Stock Code: 8121

Acme Electronics Corporation and Subsidiaries

Consolidated Financial Statements and Independent Audit Report

For the Years Ended December 31, 2024 and 2023

Address: 8th Floor, No. 39, Jihu Road, Neihu District, Taipei City

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Notices to Readers

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

For the convenience of readers, the independent auditors' review report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese language independent auditors' review report and consolidated financial statements shall prevail.

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Statement of Consolidated Financial Statements of Affiliates

For January 1 to December 31, 2024, the companies that shall be included in the preparation of the Consolidated Financial Statements in accordance with the Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those that shall be included in the preparation of the Consolidated Financial Statements of the parent and subsidiaries in accordance with International Financial Reporting Standards No. 10 (IFRS 10). The relevant information that shall be disclosed in the Consolidated Financial Statements of the parent and subsidiaries has already been disclosed in the aforementioned Consolidated Financial Statements of the parent and subsidiaries. Therefore, there is no need to prepare separate Consolidated Financial Statements of affiliates.

Declaration

Company Name: Acme Electronics Corporation and Subsidiaries

Responsible Party: Wu, Yih-Quei

March 4, 2025

Independent Auditors' Report

To: Acme Electronics Corporation

Audit Opinion

We have audited the Consolidated balance sheets of Acme Electronics Corporation and its subsidiaries (the "Group") as of December 31, 2024 and 2023 and the Statements of Comprehensive Income, Statements of Changes in Equity, and Statements of Cash Flows for January 1 to December 31, 2024 and 2023, and the accompanying Notes to the Financial Statements (including the Summary of Significant Accounting Policies).

In our opinion, the financial statements have been prepared in all material respects in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), International Financial Reporting Interpretations Committee (IFRIC) Interpretations, and Standing Interpretations Committee (SIC) Interpretations as endorsed and issued into effect by the Financial Supervisory Commission (FSC), and are sufficient to give a fair representation of the financial position of the Group as of December 31, 2024 and 2023, and the financial performance and cash flows from January 1 to December 31, 2024 and 2023.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of the most significance in our audit of the Group's 2024 Consolidated 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.

Key audit matters for the Consolidated Financial Statements of the Group for 2024 are as follows:

Revenue from Sales of Specific Products

In 2024, the Group's revenue from sales of specific products increased significantly, which has a significant difference in the growth magnitude from the overall trend in operating revenue, and the amount was significant. Therefore, the auditor has listed the authenticity of the aforementioned sales revenue as a key audit matter.

Please consult Note 4 of the Consolidated Financial Statements for accounting policies and relevant information concerning sales revenue.

Audit Procedures:

1. Obtain a comprehensive understanding of the operational procedures and internal controls associated with the Group's sales transactions and test the design and implementation of such controls.
2. Obtain specific sales revenue details and carefully review the relevant original orders, shipping documents, and other certificates associated with the recognition of sales revenue, as well as the actual receipt of payments to confirm the authenticity of sales revenue.
3. Review sales returns and discounts after the period to confirm whether there are any abnormalities.

Other Matters

Acme Electronics Corporation has prepared the Parent Company Only financial reports for 2024 and 2023. The audit reports with unqualified opinions issued by the auditor are on file for reference.

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

Management is responsible for the preparation and fair presentation of the Consolidated Financial Statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS, IAS, IFRIC Interpretations, and SIC Interpretations as endorsed and issued into effect by the FSC, and such internal control as the management determines is necessary to enable the preparation of the Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to the going concern, and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations or has no realistic alternative but to do so.

Those charged with governance, including the Audit Committee, are responsible for overseeing the Group's financial reporting process.

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

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

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

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

2. Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of the Group.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
4. Conclude on the appropriateness of the 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 Group's ability to operate as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the Consolidated Financial Statements (including the related notes) and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision, and performance of the audit and for expressing an opinion on the Consolidated Financial Statements of the Group.

We communicate with those in charge of 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.

Based on the matters communicated with those charged with governance, we determined the key audit matters for the Consolidated Financial Statements of the Group for 2024. 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.

Deloitte & Touche

CPA Chang, Cheng-Hsiu

Financial Supervisory Commission Approved Document No.
Jin Guan Zheng Shen Zi No. 1120349008

CPA Chiu, Cheng-Chun

Financial Supervisory Commission Approved Document No.
Jin Guan Zheng Liu Zi No. 0930160267

March 4, 2025

Notices to Readers

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Acme Electronics Corporation and Subsidiaries

Consolidated Balance Sheets

December 31, 2024 and 2023

Unit: NT$ thousands

		December 31, 2024		December 31, 2023	
Code	Assets	Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Notes 4 and 6)	$ 727,586	13	$ 456,723	10
1110	Financial assets at fair value through profit or loss, current (Notes 4 and 7)	44	-	142	-
1136	Financial assets at amortized cost, current (Notes 4, 8 and 25)	22,090	-	20,189	1
1150	Notes receivable (Notes 4 and 9)	65,596	1	56,452	1
1170	Accounts receivable, net (Notes 4, 9 and 24)	721,749	13	680,977	15
1200	Other receivables (Notes 4 and 24)	8,396	-	11,336	-
1220	Current tax assets (Notes 4 and 20)	10,752	-	9,485	-
130X	Inventories (Notes 4, 5 and 10)	871,843	16	669,164	15
1470	Other current assets	62,271	1	48,845	1
11XX	Total current assets	2,490,327	44	1,953,313	43
	Non-current assets				
1550	Investments accounted for under the equity method (Notes 4 and 12)	10,640	-	18,196	-
1600	Property, plant and equipment (Notes 4, 13, 19 and 25)	2,614,704	47	2,048,409	45
1755	Right-of-use assets (Notes 4, 14 and 25)	164,599	3	169,178	4
1780	Intangible assets (Note 4)	4,281	-	4,220	-
1840	Deferred tax assets (Notes 4 and 20)	82,779	2	97,137	2
1915	Prepayments for equipment	227,324	4	277,851	6
1920	Refundable deposits (Note 25)	15,762	-	11,140	-
15XX	Total non-current assets	3,120,089	56	2,626,131	57
1XXX	Total Assets	$ 5,610,416	100	$ 4,579,444	100
Code	Liabilities and Equity				
	Current liabilities				
2100	Short-term borrowings (Notes 15 and 25)	$ 457,886	8	$ 357,357	8
2110	Short-term notes payable, net (Note 15)	69,992	1	-	-
2120	Financial liabilities at fair value through profit or loss, current (Notes 4 and 7)	1,282	-	33	-
2170	Notes and accounts payable	113,670	2	61,477	2
2200	Other payables (Note 24)	315,271	6	274,117	6
2230	Current tax liabilities (Notes 4 and 20)	259	-	-	-
2280	Lease liabilities, current (Notes 4 and 14)	15,624	1	14,104	-
2320	Long-term borrowings due within one year (Notes 15 and 25)	172,248	3	1,047	-
2399	Other current liabilities	7,393	-	12,988	-
21XX	Total current liabilities	1,153,625	21	721,123	16
	Non-current liabilities				
2540	Long-term borrowings (Notes 15 and 25)	1,503,369	27	1,332,892	29
2570	Deferred tax liabilities (Notes 4 and 20)	116,455	2	106,086	2
2580	Lease liabilities, non-current (Notes 4 and 14)	34,513	-	44,212	1
2630	Long-term deferred incomes (Note 4, 15, and 17)	40,014	1	34,822	1
2640	Net defined benefit liabilities, non-current (Notes 4 and 16)	12,046	-	15,118	-
2645	Guarantee deposits received	3,696	-	612	-
25XX	Total non-current liabilities	1,710,093	30	1,533,742	33
2XXX	Total liabilities	2,863,718	51	2,254,865	49
	Equity attributable to owners of the Company (Notes 4, 16 and 18)				
3110	Ordinary share capital	2,129,937	38	2,129,937	46
3200	Capital surplus	50	-	299,942	7
3350	Accumulated deficit	(20,755)	-	(478,030)	(10)
	Other equity				
3410	Exchange differences on translating the financial statements of foreign operations	(88,649)	(2)	(182,384)	(4)
31XX	Total equity attributable to owners of the Company	2,020,583	36	1,769,465	39
36XX	Non-controlling interests (Note 11)	726,115	13	555,114	12
3XXX	Total equity	2,746,698	49	2,324,579	51
	Total liabilities and equity	$ 5,610,416	100	$ 4,579,444	100

The accompanying notes are an integral part of the Consolidated Financial Statements.

Acme Electronics Corporation and Subsidiaries

Consolidated Statements of Comprehensive Income

For the Years Ended December 31, 2024 and 2023

Unit: NT$ thousands, Except for Earnings (Losses) Per Share in New Taiwan Dollars

		2024		2023	
Code		Amount	%	Amount	%
	Operating revenue				
4110	Sales revenue (Notes 4 and 24)	$3,101,335	100	$2,556,563	100
4170	Less: Sales returns and allowances	5,956	-	4,817	-
4000	Total operating revenue	3,095,379	100	2,551,746	100
	Operating costs				
5110	Cost of goods sold (Notes 4, 10, 16, 19 and 24)	2,457,590	80	2,314,247	91
5900	Gross profit	637,789	20	237,499	9
	Operating expenses (Notes 4, 9, 16, 17, 19 and 24)				
6100	Selling and marketing expenses	139,071	4	126,346	5
6200	Administrative expenses	199,369	6	187,467	7
6300	Research and development expenses	203,951	7	170,947	7
6450	Expected reversal of impairment (gain) loss	(4,826)	-	935	-
6000	Total operating expenses	537,565	17	485,695	19
6500	Other operating expenses (Note 13)	(3,074)	-	-	-
6900	Net operating income (loss)	97,150	3	(248,196)	(10)
	Non-operating income and expenses				
7100	Interest income	19,461	1	13,766	1
7010	Other income (Notes 4, 17, 19 and 24)	42,613	1	28,747	1
7230	Foreign exchange gains (Notes 4 and 19)	22,774	1	7,987	-

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Code		2024 Amount	2024 %	2023 Amount	2023 %
7020	Other gains and losses (Notes 4 and 19)	$ 9,373	-	($ 1,447)	-
7050	Finance costs (Note 19)	(38,286)	(1)	(45,779)	(2)
7060	Share of profit or loss of affiliates accounted for under the equity method (Notes 4 and 12)	(7,556)	-	(4,543)	-
7000	Total non-operating income and expenses	48,379	2	(1,269)	-
7900	Net profit (loss) before tax	145,529	5	(249,465)	(10)
7950	Income tax benefit (expense) (Notes 4 and 20)	(15,332)	(1)	37,548	2
8200	Net profit (loss) for the year	130,197	4	(211,917)	(8)
	Other comprehensive income (net)				
8310	Items not reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit plans (Notes 4 and 16)	2,544	-	(337)	-
8349	Income tax relating to items not reclassified subsequently to profit or loss (Notes 4 and 20)	(509)	-	68	-
		2,035	-	(269)	-
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign operations (Note 4)	161,758	5	(57,374)	(2)
8399	Income tax relating to items that may be reclassified to profit or loss (Note 4 and 20)	(23,433)	-	8,257	-
		138,325	5	(49,117)	(2)
8300	Total other comprehensive income (net)	140,360	5	(49,386)	(2)
8500	Total comprehensive income for the period	$ 270,557	9	($ 261,303)	(10)

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Code		2024 Amount	2024 %	2023 Amount	2023 %
	Net (loss) profit attributable to:				
8610	Owners of parent company	$ 155,298	5	($ 171,224)	(7)
8620	Non-controlling interests	(25,101)	(1)	(40,693)	(1)
8600		$ 130,197	4	($ 211,917)	(8)
	Total comprehensive income attributable to:				
8710	Owners of parent company	$ 251,068	8	($ 204,523)	(8)
8720	Non-controlling interests	19,489	1	(56,780)	(2)
8700		$ 270,557	9	($ 261,303)	(10)
	Earnings (losses) per share (Note 21)				
9750	Basic	$ 0.73		($ 0.81)	
9850	Diluted	$ 0.73		($ 0.81)	

The accompanying notes are an integral part of the Consolidated Financial Statements.

Acme Electronics Corporation and Subsidiaries

Consolidated Statements of Changes in Equity

For the Years Ended December 31, 2024 and 2023

Unit: NT$ thousands, unless stated otherwise

		Equity attributable to owners of the Company							
		Share capital (Note 18)							
Code		Number of shares issued	Amount	Capital surplus (Notes 4 and 18)	Accumulated deficit (Notes 4, 16 and 18)	Exchange differences on translating the financial statements of foreign operations	Total	Non-controlling interests (Note 11)	Total equity
A1	Balance as of January 1, 2023	182,993,743	$ 1,829,937	$ 2,139	($ 305,019)	($ 149,354)	$ 1,377,703	$ 610,376	$ 1,988,079
C17	Exercise of disgorgement	-	-	4	-	-	4	-	4
E1	Capital increase in cash	30,000,000	300,000	297,799	-	-	597,799	-	597,799
M7	Changes in ownership interests in subsidiaries	-	-	-	(1,518)	-	(1,518)	1,518	-
D1	Net loss for 2023	-	-	-	(171,224)	-	(171,224)	(40,693)	(211,917)
D3	Other comprehensive gains and losses for 2023	-	-	-	(269)	(33,030)	(33,299)	(16,087)	(49,386)
D5	Total comprehensive income for 2023	-	-	-	(171,493)	(33,030)	(204,523)	(56,780)	(261,303)
Z1	Balance as of December 31, 2023	212,993,743	2,129,937	299,942	(478,030)	(182,384)	1,769,465	555,114	2,324,579
C11	Capital surplus to offset deficit	-	-	(299,942)	299,942	-	-	-	-
C17	Exercise of disgorgement	-	-	50	-	-	50	-	50
D1	Net profit for 2024	-	-	-	155,298	-	155,298	(25,101)	130,197
D3	Other comprehensive gains and losses for 2024	-	-	-	2,035	93,735	95,770	44,590	140,360
D5	Total comprehensive income for 2024	-	-	-	157,333	93,735	251,068	19,489	270,557
O1	Non-controlling interests	-	-	-	-	-	-	151,512	151,512
Z1	Balance as of December 31, 2024	212,993,743	$ 2,129,937	$ 50	($ 20,755)	($ 88,649)	$ 2,020,583	$ 726,115	$ 2,746,698

The accompanying notes are an integral part of the Consolidated Financial Statements.

Acme Electronics Corporation and Subsidiaries

Consolidated Statements of Cash Flows

For the Years Ended December 31, 2024 and 2023

Unit: NT$ thousands

Code		2024	2023
	Cash flows from operating activities		
A10000	Net profit (loss) before tax for the year	$ 145,529	($ 249,465)
	Income (expenses) items		
A20100	Depreciation expenses	322,636	280,539
A20200	Amortization expense	1,460	1,732
A20300	Expected reversal of impairment (gain) loss	(4,826)	935
A20400	Net (profit) loss of financial instruments at fair value through profit or loss	(10,818)	(4,592)
A20900	Finance costs	38,286	45,779
A21200	Interest income	(19,461)	(13,766)
A22300	Share of profit or loss of associates accounted for using the equity method	7,556	4,543
A22500	(Profit)/Loss on disposal and scrapping of property, plant and equipment	(383)	4,894
A23700	Loss on (gain on reversal of) write-down of inventories	33,470	(38,443)
A24100	Foreign exchange losses	-	5,162
A29900	Impairment losses	3,074	-
A29900	Deferred and other income	(3,931)	(2,920)
A30000	Change in operating assets and liabilities		
A31115	Financial assets mandatorily measured at fair value through profit or loss	12,165	4,933
A31130	Notes receivable	(9,144)	(9,703)
A31150	Accounts receivable (including related parties)	(36,535)	65,667
A31180	Other receivables (including related parties)	3,005	(3,115)
A31200	Inventories	(239,119)	352,105
A31240	Other current assets	(13,426)	13,571
A32150	Notes and accounts payable (including related parties)	52,193	(18,047)
A32180	Other payables (including related parties)	72,190	2,254
A32230	Other current liabilities	(5,595)	4,771
A32240	Net defined benefit liabilities	(528)	(1,371)
A33000	Net cash flows generated from operating activities	347,798	445,463
A33100	Interest received	19,396	13,412
A33300	Interest paid	(36,531)	(47,033)

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Code		2024	2023
A33500	Income tax paid	($ 14,968)	($ 13,499)
AAAA	Net cash flows generated from operating activities	315,695	398,343
	Cash flows from investing activities		
B00040	Purchase of financial assets at amortized cost	(419)	($ 5,128)
B02700	Acquisition cost of property, plant and equipment	(768,813)	(495,873)
B02800	Proceeds from disposal of property, plant and equipment	1,443	1,946
B03700	Increase in refundable deposits	(4,341)	(2,324)
B04500	Acquisition of purchased intangible assets	(1,341)	-
B09900	Increase in long-term deferred income	5	6,090
BBBB	Net cash used in investing activities	(773,466)	(495,289)
	Cash flows from financing activities		
C00100	Increase (decrease) in short-term borrowings	94,295	(378,494)
C00600	Increase (decrease) in short-term notes payable	70,000	(80,000)
C01600	Proceeds from long-term borrowings	4,580,000	1,044,356
C01700	Repayments of long-term borrowings	(4,238,747)	(1,078,500)
C03000	Increase in guarantee deposits	3,051	603
C04020	Repayments of the principal portion of lease liabilities	(14,817)	(14,331)
C04600	Capital increase in cash	-	600,000
C05800	Change in non-controlling interests	151,512	-
C09900	Payment of stock issuance costs	-	(2,201)
C09900	Exercise of disgorgement	50	4
CCCC	Net cash from financing activities	645,344	91,437
DDDD	Effects of exchange rate changes on the balance of cash held in foreign currencies	83,290	(27,987)
EEEE	Increase (decrease) in cash and cash equivalents for the fiscal year	270,863	(33,496)
E00100	Cash and cash equivalents at the beginning of the year	456,723	490,219
E00200	Cash and cash equivalents at the end of the year	$ 727,586	$ 456,723

The accompanying notes are an integral part of the Consolidated Financial Statements.

Acme Electronics Corporation and Subsidiaries

Notes to Consolidated Financial Statements

For the Years Ended December 31, 2024 and 2023

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

I. Company History

Acme Electronics Corporation (hereinafter referred to as the “Company”) was mainly invested and established by USI Corporation (“USI”) on September 5, 1991, and started production and sales and other major business activities on December 1, 1994.

The Company's products are inductive passive components. The main business activities are ferrite cores and ferrite powder applied in communication, information, consumer and automotive electronic products.

The Company's stock has been listed for trading on the Taipei Exchange (TPEx) since February 17, 2005.

The Consolidated Financial Statements are presented in the New Taiwan dollar, the Company's functional currency.

II. Date and Procedure for the Approval of Financial Statements

The accompanying consolidated financial statements were approved for issue by the Company's Board of Directors on March 4, 2025.

III. Application of Newly Issued and Revised Standards and Interpretations

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

The application of the latest IFRS Accounting Standards endorsed and issued into effect by the FSC to the Group should not result in major changes in the accounting policies of the Group.

(II) IFRS Accounting Standards endorsed by the FSC that are applicable in 2025

Newly Issued /Revised/Amended Standards and Interpretations	Effective Date Announced by the IASB
Amendment to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 1)
Amendments to IFRS 9 and IFRS 7 "Classification and Measurement of Financial Instruments" concerning the Application Guidelines on the Classification of Financial Assets	January 1, 2026 (Note 2)

Note 1: Applicable for annual reporting periods beginning on or after January 1, 2025. When applying the amendment for the first time, the comparative period should not be restated. Instead, the impact amounts should be recognized in the retained earnings or equity under the foreign operating organization exchange differences on the initial application date, as well as the related affected assets and liabilities.

Note 2: Applicable for annual reporting periods beginning on or after January 1, 2026. Entities may also choose to early adopt it from January 1, 2025. Upon the initial application of the amendment, it should be applied retrospectively without the necessity to restate comparative periods. The impact of the initial application should be recognized on the date of that application. However, if a company does not utilize foresight when it is able to reorganize, it may choose to reorganize the comparative period.

As of the date of issuance of this consolidated financial report, the Group has assessed that the amendments to the aforementioned standards and interpretations, as applicable, have no significant impact on the financial condition and performance.

(III) IFRS Accounting Standards that have been issued by IASB but not yet endorsed by the FSC

New/Revised/Amended 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 "Classification and Measurement of Financial Instruments" concerning the Application Guidelines on the Classification of Derecognition of Financial Liabilities	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Involving Contracts Dependent on Natural Power"	January 1, 2026
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture”	Yet to be decided
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 of Financial Statements"	January 1, 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027

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

IFRS 18 "Presentation and Disclosure of Financial Statements"

IFRS 18 will replace IAS 1 "Presentation of Financial Statements". The main changes in this standard are as follows:

- The income statement should categorize revenue and expense items into operating, investing, financing, income tax, and discontinued operations.
- The income statement should present operating profit, profit before tax from financing activities, subtotals, and totals of profit and loss.
- Guidelines for strengthening consolidation and subdivision provisions: The Group should identify and classify assets, liabilities, equity, income, expenses, and cash flows from individual transactions or other matters based on common characteristics. This ensures that each line item reported in the main financial statements shares at least one similar characteristic. Projects with varying characteristics should be classified in the primary financial statements and accompanying notes. When the Group is unable to find a more descriptive name, it will categorize such items as 'Others'.
- Disclosure of performance measures defining management levels: When the Group communicates the perspective of management levels on the overall financial performance in public communications outside of financial statements, relevant information regarding the disclosure of performance measures defining management levels should be included in a single note of the financial statements. This note should include the description of the measures, their calculation method, adjustments to subtotals or totals as defined by IFRS Financial Reporting Standards, and the impact of income tax and non-controlling interests related to the adjustments.

In addition to the impacts mentioned above, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group’s consolidated financial position and financial performance and will disclose the relevant impact when the assessment is completed.

IV. Summary of Significant Accounting Policies

(I) Statement of compliance

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

(II) Basic of preparation

The parent company only 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 are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and the significance of the inputs to the fair value measurement in its entirety:

1. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities on measurement day.
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., prices) or indirectly (i.e., derived from prices).
3. Level 3 inputs are unobservable inputs for an asset or liability.

(III) Criteria classifying current/non-current assets and liabilities

Current assets include:

1. Assets held primarily for the purpose of trading;
2. Assets expected to realize in 12 months after the balance sheet date; and
3. Cash and cash equivalents (but excluded those restricted from being exchanged or used for debt repayment after more than 12 months of the balance sheet date).

Current liabilities include:

1. Liabilities held primarily for the purpose of trading;
2. Liabilities that are due for repayment within 12 months after the balance sheet date (current liabilities even if long-term refinancing or rescheduling agreements have been completed between the balance sheet date and the issuance of financial statements), and
3. Liabilities that do not have significant rights to postpone the repayment period for at least 12 months after the balance sheet date.

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

(IV) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries). The financial statements of the subsidiaries have been adjusted to bring their accounting policies in line with those used by the Group. All intergroup transactions, balances, income and expenses are eliminated in full upon consolidation. The total comprehensive income of subsidiaries is attributed to the owners of the Company and the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When the Group changes its ownership interests in a subsidiary without losing control, it is considered an equity transaction. The book values of the Group and non-controlling interests have been adjusted to account for the changes in their respective equity in the subsidiary. The difference between the adjustment amount of non-controlling interests and the fair value of the consideration paid or received is recognized as equity and attributed directly to the owners of the Company.

Please refer to Note 11 and Table 4, and Table 5 for detailed information on subsidiaries (including the percentages of ownership and main businesses).

(V) Foreign Currency

In preparing parent only financial reports, the parent company records transactions conducted in currencies other than the functional currency (foreign currencies) by converting them into the functional currency at the exchange rate applicable on the transaction date.

Monetary items denominated in foreign currencies are translated at the closing rates on the balance sheet date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the current period.

Non-monetary items denominated in foreign currencies measured at fair value are converted using the exchange rate on the date when the fair value is determined. The exchange difference is recognized as the current profit and loss. However, if the change of fair value is recognized as other comprehensive income, the exchange difference generated is recognized as other comprehensive income.

Non-monetary items measured at historical cost that are denominated in foreign currencies are translated at the rates of exchange prevailing on the transaction dates and are not re-translated.

In the preparation of the parent company only financial statements, the assets and liabilities of foreign operations are translated into the New Taiwan dollar at the closing rate of exchange prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates of each quarter. The resulting currency translation differences are recognized in other comprehensive income.

(VI) Inventories

Inventories consist of raw materials, supplies, finished goods and work-in-process. Inventory is measured by the lower of cost and net realizable value. When comparing cost and net realizable value, except for similar stock in hand, it is based on individual items. Net realizable value is the balance that the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventory costs are calculated by weighted average method.

(VII) Investment in Associates

An associate is an entity over which the Group has significant influence other than a subsidiary.

The Company accounts for investments in associates using the equity method.

Under the equity method, investments in associates are initially treated at cost and adjusted thereafter for the post-acquisition change in the Company's interest in profit or loss, share in other comprehensive income, and profits of associates. In addition, equity changes in associates are recognized based on the shareholding ratio.

When the Group's shares of losses of an associate equal or exceed its equity in that associate (which includes any carrying amount of the investment accounted for by using the equity method and long-term equity that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its further losses. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

In assessing impairment, the entire carrying amount of an investment is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. The recognized impairment loss is not apportioned to any asset forming part of the investment’s carrying amount. Reversal of the impairment loss is recognized to the extent of subsequent increases in the recoverable amount of investment.

Profits and losses in upstream, downstream and side-stream transactions between the Group and associates are recognized in the consolidated financial statements only when the profits and losses are irrelevant to the Group's interests in the associates.

(VIII) Property, Plant and Equipment

Property, plant and equipment are stated at cost, subsequently are measured at the amount of cost less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction are carried at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Except for self-owned land which is not subject to allowance for depreciation, depreciation of property, plant and equipment are recognized using the straight-line basis during useful life. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

(IX) Intangible Assets

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at the amount of cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis during the useful life. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in the current profit or loss.

(X) Impairment of Property, Plant and Equipment, Right-Of-Use Asset, and Intangible Assets

On each balance sheet date, the Group reviews the carrying amounts of its property, plant, and equipment as well as right-of-use assets and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually.

The recoverable amount is the higher of fair value less costs of sale 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 asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount (less amortization or depreciation) that would have been determined to have no impairment loss recognized on the asset or cash-generating unit in prior years. The reversal of impairment losses is recognized in profit or loss.

(XI) Financial Instruments

Financial assets and financial liabilities are recognized in the accompanying consolidated balance sheet when the Group becomes a party to the contractual provisions of the instruments.

When financial assets and financial liabilities are initially measured, in case financial assets and financial liabilities are not measured at FVTPL, they are measured with the fair value added to transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities. Transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

1. Financial assets

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

(1) Measurement categories

Financial assets held by the Group are classified as financial assets at fair value through profit or loss and financial assets at amortized cost.

A. Financial assets at FVTPL

Financial assets measured at fair value through profit and loss are financial assets that are forced to be measured at fair value through profit and loss. Financial assets mandatorily measured at fair value through profit or loss include equity instrument investments not designated to be measured at fair value through other comprehensive income, and debt instrument investments not subject to classification as measured at amortized cost or to be measured at fair value through other comprehensive income.

Financial assets at fair value through profit or loss are measured at fair value; any re-measurement profit or loss (including any dividends or interests derived from such financial assets) is recognized in other profit or loss. Please refer to Note 23 for the methods for determining fair values.

B. Financial assets measured at amortized cost

The Group's 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 cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost (including cash and cash equivalents, notes receivable and accounts receivable, financial assets at amortized cost, other receivables, and refundable deposits) are measured at amortized cost, which equals to gross carrying amount determined by the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Cash equivalents include time deposits and reverse repurchase agreements collateralized by bonds within 3 months from the acquisition date, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

(2) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including account receivables) on each balance sheet date.

The Group always recognizes lifetime expected credit losses for amount receivables as losses allowance. Other financial assets are evaluated to see whether the credit risk has increased significantly since they were initially recognized. If not, they are recognized as the loss allowance for 12-month expected credit loss. If they have increased considerably, they are recognized as the loss allowance based on lifetime expected credit loss.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. The 12-month expected credit loss represents possible credit loss from breach of contract within 12 months of reporting date. Lifetime expected credit loss represents expected credit loss from breach of contract of financial instruments during period of existence.

The impairment loss of all financial assets is reduced based on the allowance account.

(3) Derecognition of financial assets

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

On de-recognition 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.

2. Financial liabilities

(1) Follow-up measurement

All financial liabilities are measured at amortized cost using the effective interest method, except:

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading. Financial liabilities held for trading are measured pursuant to fair price wherein their profits or losses generated from re-measurements is recognized as other benefits and losses. Please refer to Note 23 for the methods for determining fair values.

(2) Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

3. Derivatives

The derivatives signed by the Group are mainly forward foreign exchange contracts used to manage the Company’s exchange rate risk.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately. When the fair value of the derivative is positive, it is classified as a financial asset; when the fair value is negative, it is classified as a financial liability.

(XII) Revenue Recognition

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

For contracts where the time interval between the transfer of goods or services and the receipt of consideration is less than 1 year, the significant financial components are not subject to adjustment of the transaction price.

The expected duration of customer contracts of the Group does not exceed one year, and no consideration for customer contracts is not included in the transaction price. Therefore, practical expediency is applied without the need to disclose (1) the aggregate amount of transaction prices allocated to performance obligations that have not been met or partially met until the end of the reporting period, and (2) when it is expected to be recognized as revenue.

Sales revenue of commodities

The sales of goods are recognized as revenue and accounts receivable when the customer obtains control over the promised assets, that is, the time when the goods are delivered to the designated location and the performance obligation is met.

Outsourced processing is not recognized as income as the control of the ownership of the processed products has not been transferred.

(XIII) Leasing

The Group assesses whether the contract is (or includes) a lease on the date of its establishment.

Where the Group is a lessee:

Except that the lease payments of the low-value underlying assets and short-term leases applicable to the recognition exemption are recognized as expenses on a straight-line basis during the lease term, other leases are recognized as right-of-use assets and lease liabilities on the inception of the lease.

The right-of-use asset is initially measured at cost (including the original measured amount of the lease liability, the lease payment paid before the lease commencement date minus the lease incentive received, the original direct cost and the estimated cost of the recovery target asset), and subsequently measured at cost minus the accumulated depreciation and the accumulated impairment loss and adjusted for the remeasurement of the lease liability. A right-of-use asset is separately presented on the consolidated balance sheet.

The right-of-use assets shall be depreciated on a straight-line basis from lease commencement date to the end of the useful life or the end of the lease term.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments and variable lease payments which depend on an index or a rate. If the implicit interest rate of lease is easy to determine, the interest rate is used to discount the lease payment. If the interest rate is not easy to determine, the lessee’s incremental borrowing rate shall be used.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in an index or a rate used to determine those payments leading to a change in future lease payments, the Group re-measures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the re-measurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the accompanying consolidated balance sheets.

Variable rent that does not depend on index or a rate changes in lease agreement is recognized as expense in the periods in which they are incurred.

(XIV) Borrowing costs

The borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets are considered part of the cost of those assets until nearly all necessary activities to prepare the asset for its intended use or sale have been completed.

In addition to the aforementioned, all other borrowing costs are recognized as profit or loss in the period in which they are incurred.

(XV) Government subsidy

Government subsidies are recognized only when it is reasonably certain that the Company will comply with the conditions attached to the government subsidies and will receive such subsidies.

Government subsidies related to income are recognized in profit and loss on a systematic basis during the period when the relevant costs that they intend to compensate are recognized as expenses by the Company.

(XVI) Employee benefits

1. 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 service.

2. Post-retirement benefits

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

   Defined benefit costs (including service cost, net interest and re-measurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost and net interest on the net defined benefit liability (asset) are recognized as employee benefit expenses in the period they occur. Re-measurement (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. Re-measurement 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) are the deficit (surplus) of the contribution made according to the defined benefit pension plan. Net defined benefit assets may not exceed the present value of refundable contributions from the plan or reductions in future contributions.

(XVII) Employee stock options

1. Employee stock option for employees

   Employee subscription right is recognized as expenses on straight basis over the given period pursuant to the fair value of equity tool on the given day and the best quantity forecast as expected, while making adjustments on capital reserve - employee stock options. If it is vested at grant date, the expense is recognized in full at the same date. When the Company deals with capital increase in cash to retain employee subscription, the date on which the employee subscribes for shares is confirmed is the date of grant.

2. Equity-settled share-based payment agreement for employees of subsidiaries

   The employee stock options settled with the Company's equity instruments granted by the Company to employees of a subsidiary are deemed as capital contributions to the subsidiary, and are measured by the fair value of the equity instruments on the date of grant, recognized as an increase in the carrying amount of investment in the subsidiary within the available period, and the capital reserve - employee stock options are adjusted accordingly. If it is vested at grant date, the expense is recognized in full at the same date. When the Company deals with capital increase in cash to retain employee subscription of a subsidiary, the date on which the employee of the subsidiary subscribes for shares is confirmed is the date of grant.

(XVIII) Income Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

1. Current income tax

   The Group calculates the income (loss) for the current period in accordance with the regulations set forth by the tax reporting jurisdiction, which is utilized to determine the income tax payable (recoverable).

The undistributed surplus calculated in accordance with the Income Tax Act is subject to an annual income tax recognized according to the resolution of the shareholders' meeting.

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

2. Deferred income tax

Deferred income tax is calculated based on the temporary difference between the carrying amount of the assets and liabilities and the taxable basis of the taxable income.

Deferred income tax liabilities are generally recognized for all taxable temporary differences. Deferred income tax assets are recognized when it is probable that taxable income will be available for the use of income tax credits arising from deductible temporary differences, loss deductions or research and development expenditures.

Deferred income tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, 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 income tax assets arising from deductible temporary differences associated with such investments and interests are only recognized 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 they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each balance sheet date 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 asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each balance sheet date and recognized to the extent that it has become probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rate in the current period in which the liabilities are expected to be satisfied or the assets are expected to be realized. The rate is based on the tax rate and tax laws that have been enacted prior to the balance sheet date or have been substantially legislated. 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 balance sheet, to recover or settle the carrying amount of its assets and liabilities.

3. Current and deferred income tax for the year

Current and deferred income taxes are recognized in profit or loss, but current and deferred income taxes related to items recognized in other comprehensive income or directly included in equity are recognized in other comprehensive income or directly included in equity.

V. Critical Accounting Judgments and Key Sources of Estimation Uncertainty

When the Group adopts accounting policies, the management must make judgments, estimates and assumptions based on historical experience and other critical factors. Actual results may differ from these estimates.

The management will continuously review the estimates and basic assumptions. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Inventory Evaluation

As a result that inventory requires pricing at lower one between cost and net realized value; hence, the Company has to judge and estimate the net realization of inventory at the end of financial statements. Due to rapid technological changes, the Company evaluates the amount of inventory at the end of the financial reporting period due to normal wear and tear, obsolescence, or lack of market sales value, and offsets the cost of inventory to its net realizable value. Such inventory evaluation is mainly based on the demand for products during each period and past experience, so there may be significant changes.

VI. Cash and Cash Equivalents

	December 31, 2024	December 31, 2023
Petty cash and cash on hand	$ 962	$ 532
Checks and demand deposits in banks	269,927	231,069
Cash equivalents		
Time deposits	173,965	131,123
Reverse repurchase Agreement	282,732	93,999
	$ 727,586	$ 456,723

At the end of the balance sheet date, the ranges of the market interest rates for bank deposits and reserve repurchase agreements collateralized by bonds were as follows:

	December 31, 2024	December 31, 2023
Demand deposits	0.001%~4.10%	0.00007%~4.40%
Time deposits	3.00%~4.75%	3.50%~5.33%
Reserve repurchase agreements collateralized by bonds	2.50%~4.40%	2.15%~5.50%

VII. Financial Instruments at Fair Value through Profit or Loss - Current

	December 31, 2024	December 31, 2023
Financial assets - current		
Mandatorily measured at fair value through profit or loss		
Derivatives (not under hedge accounting)		
— Foreign exchange forward contracts	$ 44	$ 142
Financial liabilities - current		
Held for trading		
Derivatives (not under hedge accounting)		
— Foreign exchange forward contracts	$ 1,282	$ 33

At the end of the balance sheet date, outstanding foreign exchange forward contracts not under hedge accounting were as follows:

	Currency	Maturity Date	Contract Amount (In Thousands)
December 31, 2024			
Sell	USD/MYR	114.1.16~114.6.23	USD 2,600/ MYR 11,208
December 31, 2023			
Sell	USD/MYR	113.1.8~113.7.11	USD 1,800/ MYR 8,281

The Group entered into foreign exchange forward contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities. However, those contracts did not meet the criteria of hedge effectiveness, and therefore, the Group did not apply hedge accounting treatments for derivative contracts.

VIII. Financial Assets at Amortized Cost

	December 31, 2024	December 31, 2023
Pledge and mortgage		
Time deposits with original maturity over 3 months	$ 22,090	$ 20,189

At the end of the balance sheet date, the ranges of the market rates for the aforesaid assets were as follows:

	December 31, 2024	December 31, 2023
Time deposits with original maturity over 3 months	1.575%~2.60%	1.45%~2.80%

Please refer to Note 25 for the information related to financial assets at amortized cost pledged as security of the Group.

IX. Notes and Accounts Receivable

	December 31, 2024	December 31, 2023
Notes receivable		
Measured at amortized cost		
Gross carrying amount	$ 65,596	$ 56,452
Accounts receivable		
Measured at amortized cost		
Gross carrying amount	$ 728,869	$ 692,334
Less: allowance for loss	(7,120)	(11,357)
	$ 721,749	$ 680,977

The credit period for the sale of goods by the Group was approximately 30 to 150 days, and interest was not charged due to the short credit period.

In order to control credit risk, the Group assesses the credit quality of individual customers and determines the credit limit through the internal credit rating system, and regularly reviews based on individual customers' historical transaction records and financial status every year. In addition, the Group reviews the recoverable amount of accounts receivable one by one on each balance sheet date to ensure that the accounts receivable that may incur credit risk have been provided with appropriate impairment losses.

The Group measures the loss allowance for accounts receivable at an amount equal to lifetime ECLs. The duration of expected credit losses are estimated after using an allowance matrix by reference to past default experience with the customers and their current financial positions, economic conditions of the industry, and outlook. Due to the fact that the historical experience of the Group in evaluating credit losses shows no significant differences in the loss patterns of different customer groups, the provision matrix does not further differentiate between customer groups, and only calculates the expected credit loss rate based on the number of overdue days of accounts receivable.

The Group writes off accounts receivable when there is information indicating that the debtor is experiencing severe financial difficulty and there is no realistic prospect of recovery of the receivables. For accounts receivable that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, they are recognized in profit or loss.

The following table details the loss allowance of notes and accounts receivable based on the Group's allowance matrix.

December 31, 2024

	Not past due	Up to 60 Days	61~90 Days	Over 91 Days	Total
Expected credit loss rate	0.22%	0.35%	63%	100%	
Gross carrying amount	$ 748,193	$ 40,552	$ 1,083	$ 4,637	$ 794,465
Loss allowance (Lifetime ECLs)	(1,663)	(141)	(679)	(4,637)	(7,120)
Amortized cost	$ 746,530	$ 40,411	$ 404	$ -	$ 787,345

December 31, 2023

	Not past due	Up to 60 Days	61~90 Days	Over 91 Days	Total
Expected credit loss rate	0.93%	4.95%	100%	100%	
Gross carrying amount	$ 694,153	$ 52,296	$ 60	$ 2,277	$ 748,786
Loss allowance (Lifetime ECLs)	(6,429)	(2,591)	(60)	(2,277)	(11,357)
Amortized cost	$ 687,724	$ 49,705	$ -	$ -	$ 737,429

Changes in the allowance for impairment loss recognized on notes receivable and accounts receivable were as follows:

	2024	2023
Beginning balance	$ 11,357	$ 10,611
Provision (reversal) for impairment losses in the current year	(4,826)	935
Foreign exchange translation gains and losses	589	(189)
Ending balance	$ 7,120	$ 11,357

X. Inventories

	December 31, 2024	December 31, 2023
Finished goods	$ 318,819	$ 286,838
Work in progress	274,271	254,777
Raw materials and Supplies	278,753	127,549
	$ 871,843	$ 669,164

The costs of inventories recognized as cost of goods sold for the years ended December 31, 2024 and 2023 were NT$2,457,590 thousand and NT$2,314,247 thousand, respectively.

The cost of goods sold for the years ended December 31, 2024 and 2023 included an impairment loss on the inventories of NT$33,470 thousand and a recovery benefit on the inventories of NT$38,443 thousand.

XI. Subsidiary

(I) Subsidiaries included in the consolidated financial statements

The consolidated financial statements are prepared by the following subjects:

Investor	Subsidiary	Nature of Activities	Proportion of Ownership (%) December 31, 2024	Proportion of Ownership (%) December 31, 2023	Remark
The Company	ACME Electronics (Cayman) Corp. (ACME (Cayman))	Corporate investments	60.10%	60.10%	(1)
	Golden Amber Enterprises Limited (GAEL)	Corporate investments	100.00%	100.00%	(2)
ACME (Cayman)	Acme Electronics (Kunshan) Co., Ltd. ("ACME Electronics (KS)")	Manufacturing and marketing of soft ferrite core	100.00%	100.00%	(3)
	ACME Components (Malaysia) Sdn. Bhd. (ACME (MA))	Corporate investments	100.00%	100.00%	(4)
ACME (MA)	ACME Ferrite Products Sdn. Bhd. (ACME Ferrite)	Manufacturing and marketing of soft ferrite core	100.00%	100.00%	(5)
	ACME Advanced Material (ACME Advanced)	Manufacturing and marketing of silicon carbide	100.00%	-	(6)
GAEL	Acme Electronics (Guangzhou) Co., Ltd. ("ACME Electronics (GZ)")	Manufacturing and marketing of soft ferrite core	100.00%	100.00%	(7)

1. ACME (Cayman) was established on June 28, 2000, mainly engaged in 100% reinvestment in its subsidiaries ACME Electronics (KS) and ACME (MA). In April 2023, ACME (Cayman) made a capital increase of US$9,000 thousand in cash, fully subscribed by the Company, resulting in an increase in the shareholding ratio to 60.10%. As the above transaction did not change the control of the Group over its subsidiaries, which the Group treated as an equity transaction and adjusted to increase the accumulated deficits to be offset by NT$1,518 thousand. In addition, ACME (Cayman) conducted a cash capital

increase of both US$6,000 thousand in February and December 2024, subscribed by the original shareholders in proportion to their holdings. Before and after the capital increase, the company's shareholding percentage remained at 60.10%.

2. GAEL was established on March 26, 1998 in the British Virgin Islands, mainly engaged in 100% reinvestment in its subsidiary, ACME Electronics (GZ).
3. ACME Electronics (KS) was established on July 27, 2000, mainly engaged in the production and sales of soft ferrite cores applied in communication, information, consumer and automotive electronic products.
4. ACME (MA) was established on September 6, 1990, mainly engaged in 100% reinvestment in ACME Ferrite. The Company acquired 100% equity in ACME (MA) through its subsidiary ACME (Cayman) in December 2009.
5. ACME Ferrite was established on September 21, 1990, mainly engaged in the production and sales of soft ferrite cores applied in communication, information, consumer and automotive electronic products.
6. ACME Advanced was established in January 2024, mainly engaged in the production and sales of silicon carbide applied in communication, information, consumer and automotive electronic products.
7. ACME Electronics (GZ) was established on November 24, 2004, mainly engaged in the production and sales of soft ferrite cores and processing of incoming materials. The Company has signed an outsourced material processing contract with ACME Electronics (GZ) to supply the processed products to nearby mainland Chinese export manufacturers.

(II) Details of subsidiaries that have material non-controlling interests

Please refer to Table 4 for information on the main business premises and countries of registration.

	Profit (Loss) Allocated to Non-controlling Interests		Non-controlling interests	
Subsidiary	2024	2023	2024 December 31	2023 December 31
ACME (Cayman) and its subsidiaries	($ 25,101)	($ 40,693)	$ 726,115	$ 555,114

The summarized financial information of the following subsidiaries is prepared according to the amount before the elimination of intercompany transactions:

ACME (Cayman) and its subsidiaries

	December 31, 2024	December 31, 2023
Current assets	$ 1,131,363	$ 885,623
Non-current assets	1,333,636	1,088,436
Current liabilities	(520,327)	(464,168)
Non-current liabilities	(124,842)	(121,076)
Equity	$ 1,819,830	$ 1,388,815
Equity attributable to:		
Owners of the Company	$ 1,093,715	$ 834,675
Non-controlling interests	726,115	554,140
	$ 1,819,830	$ 1,388,815

	2024	2023
Operating revenue	$ 1,304,936	$ 1,206,330
Net loss for the year	($ 60,469)	($ 94,932)
Other comprehensive income (loss)	111,754	(40,951)
Total comprehensive income	$ 51,285	($ 135,883)
Net loss attributable to:		
Owners of the Company	($ 36,342)	($ 54,824)
Non-controlling interests	(24,127)	(40,108)
	($ 60,469)	($ 94,932)
Total comprehensive income attributable to:		
Owners of the Company	$ 30,822	($ 79,688)
Non-controlling interests	20,463	(56,195)
	$ 51,285	($ 135,883)
Cash flow		
Operating activities	$ 314,925	$ 173,642
Investing activities	(338,249)	(149,413)
Financing activities	155,292	74,432
Effects of exchange rate changes	39,337	(12,611)
Net cash inflow	$ 171,305	$ 86,050

XII. Investments Accounted for Using Equity Method

	December 31, 2024		December 31, 2023	
Company Name	Amount	Shareholding	Amount	Shareholding
USI Optronics Corporation (USIO)	$ 10,640	34%	$ 18,196	34%

Please refer to Table 4 for relevant information on associates of the Group on the balance sheet date.

The following summary financial information has been prepared based on the financial statements of USIO and has reflected the adjustments made when adopting the equity method.

USIO

	December 31, 2024	December 31, 2023
Current assets	$ 22,974	$ 34,113
Non-current assets	14,238	24,062
Current liabilities	(5,914)	(4,652)
Equity	31,298	53,523
The Company's shareholding ratio (%)	34%	34%
Equity attributable to the Group	$ 10,640	$ 18,196
Carrying amount of investment	$ 10,640	$ 18,196

	2024	2023
Operating revenue	$ 9,201	$ 5,641
Net loss for the year	($ 22,225)	($ 13,363)
Total comprehensive income	($ 22,225)	($ 13,363)

XIII. Property, Plant and Equipment

	2024					
	Beginning balance	Increase during the year	Decrease during the year	Internal transfer	Effects of exchange rate	Ending balance
Cost						
Land	$ 82,657	$ -	$ -	$ -	$ -	$ 82,657
Land improvement	7,996	-	-	-	-	7,996
Building and equipment	1,382,495	8,905	(1,271)	56,939	61,668	1,508,736
Machinery and equipment	3,250,312	43,423	(70,047)	400,307	151,286	3,775,281
Transportation equipment	16,055	1,782	(2,204)	-	1,199	16,832
Other equipment	404,737	30,957	(109,302)	12,331	19,134	357,857
Construction in progress	-	186,829	-	47,095	316	234,240
Total cost	5,144,252	$ 271,896	($ 182,824)	$ 516,672	$ 233,603	5,983,599
Accumulated depreciation and impairment						
Land improvement	7,534	$ 169	$ -	$ -	$ -	7,703
Building and equipment	808,038	67,095	(1,179)	-	34,012	907,966
Machinery and equipment	1,932,443	214,796	(69,269)	-	94,235	2,172,205
Transportation equipment	13,024	838	(2,204)	-	993	12,651
Other equipment	334,804	24,023	(109,112)	-	18,655	268,370
Total accumulated depreciation and impairment	3,095,843	$ 306,921	($ 181,764)	$ -	$ 147,895	3,368,895
Net	$2,048,409					$2,614,704

	2023					
	Beginning balance	Increase during the year	Decrease during the year	Internal transfer	Effects of exchange rate	Ending balance
Cost						
Land	$ 82,657	$ -	$ -	$ -	$ -	$ 82,657
Land improvement	9,329	-	(1,333)	-	-	7,996
Building and equipment	1,288,837	2,860	(5,423)	116,454	(20,233)	1,382,495
Machinery and equipment	2,985,032	113,862	(64,858)	267,727	(51,451)	3,250,312
Transportation equipment	15,343	1,831	(638)	-	(481)	16,055
Other equipment	402,189	4,844	(15,751)	22,260	(8,805)	404,737
Construction in progress	-	24,376	-	(22,979)	(1,397)	-
Total cost	4,783,387	$ 147,773	($ 88,003)	$ 383,462	($ 82,367)	5,144,252
Accumulated depreciation and impairment						
Land improvement	8,699	$ 168	($ 1,333)	$ -	$ -	7,534
Building and equipment	762,476	59,484	(3,109)	-	(10,813)	808,038
Machinery and equipment	1,857,838	172,316	(60,392)	-	(37,319)	1,932,443
Transportation equipment	13,042	1,003	(619)	-	(402)	13,024
Other equipment	325,574	29,216	(15,710)	-	(4,276)	334,804
Total accumulated depreciation and impairment	2,967,629	$ 262,187	($ 81,163)	$ -	($ 52,810)	3,095,843
Net	$ 1,815,758					$ 2,048,409

The Group recognized an impairment loss of NT$3,074 thousand for assets that were idle and did not meet production needs for 2024. This loss was classified as other operating expenses. The recoverable value of these assets is determined based on their estimated disposal value, which is classified as Level 3 fair value.

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Land improvement	8 to 20 years
Building and equipment	
Office building, labs, and improvements	20 to 50 years
Others	3 to 15 years
Machinery and equipment	3 to 15 years
Transportation equipment	5 years
Other equipment	3 to 25 years

Please refer to Note 23 for the amount of property, plant and equipment pledged as collateral for loans.

XIV. Lease Arrangements

(I) Right-of-use assets

	December 31, 2024	December 31, 2023
Carrying amount of right-of-use assets		
Land	$ 115,931	$ 112,313
Buildings	3,620	-
Machinery and equipment	44,825	56,258
Transportation equipment	223	607
	$ 164,599	$ 169,178

For amount of right-of-use assets pledged as collateral for bank borrowings, please refer to Note 25.

	2024	2023
Addition for right-of-use assets	$ 3,796	$ -
Depreciation expense of right-of-use assets		
Land	$ 4,029	$ 3,934
Buildings	176	104
Machinery and equipment	14,200	13,930
Transportation equipment	384	384
	$ 18,789	$ 18,352

(II) Lease liabilities

As of the years ended December 31, 2024 and 2023, the discount rates of lease liabilities were 1.11%~3.00% and 1.11%~1.25%.

(III) Material lease-in activities and terms

The Group has leased several buildings, machinery and transportation equipment for manufacturing and operational purposes, with a lease term of 3-10 years.

The use right assets - land refers to the land use rights of the Group located in mainland China and Malaysia.

(IV) Other lease information

	2024	2023
Expenses relating to short-term leases	$ 8,100	$ 7,229
Total cash flows on lease	($ 23,530)	($ 22,308)

The Group elects to apply the exemption of recognition to the office and other leases eligible for short-term leases and does not recognize the relevant right to use assets and lease liabilities under such leases. The short-term lease commitments subject to recognition exemption were NT$4,943 thousand and NT$5,074 thousand respectively on December 31, 2024 and 2023.

XV. Borrowings

(I) Short-term borrowings

	December 31, 2024	December 31, 2023
Secured borrowings (Note 25)		
Bank loans	$ 4,575	$ 6,525
Unsecured borrowings		
Credit line loan	453,311	350,832
	$ 457,886	$ 357,357

The interest rates of short-term borrowings were 1.90%~4.43% and 1.68%~4.74% as of December 31, 2024 and 2023, respectively.

(II) Short-term bills payable (December 31, 2023: None)

	December 31, 2024
Commercial note payable	$ 70,000
Less: Discount on commercial note payable	(8)
	$ 69,992

The interest rates on short-term bills payable was 1.998% as of December 31, 2024.

(III) Long-term borrowings

	December 31, 2024	December 31, 2023
Secured bank loans	$ 1,410,617	$ 1,235,439
Unsecured bank loans	265,000	98,500
	1,675,617	1,333,939
Long-term borrowings due within one year	(172,248)	(1,047)
	$ 1,503,369	$ 1,332,892
Maturity year	114~133	113~133
Range of interest rates	1.12%~4.36%	0.995%~4.35%

The Group obtained a low-interest loan facility of NT$588,000 thousand under the “Incentive Program for Taiwanese Businesses to Return and Invest in Taiwan”. The loan is subject to market interest rates, with the government subsidizing the difference between the market rate and the preferential repayment rate. As of December 31, 2024, a total of NT$363,000 thousand has been utilized.

Please refer to Note 25 for details of collateralized assets for secured loans.

XVI. Post-retirement benefits plans

(I) Defined contribution plans

The Group adopts a pension plan under the Labor Pension Act, which is a state-managed defined contribution plan. According to the Labor Pension Act, the Company makes monthly contributions to employees' individual pension accounts at 6% of their monthly salaries. The retirement plan established by foreign subsidiaries, in compliance with local regulatory authorities, is also classified as a defined contribution retirement plan.

(II) Defined benefit plans

The pension system conducted by the Company under the "Labor Standards Act" of our country is a defined benefit retirement plan administered by the government. The payment of the employee's pension is based on the length of service and the average salary of six months before the approved retirement date. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to a retirement fund that is deposited with Bank of Taiwan under the name of The Supervisory Committee of Workers' Retirement Fund. Before the end of year, if the balance at the retirement fund is not sufficient to pay employees who will meet the retirement criteria next year, a lump-sum deposit for the shortfall should be made before the end of March of the following year. The exclusive account is administered by the Bureau of Labor Funds of the Ministry of Labor, and the Company retains no rights that may influence its investment and administration strategies.

The amounts included in the accompanying consolidated balance sheets arising from the Company's obligation in respect of its defined benefit plans were as follows:

	December 31, 2024	December 31, 2023
Present value of defined benefit obligations	$ 51,194	$ 45,556
Fair value of plan assets	(39,148)	(30,438)
Net defined benefit liabilities	$ 12,046	$ 15,118

The changes in net defined benefit liabilities are as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liabilities
Balance as of January 1, 2024	$ 45,556	($ 30,438)	$ 15,118
Service cost			
Service cost - previous period	4,900	-	4,900
Interest expenses (income)	569	(385)	184
Amounts recognized in profit or loss	5,469	(385)	5,084
Re-measurement on the net defined benefit liability			
Return on plan assets (excluding amounts included in net interest)	-	(2,713)	(2,713)
Actuarial (gain) loss			
－Changes in financial assumptions	(1,226)	-	(1,226)
－Experience adjustments	1,395	-	1,395
Recognized in other comprehensive income	169	(2,713)	(2,544)
Contributions from employer	-	(5,612)	(5,612)
Balance as of December 31, 2024	$ 51,194	($ 39,148)	$ 12,046
Balance as of January 1, 2023	$ 45,779	($ 29,626)	$ 16,153
Service cost			
Service cost - current period	188	-	188
Interest expenses (income)	686	(450)	236
Amounts recognized in profit or loss	874	(450)	424
Re-measurement on the net defined benefit liability			
Return on plan assets (excluding amounts included in net interest)	-	(174)	(174)
Actuarial loss (gain)			
－Changes in financial assumptions	1,011	-	1,011
－Experience adjustments	(500)	-	(500)
Recognized in other comprehensive income	511	(174)	337
Contributions from employer	-	(926)	(926)
Benefits paid	(1,608)	738	(870)
Balance as of December 31, 2023	$ 45,556	($ 30,438)	$ 15,118

The Group is exposed to following risks for the defined benefits plans under the "Labor Standards Law":

1. Investment risk: Through its own use and entrusting operation, Bureau of Labor Funds, MOL invested labor pension funds in domestic (foreign) equity and debt securities and bank deposits. But the allocated amounts of the Company's plan assets shall not be lower than the gain calculated by the average interest rate on a two-year time deposit.
2. Interest rate risk: The decline in government bond interest rate will increase the present value of the obligation on the defined benefit plan, while the return on plan assets will increase. The net effect on the present value of the obligation on defined benefit plan is partially offset by the return on plan assets.
3. Salary risk: Present value of defined benefit obligations is calculated from future salary of member participants; Hence, the increase in plan participants' salary will increase the present value of the defined benefit obligation.

The present value of the defined benefit obligation of the Group was calculated by the independent actuary. The principal assumptions on the measurement date were as follows:

	December 31, 2024	December 31, 2023
Discount rate	1.500%	1.250%
Expected rates of salary increase	3.000%	3.000%

If reasonably possible changes of the respective significant actuarial assumptions occur, while holding all other assumptions constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31, 2024	December 31, 2023
Discount rate		
0.25% increase	($ 1,183)	($ 1,011)
0.25% decrease	$ 1,226	$ 1,043
Expected rates of salary increase		
0.25% increase	$ 1,188	$ 1,007
0.25% decrease	($ 1,152)	($ 981)

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 amount of contribution within 1 year	$ 800	$ 800
Average duration of defined benefit obligations	14.3 years	9.0 years

XVII. Government subsidy

Acme Electronics (KS) reached an agreement with Kunshan Zhoushi Town People's Government in 2006 in which Acme Electronics (KS) promised to relocate its new plant and raise its investment amount in order to obtain subsidies from Kunshan Zhoushi Town People's Government for the cost of land use rights and basic power projects. Acme Electronics (KS) recognized the subsidies as long-term deferred income and amortized them together with the use of related assets.

Acme Electronics (GZ) obtained subsidies related to depreciable assets from the local government in 2023. Acme Electronics (GZ) recognized the subsidies as long-term deferred income and amortized them together with the use of related assets.

As of December 31, 2024 and 2023, due to the above-mentioned circumstances, the Group’s unamortized deferred revenue amounted to RMB 7,329 thousand (NT$ 33,424 thousand) and RMB 8,032 thousand (NT$ 34,822 thousand), respectively.

The Group applied for the Industrial Upgrade Platform Innovation Guidance Program subsidy and the Large-to-Small Manufacturing Industry Low Carbon and Intelligent Upgrade and Transformation subsidy from the Taiwanese government. For the years ended December 31, 2024 and 2023, expenses related to the subsidy were recognized as deductions from operating expenses, amounting to NT$14,445 thousand and NT$9,000 thousand, respectively.

As a result of the above and other subsidies, the government subsidy incomes recognized as other income of the Group for the years ended December 31, 2024 and 2023 were NT$18,588 thousand and NT$11,350 thousand, respectively.

XVIII. Equity

(I) Ordinary share capital

	December 31, 2024	December 31, 2023
Number of shares authorized (in thousands)	300,000	300,000
Share capital authorized	$ 3,000,000	$ 3,000,000
Number of shares issued and fully paid (in thousands)	212,994	212,994
Share capital issued	$ 2,129,937	$ 2,129,937

Fully paid ordinary shares, which have a par value of NT$10, carry one vote per share and carry a right to dividends.

The share capital reserved for the issuance of the exercise of employee share options was 11,000 thousand shares.

On June 14, 2022, the Board of Directors resolved a capital increase in cash to issue 30,000 thousand of new shares with a par value of NT$10 per share. The above cash capital increase plan was declared effective by the FSC on July 22, 2022, of which 15% was reserved for subscription by qualified employees of the Company and affiliates. The related issuance price was NT$20 per share, and the record date of the capital increase was January 16, 2023, and the cost of issuing new shares was NT$2,201 thousand as a reduction of capital surplus.

(II) Capital surplus

	December 31, 2024	December 31, 2023
Used to offset deficits, pay cash dividends or capitalize capital (1)		
Stock issuance premium	$ -	$ 299,866
May only be used to offset deficits		
Disgorgement	50	76
	$ 50	$ 299,942

1. Such capital surplus may be used to offset deficits or, if the Company has no deficit, to pay cash dividends or to capitalize capital.

(III) Retained earnings and dividends policy

According to the earnings distribution provisions of the Company's articles of Incorporation, if the Company retains earnings in the current year, it shall allocate the compensation to directors and employees. The compensation to directors shall be no more than 1% of the earnings gained in the current year, while the compensation to employees shall be no less than 1% of the earnings. Notwithstanding, if the Company retains accumulated losses, it shall reserve the amount to be covered in advance. Said compensation to employees may be allocated in the form of shares or in cash, including the employees of the Company's subsidiaries meeting certain specific requirements entitled to receive shares or cash. The specific requirements shall be defined by the Board of Directors. If the Company has net profits after tax according to its annual financial account, the Company may, after making up all past losses, set aside a 10% legal reserve from the remainder, if any. The remaining allocable earnings, if any, plus the accumulated unappropriated earnings for prior years and the balance after provision or reversal of special earnings required by the competent authority, shall be accumulated allocable earnings, which shall be allocated according to the proposal drafted by the Board of Directors and resolution made by a general shareholders' meeting duly. The shareholders' meeting may retain the earnings, in whole or in part, subject to the overview of business.

As the industry which the Company is engaged in refers to a growing phase, when resolving to allocate earnings, in consideration of the future funding needs and financial plan, the shareholders' dividend allocable shall be no less than 10% of the allocable earnings, including the cash dividend no less than 10% of the whole dividends. Notwithstanding, no dividend shall be allocated, if the allocable earnings per share is less than NT$0.1. Please refer to Note 19 (3) Remunerations of Employees and Directors for the estimated basis and actual distribution of employee and director remuneration.

The appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Company's paid-in capital. 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.

The Company held regular shareholders' meeting on May 26, 2023, and decided not to distribute surplus due to the need to make up for losses.

The Company held regular shareholders' meeting on May 28, 2024 and resolved to offset the losses with a capital surplus of NT$299,942 thousand and not distribute any dividends due to the need to make up for losses.

The Company still needs to make up for losses as of December 31, 2024. Therefore, the board meeting on March 4, 2025 proposed not to make any surplus distribution, and it is pending a resolution at the annual shareholders' meeting for the year 2025.

XIX. Net profit (loss) for the year

(I) Depreciation and amortization

	2024	2023
Property, Plant and Equipment	$ 303,847	$ 262,187
Right-of-use assets	18,789	18,352
Intangible assets	1,460	1,732
Total	$ 324,096	$ 282,271
Summary of depreciation by function		
Operating costs	$ 266,426	$ 239,832
Operating expenses	56,210	40,707
	$ 322,636	$ 280,539
Summary of amortization by function		
Operating costs	$ 851	$ 771
Operating expenses	482	865
Research and development expenses	127	96
	$ 1,460	$ 1,732

(II) Employee benefit expenses

	2024	2023
Post-retirement benefits (Note 16)		
Defined contribution plans	$ 57,106	$ 55,605
Defined benefit plans	5,084	424
	62,190	56,029
Salary, Bonus, etc.	$ 884,329	$ 739,504
Total	$ 946,519	$ 795,533
Summary of employee benefit expenses by function		
Operating costs	$ 698,762	$ 565,382
Operating expenses	247,757	230,151
	$ 946,519	$ 795,533

(III) Employees' compensation and remuneration of directors

The Company accrued remuneration of employees and directors at rates of no less than 1% and no higher than 1%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. The Company has yet to make up the loss as of December 31, 2024 and 2023, so the remunerations of employees and directors are not estimated and recognized.

If there is still any change in the amount after the annual consolidated financial statements are authorized for issue, the differences shall be treated as a change in accounting estimates in the following year.

Information on the remunerations of employees and directors for the years ended December 31, 2024 and 2023 proposed by the Company's Board of Directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

(IV) Other income

	2024	2023
Government subsidy income	$ 18,588	$ 11,350
Management service income (Note 24)	9,337	9,849
Rental income	1,582	1,534
Others	13,106	6,014
	$ 42,613	$ 28,747

(V) Foreign exchange gain (loss)

	2024	2023
Foreign exchange gains	$ 79,480	$ 54,163
Foreign exchange losses	(56,706)	(46,176)
Net profit	$ 22,774	$ 7,987

(VI) Other gain and loss

	2024	2023
Gain (loss) on disposal of property, plant and equipment	$ 383	($ 4,894)
Gain on financial assets at FVTPL	10,818	4,592
Others	(1,828)	(1,145)
	$ 9,373	($ 1,447)

(VII) Finance costs

	2024	2023
Interest on bank loan	$ 39,276	$ 45,031
Interest on lease liabilities	613	748
Reduction: Capitalisation of interest (Included in work in progress)	(1,603)	-
	$ 38,286	$ 45,779

Capitalization of interest information is as follows (2023: None):

	2024
Capitalization of interest	$ 1,603
Capitalization of interest rate	1.80%

XX. Income tax

(I) The main components of income tax expense (benefit) recognized as profit or loss are as follows

	2024	2023
Current income tax		
In respect of the current period	$ 14,983	$ 5,957
Adjustments for previous years	(63)	(2,147)
	14,920	3,810
Deferred income tax		
In respect of the current period	10,027	(29,398)
Adjustments for previous years	(9,615)	(11,960)
	412	(41,358)
Income tax expense (benefit) recognized in profit or loss	$ 15,332	($ 37,548)

Reconciliation of accounting income and income tax expense (benefit) to applicable tax rates is as follows:

	2024	2023
Net profit (loss) before tax	$ 145,529	($ 249,465)
Income tax expense (benefit) of net profit (loss) before tax calculated at the statutory tax rate	$ 32,023	($ 34,570)
Items subject to adjustment in determining taxable income	25,007	3,280
Unrecognized loss deduction / deductible temporary difference	(34,395)	5,672
Current income tax expense from previous years adjusted in the year	(9,678)	(14,107)
Withholding tax on income from royalties	2,375	2,177
Income tax expense (benefit) recognized in profit or loss	$ 15,332	($ 37,548)

(II) Income tax recognized in other comprehensive income

	2024	2023
Deferred income tax		
Income tax expenses (benefits) recognized in other comprehensive income		
－Exchange differences on translating the financial statements of foreign operations	$ 23,433	($ 8,257)
－Actuarial gain or loss of defined benefits	509	(68)
	$ 23,942	($ 8,325)

(III) Current income tax assets and liabilities

	December 31, 2024	December 31, 2023
Current income tax assets		
Tax refund receivable	$ 10,752	$ 9,485
Current income tax liabilities		
Income tax payable	$ 259	$ -

(IV) Deferred income tax assets and liabilities

2024

Deferred income tax assets	Beginning balance	Amounts recognized in profit or loss	Recognized in other comprehensive income	Exchange differences	Ending balance
Temporary difference					
Allowance for loss receivable	$ 1,448	($ 452)	$ -	$ 71	$ 1,067
Allowance for reduction of inventory to market	8,961	4,965	-	156	14,082
Defined benefit retirement plan	7,048	-	(509)	-	6,539
Exchange differences of foreign operations	18,427	-	(18,427)	-	-
Government subsidy	5,247	(139)	-	271	5,379
Unrealized benefit on sales and others	9,169	3,544	-	754	13,467
	50,300	7,918	(18,936)	1,252	40,534
Deduction for losses	46,837	(5,688)	-	1,096	42,245
	$ 97,137	$ 2,230	($ 18,936)	$ 2,348	$ 82,779

Deferred income tax liabilities	Beginning balance	Amounts recognized in profit or loss	Recognized in other comprehensive income	Exchange differences	Ending balance
Temporary difference					
Investments accounted for using the equity method	$ 66,757	($ 4,071)	$ -	$ -	$ 62,686
Depreciation due to fiscal and taxation difference over amortization period	30,704	6,157	-	2,596	39,457
Exchange differences of foreign operations	-	-	5,006	-	5,006
Unrealized loss on sales and others	8,625	556	-	125	9,306
	$ 106,086	$ 2,642	$ 5,006	$ 2,721	$ 116,455

2023

Deferred income tax assets	Beginning balance	Amounts recognized in profit or loss	Recognized in other comprehensive income	Exchange differences	Ending balance
Temporary difference					
Allowance for loss receivable	$ 1,473	$ -	$ -	($ 25)	$ 1,448
Allowance for reduction of inventory to market	14,306	(5,317)	-	(28)	8,961
Defined benefit retirement plan	6,980	-	68	-	7,048
Exchange differences of foreign operations	10,170	-	8,257	-	18,427
Government subsidy	5,472	(137)	-	(88)	5,247
Others	8,161	1,305	-	(297)	9,169
	46,562	(4,149)	8,325	(438)	50,300
Deduction for losses	25,960	21,420	-	(543)	46,837
	$ 72,522	$ 17,271	$ 8,325	($ 981)	$ 97,137

Deferred income tax liabilities	Beginning balance	Amounts recognized in profit or loss	Recognized in other comprehensive income	Exchange differences	Ending balance
Temporary difference					
Investments accounted for using the equity method	$ 88,142	($ 21,385)	$ -	$ -	$ 66,757
Depreciation due to fiscal and taxation difference over amortization period	17,035	14,704	-	(1,035)	30,704
Unrealized loss on sales and others	26,046	(17,406)	-	(15)	8,625
	$ 131,223	($ 24,087)	$ -	($ 1,050)	$ 106,086

(V) Amount of unused loss deduction for deferred tax assets not recognized in the balance sheet

	December 31, 2024	December 31, 2023
Deduction for losses		
Due in 2024	$ 94,443	$ 121,331
Due in 2025	-	63,480
Due in 2026	-	43,473
Due in 2027	$ 756,986	$ 805,297
Due in 2028	232,879	232,879
Due in 2029	79,909	33,260
Due in 2030	55,004	55,004
Due in 2031	19,466	19,466
Due in 2032	30,374	30,374
Due in 2033	19,846	19,846
	$ 1,288,907	$ 1,424,410

(VI) Unused loss deduction related information

As of December 31, 2024, the loss deduction information is as follows:

Balance before deduction	Last deduction year
$ 94,443	2024
993,947	2027
232,879	2028
79,909	2029
55,004	2030
19,466	2031
30,374	2032
19,846	2033
$ 1,525,868	

(VII) Certification of income tax

The Company's income tax returns through 2022 have been assessed by the tax authorities.

(VIII) The information on the income tax of subsidiaries is as follows:

1. ACME (Cayman) and GAEL had no income tax expense for the years ended December 31, 2024 and 2023 due to relevant tax exemptions in compliance with the regulations of the location where the entities were established.
2. ACME Electronics (GZ) applies the approval of preferential tax rate for high-tech enterprises on file, the statutory tax rate applicable to it is reduced from 25% to 15%.
3. The statutory tax rate applicable to ACME Electronics (KS) is 25%.

4. The statutory tax rate applicable to ACME (MA), ACME Ferrite and ACME Advanced is 24%.

XXI. Earnings (Losses) per Share

	2024	2023
Basic earnings (losses) per share	$ 0.73	($ 0.81)
Diluted earnings (losses) per share	$ 0.73	($ 0.81)

The net profit (loss) and weighted-average number of ordinary shares outstanding in the calculation of earnings (loss) per share were as follows:

Net profit (loss) for the year

	2024	2023
Net profit (loss) for calculating basic and diluted earnings (losses) per share	$ 155,298	($ 171,224)

Number of shares (Unit: thousands of shares)

	2024	2023
Weighted average number of ordinary shares outstanding used for calculating basic and diluted earnings (losses) per share	212,994	211,744

XXII. Capital Risk Management

The Group manages capital management under the precondition for sustainable development to ensure that it is able to maximize the benefit for its shareholders by optimizing debt and equity.

Key management personnel of the Group review the capital structure of the Group irregularly. As part of this review, the key management personnel consider the cost of capital and the risks associated with each class of capital. Based on the recommendations of the key management personnel, the Group may balance its overall capital structure by paying dividends, issuing new shares, buying back shares and raising new debt or redeeming old debt.

XXIII. Financial instruments

(I) Fair value information - financial instruments not measured at fair value

Except the derivative instruments are measured at the fair value after the original recognition, the financial assets and financial liabilities of the Group are measured at the amortized cost and the management of the Group believes that the carrying amounts are close to their fair value.

(II) Fair value information - Fair value of financial instruments measured at fair value on a recurring basis

1. Fair value hierarchy

December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivatives	$ -	$ 44	$ -	$ 44
Financial liabilities at FVTPL				
Derivatives	$ -	$ 1,282	$ -	$ 1,282

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivatives	$ -	$ 142	$ -	$ 142
Financial liabilities at FVTPL				
Derivatives	$ -	$ 33	$ -	$ 33

There were no transfers between Levels 1 and 2 fair value measurement for the years ended December 31, 2024 and 2023.

2. Valuation techniques and inputs applied for Level 2 fair value measurement

Categories of Financial Instruments	Valuation Techniques and Inputs
Derivatives - foreign exchange forward contracts	Discounted cash flow: Future cash flows are estimated based on observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

(III) Categories of financial instruments

	December 31, 2024	December 31, 2023
Financial assets		
Financial assets at FVTPL	$ 44	$ 142
Measured at amortized cost (Note 1)	1,561,179	1,236,817
Financial liabilities		
Financial liabilities at FVTPL	1,282	33
Measured at amortized cost (Note 2)	2,636,132	2,027,502

Note 1: The balance refers to financial assets measured at amortized cost, including cash and cash equivalents, pledged bank time deposits, accounts receivable, other receivables, refundable deposits.

Note 2: The balance refers to financial liabilities measured at amortized cost, including long-term and short-term loans, short-term notes payable, accounts payable, other accounts payable, and deposits.

(IV) Financial risk management objectives and policies

The Group's principal financial instruments include cash and equivalent cash, receivables, other receivables and long-term, short-term loans, short-term notes payable, payables, other payables and lease liabilities, etc. The financial management department of the Group coordinates the financial operation in the domestic financial market, and supervises and manages financial risks related to the operation of the Group by analyzing the internal risk reports of the risks according to the level and scope of risks. Such risk includes market risk (including foreign exchange risk and interest rate risk), credit risk, and liquidity risk.

The Group avoids exposure through derivative financial instruments to mitigate the impact of such risks. The use of derivative financial instruments is regulated by policies passed by the Board of Directors of the Group. Internal auditors focus on reviewing the observance of the policies and the quota of risk exposures. The Group has not engaged in transactions in financial instruments (including derivative financial instruments) for speculative purposes.

1. Market risks

   The Group’s activities expose it primarily to the market risks of changes in foreign exchange rates (see (1) below) and the changes in interest rates (see (2) below).

(1) Foreign exchange risk

The Group conducted foreign currency sales and purchases, which exposed the Group to foreign currency risk. The management of the Group's exchange rate exposure is to use foreign exchange forward contracts to manage risks of net foreign currency within the scope permitted by the policy.

Please refer to Note 27 for the carrying amount of monetary assets and monetary liabilities of the Group denominated in non-functional currencies on the balance sheet date (including monetary items denominated in a non-functional currency which have been eliminated in the consolidated financial statements).

Sensitivity analysis

The sensitivity analysis of foreign exchange rate risks is mainly computed with respect to foreign currency items on the end date of the financial reporting period. The Group is mainly impacted by the exchange rate fluctuations in USD. If the Group's functional currency appreciated/depreciates 3% against the U.S. dollar, the Group's pre-tax profit for the year ended December 31, 2024 will decrease/increase by NT$18,922 thousand, and the pre-tax loss for the year ended December 31, 2023 will increase/decrease by NT$13,942 thousand.

The carrying amounts of the Group's financial assets and financial liabilities with exposure to exchange rates on the balance sheet date were receivables, payables and loans denominated in USD.

In the management's opinion, the sensitivity analysis was unrepresentative for the foreign currency risk of interim period because the exposure at the end of the reporting period did not reflect the exposure during the period.

(2) Interest rate risk

The Group was exposed to the fair value risk of interest rate fluctuations for the fixed interest rate bearing financial assets and financial liabilities; the Group was exposed to the cash flow risk of interest rate fluctuations for the floating interest rate bearing financial assets and financial liabilities. The Group's management regularly monitors the fluctuations in market rates and then adjusted its balance of floating rate bearing financial liabilities to make the Group's interest rates more closely approach market rates in response to the interest rate risk.

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

	December 31, 2024	December 31, 2023
Fair value interest rate risk		
－Financial assets	$ 556,785	$ 391,181
－Financial liabilities	470,636	257,416
Cash flow interest rate risk		
－Financial assets	197,499	79,926
－Financial liabilities	1,782,996	1,492,196

Sensitivity analysis

The fixed-rate financial assets / liabilities held by the Group are not included in the analysis as they are all measured at amortized cost. For floating rate assets / liabilities, the analysis was prepared to assume that the amount of the assets / liabilities outstanding at the end of the reporting period was outstanding for the whole year. The rate of change used internally in reporting interest rates to the key management personnel from the Group is a 0.5% increase or decrease in interest rates, which also represents the management's evaluation of the reasonable range of possible changes in interest rates.

With all other variables held constant, a 0.5% increase/decrease in market interest rates would decrease/increase the Group's profit before tax by NT$7,927 thousand for the year ended December 31, 2024, and increase/decrease the Group's loss before tax by NT$7,061 thousand for the year ended December 31, 2023.

2. Credit risk

Credit risk refers to risk that causes the financial loss of the Group due to a counterparty's delay in performing contractual obligations. As of the balance sheet date, the Group's largest credit risk exposure from a counterparty's failure to fulfill obligations came from the carrying amount of financial assets recognized in the consolidated balance sheets.

The policies adopted by the Group are to only conduct transactions with reputed counterparties, and to obtain sufficient collateral under necessary circumstances to reduce the risk of financial losses. The Group uses publicly available financial information and mutual transaction records to rate major customers. The Group continuously monitors credit exposure risks and the credit ratings of counterparties, distributes the total transaction amount to customers with qualified credit ratings, and controls credit exposure risks through non-periodic review and approval of counterparty credit limits.

In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual receivable on the balance sheet date to ensure that adequate allowances are made for possible irrecoverable amounts. Accordingly, the management of the Group believes that the Group’s credit risk is significantly reduced.

In addition, the credit risk of working capital and derivative financial instruments is limited because the counterparty is a bank with a high credit rating given by an international credit rating agency.

The Group's credit risk by geographic region was mainly concentrated in mainland China and accounted for approximately 71% and 65% of total accounts receivable as of December 31, 2024 and 2023, respectively.

3. Liquidity risk

The Group operations and mitigate the effects of the operating cash flow fluctuations by managing and maintaining sufficient cash and cash equivalents.

(1) Liquidity and interest rate risk tables

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods based on the probable earliest dates on which the Group can be required to pay. The table has been drawn up based on the undiscounted cash flows of financial liabilities, including the estimated cash flows of interests and principals.

December 31, 2024

	Weighted Average Interest Rate (%)	On Demand or Less than 1 Year	1-5 Years	Over 5 years
Non-derivative financial liabilities				
Non-interest bearing liabilities	-	$ 326,062	$ -	$ -
Lease liabilities	1.25	16,160	35,220	-
Floating interest rate liabilities	1.88	308,402	1,556,022	64,044
Fixed interest rate liabilities	2.33	423,484	-	-
		$ 1,074,108	$ 1,591,242	$ 64,044

December 31, 2023

	Weighted Average Interest Rate (%)	On Demand or Less than 1 Year	1-5 Years	Over 5 years
Non-derivative financial liabilities				
Non-interest bearing liabilities	-	$ 238,483	$ -	$ -
Lease liabilities	1.22	14,680	45,155	-
Floating interest rate liabilities	1.96	185,118	1,335,406	65,213
Fixed interest rate liabilities	1.69	199,284	-	-
		$ 637,565	$ 1,380,561	$ 65,213

(2) Financing facilities

	December 31, 2024	December 31, 2023
Unsecured banking facilities		
－Amount used	$ 788,311	$ 449,332
－Amount unused	1,745,302	2,099,825
	$ 2,533,613	$ 2,549,157
Secured banking facilities		
－Amount used	$ 1,420,513	$ 1,243,272
－Amount unused	263,727	429,461
	$ 1,684,240	$ 1,672,733

XXIV. Related Party Transactions

USI Corporation ("USI") has control over the operations of the Company, so USI is the parent company of the Company. As at December 31, 2024 and 2023, USI held 46.9% of the ordinary shares of the Company by itself and through its subsidiaries.

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. In addition to those disclosed in other notes the transactions between the Group and other related parties are as follows.

(I) Names and relationships of related parties

Name of Related Party	Relationship with the Group
USI CORPORATION (USI)	Parent company
USI Management Consulting Corporation (UM)	Fellow subsidiary
China General Plastics Corporation (CGPC)	Fellow subsidiary
Asia Polymer Corporation (APC)	Fellow subsidiary
Taita Chemical Company, Ltd. (TTC)	Fellow subsidiary
Swanson Plastics Corporation (SPC)	Fellow subsidiary
USI International Corporation（USIIC）	Fellow subsidiary
USI Optronics Corporation (USIO)	Associate

(II) Sales

Related Party Category/Name	2024	2023
Associate		
USIO	$ 574	$ 293

The terms and conditions of sales transaction between the Company and affiliates are 60 days after monthly settlement. The terms and prices of sales to related parties are equivalent to those of non-related parties.

(III) Purchase

Related Party Category/Name	2024	2023
Associate		
USIO	$ 3,992	$ 3,231

The terms and conditions of purchase transaction between the Company and affiliates are 25 days after monthly settlement. The terms and prices of purchase from related parties are equivalent to those of non-related parties.

(IV) Receivables from related parties

Accounting Subject	Related Party Category/Name	December 31, 2024	December 31, 2023
Accounts receivable - related parties	Associate		
	USIO	$ 186	$ 77
Other receivables - related parties	Fellow subsidiary		
	SPC	$ 3,787	$ 4,019
	Associate		
	USIO	246	200
		$ 4,033	$ 4,219

(V) Payables to related parties

Accounting Subject	Related Party Category/Name	December 31, 2024	December 31, 2023
Other payables - related parties	Parent company		
	USI	$ 975	$ 717
	Fellow subsidiary		
	UM	2,541	45
	SPC	607	514
	APC	83	48
	CGPC	7	-
	Associate		
	USIO	23	-
		$ 4,236	$ 1,324

(VI) Property, plant and equipment acquired

Related Party Category/Name	Acquisition cost	
	2024	2023
Associate		
USIO	$ 600	$ 3,330

(VII) Other related party transactions

Accounting Subject	Related Party Category/Name	2024	2023
Management service income (Classified as non-operating income and expenses)	Fellow subsidiary		
	SPC	$ 8,820	$ 9,436
	Associate		
	USIO	517	413
		$ 9,337	$ 9,849
Management service fee expenditures (Classified as operating expenses)	Parent company		
	USI	$ 248	$ 21
	Fellow subsidiary		
	UM	12,198	14,392
	SPC	1,749	2,639
		$ 14,195	$ 17,052
Rent expenditures (Classified as operating expenses)	Parent company		
	USI	$ 3,002	$ 3,194
	Fellow subsidiary		
	APC	472	275
		$ 3,474	$ 3,469

The Company leases the Neihu office from the parent company on a monthly basis and pays the agreed price on a monthly basis.

Accounting Subject	Related Party Category/Name	2024	2023
Other expenditures (Classified as operating expenses)	Associate USIO	$ 305	$ 136
Other income (Classified as non-operating income and expenses)	Associate USIO	$ -	$ 52

(VIII) Compensation of key management personnel

	2024	2023
Short-term employee benefits	$ 18,131	$ 15,392
Post-retirement benefits	299	206
	$ 18,430	$ 15,598

The compensation of directors and key executives was determined by the remuneration committee based on the performance of individuals and market trends.

XXV. Collateralized Assets

The following assets of the Group are provided as collateral for financing loans, customs security for imported raw materials or as security for natural gas consumption:

	December 31, 2024	December 31, 2023
Time deposit (classified as refundable deposits)	$ 7,700	$ 6,000
Current deposit (classified as refundable deposits)	6,841	4,335
Time deposits (classified as financial assets measured at amortized cost)	22,090	20,189
Property, plant, and equipment (carrying amount)	661,531	303,617
Right-of-use assets	25,266	23,799
	$ 723,428	$ 357,940

XXVI. Significant Contingent Liability and Contractual Commitments

As of December 31, 2024, in order for the Industrial Upgrade Platform Innovation Guidance Program subsidy and the Large-to-Small Manufacturing Industry Low Carbon and Intelligent Upgrade and Transformation subsidy from the Taiwanese government., the Company's performance guarantee provided by the bank was NT$14,700 thousand.

XXVII. Information on exchange rate of foreign currency-dominated financial assets and liabilities

The following information is expressed in foreign currencies other than the functional currency of the Group’s individual entities, and the exchange rates disclosed refer to the exchange rates at which these foreign currencies were translated into the functional currency. The foreign currency assets and liabilities with significant effect are as follows:

	December 31, 2024				
	Foreign currency (NT$ thousands)	Exchange Rate (NT$)		Functional Currency (NT$ thousands)	New Taiwan Dollars (NT$ thousands)
Financial assets					
Monetary items					
USD	$ 10,076	32.7850	(USD: NTD)	$ 330,352	$ 330,352
USD	2,271	7.1884	(USD: RMB)	16,327	74,465
USD	9,812	4.6402	(USD: MYR)	45,530	321,687
RMB	14,733	4.5608	(RMB: NTD)	67,192	67,192
Financial liabilities					
Monetary items					
USD	864	32.7850	(USD: NTD)	28,316	28,316
USD	933	7.1884	(USD: RMB)	6,710	30,603
USD	1,124	4.6402	(USD: MYR)	5,214	36,839
RMB	15,981	4.5608	(RMB: NTD)	72,884	72,884

	December 31, 2023				
	Foreign Currency (NT$ thousands)	Exchange Rate (NT$)		Functional Currency (NT$ thousands)	New Taiwan Dollars (NT$ thousands)
Financial assets					
Monetary items					
USD	$ 10,147	30.7050	(USD: NTD)	$ 311,566	$ 311,566
USD	3,000	7.0827	(USD: RMB)	21,247	92,110
USD	5,643	4.7894	(USD: MYR)	27,028	173,279
RMB	13,748	4.3352	(RMB: NTD)	59,599	59,599
Financial liabilities					
Monetary items					
USD	916	30.7050	(USD: NTD)	28,125	28,125
USD	1,721	7.0827	(USD: RMB)	12,190	52,847
USD	1,018	4.7894	(USD: MYR)	4,874	31,248
RMB	13,333	4.3352	(RMB: NTD)	57,800	57,800

The net foreign exchange net gains (realized and unrealized) of the Group for the years ended December 31, 2024 and 2023 was a gain of NT$22,774 thousand and NT$7,987 thousand, respectively. Due to the variety of foreign currency transactions and functional currencies of the Group's individual entities, the exchange gains or losses could not be disclosed by each significant currencies.

XXVIII. Disclosure Items

(I) Significant Transactions:

1. Financing provided to others: Table 1.
2. Endorsements/guarantees provided for others: Table 2.
3. Securities held at the end of the period: None.
4. Cumulative purchase or sale of the same securities amounted to NT$300 million or 20% and above of the paid-in capital: None.
5. Acquisition of real estate amounting to NT$300 million or 20% of the paid-in capital or more: None.
6. Disposal of real estate amounting to NT$300 million or 20% of paid-in capital or more: None.
7. Purchases or sales with related parties amounting to NT$100 million or 20% of the paid-in capital: Table 3.
8. Receivables from related parties amounting to NT$100 million or 20% of paid-in capital or more: None.
9. Trading in derivative instruments: Note 7.
10. Others - intercompany relationships and significant intercompany transactions: Table 6.

(II) Information on reinvestment company: Table 4.

(III) Information on Investments in Mainland China:

1. Information on investee company in mainland China, including the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, current profit and loss and recognized investment income or loss, ending carrying amount of the investment, repatriations of investment income, and limit on the amount of investment in mainland China: Table 5.
2. Major transactions with any investee company in mainland China directly or indirectly through a third region, and their prices, payment terms, unrealized gains (losses), and other information:

(1) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period: Table 6.

(2) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period: Table 6.

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

(4) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: Table 2.

(5) The maximum balance, ending balance, Interest rate interval and total amount of current interest of financing: Table 1.

(6) Other transactions that have a significant effect on the current profit or loss or financial situation, such as the provision or acceptance of services: Table 6.

(IV) Information on major shareholders: Name, number of shares held, and shareholding percentage of shareholders with shareholding percentage exceeding 5%: Table 7.

XXIX. Segment Information

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the operating results generated by the overall business of the electronic materials segment. Consequently, the Group comprises only one operating segment: the electronic materials segment. The Electronic Materials Segment is primarily involved in the production and sale of ferromagnetic cores and powders, and silicon carbide.

The measurement basis for the operating income and expenses of the Group's operating segment is consistent with the basis for the preparation of financial statements. For information regarding the revenue and operating results of the relevant segments, please refer to the consolidated income statement.

(I) Main product revenue

The revenue analysis of the main products of the continuing business units of the Group is as follows:

	2024	2023
Passive components	$ 2,474,256	$ 2,213,169
Silicon carbide	621,123	338,577
	$ 3,095,379	$ 2,551,746

(II) Geographical financial information

The Group's continuing business unit income from external customers is classified by the country where the customers are located and non-current assets by the region of the assets are listed as follows:

	Revenue from external clients		Non-current assets	
	2024	2023	December 31, 2024	December 31, 2023
Asia	$ 2,144,989	$ 1,846,460	$ 3,021,548	$ 2,517,854
America	782,374	361,513		-
Europe	139,989	314,725		-
Others	28,027	29,048		-
	$ 3,095,379	$ 2,551,746	$ 3,021,548	$ 2,517,854

Non-current assets do not include deferred income tax assets and deposit margin.

(III) Customer-specific financial information

In the years ended December 31, 2024 and 2023, the revenues from a single customer amounting to 10% or more of the Group's total revenue were as follows:

	2024	2023
Client A	$ 367,600	$ 196,538
Client B	344,516	244,985

Acme Electronics Corporation and Subsidiaries

Financing Provided to Others

From January 1 to December 31, 2024

Table 1.

Unit: In Thousands of New Taiwan Dollars, Unless Stated Otherwise

No.	Lending Company	Lending Party	Transaction Items	Related Party (Yes/No)	Maximum Balance During the Period	Ending balance (Note 3)	Actual Borrowing Amount (Note 3 and 4)	Range of interest rates	Nature of financing provided (Note 2)	Amount of Business Transactions	Reasons for the need for short-term funding	Provision for impairment losses	Collateral		Individual Object Funding Loan Limits (Note 1)	Total Loan Limit (Note 1)	Remark
													Name	Value			
1	Acme Electronics (GZ)	ACME Electronics (KS)	Other receivables - related parties	Yes	$ 184,088 (RMB 40,000 thousand)	$ 182,432 (RMB 40,000 thousand)	$ 63,851 (RMB 14,000 thousand)	3.10%	2	$ -	Business turnover	$ -	—	—	$ 409,829	$ 409,829	

Note 1: The total amount of external funds loaned by Acme Electronics (GZ) must not exceed 40% of the company's net worth. The maximum limit for this loan is determined based on the net worth as of December 31, 2024.

Note 2: The process for indicating the nature of the loan is as follows:

(1) Please fill in "1" if there is any business transactions.

(2) Please fill in "2" if there is reason for the need for short-term funding

Note 3: The foreign currency amount was calculated based on the spot exchange rate of December 31, 2024.

Note 4: All the transactions were eliminated when preparing the consolidated financial statements.

Acme Electronics Corporation and Subsidiaries

Endorsements/Guarantees Provided for Others

From January 1 to December 31, 2024

Table 2.

Unit: In Thousands of New Taiwan Dollars, Unless Stated Otherwise

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/Guarantee Made for Each Party (Note 2)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period (Note 3)	Actual Borrowing Amount (Note 3 and 4)	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/Guarantee to Net Equity in Latest Financial Statements (Note 1)	Aggregate Endorsement/Guarantee Limit (Note 2)	Endorsement/ Guarantee Made by Parent for Subsidiaries	Endorsement/ Guarantee Made by Subsidiaries for Parent	Endorsement/ Guarantee Made for Companies in Mainland China	Remark
		Company Name	Relationship											
0	The Company	ACME Electronics (KS)	Subsidiary of ACME (Cayman)	$ 3,030,875	$ 389,683 (USD 5,000 thousand and RMB 49,000 thousand)	$ 163,925 (USD 5,000 thousand)	$ 22,804 (RMB 5,000 thousand)	None	8.11%	$ 4,041,166	Y	N	Y	
1	ACME (MA)	ACME Ferrite	Subsidiaries of ACME(MA)	792,504	130,482 (MYR 17,584 thousand)	124,240 (MYR 17,584 thousand)	87,590 (MYR 12,937 thousand)	None	1.55%	905,719	Y	N	N	

Note 1: The rate was calculated by the equity of ACME as of December 31, 2024.

Note 2: The total amount of endorsements/guarantees provided shall not exceed 200% of the Company's net value. The amount of endorsements/guarantees for an individual entity shall not exceed 150% of the Company's net value. The maximum amount of endorsement/guarantee was calculated based on the equity of the endorser/guarantor as of December 31, 2024.

The total amount of ACME (MA)'s endorsement/guarantee shall not exceed 80% of ACME (MA)'s net value. The amount of endorsement/guarantee for an individual entity shall not exceed 70% of ACME (MA)'s net value. The maximum amount of endorsement/guarantee was calculated based on the equity of the endorser/guarantor as of December 31, 2024.

Note 3: The foreign currency amount was calculated based on the spot exchange rate of December 31, 2024.

Acme Electronics Corporation and Subsidiaries

Purchases or Sales with Related Parties Amounting to $100 Million or 20% of the Paid-in Capital

From January 1 to December 31, 2024

Table 3.

Unit: NT$ thousands

Buyer/Seller	Counterparty	Relationship	Transaction Details				Unusual Transaction Terms and Reasons (Note 1)		Notes/Accounts Receivable (Payable)		Remark
			Purchase (Sale)	Amount	Ratio to Total Purchase / Sales	Credit Period	Unit Price	Credit Period	Balance	Ratio to Total Notes or Trade Receivable (payable)	
The Company	Acme Electronics (GZ)	GAEL's Subsidiaries	Purchase (including processing fee)	$ 371,663	36%	55 days	$ -	—	($ 67,138)	50%	
Acme Electronics (GZ)	The Company	GAEL's Subsidiaries	Sales (including processing fee)	(371,663)	35%	55 days	-	—	67,138	20%	
The Company	Acme Electronics (GZ)	GAEL's Subsidiaries	Sales	(126,199)	8%	55 days	-	—	23,122	7%	
Acme Electronics (GZ)	The Company	GAEL's Subsidiaries	Purchase	126,199	72%	55 days	-	—	(23,122)	74%	
The Company	ACME Electronics (KS)	Subsidiary of ACME (Cayman)	Sales	(184,382)	11%	55 days	-	—	26,974	9%	
ACME Electronics (KS)	The Company	Subsidiary of ACME (Cayman)	Purchase	184,382	69%	55 days	-	—	(26,974)	49%	
ACME Electronics (KS)	The Company	Subsidiary of ACME (Cayman)	Sales	(157,042)	19%	55 days	-	—	19,115	9%	
The Company	ACME Electronics (KS)	Subsidiary of ACME (Cayman)	Purchase	157,042	24%	55 days	-	—	(19,115)	14%	

Note 1: The terms of payment and receipt of purchase and sales transactions between the Company and its subsidiaries are not materially different from those of general transactions. The prices at which the Company sells products to its subsidiaries vary depending on the Group's operating strategy. These prices may differ from those of general transactions.

Note 2: All the transactions were eliminated when preparing the consolidated financial statements.

Acme Electronics Corporation and Subsidiaries

Name of the Invested Company, Location... and Other Related Information

From January 1 to December 31, 2024

Table 4. Unit: In Thousands of New Taiwan Dollars, Unless Stated Otherwise

Investor	Investee	Location	Main Business Activities	Original Investment Amount (Note 2)		Ending Holding			Net Profit (Loss) of Investee for the Period (Note 3)	Investment Profit (Loss) Recognized for the Period (Note 3)	Remark
				March 31, 2025	December 31, 2024	Number of Shares	%	Carrying Amount (Note 2)			
The Company	ACME (Cayman)	Ugland House P.O. Box 309 George Town, Grand Cayman, Cayman Islands	Corporate investments	$ 1,108,637	$ 880,420	43,887,521	60.10%	$ 1,093,358	($ 60,469) (USD thousand (1,875))	($ 35,298) (USD thousand (1,096))	
	GAEL	CITCO Building, Wickhams Cay Road Town, Tortola, British Virgin Islands	Corporate investments	669,072	669,072	20,800,000	100%	1,022,994	14,704	15,501	
	USIO	12F, No. 37, Jihu Rd., Neihu Dist., Taipei City	Manufacturing and marketing of sapphire single crystal	646,200	646,200	22,064,224	34%	10,640	(22,225)	(7,556)	
ACME (Cayman)	ACME (MA)	Plot 15,Jalan Industri 6 Kawasan Perindustrian Jelapang II(ZPB) Jelapang 30020 Ipoh, Perak, Malaysia.	Corporate investments	783,266 (USD thousand 23,891)	389,846 (USD thousand 11,891)	96,808,000	100%	1,141,635 (USD thousand 34,822)	(9,996) (MYR thousand (1,154))		
ACME (MA)	ACME Ferrite	Plot 15,Jalan Industri 6 Kawasan Perindustrian Jelapang II (ZPB) Jelapang 30020 Ipoh, Perak, Malaysia.	Manufacturing and marketing of soft ferrite core	268,235 (MYR thousand 37,964)	268,235 (MYR thousand 37,964)	9,120,000	100%	771,182 (MYR thousand 109,148)	12,251 (MYR thousand 1,964)		
	ACME Advanced	Plot 15,Jalan Industri 6 Kawasan Perindustrian Jelapang II(ZPB) Jelapang 30020 Ipoh, Perak, Malaysia.	Manufacturing and marketing of silicon carbide	383,007 (MYR thousand 54,208)	-	54,208,000	100%	361,040 (MYR thousand 51,099)	(21,759) (MYR thousand (3,109))		

Note 1: The carrying amount and the recognized investment gain (loss) for the period have been fully eliminated when preparing the consolidated financial statements.

Note 2: The foreign currency amount was calculated based on the spot exchange rate of December 31, 2024.

Note 3: The amount is calculated based on the average exchange rate from January 1 to December 31, 2024.

Note 4: Please refer to Table 5 for relevant information on mainland investee companies.

Acme Electronics Corporation and Subsidiaries

Information on Investments in Mainland China

From January 1 to December 31, 2024

Table 5.

Unit: In Thousands of New Taiwan Dollars, Unless Stated Otherwise

Investee Company in Mainland China	Main Business Activities	Paid-in Capital (Note 6)	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of the Beginning of Period (Note 4)	Amount of Investments Remitted or Repatriated for the Period		Accumulated Outward Remittance for Investment from Taiwan as of the End of the Current Period (Note 4)	Net Profit (Loss) of Investee for the Period (Note 5)	Ownership Percentage of Direct or Indirect Investment	Investment Gain (Loss) Recognized in the Period (Notes 3, 5 and 7)	Carrying Amount at End of Period (Notes 6 and 7)	Accumulated Repatriation of Investment Profit as of the End of the Current Period
					Outflow	Inflow						
ACME Electronics (KS)	Manufacturing and marketing of soft ferrite core	$ 1,007,319 (USD 30,725 thousand)	Indirect investment via ACME (Cayman).	$ 374,188 (USD 11,144 thousand)	$ -	$ -	$ 374,188 (USD 11,144 thousand)	($ 51,536) (RMB (11,454) thousand)	60.10%	($ 30,973) (RMB (6,884) thousand)	$ 397,327 (RMB 87,118 thousand)	$ -
Acme Electronics (GZ)	Manufacturing and marketing of soft ferrite core	629,472 (USD 19,200 thousand)	Indirect investment via GAEL.	619,676 (USD 19,200 thousand)	-	-	619,676 (USD 19,200 thousand)	14,997 (RMB 3,303 thousand)	100%	14,997 (RMB 3,303 thousand)	1,024,572 (RMB 224,648 thousand)	-

Accumulated Outward Remittance of Investment to Mainland China from Taiwan at the End of the Current Period	Investment Amounts Authorized by Investment Commission, MOEA	Maximum Amount of Investments in Mainland China Authorized by Investment Commission, MOEA
$994,828 (USD 30,344 thousand) (Notes 2 and 6)	$1,201,013(USD 36,633 thousand) (Notes 2 and 6)	$- (Note 1)

Note 1: According to the file J.S.Z. No. 09704604680 issued by the Investment Commission, MOEA on August 29, 2008, the Company is an enterprise that has obtained the certificate issued by the Industrial Development Bureau, MOEA for meeting the business scope of the headquarters, so there is no investment limit.

Note 2: It includes the capital increase transferred from earnings of Acme Electronics (Kunshan) Co., Ltd., and the Company increased the amount of US$6,289 thousand at its ownership percentage.

Note 3: The investment gain (loss) recognized for this period are calculated on the basis of financial statements reviewed and approved by CPAs of the parent company in Taiwan.

Note 4: The calculation was based on the exchange rate of the original investment.

Note 5: The amount is calculated based on the average exchange rate from January 1 to December 31, 2024.

Note 6: The foreign currency amount was calculated based on the spot exchange rate of December 31, 2024.

Note 7: The carrying amount and the recognized investment gain (loss) for the period have been fully eliminated when preparing the consolidated financial statements.

Acme Electronics Corporation and Subsidiaries

Intercompany Relationships and Significant Intercompany Transactions

From January 1 to December 31, 2024

Table 6. Unit: NT$ thousands

No.	Name of Trader	Counterparty	Relationships with Trader (Note)	Transactions Details			
				Financial Statement Accounts	Amount	Transaction Terms	% of Total Consolidated Operating Revenue or Total Asset
0	The Company	ACME Electronics (KS)	1	Sales revenue	$ 184,382	55 days for both purchase and sales	5.96%
0	The Company	Acme Electronics (GZ)	1	Sales revenue	126,199	55 days for both purchase and sales	4.08%
0	The Company	ACME Ferrite	1	Sales revenue	35,581	55 days for both purchase and sales	1.15%
0	The Company	ACME Electronics (KS)	1	Cost of goods sold	157,042	55 days for both purchase and sales	5.07%
0	The Company	Acme Electronics (GZ)	1	Cost of goods sold	12,186	55 days for both purchase and sales	0.39%
0	The Company	ACME Ferrite	1	Cost of goods sold	1,731	55 days for both purchase and sales	0.06%
0	The Company	Acme Electronics (GZ)	1	Processing costs (classified as cost of goods sold)	359,477	–	11.61%
0	The Company	ACME Electronics (KS)	1	Royalty revenue	23,748	–	0.77%
0	The Company	ACME Ferrite	1	Other income	534	–	0.02%
0	The Company	ACME Electronics (KS)	1	Accounts receivable - related parties	26,974	55 days for both purchase and sales	0.48%
0	The Company	Acme Electronics (GZ)	1	Accounts receivable - related parties	23,122	55 days for both purchase and sales	0.41%
0	The Company	ACME Ferrite	1	Accounts receivable - related parties	5,080	55 days for both purchase and sales	0.09%
0	The Company	ACME Electronics (KS)	1	Other receivables - related parties	21,706	–	0.39%
0	The Company	Acme Electronics (GZ)	1	Notes and accounts payable–related parties	67,138	55 days for both purchase and sales	1.20%
0	The Company	ACME Electronics (KS)	1	Notes and accounts payable–related parties	19,115	55 days for both purchase and sales	0.34%
3	ACME Electronics (KS)	Acme Electronics (GZ)	3	Sales revenue	25,621	55 days for both purchase and sales	0.83%
3	ACME Electronics (KS)	Acme Electronics (GZ)	3	Cost of goods sold	24,147	55 days for both purchase and sales	0.78%
3	ACME Electronics (KS)	Acme Electronics (GZ)	3	Interest expenses	5,098	–	0.16%
3	ACME Electronics (KS)	Acme Electronics (GZ)	3	Accounts receivable - related parties	2,889	55 days for both purchase and sales	0.05%
3	ACME Electronics (KS)	Acme Electronics (GZ)	3	Notes and accounts payable–related parties	5,332	55 days for both purchase and sales	0.10%
3	ACME Electronics (KS)	Acme Electronics (GZ)	3	Other payables - related parties	64,177	–	1.14%
3	ACME Electronics (KS)	ACME Ferrite	3	Sales revenue	62,039	55 days for both purchase and sales	2.00%
3	ACME Electronics (KS)	ACME Ferrite	3	Cost of goods sold	8,131	55 days for both purchase and sales	0.26%
3	ACME Electronics (KS)	ACME Ferrite	3	Accounts receivable - related parties	15,249	55 days for both purchase and sales	0.27%
3	ACME Ferrite	Acme Electronics (GZ)	3	Sales revenue	7,535	55 days for both purchase and sales	0.24%

Note 1: The parent company to its subsidiary.

Note 2: The subsidiary to the parent company.

Note 3: Between subsidiaries.

Note 4: All the transactions were written off when preparing the consolidated financial statements.

Acme Electronics Corporation

Information on Major Shareholders

December 31, 2024

Table 7.

Names of Major Shareholders	Shares	
	Number of Shares Held (in Shares)	Shareholding (%)
USI CORPORATION	61,682,967	28.95%
USIFE Investment Co., Ltd.	20,280,230	9.52%

Note 1: The table discloses shareholding information of shareholders whose shareholding percentage is more than 5%. The Taiwan Depository & Clearing Corporation (TDC) calculates the total number of ordinary shares and preferred shares (including treasury shares) that have completed the dematerialized registration and delivery on the last business day of the quarter. The share capital reported in the Company's consolidated financial statements and the actual number shares that have completed the dematerialized registration and delivery may be different due to the difference in the basis of calculation.