Stock Code: 6916

Winstar Display Co., Ltd.

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

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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		
				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 equity
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.

<u>Financial liability</u>

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.

<u>Revenue from sale of goods</u>

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

	December 31, 2024		December 31, 2023	
Subsidiary	Amount	Shareholding %	Amount	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		December 31, 2022	
Non-listed company	Amount	Shareholding (%)	Amount	Shareholding (%)
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					
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. <u>Comprehensive income for the year</u>

(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: New leases	Non-cash changes: Finance costs	Ending balance
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.

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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

	Beginning balance		Increase (Decrease) in the current year							Ending balance			
Investee	Number of shares (in thousand shares)	Amount	Number of shares (in thousand shares)	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	Number of shares (in thousand shares)	Shareholding %	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