knob integrated OLED	Due to the surface-emitting characteristics of OLEDs, they are well-suited for applications with non-fixed viewing angles, such as center console applications. The rotary knob integrated OLED display is a new product developed by Winstar that integrates input and output simultaneously. The Company has successfully developed two

Item	Success of development in technologies or products
	products, sized 1.2" and 0.96". The rotary knob integrated OLED display combines rotary knob input operation with OLED display output, enabling customers to design product applications directly with the Company's developed products.
In-cell touch OLED	The original plug-in touch panel can no longer meet all customer needs. In pursuit of the thinnest touch OLED thickness, the Company has developed an in-cell OLED product that integrates display lines and touch detection lines into one. This product can reach a minimum thickness of approximately 1.2mm while also featuring touch functionality, making it easy to design for products with extreme thickness requirements.
Esports specifications OLED module	OLED products have characteristics such as high contrast and fast response times, making them suitable for use with gaming products. Winstar has successfully developed several products suitable for gaming, which have been incorporated into customer products.
UV-resistant OLED Solution	Due to their high-contrast characteristics, OLED displays are frequently selected for outdoor applications. In response to diverse outdoor usage scenarios, the Company has developed a variety of UV-resistant solutions that have successfully addressed customer challenges related to outdoor performance
Display touch technology “Hover Touch”	A 7-inch TFT display combined with Hover Touch technology has been completed, achieving a suspended touch technology distance of 10-30mm, improving the problem of suspended touch interference by the display. This technology is mainly in response to the evolution of user demand for contactless touch products and can be applied to elevators, vending machines, medical products, and other applications.
Antibacterial solutions for TFT display	The development of antibacterial glass or antibacterial film combined with TFT Display or Touch Panel lamination processes has been completed. This process technology utilizes high-temperature ion exchange to effectively combine silver ions with other ions in glass, resisting bacteria on displays or touch panels. Currently, it can be successfully used on Winstar's 1.0" to 15.0" TFT products.
Smart Display_CAN series	The Smart Display CAN Bus series standard products, in sizes of 3.5"/3.9"/4.3"/5.0"/7.0"/10.1", have been successfully developed and are in mass production. The main purpose of smart displays is to make it easy for customers to use. In addition to the smart display product units, a software tool called GUI Builder has been developed for easy operation, allowing customers to design their own user interfaces (UI) without writing any code.
Smart Display_RS485 series	The RS485 standard product series of smart displays, in sizes of 4.3"/5.0"/7.0" and others, have been successfully developed and are in mass production. To maintain the simplicity and ease of use of Smart Display products, mainstream RS485 series products for industrial control interfaces have been developed.
HMI for folklift 3.5”/5”	We have successfully introduced custom CAN Bus system integration products, used for the human-machine interface of forklifts. The functions and operation interface are specified by the customer. The Company developed the hardware and firmware to assist customers in designing projects, and has successfully entered mass production.

Item	Success of development in technologies or products
Bluetooth display module for HUD 0.96”	Customized head-up display (HUD) cases, installed inside helmets, connect to smartphones via Bluetooth. They retrieve information from the phone and project relevant information into the user's field of vision, significantly enhancing the safety of motorcycle riders.
HMI for elevator 12.3”/8.8”/2.4”	In the case of customized human-machine interface (HMI) for luxury residential elevators, the 12.3"/8.8" displays are built-in HMIs inside the elevator, while the 2.4" display serves as the elevator call screen. In accordance with customers' specification requirements, the Company successfully develops hardware and firmware to assist customers in designing projects and has started trial mass production.
Smart Display_CAN series Gen.2 with Custom CAN-ID function	Based on market feedback regarding the demand for the first-generation CANopen protocol, the Smart Display must be CAN ID configurable to support CAN2.0A & B while being integrated into the customer's existing system. Therefore, the second-generation product, Custom CAN-ID, has been developed under the framework of a shared hardware platform.
Smart HMI	Both Smart Display Gen.1 and Gen.2 use the system interface CAN Bus to change the display screen status. Without commands from the control host (HOST), the display module cannot execute any functions. Therefore, the concept of the third generation Smart HMI is introduced, providing GPIO for customer-defined commands. Objects can also be bound to each other, and after configuration, the human-machine interface functions can be executed independently. This product was also showcased at the Embedded World 2023 Forum in Nuremberg, receiving a warm response from customers.
Smart Display UART series	The Company’s UART Smart Display series is a high-performance solution specifically designed for engineers and developers, enabling the effortless creation of a wide range of graphical control objects. This UART TFT display series integrates advanced technologies to deliver seamless communication and high-quality visual output.
STN high contrast display	Successful development includes the use of special materials, a dedicated high-frequency scanning LCD driver IC, and an ultra-high-brightness LED backlight to achieve a high-contrast display VATN. Depending on customer needs, the mold design and process can be adjusted to transform the high-contrast display VATN into a full-view angle VATN display.
STN LCD Panel combined with touch function	Successful research led to the design of a capacitive touch point in the LCD panel, complemented by a dedicated ICON-style touch IC on the PCB board. This allows customers to significantly reduce material costs.
STN low power display module	The use of a dedicated LCD driver IC, combined with careful material selection and product design, reduces the module's power consumption. This makes it easier for customers to design and use the product in handheld devices, significantly extending battery life.
STN LCD Panel multi-color printing	While STN products use monochrome LCD panels, the colorful printing process is time-consuming and has a high scrap rate. The Company has developed a method using color film to greatly reduce process time and increase yield.
STN COG standard module products	After years of evolution, STN IC has faced challenges such as material shortages and rising costs due to the recent pandemic. In response to these factors, the Company has provided more stable IC supply and alternative solutions to maintain stable supply and

Item	Success of development in technologies or products
	prevent production stoppages, ensuring customers can continue mass-producing their products. The Company has expanded its range of STN COG standard module products to seamlessly replace the original STN module products for customers.

(4) Long- and short-term business development plans

1. Short-term business development plan

A. Optimize at a small-scale, diversify order operation model, and expand business to M-type and L-type international customers.

B. Deepen the development of existing customers, maintain good cooperative relationships, and enhance customer stickiness.

C. Improve quotation efficiency and delivery speed, and strengthen price and service competitiveness.

D. Use digital marketing tools to enhance WINSTAR brand exposure and enhance brand value.

E. Actively participate in international exhibitions to expand new customer base and enhance brand awareness.

F. Strengthen new customer development efficiency and improve project conversion success rate.

G. Expand global channel cooperation and promote the introduction of new products into the end-customer supply chain.

H. In response to the growing market demand for touch panels and cover plates, accelerate the development of related solution products.

I. Expand the promotion and application of weather-resistant, rugged, power-saving, long-life, high-contrast and high-resolution display products.

J. Develop a diversified product line portfolio, including STN, TFT and OLED series, to enhance application substitution and extend product life cycle.

K. Accelerate the design and development of PCB for STN and OLED product COG modules to help customers shorten the product introduction schedule.

L. Strengthen customization capabilities and system integration solution services.

M. Expand the Embedded HMI product line to provide a more complete one-stop product solution.

N. Actively deploy niche industry applications, such as special vehicles, smart Internet of Things, medical care, industrial control and network communications.

O. Promote green display products and develop solutions with energy-saving, low power consumption and environmentally friendly characteristics.

2. Medium and long-term business development plans

A. In response to the U.S. tariff policy and the government's policy of returning investment to Taiwan, MIT's production capacity will be expanded to strengthen Taiwan's production layout and supply chain resilience.

B. Encourage innovative technology research and development and strategically deploy intellectual property rights.

C. Improve employee benefits and deepen talent retention and core technology cultivation.

D. Cultivate a business team with an international perspective and continue to expand the global market.

E. Expand overseas locations, provide real-time business and technical support, and deepen overseas customer base.

F. Strengthen all-round system integration services, introduce human-machine interface (HMI) system production and sales, and increase product added value and gross profit margin.

G. In response to the energy conservation and carbon reduction trends and government policies, we will optimize our processes and operating mechanisms to reduce carbon emissions and enhance our international competitiveness.

H. Transform from a traditional manufacturing-oriented model to a cross-domain system integration model, and become a leading display brand with overall solution capabilities.

2. Overview of production and sales by markets

(1) Market Analysis

1. Main product (service) sales (provision) areas

Unit: NTD thousand, %

Sales regions \ Year		2023		2024	
		Operating revenues	Percentage (%)	Operating revenues	Percentage (%)
Domestic sales	Taiwan	164,390	7.37%	204,340	10.05%
Export	Asia	608,805	27.31%	695,021	34.17%
	America	392,663	17.62%	381,893	18.77%
	Europe	1,041,697	46.73%	740,276	36.40%
	Others	21,675	0.97%	12,393	0.61%
Total		2,229,230	100%	2,033,923	100%

2. Market share

The Company is a professional manufacturer of display modules, with a complete product line and a wide range of application areas, making it difficult to clearly quantify the figures as the basis for calculating market share. The Company's products can be divided into LCD displays and PMOLED displays. Therefore, the Company compares its market share and competitive situation with domestic LCD display module manufacturers and PMOLED manufacturers, explaining the market share and competitive situation of the Company's products in the domestic market.

A. Liquid crystal display module (LCM)

The Company's production of LCD modules includes STN-LCM and TFT-LCM, with products primarily used in industrial, medical, automotive, home, entertainment, networking, and green energy sectors. Domestic competitors, such as Midas Components, United Radiant Technology, Powertip Technology, and Ampire, all publicly listed companies, have similar revenue scales. Due to our strategy of operating with small quantities and a wide product range, we have successfully differentiated ourselves in the market from competitors, making it challenging to clearly define the position of LCM. We continue to enhance product competitiveness and expand the market, expecting our market share to continuously increase.

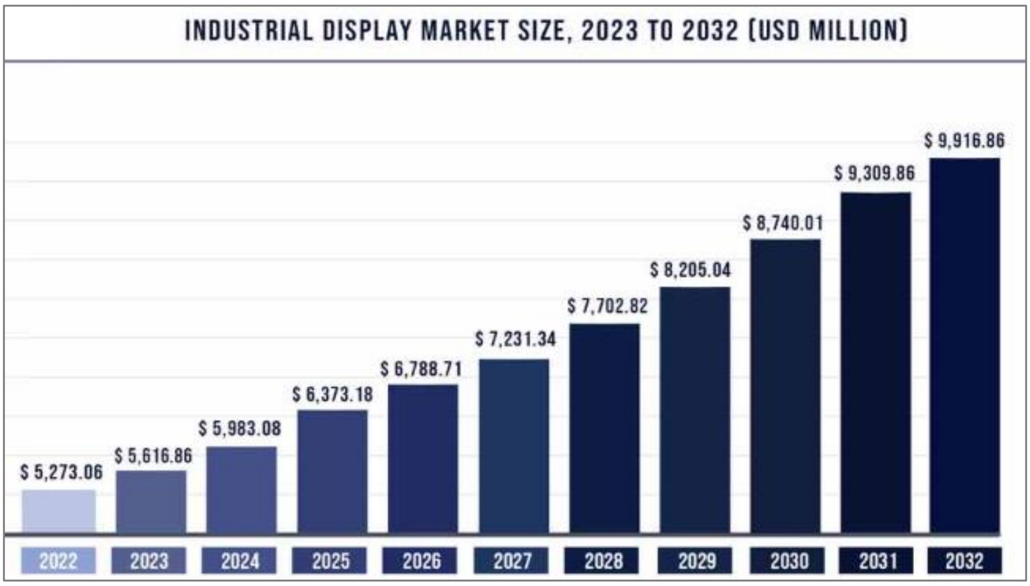
B. OLED display module and panel

The Company is a major PMOLED manufacturer in Taiwan alongside WiseChip and Ritdisplay. The largest capacity company, Ritdisplay, has recently shifted its focus to the energy sector, so the proportion of PMOLED product revenue in the company has dropped significantly. Our company is actively strengthening PMOLED technology research and development and production capacity investment to expand the global market share and profitability of PMOLED products.

3. Future supply and demand status and growth of the market

Display technologies are widely applied across various industries, including industrial control, automotive, wearables, medical devices, networking, energy, and aerospace. With the rapid advancement of AI and increasing user expectations for displays, such as high resolution, weather resistance, and intuitive human-machine interfaces with touch panels, the global display market continues to expand steadily.

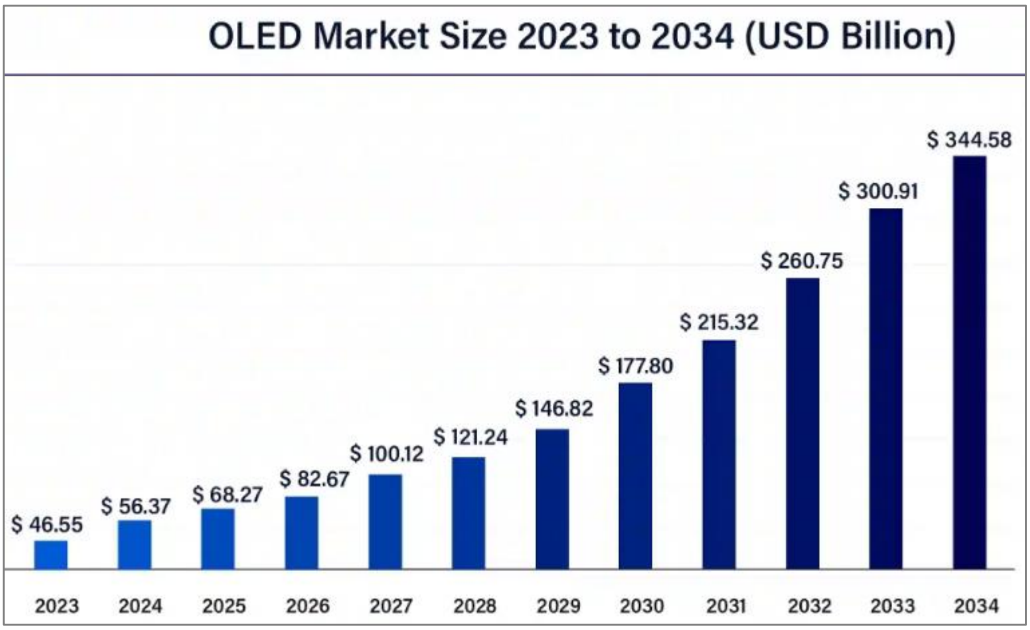
Among these, the Company's core product applications are primarily in the industrial control sector, which has shown stable global growth. According to a report by Vision Research, the global industrial display market is projected to reach approximately USD 9.91686 billion by 2032, with a compound annual growth rate (CAGR) of 6.52% from 2023 to 2032.



(Source：Vision Research)

In Taiwan, the Industrial Technology Research Institute (ITRI) forecasts that the output value of the local display panel industry will reach NT$791.8 billion in 2024, representing a 2% year-on-year growth. By 2025, this figure is expected to increase to NT$812.9 billion, reflecting a growth rate of 2.6%. On a global scale, the display panel market is projected to reach USD 118 billion in 2024, up 9.8% year-on-year, with LCD accounting for USD 78.7 billion, OLED USD 39.3 billion, and Micro LED approximately USD 40 million. The global market is estimated to grow further to USD 124.5 billion in 2025, with a growth rate of 5.5%.

The OLED market is currently in a phase of sustained growth, driven by rising demand for high-resolution displays, advancements in flexible and foldable technologies, the proliferation of smart devices, and increasing emphasis on energy efficiency and environmental sustainability. As the technology continues to mature, OLED displays have been widely adopted in smartphones, smart wearables, automotive displays, gaming, multimedia, and networking devices, making OLED one of the key growth drivers of the global display industry. According to a forecast by Precedence Research, the global OLED market size is expected to reach USD 56.37 billion in 2024 and grow to approximately USD 344.58 billion by 2034, with a CAGR of 19.85% during the 2024–2034 period.



(Source：Precedence Research)

In line with the global goal of achieving net-zero carbon emissions by 2050, the demand for low-power display technologies is accelerating. E-Paper, with its ultra-low power consumption, flexible display characteristics, and wide viewing angles, is gaining momentum across a variety of application fields. According to Mordor Intelligence, the global E-Paper market is projected to reach USD 29.9 billion in 2025 and grow at a CAGR of approximately 14.54% to USD 58.9 billion by 2030. The E-Paper market is expected to experience robust growth and emerge as a key enabling technology in the development of smart cities and sustainable development strategies.

4. Competitive niche

A. The customer base is primarily in the industrial control market, with long product life cycles and long-term stable orders.

The Company's main product applications are in the industrial control industry, while the consumer industry market exhibits high product replaceability, with product life cycles typically ranging from one to two years before new models are introduced. In contrast, products in the industrial control specification field have application life cycles of at least three to five years or more. Some products, such as air conditioners and refrigerators, can have life cycles of over ten years. Additionally, these products are often customized, and if customer requirements are successfully met, customers generally prefer stable, long-term supply, resulting in long-term stable orders. The Company maintains good and long-term cooperative relationships with suppliers, and all raw materials are sourced from two or more suppliers to ensure supply stability and establish the ability for long-term stable supply.

B. The application of products is diversified across industries, making it less susceptible to the business cycles of a single industry.

The Company implements a multi-channel sales strategy to expand its global market.

Its customers are worldwide, and this business model facilitates the expansion of market sales scale and the diversification of risks from single customers or countries. Therefore, the Company's product applications cover more than 173 industries, making it less susceptible to the business cycles of a single industry.

C. The Company owns an OLED panel production line, providing flexibility in OLED panel supply and cost advantages.

The Company has its own PMOLED panel production line, which offers flexibility in production and supply lead times. In recent years, our professional R&D team has continuously optimized material applications and processes, effectively improving production yield and reducing production costs. To meet the increasing market demand for OLED, the Company has planned to expand its production line to meet future needs.

D. Product line fully meets customers' one-stop shopping needs

As one of the few display module manufacturers in the world offering STN, TFT, OLED, and system integration products, the Company boasts the industry's widest range of finished product models for each product category. This fulfills customers' needs for one-stop shopping and enables us to provide customers with optimized display solutions.

E. With the industry's strongest online marketing capabilities, we offer global customers real-time online services.

The Company is committed to internet marketing operations, using 24-hour online official website services to provide customers with instant product information, accelerate service efficiency, and provide technical support.

F. Ability to manage small-quantity, diversified orders through the implementation of IT systems and automated production operations management

Through the implementation of IT systems, management dashboards, and automation, the Company is advancing toward the development of a smart factory. In addition to existing systems such as PLM, ERP, CRM, BI, and management dashboards, the Company introduced Robotic Process Automation (RPA) in 2021 across multiple departments. By leveraging RPA to handle repetitive and routine tasks, we have significantly reduced time-consuming and error-prone manual processes, thereby enhancing individual and departmental productivity.

G. Deep cultivation of industry R&D teams for steady growth and strong technical capabilities

Backed by a strong R&D team, the Company continues to innovate, progressing from monochrome LCD displays to full-color TFT modules and high-contrast, wide-viewing-angle OLED technology. We are actively expanding into display system integration services, providing clients with comprehensive solutions that combine software, firmware, and hardware expertise. Our one-stop services include display design, development, and manufacturing. We safeguard our technological innovations through patent applications and maintain rigorous quality assurance under the ISO 9001 system. Environmental sustainability is upheld through ISO 14001 compliance, and all products meet RoHS and

REACH green environmental standards. To further ensure the safety and reliability of our automotive displays, the Company achieved IATF 16949 automotive quality management certification in March 2023. Our comprehensive strategy positions us to deliver the most competitive display products to our clients.

H. Enhancing global supply chain competitiveness through ISO certifications

The Company actively pursues key ISO certifications to ensure our products and services meet global market standards, further strengthening our international business development capabilities. Certifications include IATF 16949 for automotive quality management, ensuring compliance with stringent automotive industry standards; ISO 27001 for information security, meeting international clients' cybersecurity expectations; and ISO 14064-1 certification for greenhouse gas inventory in both 2022 and 2023 through third-party verification. These achievements position us favorably in the green supply chain and ESG-focused international markets.

5. Favorable and unfavorable factors for development prospects, and response measures

A. Positive factors

a. AIoT and Emerging Industries Driving Steady Expansion of the Display Market:

With the rapid advancement of AI technologies, AIoT (Artificial Intelligence of Things) applications are being increasingly integrated into various end-user devices. As a critical and intuitive interface for conveying text, images, and video, display technologies are seeing sustained demand growth. Particularly in high-growth sectors such as industrial automation, smart automotive systems, intelligent homes, and smart healthcare, display technologies are evolving toward higher resolution, lower power consumption, and intelligent interactivity. These trends are supporting stable market expansion and reinforcing the strategic value of displays in emerging industries.

b. Growing Demand for PMOLED Applications Across Multiple Fields

PMOLED displays are gaining popularity due to their vivid color, slim form factor, and low power consumption. They are widely used in industrial control, home appliances, medical devices, and wearable electronics. Leveraging our strong R&D and manufacturing capabilities, as well as a highly flexible ordering policy with no minimum order quantity for standard products, we meet customer demands for upgrading from STN to PMOLED displays. This service model has effectively supported continued growth in the PMOLED market

c. PMOLED Market Dominated by a Few Key Players

The global PMOLED market is currently dominated by a limited number of manufacturers, including WiseChip and RiTdisplay in Taiwan, Visionox and Truly in China, and Pioneer and NIPPON SEIKI in Japan. Notably, Visionox has recently shifted its focus to AMOLED development, while Japanese firms primarily supply the domestic Japanese market. RiTdisplay has also been redirecting its efforts toward the energy sector. Due to high capital expenditure requirements and the difficulty in acquiring specialized equipment, no new competitors have entered the PMOLED market in recent years. Our company continues to optimize manufacturing processes, improve yield rates, expand production lines, and increase capacity to further grow our market share.

B. Unfavorable factors and response measures

a. Environmental and occupational safety awareness is rising, with standards becoming increasingly stringent

In recent years, the impacts and effects of global climate change on the economy, society, and the environment have become increasingly severe, leading to a growing emphasis on environmental protection awareness worldwide. Improving awareness of occupational safety and protecting the safety of the work environment have also been major goals promoted by the government in recent years. Therefore, related standards and regulations are becoming increasingly stringent, leading to higher costs.

Countermeasures:

The Company complies with environmental regulations in the control of emissions, wastewater, waste, and so on in the production process. We also reuse existing process detergents and recycle water in the pure water system to reduce waste and achieve the goal of water resource reuse and conservation.

The Company continues to optimize process equipment parameters to reduce power consumption. Energy-saving measures are also adopted for nighttime processes, achieving an effective energy-saving efficiency of 20%. Finished and semi-finished products comply with the RoHS and EU REACH:SVHC regulations. The Company has obtained SGS ISO9001:2015 and SGS ISO14001:2015 factory production certifications, and since 2023, it has also achieved ISO-14064:2008 greenhouse gas third-party verification. These efforts align with a friendly green production policy, demonstrating the Company's commitment to environmental protection.

b. Intense competition from peers with market price undercutting

The small and medium-sized display industry is primarily led by manufacturers from China and Taiwan. Chinese STN and TFT display manufacturers compete for orders through price reductions, creating a saturated market for LCD displays. In the OLED sector, although there are relatively few global PMOLED panel manufacturers, each company adopts a strategy of aggressively bidding for larger projects at low prices to expand market share, leading to a general decline in profit margins.

Countermeasures:

The Company has a strong and professional R&D team with the ability to compete in key technological areas. We actively develop high-quality, differentiated niche products and use a variety of strategies to successfully segment the market, thus avoiding price competition among peers. Furthermore, we deeply cultivate customer relationship management, providing customers with the fastest service. We also flexibly manufacture and deliver products in small quantities to meet the annual contractual needs of brand customers and agents. With an IT-based intelligent inventory management system, we strengthen customer relations, leading to high customer loyalty and trust in the Company.

c. It is not easy to develop professional talent

The talent pool required for OLED display production covers the application of materials, as well as expertise in chemistry, mechanics, equipment, and electronics. These professionals are essential to support customer product development, enhance process capability and yield rate, and develop products with different characteristics. In addition to providing a wide range of standard services, we also offer tailor-made system integration solutions for customers. As technology in the high-tech industry advances rapidly, the complexity of product R&D design requirements is increasing. Experienced professionals are needed to meet customer needs. However, cultivating excellent professionals requires a considerable amount of time and experience. Therefore, the development of professionals is not easy, which affects the progress of our market development.

Countermeasures:

The Company has implemented a Robotic Process Automation (RPA) system to automate repetitive tasks across departments. RPA effectively replaces repetitive and routine tasks performed by personnel and can operate 24 hours a day, year-round. This significantly saves manpower and enhances productivity, allowing personnel to develop professional skills and focus their time and energy on tasks such as product research and development as well as customer service.

(2) Major use of core product and manufacturing process

1. Major use of core product

Main products	Application
STN display module	Including: Character LCD display, graphic LCD display, COG LCD display, VATN LCD display, LCD glass. Applications: Measurement instruments, fuel dispenser equipment, vending machines, coffee machines, elevators, audio systems, in-car devices, access control monitoring, POS systems, home appliances, communication equipment, automation equipment, charging piles, medical instruments, etc.
TFT display modules	Including: Standard TFT-LCD module, TFT module with control board, high-brightness TFT-LCD module, MIPI series TFT module, MONO monochrome TFT, long-type TFT-LCD module, wide-temperature TFT-LCD module, HDMI TFT module. Applications:

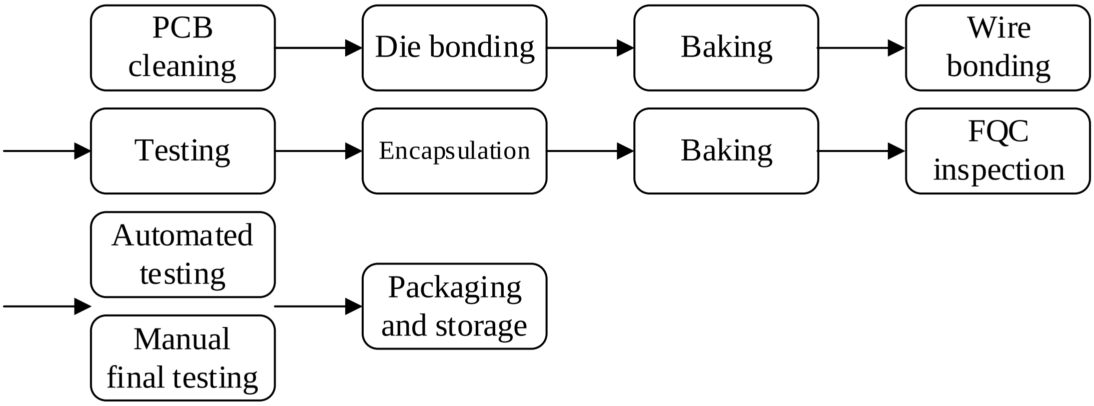
Main products	Application
	Industrial instrument equipment, medical instruments, GPS navigation, coffee machines, washing machines, white goods, smart home electronics, energy systems, charging piles, POS systems, vending machines, parking lot fee machines, Internet of Things (IoT), smart appliances, etc.
OLED display modules	Including: Graphic OLED Display, character OLED Display, and ICON OLED display (customized product). Applications: Industrial instruments, medical equipment, white goods, wearable devices, in-car displays, game consoles, elevators, motorcycle meters, mixers, audiovisual systems, electrolyzed water machines, sewing machines, household electric meters, gas meters, smart electric meters, welding machines, musical instrument tuners, lighting, hard disk access, printers, charging piles, smart home and Networking Industries, etc.
System integration	Including: Human-machine interface solutions, industrial controller solutions, medical instrument solutions, special engineering vehicle HMIs, elevator human-machine interfaces, automotive instruments, charging piles, IoT HMI equipment, wireless HMI equipment, device head-up displays, audiovisual entertainment systems, communication instrument HMIs, etc.
Embedded	Including: Industrial instrumentation and equipment, digital signage, smart retail solutions, charging station management systems, Industry 4.0 smart factory workstation devices, interactive information kiosks (KIOSKs), and parking management systems,etc.
E-paper display	Including: monochrome, tri-color, four-color, and six-color display Applications: Retail and electronic shelf labels, public information displays, smart home and IoT, wearable devices, logistics and warehouse management, medical and healthcare, art and design, transportation, temples,etc.

2. Manufacturing processes for the company’s main products

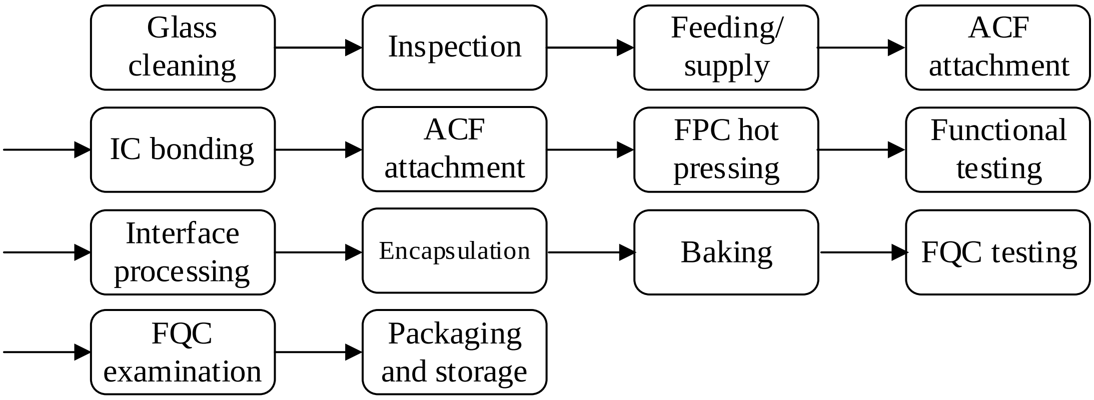
The Company's main product lines include STN display module, TFT display module, OLED display module, and system integration design, manufacturing, and sales. The production processes of each product are described below:

A. STN display modules

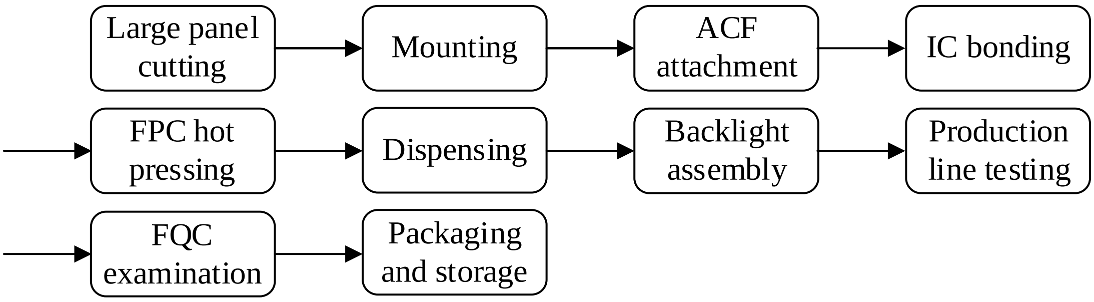
(A)COB process



(B)COG process

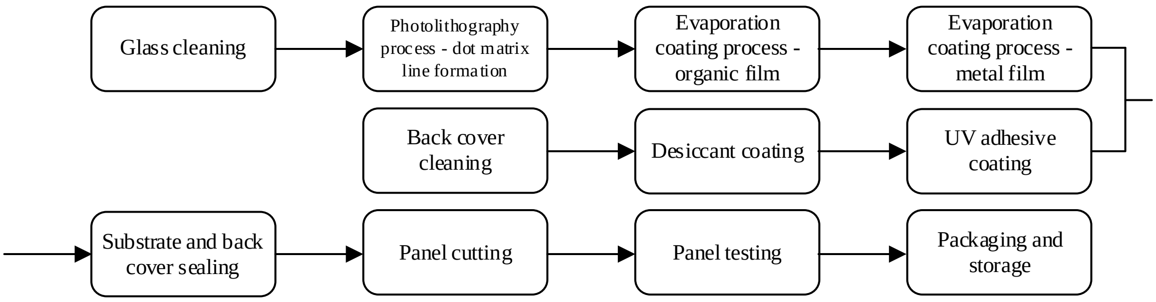


B. TFT display modules

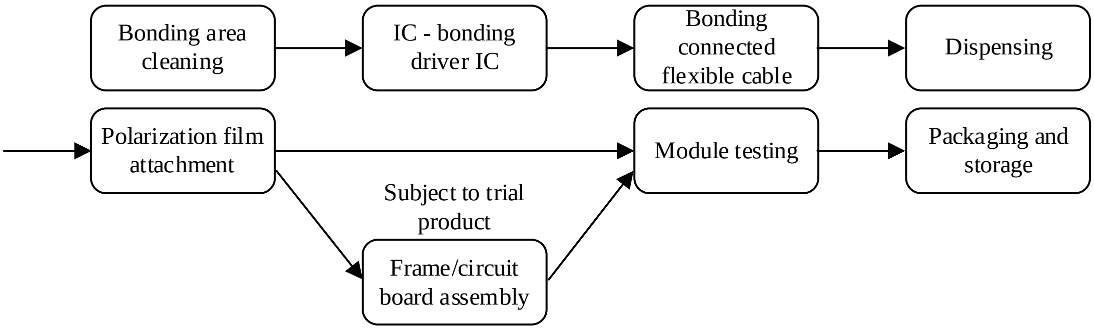


C.OLED display module

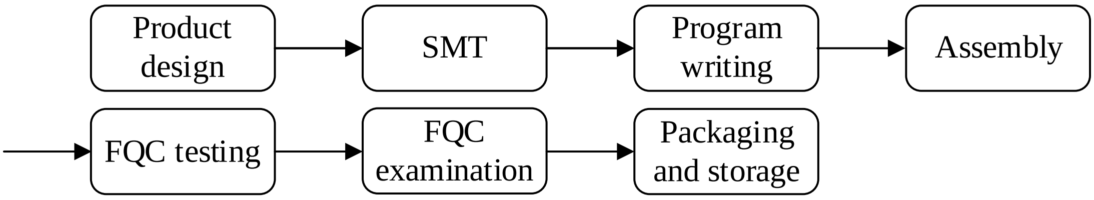
(A)Panel process



(B)Module manufacturing process



D. System integration



(3) Supply of raw materials

The main raw materials for our products include glass substrates, cover plates, driver ICs, and luminescent materials. We maintain strong supply relationships with various suppliers and sources to ensure stable procurement.

(4) Names of customers who accounted for more than 10% of total purchases (sales) in any of the most recent two years and their purchase (sales) amounts and proportions, and explanations of any increase or decrease:

Over the past two years and up to the date of this annual report, no single customer accounted for more than ten percent of the Company’s total purchases or sales.

3. Information of employees in the latest two years and as of the publication date of the annual report

Units: Individuals; %

Year		2023	2024	Current year through March 31, 2025
Number of employees	Managers	26	34	34
	Production line employees	230	247	249
	General staff	475	535	534
	Total	731	816	817
Average age (years)		39	39	39
Average years of service (years)		7.27	7.27	6.89
Education distribution percentage	0.41%	0.41%	0.37%	0.37%
	10.26%	10.26%	13.11%	13.34%
	53.21%	53.21%	54.78%	56.55%
	18.88%	18.88%	16.54%	14.69%
	17.24%	17.24%	15.20%	15.05%

4. Environmental protection expenditure information:

In the most recent year and as of the date of publication of the annual report, losses due to environmental pollution (specifying compensation and environmental protection audit results that violate environmental protection regulations, sanction date, sanction code, regulatory provisions that were violated, details of the regulatory violation, and sanction details) and disclosure of current and future estimated amounts and possible measures. When reasonable estimation cannot be provided, explanation for the such cases should be offered: No such circumstances.

5. Labor relations

(1) List any employee benefit plans, continuing education, training, retirement systems, and the status of their implementation, and the status of labor–management agreements and measures for preserving employees' rights and interests:

Labor-management harmony is the driving force behind the Company's business development. With the shared belief of all employees in the Company, under the principles of mutual trust, mutual assistance, and mutual understanding, we have worked together with one heart and one mind, cooperated hand in hand, and established a stable working environment and a good corporate culture that has lasted for a long time. This has also promoted the continuous growth and development of the Company. In the future, we will continue to maintain this, and at the same time, the Company will continue to promote the following work to create better business performance and strive for the welfare of the Company's shareholders and all employees.

1. Employee welfare measures
    (1) Year-end bonus, holiday bonuses (for Chinese New Year, Dragon Boat Festival, and Mid-Autumn Festival), mid-year performance bonus, proposal improvement bonus.
    (2) Staff cafeteria, parking lot, and lactation room are set up.
    (3) Year-end banquet and health check-ups, lunch subsidy, and afternoon snack provision.
    (4) Allowances and insurance - shift (meal) allowance, group insurance.
    (5) Allocate statutory employee welfare funds, establish an employee welfare committee, handle various employee welfare activities, including but not limited to holiday vouchers, birthday vouchers, subsidies for weddings, funerals, and celebrations, departmental dinner subsidies, and employee special shops.

2. Further education and training
    (1) Each department shall submit an "Annual Education and Training Plan" in the fourth quarter for the following year. After approval by the department head, it shall be forwarded to the education and training unit for follow-up.
    (2) Source of the annual education and training plan: Based on organizational development needs, the Company's short/medium/long-term strategies, and Company business objectives, it serves as a training planning direction for talent cultivation and development.
    (3) The annual education and training plan shall include: pre-job training, general education training, professional training, environmental safety training, and supervisor training.

3. Retirement system and its implementation status

To standardize employee retirement management and protect employees' post-retirement lives, the company has formulated a retirement management method in accordance with the Labor Standards Act and the labor retirement pension regulations. It specifies matters such as employee retirement conditions, retirement pension payment standards, retirement application, and retirement pension payment. In accordance with regulations, the Company makes monthly contributions to the labor retirement reserve fund, which is stored in a dedicated account. Employees subject to the retirement pension system under the said regulations make monthly contributions to the retirement pension, which is stored in individual accounts established by the Labor Insurance Bureau.

4. Agreements between labor and management and various measures to protect the rights and interests of employees

The Company values the interaction between labor and management, convening regular labor-management meetings every three months to promote rational communication between both sides, advocate for human-centered management, and provide a direct channel for individuals to express their opinions through complaint boxes and proper channels. Adjustments to and improvements in the company's relevant management regulations are made appropriately in response to employee needs. The Company also complies with relevant laws and regulations, striving to uphold employee rights.

(2) For the most recent year and up to the date of publication of the annual report, state any losses suffered due to labor disputes (including labor inspection results that violate the Labor Standards Act, sanction date, sanction code, regulatory provisions that were violated, details of the regulatory violation, and sanction details) and disclosure of current and future estimated amounts and possible measures. If it cannot be reasonably estimated, the fact that it cannot be reasonably estimated shall be stated: No such circumstances.

6. Cybersecurity management

(1) State the information security risk management framework, the information security policy, the specific management plan, resources invested in information security, etc.

1. Organization

The Company's information security policy aims to protect the confidentiality, integrity, and availability of information assets. This ensures the secure and effective operation of information processing operations and enhances confidence in information services. In consideration of information security, the company provides the most comprehensive services. It has established the Information Security and Operations Division as the responsible unit in the information department. The company has also appointed an information security manager and dedicated personnel in accordance with regulations. It systematically monitors compliance with information security requirements through relevant management measures and policies.

2. Cybersecurity policies

Enhance personnel awareness, prevent data leakage, implement daily operations, and ensure service availability.

The Company’s information security goals are as follows:

(1) Ensure that the key core systems of the Company maintain a certain level of system availability.
(2) Protect the integrity of the Company's information operations management and the accuracy of its data, and prevent unauthorized access and modification.
(3) Conduct information security education and training to enhance personnel understanding of information security responsibilities and awareness of protecting information assets, reducing the risk of information security incidents.
(4) Regularly conduct audit operations to ensure the implementation of information security management.

3. Specific management plan and resources invested in information security

(1) According to the permissions controlled by job responsibilities: Apply for system usage permissions according to the requirements of personnel duties, and the unit shall fulfill its supervisory and advocacy responsibilities.
(2) The Company's network is equipped with firewalls to control internal and external network security.
(3) Control of information storage devices: To prevent improper access by personnel, access to storage devices is prohibited. If there are special requests, they must be approved by senior management.
(4) Information security backup and backup operations: Purchase is made of backup hardware equipment that can perform data protection or recovery operations immediately in the event of hard drive damage. The system and database perform data backup operations on a regular basis, and important data and files also need to be backed up remotely when necessary. The backup should be checked and recorded intermittently.
(5) Regularly update and install anti-virus software: To avoid external malicious hacker attacks, the IT Department regularly plans and evaluates anti-virus software.
(6) Data classification and control: Documents are classified according to the level of confidentiality and corresponding control methods. Depending on their level, they should be marked with warnings, watermarks, etc. For confidential levels, a dedicated person must be assigned to manage them properly.
(7) Physical and environmental safety management: The data center and physical environment storing information security hardware equipment are subject to necessary protective measures implemented by the IT Department, such as: necessary locking, uninterrupted power system configuration, regular maintenance of environmental electrical safety, regular monitoring of environmental temperature, humidity, and air conditioning, regular inspection and updating of environmental

consumables, and regular spot checks of data center facilities.

(8) Personnel education and training and regular advocacy: Regular or intermittent information security education and training are conducted for personnel, with enhanced daily advocacy, to strengthen all employees' measures and awareness of information security protection.

(9) Personnel control and audit: Employees share the responsibility of maintaining information security and have the obligation to safeguard data and documents. Therefore, if there is a possibility of endangering information security, all personnel in the unit are responsible for immediately reporting to the IT Department and taking corresponding measures.

(2) State losses suffered due to major information security incidents in the most recent year and as of the publication date of publication of the annual report, possible impact, and response measures; if it cannot be reasonably estimated, the fact that it cannot be reasonably estimated shall be stated: No such circumstances.

7. Important contracts:

Nature of contract	Contractor	Start and end dates	Summary	Restrictions
Contracts for the purchase and sale of movable property	Lantechnical Service Co., Ltd.	2018/01/18	Encapsulation chamber equipment	None
Land and buildings Lease Contract	Central Taiwan Science Park Bureau, Ministry of Science and Technology	2025/01/01-2026/12/31	Lease of land and factories	None
Bank financing contracts	E.Sun Bank	2024/09/27-2025/09/27	Short-term loans	None
Bank financing contracts	Mega International Commercial Bank	2024/07/01-2025/06/30	Working capital loans	None
Bank financing contracts	Mega International Commercial Bank	2024/07/01-2025/06/30	Material purchase loans	None
Bank financing contracts	Mega International Commercial Bank	2024/07/01-2025/06/30	Tariff guarantees/Bookkeeping guarantees	None
Bank financing contracts	Taishin Bank	2024/06/30-2025/06/30	Short-term secured	None
Bank financing contracts	Shanghai Bank	2022/07/04-2025/07/04	Medium and Long-term Loans	None
Bank financing contracts	Taiwan Cooperative Bank	2024/06/27-2025/06/27	Short-term secured loans	None
Bank financing contracts	Fubon Bank	2023/08/28-2026/08/28	Medium and Long-term Loans	None
Bank financing contracts	First Bank	2024/06/25-2025/06/25	Short-term loans	
Bank financing contracts	Mega International Commercial Bank	2024/07/01-2025/06/30	Working capital loans	None
Bank financing contracts	Mega International Commercial Bank	2024/07/01-2025/06/30	Tariff guarantees/Bookkeeping guarantees	None
Bank financing contracts	Mega International Commercial Bank	2024/07/01-2025/06/30	Material purchase loans	None
Bank financing contracts	Shanghai Bank	2023/01/13-2026/01/13	Medium and Long-term Loans	None
Bank financing contracts	Shanghai Bank	2024/02/21-2029/02/21	Medium and Long-term Loans	None
Bank financing contracts	Taiwan Cooperative Bank	2024/09/28-2025/09/28	Short-term secured loans	None
Bank financing contracts	Taiwan Cooperative Bank	2020/12/09-2025/12/09	Medium-term secured loans	None
Bank financing contracts	First Bank	2023/05/10-2024/05/10	Medium and Long-term Loans	None
Bank financing contracts	Taishin Bank	2024/06/30-2025/06/30	Short-term secured	None
Bank financing contracts	CTBC Bank	2024/05/03-2026/06/05	Medium and Long-term Loans	None
Bank financing contracts	Fubon Bank	2024/09/27-2027/09/27	Medium and Long-term Loans	None

V. Financial status, and review and analysis of financial performance and risk issues

1. Financial status

Unit: NTD thousand

Item \ Year	2023	2024	Difference	
			Amount	%
Current assets	1,516,466	1,427,098	(89,368)	(5.89)
Property, plant and equipment	296,190	343,583	47,393	16.00
Intangible assets	1,112	8,940	7,828	703.96
Other assets	484,916	705,824	220,908	45.56
Total assets	2,298,684	2,485,445	186,761	8.12
Current liabilities	919,751	989,402	69,651	7.57
Non-current liabilities	213,111	347,856	134,745	63.23
Total indebtedness	1,132,862		204,396	18.04
Capital stock	675,000	675,000	-	-
Capital surplus	186,294	186,295	1	-
Retained earnings	317,839	278,459	(39,380)	(12.39)
Other equity	(16,229)	4,609	20,838	128.4
Non-controlling interests	2,918	3,824	906	31.05
Total equity	1,165,822	1,148,187	(17,635)	(1.51)

Description:
For items with a change rate exceeding 20% in the most recent two years and a change amount exceeding NT$10 million:
1. Other assets: Mainly due to the increase in right-of-use assets and prepaid equipment in 2024.
2. Non-current liabilities: Mainly due to the increase in long-term bank loans and lease liabilities in 2024.
3. Other equity: Mainly due to the increase in foreign currency translation differences from foreign operations' financial statements in 2024.

2. Financial performance

Unit: NTD thousand

Item \ Year	2023	2024	Difference	
			Amount	%
Operating revenues	2,229,230	2,033,923	(195,307)	(8.76)
Operating costs	1,652,635	1,542,961	(109,674)	(6.64)
Operating gross profits	576,595	490,962	(85,633)	(14.85)
Operating expenses	449,989	501,568	51,579	11.46
Operating net profit	126,606	(10,606)	(137,212)	(108.38)
Non-operating income and expenses	15,202	52,989	37,787	248.57
Profit Before Income Tax	141,808	42,383	(99,425)	(70.11)
Income tax expenses	60,777	10,448	(50,329)	(82.81)
Net profit of the period	81,031	31,935	(49,096)	(60.59)

Explanation: For items with a change rate exceeding 20% in the most recent two years and a change amount exceeding NT$10 million:
1. Operating net profit: Mainly due to the industry business cycle in 2024, where market demand slowed down, resulting in decreased operating revenue.
2. Non-operating income and expenses: Mainly due to the increase in net foreign exchange gains in 2024.
3. Profit before tax: Mainly due to the decrease in operating net profit in 2024.
4. Income tax expense: Mainly due to the decrease in net profit before tax in 2024.
5. Net profit for the period: Mainly due to the decrease in net profit before tax in 2024.

3. Cash flow

(1) Analysis of changes in cash flows for the most recent year:

Unit: NTD thousand

Item \ Year	2023	2024	Change increase (decrease)	
	Amount	Amount	Amount	%
Cash inflows from operating activities	301,392	133,443	(167,949)	(55.72)
Cash outflows from investing activities	(47,494)	(258,087)	(210,593)	(443.41)
Cash (out)flows from financing activities	16,660	(42,007)	(58,667)	(352.14)
Changes in cash flow: 1. Operating activities: The decrease in net cash inflows was mainly due to the decrease in net profit before tax, and increases in accounts payable and inventory. 2. Investing activities: The increase in net cash outflows was mainly due to the acquisition of property, plant and equipment and increases in prepaid equipment. 3. Financing activities: The decrease in net cash inflows was mainly due to cash capital increase in 2023 and increases in short-term bank loans in 2024.				

(2) Plans for improvement in liquidity: None.

(3) Cash liquidity analysis for the coming year

Unit: NTD thousand

Beginning cash balance	Estimated net cash flow from operating activities for the year	Estimated net cash flows from investing and financing activities for the year:	Estimated cash surplus (deficit) amount	Remedial measures for estimated cash deficit	
				Investment plan	Financing plan
700,237	105,721	(281,342)	524,616	—	—
1. Analysis of changes in cash flows for the coming year: (1) Operating activities: Estimated cash inflows generated from operating profits. (2) Investment and financing activities: Expected cash outflows for cash dividends and capital expenditures for capacity expansion. 2. Remedial measures for expected cash shortages: Not applicable.					

4. The impact of major capital expenditures in recent years on financial operations: None.

5. Reinvestment policy in the most recent year, main reasons for its profit or loss, improvement plan and investment plan for the next year：

(1) Reinvestment policy: The Company's investment policy is based on considerations of sustainable operation and operational growth. The Company has established the "Procedure for Acquisition or Disposal of Assets" in accordance with the guidelines set forth by regulatory authorities as the basis for the Company's investment in affiliated businesses to grasp the relevant business and financial conditions. In addition, in order to enhance supervision and management of invested companies, the Company has established monitoring and management methods for subsidiaries in the internal control system, setting relevant specifications for their information disclosure, finance, operations, inventory, and financial management, enabling the Company's investment projects to achieve maximum effectiveness.

(2) Main reasons for profit or loss of reinvestments in the most recent year, and improvement plans:

Unit: NTD thousand

Investee	Principal Business	Investment income (loss) recognized in 2023	Main reasons for profit or loss	Improving plan
Raystar Optronics, Inc.	Engaged in research and development, manufacturing, and trading of OLED display modules	(8,950)	Recognized losses from invested companies	None
Winbest Technology LLC.	Operation of reinvestment business	29,604	Recognize gains from investee company.	None
Wincaelum Global (Samoa) Co., Ltd.	Operation of reinvestment business	(3,882)	Recognized losses from invested companies.	Continuously evaluate the possibility of resuming operations at subsidiary Kenstar in order to improve profitability in the future.
Fairlink Group Ltd.	Operation of reinvestment business	(8,505)	Recognized losses from invested companies.	None
Winstar Display Inc.	Import and export of electronic components	2,026	Operating conditions are good.	None
Winstar Display (Changshu) Co. Ltd.	Manufacturing and processing of various LCD displays and modules	29,604	Operating conditions are good.	None
Vanstar Technology Co., Ltd.	Manufacturing and processing of various LCD displays and modules	(8,505)	Recognized losses from invested companies.	None
Kenstar Display Co., Ltd.	Manufacturing, processing, and trading of various liquid crystal displays and modules	(3,885)	The main purpose is to cover general management expenses incurred due to idle production lines at the subsidiary.	Continuously evaluate the possibility of resuming operations in order to improve profitability in the future.
Midas Components Ltd.	Trading of electronic components	(7,173)	Operating conditions are good.	None
Winstar Display GmbH	Import and export of electronic components	(505)	Not yet officially operational and profitable	The German subsidiary was established in August 2023, thus incurring only expenses without yet generating operational profits.

(3) Investment plan for the coming year: None.

6. Risk matter analysis and assessment

(1) The effect upon the company's profits (losses) of interest and exchange rate fluctuations and changes in the inflation rate, and response measures to be taken in the future:

1. The effect upon the company's profits (losses) of interest rate fluctuations and response measures to be taken in the future

(1) Impact

The Company's interest expense amounts in 2023 and 2024 were NT$13,007 thousand and NT$15,231 thousand respectively, accounting for 0.58% and 0.75% of each year's operating revenues. The proportions were very low, so their impact on the Company was limited. The Company maintains good credit relationships with its banks.

(2) Response measures

To cope with interest rate fluctuations, the Company will closely monitor interest rate trends in the future, adjust its borrowing structure in a timely manner, and take necessary measures to hedge against the risk of rising interest rates.

2. The effect upon the company's profits (losses) of exchange rate fluctuations and response measures to be taken in the future

(1) Impact

The foreign exchange gains and losses for the Company in 2023 and 2024 were NT$10,995 thousand and NT$35,598 thousand, respectively, accounting for 0.49% and 1.75% of the respective annual operating revenues. The Company's primary sales markets are global, with many transactions denominated in US dollars, thus exchange rate fluctuations still have a certain impact on the Company's profits.

(2) Response measures

The Company's sales are primarily export-oriented, with funds mainly sourced from US dollar-denominated foreign currency generated from operating income. Therefore, exchange rate fluctuations will have a certain degree of impact on the Company. In addition to adopting natural hedging methods for some accounts receivable to mitigate exchange rate risks, the Company also closely monitors international exchange rate trends and information to respond to the impact of exchange rate fluctuations, which should reduce the extent of the impact of exchange rate risks on the Company.

3. The impact of inflation on the Company's profit and loss and future response measures

Due to the global rise in raw material prices, the overall economic environment is experiencing a trend of currency inflation. However, the Company maintains close and mutually beneficial relationships with suppliers and customers. It closely monitors fluctuations in raw material market prices and adjusts product prices and raw material inventories as necessary. As of now, there has been no immediate material impact due to currency inflation.

(2) The company's policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future:

The Company has always adhered to the principles of focusing on its core business and being pragmatic in its operations. Its financial policy is based on the principles of prudence and conservatism. As of the date of printing of this annual report, the Company has not engaged in high-risk or highly leveraged investments, nor has it engaged in lending funds to others or trading in derivative products. Considering operational risks, if the Company intends to engage in lending funds to others or trading in derivative products in the future, it will do so in accordance with the Company's established Operational Procedures for Loaning Funds to Others and its Procedures for Acquiring or Disposing of Assets. Counterparties of endorsements and guarantees provided by the

Company are its subsidiaries. The Company has established Operational Procedures for Endorsements/Guarantees, and all related matters are conducted in compliance with the regulations.

(3) Research and development work to be carried out in the future, and further expenditures expected for research and development work

(1) Future research and development plans:

The Company plans research and development projects for major product categories based on market and technology trends, in response to subsequent customer needs, and in accordance with the Company's operational strategies, in order to provide marketable and future-oriented products and technologies. The main development directions of each product are as follows:

A. Development of wireless communication functions for STN, TFT, OLED display modules, and the development of system integration technologies for wireless communication technology, including hardware, firmware, and software, to seize emerging application markets, such as electric vehicles, green energy, medical applications, AIoT, and 5G.

B. Introduction of new display technologies and development of products for new application markets, such as large and high-resolution displays, high-reliability outdoor applications with sunlight visibility, power-saving, low-power consumption, and high and low-temperature resistant products for harsh environments.

C. Development of new technologies for touch panels and covers, such as: Waterproof, antibacterial, suspended touch panels for industrial glove use, and the development of 3D gesture technology.

D. Development of smart display firmware and software APP one-click update function, providing customers with download and update of APP software.

E. Development of products compliant with automotive communication protocol J1939, marine communication protocol NMEA2000, and customized control area network identification (Custom CAN ID) that customers can plan for their own exclusive communication protocol.

F. Development of automotive market products such as charging piles and other human-machine interface products, combining smart display software, firmware, and hardware solutions, and developing smart display multi-system interface products.

G. Research and development of new encapsulation process technologies to improve OLED product yield.

H. Development of high-voltage OLED products.

I. Development of OLED embedded touch technology (in-cell).

J. Research and development of transmissive OLED products.

K. Development of next-generation high- lifetime OLED products.

L. Portable OLED advertising machine.

M. Development of Ultra-Thin OLED products.

N. Development of Low-Drive-Voltage OLED products.

O. Development of embedded system modules, integrating industrial-grade displays with touch interfaces.

P. Development of energy-saving, power-efficient, low-power consumption display products.

(2) Further expenditures expected for research and development work:

R&D expenses for the current year are estimated at approximately NT$157,047 thousand. Future R&D expenses will be allocated according to the progress of new product and technology development. With the growth of revenue, it is not ruled out that R&D expenses will gradually increase to support future R&D projects. We will acquire R&D-related equipment and recruit capable R&D personnel to enhance our R&D capabilities and thereby improve our competitive advantage.

(4) Effect on the company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response:

The Company's operations have consistently adhered to relevant domestic and international laws and regulations. We continuously monitor developments in domestic and international policies, as well as changes in regulations, to fully grasp market environment changes. We proactively propose responsive measures as necessary. As of the most recent year and up to the date of printing of this annual report, the Company has not been significantly affected financially or operationally by significant changes in domestic and international policies or laws.

(5) Effect on the company's financial operations of developments in science and technology (including cybersecurity risk) as well as industrial change, and measures to be taken in response:

The Company constantly monitors technological changes and the evolution of industry-related technologies, swiftly grasping industry trends. By continuously enhancing its R&D capabilities, the Company protects various innovative concepts and design developments through patent applications. It actively expands into future market application areas to respond to the impact of technological changes and industry developments. Additionally, the Company has established a cybersecurity policy to safeguard its information and communication security. In the most recent year and as of the date of this Annual Report, there have been no material adverse impacts on the Company's financial operations from technological changes (including information security risks) or industry changes.

(6) Effect on the company's crisis management of changes in the company's corporate image, and measures to be taken in response

Since its establishment, the Company has adhered to relevant laws and regulations, actively strengthened internal management, and devoted itself to providing excellent products to win customer favor. At the same time, it maintains harmonious labor-management relations to uphold an excellent corporate image. In the most recent year and as of the date of this Annual Report, there have been no incidents affecting corporate image or any crisis situations.

(7) Expected benefits and possible risks of mergers and acquisitions, and response measures:

As of the latest fiscal year and the date of printing of this annual report, the Company has no plans to acquire other companies. If there are any merger plans in the future, they will be carefully evaluated and handled in accordance with relevant laws and internal control systems.

(8) Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken:

By resolution of the Board of Directors in December 2022, the Company's subsidiary, Raystar Optronics, Inc., initiated an investment project for Line 3 production line. This investment was primarily in response to future operational growth requirements and to meet customer demands. In addition to increasing production scale and reducing costs, the investment would effectively enhance production efficiency and flexibility, ensuring product quality and production capacity stability. This will help the Company strengthen its order-taking capabilities, expand its operational scale, seize profit opportunities, enhance industry competitiveness, and consolidate its position in the industry. It is expected to have a positive impact on the Group's future operations, and after the completion of this production line, it is expected to increase production capacity by approximately 5,000 units.

(9) Risks associated with any consolidation of sales or purchasing operations, and mitigation measures being or to be taken:

1. Risks associated with consolidation of purchasing operations and mitigation measures being taken

As of the latest fiscal year and the date of printing of this annual report, there have been no circumstances where purchases from a single supplier have exceeded 10%, hence there is no procurement concentration risk. The Company maintains good and stable cooperative relationships with all suppliers to ensure the security of major raw material supplies. It also maintains appropriate inventory levels to avoid the risk of supply shortages or interruptions.

2. Risks associated with consolidation of sales and mitigation measures being taken

As of the latest fiscal year and the date of printing of this annual report, there have been no circumstances where sales to a single customer have exceeded 10%, hence there is no sales concentration risk. The Company will continue to assess the financial status of major customers and the actual receipt of payments, and regularly evaluate the possibility of accounts receivable recovery.

(10) The influence and risk of a large-scale transfer of shares or the replacement of the directors, supervisors, or major shareholders holding more than 10% of the shares issued by the Company, and the response: None.

(11) The impact, risks, and countermeasures of a change of management rights on the Company: None.

(12) In respect to litigation or non-litigation events, listing should be made of material litigation or non-litigation events or administrative disputes confirmed or still being adjudicated of the Company and its directors, President, principals in charge, major shareholders holding more than 10% of shares, and affiliated companies. If the outcome may have a material impact on shareholders' equity or the price of securities, then the facts in dispute, the amount involved, the start date of the lawsuit, the main parties involved in the lawsuit, and the handling situation as of the publication date of the annual report shall be disclosed: None.

(13) Other important risks, and mitigation measures being or to be taken: None.

7. Other important matters: None.

VI. Special Records

1. Information on affiliated enterprises

(1) Business report on the merger of related enterprises：

Consolidated business report of affiliated enterprises: Please refer to the Company's Market Observation Post System → E-books → Affiliated Enterprises Three Statements Section https://mopsov.twse.com.tw/mops/web/t57sb01_q10..

(2) Consolidated financial statements of affiliated enterprises:

For the year 2024 (January 1, 2024 to December 31, 2024), the Company complies with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" in that the companies that should be included in the preparation of the consolidated financial statements of the affiliated companies are the same as the companies that should be included in the preparation of the consolidated financial statements of the parent and subsidiary companies in accordance with IFRS 10. In addition, the relevant information that should be disclosed in the consolidated financial statements of the associated companies has been disclosed in the consolidated financial statements of the parent and subsidiary companies of the former disclosure. Therefore, there is no separate preparation of the consolidated financial statements of associated companies.

(3) Related enterprise reports: Not applicable.

2. Handling of privately placed securities in the most recent year and as of the date of publication of the annual report: No such circumstances.

3. Status of holding or disposing of the Company's stocks by subsidiaries in the most recent year and as of the date of publication of the annual report: No such circumstances.

4. Other necessary supplementary explanations: No such circumstances.

VII. In the most recent year and as of the printing date of the annual report, if there is any occurrence of matters that have a significant impact on shareholders' equity or securities prices as specified in Article 36, Paragraph 3, Item 2 of the Securities and Exchange Act: None.

VIII. Appendices

1. Consolidated Financial Statements and Independent Auditor's Report

Winstar Display Co., Ltd. and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2024 and 2023 and Independent Auditors' Report

Address: 2F., No. 43, Keya Road, Daya District, Taichung City

Tel: (04)25689987

Declaration of consolidation of financial statements of affiliates

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2024(From January 1, 2024 to December 31, 2024) are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standards No. 10. Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we did not prepare a separate set of consolidated financial statements of affiliates.

Hereby declare

Company Name: Winstar Display Co., Ltd.

President: Yu-Pin Liao

March 11, 2025

Independent Auditors' Report

To the Board of Directors and Shareholders of Winstar Display Co., Ltd.:

Opinion

We have completed our audit of Winstar Display Co., Ltd. and its subsidiaries (collectively referred to as Winstar Group) Consolidated Balance Sheet for December 31, 2024 and 2023; and Consolidated Statements of Comprehensive Income, Consolidated Statements of Changes in Equity, Consolidated Statements of Cash Flows and Notes to the Consolidated Financial Statements (including a summary of significant accounting policies) for January 1 – December 31, 2024 and 2023.

In our opinion, the consolidated financial statements referred to above have been prepared, in all material respects, in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards(IFRS), International Accounting Standards(IAS), IFRIC Interpretations(IFRIC) and SIC Interpretation(SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and fairly present the consolidated financial position of Winstar Group as of December 31, 2024 and 2023, and the consolidated financial performance and consolidated cash flow from January 1 to December 31, 2024 and 2023.

Basis for Opinion

We have performed entrusted audit work in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. Our personnel subject to standards of independence have maintained detached independence from Winstar Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and have performed other responsibilities under that Norm. We believe that sufficient and appropriate audit evidence has been obtained to serve as a basis for expressing an audit opinion.

Key Audit Matter

Key audit matters refer to the most important matters for the audit of Winstar Group's 2024 consolidated financial statements based on our professional judgment. The matter was addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on the matter.

The key audit matter for the Group's 2024 consolidated financial statements is stated as follows:

Authenticity of revenue recognition from specific customers

Winstar Group's operating revenue mainly comes from the production and sales of LCD modules and OLED display modules. The operating revenue in 2024 decreased from the previous year due to changes in market demand. As transaction amount of a specific customer is material to operating revenue as a whole, authenticity of revenue recognition for specific customers is listed as a key audit matter. Please refer to Note 4 to the financial statements for the relevant accounting policies for revenue recognition.

In response to this key audit matter, we perform the following audit procedures:

1. Understand and evaluate the effectiveness of the design and execution of internal control related to audit risks in the sales and collection cycle.
2. We select a sample of the operating revenue of specific customers, and review the relevant documents and payment vouchers for the operating revenue recognized to confirm the authenticity of the operating revenue recognized.

Other Matters

Winstar Display Co., Ltd. has prepared parent company only financial statements for 2024 and 2023, and the audit reports with unmodified opinions that we have issued are on file for reference.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS, IAS, IFRIC and SIC endorsed and issued into effect by the 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.

When compiling the consolidated financial statements, management's responsibilities also include disclosing the evaluation of Winstar Group's ability to continue as a going concern and related matters, and the adoption of a going concern basis of accounting unless management intends to liquidate Winstar Group or to cease operations or there is no practical alternative to liquidation or closure.

The units charged with governance of Winstar Group (including the Audit Committee) are responsible for supervising 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 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, we exercise professional judgment and 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 Winstar Group.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of Winstar Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or circumstances may result in Winstar Group no longer having the ability to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence for the financial information of the constituent entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of 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 Winstar Group's 2024 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Shu-Chin Chiang and Ting-Chien Su.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 11, 2025

Winstar Display Co., Ltd. and Subsidiaries

Consolidated balance sheets

December 31, 2024and 2023

Unit: NT$ thousands

Code	Asset	December 31, 2024 Amount	%	December 31, 2023 Amount	%
	Current asset				
1100	Cash and cash equivalents (Note 4 and 6)	$ 700,237	28	$ 854,430	37
1136	Financial assets at amortized cost - current (Note 4, 7 and 29)	94,966	4	79,382	4
1150	Notes receivable (Note 4, 9, 21 and 27)	2,348	-	2,300	-
1170	Trade receivables (Note 4, 9, 21 and 28)	238,945	10	206,323	9
1200	Other receivables	3,393	-	2,057	-
1220	Current tax assets (Note 4 and 23)	1,571	-	106	-
130X	Inventories (Note 4 and 10)	332,676	13	326,831	14
1470	Other current assets (Note 16)	52,962	2	45,037	2
11XX	Total current assets	1,427,098	57	1,516,466	66
	Non-current assets				
1517	Financial assets at fair value through other comprehensive income - non-current (Note 4 and 8)	8,884	-	11,457	-
1535	Financial assets at amortized cost - non-current (Note 4, 7 and 29)	29,572	1	23,392	1
1550	Investments accounted for using the equity method (Note 4 and 12)	8,918	-	12,661	1
1600	Property, Plant and Equipment (Note 4, 13 and 29)	343,583	14	296,190	13
1755	Right-of-use assets (Note 4, 14, 28 and 29)	259,123	11	149,929	7
1760	Investment property (Note 4, 15 and 29)	82,979	3	83,259	4
1780	Intangible assets	8,940	1	1,112	-
1840	Deferred tax assets (Note 4 and 23)	80,428	3	79,157	3
1990	Other non-current assets (Note 16)	235,920	10	125,061	5
15XX	Total non-current assets	1,058,347	43	782,218	34
1XXX	Total assets	$ 2,485,445	100	$ 2,298,684	100
Code	**Liabilities and Equity**				
	Current liabilities				
2100	Short-term borrowings (Note 17 and 29)	$ 371,875	15	$ 336,786	15
2130	Contract liabilities - current (Note 4, 21 and 28)	81,906	3	75,601	3
2150	Notes payable	12,950	1	11,422	1
2170	Trade payables (Note 27)	258,665	10	240,696	11
2200	Other payables (Note 18)	174,416	7	166,246	7
2230	Current tax liabilities (Note 4 and 23)	2,978	-	17,811	1
2280	Lease liabilities - current (Note 4, 14 and 28)	35,368	2	32,538	1
2320	Current portion of long-term borrowings (Note 17 and 29)	46,420	2	33,202	1
2399	Other current liabilities	4,824	-	5,449	-
21XX	Total current liabilities	989,402	40	919,751	40
	Non-current liabilities				
2540	Long-term borrowings (Note 17 and 29)	67,549	3	45,280	2
2570	Deferred tax liabilities (Note 4 and 23)	72,406	3	62,350	3
2580	Lease liabilities - non-current (Note 4, 14 and 28)	198,781	8	94,226	4
2640	Net defined benefit liabilities - non-current (Note 4 and 19)	9,120	-	11,255	-
25XX	Total non-current liabilities	347,856	14	213,111	9
2XXX	Total liabilities	1,337,258	54	1,132,862	49
	Equity attributable to owners of the parent company				
3110	Ordinary shares	675,000	27	675,000	30
3200	Capital surplus	186,295	8	186,294	8
	Retained earnings				
3310	Legal reserve	75,259	3	66,981	3
3320	Special reserve	16,229	1	4,444	-
3350	Unappropriated earnings	186,971	7	246,414	11
3400	Other equity	4,609	-	(16,229)	(1)
31XX	Total equity attributable to owners of the parent company	1,144,363	46	1,162,904	51
36XX	Non-controlling interests	3,824	-	2,918	-
3XXX	Total equity	1,148,187	46	1,165,822	51
	Total liabilities and equity	$ 2,485,445	100	$ 2,298,684	100

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

Winstar Display Co., Ltd. and Subsidiaries

Consolidated statements of comprehensive income

For the years ended December 31, 2024 and 2023

Unit: In thousands of New Taiwan Dollars,

except that Earnings Per Share are stated in NT$

Code		2024 Amount	2024 %	2023 Amount	2023 %
4000	Operating revenue (Note 4, 21 and 28)	$ 2,033,923	100	$ 2,229,230	100
5000	Operating costs (Note 10 and 22)	1,542,961	76	1,652,635	74
5950	Gross profit	490,962	24	576,595	26
	Operating expenses (Note 22)				
6100	Selling and marketing expenses	134,463	7	128,458	6
6200	General and Administrative expenses	219,975	11	205,542	9
6300	Research and Development expenses	145,944	7	118,794	5
6450	Expected credit loss (gain) (Note 4 and 9)	1,186	-	(2,805)	-
6000	Total operating expenses	501,568	25	449,989	20
6900	Profit from operations	(10,606)	(1)	126,606	6
	Non-operating income and expenses				
7010	Other income	14,527	1	12,284	1
7020	Other gains and (losses)	(1,350)	-	(4,324)	-
7050	Financial costs (Note 4, 22 and 28)	(15,231)	(1)	(13,007)	(1)
7060	Share of profit and loss of associates (Note 4 and 12)	(2,309)	-	72	-
7100	Interest income	21,754	1	9,182	-
7230	Net gain (loss) on foreign currency exchange (Note 22)	35,598	2	10,995	1
7000	Total non-operating income and expenses	52,989	3	15,202	1

(to be continued)

(continued)

Code		2024 Amount	2024 %	2023 Amount	2023 %
7900	Profit before income tax	$ 42,383	2	$ 141,808	7
7950	Income tax expense (Note 4 and 23)	10,448	-	60,777	3
8200	Net profit for the year	31,935	2	81,031	4
	Other comprehensive income(loss)				
8310	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit plan (Note 19)	1,751	-	2,466	-
8316	Unrealized gain (loss) on investments in equity instruments designated as at fair value through other comprehensive income	(2,573)	-	1,261	-
8349	Income tax relating to items that will not be reclassified (Note 23)	(350)	-	(493)	-
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange difference on translating foreign operations	29,328	1	(16,311)	(1)
8399	Income tax related to items that may be reclassified (Note 23)	(5,852)	-	3,261	-
8300	Other comprehensive income for the year, net of income tax	22,304	1	(9,816)	(1)
8500	Total comprehensive income for the year	$ 54,239	3	$ 71,215	3
8600	Net profit attributable to:				
8610	Owners of the company	$ 31,709	2	$ 80,809	4
8620	Non-controlling interests	226	-	222	-
		$ 31,935	2	$ 81,031	4
	Total comprehensive income attributable to:				
8710	Owners of the company	$ 53,948	3	$ 70,997	3
8720	Non-controlling interests	291	-	218	-
8700		$ 54,239	3	$ 71,215	3

(to be continued)

(continued)

Code		2024 Amount	2024 %	2023 Amount	2023 %
	Earnings per share (Note 24)				
9750	Basic	$ 0.47		$ 1.33	
9850	Diluted	$ 0.47		$ 1.33	

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

Winstar Display Co., Ltd. and Subsidiaries

Consolidated statements of changes in equity

For the years ended December 31, 2024 and 2023

Unit: NT$ thousands

		Equity attributable to owners of the parent company (Note 20)									
				Retained earnings			Other equity				
Code		Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Exchange difference on translating foreign operations	Unrealized gain (loss) of financial assets at fair value through other comprehensive income	**Total**	**Non-controlling interests**	**Total equity**
A1	Balance on January 1, 2023	$ 525,000	$ 66,078	$ 37,695	$ 3,526	$ 325,086	$ 1,196	($ 5,640)	$ 952,941	$ 2,103	$ 955,044
	Appropriation of 2022 earnings:										
B1	Legal reserve	-	-	29,286	-	(29,286)	-	-	-	-	-
B3	Special reserve	-	-	-	918	(918)	-	-	-	-	-
B5	Cash dividend	-	-	-	-	(56,250)	-	-	(56,250)	-	(56,250)
B9	Stock dividends to shareholders of the Company	75,000	-	-	-	(75,000)	-	-	-	-	-
D1	Net income for the year ended December 31, 2023	-	-	-	-	80,809	-	-	80,809	222	81,031
D3	Other comprehensive income for the year ended December 31, 2023	-	-	-	-	1,973	(13,046)	1,261	(9,812)	(4)	(9,816)
D5	Total comprehensive income for the year ended December 31, 2023	-	-	-	-	82,782	(13,046)	1,261	70,997	218	71,215
E1	Capital increase in cash	75,000	117,327	-	-	-	-	-	192,327	-	192,327
N1	Share-based Payment	-	2,889	-	-	-	-	-	2,889	597	3,486
Z1	Balance on December 31, 2023	675,000	186,294	66,981	4,444	246,414	(11,850)	(4,379)	1,162,904	2,918	1,165,822
	Appropriation of 2023 earnings:										
B1	Legal reserve	-	-	8,278	-	(8,278)	-	-	-	-	-
B3	Special reserve	-	-	-	11,785	(11,785)	-	-	-	-	-
B5	Cash dividend	-	-	-	-	(70,875)	-	-	(70,875)	-	(70,875)
C17	Other changes in capital surplus	-	1	-	-	-	-	-	1	-	1
D1	Net income for the year ended December 31, 2024	-	-	-	-	31,709	-	-	31,709	226	31,935
D3	Other comprehensive income for the year ended December 31, 2024	-	-	-	-	1,401	23,411	(2,573)	22,239	65	22,304
D5	Total comprehensive income for the year ended December 31, 2024	-	-	-	-	33,110	23,411	(2,573)	53,948	291	54,239
N1	Share-based Payment	-	-	-	-	-	-	-	-	615	615
C7	Changes in equity of associates and joint ventures accounted for using equity method (Note 12)	-	-	-	-	(1,615)	-	-	(1,615)	-	(1,615)
Z1	Balance on December 31, 2024	$ 675,000	$ 186,295	$ 75,259	$ 16,229	$ 186,971	$ 11,561	($ 6,952)	$ 1,144,363	$ 3,824	$ 1,148,187

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

Winstar Display Co., Ltd. and Subsidiaries

Consolidated Statements of Cash Flows

For the years ended December 31, 2024 and 2023

Unit: NT$ thousands

Code		2024	2023
	Cash flows from operating activities		
A10000	Income before tax for the year	$ 42,383	$ 141,808
A20000	Adjustment for:		
A20100	Depreciation expenses	114,343	104,393
A20200	Amortization expenses	2,398	1,064
A20300	Expected credit loss recognized (reversed) on trade receivables	1,186	(2,805)
A20900	Finance costs	15,231	13,007
A21200	Interest income	(21,754)	(9,182)
A21300	Dividend income	(55)	(55)
A21900	Compensation cost related to share-based payment	615	3,486
A22400	Share of profits of associates accounted for using equity method	2,309	(72)
A22500	Loss on disposal of property, plant and equipment	30	16
A23800	Inventory valuation losses	2,752	35,925
A24100	Unrealized net loss (gain) in foreign currency exchange	(2,119)	837
A30000	Net changes in operating assets and liabilities		
A31130	Notes receivable	(2)	12,217
A31150	Trade receivables	(14,077)	28,883
A31180	Other receivables	(1,059)	(1,151)
A31200	Inventory	990	207,509
A31240	Other current assets	(7,757)	13,724
A32130	Notes payable	1,069	(13,262)
A32150	Trade payables	1,467	(135,230)
A32180	Other payables	4,407	(37,453)
A32230	Other current liabilities	5,304	3,118
A32240	Net defined benefit liabilities	(384)	(317)
A33000	Cash generated from operations	147,277	366,460
A33100	Interest received	21,754	9,182
A33200	Dividend received	55	55
A33300	Interest paid	(11,871)	(11,362)
A33500	Income tax paid	(23,772)	(62,943)
AAAA	Net cash generated from operating activities	133,443	301,392

(to be continued)

(continued)

Code		2024	2023
	Cash flows from investing activities		
B00040	Payments for financial assets at amortized cost	($ 37,228)	($ 22,585)
B00050	Proceeds from disposal of financial assets at amortized cost	15,916	41,454
B02700	Payments for property, plant and equipment	(92,325)	(30,667)
B02800	Proceeds from disposal of property, plant and equipment	-	106
B03700	Increase in refundable deposits	(1,626)	(744)
B03800	Decrease in refundable deposits	1,999	3,992
B04500	Payments for intangible assets	(10,210)	(1,200)
B07100	Increase in prepayments for equipment	(134,613)	(37,850)
BBBB	Net cash used in investing activities	(258,087)	(47,494)
	Cash flows from financing activities		
C00100	Proceeds from short-term borrowings	594,739	459,667
C00200	Repayments of short-term borrowings	(561,477)	(537,993)
C01600	Proceeds from long-term loans	71,000	63,000
C01700	Repayments of long-term borrowings	(35,513)	(72,978)
C04020	Repayments of the principal portion of lease liabilities	(39,882)	(31,113)
C04500	Dividends paid to owners of the company	(70,875)	(56,250)
C04600	Capital increase in cash	-	192,327
C09900	Other financing activities	1	-
CCCC	Net cash generated from (used in) financing activities	(42,007)	16,660
DDDD	Effects of exchange rate changes on the balance of cash held in foreign currencies	12,458	(7,277)
EEEE	Net increase (decrease) in cash and cash equivalents	(154,193)	263,281
E00100	Cash and cash equivalents at the beginning of the year	854,430	591,149
E00200	Cash and cash equivalents at the end of the year	$ 700,237	$ 854,430

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

Winstar Display Co., Ltd. and Subsidiaries

Notes to consolidated financial statements

For the years ended December 31, 2024 and 2023

(expressed in NTD thousands and foreign currency, unless stated otherwise)

1. History

Winstar Display Co., Ltd. (“the Company”) was established in June 1998. The main business items are the manufacturing, processing, and trading of various displays and modules.

The Company has been listed on the Taiwan Stock Exchange since December 5, 2023.

The consolidated financial statements are presented in the Company’s functional currency, New Taiwan dollars.

2. Date and procedures for approval of financial statements

The consolidated financial statements were approved by the Company’s board of directors on March 11, 2025.

3. Application of new, amended and revised standards and interpretations

(1) Initial application of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (the "FSC").

The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have a material impact on the accounting policies of the Company and its subsidiaries (collectively, the “Group”).

(2) IFRSs endorsed by the FSC for application starting from 2024

New, amended and revised standards and interpretations	Effective date of issuance per the International Accounting Standards Board (IASB) (Note 1)
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 1)
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" - the amendments to the application guidance of classification of financial assets	January 1, 2026 (Note2)

Note 1: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Group shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2026. It is permitted to apply these amendments for an earlier period beginning on January 1, 2025. An entity shall apply the amendments retrospectively but is not required to restate prior periods. The effect of initially applying the amendments shall be recognized as an adjustment to the opening balance at the date of initial application. An entity may restate prior periods if, and only if, it is possible to do so without the use of hindsight.

As of the date the consolidated financial statements were authorized for issue, the Group has assessed that the application of other standards and interpretations will not have a material impact on the Group's financial position and financial performance.

(3) New IFRSs in issue by IASB but not yet endorsed and issued into effect by the FSC

New, amended and revised standards and interpretations	Effective Date Announced by IASB (Note 1)
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" - the amendments to the application guidance of derecognition of financial liabilities	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	January 1, 2026
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027

Note 1: Unless stated otherwise, the above New Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 will supersede IAS 1" Presentation of Financial Statements". The main changes comprise:

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar

characteristics in the primary financial statements and in the notes. The Group labels items as"other" only if it cannot find a more informative label.

- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management's view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing other impacts of the above amended standards and interpretations on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. Summary of significant accounting policies information

(1) Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS Accounting Standards as endorsed and issued into effect by the FSC.

(2) Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs, are described as follows:

1. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities on the measurement date;
2. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
3. Level 3 inputs are unobservable inputs for an asset or liability.

(3) Classification of current and non-current assets and liabilities

Current assets include:

1. Assets held primarily for the purpose of trading;
2. Assets expected to be realized within 12 months after the reporting date; and
3. Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current liabilities include:

1. Liabilities held primarily for the purpose of trading;
2. Liabilities due to be settled within 12 months after the reporting date, and
3. Liabilities for which the Company does not have an unconditional right to defer settlement for at least 12 months after the reporting date.

Assets and liabilities that are not classified as current are classified as non-current.

(4) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (the "subsidiaries"). Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the effective dates of acquisitions or up to the effective dates of disposals. Adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those of the Group. When compiling the consolidated financial statements, all intra-group transactions, account balances, and gains and losses between subsidiaries have been eliminated in full. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

Please refer to Note 11, Table 9 and Table 10 for detailed information on subsidiaries, percentage of ownership and main business.

(5) Foreign currencies

When each individual entity compiles financial statements, transactions in currencies other than the entity's functional currency (i.e., in foreign currency) shall be converted into the functional currency recorded at the exchange rate on the day of the transaction.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences arising from delivery of monetary items or translation of monetary items are recognized in profit or loss in the year in which they occur.

Foreign currency non-monetary items measured by fair value are translated at the exchange rate on the day when the fair value is determined, and any resulting exchange difference is listed as profit or loss for that year except when the change in fair value is recognized in other comprehensive income, in which case the resulting exchange difference is listed in other comprehensive income.

Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

When preparing consolidated financial statements, the assets and liabilities of foreign operations are translated into New Taiwan Dollars at the exchange rate on each balance sheet date (including subsidiaries and associates operating in countries or using currencies that differ from those of the Company). Income and expense items are translated at the current year average exchange rate, and the resulting exchange differences are listed in other comprehensive income, and are respectively attributed to owners of the Company owners and to non-controlling interest.

If the Group disposes of all interests related to a foreign operation, all of the accumulated exchange differences attributable to the owners of the Company related to the foreign operation will be reclassified to profit or loss.

(6) Inventories

Inventories include raw materials, work-in-progress, semi-finished products, and finished goods, which are measured at the lower of cost or net realizable value. The comparison of cost and net realizable value is based on individual items, except for inventories of the same category. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses. Inventory cost is determined using the weighted-average method.

(7) Investments in Associates

An associate is an enterprise that the Group has significant influence over but is not a subsidiary.

The Group adopts the equity method for investments in associates.

Under the equity method, an investment in an associate is initially recognized at cost, and the book value after acquisition will increase or decrease with the Group's share of the associate's profit or loss, other comprehensive income, and earnings distributions. In addition, changes in the equity of an associate are recognized based on the shareholding ratio.

The amount of the acquisition cost exceeding the net fair value share of the identifiable assets and liabilities of an associate to which the Group is entitled on the acquisition date is listed as goodwill, which is included in the book value of the investment and cannot be amortized. The excess of the share of the net fair value of the identifiable assets and liabilities of the associate over the acquisition cost is listed as current period profit or loss.

When the Group subscribes for additional new shares of an associate and a joint venture at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the associate and joint venture. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in equity of associates and joint ventures accounted for using the equity method and investments accounted for using the equity method. If the Group's ownership interest is reduced due to the additional subscription of the new shares of the associate and joint venture, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate and joint venture is reclassified to profit or loss on the same basis as would be required if the investee had directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

Profits and losses arising from upstream, downstream, and lateral transactions between the Group and associates shall be recognized in the consolidated financial statements only to the extent that they are not connected to the Group's rights and interests in the associate.

(8) Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment under construction is recognized at cost. Cost includes professional fees and borrowing costs eligible for capitalization. These assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Each material component of property, plant and equipment is depreciated separately on a straight-line basis over its useful life. The Group shall review estimated service life, residual value, and depreciation method at the end of each year at a minimum, and it shall defer the effect of changes in applicable accounting estimates.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

(9) Investment property

Investment property is held for the purpose of earning rent or capital appreciation or both. Investment property also includes land held for which the future use has not yet been determined.

Self-owned investment property is initially measured at cost (including transaction costs) and subsequently measured at cost less accumulated depreciation and accumulated impairment losses. The Group adopts a straight-line basis for depreciation.

When investment property is derecognized, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

(10) Intangible assets

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis within useful lives. The estimated useful lives, residual values and amortization methods are reviewed at the end of each fiscal year, with the effects of any changes in the accounting estimates for on a prospective basis.

Upon derecognition of intangible assets, the difference between the net disposal price and the asset carrying amount is to be recognized in current year profit or loss.

(11) Impairment of property, plant and equipment, right-of-use assets, investment property and intangible assets

The Group evaluates at each balance sheet date whether there is any evidence that impairment has occurred among property, plant and equipment, right-of-use assets, investment properties, and intangible assets. If any such indication exists, the recoverable amount of the asset is estimated. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset or cash-generating unit, less amortization or depreciation. A reversal of an impairment loss is recognized in profit or loss.

(12) Financial instruments

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

On initial recognition of a financial asset or a financial liability, if the financial asset or financial liability is not measured at fair value through profit or loss, it is measured at fair value plus any transaction costs directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

<u>Financial asset</u>

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

1. Measurement category

The types of financial assets held by the Group are financial assets measured at amortized cost and investments in equity instruments measured at fair value through other comprehensive income.

(1) Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

A. The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

B. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After the original recognition of financial assets measured at cost after amortization (including cash and cash equivalents, notes receivable measured at amortized cost, accounts receivable, other receivables, and refundable deposits), these are measured at the amortized cost of the gross carrying amount determined using the effective interest method less any impairment losses, and any foreign currency exchange gains or losses are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for:

A. Purchased or originated credit-impaired financial asset, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset.

B. Financial asset that has subsequently become credit-impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset from the second reporting period after the impairment.

A financial asset is credit impaired when: there are significant financial difficulty of the issuer or borrower or a breach of contract; it is probable that the borrower will enter bankruptcy or other financial reorganization; or the disappearance of an active market for a financial asset due to financial difficulties.

(2) Equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments, which are not held for trading or as contingent consideration recognized by an acquirer in a business combination, as at FVTOCI.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

2. Impairment of Financial assets

The Group measures the impairment loss based on expected credit losses ("ECLs") on financial assets at amortized cost (including trade receivables) on each balance sheet date.

The Group measures a loss allowance at an amount equal to lifetime ECLs on trade receivables. For other financial assets, the Group recognizes the loss allowance for 12 months ECLs if there has not been a significant increase in credit risk since initial recognition or recognizes the loss allowance for the lifetime ECLs if such credit risk has significant increased since initial recognition.

ECLs reflect the weighted average of credit losses with the respective risks of a default occurring. 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date. In contrast, lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

For internal credit risk management purposes, the Group determines, without regard to the collateral held, that a default on a financial asset has occurred in the following circumstances:

(1) There is internal or external information indicating that the debtor is incapable of paying off its debts.

(2) Overdue for more than 180 days, unless there is reasonable and corroborative information showing that the delayed default standard is more appropriate.

The impairment loss of all financial assets is based on the reduction of the book value of the contra account.

3. Derecognition of financial assets

The Group derecognizes financial assets only when the contractual rights to the cash flows from the assets expire or when it transfers the financial assets and substantially all the risks and rewards of ownership of the assets to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the cumulative gain or loss is transferred directly to retained earnings, without recycling through profit or loss.

Financial liability

1. Subsequent measurement

Financial liabilities are measured at amortized cost using the effective interest method.

2. Derecognition of financial liabilities

On derecognition, the difference between the carrying amount of a financial liability and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

(13) Revenue recognition

The Group identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

For contracts in which the transfer of goods or services and the receipt of consideration are within one year, the transaction prices of the material finance components will not be adjusted.

Revenue from sale of goods

Revenue from sales of goods is recognized when the customer obtains control over the asset promised; that is, when the goods are delivered to the designated location and meet the performance obligations. Advance receipts from sales of goods are recognized as contract liabilities before the Group has met its performance obligations.

(14) Leases

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for low-value asset leases accounted for by applying a recognition exemption and short-term leases where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee’s incremental borrowing rate will be used.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. If there is a change in the lease term, the Group remeasures the lease liability and adjusts the right-of-use asset accordingly. However, if the carrying amount of the right-of-use asset has been reduced to zero, the remaining remeasurement amount is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

(15) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the costs of these assets, until the time when substantially all of the activities necessary to prepare the asset for its intended use or sale are complete.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Except for the above, all other borrowing costs are recognized as profit or loss in the year in which they are incurred.

(16) Government Grants

Government subsidies related to income are recognized only when there is reasonable assurance that the Group will comply with the conditions attached to the government subsidies and that the subsidies will be received.

Government subsidies are recognized on a systematic basis in the period in which the related costs for which they are intended to be reimbursed are recognized as expenses by the Group.

Government subsidies are recognized in profit or loss in the period in which they become receivable if they are intended to compensate for expenses or losses already incurred or to provide immediate financial support to the Group and have no future related costs.

(17) Employee benefits

Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

Post-employment benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including service costs for current period) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense on occurrence. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) constitute shortfalls (surpluses) in defined benefit plan contributions. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

(18) Share-based payment agreement

Employee stock warrants granted to employees

The fair value of equity instrument at the grant date of employee stock warrants is expensed on a straight-line basis over the vesting period, based on the Company’s best estimates of the number of shares that are expected to ultimately vest, with a corresponding adjustment to capital surplus - employee stock warrants. It is recognized as an expense in full at the grant date if vested immediately. The grant date is the date on which the Company confirms the number of employee shares and the subscription price reserved for employee shares as a capital increase in cash.

Employee stock options granted to employees of subsidiaries

Employee stock options granted by the Company to employees of a subsidiary in exchange for the Company's equity instruments are regarded as capital investment in the subsidiary. They are measured based on the fair value of the equity instrument on the grant date, and is recognized as an increase in the carrying amount of the investment in the subsidiary within the vesting period. Furthermore, there is a corresponding adjustment in capital reserve-employee stock options.

(19) Taxation

Income tax expense is the sum of the current year income tax and deferred income tax.

1. Income tax of the current year

Income tax payable (refundable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for as income tax in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2. Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences. If a temporary difference arises due to the initial recognition of other assets and liabilities, and the transaction does not affect taxable income or accounting profit at that time, it shall not be recognized as deferred income tax assets and liabilities.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are recognized only to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and such temporary differences are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates expected in the year in which the liabilities are settled or the assets realized, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3. Current and deferred income tax for the year

Current year and deferred income taxes are recognized in profit or loss, with the exception that such items connected to items recognized in other comprehensive income or directly included in equity are to be respectively recognized in other comprehensive income or directly included in equity.

5. Material accounting judgments and key sources of estimation uncertainty

In the application of the Group's accounting policies, management is required to make judgments, estimates and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

When developing material accounting estimates, the Group considers the possible impact of climate change and related government policies and regulations and the economic environment implications of the inflation and interest rate fluctuations volatility in and financial and energy and foreign currency markets its economic environment implications when making its material accounting estimates on the cash flow projection, growth rate, discount rate, profitabilities and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

6. Cash and cash equivalents

	December 31, 2024	December 31, 2023
Cash on hand and petty cash	$ 612	$ 677
Checking accounts and demand deposits	689,725	606,698
Cash equivalents		
Time deposits with banks	9,900	247,055
	$ 700,237	$ 854,430
Annual interest rates (%)		
Demand deposits	0.00-1.45	0.00-1.45
Time deposits with banks	1.23	1.10-5.40

7. Financial assets at amortized cost

	December 31, 2024	December 31, 2023
Current		
Pledged time deposits	$ 66,229	$ 48,230
Time deposits with original maturity over three months	15,206	15,115
Restricted bank deposits	13,531	16,037
	$ 94,966	$ 79,382
Non-current		
Restricted bank deposits	$ 29,572	$ 23,392
Annual interest rates (%)		
Pledged time deposits	2.50-4.80	3.05-3.85
Time deposits with original maturity over three months	0.67	0.54-0.55
Restricted bank deposits	0.51-1.30	0.51-1.30

Please refer to Note 29 for information related to investments in financial assets at amortized cost pledged as security.

8. Financial assets at fair value through other comprehensive income -non-current

Investment in equity instruments	December 31, 2024	December 31, 2023
Domestic listed stocks	$ 8,884	$ 11,457

The Group invests in the above-mentioned corporate equity instruments for medium and long-term strategic purposes, and expects to make profits through long-term investments. Accordingly, the management elected to designate these investments as at financial assets at fair value through other comprehensive income as it believes that recognizing the short-term fluctuations of fair value in profit or loss would not be consistent with the Group's long-term investment strategy.

9. Notes receivable and accounts receivable, net

	December 31, 2024	December 31, 2023
Notes receivable		
At amortized cost		
Gross carrying amount	$ 2,348	$ 2,300
Less: Allowance for impairment loss	-	-
	$ 2,348	$ 2,300
Trade receivables		
At amortized cost		
Gross carrying amount	$ 240,355	$ 206,626
Less: Allowance for impairment loss	(1,410)	(303)
	$ 238,945	$ 206,323

(1) Notes receivable

The Group individually reviews the recoverable amount of the notes receivable at the balance sheet date to ensure that an appropriate impairment loss has been recorded for the notes receivable that cannot be recovered. If a note receivable is not cashed out at maturity, it is deemed to be overdue and the full amount of impairment loss is recognized. The aging of notes receivable was as follows:

	December 31, 2024	December 31, 2023
Not past due	$ 2,348	$ 2,300
Overdue	-	-
	$ 2,348	$ 2,300

(2) Trade receivables

The credit period for the Group's sales depends on the sales target, region and conditions. No interest is accrued on accounts receivable. In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue receivables. In addition, the Group reviews the recoverable amounts of receivables on a case-by-case basis at the balance sheet date to ensure that unrecoverable receivables have been allocated to the appropriate impairment losses. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses. Expected lifetime credit losses are calculated using a provision matrix that considers the customer's past default record and the current financial status and economic conditions in the industry, as well as simultaneously considering GDP forecasts and industry outlook. As the Group's credit loss history shows that there is no significant difference in the loss patterns of different customer groups, the allowance matrix does not further divide the customer groups, and only sets the expected credit loss rate based on the number of days past due on accounts receivable.

If there is evidence that a counterparty is facing serious financial difficulties and the Group cannot reasonably expect a recoverable amount, the Group shall directly write off the relevant accounts receivable while still continuing to pursue recourse activities, and any recovered amount shall be recognized in profit or loss.

The Group measures allowances for uncollectable accounts of accounts receivable in accordance with the provision matrix as follows:

	Not past due	Overdue 1 to 60 days	Overdue 61 to 120 days	Overdue 121 to 180 days	Overdue over 181 days	Total
December 31, 2024						
Expected credit loss rate (%)	0.00-0.03	0.01-7.90	1.97-25.21	1.97-30.12	100	
Gross carrying amount	$ 201,635	$ 36,340	$ 850	$ 827	$ 703	$ 240,355
Loss allowance (Lifetime ECLs)	(45)	(299)	(163)	(200)	(703)	(1,410)
Amortized cost	$ 201,590	$ 36,041	$ 687	$ 627	$ -	$ 238,945

	Not past due	Overdue 1 to 60 days	Overdue 61 to 120 days	Overdue 121 to 180 days	Overdue over 181 days	Total
December 31, 2023						
Expected credit loss rate (%)	0.00-0.14	0.00-9.97	3.65-28.82	4.96-31.65	100	
Gross carrying amount	$ 172,894	$ 33,305	$ 34	$ 260	$ 133	$ 206,626
Loss allowance (Lifetime ECLs)	(40)	(110)	(5)	(15)	(133)	(303)
Amortized cost	$ 172,854	$ 33,195	$ 29	$ 245	$ -	$ 206,323

The movements of the loss allowance of trade receivables were as follows:

	2024	2023
Beginning balance	$ 303	$ 3,979
Impairment loss recognized (reversed)	1,186	(2,805)
Amounts written off	(88)	(860)
Effect of exchange rate changes	9	(11)
Ending balance	$ 1,410	$ 303

10. Inventory

	December 31, 2024	December 31, 2023
Raw materials	$ 108,121	$ 102,889
Work in progress	65,099	62,180
Semi-finished products	77,088	77,000
Finished good	75,809	81,760
Inventory in transit	6,559	3,002
	$ 332,676	$ 326,831

The nature of the cost of goods sold related to inventories is as follows:

	2024	2023
Cost of inventory sold	$ 1,516,741	$ 1,597,919
Inventory loss on scrap	15,829	35,925
Inventory valuation losses	2,752	-
Unamortized manufacturing overhead	7,639	18,791
	$ 1,542,961	$ 1,652,635

11. Subsidiaries

The entities included in these consolidated financial statements are as follows:

Investor	Subsidiary	Shares (equity) held (%) December 31, 2024	Shares (equity) held (%) December 31, 2023
The Company	RAYSTAR OPTRONICS, INC. (RAYSTAR)	100	100
	WINBEST TECHNOLOGY LLC (WINBEST)	100	100
	WINCAELUM GLOBAL (SAMOA) CO., LTD. (WINCAELUM)	100	100
	WINSTAR DISPLAY (WINSTAR USA)	90	90
	FAIRLINK GROUP LIMITED (FAIRLINK)	100	100
	Winstar Display GmbH (WINSTAR GER)	100	100
WINBEST	WINSTAR DISPLAY (CHANGSHU) CO., LTD (WINSTAR CHANGSHU)	100	100
FAIRLINK	VANSTAR TECHNOLOGY CO., LTD. (VANSTAR)	100	100
WINCAELUM	KENSTAR DISPLAY COMPANY LIMITED (KENSTAR)	100	100

In order to expand the European market, the Company invested and established WINSTAR GER in August 2023 with an investment of NTD 837 thousand (Euro 25 thousand).

Please refer to Tables 9 and 10 for the information on the main business items of the above-mentioned subsidiaries and the countries of incorporation of the companies.

12. Investments accounted for using the equity method

Investments in Associates	December 31, 2023 Amount	December 31, 2023 Shareholding (%)	December 31, 2022 Amount	December 31, 2022 Shareholding (%)
Non-listed company				
Midas Components Ltd. (MIDAS)	$ 8,918	39	$ 12,661	30

In June 2024, MIDAS repurchased treasury shares, resulting in an increase in the Company’s ownership percentage from 30% to 39%. This change in the equity of the investment led to an adjustment, reducing retained earnings by NTD 1,615 thousand.

Please refer to Table 9 for the information on the main business items of the above-mentioned associates and the countries of incorporation of the companies.

Investments under the equity method and the Group's share of profit or loss and other comprehensive income are recognized based on the financial statements audited by the accountant in the same period.

13. Property, plant and equipment

	December 31, 2024	December 31, 2023
Self-use	$ 343,583	$ 296,190

2024	Building	Leasehold improvements	Machinery Equipment	Office equipment	Other Equipment	Construction in progress	Total
Cost							
Beginning balance	$ 108,766	$ 211,360	$ 572,949	$ 34,648	$ 95,007	$ 3,187	$ 1,025,917
Additions	-	862	37,337	12,374	8,704	33,941	93,218
Disposals	-	-	(2,755)	(4,041)	(2,895)	-	(9,691)
Reclassifications	-	15,873	11,659	834	99	(3,187)	25,278
Effect of exchange rate changes	5,774	438	3,386	261	1,275	-	11,134
Ending balance	$ 114,540	$ 228,533	$ 622,576	$ 44,076	$ 102,190	$ 33,941	$ 1,145,856
Accumulated depreciation and impairment							
Beginning balance	$ 43,292	$ 146,319	$ 427,872	$ 30,329	$ 81,915	$ -	$ 729,727
Depreciation expenses	4,024	21,554	45,000	2,516	4,200	-	77,294
Disposals	-	-	(2,754)	(4,038)	(2,869)	-	(9,661)
Effect of exchange rate changes	2,004	22	1,882	177	828	-	4,913
Ending balance	$ 49,320	$ 167,895	$ 472,000	$ 28,984	$ 84,074	$ -	$ 802,273
Closing net amount	$ 65,220	$ 60,638	$ 150,576	$ 15,092	$ 18,116	$ 33,941	$ 343,583
2023							
Cost							
Beginning balance	$ 115,051	$ 200,905	$ 560,573	$ 34,213	$ 97,870	$ 300	$ 1,008,912
Additions	-	5,978	20,136	997	2,444	3,187	32,742
Disposals	(4,513)	(997)	(13,409)	(494)	(4,724)	-	(24,137)
Reclassifications	-	5,729	7,730	-	(130)	(300)	13,029
Effect of exchange rate changes	(1,772)	(255)	(2,081)	(68)	(453)	-	(4,629)
Ending balance	$ 108,766	$ 211,360	$ 572,949	$ 34,648	$ 95,007	$ 3,187	$ 1,025,917
Accumulated depreciation and impairment							
Beginning balance	$ 42,831	$ 128,410	$ 398,664	$ 29,243	$ 82,041	$ -	$ 681,189
Depreciation expenses	6,067	18,919	43,566	1,619	4,981	-	75,152
Disposals	(4,513)	(998)	(13,361)	(488)	(4,655)	-	(24,015)
Reclassifications	-	-	130	-	(130)	-	-
Effect of exchange rate changes	(1,093)	(12)	(1,127)	(45)	(322)	-	(2,599)
Ending balance	$ 43,292	$ 146,319	$ 427,872	$ 30,329	$ 81,915	$ -	$ 729,727
Closing net amount	$ 65,474	$ 65,041	$ 145,077	$ 4,319	$ 13,092	$ 3,187	$ 296,190

There was no recognition or reverse any impairment losses of the Group's in 2024 and 2023.

The Group's property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Building	
Plants	20~40 years
Others	5~10 years
Leasehold improvements	2~10 years
Machinery Equipment	2~20 years
Office equipment	2~20 years
Other Equipment	2~20 years

Please refer to Note 29 for the amount of property, plant and equipment pledged to secure borrowings.

14. Lease arrangements

(1) Right-of-use assets

	December 31, 2024	December 31, 2023
Carrying Amount		
Land	$ 28,931	$ 28,649
Buildings	229,916	120,342
Transportation Equipment	276	938
	$ 259,123	$ 149,929

	2024	2023
Additions to right-of-use assets	$ 141,635	$ 45,630
Depreciation expenses for right-of-use assets		
Land	$ 1,033	$ 1,020
Buildings	35,074	27,064
Transportation Equipment	662	878
	$ 36,769	$ 28,962

Except for the above additions and depreciation expenses recognized, there was no material sublease or impairment of the Group's right-of-use assets in 2024 and 2023. Please refer to Note 29 for the amount of right of use assets pledged as collateral for borrowings.

(2) Lease liabilities

	December 31, 2024	December 31, 2023
Carrying Amount		
Current	$ 35,368	$ 32,538
Non-current	$ 198,781	$ 94,226

The discount rate (%) of lease liabilities is as follows:

	December 31, 2024	December 31, 2023
Land	2.65	2.20
Buildings	2.49-3.76	1.80-3.76
Transportation Equipment	2.81	2.81

(3) Important leasing activities and terms

In 2006, WINSTAR CHANGSHU acquired land use rights in a Taiwan-funded industrial park in Xinzhuang Town, Changshu City, Jiangsu Province, China, with a useful life of 45 years. In 2013, WINSTAR CHANGSHU acquired land use rights in Dalingshan Town, Dongguan City, Guangdong Province, China, with a useful life of 35 years. The purpose of the land is for the construction of production plants, offices, and employee dormitories. According to local laws and regulations, the company is entitled to the right to allocate, transfer, lease and mortgage the land use rights within the useful life.

KENSTAR acquired the right to use land in Bago, Yangon, Myanmar, in 2016 with a validity period of 30 years. The land purpose is for the construction of production plants, offices, and employee dormitories. Due to Myanmar's land policy restrictions, it was not possible to register the land in the name of KENSTAR. Therefore, the land use rights were registered in the name of a local employee, with whom a land registration contract was signed. The land use rights may not be bought, sold, transferred, or encumbered without consent.

The Group also leases certain land and buildings for plants and offices, with lease terms of 1 to 10 years. Upon termination of the lease terms, there are no preferential rights to purchase the leased property; and it is agreed that the subject of the lease, in whole or in part, may not be subleased or transferred without the consent of the lessor.

(4) Other lease information

	2024	2023
Expenses relating to short-term leases	$ 648	$ 744
Expenses relating to low-value asset leases	$ 259	$ 257
Total cash outflow for leases	$ 46,047	$ 34,649

The Group has elected to apply the recognition exemption for leases of buildings and office equipment that qualify as short-term leases and low-value asset leases, and does not recognize the related right-of-use assets and lease liabilities for these leases.

15. Investment properties

2024	Beginning balance	Increase	Ending balance
Cost			
Land	$ 79,346	$ -	$ 79,346
Buildings	5,589	-	5,589
	84,935	$ -	84,935
Accumulated depreciation			
Buildings	1,676	$ 280	1,956
	$ 83,259		$ 82,979
2023			
Cost			
Land	$ 79,346	$ -	$ 79,346
Buildings	5,589	-	5,589
	84,935	$ -	84,935
Accumulated depreciation			
Buildings	1,397	$ 279	1,676
	$ 83,538		$ 83,259

Except for depreciation expenses recognized, there were no material additions, disposals, or impairments of the Group's investment properties in 2024 and 2023.

The Company’s property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	20 years

In response to future operational expansion needs, the Company and a non-related party purchased land in Xiuya Section, Daya District, Taichung City in 2013. Since the acquired land was farmland, and due to legal restrictions the transfers could not be made under the name of the Company, the land was registered separately with the Company’s Chairman Yu-Pin Liao and Director Yao-Wen Tsai and contracts have been signed with them; no rights may be transferred or established without the consent of the Company. The fair value of the investment property was not appraised by an independent appraiser but was determined by management of the Company reference to the most recent transaction prices of similar properties in the vicinity. The fair value of the investment property as of December 31, 2024 was determined to be NTD 122,123 thousand.

Please refer to Note 29 for the amount of investment property pledged as collateral for borrowings.

16. Other assets

	December 31, 2024	December 31, 2023
Current		
Prepaid expenses	$ 16,697	$ 12,838
Overpaid sales tax	15,584	12,333
Prepayment for purchase	7,760	10,018
Supplies inventory	7,192	5,932
Others	5,729	3,916
	$ 52,962	$ 45,037
Non-current		
Prepayments for equipment	$ 225,226	$ 113,900
Refundable deposits	9,329	9,629
Others	1,365	1,532
	$ 235,920	$ 125,061

17. Borrowings

(1) Short-term borrowings

	December 31, 2024	December 31, 2023
Secured borrowings	$ 371,875	$ 336,786
Annual interest rates (%)	2.22-3.80	2.09-5.17

The secured borrowings referred to above are secured by the Group's assets (see Note 29) and with senior management jointly and severally assuming liability.

(2) Long-term borrowings

	December 31, 2024	December 31, 2023
Secured borrowings	$ 113,969	$ 78,482
Less: Current portions	(46,420)	(33,202)
Long-term borrowings	$ 67,549	$ 45,280
Annual interest rates (%)	2.22-3.04	2.20-3.35
Maturity	114.7-118.6	113.1-117.5

The secured borrowings referred to above are secured by the Group's assets (see Note 29) and with senior management jointly and severally assuming liability.

The Company has entered into a credit agreement with Taipei Fubon Commercial Bank. According to the provisions of the credit agreement, the financial ratios that should be complied with in the annual consolidated financial statements during the credit period after drawdown are as follows:

1. Debt ratio (Total Liabilities/Total Equity) shall not be higher than 220%;
2. Debt service coverage ratio (EBITDA/Interest Expense) shall not be less than 5 times.

All financial ratio items of the Group are in compliance with the contractual requirements.

18. Other payables

	December 31, 2024	December 31, 2023
Salaries payable	$ 71,946	$ 72,053
Pension and insurance premiums payable	37,735	34,933
Equipments payable	6,884	5,991
Remuneration payable to employees and directors	3,400	9,186
Others	54,451	44,083
	$ 174,416	$ 166,246

19. Retirement benefit plans

(1) Defined contribution plan

The Company and RAYSTAR Company adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

Employees of subsidiaries in mainland China participate in social insurance plans managed and coordinated by local government agencies. The pension plan is a defined-contribution plan that pays the pension insurance premiums for the government-managed social insurance plan.

FAIRLINK, WINBEST, and WINCAELUM are holding companies and therefore do not have pension plans and systems in place.

KENSTAR, WINSTAR USA, and WINSTAR GER do not have pension plans and systems in place.

(2) Defined benefit plan

The defined benefit plans adopted by the Company in accordance with the Labor Standards Act is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Company contribute amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Company has no right to influence the investment policy and strategy.

The amounts included in the consolidated balance sheets in respect of the Group’s defined benefit plans were as follows:

	December 31, 2024	December 31, 2023
Present value of defined benefit obligation	$ 19,994	$ 21,278
Fair value of plan assets	(10,874)	(10,023)
Net defined benefit liabilities	$ 9,120	$ 11,255

Movements in net defined benefit liabilities were as follows:

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liabilities
January 1, 2023	$ 23,339	($ 9,301)	$ 14,038
Interest expense (income)	350	(144)	206
Recognized in profit or loss	350	(144)	206
Remeasurement			
Return on plan assets (net of amount included in net interests)	-	(55)	(55)
Actuarial loss (gain)			
- changes in financial assumption	20	-	20
- experience adjustments	(2,431)	-	(2,431)
Recognized in other comprehensive income	(2,411)	(55)	(2,466)
Contributions from employer	-	(523)	(523)
December 31, 2023	21,278	(10,023)	11,255
Interest expense (income)	266	(129)	137
Recognized in profit or loss	266	(129)	137
Remeasurement			
Return on plan assets (net of amount included in net interests)	-	(865)	(865)
Actuarial gain			
- changes in financial assumption	(511)	-	(511)
- experience adjustments	(375)	-	(375)
Recognized in other comprehensive income	(886)	(865)	(1,751)
Contributions from employer	-	(521)	(521)
Benefits paid	(664)	664	-
December 31, 2024	$ 19,994	($ 10,874)	$ 9,120

Through the defined benefit plans under the Labor Standards Law, the Company is exposed to the following risks:

1. Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for

a 2-year time deposit with local banks.

2. Interest rate risk: A decrease in government bond and corporate bond interest rates would increase the present value of defined benefit obligations, while the return on debt investments of plan assets would also increase accordingly and the impact of these two factors on net defined benefit liabilities would have a partial offsetting effect.
3. Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions on the valuation date were as follows:

	December 31, 2024	December 31, 2023
Discount rate	1.50%	1.25%
Expected growth rate of salary	3.25%	3.25%

If possible reasonable change in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation will increase (decrease) as follows:

	December 31, 2024	December 31, 2023
Discount rate		
0.25% increase	($ 495)	($ 527)
0.25% decrease	$ 511	$ 546
Expected growth rate of salary		
0.25% increase	$ 494	$ 524
0.25% decrease	($ 481)	($ 509)

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31, 2024	December 31, 2023
The expected contributions to the plan for the next year	$ 523	$ 540
The average duration of the defined benefit obligation	10.1 years	10 years

20. Equity

(1) Ordinary shares

	December 31, 2024	December 31, 2023
Number of shares authorized (in thousand)	80,000	80,000
Shares authorized	$ 800,000	$ 800,000
Number of shares issued and fully paid (in thousand)	67,500	67,500
Shares issued	$ 675,000	$ 675,000

In May 2023, the Company's General Meeting of Shareholders resolved to distribute 7,500 thousand shares as stock dividends. By resolution of the Board of Directors, July 7, 2023 was designated as the ex-rights record date, and effective registration was approved by the Securities and Futures Bureau of the Financial Supervisory Commission in June 2023.

In September 2023, the Company's Board of Directors decided to undertake a cash capital increase by issuing 7,500 thousand new shares with par value of NTD 10 per share before the initial listing of the stock. Effective registration was approved by the Taiwan Stock Exchange as of October 2023, with December 1, 2023 set as the record date for capital increase. The aforementioned cash capital increase was issued at a premium at NTD 26.84 per share through a weighted average price at competitive auction, and the offering price through public subscription was NTD 24 per share. The full share payment was collected in December 2023 and the amount after deducting relevant underwriting expenses was NTD 192,327 thousand.

In response to the aforementioned cash capital increases in 2023, the Company reserves 10% of the total amount of new shares issued for subscription by employees in accordance with provisions of the Company Act. Grant recipients include employees of the Company and of subsidiaries who meet specific conditions, who can exercise the shares in accordance with the regulations governing the subscription of shares. On the dates when the numbers of shares subscribed by employees and the prices were determined, 636 thousand shares (grant date of November 21, 2023) were granted. For employees giving up their portions of share subscriptions, the Company’s Chairman was authorized to contact designated individuals for subscription.

Based on the Black-Scholes valuation model, the fair value of each stock option was NTD 4.54. In 2023, the employee remuneration costs were recognized at NTD 2,889 thousand.

Parameters used in the valuation model are as follows:

	November, 2023
Fair value per share on the grant date	NTD 28.54
Exercise price	NTD 24
Expected volatility	27.30%
Projected time to maturity	7 days
Risk-free rate	0.94%

Projected volatility is the average annualized standard deviation of the Company's daily rate of return for the most recent six months prior to the payment due to its peers.

(2) Capital surplus

	December 31, 2024	December 31, 2023
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital(Note 1)		
Stock premium for common shares	$ 152,938	$ 152,938
Arising from the difference between consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	22,112	22,112
Arising from treasury share transactions	11,244	11,244
May only be used to offset a deficit		
Gain on the exercise of the disgorgement	1	-
	$ 186,295	$ 186,294

Note 1: Such capital reserves can be used to make up for losses, and can also be used for issuance of cash dividends or transfers of share capital when the Company has no losses. However, transfers of share capital are limited to a certain percentage of paid-in share capital each year.

(3) Retained earnings and dividend policy

In accordance with the dividend policy stipulated by the Company's Articles of Incorporation, if there is a surplus in the annual final accounts, taxes should first be paid and accumulated losses covered. Thereupon, another 10% should be set aside as legal reserve. However, this does not apply when legal has reached the amount of paid-in capital. The remainder shall be set aside or reversed as special reserve in accordance with laws and regulations. If there is any remaining balance, then it shall be combined with cumulative Unappropriated earnings and an earnings distribution proposal drafted by the Board of Directors for submission to the shareholders' meeting for resolution on the distribution of shareholder dividends.

The Company's dividend policy adopts the principle of stability and balance, and takes into account factors such as profitability, financial structure, and future development. The Company appropriates 10% to 90% of the distributable earnings of the current year as dividends, of which cash dividends shall not be less than 10% of the total dividend. If the dividend per share is less than NTD 0.1, the Board of Directors may propose to withhold the distribution, and the resolution will be submitted to the shareholders' meeting.

The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

Items referred to under Rule No. 1090150022 issued by the FSC and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs" should be appropriated to or reversed from a special reserve by the Company.

The appropriations of earnings for 2023 and 2022 were approved in the shareholders' meetings in May 2024 and May 2023, respectively, were as follows:

	2023	2022
Legal reserve	$ 8,278	$ 29,286
Special reserve	11,785	918
Cash dividends	70,875	56,250
Stock dividends	-	75,000
Cash dividends per share (NTD)	1.05	1.071428
Stock dividends per share (NTD)	-	1.428571

The appropriation of earnings for 2024, which were proposed by the Company's board of directors in March 2025, were as follows:

	2024
Legal reserve	$ 3,311
Special reserve	(12,703)
Cash dividends	18,900
Cash dividends per share (NTD)	0.28

The appropriation of earnings for 2024 are subject to the resolution of the shareholders in their meeting to be held in June 2025.

(4) Special reserve

When the Company initially adopted IFRS accounting standards, the amount of NTD 3,526 thousand transferred from accumulated translation adjustments to retained earnings was set aside as a special reserve of the same amount. When the relevant assets are subsequently used, disposed of, or reclassified, the assigned surplus must be reversed in proportion to the original provision for special reserve.

21. Revenue

	2024	2023
Revenue from contracts with customers		
Revenue from sale of goods	$ 2,033,923	$ 2,229,230

	December 31, 2024	December 31, 2023	January 1, 2023
Contract balance			
Notes and accounts receivable (Note 9)	$ 241,293	$ 208,623	$ 264,969

	December 31, 2024	December 31, 2023	January 1, 2023
Contract liabilities			
Sales of goods	$ 43,828	$ 37,523	$ 59,726
Others	38,078	38,078	15,803
	$ 81,906	$ 75,601	$ 75,529

The change in contract liabilities mainly comes from the difference between the time when performance obligations are met and the time when customers make payment. The recognized revenue amounts from contract liabilities at the beginning of the year in 2024 and 2023 were NTD 28,825 thousand and NTD 52,133 thousand, respectively.

Please refer to Note 34 for the breakdown of revenue.

22. Comprehensive income for the year

(1) Employee benefits, depreciation, and amortization expenses

Nature	Recognized in operating costs	Recognized in operating expenses	Total
2024			
Employee benefit expenses			
Salaries	$ 188,478	$ 276,912	$ 465,390
Post-employment benefits			
Defined contribution plan	11,478	14,519	25,997
Defined benefit plan	-	137	137
Share-based Payment			
Equity delivery	-	615	615
Others employee benefits	35,874	43,874	79,748
Depreciation expenses	95,455	18,888	114,343
Amortization expenses	77	2,321	2,398
2023			
Employee benefit expenses			
Salaries	$ 161,738	$ 259,833	$ 421,571
Post-employment benefits			
Defined contribution plan	9,729	9,364	19,093
Defined benefit plan	-	206	206
Share-based Payment			
Equity delivery	-	3,486	3,486
Others employee benefits	29,291	35,413	64,704
Depreciation expenses	88,633	15,760	104,393
Amortization expenses	314	750	1,064

(2) Employees' remuneration and directors' remuneration

In accordance with the Articles of Incorporation, the Company allocates no less than 1% and no more than 5% of the profits before tax of the current year as the remuneration of employees and the remuneration of directors, respectively. For estimated employee remuneration and director remuneration for 2024 and 2023, the Board of Directors' resolutions in March 2025 and March 2024 were as follows:

	2024		2023	
Cash	Estimated proportions	Amount	Estimated proportions	Amount
Employees' remuneration	4.93%	$ 1,900	3.33%	$ 4,186
Directors' remuneration	3.89%	1,500	3.98%	5,000

If there are any further changes in the amounts after the publication of the annual consolidated financial statements, then they will be treated as changes in accounting estimates and adjusted and recorded in the following year.

There was no difference between the actual amounts of employees' remuneration and directors' remuneration paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2023 and 2022.

Information on the employees' remuneration and directors' remuneration resolved by the Company's board of directors' meeting is available at the Market Observation Post System website of the Taiwan Stock Exchange.

(3) Finance costs

	2024	2023
Interest on bank loans	$ 11,560	$ 11,631
Interest on lease liabilities	5,258	2,535
Less: Amounts included in the cost of qualifying assets	(1,587)	(1,159)
	$ 15,231	$ 13,007

Information on interest capitalization is as follows:

	2024	2023
Amount of capitalized interest	$ 1,587	$ 1,159
Interest capitalization rate (%)	1.10-3.43	1.39-3.74

(4) Foreign exchange gain or loss

	2024	2023
Gross gains on foreign exchange	$ 95,460	$ 46,339
Gross losses on foreign exchange	(59,862)	(35,344)
Net profit	$ 35,598	$ 10,995

23. Taxation

(1) Major components of income tax recognized in profit or loss are as follows:：

	2024	2023
Current income tax		
In respect of the current year	$ 9,229	$ 32,225
Income tax on unappropriated earnings	-	6,258
Adjustment for prior year	(1,928)	2,565
	7,301	41,048
Deferred tax		
In respect of the current year	3,205	20,539
Adjustment for prior year	(58)	(810)
	3,147	19,729
Income tax recognized in profit or loss	$ 10,448	$ 60,777

A reconciliation of accounting profit and income tax recognized in profit or loss is as follows:

	2024	2023
Income tax expense calculated at the statutory rate	$ 10,317	$ 34,865
Nondeductible expenses in determining taxable income	1,508	5,339
Tax-exempt income	(29)	(426)
Unrecognized loss carryforwards	4,744	15,126
Income tax on unappropriated earnings	-	6,258
Investment credits used in the current year	(4,106)	(2,140)
Adjustment in the current year for income tax of prior years	(1,986)	1,755
Income tax recognized in profit or loss	$ 10,448	$ 60,777

(2) Changes in deferred tax assets and liabilities

2024	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Effect of exchange rate changes	Ending balance
Deferred tax assets					
Temporary differences					
Investments accounted for using the equity method	$ 31,725	$ 3,743	$ -	$ -	$ 35,468
Inventory valuation losses	13,539	(195)	-	207	13,551
Impairment loss on property, plant and equipment	11,206	-	-	-	11,206
Other payables	7,806	378	-	312	8,496
Others	8,053	(2,869)	(350)	45	4,879
	72,329	1,057	(350)	564	73,600
Loss carryforwards	6,828	-	-	-	6,828
	$ 79,157	$ 1,057	($ 350)	$ 564	$ 80,428

(to be continued)

(continued)

2024	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Effect of exchange rate changes	Ending balance
Deferred tax liabilities					
Temporary differences					
Investments accounted for using the equity method	$ 62,350	$ 5,865	$ -	$ -	$ 68,215
Others	-	(1,661)	5,852	-	4,191
	$ 62,350	$ 4,204	$ 5,852	$ -	$ 72,406
2023					
Deferred tax assets					
Temporary differences					
Investments accounted for using the equity method	$ 22,171	$ 9,554	$ -	$ -	$ 31,725
Inventory valuation losses	12,090	1,606	-	(157)	13,539
Impairment loss on property, plant and equipment	11,206	-	-	-	11,206
Other payables	9,200	(1,142)	-	(252)	7,806
Others	5,761	(444)	2,768	(32)	8,053
	60,428	9,574	2,768	(441)	72,329
Loss carryforwards	7,148	(320)	-	-	6,828
	$ 67,576	$ 9,254	$ 2,768	($ 441)	$ 79,157
Deferred tax liabilities					
Temporary differences					
Investments accounted for using the equity method	$ 31,944	$ 30,406	$ -	$ -	$ 62,350
Others	1,423	(1,423)	-	-	-
	$ 33,367	$ 28,983	$ -	$ -	$ 62,350

(3) Unused loss carryforwards of deferred income tax assets not recognized in the consolidated balance sheets

	December 31, 2024	December 31, 2023
Loss carryforwards		
Expiring in 2030	$ 73,024	$ 73,024
Expiring in 2033	56,433	56,433
Expiring in 2034	11,950	-
	$ 141,407	$ 129,457

(4) Information on unused loss carryforwards

As of December 31, 2024, information on loss carryforwards is as follows:

Unused balance	Expiry year
$ 31,154	2029
76,010	2030
56,433	2033
11,950	2034
$ 175,547	

(5) Income tax assessments

Income tax returns of the Company, and RAYSTAR of the Group's subsidiaries located in Taiwan through 2022 have been assessed by the tax authorities.

24. Earnings per share

		Net profit	Number of shares (in thousand shares)	Earnings per share (NTD)
2024				
Basic earnings per share				
Net profit attributable to owners of the parent company	$	31,709	67,500	$ 0.47
Effect of potentially dilutive ordinary shares				
Employees' remuneration		-	108	
Diluted earnings per share				
Profit for the period attributable to owners of the Company plus effect of potentially dilutive ordinary shares	$	31,709	67,608	$ 0.47
2023				
Basic earnings per share				
Net profit attributable to owners of the parent company	$	80,809	60,616	$ 1.33
Effect of potentially dilutive ordinary shares				
Employees' remuneration		-	199	
Diluted earnings per share				
Profit for the period attributable to owners of the Company plus effect of potentially dilutive ordinary shares	$	80,809	60,815	$ 1.33

The Group may settle compensation or bonuses paid to employees in cash or shares; therefore, the Group assumes that the entire amount of the compensation or bonus will be settled in shares, and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

25. Cash flow information

(1) Non-cash transactions

In addition to disclosures made in other notes, the Group conducted the following non-cash investment and financing activities in 2024 and 2023:

Cash paid by the Group for the purchase of property, plant and equipment in 2024 and 2023, respectively, was as follows:

	2024	2023
Increase in property, plant and equipment	$ 93,218	$ 32,742
Net change in equipment payable	(893)	(2,075)
Amount of cash paid	$ 92,325	$ 30,667

(2) Changes in liabilities from financing activities

			Non-cash changes			
2024	Beginning balance	Cash flows from	New leases	Changes in foreign exchange rates	Finance costs	Ending balance
Short-term borrowings	$ 336,786	$ 33,262	$ -	$ 1,827	$ -	$ 371,875
Long-term borrowings	78,482	35,487	-	-	-	113,969
Lease liabilities	126,764	(39,882)	141,635	374	5,258	234,149
	$ 542,032	$ 28,867	$ 141,635	$ 2,201	$ 5,258	$ 719,993
2023						
Short-term borrowings	$ 417,174	($ 78,326)	$ -	($ 2,062)	$ -	$ 336,786
Long-term borrowings	88,460	(9,978)	-	-	-	78,482
Lease liabilities	109,522	(31,113)	45,630	190	2,535	126,764
	$ 615,156	($ 119,417)	$ 45,630	($ 1,872)	$ 2,535	$ 542,032

26. Capital management

The Group conducts capital management to ensure that each company in the Group can continue to operate and maximize shareholder returns by optimizing the balance of debt and equity.

The capital structure of the Group consists of the net debt (i.e., borrowings less cash and cash equivalents) and equity (i.e., ordinary share capital, capital reserves, retained earnings, and total other equity interest) of the Group.

The senior management of the Group regularly re-examines the capital structure of the Group, including consideration of the cost of each type of capital and the associated risk. Based on recommendations of the key management, the Group may balance its overall capital structure by the means of dividend payment, issuance of new shares, shares buyback, issuance of new debts or repayment of existing debts.

27. Financial instruments

(1) Information on fair value

1. Financial instruments measured at fair value - Financial instruments measured at fair value on a recurring basis

Fair value hierarchy

The following table provides an analysis of the financial instruments measured at fair value after initial recognition. The measurement is based on the extent to which the fair value is observable, and is divided into Levels 1 to 3.

Fair value hierarchy	Level 1	Level 2	Level 3	Total
December 31, 2024				
Financial assets at fair value through other comprehensive income				
Domestic listed stocks	$ 8,884	$ -	$ -	$ 8,884
December 31, 2023				
Financial assets at fair value through other comprehensive income				
Domestic listed stocks	$ 11,457	$ -	$ -	$ 11,457

The Group made no transfers between Level 1 and Level 2 measurements at fair value in 2024 and 2023.

2. Financial instruments not measured at fair value

The fair value of financial assets and financial liabilities is determined by the following means:

(1) For total investment in financial instruments such as cash and cash equivalents, financial assets measured at amortized cost, notes receivable and payable, other receivables, refundable deposits, short-term borrowings, other payables, and refundable deposits where date of expiration or future payment price is similar to the carrying amount, the carrying amount on the consolidated balance sheet date is used to estimate the fair value.

(2) The fair value of long-term borrowings (including maturities within one year) is estimated based on the discounted value of their future cash flows. The Group 's long-term borrowings are at floating interest rates, and the carrying value constitutes the fair value.

(2) Categories of financial instruments

	December 31, 2024	December 31, 2023
Financial asset		
At amortized cost (Note 1)	$ 1,078,790	$ 1,177,513
Financial assets at fair value through other comprehensive income	8,884	11,457
Financial liability		
At amortized cost (Note 2)	931,875	833,632

Note 1: Balances include financial assets measured at cost after amortization such as cash and cash equivalents, financial assets measured at cost after amortization, notes receivable and accounts receivable, other receivables, and refundable deposits.

Note 2: Balances constitute measured at amortized cost including short-term borrowings, notes payable, trade payable, other payables, and long-term borrowings.

(3) Financial risk management objectives and policies

The Group's primary financial instruments include cash and cash equivalents, equity investments, accounts receivable, trade payable, borrowings, and lease liabilities. The Financial Management Department of the Group provides services for each business unit, coordinates domestic and international financial market operations, and monitors and manages financial risks related to the operations of the Group by analyzing internal risk reports according to the degree and breadth of the risk. Such risks include market risk, credit risk, and liquidity risk.

1. Market risk

The main financial risks borne by the Group due to its operating activities are the risk from foreign currency exchange rate change and interest rate change risk.

There has been no change to the Group's exposure to market risks and the management and measurement of such exposures.

(1) Foreign currency risk

The Group engages in sales and purchase transactions denominated in foreign currencies, resulting in exchange rate risk.

The carrying amounts of the Group’s monetary assets and monetary liabilities denominated in nonfunctional currencies (including the monetary items denominated in nonfunctional currencies eliminated in the consolidated financial statements) on the balance sheet date are provided in Note 32.

Sensitivity analysis

The Group was mainly exposed to the risk of exchange rate fluctuation of the US Dollar.

The following table shows a sensitivity analysis of the Group when the exchange rate of the functional currency changes by 1% against each relevant foreign currency. 1% is the sensitivity ratio used by the Group to report exchange rate risk to senior management, and also represents the management's assessment of the reasonable possible range of changes in foreign currency exchange rate. The sensitivity analysis includes only the outstanding monetary items in foreign currencies, and the translation at the end of the year is adjusted based on a 1% change in exchange rates. The positive numbers in the table below represent the amounts that would increase net profit before tax when the functional currency appreciates by 1% relative to each relevant currency; when the functional currency depreciates by 1% against each relevant foreign currency, its impact on net profit before tax will be a negative number of the same amount. The impact of exchange rate changes on profit and loss is as follows:

Currency type	2024	2023
USD	$ 6,820	$ 6,253

Management believes that the sensitivity analysis cannot represent the inherent risk of exchange rates, as the exposure to the foreign currency risk at the balance sheet date cannot reflect the risk exposure during the year. The Group's increased sensitivity to exchange rate fluctuations this year was primarily due to a rise in accounts receivable denominated in US dollars.

(2) Interest rate risk

The Group's interest rate risk mainly arises from fixed and floating interest rate bank deposits, cash equivalents, financial assets measured at cost after amortization, bank loans, and lease liabilities, which generate interest rate exposure.

The carrying amounts of the Group’s financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	December 31, 2024	December 31, 2023
Fair value interest rate risk		
Financial asset	$ 79,179	$ 296,794
Financial liability	234,149	126,764
Cash flow interest rate risk		
Financial asset	718,863	643,689
Financial liability	485,844	415,268

Sensitivity analysis

The following sensitivity analysis is based on the interest rate risk exposure of the non-derivative instruments at the balance sheet date. The rate of change used in the Group's internal reporting of interest rates to senior management is 25 basis points, which also represents management's assessment of the reasonably possible range of interest rates.

If interest rates had changed, and all other variables remained unchanged, the Group's net profit before tax for 2024 and 2023 would have changed by NTD 583 thousand and NTD 571 thousand, respectively.

2. Credit risk

Credit risk refers to the risk that a counterparty defaults in its contractual obligations and causes financial losses to the Group. As of the balance sheet date, the maximum credit risk exposures of the Group that may cause financial losses due to the performance failure of the counterparty and the financial guarantee provided by the Group are mainly derived from the book value of financial assets recognized in the consolidated balance sheet.

The Group uses other publicly available financial information and mutual transaction records to rate major customers, continuously monitors credit risk exposure and the credit ratings of counterparties, and distributes the total transaction amount among customers with qualified credit ratings. Credit risk is controlled through the counterparty's credit limits that are reviewed and approved by the management each year.

3. Liquidity risk

The Group has established an appropriate liquidity risk management framework in order to respond to the needs for funding and liquidity management in the short, medium and long term. The Group manages liquidity risk by maintaining bank financing facilities, continuously monitoring expected and actual cash flows, and matching the maturities of financial assets and liabilities. As of December 31, 2024 and 2023, the unused bank facilities of the Group totaled NTD 471,177 thousand and NTD 402,696 thousand, respectively.

The following liquidity and interest rate risk tables illustrate the remaining contractual maturities of the Group's non-derivative financial liabilities with agreed repayment periods. The tables are based on the earliest possible dates on which the Group may be required to repay and are prepared based on the undiscounted cash flows of financial liabilities, which includes cash flows of interest and principal.

Non derivative financial liabilities	Within 3 months	3 months~1 year	1~5 years	5~10 years
December 31, 2024				
Non-interest bearing liabilities	$ 446,031	$ -	$ -	$ -
Lease liabilities	11,499	34,064	147,597	77,274
Floating rate instruments	18,164	400,131	67,549	-
	$ 475,694	$ 434,195	$ 215,146	$ 77,274
December 31, 2023				
Non-interest bearing liabilities	$ 418,364	$ -	$ -	$ -
Lease liabilities	8,254	24,311	100,044	-
Floating rate instruments	48,925	321,063	45,280	-
	$ 475,543	$ 345,374	$ 145,324	$ -

(4) Transfers of financial assets

In 2024 and 2023, the Group transferred some of the bank's acceptance receivables that are not receivable by banks with higher credit ratings in mainland China to the supplier for payment amounts of NTD 3,918 thousand and NTD 3,620 thousand, respectively. According to the contract, if the bank's acceptance receivable cannot be collected upon expiry, the transferee has the right to request the Group to pay the outstanding balance. Therefore, the Group did not transfer the material risk and return of the bank acceptance receivable, and the Group continued to recognize the bank acceptance receivable.

As of December 31, 2024 and 2023, the carrying amounts of transferred bank acceptance notes receivable that had not been derecognized were NTD 238 thousand and NTD 1,093 thousand, respectively; and the carrying amounts of relevant liabilities were NTD 238 thousand and NTD 1,093 thousand, respectively.

In 2024 and 2023, the Group endorsed and transferred some of the bank acceptance notes receivable accepted by banks with higher credit ratings in mainland China to suppliers to pay trade payable. As substantially all the risks and rewards of these notes have been transferred, the Group excludes the transferred bank acceptance notes receivable and corresponding trade payable. However, if the bank acceptances that have been derecognized are not cashed when they are due, the supplier still has the right to require the Group to pay off, so the Group continues to participate in these notes.

The maximum loss exposure amount for the Group's continued participation in the delisted bank acceptance notes is the face amount of the bank acceptance notes that have been transferred but have not yet matured. As of December 31, 2024 and December 31, 2023, they were NTD 1,492 thousand and NTD 393 thousand, respectively. The respective notes will mature within 1 to 4 months and within 2 months after the balance sheet dates. Considering the credit risk of the derecognized bank acceptances, the Group has assessed that the fair value of its continuing participation is not material.

In 2024 and 2023, the Group did not recognize any gain or loss on the transfer of bank acceptances receivable, and no profit or loss has been recognized during the current year and accumulated by these notes from their continued participation.

28. Transactions with related parties

Consolidated transactions, account balances, income, and expenses have been eliminated upon consolidation and are not disclosed in these Notes. In addition to those disclosed in other Notes, transactions with other related parties are as follows:

(1) Related parties and relationship

Related parties	Relationship with the Group
MIDAS	Associate
Yu-Pin Liao	Senior management (Chairman)
Yao-Wen Tsai	Senior management (directors)
Szu-Chun Sung	Senior management (directors)
I-Feng Liao	Other related parties (first-degree relatives of the Chairman)

(2) Operating revenue

Related parties category/name	2024	2023
Associate		
MIDAS	$ 12,684	$ 22,807

The finished products sold by the Group to associates are individually priced based on product differences and market conditions.

(3) Accounts receivable, net

Related parties category/name	December 31, 2024	December 31, 2023
Associate		
MIDAS	$ 1,458	$ 1,696

The allowance for uncollectable accounts for accounts receivable outstanding is measured according to the provision matrix.

(4) Contract liabilities

Related parties category/name	December 31, 2024	December 31, 2023
Associate		
MIDAS	$ 621	$ 621

(5) Lease agreements

Related parties category/name	2024	2023
Acquisition of right-of-use assets		
Other related parties		
I-Feng Liao	$ -	$ 149

Financial Statement Account	Related parties category/name	December 31, 2024	December 31, 2023
Lease liabilities	Other related parties		
	I-Feng Liao	$ 12	$ 83

Related parties category/name	2024	2023
Finance costs		
Other related parties		
I-Feng Liao	$ 1	$ 3

This is primarily for warehouse rental. The rent is negotiated by both parties with reference to the neighboring market prices and the leased area.

(6) Acquisition of endorsements/guarantees

Related parties	December 31, 2024	December 31, 2023
Yu-Pin Liao, Yao-Wen Tsai and Szu-Chun Sung		
Guaranteed amounts	$ 4,480	$ 8,638
Actual Amount Borrowed	$ 4,480	$ 8,638
Yu-Pin Liao and Yao-Wen Tsai		
Guaranteed amounts	$ 134,861	$ 214,028
Actual Amount Borrowed	$ 74,861	$ 94,027
Yu-Pin Liao		
Guaranteed amounts	$ 768,968	$ 509,559
Actual Amount Borrowed	$ 406,503	$ 312,603

The Group's borrowings are jointly and severally guaranteed by the above-mentioned senior management personnel.

(7) Remuneration of senior management

	2024	2023
Short-term employee benefits	$ 23,424	$ 37,717
Post-employment benefits	771	778
Share-based Payment	-	138
	$ 24,195	$ 38,633

The remuneration to directors and other senior management is determined based on individual performance and market trends.

29. Assets pledged as collateral or for security

The following assets have been provided as collateral for the Group's borrowings and bank acceptances:

	December 31, 2024	December 31, 2023
Financial assets at amortized cost	$ 109,332	$ 87,659
Investment property	82,979	83,259
Right-of-use assets	21,584	21,632
Property, plant and equipment	16,416	17,896
	$ 230,311	$ 210,446

30. Other material matters and unrecognized commitments

The Group's unrecognized commitments are as follows:

	December 31, 2024	December 31, 2023
Acquisition of property, plant and equipment, and software service contracts	$ 229,534	$ 71,176

31. Significant Events after reporting period

Due to operational considerations, WINSTAR (CHANGSHU) terminated in advance the factory lease agreement previously executed with Suzhou Penguin King Apparel Co., Ltd., effective January 2025. Negotiations concerning the termination are still ongoing. As of the date of the audit report, the consolidated group is unable to reasonably estimate any potential liabilities or losses that may arise from the contractual breach.

32. Significant assets and liabilities denominated in foreign currencies

The following information was aggregated by the foreign currencies other than functional currencies of the entities in the Group and the exchange rates between foreign currencies and respective functional currencies were disclosed. The significant assets and liabilities denominated in foreign currencies were as follows:

	December 31, 2024		
Financial assets	Foreign currency	Exchange rate	NTD
Monetary items			
USD	$ 15,116	32.72 (USD:NTD)	$ 494,596
USD	18,349	7.341 (USD:CNY)	600,379
Financial liabilities			
Monetary items			
USD	$ 8,083	32.72 (USD:NTD)	$ 264,476
USD	4,538	7.341 (USD:CNY)	148,483

	December 31, 2023		
Financial assets	Foreign currency	Exchange rate	NTD
Monetary items			
USD	$ 13,264	30.66 (USD:NTD)	$ 406,674
USD	16,779	7.152 (USD:CNY)	514,444
Financial liabilities			
Monetary items			
USD	6,822	30.66 (USD:NTD)	209,163
USD	2,825	7.152 (USD:CNY)	86,615

The realized and unrealized foreign currency exchange gains and losses of the Group in 2024 and 2023 constituted gains of NTD 35,598 thousand and NTD 10,995 thousand, respectively. Due to the variety of foreign currency transactions and entity functional currencies, it is not possible disclose each exchange gain and loss in foreign currencies that had material impact.

33. Separately disclosed items

(1) Information about significant transactions

1. Financing provided to others: Table 1.
2. Endorsements/guarantees provided: Table 2.
3. Marketable securities held at the end of the year (excluding investments in subsidiaries and associates): Table 3.
4. Marketable securities acquired or disposed of at costs or prices at least NT$300 million or 20% of the paid-in capital: Table 4.
5. Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital: Table 5.
6. Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital: None.
7. Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 6.
8. Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 7.
9. Trading in derivative instruments: None.
10. Others: Intercompany relationships and significant intercompany transactions: Table 8.

(2) Information on investees: Table 9.

(3) Information on investments in mainland China

1. Name of mainland China investee company, major operating items, paid-in capital amount, investment method, capital remittance in and out, shareholding ratio, profit or loss for the current year and recognized investment gains or losses, investment book amount at year end, repatriated investment gains and losses, and investment limit in mainland China: Table 10.
2. Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:

(1) Amounts and percentages of purchases and the balance and percentages of relevant payables at the end of the year: Table 6.

(2) Amounts and percentages of sales and the balance and percentages of relevant receivables at the end of the year: Table 6.

(3) The amount of property transactions and the amount of the resultant gains or losses: None.

(4) Ending balance of note endorsement/guarantee or provision of collateral and its purpose: Table 2.

(5) Maximum balance, ending balance, interest rate range, and total interest of the current year for capital financing: Table 1.

(6) Other transactions having material impact on current year profit or loss or financial status, such as the provision or receipt of labor services, etc.: None.

(4) Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder: Table 11.

34. Segment information

The information provided to the major operational decision-makers for allocating resources and evaluating the performance of the segments, with a focus on operating regions. The Group is mainly engaged in the manufacturing and sales of various LCDs and modules. The production process and marketing strategies are the same, but due to factors such as different cultures, environments, and economic characteristics, management must be differentiated according to localities. The Group's reportable segments were as follows:

Domestic operations - Production and sales in the domestic region.

Asian operations - Production and sales in Asia.

Others - Sales in other regions.

(1) Segment revenue and operating result

Revenue and operating results of the Group's continuing operations are analyzed by reporting segment as follows:

	Segment revenue		Segment profit or loss	
	2024	2023	2024	2023
Domestic operations	$ 1,657,422	$ 1,901,335	$ 7,667	$ 99,173
Asian operations	288,619	255,535	(22,043)	20,301
Others	87,882	72,360	3,770	7,132
Total from continuing operations	$ 2,033,923	$ 2,229,230	(10,606)	126,606
Net gain on foreign currency exchange			35,598	10,995
Finance costs			(15,231)	(13,007)
Interest income			21,754	9,182
General revenue and profit of the Company			14,527	12,356
General expenses and losses of the Company			(3,659)	(4,324)
Profit before income tax			$ 42,383	$ 141,808

Segment profit refers to the profit earned by each segment, excluding interest income, finance costs, net gain or loss from foreign currency exchange, and income tax expense. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

(2) Segment total assets and liabilities

Segment assets	December 31, 2024	December 31, 2023
Continuing operations		
Domestic operations	$ 1,275,378	$ 1,305,901
Asian operations	1,062,640	856,805
Others	49,197	32,703
Total segment assets	2,387,215	2,195,409
Unallocated assets	98,230	103,275
Consolidated total assets	$ 2,485,445	$ 2,298,684

Segment liabilities		
Continuing operations		
Domestic operations	$ 736,019	$ 703,470
Asian operations	521,204	362,016
Others	7,629	5,026
Segment total liabilities	1,264,852	1,070,512
Unallocated liabilities	72,406	62,350
Consolidated total liabilities	$ 1,337,258	$ 1,132,862

For the purpose of monitoring segment performance and allocating resources to each segment, all assets and liabilities are allocated to reportable departments, other than financial assets at fair value through other comprehensive income, investments recognized using the equity method, and deferred tax assets and liabilities.

(3) Revenue from major products

	2024	2023
STN display module	$ 886,840	$ 1,048,597
OLED display panels and modules	615,853	512,643
TFT display modules	505,552	640,873
Others	25,678	27,117
	$ 2,033,923	$ 2,229,230

(4) Geographic information

The Group's continuing operating revenue from external customers by customer location is given as follows:

	2024	2023
Europe	$ 740,276	$ 1,041,697
Asia	695,021	608,805
America	381,893	392,663
Taiwan	204,340	164,390
Others	12,393	21,675
	$ 2,033,923	$ 2,229,230

(5) Major customers

In 2024 and 2023, no revenue from a single customer accounted for more than 10% of the Group’s total revenues.

Winstar Display Co., Ltd. and Subsidiaries

Financing Provided to Others

For the Year Ended December 31, 2024

Table 1

Units: NT$ and foreign currency, in thousands

Serial No.	Lending Company	Borrower	Associated Items	Whether a Related Party	Highest Balance in the Current Year	Ending Balance	Actual Amount Borrowed (Note 1)	Range of Interest Rates	Nature of Loan	Business Transaction Amount	Reasons for Short Term Financing	Amount of Provision for Losses	Collateral		Limit of Loans to Individual Borrowers	Total Loan Limit
													Item	Value		
1	WINSTAR CHANGSHU	VANSTAR	Other payables - related parties	Yes	$ 18,064 (CNY 4,000)	$ 17,828 (CNY 4,000)	$ 5,794	3.8%	Necessity of short-term financing	$ -	Operating turnover	$ -	—	$ -	$ 126,964 (Note 2)	$ 247,824 (Note 3)

Note 1: The consolidated financial statements have been eliminated.

Note 2: The total amount of loans to a single company shall not exceed 40% of the net worth of the borrower in its latest financial statements, and shall be limited to the amount of paid-in capital.

Note 3: The amount shall not exceed 40% of the net worth of the borrower in its latest financial statements.

Winstar Display Co., Ltd. and Subsidiaries

Endorsements/Guarantees Provided

For the Year Ended December 31, 2024

Table 2

Units: NT$ and foreign currency, in thousands

Serial No.	Endorser/ Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party	The Maximum Balance of Endorsements/ Guarantees in the Current Year	Balance of Endorsements/ Guarantees at the End of the Year	Actual Amount Borrowed	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 3)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on behalf of Companies in Mainland China
		Company Name	Relationship										
0	The Company	RAYSTAR	(Note 1)	(Note 2)	$ 478,495	$ 478,495	$ 117,495	$ -	42	$ 1,144,363	Y	—	—
		WINSTAR CHANGSHU	(Note 1)	(Note 2)	195,339 (CNY 44,700)	106,968 (CNY 24,000)	27,363	-	2	1,144,363	Y	—	Y
		VANSTAR	(Note 1)	(Note 2)	22,580 (CNY 5,000)	22,285 (CNY 5,000)	6,632	-	9	1,144,363	Y	—	Y

Note 1: Please refer to Note 11.

Note 2: The cumulative amount of endorsements made by the Company and its subsidiaries for a single enterprise shall not exceed 10% of the Company's net worth, except when the counterparty of the endorsement or guarantee is a company directly or indirectly held by the Company with 100% of voting rights.

Note 3: The Company and its subsidiaries as a whole may make endorsements/guarantees for the total amount up to the net amount stated in the Company's most recent financial statements.

Winstar Display Co., Ltd. and Subsidiaries

Marketable Securities Held at the end of the Year

December 31, 2024

Table 3

Unit: NT$ in thousands

Name of Holding Company	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	Year-End			
				Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value
The Company	Stock						
	Tradetool Auto Co., Ltd.	—	Financial assets at fair value through other comprehensive income -non-current	445,638	$ 7,286	-	$ 7,286
	Orange Electronic Co., Ltd.	—	Financial assets at fair value through other comprehensive income -non-current	55,089	1,598	-	1,598

Winstar Display Co., Ltd. and Subsidiaries

Marketable Securities Acquired or Disposed of at Costs or Prices of at Least NT$ 300 Million or 20% of the Paid-in Capital

For the Year Ended December 31, 2024

Table 4

Units: NT$ and shares, in thousands

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Number of Shares	Amount (Note 1)	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Number of Shares	Amount (Note 1)
The Company	Stocks													
	RAYSTAR	Investments accounted for using the equity method	—	Subsidiary	32,147	$ 321,471	15,000	$ 150,000	-	$	$ -	$ -	47,147	$ 471,471

Note 1：Initial investment.

Note 2：The consolidated financial statements have been eliminated.

Winstar Display Co., Ltd. and Subsidiaries

Acquisition of Individual Real Estate Properties at Costs of at Least NT$ 300 Million or 20% of the Paid-in Capital

For the Year Ended December 31, 2024

Table 5

Units: Foreign currency in thousands

Buyer	Property	Event Date	Transaction Amount	Payment Status	Counterparty	Relationship	Information on Previous Title Transfer If Counterparty Is A Related Party				Pricing Reference Property Owner	Purpose of Acquisition Relationship	Other Terms Transaction Date
							Property Owner	Relationship	Transaction Date	Amount			
WINSTAR CHANGSHU	Right-of-use assets	December 26, 2023	CNY 30,361	The rent shall be paid on a quarterly basis as stipulated in the contract	Suzhou Akso Health Technology Co., Ltd.	—	—	—	—	—	(Note 1)	Used as factory and dormitory	None

Note 1： Pursuant to the asset valuation report issued by the appraisal company, the market value of the subject asset is assessed at CNY 32,726 thousand.

Winstar Display Co., Ltd. and Subsidiaries

Total Purchases from or Sales to Related Parties Amounting to at Least NT$100 Million or 20% of the Paid-in Capital

For the Year Ended December 31, 2024

Table 6

Unit: NT$ in thousands

Purchaser or Seller	Counterparty	Relationship	Transaction Details				Abnormal Transaction and Reason		Notes/Trade Receivables (Payables)		Remarks
			Purchase/Sale	Amount	Percentage of Total Purchase (Sale) %	Payment Terms	Unit Price	Payment Terms	Ending Balance	Percentage of Total Notes and Accounts Receivable (Payable) %	
The Company	WINSTAR CHANGSHU	(Note 1)	Purchases of goods	$ 1,016,688	78	90 days end of month	(Note 2)	No significant difference from other general manufacturers	($ 218,212)	(79)	
		(Note 1)	(Sale)	(214,641)	-	90 days end of month	(Note 2)	No significant difference from other general customer	55,516	24	
RAYSTAR	WINSTAR CHANGSHU	(Note 1)	Purchases of goods	157,647	65	90 days end of month	(Note 2)	No significant difference from other general manufacturers	(36,668)	(62)	
		(Note 1)	(Sale)	(211,832)	(41)	90 days end of month	(Note 2)	No significant difference from other general customers	67,596	76	
WINSTAR CHANGSHU	The Company	(Note 1)	(Sale)	(1,016,688)	(67)	90 days end of month	(Note 2)	No significant difference from other general customers	218,212	71	
		(Note 1)	Purchases of goods	214,641	-	90 days end of month	(Note 2)	No significant difference from other general manufacturers	(55,516)	(18)	
	RAYSTAR	(Note 1)	(Sale)	(157,647)	(10)	90 days end of month	(Note 2)	No significant difference from other general customers	36,668	12	
		(Note 1)	Purchases of goods	221,832	20	90 days end of month	(Note 2)	No significant difference from other general manufacturers	(67,596)	(20)	

Note 1: Please refer to Note 11.

Note 2: The prices of purchases and sales transactions with related parties are negotiated separately based on product differences, market conditions, and internal transfer pricing policies.

Note 3: The consolidated financial statements have been eliminated.

Winstar Display Co., Ltd. and Subsidiaries

Receivables from Related Parties Amounting to at Least NT$100 Million or 20% of the Paid-in Capital

December 31, 2024

Table 7

Unit: NT$ in thousands

Company Recognizes the Receivables	Counterparty	Relationship	Balance of Receivables from Related Parties (Note 2)	Turnover Rate (Times)	Overdue		Amount Collected in Subsequent Period	Amount of Provision for Losses
					Amount	Action Taken		
WINSTAR CHANGSHU	The Company	(Note 1)	Trade receivables $218,212	5.06	$ -	—	$ 137,597	$ -

Note 1: Please refer to Note 11.

Note 2: The consolidated financial statements have been eliminated.

Winstar Display Co., Ltd. and Subsidiaries

Intercompany Relationships and Significant Intercompany Transactions

For the Year ended December 31, 2024

Table 8

Unit: NT$ in thousands

Serial No.	Company Name	Counterparty	Relationship (Note)	Transaction Details			
				Financial Statement Account	Amount	Transaction Terms	As a Percentage of Consolidated Total Revenue or Total Assets (%)
0	The Company	WINSTAR CHANGSHU	1	Operating cost	$ 1,016,688	90 days end of month	50
				Operating revenue	214,641	90 days end of month	11
				Trade receivables	55,516	90 days end of month	2
				Trade payables	218,212	90 days end of month	9
		RAYSTAR	1	Operating cost	71,272	30 days end of month	3
1	RAYSTAR	WINSTAR CHANGSHU	2	Operating revenue	211,832	90 days end of month	10
				Operating cost	157,647	90 days end of month	8
				Trade receivables	67,596	90 days end of month	3
				Trade payables	36,668	90 days end of month	1
2	WINSTAR CHANGSHU	VANSTAR	2	Operating cost	107,099	30 days end of month	5
		WINSTAR USA	2	Operating revenue	43,016	90 days end of month	2

Note: No. 1 represents the transactions from parent company to subsidiary.

No. 2 represents the transactions between subsidiaries.

Winstar Display Co., Ltd. and Subsidiaries

Investee Company Information, Locations, and Other Related Information

For the Year ended December 31, 2024

Table 9

Units: NT$ and foreign currency, in thousands

Investor	Investee (Note 1)	Location	Principle Business Activity	Initial investment		Year-end holdings			Investee Company Current year Profit (Loss)	Investment Profit (Loss) Recognized by the Company	Remarks
				Current Year End	Prior Year End	Number of Shares (in thousand shares)	Shares %	Carrying Amount			
The Company	RAYSTAR	Republic of China	Engaged in research and development, manufacturing, and trading of OLED display modules	$ 471,471	$ 321,471	47,147	100	$ 429,833	($ 5,821)	($ 8,950)	Subsidiary
	WINBEST	United States	Operation of reinvestment business	204,630	204,630	-	100	618,131	29,604	29,604	Subsidiary
	WINCAELUM	Samoa	Operation of reinvestment business	159,782	159,782	8,000	100	89,286	(3,882)	(3,882)	Subsidiary
	FAIRLINK	Hong Kong	Operation of reinvestment business	173,883	173,883	20,000	100	(6,765)	(8,505)	(8,505)	Subsidiary
	WINSTAR USA	United States	Import and export of electronic components	2,721	2,721	90	90	8,514	2,252	2,026	Subsidiary
	WINSTAR GER	Germany	Import and export of electronic components	837	837	25	100	335	(505)	(505)	Subsidiary
	MIDAS	United Kingdom	Trading of electronic components	9,148	9,148	-	39	8,918	(7,173)	(2,309)	Associates accounted for using the equity method
WINCAELUM	KENSTAR	Myanmar	Manufacturing, processing, and trading of various liquid crystal displays and modules	155,138 (USD 4,956)	155,138 (USD 4,956)	496	100	89,082 (USD 2,723)	(3,885) (USD 121)	(Note 2)	Subsidiary

Note 1: The consolidated financial statements have been eliminated.

Note 2: May be omitted as per the regulations.

Winstar Display Co., Ltd. and Subsidiaries

Information on Investments in Mainland China

For the Year Ended December 31, 2024

Table 10

Units: NT$ and foreign currency, in thousands

Investee (Note 1)	Principle Business Activity	Total Paid-in Capital	Method of Investment	Accumulated Investment Amount Remitted from Taiwan at the Beginning of the Current Year	Investment Amount Remitted or Recovered during the Current Year		Accumulated Investment Amount Remitted from Taiwan at the End of the Current Year	Investee Company Current Year Profit (Loss)	The Company's Direct or Indirect Percentage of Ownership	Investment Profit (loss) Recognized in the Current Year (Note 3)	Book Value of Investments at the End of the Year	Investment Income Repatriated by the End of the Year
					Outflow	Inflow						
WINSTAR CHANGSHU	Manufacturing and processing of various LCD displays and modules	$ 126,964 (CNY 31,958)	Note 2	$ 203,281 (USD 6,557)	$ -	$ -	$ 203,281 (USD 6,557)	$ 29,604 (CNY 6,684)	100%	$ 29,604 (CNY 6,684)	$ 619,559 (CNY 139,006)	$ -
VANSTAR	Manufacturing and processing of various LCD displays and modules	170,045 (CNY 36,955)	Note 2	170,045 (USD 5,670)	-	-	170,045 (USD 5,670)	(8,505) (CNY 1,921)	100%	(8,505) (CNY 1,921)	(6,765) (CNY 1,518)	-

Cumulative Amount of Investment Remitted from Taiwan to Mainland China at the End of the Current Year	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment (Note 4)
$ 373,326 (USD 12,227)	$ 373,326 (USD 12,227)	(Note 5)

Note 1: The consolidated financial statements have been eliminated.

Note 2: This refers to the reinvestment in companies in mainland China through reinvestment in an existing company in a third region.

Note 3: Investment gains and losses are recognized based on the financial statements Reviewed by the same CPA firm as that engaged by the parent company in Taiwan.

Note 4: The limit is calculated in accordance with the Regulations Governing the Examination of Investment or Technical Cooperation in Mainland China.

Note 5: In accordance with the "Regulations Governing the Examination of Investment or Technical Cooperation in Mainland China" issued by the Investment Review Commission on August 29, 2008, the Company has obtained certification documents issued by Industrial Development Bureau, Ministry of Economic Affairs attesting that it complies with the operation scope of the operational headquarters. There is no upper limit on the amount of investment in the Mainland China area.

Winstar Display Co., Ltd.

Information of Major Shareholders

December 31, 2024

Table 11

Unit: shares

Name of Major Shareholder	Share	
	Number of Shareholding	Percentage of Ownership (%)
Kenstar Investment Co., Ltd.	10,636,783	15.75
Jastar Investment Co., Ltd.	8,527,909	12.63
Yu-Pin Liao	6,005,672	8.89
Huatsen Investment Co., Ltd.	4,949,392	7.33
Sunglowed International Ltd.	4,581,988	6.78
Chienchuang Investment Co., Ltd.	4,068,000	6.02

Note: The information of major shareholders is based on the number of ordinary shares and preference shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (included treasury shares) by the Company as of December 31, 2024. The share capital in consolidated financial report may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Stock Code: 6916

2. Individual Financial Statements and Independent Auditor's Report

Winstar Display Co., Ltd.

Financial Statements for the
Years Ended December 31, 2024 and 2023 and
Independent Auditors' Report

Address: 2F., No. 43, Keya Road, Daya District, Taichung City
Tel: (04)25689987

Independent Auditors' Report

To the Board of Directors and Shareholders of Winstar Display Co., Ltd.:

Opinion

We have audited the accompanying financial statements of Winstar Display Co., Ltd. (the "Company") which comprise the balance sheet as of December 31, 2024 and 2023, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including material accounting policies information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements referred to above have been prepared, in all material respects, in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and fairly present the individual financial position of the Company as of December 31, 2024 and 2023, and its financial performance and its cash flows from January 1 to December 31, 2024 and 2023.

Basis for Opinion

We have performed entrusted audit work in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that sufficient and appropriate audit evidence has been obtained to serve as a basis for expressing an audit opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's 2024 financial statements. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

The key audit matter for the Company's 2024 financial statements is stated as follows:

Authenticity of revenue recognition from specific customers

The company's operating revenue mainly comes from the production and sales of LCD modules and OLED display modules. The operating revenue in 2024 decreased from the previous year due to changes in market demand. As transaction amount of a specific customer is material to operating revenue as a whole, authenticity of revenue recognition for specific customers is listed as a key audit matter. Please refer to Note 4 to the financial statements for the relevant accounting policies for revenue recognition.

In response to this key audit matter, we perform the following audit procedures:

1. Understand and evaluate the effectiveness of the design and execution of internal control related to audit risks in the sales and collection cycle.
2. We select a sample of the operating revenue of specific customers, and review the relevant documents and payment vouchers for the operating revenue recognized to confirm the authenticity of the operating revenue recognized.

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

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis

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

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Company's 2024 financial statements and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Shu-Chin Chiang and Ting-Chien Su.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 11, 2025

Winstar Display Co., Ltd.

Balance sheets

December 31, 2024 and 2023

Unit: NTD in thousands

Code	Asset	December 31, 2024 Amount	%	December 31, 2023 Amount	%
	Current asset				
1100	Cash and cash equivalents (Note 4 and 6)	$ 163,955	9	$ 463,793	24
1136	Financial assets at amortized cost - current (Note 4, 7 and 27)	63,257	3	53,923	3
1150	Notes receivable (Note 4, 9 and 19)	776	-	1,207	-
1170	Trade receivables from unrelated parties (Note 4, 9 and 19)	167,256	9	142,849	8
1180	Trade receivables from related parties (Note 4, 19 and 26)	65,188	3	33,462	2
1200	Other receivables (Note 4 and 26)	4,080	-	6,177	-
1220	Current tax assets (Note 4 and 21)	1,362	-	-	-
130X	Inventories (Note 4 and 10)	53,065	3	43,061	2
1470	Other current assets	10,029	1	5,933	-
11XX	Total current assets	528,968	28	750,405	39
	Non-current assets				
1517	Financial assets at fair value through other comprehensive income - non-current (Note 4 and 8)	8,884	-	11,457	1
1535	Financial assets at amortized cost - non-current (Note 4, 7 and 27)	15,926	1	15,835	1
1550	Investments accounted for using the equity method (Note 4 and 11)	1,155,017	61	962,335	51
1600	Property, Plant and Equipment (Note 4 and 12)	46,858	3	9,587	-
1755	Right-of-use assets (Note 4, 13 and 26)	2,831	-	6,365	-
1760	Investment property (Note 4, 14 and 27)	82,979	4	83,259	4
1840	Deferred tax assets (Note 4 and 21)	40,860	2	39,163	2
1990	Other non-current assets	18,700	1	28,753	2
15XX	Total non-current assets	1,372,055	72	1,156,754	61
1XXX	Total assets	$ 1,901,023	100	$ 1,907,159	100

Code	Liabilities and Equity	December 31, 2024 Amount	%	December 31, 2023 Amount	%
	Current liabilities				
2100	Short-term borrowings (Note 15 and 27)	$ 283,000	15	$ 273,000	14
2130	Contract liabilities - current (Note 19)	21,539	1	30,742	2
2150	Notes payable	-	-	13	-
2170	Trade payables to unrelated parties	52,488	3	45,487	2
2180	Trade payables to related parties (Note 26)	221,994	12	189,968	10
2200	Other payables (Note 16 and 26)	58,291	3	65,248	4
2230	Current tax liabilities (Note 4 and 21)	-	-	13,344	1
2280	Lease liabilities - current (Note 4, 13 and 26)	1,558	-	6,116	-
2320	Current portion of long-term borrowings (Note 15 and 27)	14,861	1	19,167	1
2399	Other current liabilities (Note 26)	6,775	-	5,743	-
21XX	Total current liabilities	660,506	35	648,828	34
	Non-current liabilities				
2540	Long-term borrowings (Note 15 and 27)	6,667	-	21,528	1
2570	Deferred tax liabilities (Note 4 and 21)	72,301	4	62,350	3
2580	Lease liabilities - non-current (Note 4, 13 and 26)	1,301	-	294	-
2640	Net defined benefit liabilities - non-current (Note 4 and 17)	9,120	1	11,255	1
2650	Credit balance of investment accounted for using the equity method (Note 4 and 11)	6,765	-	-	-
25XX	Total non-current liabilities	96,154	5	95,427	5
2XXX	Total liabilities	756,660	40	744,255	39
	Equity				
3110	Ordinary shares	675,000	35	675,000	35
	Capital surplus	186,295	10	186,294	10
	Retained earnings				
	Legal reserve	75,259	4	66,981	4
	Special reserve	16,229	-	4,444	-
	Unappropriated earnings	186,971	13	246,414	13
1	Other equity	4,609	(1)	(16,229)	(1)
$ 1	Total equity	1,144,363	61	1,162,904	61
	Total liabilities and equity	$ 1,901,023	100	$ 1,907,159	100

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

Winstar Display Co., Ltd.

Statements of comprehensive income

For the years ended December 31, 2024 and 2023

Unit: In thousands of New Taiwan Dollars,

except that Earnings Per Share are stated in NT$

		2024		2023	
Code		Amount	%	Amount	%
4000	Operating revenue (Note 4, 19 and 26)	$ 1,437,581	100	$ 1,644,918	100
5000	Operating costs (Note 10, 20 and 26)	1,158,757	81	1,362,123	83
5900	Gross profit	278,824	19	282,795	17
5910	Unrealized gain on transations	(1,294)	-	(2,084)	-
5920	Realized gain on transations	2,084	-	2,100	-
5950	Realized gross profit	279,614	19	282,811	17
	Operating expenses (Note 20 and 26)				
6100	Selling and marketing expenses	83,547	6	83,866	5
6200	General and Administrative expenses	125,578	9	120,035	7
6300	Research and Development expenses	65,254	4	45,337	3
6450	Expected credit loss (gain) (Note 4 and 9)	922	-	(1,017)	-
6000	Total operating expenses	275,301	19	248,221	15
6900	Profit from operations	4,313	-	34,590	2
	Non-operating income and expenses				
7070	Share of profit or loss of subsidiaries and associates (Note 4)	7,479	1	80,649	5
7100	Interest income	9,894	1	3,728	-
7010	Other income (Note 26)	6,415	-	5,078	-

(to be continued)

(continued)

Code		2024 Amount	2024 %	2023 Amount	2023 %
7020	Other gains and losses	$ -	-	($ 1)	-
7050	Financial costs (Note 20 and 26)	(7,232)	(1)	(7,495)	-
7630	Net gain (loss) on foreign currency exchange (Note 20)	14,265	1	(50)	-
7000	Total non-operating expenses	30,821	2	81,909	5
7900	Profit before income tax	35,134	2	116,499	7
7950	Income tax expense (Note 4 and 21)	3,425	-	35,690	2
8200	Net profit for the year	31,709	2	80,809	5
	Other comprehensive income(loss)				
8310	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit plan (Note 17)	1,751	-	2,466	-
8316	Unrealized gain (loss) on investments in equity instruments designated as at fair value through other comprehensive income	(2,573)	-	1,261	-
8349	Income tax relating to items that will not be reclassified (Note 21)	(350)	-	(493)	-
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange difference on translating foreign operations	29,263	2	(16,307)	(1)
8399	Income tax related to items that may be reclassified (Note 21)	(5,852)	-	3,261	-
8300	Other comprehensive income for the year, net of income tax	22,239	2	(9,812)	(1)
8500	Total comprehensive income for the year	$ 53,948	4	$ 70,997	4

(to be continued)

(continued)

Code		2024 Amount	2024 %	2023 Amount	2023 %
	Earnings per share (Note 22)				
9750	Basic	$ 0.47		$ 1.33	
9850	Diluted	$ 0.47		$ 1.33	

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

Winstar Display Co., Ltd.
Statements of changes in equity
For the years ended December 31, 2024 and 2023

Unit: NTD in thousands

Code		Ordinary shares (Note 18)	Capital surplus (Note 18)	Retained earnings (Note 18)			Other equity		Total equity
				Legal reserve	Special reserve	Unappropriated earnings	Exchange difference on translating foreign operations	Unrealized gain (loss) of financial assets at fair value through other comprehensive income	
A1	Balance on January 1, 2023	$ 525,000	$ 66,078	$ 37,695	$ 3,526	$ 325,086	$ 1,196	($ 5,640)	$ 952,941
	Appropriation of 2022 earnings:								
B1	Legal reserve	-	-	29,286	-	(29,286)	-	-	-
B3	Special reserve	-	-	-	918	(918)	-	-	-
B5	Cash dividends	-	-	-	-	(56,250)	-	-	(56,250)
B9	Stock dividends	75,000	-	-	-	(75,000)	-	-	-
D1	Net income for the year ended December 31, 2023	-	-	-	-	80,809	-	-	80,809
D3	Other comprehensive income for the year ended December 31, 2023	-	-	-	-	1,973	(13,046)	1,261	(9,812)
D5	Total comprehensive income for the year ended December 31, 2023	-	-	-	-	82,782	(13,046)	1,261	70,997
E1	Capital increase in cash	75,000	117,327	-	-	-	-	-	192,327
N1	Share-based Payment	-	2,889	-	-	-	-	-	2,889
Z1	Balance on December 31, 2023	675,000	186,294	66,981	4,444	246,414	(11,850)	(4,379)	1,162,904
	Appropriation of 2023 earnings:								
B1	Legal reserve	-	-	8,278	-	(8,278)	-	-	-
B3	Special reserve	-	-	-	11,785	(11,785)	-	-	-
B5	Cash dividends	-	-	-	-	(70,875)	-	-	(70,875)
C17	Other changes in capital surplus	-	1	-	-	-	-	-	1
D1	Net income for the year ended December 31, 2024	-	-	-	-	31,709	-	-	31,709
D3	Other comprehensive income for the year ended December 31, 2024	-	-	-	-	1,401	23,411	(2,573)	22,239
D5	Total comprehensive income for the year ended December 31, 2024	-	-	-	-	33,110	23,411	(2,573)	53,948
C7	Changes in equity of associates and joint ventures accounted for using equity method (Note 12)	-	-	-	-	(1,615)	-	-	(1,615)
Z1	Balance on December 31, 2024	$ 675,000	$ 186,295	$ 75,259	$ 16,229	$ 186,971	$ 11,561	($ 6,952)	$ 1,144,363

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

Winstar Display Co., Ltd.

Statements of Cash Flows

For the years ended December 31, 2024 and 2023

Unit: NTD in thousands

Code		2024	2023
	Cash flows from operating activities		
A10000	Income before tax for the year	$ 35,134	$ 116,499
A20000	Adjustment for:		
A20100	Depreciation expenses	13,653	11,122
A20200	Amortization expenses	2,079	774
A20300	Expected credit loss recognized (reversed) on trade receivables	922	(1,017)
A20900	Finance costs	7,232	7,495
A21200	Interest income	(9,894)	(3,728)
A21300	Dividend income	(55)	(55)
A21900	Compensation cost related to share-based payment	-	2,249
A22400	Share of profit or loss of subsidiaries and associates accounted for using the equity method	(7,479)	(80,649)
A22500	Loss on disposal of property, plant and equipment	-	1
A23800	Inventory valuation losses	2,832	1,040
A23900	Unrealized profit from sales	1,294	2,084
A24000	Realized profit from sales	(2,084)	(2,100)
A24100	Unrealized net gain in foreign currency exchange	(242)	(1,741)
A30000	Net changes in operating assets and liabilities		
A31130	Notes receivable	431	1,263
A31150	Trade receivables	(54,135)	64,015
A31180	Other receivables	2,097	(803)
A31200	Inventory	(12,836)	6,545
A31240	Other current assets	(4,096)	(538)
A32130	Notes payable	(13)	(993)
A32150	Trade payables	36,349	(105,184)
A32180	Other payables	(8,217)	(19,408)
A32230	Other current liabilities	(8,171)	(6,730)
A32240	Net defined benefit liabilities	(384)	(317)
A33000	Cash generated used in operations	(5,583)	(10,176)
A33100	Interest received	9,894	3,728
A33200	Dividend received	55	55
A33300	Interest paid	(7,404)	(7,119)
A33500	Income tax paid	(16,079)	(36,040)
AAAA	Net cash generated used in operating activities	(19,117)	(49,552)

(to be continued)

(continued)

Code		2024	2023
	Cash flows from investing activities		
B00040	Payments for financial assets at amortized cost	($ 13,480)	($ 22,141)
B00050	Proceeds from disposal of financial assets at amortized cost	4,055	23,266
B01800	Payments for investments accounted for using the equity method	-	(837)
B02700	Payments for property, plant and equipment	(20,601)	(3,160)
B03700	Increase in refundable deposits	(246)	(744)
B03800	Decrease in refundable deposits	1,945	3,895
B04500	Payments for intangible assets	(6,635)	(1,200)
B07100	Increase in prepayments for equipment	(8,694)	(21,190)
BBBB	Net cash used in investing activities	(43,656)	(22,111)
	Cash flows from financing activities		
C00100	Proceeds from short-term borrowings	411,000	378,000
C00200	Repayments of short-term borrowings	(401,000)	(363,000)
C01600	Proceeds from long-term loans	-	30,000
C01700	Repayments of long-term borrowings	(19,167)	(51,442)
C04020	Repayments of the principal portion of lease liabilities	(7,024)	(6,465)
C04500	Dividends paid to owners of the company	(70,875)	(56,250)
C04600	Capital increase in cash	-	192,327
B05400	Acquisition of subsidiary shares	(150,000)	-
C09900	Other financing activities	1	-
CCCC	Net cash generated from (used in) financing activities	(237,065)	123,170
EEEE	Net increase (decrease) in cash and cash equivalents	(299,838)	51,507
E00100	Cash and cash equivalents at the beginning of the year	463,793	412,286
E00200	Cash and cash equivalents at the end of the year	$ 163,955	$ 463,793

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

Winstar Display Co., Ltd.

Notes to financial statements

For the years ended December 31, 2024 and 2023

(expressed in NTD thousand and foreign currency, unless stated otherwise)

1. History

Winstar Display Co., Ltd. (“the Company”) was established in June 1998. The main business items are the manufacturing, processing, and trading of various displays and modules.

The Company has been listed on the Taiwan Stock Exchange since December 5, 2024.

The financial statements are presented in the Company’s functional currency, New Taiwan dollars.

2. Date and procedures for approval of financial statements

The financial statements were approved by the Company’s board of directors on March 11, 2025.

3. Application of new, amended and revised standards and interpretations

(1) Initial application of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (the "FSC").

Except for the following, the initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Company’s accounting policies.

(2) IFRSs endorsed by the FSC for application starting from 2024

New, amended and revised standards and interpretations	Effective date of issuance per the International Accounting Standards Board (IASB) (Note 1)
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 1)
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" - the amendments to the application guidance of classification of financial assets	January 1, 2026 (Note2)

Note 1: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Group shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2026. It is permitted to apply these amendments for an earlier period beginning on January 1, 2025. An entity shall apply the amendments retrospectively but is not required to restate prior periods. The effect of initially applying the amendments shall be recognized as an adjustment to the opening balance at the date of initial application. An entity may restate prior periods if, and only if, it is possible to do so without the use of hindsight.

As of the date the financial statements were authorized for issue, the Company has assessed that the application of other standards and interpretations will not have a material impact on the Company's financial position and financial performance.

(3) New IFRSs in issue by IASB but not yet endorsed and issued into effect by the FSC

New, amended and revised standards and interpretations	Effective Date Announced by IASB (Note 1)
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Amendments to the	January 1, 2026

New, amended and revised standards and interpretations	Effective Date Announced by IASB (Note 1)
Classification and Measurement of Financial Instruments" - the amendments to the application guidance of derecognition of financial liabilities	
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	January 1, 2026
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027

Note 1: Unless stated otherwise, the above New Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 will supersede IAS 1" Presentation of Financial Statements". The main changes comprise:

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as"other" only if it cannot find a more informative label.

- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management's view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

4. Summary of significant accounting policies information

(1) Statement of compliance

The financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(2) Basis of preparation

The financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs, are described as follows:

1. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities on the measurement date;
2. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
3. Level 3 inputs are unobservable inputs for an asset or liability.

When preparing the parent company only financial statements, the Company used the equity method to account for its investments in subsidiaries and associates. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the parent company only financial statements to be the same as the amounts attributable to the owners of the Company in its consolidated financial statements, adjustments arising from the differences in accounting treatments between the company basis and the consolidated basis were made to investments accounted for using the equity method, the share of profit or loss of subsidiaries and associates, the share of other comprehensive income of subsidiaries and associates and the related equity items, as appropriate, in these parent company only financial statements.

(3) Classification of current and non-current assets and liabilities

Current assets include:

1. Assets held primarily for the purpose of trading;
2. Assets expected to be realized within 12 months after the reporting date; and
3. Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current liabilities include:

1. Liabilities held primarily for the purpose of trading;
2. Liabilities due to be settled within 12 months after the reporting date, and
3. Liabilities for which the Company does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

(4) Foreign currency

In preparing the financial statements, transactions in currencies other than the Company's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences arising from delivery of monetary items or translation of monetary items are recognized in profit or loss in the year in which they occur.

Foreign currency non-monetary items measured by fair value are translated at the exchange rate on the day when the fair value is determined, and any resulting exchange difference is listed as profit or loss for that year except when the change in fair value is recognized in other comprehensive income, in which case the resulting exchange difference is listed in other comprehensive income.

Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

For the purpose of presenting the financial statements, the functional currencies of the Company and its foreign operations (including subsidiaries, associates in other countries that use currencies which are different from the currency of the Company) are translated into the presentation currency, the New Taiwan dollars, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income.

(5) Inventory

Inventories include raw materials, work-in-progress, Semi-finished products, and finished goods, which are measured at the lower of cost or net realizable value. The comparison of cost and net realizable value is based on individual items, except for inventories of the same category. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses. Inventory cost is determined using the weighted-average method.

(6) Investments in subsidiaries

The Company uses the equity method to account for its investments in subsidiaries.

A subsidiary is an entity that is controlled by the Company.

Under the equity method, investments are initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the subsidiaries. In addition, the Company also recognizes the changes in the Company's share of other equity of subsidiaries.

Changes in the Company's ownership interest in a subsidiary that do not result in the Company losing control of the subsidiary are accounted for as equity transactions. The Company recognizes directly in equity for any difference between the carrying amount of the investment and the fair value of the consideration paid or received.

When the Company's share of loss of a subsidiary exceeds its interest in that subsidiary (which includes any carrying amount of the investment accounted for using the equity method and other long-term interests that, in substance, form part of the Company's net investment in the subsidiary), the Company continues recognizing its share of further loss, if any.

When assessing impairment, the Company considers the cash-generating units and compares the recoverable amount and carrying amount based on the entirety of the financial statements. If the recoverable amount of the investment subsequently increases, the Company recognizes a gain as a reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount, in which no impairment losses were recognized, net of amortization. Any impairment loss recognized for goodwill is not reversible in subsequent periods.

Unrealized profit or loss resulting from downstream transactions between the Company and subsidiaries is eliminated in full in the financial statements. Profit and loss resulting from upstream transactions between the Company and subsidiaries and transactions between subsidiaries is recognized in the financial statements only to the extent of interests in the subsidiaries that are not related to the Company.

(7) Investments in Associates

An associate is an enterprise that the Company has significant influence over but is not a subsidiary.

The Company adopts the equity method for investment in associates.

Under the equity method, an investment in an associate is initially recognized at cost, and the book value after the acquisition is adjusted by the Company's share of the profit or loss and other comprehensive income of the associate. In addition, changes in the equity of an associate are recognized based on the shareholding ratio.

The acquisition cost exceeding the Company's share of the net fair value of the identifiable assets and liabilities of the associate on the date of acquisition is recognized as goodwill. The goodwill is included in the book value of the investment and shall not be amortized. The share of net identifiable assets and liabilities net fair value of the associate exceeding the acquisition cost is recognized in the current profit or loss.

When the Group subscribes for additional new shares of an associate and a joint venture at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group’s proportionate interest in the associate and joint venture. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in equity of associates and joint ventures accounted for using the equity method and investments accounted for using the equity method. If the Group’s ownership interest is reduced due to the additional subscription of the new shares of the associate and joint venture, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate and joint venture is reclassified to profit or loss on the same basis as would be required if the investee had directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

Profits and losses arising from upstream, downstream, and lateral transactions between the Company and associates shall be recognized in the parent company only financial statements only to the extent that they is not connected to the Company's rights and interests in the associate.

(8) Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment under construction is recognized at cost. Cost includes professional service fees. These assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Each material component of property, plant and equipment is depreciated separately on a straight-line basis over its useful life. The Company shall review estimated service life, residual value, and depreciation method at the end of each year at a minimum, and it shall defer the effect of changes in applicable accounting estimates.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

(9) Investment property

Investment property is held for the purpose of earning rent or capital appreciation or both. Investment property also includes land held for which the future use has not yet been determined.

Self-owned investment property is initially measured at cost (including transaction costs) and subsequently measured at cost less accumulated depreciation and accumulated impairment losses. The Company adopts a straight-line basis for depreciation.

When investment property is derecognized, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

(10) Intangible assets

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Intangible assets are to be amortized on a straight-line basis within their service lives. The Company shall review estimated service life, residual value, and amortization method at the end of each year at a minimum, and it shall defer the effect of changes in applicable accounting estimates.

Upon derecognition of intangible assets, the difference between the net disposal price and the asset carrying amount is to be recognized in current year profit or loss.

(11) Impairment of property, plant and equipment, right-of-use assets, investment property and intangible assets

The Company evaluates at each balance sheet date whether there is any evidence that impairment has occurred among property, plant and equipment, right-of-use assets, investment properties, and intangible assets. If any such indication exists, the recoverable amount of the asset is estimated. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset or cash-generating unit, less amortization or depreciation. A reversal of an impairment loss is recognized in profit or loss.

(12) Financial instruments

Financial assets and financial liabilities are recognized in the balance sheets when the Company becomes a party to the contractual provisions of the instruments.

On initial recognition of a financial asset or a financial liability, if the financial asset or financial liability is not measured at fair value through profit or loss, it is measured at fair value plus any transaction costs directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial asset

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

1. Measurement category

   The types of financial assets held by the Company are financial assets measured at amortized cost and investments in equity instruments measured at fair value through other comprehensive income.

   (1) Financial assets at amortized cost

      Financial assets that meet the following conditions are subsequently measured at amortized cost:

      A. The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

      B. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

      After the original recognition of financial assets measured at cost after amortization (including cash and cash equivalents, notes receivable measured at amortized cost, accounts receivable, other receivables, and refundable deposits), these are measured at the amortized cost of the gross carrying amount determined using the effective interest method less any impairment losses, and any foreign currency exchange gains or losses are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for:

A. Purchased or originated credit-impaired financial asset, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset.

B. Financial asset that has subsequently become credit-impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset from the second reporting period after the impairment.

A financial asset is credit impaired when: there are significant financial difficulty of the issuer or borrower or a breach of contract; it is probable that the borrower will enter bankruptcy or other financial reorganization; or the disappearance of an active market for a financial asset due to financial difficulties.

(2) Equity instruments at FVTOCI

On initial recognition, the Company may make an irrevocable election to designate investments in equity instruments, which are not held for trading or as contingent consideration recognized by an acquirer in a business combination, as at FVTOCI.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Company's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

2. Impairment of Financial assets

The Company measures the impairment loss based on expected credit losses(“ECLs”) on financial assets at amortized cost (including trade receivables) on each balance sheet date.

The Company measures a loss allowance at an amount equal to lifetime ECLs on trade receivables. For other financial assets, the Company recognizes the loss allowance for 12 months ECLs if there has not been a significant increase in credit risk since initial recognition or recognizes the loss allowance for the lifetime ECLs if such credit risk has significant increased since initial recognition.

ECLs reflect the weighted average of credit losses with the respective risks of a default occurring. 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date. In contrast, lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

For the purpose of internal credit risk management, the Company, without considering the collateral held, determines that the following situations represent a default on a financial asset:

(1) There is internal or external information indicating that the debtor is incapable of paying off its debts.

(2) Overdue for more than 180 days, unless there is reasonable and corroborative information showing that the delayed default standard is more appropriate.

The impairment loss of all financial assets is based on the reduction of the book value of the contra account.

3. Derecognition of financial assets

The Company derecognizes financial assets only when the contractual rights to the cash flows from the assets expire or when it transfers the financial assets and substantially all the risks and rewards of ownership of the assets to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the cumulative gain or loss is transferred directly to retained earnings, without recycling through profit or loss.

Financial liability

1. Subsequent measurement

   Financial liabilities are measured at amortized cost using the effective interest method.

2. Derecognition of financial liabilities

   On derecognition, the difference between the carrying amount of a financial liability and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

(13) Revenue recognition

The Company identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

For contracts in which the transfer of goods or services and the receipt of consideration are within one year, the transaction prices of the material finance components will not be adjusted.

Revenue from sale of goods

Revenue from sales of goods is recognized when the customer obtains control over the asset promised; that is, when the goods are delivered to the designated location and meet the performance obligations. Advance receipts from sales of goods are recognized as contract liabilities before the Company has met its performance obligations.

(14) Leases

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease.

<u>The Company as lessee</u>

The Company recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for low-value asset leases accounted for by applying a recognition exemption and short-term leases where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee’s incremental borrowing rate will be used.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. If there is a change in the lease term, the Company remeasures the lease liability and adjusts the right-of-use asset accordingly. However, if the carrying amount of the right-of-use asset has been reduced to zero, the remaining remeasurement amount is recognized in profit or loss. Lease liabilities are presented on a separate line in the balance sheets.

(15) Employee benefits

Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

Post-employment benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including service costs for current period) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense on occurrence. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) constitute shortfalls (surpluses) in defined benefit plan contributions. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

(16) Share-based payment agreement

Employee stock warrants granted to employees

The fair value of equity instrument at the grant date of employee stock warrants is expensed on a straight-line basis over the vesting period, based on the Company's best estimates of the number of shares that are expected to ultimately vest, with a corresponding adjustment to capital surplus - employee stock warrants. It is recognized as an expense in full at the grant date if vested immediately. The grant date is the date on which the Company confirms the number of employee shares and the subscription price reserved for employee shares as a capital increase in cash.

Employee stock options granted to employees of subsidiaries

Employee stock options granted by the Company to employees of a subsidiary in exchange for the Company's equity instruments are regarded as capital investment in the subsidiary. They are measured based on the fair value of the equity instrument on the grant date, and is recognized as an increase in the carrying amount of the investment in the subsidiary within the vesting period. Furthermore, there is a corresponding adjustment in capital reserve-employee stock options.

(17) Income tax

Income tax expense is the sum of the current year income tax and deferred income tax.

1. Income tax of the current year

Income tax payable (refundable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for as income tax in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2. Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit. Deferred income tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized when it is probable that taxable income will be available to deduct the temporary differences. If a temporary difference arises due to the initial recognition of other assets and liabilities, and the transaction does not affect taxable income or accounting profit at that time, it shall not be recognized as deferred income tax assets and liabilities.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are recognized only to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and such temporary differences are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates expected in the year in which the liabilities are settled or the assets realized, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3. Current and deferred income tax for the year

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity; in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

5. Material accounting judgments and key sources of estimation uncertainty

In the application of the Company's accounting policies, management is required to make judgments, estimates and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

When developing material accounting estimates, the Company considers the possible impact of climate change and related government policies and regulations inflation related government polices and regulations inflation and interest rate fluctuations vloatility in financial, energy and foreign currency markets on the cash flow projection, growth rate, discount rate, and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

6. Cash and cash equivalents

	December 31, 2024	December 31, 2023
Cash on hand and petty cash	$ 146	$ 306
Demand deposits	153,909	353,069
Cash equivalents		
Time deposits with banks	9,900	110,418
	$ 163,955	$ 463,793
Annual interest rate (%)		
Demand deposits	0.64-1.45	0.01-1.45
Time deposits with banks	1.23	1.10-5.10

7. Financial assets at amortized cost

	December 31, 2024	December 31, 2023
Current		
Pledged time deposits	$ 47,470	$ 34,180
Time deposits with original maturity over three months	15,206	15,115
Restricted bank deposits	581	4,628
	$ 63,257	$ 53,923
Non-current		
Restricted bank deposits	$ 15,926	$ 15,835

(to be continued)

(continued)

	December 31, 2024	December 31, 2023
Annual interest rates (%)		
Pledged time deposits	2.55-4.80	3.45-3.85
Time deposits with original maturity over three months	0.67	0.54-0.55
Restricted bank deposits	0.66	0.53

Please refer to Note 27 for information on financial assets measured at amortized cost pledged.

8. Financial assets at fair value through other comprehensive income -non-current

Investment in equity instruments	December 31, 2024	December 31, 2023
Domestic listed stocks	$ 8,884	$ 11,457

The Company invests in the above-mentioned equity instruments for medium and long-term strategic purposes, and expects to make profits through long-term investments. Accordingly, the management elected to designate these investments as at financial assets at fair value through other comprehensive income as it believes that recognizing the short-term fluctuations of fair value in profit or loss would not be consistent with the Company's long-term investment strategy.

9. Notes receivable and accounts receivable - non-related parties, net

	December 31, 2024	December 31, 2023
Notes receivable		
At amortized cost		
Gross carrying amount	$ 776	$ 1,207
Less: Allowance for impairment loss	-	-
	$ 776	$ 1,207
Accounts receivable - non-related parties		
At amortized cost		
Gross carrying amount	$ 168,354	$ 143,025
Less: Allowance for impairment loss	(1,098)	(176)
	$ 167,256	$ 142,849

(1) Notes receivable

The Company individually reviews the recoverable amount of the notes receivable at the balance sheet date to ensure that an appropriate impairment loss has been recorded for the notes receivable that cannot be recovered. If a note receivable is not cashed out at maturity, it is deemed to be overdue and the full amount of impairment loss is recognized. The aging of notes receivable was as follows:

	December 31, 2024	December 31, 2023
Not past due	$ 776	$ 1,207
Overdue	-	-
	$ 776	$ 1,207

(2) Accounts receivable - non-related parties

The credit period for the Company's sales depends on the sales target, region and conditions. No interest is accrued on accounts receivable. In order to minimize credit risk, the management of the Company has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue receivables. In addition, the Company reviews the recoverable amounts of accounts receivable on a case-by-case basis at the balance sheet date to ensure that appropriate impairment losses have been recorded for uncollectible accounts receivable. In this regard, the management believes the Company's credit risk was significantly reduced.

The Company measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses. Expected lifetime credit losses are calculated using a provision matrix that considers the customer's past default record and the current financial status and economic conditions in the industry, as well as simultaneously considering GDP forecasts and industry outlook. As the Company's credit loss history shows that there is no significant difference in the loss patterns of different customer groups, the allowance matrix does not further divide the customer groups, and only sets the expected credit loss rate based on the number of days past due on accounts receivable.

If there is evidence that the counterparty is facing serious financial difficulties and the Company cannot reasonably expect to recover the amount, the Company will directly write off the relevant accounts receivable, but will continue to collect the receivables, and the amount recovered will be recognized in profit or loss.

The Company measures allowances for uncollectable accounts of accounts receivable in accordance with the provision matrix as follows:

	Not past due	Overdue 1 to 60 days	Overdue 61 to 120 days	Overdue 121 to 180 days	Overdue over 181 days	Total
December 31, 2024						
Expected credit loss rate (%)	0.02	0.12-5.12	14.06-18.91	22.55-27.08	100	
Gross carrying amount	$ 138,311	$ 28,618	$ 69	$ 662	$ 694	$ 168,354
Loss allowance (Lifetime ECLs)	(37)	(158)	(13)	(196)	(694)	(1,098)
Amortized cost	$ 138,274	$ 28,460	$ 56	$ 466	$ -	$ 167,256
December 31, 2023						
Expected credit loss rate (%)	0.04	0.19-9.97	16.33-28.82	31.42-31.65	100	
Gross carrying amount	$ 113,435	$ 29,486	$ 3	$ -	$ 101	$ 143,025
Loss allowance (Lifetime ECLs)	(27)	(47)	(1)	-	(101)	(176)
Amortized cost	$ 113,408	$ 29,439	$ 2	$ -	$ -	$ 142,849

The movements of the loss allowance of trade receivables were as follows:

	2024	2023
Beginning balance	$ 176	$ 2,053
Impairment loss recognized (reversed)	922	(1,017)
Amounts written off	-	(860)
Ending balance	$ 1,098	$ 176

10. Inventory

	December 31, 2024	December 31, 2023
Raw materials	$ 9,463	$ 11,306
Work in progress	24,663	11,155
Semi-finished products	3	-
Finished good	11,376	15,790
Inventory in transit	7,560	4,810
	$ 53,065	$ 43,061

The nature of the cost of goods sold related to inventories is as follows:

	2024	2023
Cost of inventory sold	$ 1,154,259	$ 1,361,083
Inventory valuation losses	2,832	1,040
Inventory loss on scrap	1,666	-
	$ 1,158,757	$ 1,362,123

11. Investments accounted for using the equity method

	December 31, 2024	December 31, 2023
Investments in subsidiaries	$ 1,139,334	$ 949,674
Investments in Associates	8,918	12,661
	1,148,252	962,335
Add: Credit balance of investments accounted for using the equity method	6,765	-
	$ 1,155,017	$ 962,335

The Company measures the above subsidiaries and associates using the equity method. Please refer to Tables 8 and 9 for information on their main business items and the countries of incorporation of the companies.

(1) Investments in subsidiaries

Subsidiary	December 31, 2024 Amount	December 31, 2024 Shareholding %	December 31, 2023 Amount	December 31, 2023 Shareholding %
Non-listed company				
WINBEST TECHNOLOGY LLC (WINBEST)	$ 618,131	100	$ 565,059	100
RAYSTAR OPTRONICS, INC. (RAYSTAR)	429,833	100	288,783	100
WINCAELUM GLOBAL (SAMOA) CO., LTD. (WINCAELUM)	89,286	100	87,379	100
FAIRLINK GROUP LIMITED (FAIRLINK)	($ 6,765)	100	$ 1,726	100
WINSTAR DISPLAY (WINSTAR USA)	8,514	90	5,901	90
Winstar Display GmbH (WINSTAR GER)	335	100	826	100
	1,139,334		949,674	
Add: Credit balance of investments accounted for using the equity method	6,765		-	
	$ 1,146,099		$ 949,674	

In order to expand the European market, the Company invested and established WINSTAR GER in August 2023 with an investment of NTD 837 thousand (Euro 25 thousand).

(2) Investments in Associates

Investments in Associates	December 31, 2023 Amount	December 31, 2023 Shareholding (%)	December 31, 2022 Amount	December 31, 2022 Shareholding (%)
Non-listed company				
Midas Components Ltd. (MIDAS)	$ 8,918	39	$ 12,661	30

In June 2024, MIDAS repurchased treasury shares, resulting in an increase in the Company's ownership percentage from 30% to 39%. This change in the equity of the investment led to an adjustment, reducing retained earnings by NTD 1,615 thousand.

12. Property, plant and equipment

	December 31, 2024	December 31, 2023
Self-use	$ 46,858	$ 9,587

2024	Leasehold improvements	Machinery Equipment	Office equipment	Other Equipment	Total
Cost					
Beginning balance	$ 9,542	$ 15,357	$ 25,793	$ 15,159	$ 65,851
Additions	132	8,045	10,892	3,103	22,172
Disposals	-	-	(3,845)	(580)	(4,425)
Reclassifications	15,873	4,897	834	-	21,604
Ending balance	$ 25,547	$ 28,299	$ 33,674	$ 17,682	$ 105,202
Accumulated depreciation					
Beginning balance	$ 9,281	$ 8,612	$ 23,236	$ 15,135	$ 56,264
Depreciation expenses	1,862	2,649	1,769	225	6,505
Disposals	-	-	(3,845)	(580)	(4,425)
Ending balance	$ 11,143	$ 11,261	$ 21,160	$ 14,780	$ 58,344
Closing net amount	$ 14,404	$ 17,038	$ 12,514	$ 2,902	$ 46,858

2023	Leasehold improvements	Machinery Equipment	Office equipment	Other Equipment	Total
Cost					
Beginning balance	$ 9,542	$ 11,409	$ 25,048	$ 16,764	$ 62,763
Additions	-	1,595	903	-	2,498
Disposals	-	(985)	(158)	(1,605)	(2,748)
Reclassifications	-	3,338	-	-	3,338
Ending balance	$ 9,542	$ 15,357	$ 25,793	$ 15,159	$ 65,851
Accumulated depreciation					
Beginning balance	$ 7,995	$ 7,515	$ 22,462	$ 16,534	$ 54,506
Depreciation expenses	1,286	2,082	931	206	4,505
Disposals	-	(985)	(157)	(1,605)	(2,747)
Ending balance	$ 9,281	$ 8,612	$ 23,236	$ 15,135	$ 56,264
Closing net amount	$ 261	$ 6,745	$ 2,557	$ 24	$ 9,587

There was no recognition or reverse any impairment losses of the Company's in 2024 and 2023.

The Company's property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Leasehold improvements	2~5 years
Machinery Equipment	5 years
Office equipment	5 years
Other Equipment	2~5 years

13. Lease arrangements

(1) Right-of-use assets

	December 31, 2024	December 31, 2023
Carrying Amount		
Buildings	$ 2,555	$ 5,427
Transportation Equipment	276	938
	$ 2,831	$ 6,365

	2024	2023
Additions to right-of-use assets	$ 3,334	$ 5,648
Depreciation expenses for right-of-use assets		
Buildings	$ 6,206	$ 5,460
Transportation Equipment	662	878
	$ 6,868	$ 6,338

Except for the above additions and depreciation expenses recognized, there was no material sublease or impairment of the Company's right-of-use assets in 2024 and 2023.

(2) Lease liabilities

	December 31, 2024	December 31, 2023
Carrying Amount		
Current	$ 1,558	$ 6,116
Non-current	$ 1,301	$ 294

The discount rate (%) of lease liabilities is as follows:

	December 31, 2024	December 31, 2023
Buildings	2.81-2.90	1.80-2.90
Transportation Equipment	2.81	2.81

(3) Important leasing activities and terms

The Company leases certain buildings for offices with lease terms of 1 to 3 years. Upon termination of the lease terms, the Company has no preferential rights to purchase the leased buildings. Furthermore, it agrees that the Company shall not sublease or transfer all or part of the lease subject matter without the consent of the lessor.

(4) Other lease information

	2024	2023
Expenses relating to short-term leases	$ 486	$ 596
Expenses relating to low-value asset leases	$ 72	$ 57
Total cash outflow for leases	$ 7,721	$ 7,225

The Company has elected to apply the recognition exemption for leases of buildings and office equipment that qualify as short-term leases and low-value asset leases, and does not recognize the related right-of-use assets and lease liabilities for these leases

14. Investment properties

2024	Beginning balance	Increase	Ending balance
Cost			
Land	$ 79,346	$ -	$ 79,346
Buildings	5,589	-	5,589
	84,935	$ -	84,935
Accumulated depreciation			
Buildings	1,676	$ 280	1,956
	$ 83,259		$ 82,979
2023			
Cost			
Land	$ 79,346	$ -	$ 79,346
Buildings	5,589	-	5,589
	84,935	$ -	84,935
Accumulated depreciation			
Buildings	1,397	$ 279	1,676
	$ 83,538		$ 83,259

Except for depreciation expenses recognized, there were no material additions, disposals, or impairments of the Company's investment properties in 2024 and 2023.

The Company's property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	20 years

In response to future operational expansion needs, the Company and a non-related party purchased land in Xiuya Section, Daya District, Taichung City in 2013. Since the acquired land was farmland, and due to legal restrictions the transfers could not be made under the name of the Company, the land was registered separately with the Company's Chairman Yu-Pin Liao and Director Yao-Wen Tsai and contracts have been signed with them; no rights may be transferred or established without the consent of the Company. The fair value of the investment property was not appraised by an independent appraiser but was determined by management of the Company reference to the most recent transaction prices of similar properties in the vicinity. The fair value of the investment property as of December 31, 2024 was determined to be NTD 122,123 thousand.

Please refer to Note 27 for the amount of investment property pledged as collateral for borrowings.

15. Borrowing Costs

(1) Short-term borrowings

	December 31, 2024	December 31, 2023
Secured borrowings	$ 283,000	$ 273,000
Annual interest rates (%)	2.22-2.64	2.09-2.77

The secured borrowings referred to above are secured by the Company's assets (see Note 27) and with senior management jointly and severally assuming liability.

(2) Long-term borrowings

	December 31, 2024	December 31, 2023
Secured borrowings	$ 21,528	$ 40,695
Less: Current portions	(14,861)	(19,167)
Long-term borrowings	$ 6,667	$ 21,528
Annual interest rates (%)	3.03-3.04	2.85-3.35
Maturity	114.7-115.8	113.1-115.8

The secured borrowings referred to above are secured by the Company's assets (see Note 27) and with senior management jointly and severally assuming liability.

The Company has entered into a credit agreement with Taipei Fubon Commercial Bank. According to the provisions of the credit agreement, the financial ratios that should be complied with in the annual consolidated financial statements during the credit period after drawdown are as follows:

1. Debt ratio (Total Liabilities/Total Equity) shall not be higher than 220%;
2. Debt service coverage ratio (EBITDA/Interest Expense) shall not be less than 5 times.

All financial ratio items of the Group are in compliance with the contractual requirements.

16. Other payables

	December 31, 2024	December 31, 2023
Salaries payable	$ 31,622	$ 36,203
Payables to related parties (Note 26)	4,444	5,979
Employee remuneration and director remuneration payable	3,400	9,186
Others	18,825	13,880
	$ 58,291	$ 65,248

17. Retirement benefit plans

(1) Defined contribution plan

The Company adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

(2) Defined benefit plan

The defined benefit plans adopted by the Company in accordance with the Labor Standards Act is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Company contribute amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Company has no right to influence the investment policy and strategy.

The amounts included in the balance sheets in respect of the Company's defined benefit plans were as follows:

	December 31, 2024	December 31, 2023
Present value of defined benefit obligation	$ 19,994	$ 21,278
Fair value of plan assets	(10,874)	(10,023)

	December 31, 2024	December 31, 2023
Net defined benefit liabilities	$ 9,120	$ 11,255

Movements in net defined benefit liabilities were as follows:

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liabilities
January 1, 2023	$ 23,339	($ 9,301)	$ 14,038
Interest expense (income)	350	(144)	206
Recognized in profit or loss	350	(144)	206
Remeasurement			
Return on plan assets (net of amount included in net interests)	-	(55)	(55)
Actuarial loss (gain)			
- changes in financial assumption	20	-	20
- experience adjustments	(2,431)	-	(2,431)
Recognized in other comprehensive income	(2,411)	(55)	(2,466)
Contributions from employer	-	(523)	(523)
December 31, 2023	21,278	(10,023)	11,255
Interest expense (income)	266	(129)	137
Recognized in profit or loss	266	(129)	137
Remeasurement			
Return on plan assets (net of amount included in net interests)	-	(865)	(865)
Actuarial loss (gain)			
- changes in financial assumption	(511)	-	(511)
- experience adjustments	($ 375)	$ -	($ 375)
Recognized in other comprehensive income	(886)	(865)	(1,751)
Contributions from employer	-	(521)	(521)
Benefits paid	(664)	664	-
December 31, 2024	$ 19,994	($ 10,874)	$ 9,120

Through the defined benefit plans under the Labor Standards Law, the Company is exposed to the following risks:

1. Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.
2. Interest rate risk: A decrease in government bond and corporate bond interest rates would increase the present value of defined benefit obligations, while the return on debt investments of plan assets would

also increase accordingly and the impact of these two factors on net defined benefit liabilities would have a partial offsetting effect.

3. Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions on the valuation date were as follows:

	December 31, 2024	December 31, 2023
Discount rate	1.50%	1.25%
Expected growth rate of salary	3.25%	3.25%

If possible reasonable change in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation will increase (decrease) as follows:

	December 31, 2024	December 31, 2023
Discount rate		
0.25% increase	($ 495)	($ 527)
0.25% decrease	$ 511	$ 546
Expected growth rate of salary		
0.25% increase	$ 494	$ 524
0.25% decrease	($ 481)	($ 509)

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31, 2024	December 31, 2023
The expected contributions to the plan for the next year	$ 523	$ 540
The average duration of the defined benefit obligation	10.1 年	10 年

18. Equity

(1) Ordinary shares

	December 31, 2024	December 31, 2023
Number of shares authorized (in thousands)	80,000	80,000

	December 31, 2024	December 31, 2023
Shares authorized	$ 800,000	$ 800,000
Number of shares issued and fully paid (in thousands)	67,500	67,500
Shares issued	$ 675,000	$ 675,000

In May 2023, the Company's General Meeting of Shareholders resolved to distribute 7,500 thousand shares as stock dividends. By resolution of the Board of Directors, July 7, 2023 was designated as the ex-rights record date, and effective registration was approved by the Securities and Futures Bureau of the Financial Supervisory Commission in June 2023.

In September 2023, the Company's Board of Directors decided to undertake a cash capital increase by issuing 7,500 thousand new shares with par value of NTD 10 per share before the initial listing of the stock. Effective registration was approved by the Taiwan Stock Exchange as of October 2023, with December 1, 2023 set as the record date for capital increase. The aforementioned cash capital increase was issued at a premium at NTD 26.84 per share through a weighted average price at competitive auction, and the offering price through public subscription was NTD 24 per share. The full share payment was collected in December 2023 and the amount after deducting relevant underwriting expenses was NTD 192,327 thousand.

In response to the aforementioned cash capital increases in 2023, the Company reserves 10% of the total amount of new shares issued for subscription by employees in accordance with provisions of the Company Act. Grant recipients include employees of the Company and of subsidiaries who meet specific conditions, who can exercise the shares in accordance with the regulations governing the subscription of shares. On the dates when the numbers of shares subscribed by employees and the prices were determined, 636 thousand shares (grant date of November 21, 2023) were granted. For employees giving up their portions of share subscriptions, the Company’s Chairman was authorized to contact designated individuals for subscription. Based on the Black-Scholes valuation model, the fair value of each stock option was NTD 4.54. In 2023, the employee remuneration costs were recognized at NTD 2,889 thousand.

Parameters used in the valuation model are as follows:

	November, 2023
Fair value per share on the grant date	NT$28.54
Exercise price	NT$24
Expected volatility	27.30%
Projected time to maturity	7 days
Risk-free rate	0.94%

Projected volatility is the average annualized standard deviation of the Company's daily rate of return for the most recent six months prior to the payment due to its peers.

(2) Capital surplus

	December 31, 2024	December 31, 2023
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital(Note 1)		
Stock premium for common shares	$ 152,938	$ 32,722
Arising from the difference between consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	22,112	22,112
Arising from treasury share transactions	11,244	11,244
May only be used to offset a deficit		
Gain on the exercise of the disgorgement	1	-
	$ 186,295	$ 186,294

Note 1: Such capital reserves can be used to make up for losses, and can also be used for issuance of cash dividends or transfers of share capital when the Company has no losses. However, transfers of share capital are limited to a certain percentage of paid-in share capital each year.

(3) Retained earnings and dividend policy

In accordance with the dividend policy stipulated by the Company's Articles of Incorporation, if there is a surplus in the annual final accounts, taxes should first be paid and accumulated losses covered. Thereupon, another 10% should be set aside as legal reserve. However, this does not apply when legal has reached the amount of paid-in capital. The remainder shall be set aside or reversed as special reserve in accordance with laws and regulations. If there is any remaining balance, then it shall be combined with cumulative Unappropriated earnings and an earnings distribution proposal drafted by the Board of Directors for submission to the shareholders’ meeting for resolution on the distribution of shareholder dividends.

The Company's dividend policy adopts the principle of stability and balance, and takes into account factors such as profitability, financial structure, and future development. The Company appropriates 10% to 90% of the distributable earnings of the current year as dividends, of which cash dividends shall not be less than 10% of the total dividend. If the dividend per share is less than NTD 0.1, the Board of Directors may propose to withhold the distribution, and the resolution will be submitted to the shareholders' meeting.

The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company’s paid-in capital, the excess may be transferred to capital or distributed in cash.

Items referred to under Rule No. 1090150022 issued by the FSC and the directive titled “Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs” should be appropriated to or reversed from a special reserve by the Company.

The appropriations of earnings for 2023 and 2022 were approved in the shareholders’ meetings in May 2024 and May 2023, respectively, were as follows:

	2023	2021
Legal reserve	$ 8,278	$ 29,286
Special reserve	11,785	918
Cash dividends	70,875	56,250
Stock dividends	-	75,000
Cash dividends per share (NT$)	1.05	1.071428
Stock dividends per share (NTD)	-	1.428571

The appropriation of earnings for 2024, which were proposed by the Company’s board of directors in March 2025, were as follows:

	2024
Legal reserve	$ 3,311
Special reserve	(12,703)
Cash dividends	18,900
Cash dividends per share (NT$)	0.28

The appropriation of earnings for 2024 are subject to the resolution of the shareholders in their meeting to be held in June 2025.

(4) Special reserve

When the Company initially adopted IFRS accounting standards, the amount of NTD 3,526 thousand transferred from accumulated translation adjustments to retained earnings was set aside as a special reserve of the same amount. When the relevant assets are subsequently used, disposed of, or reclassified, the assigned surplus must be reversed in proportion to the original provision for special reserve.

19. Revenue

	2024	2023
Revenue from contracts with customers		
Revenue from sale of goods	$ 1,437,581	$ 1,644,918

	December 31, 2024	December 31, 2023	January 1, 2023
Contract balance			
Notes and accounts receivable (Note 9)	$ 233,220	$ 177,518	$ 247,397
Contract liabilities			
Sales of goods	$ 21,539	$ 30,742	$ 36,314

The change in contract liabilities mainly comes from the difference between the time when performance obligations are met and the time when customers make payment. The recognized revenue amounts from contract liabilities at the beginning of the year in 2024 and 2023 were NTD 24,355 thousand and NTD 31,886 thousand, respectively.

Please refer to Statement 10 for the breakdown of revenue.

20. Comprehensive income for the year

(1) Employee benefits, depreciation, and amortization expenses

Nature	Recognized in operating costs	Recognized in operating expenses	Total
2024			
Employee benefit expenses			
Salaries	$ 27,020	$ 156,716	$ 183,736
Labor and health insurance expenses	2,800	16,552	19,352
Post-employment benefits			
Defined contribution plan	405	8,200	8,605
Defined benefit plan	-	137	137
Directors' remuneration	-	3,006	3,006
Others employee benefits	2,142	10,015	12,157
Depreciation expenses	4,241	9,412	13,653
Amortization expenses	-	2,079	2,079
2023			
Employee benefit expenses			
Salaries	15,101	$ 148,811	$ 163,912
Labor and health insurance expenses	1,791	14,528	16,319
Post-employment benefits			
Defined contribution plan	383	6,894	7,277
Defined benefit plan	-	206	206
Directors' remuneration	-	6,592	6,592
Share-based Payment			
Equity delivery	-	2,249	2,249
Others employee benefits	1,005	8,186	9,191
Depreciation expenses	4,242	6,880	11,122
Amortization expenses	52	722	774

The Company's average number of employees was 269 and 223 in 2024 and 2023, respectively. In both years, the number of directors not concurrently serving as employees was 5. The calculation basis is consistent with employee benefit expense. In 2024 and 2023, the average employee benefit expense was NTD 848 thousand and NTD 914 thousand, and the average employee salary expense was NTD 696 thousand and NTD 752 thousand, respectively. The adjusted change in average employee salary expense decreased by 7%.

The Company has established an Audit Committee to replace the functions and powers of supervisors.

The remuneration policy of the Company's directors and managers is mainly based on their participation in the Company's operations and the value of their contributions, and they are paid with reference to industry standards. Remuneration policies, structures, and standards have been reviewed and approved by the Remuneration Committee.

Including salaries, bonuses, and employee remuneration, the Company's employee remuneration is handled in accordance with salary management procedures and related assessment work management procedures. This is done in accordance with the attributes of the department and the nature of the work, and refers to labor market salary trends, while evaluating the achievement status participation in the Company’s operations and the value of contribution and performance to provide reasonable remuneration.

(2) Employees’ remuneration and directors’ remuneration

In accordance with the Articles of Incorporation, the Company allocates no less than 1% and no more than 5% of the profits before tax of the current year as the remuneration of employees and the remuneration of directors, respectively. For estimated employee remuneration and director remuneration for 2024 and 2023, the Board of Directors’ resolutions in March 2025 and March 2024 were as follows:

	2024		2023	
Cash	Estimated proportions	Amount	Estimated proportions	Amount
Employees’ remuneration	4.93%	$ 1,900	3.33%	$ 4,186
Directors’ remuneration	3.89%	1,500	3.98%	5,000

If there are any further changes in the amounts after the publication of the annual parent company only financial statements, then they will be treated as changes in accounting estimates and adjusted and recorded in the following year.

There was no difference between the actual amounts of employees’ remuneration and directors’ remuneration paid and the amounts recognized in the financial statements for the years ended December 31, 2023 and 2022.

Information on the employees’ remuneration and directors’ remuneration resolved by the Company’s board of directors’ meeting is available at the Market Observation Post System website of the Taiwan Stock Exchange.

(3) Finance costs

	2024	2023
Interest on bank loans	$ 7,093	$ 7,388
Interest on lease liabilities	139	107
	$ 7,232	$ 7,495

(4) Foreign exchange gain or loss

	2024	2023
Gross gains on foreign exchange	$ 42,117	$ 6,186
Gross losses on foreign exchange	(27,852)	(6,236)
Net gain (loss)	$ 14,265	($ 50)

21. Taxation

(1) Major components of income tax recognized in profit or loss are as follows: :

	2024	2023
Current income tax		
In respect of the current year	$ 3,293	$ 7,433
Income tax on unappropriated earnings	-	6,258
Adjustment for prior year	(1,920)	1,755
	1,373	15,446
Deferred tax		
In respect of the current year	2,052	20,664
Adjustment for prior year	-	(420)
	2,052	20,244
Income tax recognized in profit or loss	$ 3,425	$ 35,690

A reconciliation of accounting profit and income tax recognized in profit or loss is as follows:

	2024	2023
Income tax expense calculated at the statutory rate	$ 7,027	$ 23,300
Nondeductible expenses in determining taxable income	647	4,808
Tax-exempt income	(14)	(11)
Income tax on unappropriated earnings	-	6,258
Investment credits used in the current year	(2,315)	-
Adjustment for current income tax from prior years	(1,920)	1,335
Income tax recognized in profit or loss	$ 3,425	$ 35,690

(2) Changes in deferred tax assets and liabilities

2024	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance
Deferred tax assets				
Temporary differences				
Investments accounted for using the equity method	$ 31,725	$ 3,743	$ -	$ 35,468
Defined benefit plan	2,251	(77)	(350)	1,824
Inventory valuation losses	1,871	566	-	2,437
Others	3,316	(2,185)	-	1,131
	$ 39,163	$ 2,047	($ 350)	$ 40,860
Deferred tax liabilities				
Temporary differences				
Investments accounted for using the equity method	$ 62,350	$ 5,865	$ -	$ 68,215
Others	-	(1,766)	5,852	4,086
	$ 62,350	$ 4,099	$ 5,852	$ 72,301

2023	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance
Deferred tax assets				
Temporary differences				
Investments accounted for using the equity method	$ 22,171	$ 9,554	$ -	$ 31,725
Defined benefit plan	2,807	(63)	(493)	2,251
Inventory valuation losses	2,021	(150)	-	1,871
Others	657	(602)	3,261	3,316
	$ 27,656	$ 8,739	$ 2,768	$ 39,163
Deferred tax liabilities				
Temporary differences				
Investments accounted for using the equity method	$ 31,944	$ 30,406	$ -	$ 62,350
Others	1,423	(1,423)	-	-
	$ 33,367	$ 28,983	$ -	$ 62,350

(3) Income tax assessments

Income tax returns through 2022 of the Company have been assessed by the tax authorities.

22. Earnings per share

	Net profit	Number of shares (in thousand shares)	Earnings per share (NTD)
2024			
Basic earnings per share			
Net profit attributable to common shareholders	$ 31,709	67,500	$ 0.47
Effect of potentially dilutive ordinary shares			
Employees' remuneration	-	108	
Diluted earnings per share			
Net profit attributable to common shareholders plus the effect of potential common shares	$ 31,709	67,608	$ 0.47
2023			
Basic earnings per share			
Net profit attributable to common shareholders	$ 80,809	60,616	$ 1.33
Effect of potentially dilutive ordinary shares			
Employees' remuneration	-	199	
Diluted earnings per share			
Net profit attributable to common shareholders plus the effect of potential common shares	$ 80,809	60,815	$ 1.33

Since the Company offered to settle compensation or bonuses paid to employees in cash or shares, the Company assumed the entire amount of the compensation or bonus will be settled in shares and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

23. Cash flow information

(1) Non-cash transactions

In addition to disclosures made in other notes, the Company conducted the following non-cash investment and financing activities in 2024 and 2023:

Cash paid by the Company for the purchase of property, plant and equipment in 2024 and 2023, respectively, was as follows:

	2024	2023
Increase in property, plant and equipment	$ 22,172	$ 2,498
Net change in equipment payable	(1,571)	662
Amount of cash paid	$ 20,601	$ 3,160

(2) Changes in liabilities from financing activities

2024	Beginning balance	Cash flows from	Non-cash changes		Ending balance
			New leases	Finance costs	
Short-term borrowings	$ 273,000	$ 10,000	$ -	$ -	$ 283,000
Long-term borrowings	40,695	(19,167)	-	-	21,528
Lease liabilities	6,410	(7,024)	3,334	139	2,859
	$ 320,105	($ 16,191)	$ 3,334	$ 139	$ 307,387
2023					
Short-term borrowings	$ 258,000	$ 15,000	$ -	$ -	$ 273,000
Long-term borrowings	62,137	(21,442)	-	-	40,695
Lease liabilities	7,120	(6,465)	5,648	107	6,410
	$ 327,257	($ 12,907)	$ 5,648	$ 107	$ 320,105

24. Capital management

The Company manages its capital to ensure its ability to continue as going concerns while maximizing the return to shareholders through the optimization of the debt and equity balance.

The capital structure of the Company consists of the net debt (i.e., borrowings less cash and cash equivalents) and equity (i.e., ordinary share capital, capital reserves, retained earnings, and total other equity interest) of the Company.

The senior management of the Company regularly reviews the capital structure of the Group, including consideration of the cost of each type of capital and the associated risk. Based on recommendations of the key management, the Company may balance its overall capital structure by the means of dividend payment, issuance of new shares, shares buyback, issuance of new debts or repayment of existing debts.

25. Financial instruments

(1) Information on fair value

1. Financial instruments measured at fair value - Financial instruments

measured at fair value on a recurring basis

Fair value hierarchy

The following table provides an analysis of the financial instruments measured at fair value after initial recognition. The measurement is based on the extent to which the fair value is observable, and is divided into Levels 1 to 3.

Fair value hierarchy	Level 1	Level 2	Level 3	Total
December 31, 2024				
Financial assets at fair value through other comprehensive income				
Domestic listed stocks	$ 8,884	$ -	$ -	$ 8,884
December 31, 2023				
Financial assets at fair value through other comprehensive income				
Domestic listed stocks	$ 11,457	$ -	$ -	$ 11,457

The Company made no transfers between Level 1 and Level 2 measurements at fair value in 2024 and 2023.

2. Financial instruments not measured at fair value

The fair value of financial assets and financial liabilities is determined by the following means:

(1) For total investment in financial instruments such as cash and cash equivalents, financial assets measured at amortized cost, notes receivable and payable, other receivables, refundable deposits, short-term borrowings, other payables, and refundable deposits where date of expiration or future payment price is similar to the carrying amount, the carrying amount on the parent company only balance sheet date is used to estimate the fair value.

(2) The fair value of long-term borrowings (including maturities within one year) is estimated based on the discounted value of their future cash flows. The Company's long-term borrowings are mainly at floating interest rates, and the carrying value constitutes the fair value.

(2) Categories of financial instruments

	December 31, 2024	December 31, 2023
Financial asset		
At amortized cost (Note 1)	$ 484,690	$ 723,197
Financial assets at fair value through other comprehensive income	8,884	11,457
Financial liability		
At amortized cost (Note 2)	637,301	614,411

Note 1: Balances include financial assets measured at cost after amortization, including cash and cash equivalents, notes receivable and accounts receivable, other receivables, financial assets measured at cost after amortization, and refundable deposits.

Note 2: Balances constitute measured at amortized cost including short-term borrowings, notes payable, trade payable, other payables, and long-term borrowings.

(3) Financial risk management objectives and policies

The Company's primary financial instruments include cash and cash equivalents, equity investments, accounts receivable, trade payable, borrowings, and lease liabilities. The Financial Management Department of the Company provides services for each business unit, engages in overall planning and coordination of entry into financial market operations, and monitors and manages financial risks related to the operations of the Company by analyzing internal risk reports according to the degree and breadth of the risk. Such risks include market risk, credit risk, and liquidity risk.

1. Market risk

The main financial risks borne by the Company due to its operating activities are the risk from foreign currency exchange rate change and interest rate change risk.

The Company's exposure to market risks of financial instruments and the management and measurement of such exposures have not changed.

(1) Foreign currency risk

The Company engages in sales and purchase transactions denominated in foreign currencies, resulting in exchange rate risk.

For carrying amounts of the Company’s monetary assets and monetary liabilities denominated in non-functional currencies on the balance sheet date, please refer to Note 29.

Sensitivity analysis

The Company is mainly exposed to the risk of exchange rate fluctuation of the US Dollar.

The following table shows a sensitivity analysis of the Company when the exchange rate of the NTD changes by 1% against each relevant foreign currency. 1% is the sensitivity ratio used by the Company to report exchange rate risk to the senior management, and also represents the management's assessment of the reasonable possible range of changes in foreign currency exchange rate. The sensitivity analysis includes only the outstanding monetary items in foreign currencies, and the translation at the end of the year is adjusted based on a 1% change in exchange rates. The positive numbers in the table below represent the amounts that would reduce net profit before tax when the before tax will be a negative number of the same amount. The impact of exchange rate changes on profit and loss is as follows:

Currency type	2024	2023
USD	$ 1,416	$ 1,222

Management believes that the sensitivity analysis cannot represent the inherent risk of exchange rates, as the exposure to the foreign currency risk at the balance sheet date cannot reflect the risk exposure during the year. The Company's increased sensitivity to exchange rate fluctuations this year was primarily due to a rise in accounts receivable denominated in US dollars.

(2) Interest rate risk

The Company's interest rate risk mainly arises from fixed and floating interest rate bank deposits, cash equivalents, financial assets measured at cost after amortization, bank loans, and lease liabilities, which generate interest rate exposure.

The carrying amounts of the Company’s financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	December 31, 2024	December 31, 2023
Fair value interest rate risk		
Financial asset	$ 47,470	$ 134,698
Financial liability	2,859	6,410
Cash flow interest rate risk		
Financial asset	195,522	398,547
Financial liability	304,528	313,695

Sensitivity analysis

The following sensitivity analysis is based on the interest rate risk exposure of the non-derivative instruments at the balance sheet date. The rate of change used in the Company's internal reporting of interest rates to senior management is 25 basis points, which also represents management's assessment of the reasonably possible range of interest rates.

If interest rates had changed, and all other variables remained unchanged, the Company's net profit before tax for 2024 and 2023 would have changed by NTD (273) thousand and NTD 212 thousand, respectively. The Company's interest rate sensitivity increased this year, primarily due to a decrease in bank deposits with floating interest rates.

2. Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. As of the balance sheet date, the maximum credit risk exposures of the Company that may cause financial losses due to the performance failure of the counterparty and the financial guarantee provided by the Company are mainly derived from the book value of financial assets recognized in the balance sheet.

The Company uses other publicly available financial information and mutual transaction records to rate major customers, continuously monitors credit risk exposure and the credit ratings of counterparties, and distributes the total transaction amount among customers with qualified credit ratings. Credit risk is controlled through the counterparty's credit limits that are reviewed and approved by the management each year.

3. Liquidity risk

The Company has established an appropriate liquidity risk management framework in order to respond to the needs for funding and liquidity management in the short, medium and long term. The Company manages liquidity risk by maintaining sufficient bank financing facilities, continuously monitoring expected and actual cash flows, and matching the maturities of financial assets and liabilities. As of December 31, 2024 and 2023, the unused bank facilities of the Company totaled NTD 220,000 thousand and NTD 210,000 thousand, respectively.

The following liquidity and interest rate risk tables illustrate the remaining contractual maturities of the Company's non-derivative financial liabilities with agreed repayment periods. The tables are based on the earliest possible dates on which the Company may be required to repay and are prepared based on the undiscounted cash flows of financial liabilities, which includes cash flows of interest and principal.

Non derivative financial liabilities	Within 3 months	3 months~1 year	1~5 years
December 31, 2024			
Non-interest bearing liabilities	$ 332,773	$ -	$ -
Floating rate instruments	4,583	293,278	6,667
Lease liabilities	512	1,102	1,318
	$ 337,868	$ 294,709	$ 7,985
December 31, 2023			
Non-interest bearing liabilities	$ 300,716	$ -	$ -
Floating rate instruments	45,417	246,750	21,528
Lease liabilities	1,549	4,648	296
	$ 347,682	$ 251,398	$ 21,824

26. Transactions with related parties

In addition to those disclosed in other Notes, the transactions between the Company and related parties are as follows:

(1) Related parties and relationship

Related parties	Relationship with the Company
RAYSTAR	Subsidiary
Winstar Display (Changshu) Co., Ltd. (WINSTAR CHANGSHU)	Subsidiary
KENSTAR DISPLAY COMPANY LIMITED (KENSTAR)	Subsidiary
WINCAELUM	Subsidiary
WINSTAR USA	Subsidiary
Yu-Pin Liao	Senior management (Chairman)
Yao-Wen Tsai	Senior management (directors)
I-Feng Liao	Other related parties (first-degree relatives of the Chairman)

(2) Operating revenue

Related parties category/name	2024	2023
Subsidiary		
WINSTAR USA	$ 17,777	$ 4,355
RAYSTAR	12,792	21,884
WINSTAR CHANGSHU	11,350	19,490
	$ 41,919	$ 45,729

The Company's sale of finished goods to subsidiaries and the purchase of raw materials on behalf of the Company are determined based on internal transfer pricing policies, and the payment collection period is between 30 to 90 days after monthly settlement. The Company has no transactions with non-related parties to purchase raw materials on behalf of others. Amounts purchased on behalf of the Company are offset by the relevant sales revenues and costs and presented as a net amount. The offsetting amounts are as follows:

Related parties category/name		2024		2023
Subsidiary				
WINSTAR CHANGSHU	$	203,291	$	196,977
RAYSTAR		-		7,063
	$	203,291	$	204,040

(3) Purchases

Related parties category/name		2024		2023
Subsidiary				
WINSTAR CHANGSHU	$	1,016,688	$	1,283,631
RAYSTAR		58,065		24,575
	$	1,074,753	$	1,308,206

The Company's purchases from subsidiaries through triangular trade are determined based on product differentiation, market conditions, and internal transfer pricing policies. There are no similar transactions with non-related parties. The purchase prices of other related parties are determined based on market conditions on an individual basis. The payment terms are not materially different from those of non-related parties.

(4) Trade receivables

Related parties category/name		December 31, 2024		December 31, 2023
Subsidiary				
WINSTAR CHANGSHU	$	55,516	$	29,778
WINSTAR USA		9,247		111
RAYSTAR		425		3,573
	$	65,188	$	33,462

There is no guarantee or allowance for uncollectable accounts on outstanding accounts receivable.

(5) Trade payables

Related parties category/name		December 31, 2024		December 31, 2023
Subsidiary				
WINSTAR CHANGSHU	$	218,212	$	183,705
RAYSTAR		3,782		6,263
	$	221,994	$	189,968

There is no guarantee on the balance of trade payable outstanding.

(6) Other receivables

Related parties category/name	December 31, 2024	December 31, 2023
Subsidiary		
WINSTAR USA	$ 1,578	$ 3,683
RAYSTAR	818	1,345
	$ 2,396	$ 5,028

Receivables include processing and brand marketing revenues.

(7) Other payables

Related parties category/name	December 31, 2024	December 31, 2023
Subsidiary		
RAYSTAR	$ 4,444	$ 5,979

This refers to payment for management, water, and electricity related expenses.

(8) Other current liabilities

Related parties category/name	December 31, 2024	December 31, 2023
Subsidiary		
KENSTAR	$ 4,490	$ 4,281

This is a temporary payment collection item.

(9) Manufacturing overhead

Related parties category/name	2024	2023
Subsidiary		
RAYSTAR	$ 13,207	$ 9,553

This constitutes payment of processing expenses.

(10) Administrative expenses - other expenses

Related parties category/name	2024	2023
Subsidiary		
RAYSTAR	$ 4,897	$ 5,061

This refers to payment for management, water, and electricity related expenses.

(11) Other income

Related parties category/name	2024	2023
Subsidiary		
WINSTAR USA	$ 1,240	$ 2,603

This represents revenue collected from brand marketing.

(12) Lease agreements

Related parties category/name	2024	2023
Acquisition of right-of-use assets		
Other related parties		
I-Feng Liao	$ -	$ 149

Financial Statement Account	Related parties category/name	December 31, 2024	December 31, 2023
Lease liabilities	Other related parties		
	I-Feng Liao	$ 12	$ 83

Related parties category/name	2024	2023
Finance costs		
Other related parties		
I-Feng Liao	$ 1	$ 3

This is primarily for warehouse rental. The rent is negotiated by both parties with reference to the neighboring market prices and the leased area.

(13) Acquisition of endorsements/guarantees

Related parties	December 31, 2024	December 31, 2023
Yu-Pin Liao and Yao-Wen Tsai		
Guaranteed amounts	$ 134,861	$ 204,028
Actual Amount Borrowed	$ 74,861	$ 84,028
Yu-Pin Liao		
Guaranteed amounts	$ 389,667	$ 319,667
Actual Amount Borrowed	$ 229,667	$ 229,667

The Company's borrowings are jointly and severally guaranteed by the above-mentioned senior management personnel.

(14) Remuneration of senior management

	2024	2023
Short-term employee benefits	$ 18,085	$ 31,241
Post-employment benefits	519	778
Share-based Payment	-	99
	$ 18,604	$ 32,118

The remuneration to directors and other senior management is determined based on individual performance and market trends.

27. Assets pledged as collateral or for security

The following assets have been provided as collateral for the Company's borrowings and endorsements/guarantees for subsidiaries:

	December 31, 2024	December 31, 2023
Investment property	$ 82,979	$ 83,259
Financial assets at amortized cost	63,977	54,643
	$ 146,956	$ 137,902

28. Significant contingent liabilities and unrecognized commitments

The Company's unrecognized commitments are as follows:

	December 31, 2024	December 31, 2023
Acquisition of property, plant and equipment, and software service contracts	$ 40,978	$ 424

29. Significant assets and liabilities denominated in foreign currencies

The following information was aggregated by the foreign currencies other than functional currencies of the Company and the exchange rates between foreign currencies and respective functional currencies were disclosed. The significant assets and liabilities denominated in foreign currencies were as follows:

	December 31, 2024		
Financial assets	Foreign currency	Exchange rate	NTD
Monetary items			
USD	$ 11,208	32.72 (USD:NTD)	$ 366,726
Non-monetary items			
Subsidiaries accounted for using equity method			
USD	21,881	32.72 (USD:NTD)	715,931
Financial liabilities			
Monetary items			
USD	6,879	32.72 (USD:NTD)	225,081
Non-monetary items			
Credit balance of subsidiaries accounted for using equity method			
USD	207	32.72 (USD:NTD)	6,765

	December 31, 2023		
Financial assets	Foreign currency	Exchange rate	NTD
Monetary items			
USD	$ 10,135	30.66 (USD:NTD)	$ 310,739
Non-monetary items			
Subsidiaries accounted for using equity method			
USD	21,529	30.66 (USD:NTD)	660,065
Financial liabilities			
Monetary items			
USD	6,150	30.66 (USD:NTD)	188,559

Material foreign currency exchange gains and losses (realized and unrealized) are as follows:

Foreign currency	2024 Exchange rate	2024 Net exchange gain	2023 Exchange rate	2023 Net exchange loss
USD	32.05 (USD:NTD)	$ 14,265	31.10 (USD:NTD)	($ 50)

30. Separately disclosed items

(1) Information about significant transactions

1. Financing provided to others: Table 1.
2. Endorsements/guarantees provided: Table 2.
3. Marketable securities held at the end of the year (excluding investments in subsidiaries and associates): Table 3.
4. Marketable securities acquired or disposed of at costs or prices at least NT$300 million or 20% of the paid-in capital: Table 4.
5. Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital: Table 5.
6. Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital: None.
7. Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 6.
8. Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 7.
9. Trading in derivative instruments: None.

(2) Information on investees: Note 8.

(3) Information on investments in mainland China

1. Name of mainland China investee company, major operating items, paid-in capital amount, investment method, capital remittance in and out, shareholding ratio, profit or loss for the current year and recognized investment gains or losses, investment book amount at year end, repatriated investment gains and losses, and investment limit in mainland China: Table 9.
2. Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:

(1) Amounts and percentages of purchases and the balance and percentages of relevant payables at the end of the year: Table 6.

(2) Amounts and percentages of sales and the balance and percentages of relevant receivables at the end of the year: Table 6.

(3) The amount of property transactions and the amount of the resultant gains or losses: None.

(4) Ending balance of note endorsement/guarantee or provision of collateral and its purpose: Table 2

(5) Maximum balance, ending balance, interest rate range, and total interest of the current year for capital financing: Table 1.

(6) Other transactions having material impact on current year profit or loss or financial status, such as the provision or receipt of labor services, etc.: None.

(4) Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder: Table 10.

Winstar Display Co., Ltd. and Subsidiaries

Financing provided to others

For the year ended December 31, 2024

Table 1

Units: NTD and foreign currency, in thousands

Serial No.	Lending company	Borrower	Associated items	Whether a related party	Highest balance in the current year	Ending balance	Actual Amount Borrowed	Range of interest rates	Nature of loan	Business transaction amount	Reasons for short term financing	Amount of provision for losses	Collateral		Limit of loans to individual borrowers	Total loan limit
													Item	Value		
1	WINSTAR CHANGSHU	VANSTAR TECHNOLOGY CO., LTD. (VANSTAR)	Other payables - related parties	Yes	$ 18,064 (CNY 4,000)	$ 17,828 (CNY 4,000)	$ 5,794	3.8%	Necessity of short-term financing	$ -	Operating turnover	$ -	—	$ -	$ 126,964 (Note 1)	$ 247,824 (Note 2)

Note 1: The total amount of loans to a single company shall not exceed 40% of the net worth of the borrower in its latest financial statements, and shall be limited to the amount of paid-in capital.

Note 2: The amount shall not exceed 40% of the net worth of the borrower in its latest financial statements.

Winstar Display Co., Ltd. and Subsidiaries

Endorsements/guarantees provided

For the year ended December 31, 2024

Table 2

Units: NTD and foreign currency, in thousands

Serial No.	Endorser/ Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party	The maximum balance of endorsements/ guarantees in the current year	Balance of endorsements/ guarantees at the end of the year	Actual Amount Borrowed	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 3)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on behalf of Companies in Mainland China
		Company Name	Relationship										
0	The Company	RAYSTAR	(Note 1)	(Note 2)	$ 478,495	$ 478,495	$ 117,495	$ -	42	$ 1,144,363	Y	—	—
		WINSTAR CHANGSHU	(Note 1)	(Note 2)	195,339 (CNY 44,700)	106,968 (CNY 24,000)	27,363	-	2	1,144,363	Y	—	Y
		VANSTAR	(Note 1)	(Note 2)	22,580 (CNY 5,000)	22,285 (CNY 5,000)	6,632	-	9	1,144,363	Y	—	Y

Note 1: Please refer to Note 11.

Note 2: The cumulative amount of endorsements made by the Company and its subsidiaries for a single enterprise shall not exceed 10% of the Company's net worth, except when the counterparty of the endorsement or guarantee is a company directly or indirectly held by the Company with 100% of voting rights.

Note 3: The Company and its subsidiaries as a whole may make endorsements/guarantees for the total amount up to the net amount stated in the Company's most recent financial statements.

Winstar Display Co., Ltd. and Subsidiaries

Marketable securities held at the end of the year

December 31, 2024

Table 3

Unit: NTD in thousands

Name of holding company	Type and name of marketable securities	Relationship with the holding company	Financial Statement Account	Year-end			
				Shares	Carrying amount	Percentage of ownership (%)	Fair value
The Company	Stock						
	Tradetool Auto Co., Ltd.	—	Financial assets at fair value through other comprehensive income -non-current	445,638	$ 7,286	-	$ 7,286
	Orange Electronic Co., Ltd.	—	Financial assets at fair value through other comprehensive income -non-current	55,089	1,598	-	1,598

Winstar Display Co., Ltd. and Subsidiaries

Marketable Securities Acquired or Disposed of at Costs or Prices of at Least NT$ 300 Million or 20% of the Paid-in Capital

For the Year Ended December 31, 2024

Table 4

Units: NTD and shares, in thousands

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Number of Shares	Amount (Note 1)	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Number of Shares	Amount (Note 1)
The Company	Stocks													
	RAYSTAR	Investments accounted for using the equity method	—	Subsidiary	32,147	$ 321,471	15,000	$ 150,000	-	$	$ -	$ -	47,147	$ 471,471

Note 1：Initial investment.

Winstar Display Co., Ltd. and Subsidiaries

Acquisition of Individual Real Estate Properties at Costs of at Least NT$ 300 Million or 20% of the Paid-in Capital

For the Year Ended December 31, 2024

Table 5

Units: Foreign currency in thousands

Buyer	Property	Event Date	Transaction Amount	Payment Status	Counterparty	Relationship	Information on Previous Title Transfer If Counterparty Is A Related Party				Pricing Reference Property Owner	Purpose of Acquisition Relationship	Other Terms Transaction Date
							Property Owner	Relationship	Transaction Date	Amount			
WINSTAR CHANGSHU	Right-of-use assets	December 26, 2023	CNY 30,361	The rent shall be paid on a quarterly basis as stipulated in the contract	Suzhou Akso Health Technology Co., Ltd.	—	—	—	—	—	(Note 1)	Used as factory and dormitory	None

Note 1： Pursuant to the asset valuation report issued by the appraisal company, the market value of the subject asset is assessed at CNY 32,726 thousand.

Winstar Display Co., Ltd. and Subsidiaries

Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital

For the year ended December 31, 2024

Table 6

Unit: NTD in thousands

Purchaser or Seller	Counterparty	Relationship	Transaction Details				Abnormal Transaction and Reason		Notes/Trade Receivables (Payables)		Remarks
			Purchase/Sale	Amount	Percentage of Total Purchase (Sale) %	Payment Terms	Unit Price	Payment Terms	Ending Balance	Percentage of Total Notes and Accounts Receivable (Payable) %	
The Company	WINSTAR CHANGSHU	(Note 1)	Purchases of goods	$ 1,016,688	78	90 days end of month	(Note 2)	No significant difference from other general manufacturers	($ 218,212)	(79)	
		(Note 1)	(Sale)	(214,641)	-	90 days end of month	(Note 2)	No significant difference from other general customers	55,516	24	
RAYSTAR	WINSTAR CHANGSHU	(Note 1)	Purchases of goods	157,647	65	90 days end of month	(Note 2)	No significant difference from other general manufacturers	(36,668)	(62)	
		(Note 1)	(Sale)	(211,832)	(41)	90 days end of month	(Note 2)	No significant difference from other general customers	67,596	76	
WINSTAR CHANGSHU	The Company	(Note 1)	(Sale)	(1,016,688)	(67)	90 days end of month	(Note 2)	No significant difference from other general customers	218,212	71	
		(Note 1)	Purchases of goods	214,641	-	90 days end of month	(Note 2)	No significant difference from other general manufacturers	(55,516)	(18)	
	RAYSTAR	(Note 1)	(Sale)	(157,647)	(10)	90 days end of month	(Note 2)	No significant difference from other general customers	36,668	12	
		(Note 1)	Purchases of goods	221,832	20	90 days end of month	(Note 2)	No significant difference from other general manufacturers	(67,596)	(20)	

Note 1: Please refer to Note 11.

Note 2: The prices of purchases and sales transactions with related parties are negotiated separately based on product differences, market conditions, and internal transfer pricing policies.

Winstar Display Co., Ltd. and Subsidiaries

Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital

December 31, 2024

Table 7

Unit: NTD in thousands

Company recognizes the receivables	Counterparty	Relationship	Balance of receivables from related parties	Turnover rate (times)	Overdue		Amount collected in subsequent period	Amount of provision for losses
					Amount	Action taken		
WINSTAR CHANGSHU	The Company	(Note 1)	Trade receivables $218,212	5.06	$ -	—	$ 137,597	$ -

Note 1: Please refer to Note 11.

Winstar Display Co., Ltd. and Subsidiaries

Investee company information, locations, and other related information

For the year ended December 31, 2024

Table 8

Units: NTD and foreign currency, in thousands

Investor	Investee	Location	Principle business activity	Initial investment		Year-end holdings			Investee company current year profit (loss)	Investment profit (loss) recognized by the Company	Remarks
				Current year end	Prior year end	Number of shares (in thousand shares)	Shares %	Carrying amount			
The Company	RAYSTAR	Republic of China	Engaged in research and development, manufacturing, and trading of OLED display modules	$ 471,471	$ 321,471	47,147	100	$ 429,833	($ 5,821)	($ 8,950)	Subsidiary
	WINBEST	United States	Operation of reinvestment business	204,630	204,630	-	100	618,131	29,604	29,604	Subsidiary
	WINCAELUM	Samoa	Operation of reinvestment business	159,782	159,782	8,000	100	89,286	(3,882)	(3,882)	Subsidiary
	FAIRLINK	Hong Kong	Operation of reinvestment business	173,883	173,883	20,000	100	(6,765)	(8,505)	(8,505)	Subsidiary
	WINSTAR USA	United States	Import and export of electronic components	2,721	2,721	90	90	8,514	2,252	2,026	Subsidiary
	WINSTAR GER	Germany	Import and export of electronic components	837	837	25	100	335	(505)	(505)	Subsidiary
	MIDAS	United Kingdom	Trading of electronic components	9,148	9,148	-	39	8,918	(7,173)	(2,309)	Associates accounted for using the equity method
WINCAELUM	KENSTAR	Myanmar	Manufacturing, processing, and trading of various liquid crystal displays and modules	155,138 (USD 4,956)	155,138 (USD 4,956)	496	100	89,082 (USD 2,723)	(3,885) (USD 121)	(Note 2)	Subsidiary

Note: May be omitted as per the regulations.

Winstar Display Co., Ltd. and Subsidiaries

Information on investments in mainland China

For the year ended December 31, 2024

Table 9

Units: NTD and foreign currency, in thousands

Investee	Principle business activity	Total paid-in capital	Method of investment	Accumulated investment amount remitted from Taiwan at the beginning of the current year	Investment amount remitted or recovered during the current year		Accumulated investment amount remitted from Taiwan at the end of the current year	Investee company current year profit (loss)	The Company's direct or indirect percentage of ownership	Investment profit (loss) recognized in the current year (Note 2)	Book value of investments at the end of the year	Investment income repatriated by the end of the year
					outflow	inflow						
WINSTAR CHANGSHU	Manufacturing and processing of various LCD displays and modules	$ 126,964 (CNY 31,958)	Note 2	$ 203,281 (USD 6,557)	$ -	$ -	$ 203,281 (USD 6,557)	$ 29,604 (CNY 6,684)	100%	$ 29,604 (CNY 6,684)	$ 619,559 (CNY 139,006)	$ -
Winstar Dongguan	Manufacturing and processing of various LCD displays and modules	170,045 (CNY 36,955)	Note 2	170,045 (USD 5,670)	-	-	170,045 (USD 5,670)	(8,505) (CNY 1,921)	100%	(8,505) (CNY 1,921)	(6,765) (CNY 1,518)	-

Cumulative amount of investment remitted from Taiwan to mainland China at the end of the current year	Investment amounts authorized by Investment Commission, MOEA	Upper limit on investment (Note 3)
$ 373,326 (USD 12,227)	$ 373,326 (USD 12,227)	(Note 4)

Note 1: This refers to the reinvestment in companies in mainland China through reinvestment in an existing company in a third region.

Note 2: Investment gains and losses are recognized based on the financial statements Reviewed by the same CPA firm as that engaged by the parent company in Taiwan.

Note 3: The limit is calculated in accordance with the Regulations Governing the Examination of Investment or Technical Cooperation in Mainland China.

Note 4: In accordance with the "Regulations Governing the Examination of Investment or Technical Cooperation in Mainland China" issued by the Investment Review Commission on August 29, 2008, the Company has obtained certification documents issued by Industrial Development Bureau, Ministry of Economic Affairs attesting that it complies with the operation scope of the operational headquarters. There is no upper limit on the amount of investment in the Mainland China area.

Winstar Display Co., Ltd.

Information of major shareholders

December 31, 2024

Table 10 Unit: shares

Name of major shareholder	Share	
	Number of shareholding	Percentage of ownership (%)
Kenstar Investment Co., Ltd.	10,636,783	15.75
Jastar Investment Co., Ltd.	8,527,909	12.63
Yu-Pin Liao	6,005,672	8.89
Huatsen Investment Co., Ltd.	4,949,392	7.33
Sunglowed International Ltd.	4,581,988	6.78
Chienchuang Investment Co., Ltd.	4,068,000	6.02

Note 1: The information of major shareholders is based on the number of ordinary shares and preference shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (included treasury shares) by the Company as of December 31, 2024. The share capital in consolidated financial report may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

The contents of statements of major accounting items

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Statement of notes receivable	2
Statement of trade receivable—non-related parties, net	3
Statement of inventories	4
Statement of financial assets at fair value through other comprehensive income	Table 3
Statement of investments accounted for using the equity method	5
Statement of changes in property, plant and equipment	Note 12
Statement of changes in cumulative depreciation of property, plant and equipment	Note 12
Statement of changes in right of use assets	6
Statement of changes in accumulated depreciation for right-of-use assets	6
Statement of changes in investment property	Note 14
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Statement of deferred income tax assets	Note 21
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Statement of trade payable—non-related parties	8
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Statement of long-term borrowings	9
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Major accounting items in profit and loss	
Statement of net operating revenue	10
Statement of operating costs	11
Statement of operating expenses	12
Summary table of employee benefits, depreciation, and amortization expenses incurred in the current year by function	Note 20

Winstar Display Co., Ltd.

Statement of cash and cash equivalents

December 31, 2024

Statement 1 Units: NTD and foreign currency, in thousands

Item	Summary	Amount
Cash on hand and petty cash		$ 146
Deposits		
Demand deposits		41,414
Foreign currency deposits (Note 1)		112,495
		153,909
Cash equivalents		
Time deposits		9,900
		$ 163,955

Note 1: Including USD 3,388 thousand (USD 1: NTD 32.72) and CNY 370 thousand (CNY 1: NTD 4.46).

Winstar Display Co., Ltd.

Statement of notes receivable

December 31, 2024

Statement 2 Unit: NTD in thousands

Client name	Amount
Non-related party	
Uniphone Telecommunication Co., Ltd.	$ 313
Antari Lighting and Effects Ltd.	137
Monicon Instrument Ltd.	87
Sino-Nippon Internation Co., Ltd.	84
Dynaic Trends Enterprise Inc.	50
Others (Note)	105
	$ 776

Note: The amount from each individual client included in others does not exceed 5% of the account balance.

Winstar Display Co., Ltd.

Statement of trade receivable－non-related parties, net

December 31, 2024

Statement 3 Unit: NTD in thousands

Client name	Amount
Non-related party	
Gemtek Electronics (Kunshan) Co., Ltd.	$ 14,698
VISHAY DALE CORP.	11,215
Unisystem Sp.z.o.o.	10,315
ARCADYAN TECHNOLOGY CORPORATION	9,196
Others (Note)	122,930
	168,354
Less: Allowance for impairment loss	(1,098)
	$ 167,256

Note: The amount from each individual client included in others does not exceed 5% of the account balance.

Winstar Display Co., Ltd.

Statement of inventories

December 31, 2024

Statement 4

Unit: NTD in thousands

Item	Cost	Market price (Note)
Raw materials	$ 9,463	$ 12,807
Work in progress	24,663	25,686
Semi-finished products	3	12
Finished good	11,376	15,187
Inventory in transit	7,560	7,560
	$ 53,065	$ 61,252

Note: Net realizable value is used in the valuation of inventories.

Winstar Display Co., Ltd.

Statement of investments accounted for using the equity method

For the year ended December 31, 2024

Statement 5

Unit: NTD in thousands

Investee	Beginning balance: Number of shares (in thousand shares)	Beginning balance: Amount	Increase (Decrease) in the current year: Number of shares (in thousand shares)	Increase (Decrease) in the current year: Amount	Other (Note 1)	Share of profit or loss of subsidiaries and associates accounted for using the equity method	Exchange difference on translating foreign operations	Realized gains	Reclassification of credit balance to investment accounted for using the equity method	Ending balance: Number of shares (in thousand shares)	Ending balance: Shareholding %	Ending balance: Amount	Net equity at the end of the year
Investments accounted for using the equity method													
Investments in subsidiaries													
WINBEST	-	$ 565,059	-	$ -	$ -	$ 29,604	$ 22,678	$ 790	$ -	-	100	$ 618,131	$ 679,425
RAYSTAR	32,147	288,783	15,000	150,000	-	(8,950)	-	-	-	47,147	100	429,833	438,182
WINCAELUM	8,000	87,379	-	-	-	(3,882)	5,789	-	-	8,000	100	89,286	89,286
FAIRLINK	20,000	1,726	(20,000)	-	-	(8,505)	14	-	6,765	-	-	-	-
WINSTAR USA	90	5,901	-	-	-	2,026	587	-	-	90	90	8,514	11,105
WINSTAR GER	25	826	-	-	-	(505)	14	-	-	25	100	335	335
		949,674		150,000	-	9,788	29,082	790	6,765			1,146,099	1,218,333
Investments in Associates													
MIDAS	-	12,661	-	-	(1,615)	(2,309)	181	-	-	-	39	8,918	254
		$ 962,335		$ 150,000	($ 1,615)	$ 7,479	$ 29,263	$ 790	$ 6,765			$ 1,155,017	$ 1,218,587
Credit balance of investment accounted for using the equity method													
Investments in subsidiaries													
FAIRLINK	-	$ -	20,000	$ -	$ -	$ -	$ -	$ -	($ 6,765)	20,000	100	($ 6,765)	($ 6,765)

Note 1: Refer to Note 11.

Note 2: Net equity value is calculated based on the investee company's financial statements audited by accountants as well as the Company's shareholding ratio.

Note 3: None of the above investee companies have provided guarantees or pledges.

Winstar Display Co., Ltd.

Statement of changes in right of use assets

For the year ended December 31, 2024

Statement 6

Unit: NTD in thousands

Item	Beginning balance	Increase	Decrease	Ending balance
Cost				
Buildings	$ 9,162	$ 3,334	$ -	$ 12,496
Transportation Equipment	1,325	-	-	1,325
	10,487	$ 3,334	$ -	13,821
Accumulated depreciation				
Buildings	3,735	$ 6,206	$ -	9,941
Transportation Equipment	387	662	-	1,049
	4,122	$ 6,868	$ -	10,990
	$ 6,365			$ 2,831

Winstar Display Co., Ltd.

Statement of short-term borrowings

December 31, 2024

Statement 7 Unit: NTD in thousands

Borrowing type and bank	Maturity date	Annual interest rates (%)	Amount
Secured borrowings			
Taiwan Cooperative Bank	114.06	2.32	$ 148,000
Mega International Commercial Bank	114.06	2.22	70,000
Taishin International Bank	114.06	2.64	30,000
E.SUN Commercial Bank	114.09	2.32	30,000
First Commercial Bank	114.04	2.33	5,000
			$ 283,000

Winstar Display Co., Ltd.

Statement of trade payable—non-related parties

December 31, 2024

Statement 8 | Unit: NTD in thousands

Vendor name	Amount
Non-related party	
Sitronix Technology Corp.	$ 10,394
Professional Computer Technology Limited.	10,127
Neotec Semiconductor Co., Ltd.	8,267
Integrated Solutions Technology, Inc.	4,055
Supermax Global Co., Ltd.	3,631
Peteric Technology Inc.	3,044
Others (Note)	12,970
	$ 52,488

Note: The amount of individual vendor included in others does not exceed 5% of the account balance

Winstar Display Co., Ltd.

Statement of long-term borrowings

December 31, 2024

Statement 9

Unit: NTD in thousands

Borrowing type and bank	Borrowing period	Repayment method	Annual interest rates (%)	Portion maturing within one year	Portion maturing after one year	Total
Secured borrowings						
Taipei Fubon Commercial Bank	112.8-115.8	Average monthly amortization	3.04	$ 10,000	$ 6,667	$ 16,667
The Shanghai Commercial & Savings Bank, Ltd.	111.7-114.7	Average monthly amortization	3.03	4,861	-	4,861
				$ 14,861	$ 6,667	$ 21,528

Winstar Display Co., Ltd.

Statement of net operating revenue

For the year ended December 31, 2024

Statement 10 | Unit: NTD in thousands

Item	Quantity (approximate thousand PCS)	Amount
STN display module	Approx. 4,202	$ 590,251
OLED display modules	Approx. 3,570	420,008
TFT display modules	Approx. 699	371,830
Others		59,694
Gross sales		1,441,783
Less: Sales returns		(2,185)
Less: Sales discounts and allowances		(2,017)
Net operating revenue		$ 1,437,581

Winstar Display Co., Ltd.

Statement of operating costs

For the year ended December 31, 2024

Statement 11 | Unit: NTD in thousands

Item	Amount
Raw materials, beginning of year	$ 13,747
Raw material purchased	110,050
Sale of raw material	(3,142)
Raw materials, end of year	(20,284)
Other adjustments	(3,540)
Direct raw material costs	96,831
Direct labor	4,022
Manufacturing expenses	48,340
Manufacturing cost	149,193
Work in process, beginning of year	13,511
Work in process purchased	14,706
Work in process, end of year	(30,213)
Other adjustments	(19)
Cost of work in process	147,178
Semi-finished products, beginning of year	174
Semi-finished products purchased	4,802
Sales of semi-finished products	(1,601)
Semi-finished products, end of year	(278)
Other adjustments	(1,134)
Cost of semi-finished products	149,141
Finished goods, beginning of year	24,918
Finished goods purchased	4,611
Finished goods, end of year	(21,798)
Other adjustments	(3,751)
Cost of finished goods	153,121
Cost of triangular trade	987,159
Sale of raw materials and semi-finished products	4,743
Cost of merchandise	1,145,023
Inventory valuation losses	2,832
Inventory loss on scrap	1,666
Other costs	9,236
Operating cost	$ 1,158,757

Winstar Display Co., Ltd.

Statement of operating expenses

For the year ended December 31, 2024

Statement 12

Unit: NTD in thousands

	Selling and marketing expenses	Administrative expenses	Research and Development expenses	Expected credit loss	Total
Salaries	$ 51,814	$ 58,131	$ 46,771	$ -	$ 156,716
Insurance expense	6,264	6,133	5,163	-	17,560
Utilities expense	4	12,701	-	-	12,705
Depreciation expense	82	9,087	243	-	9,412
Expected credit loss	-	-	-	922	922
Others	25,383	39,526	13,077	-	77,986
	$ 83,547	$ 125,578	$ 65,254	$ 922	$ 275,301

Winstar Display Co., Ltd.

Chairman: Yu-Pin Liao

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mops.twse.com.tw