Acme Electronics Corporation and Subsidiaries

Consolidated Financial Statements and Independent Auditors' Review Report

For the Six Months Ended June 30, 2025 and 2024

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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 jurisdiction s. The standards, procedures and practices to review 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 a companying 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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Independent Auditors' Review Report

To: Acme Electronics Corporation

Preface

We have reviewed the Consolidated Balance Sheets of Acme Electronics Corporation and its subsidiaries (hereinafter the "Group") as of June 30, 2025 and 2024, the Consolidated Statements of Comprehensive Income for the three months from April 1 to June 30, 2025 and 2024, and for the six months from January 1 to June 30, 2025 and 2024, the Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows and Notes to the Consolidated Financial Statements (including the summary of significant accounting policies) for the six months from January 1 to June 30, 2025 and 2024. It is the responsibility of management to prepare consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standard 34, "Interim Financial Reporting", as endorsed by the Financial Supervisory Commission and issued in effect. Our responsibility is to express a conclusion on the consolidated financial statements based on our review.

Scope

We have conducted our review in accordance with Statement of Auditing Standards No. 2410, "Review of Financial Statements" except for those specified in the basis of our qualified conclusion. The procedures performed in reviewing the consolidated financial statements include making inquiries (primarily of persons responsible for financial and accounting matters), analytical procedures and other review procedures. A review is significantly less in scope than an audit and, accordingly, we may not be able to discern all significant matters that could be identified by an audit and, accordingly, we cannot express an audit opinion.

Basis for qualified conclusion

As stated in Note 12 to the consolidated financial statements, the balances of investments accounted for under the equity method amounted to NT$6,638 thousand and NT$14,488 thousand as of June 30, 2025 and 2024, respectively, the net losses of affiliates accounted for under the equity method amounted to NT$3,014 thousand and NT$1,293 thousand from April 1 to June 30, 2025 and 2024, respectively, the net losses of affiliates accounted for under the equity method amounted to NT$4,002 thousand and NT$3,708 thousand from January 1 to June 30, 2025 and 2024, respectively, based on the unreviewed financial statements of these investees for the same periods.

Qualified conclusion

According to the results of our review, except the influence of the financial statements of the investees that have been reviewed by the auditor in the section of the Basis for Conclusions, we have not found any material aspects of the above consolidated financial statements that have not been prepared according to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standard 34, "Interim Financial Reporting" as endorsed by the Financial Supervisory Commission and issued in effect, which may lead to the inability to fairly express the consolidated financial positions of the Group as of June 30, 2025 and 2024, and the consolidated financial performance of the Group from April 1 to June 30, 2025 and 2024, and the consolidated financial performance and consolidated cash flows of the Group from January 1 to June 30, 2025 and 2024.

Deloitte & Touche

CPA Chang, Cheng-Hsiu	CPA Chiu, Cheng-Chun
Financial Supervisory Commission Approved Document No. Jin Guan Zheng Shen Zi No. 1120349008	Financial Supervisory Commission Approved Document No. Jin Guan Zheng Liu Zi No. 0930160267

August 5, 2025

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Acme Electronics Corporation and Subsidiaries

Consolidated Balance Sheets

June 30, 2025, December 31 and June 30, 2024

Unit: In Thousands of New Taiwan Dollars

		June 30, 2025		December 31, 2024		June 30, 2024	
Code	Assets	Amount	%	Amount	%	Amount	%
	Current assets						
1100	Cash and cash equivalents (Note 6)	$ 543,518	11	$ 727,586	13	$ 540,305	11
1110	Financial assets at fair value through profit or loss (FVTPL) - current (Note 7)	1,254	-	44	-	719	-
1136	Financial assets at amortized cost - current (Notes 8 and 25)	15,559	-	22,090	-	20,745	-
1150	Notes receivable (Note 9)	52,462	1	65,596	1	45,653	1
1170	Accounts receivable, net (Notes 9 and 24)	688,184	14	721,749	13	823,586	16
1200	Other receivables (Note 24)	9,898	-	8,396	-	7,118	-
1220	Current tax assets (Notes 4 and 20)	14,218	-	10,752	-	9,811	-
130X	Inventories (Note 10)	773,527	15	871,843	16	791,455	15
1470	Other current assets	55,548	1	62,271	1	76,404	2
11XX	Total current assets	2,154,168	42	2,490,327	44	2,315,796	45
	Non-current assets						
1550	Investments accounted for using equity method (Note 12)	6,638	-	10,640	-	14,488	-
1600	Property, plant and equipment (Notes 13 and 25)	2,566,428	50	2,614,704	47	2,373,804	46
1755	Right-of-use assets (Notes 14 and 25)	140,841	3	164,599	3	167,776	3
1780	Intangible assets	3,189	-	4,281	-	4,069	-
1840	Deferred tax assets (Notes 4 and 20)	113,016	2	82,779	2	84,052	2
1915	Prepayments for equipment (Note 24)	147,248	3	227,324	4	181,024	4
1920	Refundable deposits (Note 25)	12,993	-	15,762	-	11,385	-
15XX	Total non-current assets	2,990,353	58	3,120,089	56	2,836,598	55
1XXX	Total Assets	$ 5,144,521	100	$ 5,610,416	100	$ 5,152,394	100
Code	Liabilities and Equity						
	Current liabilities						
2100	Short-term borrowings (Notes 15 and 25)	$ 389,944	8	$ 457,886	8	$ 497,068	10
2110	Short-term notes payable, net (Note 15)	-	-	69,992	1	77,984	1
2120	Financial liabilities at fair value through profit or loss (FVTPL) - current (Note 7)	-	-	1,282	-	185	-
2170	Notes payable and accounts payable (Note 24)	91,291	2	113,670	2	92,953	2
2200	Other payables (Note 24)	220,129	4	315,271	6	240,098	5
2230	Current tax liabilities (Notes 4 and 20)	293	-	259	-	438	-
2280	Lease liabilities - current (Note 14)	13,943	-	15,624	1	14,992	-
2320	Long-term borrowings due within one year (Notes 15 and 25)	2,174	-	172,248	3	132,063	3
2399	Other current liabilities	6,411	-	7,393	-	6,701	-
21XX	Total current liabilities	724,185	14	1,153,625	21	1,062,482	21
	Non-current liabilities						
2540	Long-term borrowings (Notes 15 and 25)	1,778,408	35	1,503,369	27	1,265,463	24
2570	Deferred tax liabilities (Notes 4 and 20)	104,185	2	116,455	2	109,149	2
2580	Lease liabilities - non-current (Note 14)	24,009	-	34,513	-	39,142	1
2630	Long-term deferred incomes (Note 15 and 17)	44,757	1	40,014	1	41,222	1
2640	Net defined benefit liabilities, non-current (Notes 4 and 16)	12,046	-	12,046	-	10,071	-
2645	Guarantee deposits received	2,501	-	3,696	-	3,235	-
25XX	Total non-current liabilities	1,965,906	38	1,710,093	30	1,468,282	28
2XXX	Total liabilities	2,690,091	52	2,863,718	51	2,530,764	49
	Equity attributable to owners of the Company (Notes 18)						
3110	Ordinary share capital	2,129,937	41	2,129,937	38	2,129,937	41
3200	Capital surplus	54	-	50	-	-	-
3350	Accumulated deficit	(102,762)	(2)	(20,755)	-	(39,023)	(1)
	Other equity						
3410	Exchange differences on translating the financial statements of foreign operations	(234,207)	(4)	(88,649)	(2)	(120,983)	(2)
31XX	Total equity attributable to owners of the Company	1,793,022	35	2,020,583	36	1,969,931	38
36XX	Non-controlling interests (Note 11)	661,408	13	726,115	13	651,699	13
3XXX	Total equity	2,454,430	48	2,746,698	49	2,621,630	51
	Total liabilities and equity	$ 5,144,521	100	$ 5,610,416	100	$ 5,152,394	100

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

(Please refer to the Review Report issued by Deloitte Taiwan on August 5, 2025)

Acme Electronics Corporation and Subsidiaries

Consolidated Statements of Comprehensive Income

For the Three Months Ended June 30, 2025 and 2024, and for the Six Months Ended June 30, 2025 and 2024

Unit: In Thousands of New Taiwan Dollars, Except for Earnings (Losses) Per Share in New Taiwan Dollars

		From April 1 to June 30, 2025		From April 1 to June 30, 2024		From January 1 to June 30, 2025		From January 1 to June 30, 2024	
Code		Amount	%	Amount	%	Amount	%	Amount	%
	Operating revenue								
4110	Sales revenue (Note 24)	$ 772,042	106	$ 822,619	100	$ 1,492,118	103	$ 1,541,286	100
4170	Less: Sales returns and allowances	43,695	6	1,832	-	44,489	3	2,506	-
4000	Total operating revenue	728,347	100	820,787	100	1,447,629	100	1,538,780	100
	Operating costs								
5110	Cost of goods sold (Notes 10, 16, 19, and 24)	622,063	85	615,433	75	1,232,138	85	1,175,094	76
5900	Gross profit	106,284	15	205,354	25	215,491	15	363,686	24
	Operating expenses (Notes 9, 16, 19, and 24)								
6100	Selling and marketing expenses	40,933	5	36,757	4	76,406	5	69,858	5
6200	Administrative expenses	49,384	7	46,935	6	103,420	7	94,934	6
6300	Research and development expenses	49,625	7	45,866	6	108,013	8	88,812	6
6450	Provision (reversal of provision) for bad debt expense	128	-	-	-	266	-	212	-
6000	Total operating expenses	140,070	19	129,558	16	288,105	20	253,816	17
6500	Other operating expenses (Note 13)	-	-	(982)	-	-	-	(982)	-
6900	Net operating (loss) profit	(33,786)	(4)	74,814	9	(72,614)	(5)	108,888	7
	Non-operating income and expenses								
7100	Interest income	3,967	1	5,387	1	8,213	1	9,566	1
7010	Other incomes (Notes 17, 19 and 24)	9,651	1	8,708	1	17,692	1	22,891	1
7230	Gains (losses) from foreign exchange (Note 19)	(35,974)	(5)	10,810	1	(31,988)	(2)	26,728	2
7020	Other gains and losses (Note 19)	2,214	-	2,622	-	4,165	-	4,280	-
7050	Finance costs (Note 19)	(11,196)	(2)	(9,320)	(1)	(22,509)	(2)	(18,243)	(1)
7060	Share of profit or loss of affiliates accounted for using equity method (Note 12)	(3,014)	-	(1,293)	-	(4,002)	-	(3,708)	-
7000	Total non-operating income and expenses	(34,352)	(5)	16,914	2	(28,429)	(2)	41,514	3
7900	Net profit (loss) before tax	(68,138)	(9)	91,728	11	(101,043)	(7)	150,402	10
7950	Income tax benefit (expense) (Notes 4 and 20)	3,642	-	(3,038)	-	5,522	-	(8,652)	(1)
8200	Net (loss) profit for the period	(64,496)	(9)	88,690	11	(95,521)	(7)	141,750	9
	Other comprehensive income (net)								
8360	Items that may be reclassified subsequently to profit or loss								
8361	Exchange differences on translating the financial statements of foreign operations	(281,902)	(39)	15,728	2	(233,140)	(16)	95,672	6
8399	Income tax relating to items that may be reclassified to profit or loss (Note 20)	43,407	6	(2,651)	(1)	36,389	3	(15,351)	(1)
8300	Total other comprehensive income (net)	(238,495)	(33)	13,077	1	(196,751)	(13)	80,321	5
8500	Total comprehensive income for the period	($ 302,991)	(42)	$ 101,767	12	($ 292,272)	(20)	$ 222,071	14
	Net (loss) profit attributable to:								
8610	Owners of parent company	($ 60,188)	(8)	$ 83,243	10	($ 82,007)	(6)	$ 139,065	9
8620	Non-controlling Interests	(4,308)	(1)	5,447	1	(13,514)	(1)	2,685	-
8600		($ 64,496)	(9)	$ 88,690	11	($ 95,521)	(7)	$ 141,750	9
	Total comprehensive income attributable to:								
8710	Owners of parent company	($ 233,819)	(32)	$ 93,843	11	($ 227,565)	(16)	$ 200,466	13
8720	Non-controlling Interests	(69,172)	(10)	7,924	1	(64,707)	(4)	21,605	1
8700		($ 302,991)	(42)	$ 101,767	12	($ 292,272)	(20)	$ 222,071	14
	Earnings (losses) per share (Note 21)								
9750	Basic	($ 0.28)		$ 0.39		($ 0.39)		$ 0.65	
9850	Diluted	($ 0.28)		$ 0.39		($ 0.39)		$ 0.65	

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

(Please refer to the Review Report issued by Deloitte Taiwan on August 5, 2025)

Acme Electronics Corporation and Subsidiaries

Consolidated Statements of Changes in Equity

For the Six Month Ended June 30, 2025 and 2024

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

		Equity attributable to owners of the Company								
		Share capital (Note 18)							
Code		Number of shares issued	Amount	Capital surplus (Note 18)	Accumulated deficit (Note 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, 2024	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	-	-	-	-
D1	Net Income from January 1 to June 30, 2024	-	-	-	139,065	-	139,065	2,685	141,750
D3	Other comprehensive income (loss) from January 1 to June 30, 2024	-	-	-	-	61,401	61,401	18,920	80,321
D5	Total comprehensive income (loss) from January 1 to June 30, 2024	-	-	-	139,065	61,401	200,466	21,605	222,071
O1	Non-controlling Interests	-	-	-	-	-	-	74,980	74,980
Z1	Balance as of June 30, 2024	212,993,743	$ 2,129,937	$ -	($ 39,023)	($ 120,983)	$ 1,969,931	$ 651,699	$ 2,621,630
A1	Balance as of January 1, 2025	212,993,743	$ 2,129,937	$ 50	($ 20,755)	($ 88,649)	$ 2,020,583	$ 726,115	$ 2,746,698
C17	Exercise of disgorgement	-	-	4	-	-	4	-	4
D1	Net loss from January 1 to June 30, 2025	-	-	-	(82,007)	-	(82,007)	(13,514)	(95,521)
D3	Other comprehensive income (loss) from January 1 to June 30, 2025	-	-	-	-	(145,558)	(145,558)	(51,193)	(196,751)
D5	Total comprehensive income (loss) from January 1 to June 30, 2025	-	-	-	(82,007)	(145,558)	(227,565)	(64,707)	(292,272)
Z1	Balance as of June 30, 2025	212,993,743	$ 2,129,937	$ 54	($ 102,762)	($ 234,207)	$ 1,793,022	$ 661,408	$ 2,454,430

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

(Please refer to the Review Report issued by Deloitte Taiwan on August 5, 2025)

Acme Electronics Corporation and Subsidiaries

Consolidated Statements of Cash Flows

For the Six Month Ended June 30, 2025 and 2024

Unit: In Thousands of New Taiwan Dollars

Code		From January 1 to June 30, 2025	From January 1 to June 30, 2024
	Cash flows from operating activities		
A10000	Net (loss) profit before tax for the period	($ 101,043)	$ 150,402
A20010	Income (expenses) items		
A20100	Depreciation expenses	181,250	153,120
A20200	Amortization expense	1,241	671
A20300	Provision (reversal of provision) for bad debt expense	266	212
A20400	Net (profit) loss of financial instruments at fair value through profit or loss	(4,866)	(5,298)
A20900	Finance costs	22,509	18,243
A21200	Interest income	(8,213)	(9,566)
A22300	Share of profit or loss of associates accounted for using the equity method	4,002	3,708
A22500	(Profit)/Loss on disposal and scrapping of property, plant and equipment	(720)	131
A23700	Loss on write-down of inventories	2,622	791
A29900	Impairment losses	-	982
A29900	Deferred and other income	(2,482)	(2,057)
A30000	Change in operating assets and liabilities		
A31115	Financial assets mandatorily measured at fair value through profit or loss	2,374	4,873
A31130	Notes receivable	13,134	10,799
A31150	Accounts receivable (including related parties)	33,328	(143,230)
A31180	Other receivables (including related parties)	(1,197)	4,118
A31200	Inventories	100,975	(124,703)
A31240	Other current assets	6,599	(27,560)
A32150	Notes and accounts payable (including related parties)	(22,379)	31,476
A32180	Other payables (including related parties)	(70,934)	6,336
A32230	Other current liabilities	(982)	(6,287)
A32240	Net defined benefit liabilities	-	(5,047)
A33000	Net cash flows generated from operations	155,484	62,114
A33100	Interest received	7,908	9,665
A33300	Interest paid	(21,891)	(17,883)
A33500	Income tax paid	(5,925)	2,373

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Code		From January 1 to June 30, 2025	From January 1 to June 30, 2024
AAAA	Net cash flows generated from operating activities	$ 135,576	$ 56,269
	Cash flows from investing activities		
B00040	Purchase of financial assets at amortized cost	5,663	(135)
B02700	Acquisition cost of property, plant and equipment	(204,229)	(353,983)
B02800	Proceeds from disposal of property, plant and equipment	9,853	503
B04500	Acquisition of purchased intangible assets	-	(345)
B03700	Decrease in refundable deposits	2,223	1
B09900	Increase in long-term deferred income	11,803	1,421
BBBB	Net cash used in investing activities	(174,687)	(352,538)
	Cash flows from financing activities		
C00100	(Decrease) increase in short-term borrowings	(51,477)	134,630
C00600	Increase (decrease) in short-term notes payable	(70,000)	77,967
C01600	Proceeds from long-term borrowings	725,000	671,600
C01700	Repayments of long-term borrowings	(618,270)	(605,263)
C03000	Increase (decrease) in guarantee deposits	(887)	2,597
C04020	Repayments of the principal portion of lease liabilities	(7,661)	(7,333)
C05800	Change in non-controlling interests	-	74,980
C09900	Exercise of disgorgement	4	-
CCCC	Net cash inflows (outflows) from financing activities	(23,291)	349,178
DDDD	Effects of exchange rate changes on the balance of cash held in foreign currencies	(121,666)	30,673
EEEE	Increase (decrease) in cash and cash equivalents for the period	(184,068)	83,582
E00100	Beginning balance of cash and cash equivalents	727,586	456,723
E00200	Ending balance of cash and cash equivalents	$ 543,518	$ 540,305

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

(Please refer to the Review Report issued by Deloitte Taiwan on August 5, 2025)

Acme Electronics Corporation and Subsidiaries

Notes to Consolidated Financial Statements

For the Six Month Ended June 30, 2025 and 2024

(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 consolidated financial statements were approved for issue by the Company's Board of Directors on August 5, 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 2026

Newly issued/Revised/Amended Standards and Interpretations	Effective Date Announced by the IASB
Amendments to IFRS 9 and IFRS 7 "Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Involving Contracts Dependent on Natural Power"	January 1, 2026
"Annual Improvements to IFRS Accounting Standards — Volume 11"	January 1, 2026
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

As of the date of issuance of this consolidated financial report, the Group continues to assess the impact of the amendments on the Group's financial condition and performance.

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

Newly issued/Revised/Amended Standards and Interpretations	Effective Date Announced by IASB (Note 1)
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 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 Newly issued/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 IAS 34 Interim Financial Reporting as endorsed and issued into effect by the FSC. The consolidated financial statements do not include all IFRS Financial Reporting Standards disclosures required for the annual financial report.

(II) Basis of preparation

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

The fair value measurements 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) 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, Table 4 and 5 for detailed information on subsidiaries (including the percentages of ownership and main businesses).

(IV) Other significant accounting policies

Except for the following, please refer to the summary of significant accounting policies in the consolidated financial statements for the year ended December 31, 2024.

1. Defined benefit post-employment benefits

   Pension cost for the interim period is calculated using the actuarially determined pension cost rate as of the prior year-end, based on the beginning of the year to the end of the current period, adjusted for significant market fluctuations and major plan amendments, liquidations or other significant one-time events during the period.

2. Income tax expense

Income tax expense represents the sum of the tax currently payable and deferred tax. Income taxes for the interim periods are assessed on an annual basis, and the pre-tax benefit for the period is calculated using the tax rate applicable to the expected total annual earnings.

V. Critical Accounting Judgments and Key Sources of Estimation Uncertainty

For the critical accounting judgments and key sources of estimation uncertainty used in the development of the Group's critical accounting estimates, please refer to the Consolidated Financial Statements for 2024.

VI. Cash and Cash Equivalents

	June 30, 2025	December 31, 2024	June 30, 2024
Petty cash and cash on hand	$ 888	$ 962	$ 1,140
Checks and demand deposits in banks	262,892	269,927	138,341
Cash equivalents			
Time deposits	152,112	173,965	128,481
Reserve repurchase agreements collateralized by bonds	127,626	282,732	272,343
	$ 543,518	$ 727,586	$ 540,305

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:

	June 30, 2025	December 31, 2024	June 30, 2024
Demand deposits	0.001%～3.70%	0.001%～4.10%	0.001%～4.40%
Time deposits	1.70%～4.25%	3.00%～4.75%	3.50%～5.39%
Reserve repurchase agreements collateralized by bonds	2.55%～4.50%	2.50%～4.40%	2.30%～5.35%

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

	June 30, 2025	December 31, 2024	June 30, 2024
Financial assets - current			
Mandatorily measured at fair value through profit or loss			
Derivatives (not under hedge accounting)			
— Foreign exchange forward contracts	$ 1,254	$ 44	$ 719
Financial liabilities - current			
Held for trading			
Derivatives (not under hedge accounting)			
— Foreign exchange forward contracts	$ -	$ 1,282	$ 185

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)
June 30, 2025			
Sell	USD/MYR	2025.7.18~2026.1.9	USD 1,000/ MYR 4,407
December 31, 2024			
Sell	USD/MYR	2025.1.16~2025.6.23	USD 2,600/ MYR 11,208
June 30, 2024			
Sell	USD/MYR	2024.7.11~2024.12.23	USD 2,800/ MYR 13,054
Sell	EUR/MYR	2024.9.27~2024.12.20	EUR 500/ MYR 2,535

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 - current

	June 30, 2025	December 31, 2024	June 30, 2024
Pledge and mortgage			
Time deposits with original maturity over 3 months	$ 15,559	$ 22,090	$ 20,745

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

	June 30, 2025	December 31, 2024	June 30, 2024
Time deposits with original maturity over 3 months	2.35%～2.50%	1.575%～2.60%	1.575%～2.70%

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

	June 30, 2025	December 31, 2024	June 30, 2024
Notes receivable			
Measured at amortized cost			
Gross carrying amount	$ 52,462	$ 65,596	$ 45,653
Accounts receivable			
Measured at amortized cost			
Gross carrying amount	$ 692,978	$ 728,869	$ 835,565
Less: allowance for loss	(4,794)	(7,120)	(11,979)
	$ 688,184	$ 721,749	$ 823,586

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.

June 30, 2025

	Not past due	Pass due up to 60 days	Pass due 61-90 days	Pass due over 91 days	Total
Expected credit loss rate	0.24%	4.00%	0.00%	82.67%	
Gross carrying amount	$ 716,971	$ 25,919	$ 57	$ 2,493	$ 745,440
Loss allowance (Lifetime ECLs)	(1,697)	(1,036)	-	(2,061)	(4,794)
Amortized cost	$ 715,274	$ 24,883	$ 57	$ 432	$ 740,646

December 31, 2024

	Not past due	Pass due up to 60 days	Pass due 61-90 days	Pass due over 91 days	Total
Expected credit loss rate	0.22%	0.35%	62.70%	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

June 30, 2024

	Not past due	Pass due up to 60 days	Pass due 61-90 days	Pass due over 91 days	Total
Expected credit loss rate	0.66%	3.89%	99.56%	100%	
Gross carrying amount	$ 824,897	$ 51,779	$ 912	$ 3,630	$ 881,218
Loss allowance (Lifetime ECLs)	(5,425)	(2,016)	(908)	(3,630)	(11,979)
Amortized cost	$ 819,472	$ 49,763	$ 4	$ -	$ 869,239

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

	From January 1 to June 30, 2025	From January 1 to June 30, 2024
Beginning balance	$ 7,120	$ 11,357
Provision for impairment losses in the current period	266	212
Actual write-offs for the current period	(2,030)	-
Foreign exchange translation gains and losses	(562)	410
Ending balance	$ 4,794	$ 11,979

X. Inventories

	June 30, 2025	December 31, 2024	June 30, 2024
Finished goods	$ 308,090	$ 318,819	$ 339,903
Work in progress	240,696	274,271	271,424
Raw materials and Supplies	224,741	278,753	180,128
	$ 773,527	$ 871,843	$ 791,455

The costs of inventories recognized as cost of goods sold from April 1 to June 30, 2025 and 2024, from January 1 to June 30, 2025 and 2024 were NT$622,063 thousand, NT$615,433 thousand, NT$1,232,138 thousand, and NT$1,175,094 thousand, respectively.

The cost of goods sold from April 1 to June 30, 2025, and from January 1 to June 30, 2025 included an impairment loss of inventory of NT$2,571 thousand and NT$2,622 thousand, respectively.

The cost of goods sold from April 1 to June 30, 2024, and from January 1 to June 30, 2024 included a recovery benefit of NT$760 thousand in net realized value of inventory and impairment loss of inventory of NT$791 thousand, respectively.

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 (%) June 30, 2025	December 31, 2024	June 30, 2024	Remark
The Company	ACME Electronics (Cayman) Corp. (ACME (Cayman))	Corporate investments	60.10%	60.10%	60.10%	(1)
	Golden Amber Enterprises Limited (GAEL)	Corporate investments	100.00%	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%	100.00%	(3)
	ACME Components (Malaysia) Sdn. Bhd. (ACME (MA))	Corporate investments	100.00%	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%	100.00%	(5)
	ACME Advanced Material (ACME Advanced)	Manufacturing and marketing of silicon carbide	100.00%	100.00%	100.00%	(6)
GAEL	Acme Electronics (Guangzhou) Co., Ltd. (“ACME Electronics (GZ)”)	Manufacturing and marketing of soft ferrite core	100.00%	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). 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	From April 1 to June 30, 2025	From April 1 to June 30, 2024	From January 1 to June 30, 2025	From January 1 to June 30, 2024	June 30, 2025	December 31, 2024	June 30, 2024
ACME (Cayman) and its subsidiaries	($ 4,308)	$ 5,447	($ 13,514)	$ 2,685	$ 661,408	$ 726,115	$ 651,699

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

	June 30, 2025	December 31, 2024	June 30, 2024
Current assets	$ 938,219	$ 1,131,363	$ 1,094,436
Non-current assets	1,220,496	1,333,636	1,125,453
Current liabilities	(390,482)	(520,327)	(467,416)
Non-current liabilities	(110,577)	(124,842)	(119,149)
Equity	$ 1,657,656	$ 1,819,830	$ 1,633,324
Equity attributable to:			
Owners of the Company	$ 996,248	$ 1,093,715	$ 981,625
Non-controlling Interests	661,408	726,115	651,699
	$ 1,657,656	$ 1,819,830	$ 1,633,324

	From April 1 to June 30, 2025	From April 1 to June 30, 2024	From January 1 to June 30, 2025	From January 1 to June 30, 2024
Operating revenue	$ 355,988	$ 358,389	$ 704,339	$ 679,968
Net (loss) profit for the period	($ 10,800)	$ 14,258	($ 33,871)	$ 9,170
Other comprehensive income (loss)	(162,565)	6,208	(128,303)	47,418
Total comprehensive income	($ 173,365)	$ 20,466	($ 162,174)	$ 56,588
Net (loss) profit attributable to:				
Owners of the Company	($ 6,492)	$ 8,569	($ 20,357)	$ 5,511
Non-controlling Interests	(4,308)	5,689	(13,514)	3,659
	($ 10,800)	$ 14,258	($ 33,871)	$ 9,170
Total comprehensive income attributable to:				
Owners of the Company	($ 104,193)	$ 12,300	($ 97,467)	$ 34,009
Non-controlling Interests	(69,172)	8,166	(64,707)	22,579
	($ 173,365)	$ 20,466	($ 162,174)	$ 56,588
Cash flow				
Operating activities	$ 44,233	$ 132,653	($ 3,195)	$ 129,844
Investing activities	(68,149)	(196,185)	(93,459)	(174,985)
Financing activities	(17,144)	4,327	(26,312)	157,833
Effects of exchange rate changes	(27,820)	6,742	(19,986)	15,185
Net cash inflow (outflow)	($ 68,880)	($ 52,463)	($ 142,952)	$ 127,877

XII. Investments Accounted for Using Equity Method

Company Name	June 30, 2025		December 31, 2024		June 30, 2024	
	Amount	Shareholding	Amount	Shareholding	Amount	Shareholding
USI Optronics Corporation (USIO)	$ 6,638	34%	$ 10,640	34%	$ 14,488	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

	June 30, 2025	December 31, 2024	June 30, 2024
Current assets	$ 29,362	$ 22,974	$ 26,914
Non-current assets	11,846	14,238	19,017
Current liabilities	(21,683)	(5,914)	(3,314)
Equity	19,525	31,298	42,617
The Company's shareholding ratio	34%	34%	34%
Equity attributable to the Group	$ 6,638	$ 10,640	$ 14,488
Carrying amount of investment	$ 6,638	$ 10,640	$ 14,488

	From April 1 to June 30, 2025	From April 1 to June 30, 2024	From January 1 to June 30, 2025	From January 1 to June 30, 2024
Operating revenue	$ 3,359	$ 3,505	$ 4,388	$ 5,264
Net loss for the period	($ 8,868)	($ 3,806)	($ 11,773)	($ 10,906)
Total comprehensive income	($ 8,868)	($ 3,806)	($ 11,773)	($ 10,906)

XIII. Property, Plant and Equipment

	From January 1 to June 30, 2025					
	Beginning balance	Increase during the period	Decrease during the period	Internal transfer	Effects of exchange rate	Ending balance
Cost						
Land	$ 82,657	$ -	$ -	$ -	$ -	$ 82,657
Land improvement	7,996	-	-	-	-	7,996
Building and equipment	1,508,736	525	-	195,333	(104,631)	1,599,963
Machinery and equipment	3,775,281	100,742	(24,672)	90,076	(246,395)	3,695,032
Transportation equipment	16,832	-	-	-	(1,185)	15,647
Leasehold improvements	-	6,694	-	-	(302)	6,392
Other equipment	357,857	4,188	(4,290)	83,674	(27,694)	413,735
Construction in progress	234,240	51,595	-	(272,242)	(3,392)	10,201
Total cost	5,983,599	$ 163,744	($ 28,962)	$ 96,841	($ 383,599)	5,831,623
Accumulated depreciation and impairment						
Land improvement	7,703	$ 84	$ -	$ -	$ -	7,787
Building and equipment	907,966	36,244	-	-	(67,194)	877,016
Machinery and equipment	2,172,205	122,683	(16,104)	4	(166,976)	2,111,812
Transportation equipment	12,651	487	-	-	(938)	12,200
Other equipment	268,370	12,143	(3,725)	(4)	(20,404)	256,380
Total accumulated depreciation and impairment	3,368,895	$ 171,641	($ 19,829)	$ -	($ 255,512)	3,265,195
Net	$ 2,614,704					$2,566,428

	From January 1 to June 30, 2024					
	Beginning balance	Increase during the period	Decrease during the period	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	7,487	(1,272)	38,378	47,534	1,474,622
Machinery and equipment	3,250,312	28,185	(13,029)	239,027	113,543	3,618,038
Transportation equipment	16,055	-	(658)	-	576	15,973
Other equipment	404,737	5,699	(104,055)	4,151	13,754	324,286
Construction in progress	-	103,203	-	(15,107)	16	88,112
Total cost	5,144,252	$ 144,574	($ 119,014)	$ 266,449	$ 175,423	5,611,684
Accumulated depreciation and impairment						
Land improvement	$ 7,534	$ 85	$ -	$ -	$ -	$ 7,619
Building and equipment	808,038	33,849	(1,179)	-	29,087	869,795
Machinery and equipment	1,932,443	97,792	(12,665)	-	74,987	2,092,557
Transportation equipment	13,024	431	(659)	-	466	13,262
Other equipment	334,804	12,651	(103,877)	-	11,069	254,647
Total accumulated depreciation and impairment	3,095,843	$ 144,808	($ 118,380)	$ -	$ 115,609	3,237,880
Net	$2,048,409					$2,373,804

The Group recognized an impairment loss of NT$982 thousand and NT$982 thousand, respectively, for assets that were idle and did not meet production needs during the period from April 1 to June 30, 2024, and January 1 to June 30, 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.

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 25 for the amount of property, plant and equipment pledged as collateral for loans.

XIV. Lease Arrangements

(I) Right-of-use assets

	June 30, 2025	December 31, 2024	June 30, 2024
Carrying amount of right-of-use assets			
Land	$ 104,137	$ 115,931	$ 115,150
Buildings	2,889	3,620	291
Machinery and equipment	33,784	44,825	51,919
Transportation equipment	31	223	416
	$ 140,841	$ 164,599	$ 167,776

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

	From April 1 to June 30, 2025	From April 1 to June 30, 2024	From January 1 to June 30, 2025	From January 1 to June 30, 2024
Addition for right-of-use assets	$ -	$ -	$ -	$ 349
Depreciation expense of right-of-use assets				
Land	$ 985	$ 1,001	$ 2,024	$ 1,975
Buildings	200	29	411	58
Machinery and equipment	3,374	3,584	6,982	7,069
Transportation equipment	96	96	192	192
	$ 4,655	$ 4,710	$ 9,609	$ 9,294

In addition to the aforementioned additions and recognition of depreciation expenses, there were no significant subleasing or impairment situations for the consolidated company's right-of-use assets from January 1 to June 30, 2025 and 2024.

(II) Lease liabilities

As of June 30, 2025 and December 31 and June 30, 2024, the discount rates of lease liabilities were 1.11%～3.00%, 1.11%～3.00% and 1.11%～1.67%.

(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

	From April 1 to June 30, 2025	From April 1 to June 30, 2024	From January 1 to June 30, 2025	From January 1 to June 30, 2024
Expenses relating to short-term leases	$ 4,189	$ 1,884	$ 6,232	$ 3,942
Total cash flows on lease	($ 8,033)	($ 5,762)	($ 14,177)	($ 11,596)

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$5,760 thousand and NT$4,653 thousand respectively on June 30, 2025 and 2024.

XV. Borrowings

(I) Short-term borrowings

	June 30, 2025	December 31, 2024	June 30, 2024
Secured borrowings (Note 25)			
Bank loans	$ 4,154	$ 4,575	$ -
Unsecured borrowings			
Credit line loan	385,790	453,311	497,068
	$ 389,944	$ 457,886	$ 497,068

The interest rates of short-term borrowings were 1.90%～4.40%, 1.90%～4.43% and 1.88%~3.45% respectively as of June 30, 2025 and December 31 and June 30, 2024, respectively.

(II) Short-term notes payable (June 30, 2025: None)

	December 31, 2024	June 30, 2024
Commercial note payable	$ 70,000	$ 78,000
Less: Discount on commercial note payable	(8)	(16)
	$ 69,992	$ 77,984

The interest rates on short-term notes payable were 1.998% and 1.908% as of December 31 and June 30, 2024, respectively.

(III) Long-term borrowings

	June 30, 2025	December 31, 2024	June 30, 2024
Secured bank loans	$ 1,384,792	$ 1,410,617	$ 1,310,526
Unsecured bank loans	395,790	265,000	87,000
	1,780,582	1,675,617	1,397,526
Long-term borrowings due within one year	(2,174)	(172,248)	(132,063)
	$ 1,778,408	$ 1,503,369	$ 1,265,463
Maturity year	2025～2044	2025～2044	2024～2044
Range of interest rates	1.12%～4.36%	1.12%～4.36%	1.12%～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 June 30, 2025, a total of NT$346,800 thousand has been utilized.

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

XVI. Post-retirement benefits plans

The pension cost related to defined benefit plans recognized from April 1 to June 30, 2025 and 2024, and from January 1 to June 30, 2025 and 2024, was calculated using the actuarially determined pension cost rates as of December 31, 2024 and 2023, amounting to NT$266 thousand, NT$46 thousand, NT$462 thousand, and NT$92 thousand, respectively.

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 2025 and 2023. Acme Electronics (GZ) recognized the subsidies as long-term deferred income and amortized them together with the use of related assets.

As of June 30, 2025, December 31 and June 30, 2024, due to the above-mentioned circumstances, the Group’s unamortized deferred revenue amounted to RMB 9,514 thousand (NT$ 38,941 thousand) and RMB 7,329 thousand (NT$ 33,424 thousand) and RMB 7,993 thousand (NT$ 36,392 thousand), respectively.

Due to the aforementioned circumstances and other subsidies, the Group recorded government subsidy income as other income for the periods from April 1 to June 30, 2025 and 2024 and from January 1 to June 30, 2025 and 2024, totaling NT$1,317 thousand, NT$2,798 thousand, NT$2,482 thousand and NT$13,294 thousand, respectively.

XVIII. Equity

(I) Ordinary share capital

	June 30, 2025	December 31, 2024	June 30, 2024
Number of shares authorized (in thousands)	300,000	300,000	300,000
Share capital authorized	$ 3,000,000	$ 3,000,000	$ 3,000,000
Number of shares issued and fully paid (in thousands)	212,994	212,994	212,994
Share capital issued	$ 2,129,937	$ 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.

(II) Capital surplus (June 30, 2024: None)

	June 30, 2025	December 31, 2024
May only be used to offset deficits		
Disgorgement	$ 54	$ 50

(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 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 held regular shareholders' meeting on May 27, 2025, and decided not to distribute surplus due to the need to make up for losses.

XIX. Net (loss) profit for the period

(I) Depreciation and amortization

	From April 1 to June 30, 2025	From April 1 to June 30, 2024	From January 1 to June 30, 2025	From January 1 to June 30, 2024
Property, Plant and Equipment	$ 85,059	$ 73,099	$ 171,641	$ 143,826
Right-of-use assets	4,655	4,710	9,609	9,294
Other intangible assets	634	364	1,241	671
Total	$ 90,348	$ 78,173	$ 182,491	$ 153,791
Summary of depreciation by function				
Operating costs	$ 73,036	$ 64,405	$ 145,722	$ 127,070
Operating expenses	16,678	13,404	35,528	26,050
	$ 89,714	$ 77,809	$ 181,250	$ 153,120
Summary of amortization by function				
Operating costs	$ 466	$ 276	$ 901	$ 490
Administrative expenses	126	63	253	132
Research and development expenses	42	25	87	49
	$ 634	$ 364	$ 1,241	$ 671

(II) Employee benefit expenses

	From April 1 to June 30, 2025	From April 1 to June 30, 2024	From January 1 to June 30, 2025	From January 1 to June 30, 2024
Post-retirement benefits (Note 16)				
Defined contribution plans	$ 15,267	$ 13,981	$ 32,635	$ 28,164
Defined benefit plans	266	46	462	92
	15,533	14,027	33,097	28,256
Salary, Bonus, etc.	227,247	225,201	458,333	426,102
Total	$ 242,780	$ 239,228	$ 491,430	$ 454,358
Summary of employee benefit expenses by function				
Operating costs	$ 176,551	$ 179,815	$ 354,688	$ 334,634
Operating expenses	66,229	59,413	136,742	119,724
	$ 242,780	$ 239,228	$ 491,430	$ 454,358

(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. In accordance with the amendments to the Securities and Exchange Act in August 2024, the Company has, by resolution of the 2025 Shareholders' Meeting, approved amendments to the Articles of Incorporation stipulating that if the Company has profits in any given year, the proportion allocated to entry-level employees shall not be less than 40% of the total amount of employee compensation distributed. The Company has yet to make up the loss for the period from January 1 to June 30, 2025 and 2024, 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 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

	From April 1 to June 30, 2025	From April 1 to June 30, 2024	From January 1 to June 30, 2025	From January 1 to June 30, 2024
Management service income (Note 24)	$ 2,976	$ 2,571	$ 5,877	$ 5,201
Government subsidy income	1,317	2,798	2,482	13,294
Rental income	812	364	1,248	820
Others	4,546	2,975	8,085	3,576
	$ 9,651	$ 8,708	$ 17,692	$ 22,891

(V) Foreign exchange gain (loss)

	From April 1 to June 30, 2025	From April 1 to June 30, 2024	From January 1 to June 30, 2025	From January 1 to June 30, 2024
Foreign exchange gains	$ 6,017	$ 12,396	$ 38,240	$ 48,322
Foreign exchange losses	(41,991)	(1,586)	(70,228)	(21,594)
Net profit (loss)	($ 35,974)	$ 10,810	($ 31,988)	$ 26,728

(VI) Other gain and loss

	From April 1 to June 30, 2025	From April 1 to June 30, 2024	From January 1 to June 30, 2025	From January 1 to June 30, 2024
Gain (loss) on disposal of property, plant and equipment	$ 588	($ 171)	$ 720	($ 131)
Gain on financial assets at FVTPL	2,716	3,359	4,866	5,298
Others	(1,090)	(566)	(1,421)	(887)
	$ 2,214	$ 2,622	$ 4,165	$ 4,280

(VII) Finance costs

	From April 1 to June 30, 2025	From April 1 to June 30, 2024	From January 1 to June 30, 2025	From January 1 to June 30, 2024
Bank Loan Interest Expense	$ 11,115	$ 9,163	$ 22,603	$ 17,922
Interest on lease liabilities	132	157	284	321
Less: Capitalization of interest (included in work in progress)	(51)	-	(378)	-
	$ 11,196	$ 9,320	$ 22,509	$ 18,243

Capitalization of interest information is as follows (January 1 to June 30, 2024: None):

	From April 1 to June 30, 2025	From January 1 to June 30, 2025
Capitalization of interest	$ 51	$ 378
Capitalization of interest rate	1.89%	1.89%

XX. Income tax

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

	From April 1 to June 30, 2025	From April 1 to June 30, 2024	From January 1 to June 30, 2025	From January 1 to June 30, 2024
Current income tax				
In respect of the current period	$ 887	$ 3,849	$ 1,772	$ 7,225
Deferred income tax				
In respect of the current period	861	(700)	(1,904)	1,538
Adjustments for previous years	(5,390)	(111)	(5,390)	(111)
	(4,529)	(811)	(7,294)	1,427
Income tax (benefit) expense recognized in profit or loss	($ 3,642)	$ 3,038	($ 5,522)	$ 8,652

(II) Income tax recognized in other comprehensive income

	From April 1 to June 30, 2025	From April 1 to June 30, 2024	From January 1 to June 30, 2025	From January 1 to June 30, 2024
Deferred income tax				
Income tax (benefits) expenses recognized in other comprehensive income				
－ Translation the financial statements of foreign operations	($ 43,407)	$ 2,651	($ 36,389)	$ 15,351

(III) Certification of income tax

The Company's income tax returns through 2023 have been assessed by the tax authorities.

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

1. ACME (Cayman) and GAEL had no income tax expense for the period from January 1 to June 30, 2025 and 2024 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

	From April 1 to June 30, 2025	From April 1 to June 30, 2024	From January 1 to June 30, 2025	From January 1 to June 30, 2024
Basic earnings (losses) per share	($ 0.28)	$ 0.39	($ 0.39)	$ 0.65
Diluted earnings (losses) per share	($ 0.28)	$ 0.39	($ 0.39)	$ 0.65

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

Net (loss) profit for the period

	From April 1 to June 30, 2025	From April 1 to June 30, 2024	From January 1 to June 30, 2025	From January 1 to June 30, 2024
Net (loss) profit for calculating basic and diluted (losses) earnings per share	($ 60,188)	$ 83,243	($ 82,007)	$ 139,065

Number of Shares

Unit: Thousands of shares

	From April 1 to June 30, 2025	From April 1 to June 30, 2024	From January 1 to June 30, 2025	From January 1 to June 30, 2024
Weighted average number of ordinary shares outstanding used for calculating basic and diluted (losses) earnings per share	212,994	212,994	212,994	212,994

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

June 30, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivatives	$ -	$ 1,254	$ -	$ 1,254

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

June 30, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivatives	$ -	$ 719	$ -	$ 719
Financial liabilities at FVTPL				
Derivatives	$ -	$ 185	$ -	$ 185

There were no transfers between Levels 1 and 2 fair value measurement for the period from April 1 to June 30, 2025 and 2024, and from January 1 to June 30, 2025 and 2024.

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

	June 30, 2025	December 31, 2024	June 30, 2024
Financial assets			
Financial assets at FVTPL	$ 1,254	$ 44	$ 719
Measured at amortized cost (Note 1)	1,322,614	1,561,179	1,448,792
Financial liabilities			
Financial liabilities at FVTPL	-	1,282	185
Measured at amortized cost (Note 2)	2,484,447	2,636,132	2,308,864

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).

<u>Sensitivity analysis</u>

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 loss before tax for the period from January 1 to June 30, 2025 will increase/decrease by NT$13,261 thousand, and the pre-tax loss for the period from January 1 to June 30, 2024 will decrease/increase by NT$16,902 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:

	June 30, 2025	December 31, 2024	June 30, 2024
Fair value interest rate risk			
— Financial assets	$ 496,388	$ 556,785	$ 489,094
— Financial liabilities	804,743	470,636	549,185
Cash flow interest rate risk			
— Financial assets	58,624	197,499	67,648
— Financial liabilities	1,403,735	1,782,996	1,477,527

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 increase/decrease the Group's loss before tax for the period by NT$3,363 thousand from January 1 to June 30, 2025, and decrease/increase the Group's profit before tax for the period by NT$3,525 thousand from January 1 to June 30, 2024.

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 73%, 71% and 62% of total accounts receivable as of June 30, 2025 and December 31 and June 30, 2024, 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.

June 30, 2025

	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	-	$ 235,867	$ -	$ -
Lease liabilities	2.35	14,341	24,466	-
Floating interest rate liabilities	1.81	31,652	1,439,213	58,344
Fixed interest rate liabilities	2.15	395,248	383,857	-
		$ 677,108	$ 1,847,536	$ 58,344

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

June 30, 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	-	$ 258,669	$ -	$ -
Lease liabilities	1.11	15,518	39,894	-
Floating interest rate liabilities	1.82	237,137	1,270,001	61,968
Fixed interest rate liabilities	2.06	496,649	-	-
		$ 1,007,973	$ 1,309,895	$ 61,968

(2) Financing facilities

	June 30, 2025	December 31, 2024	June 30, 2024
Unsecured banking facilities			
— Amount used	$ 781,790	$ 788,311	$ 662,067
— Amount unused	1,270,138	1,745,302	2,021,075
	$ 2,051,928	$ 2,533,613	$ 2,683,142
Secured banking facilities			
— Amount used	$ 1,392,601	$ 1,420,513	$ 1,314,922
— Amount unused	233,482	263,727	361,095
	$ 1,626,083	$ 1,684,240	$ 1,676,017

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 June 30, 2025, and December 31 and June 30, 2024, 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
Taiwan VCM Corporation (TVCM)	Fellow subsidiary
Swanson Plastics Corporation (SPC)	Fellow subsidiary
USI Optronics Corporation (USIO)	Associate
USI Education Foundation (USIF)	Other related parties

(II) Sales

Related Party Category/Name	From April 1 to June 30, 2025	From April 1 to June 30, 2024	From January 1 to June 30, 2025	From January 1 to June 30, 2024
Associate				
USIO	$ 163	$ -	$ 163	$ 148

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	From April 1 to June 30, 2025	From April 1 to June 30, 2024	From January 1 to June 30, 2025	From January 1 to June 30, 2024
Associate				
USIO	$ 3,171	$ 1,604	$ 4,056	$ 1,794

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	June 30, 2025	December 31, 2024	June 30, 2024
Accounts receivable - related parties	Associate			
	USIO	$ 167	$ 186	$ -
Other receivables - related parties	Fellow subsidiary			
	SPC	$ 2,116	$ 3,787	$ 2,901
	Associate			
	USIO	3,307	246	297
		$ 5,423	$ 4,033	$ 3,198

(V) Payables to related parties

Accounting Subject	Related Party Category/Name	June 30, 2025	December 31, 2024	June 30, 2024
Accounts payable - related parties	Associate			
	USIO	$ 1,328	$ -	$ 38
Other payables - related parties	Parent company			
	USI	$ 135	$ 975	$ 719
	Fellow subsidiary			
	SPC	1,423	607	299
	UM	12	2,541	1,053
	CGPC	7	7	-
	APC	-	83	83
	Associate			
	USIO	-	23	-
		$ 1,577	$ 4,236	$ 2,154

(VI) Property, plant and equipment acquired

Related Party Category/Name	Acquisition cost From January 1 to June 30, 2025	Acquisition cost From January 1 to June 30, 2024
Associate		
USIO	$ -	$ 600

(VII) Prepayments for equipment

Related Party Category/Name	June 30, 2025	December 31, 2024	June 30, 2024
Associate			
USIO	$ 16,000	$ -	$ -

In June 2025, the Company entered into a contract with related party USI Optronics Corporation, under which the Company will acquire equipment amounting to NT$40,000 thousand and technology transfer amounting to NT$9,000 thousand, for a total consideration of NT$49,000 thousand. As of June 30, 2025, advance payments of NT$16,000 thousand had been made (recognized under "prepayments for equipment"), and the transaction is expected to be completed in March 2026.

(VIII) Other related party transactions

Accounting Subject	Related Party Category/Name	From April 1 to June 30, 2025	From April 1 to June 30, 2024	From January 1 to June 30, 2025	From January 1 to June 30, 2024
Management service fee income (Classified as non-operating income and expenses)	Fellow subsidiary SPC	$ 2,566	$ 2,288	$ 5,467	$ 4,918
	Associate USIO	410	283	410	283
		$ 2,976	$ 2,571	$ 5,877	$ 5,201
Management service fee expenditures (Classified as operating expenses)	Parent company USI	$ 65	$ 62	$ 131	$ 124
	Fellow subsidiary				
	UM	2,197	3,261	5,238	6,525
	SPC	1,311	285	2,917	871
		$ 3,573	$ 3,608	$ 8,286	$ 7,520
Rent expenditures (Classified as operating expenses)	Parent company USI	$ 745	$ 750	$ 1,489	$ 1,501
	Fellow subsidiary APC	116	118	232	236
		$ 861	$ 868	$ 1,721	$ 1,737

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	From April 1 to June 30, 2025	From April 1 to June 30, 2024	From January 1 to June 30, 2025	From January 1 to June 30, 2024
Donation expenses (classified as operating expenses)	Other related parties				
	USIF	$ -	$ -	$ 1,000	$ -
Other expenditures (Classified as operating expenses)	Fellow subsidiary				
	SPC	$ 3,013	$ 11	$ 3,122	$ 11
	TVCM	3	-	3	-
	Associate				
	USIO	21	232	56	232
		$ 3,037	$ 243	$ 3,181	$ 243
Other income (classified as non-operating income and expenses)	Associate				
	USIO	$ 51	$ -	$ 97	$ -

(IX) Compensation of key management personnel

	From April 1 to June 30, 2025	From April 1 to June 30, 2024	From January 1 to June 30, 2025	From January 1 to June 30, 2024
Short-term employee benefits	$ 5,324	$ 8,553	$ 10,156	$ 16,381
Post-retirement benefits	93	69	181	119
	$ 5,417	$ 8,622	$ 10,337	$ 16,500

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:

	June 30, 2025	December 31, 2024	June 30, 2024
Time deposit (classified as refundable deposits)	$ 7,700	$ 7,700	$ 6,000
Current deposit (classified as refundable deposits)	4,093	6,841	4,553
Time deposits (classified as financial assets measured at amortized cost)	15,559	22,090	20,745
Property, plant, and equipment (carrying amount)	808,056	661,531	668,414
Right-of-use assets	23,469	25,266	24,044
	$ 858,877	$ 723,428	$ 723,756

XXVI. Significant Contingent Liability and Contractual Commitments

As of June 30, 2025, 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$10,700 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:

	June 30, 2025				
	Foreign currency (NT$ thousands)	Exchange Rate (NT$)		Functional Currency (NT$ thousands)	NT$ (NT$ thousands)
Financial assets					
Monetary items					
USD	$ 8,457	29.3000	(USD: NTD)	$ 247,786	$ 247,786
USD	2,972	7.1586	(USD: RMB)	21,277	87,086
USD	6,373	4.3793	(USD: MYR)	27,908	186,721
RMB	18,634	4.0930	(RMB: NTD)	76,268	76,268
Financial liabilities					
Monetary items					
USD	859	29.3000	(USD: NTD)	25,155	25,155
USD	510	7.1586	(USD: RMB)	3,649	14,937
USD	1,347	4.3793	(USD: MYR)	5,901	39,481
RMB	17,890	4.0930	(RMB: NTD)	73,226	73,226

	December 31, 2024			
	Foreign currency (NT$ thousands)	Exchange Rate (NT$)	Functional Currency (NT$ thousands)	NT$ (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

	June 30, 2024			
	Foreign currency (NT$ thousands)	Exchange Rate (NT$)	Functional Currency (NT$ thousands)	NT$ (NT$ thousands)
Financial assets				
Monetary items				
USD	$ 12,956	32.4500 (USD: NTD)	$ 420,422	$ 420,422
USD	3,011	7.1269 (USD: RMB)	21,457	97,697
USD	5,884	4.9182 (USD: MYR)	28,938	190,932
RMB	13,361	4.5532 (RMB: NTD)	60,833	60,833
Financial liabilities				
Monetary items				
USD	1,248	32.4500 (USD: NTD)	40,503	40,503
USD	1,835	7.1269 (USD: RMB)	13,078	59,544
USD	1,405	4.9182 (USD: MYR)	6,909	45,588
RMB	13,689	4.5532 (RMB: NTD)	62,328	62,328

The net foreign exchange gains or losses (realized and unrealized) of the Group from April 1 to June 30, 2025 and 2024, from January 1 to June 30, 2025 and 2024 were a loss of NT$35,974 thousand, gain of NT$10,810 thousand, loss of NT$31,988 thousand, and a gain of NT$26,728 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 according to the foreign currencies with significant impact.

XXVIII. Disclosure Items

(I) Information on Significant Transactions:

1. Financing provided to others: Table 1.

2. Endorsements/guarantees provided for others: Table 2.

3. Significant marketable securities held at the end of the period (excluding investments in subsidiaries, associates and joint ventures): None.

4. Purchases or sales with related parties amounting to NT$100 million or 20% of the paid-in capital: Table 3.

5. Receivables from related parties amounting to NT$100 million or 20% of paid-in capital or more: None.

6. Others - intercompany relationships and material intercompany transactions: Table 6.

(II) Information on Reinvestment: 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.

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.

Acme Electronics Corporation and Subsidiaries

FINANCING PROVIDED TO OTHERS

From January 1 to June 30, 2025

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)	Remarks
													Name	Value			
1	Acme Electronics (GZ)	ACME Electronics (KS)	Other receivables - related parties	Yes	$ 185,032 (RMB 40,000 thousand)	$ 147,348 (RMB 36,000 thousand)	$ 65,488 (RMB 16,000 thousand)	3.00%~3.10%	2	$ -	Business turnover	$ -	—	—	$ 371,783	$ 371,783	

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 June 30, 2025.

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 June 30, 2025.

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 June 30, 2025

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)	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	Remarks
		Company Name	Relationship											
0	The Company	ACME Electronics (KS)	Subsidiary of ACME (Cayman)	$ 2,689,533	$ 166,529 (RMB 36,000 thousand)	$ 147,348 (RMB 36,000 thousand)	$ -	None	8.22%	$ 3,586,044	Y	N	Y	
1	ACME (MA)	ACME Ferrite	Subsidiaries of ACME(MA)	726,560	126,948 (MYR 17,584 thousand)	117,646 (MYR 17,584 thousand)	81,689 (MYR 12,210 thousand)	None	11.33%	830,355	Y	N	N	

Note 1: The rate was calculated by the equity of ACME as of June 30, 2025.

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 June 30, 2025.

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 June 30, 2025.

Note 3: The foreign currency amount was calculated based on the spot exchange rate of June 30, 2025.

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 June 30, 2025

Table 3.

Unit: In Thousands of New Taiwan Dollars

Buyer/Seller	Counterparty	Relationship	Transaction Details				Unusual Transaction Terms and Reasons (Note 1)		Notes/Accounts Receivable (Payable)		Remarks
			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)	$ 173,144	44%	55 days	$ -	—	($ 70,239)	56%	Note 2
Acme Electronics (GZ)	The Company	GAEL's Subsidiaries	Sales (including processing fee)	(173,144)	34%	55 days	-	—	70,239	22%	Note 2

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 June 30, 2025

Table 4.

Unit: NT$ thousands, unless otherwise indicated

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)	Remarks
				June 30, 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	$ 1,108,637	43,887,521	60.10%	$ 998,533	($ 33,871) (USD(1,052) thousand)	($ 20,357) (USD (632) thousand)	
	GAEL	CITCO Building, Wickhams Cay Road Town, Tortola, British Virgin Islands	Corporate investments	669,072	669,072	20,800,000	100%	932,052	8,951	8,951	
	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%	6,638	(11,773)	(4,002)	
ACME (Cayman)	ACME (MA)	Plot 15,Jalan Industri 6 Kawasan Perindustrian Jelapang II(ZPB) Jelapang 30020 Ipoh, Perak, Malaysia.	Corporate investments	700,006 (USD 23,891 thousand)	700,006 (USD 23,891 thousand)	96,808,000	100%	1,046,722 (USD 35,724 thousand)	(35,891) (MYR(5,133) thousand)		
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	253,998 (MYR 37,964 thousand)	253,998 (MYR 37,964 thousand)	9,120,000	100%	716,819 (MYR107,140 thousand)	(14,078) (MYR(2,008) thousand)		
	ACME Advanced	Plot 15,Jalan Industri 6 Kawasan Perindustrian Jelapang II(ZPB) Jelapang 30020 Ipoh, Perak, Malaysia.	Manufacturing and marketing of silicon carbide	362,679 (MYR 54,208 thousand)	362,679 (MYR 54,208 thousand)	54,208,000	100%	321,271 (MYR48,019 thousand)	(21,495) (MYR(3,080) thousand)		

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 June 30, 2025.

Note 3: The amount is calculated based on the average exchange rate from January 1 to June 30, 2025.

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 June 30, 2025

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 of Investee for the Period (Note 5)	Ownership Percentage of Direct or Indirect Investment	Investment Gain Recognized for 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	$ 900,243 (USD 30,725 thousand)	Indirect investment via ACME (Cayman).	$ 374,188 (USD 11,144 thousand)	$	$ -	$ 374,188 (USD 11,144 thousand)	$ 2,455 (RMB 675 thousand)	60.10%	$ 1,475 (RMB 406 thousand)	$ 358,234 (RMB 87,524 thousand)	$ -
Acme Electronics (GZ)	Manufacturing and marketing of soft ferrite core	562,560 (USD 19,200 thousand)	Indirect investment via GAEL.	619,676 (USD 19,200 thousand)		-	619,676 (USD 19,200 thousand)	9,722 (RMB 2,437 thousand)	100%	9,722 (RMB 2,437 thousand)	929,458 (RMB 227,085 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
$ 889,079(USD 30,344 thousand) (Notes 2 and 6)	$ 1,073,347(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 was calculated based on the average exchange rate from January 1 to June 30, 2025.

Note 6: The amount was calculated based on the spot exchange rate of June 30, 2025.

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 June 30, 2025

Table 6.

Unit: In Thousands of New Taiwan Dollars

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	$ 53,447	55 days for both purchase and sales	3.69%
0	The Company	Acme Electronics (GZ)	1	Sales revenue	63,062	55 days for both purchase and sales	4.36%
0	The Company	ACME Ferrite	1	Sales revenue	7,579	55 days for both purchase and sales	0.52%
0	The Company	ACME Electronics (KS)	1	Cost of goods sold	69,925	55 days for both purchase and sales	4.83%
0	The Company	Acme Electronics (GZ)	1	Cost of goods sold	1,701	55 days for both purchase and sales	0.12%
0	The Company	ACME Ferrite	1	Cost of goods sold	751	55 days for both purchase and sales	0.05%
0	The Company	Acme Electronics (GZ)	1	Processing costs (classified as cost of goods sold)	171,443	－	11.84%
0	The Company	ACME Electronics (KS)	1	Royalty revenue	12,574	－	0.87%
0	The Company	Acme Electronics (GZ)	1	Royalty revenue	6,791	－	0.47%
0	The Company	ACME Ferrite	1	Other income	950	－	0.07%
0	The Company	ACME Electronics (KS)	1	Accounts receivable - related parties	22,824	55 days for both purchase and sales	0.44%
0	The Company	Acme Electronics (GZ)	1	Accounts receivable - related parties	26,873	55 days for both purchase and sales	0.52%
0	The Company	ACME Ferrite	1	Accounts receivable - related parties	2,213	55 days for both purchase and sales	0.04%
0	The Company	ACME Electronics (KS)	1	Other receivables - related parties	10,808	－	0.21%
0	The Company	Acme Electronics (GZ)	1	Other receivables - related parties	6,955	－	0.14%
0	The Company	ACME Ferrite	1	Other receivables - related parties	1,684	－	0.03%
0	The Company	Acme Electronics (GZ)	1	Notes and accounts payable－related parties	70,239	55 days for both purchase and sales	1.37%
0	The Company	ACME Electronics (KS)	1	Notes and accounts payable－related parties	23,125	55 days for both purchase and sales	0.45%
0	The Company	Acme Electronics (GZ)	1	Other payables - related parties	1,020	－	0.02%
0	The Company	Acme Electronics (GZ)	1	Service fees (classified as operating expenses)	922	－	0.06%
3	ACME Electronics (KS)	Acme Electronics (GZ)	3	Sales revenue	19,352	55 days for both purchase and sales	1.34%
3	ACME Electronics (KS)	Acme Electronics (GZ)	3	Cost of goods sold	20,082	55 days for both purchase and sales	1.39%
3	ACME Electronics (KS)	Acme Electronics (GZ)	3	Interest expenses	817	－	0.06%
3	ACME Electronics (KS)	Acme Electronics (GZ)	3	Accounts receivable - related parties	6,443	55 days for both purchase and sales	0.13%
3	ACME Electronics (KS)	Acme Electronics (GZ)	3	Notes and accounts payable－related parties	9,905	55 days for both purchase and sales	0.19%
3	ACME Electronics (KS)	Acme Electronics (GZ)	3	Other payables - related parties	66,083	－	1.28%

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
3	ACME Electronics (KS)	ACME Ferrite	3	Sales revenue	24,439	55 days for both purchase and sales	1.69%
3	ACME Electronics (KS)	ACME Ferrite	3	Cost of goods sold	2,313	55 days for both purchase and sales	0.16%
3	ACME Electronics (KS)	ACME Ferrite	3	Accounts receivable - related parties	14,983	55 days for both purchase and sales	0.29%
3	ACME Electronics (KS)	ACME Ferrite	3	Notes and accounts payable－related parties	2,209	55 days for both purchase and sales	0.04%
3	Acme Electronics (GZ)	ACME Electronics (KS)	3	Other income	341	－	0.02%
3	ACME Ferrite	Acme Electronics (GZ)	3	Sales revenue	8,210	55 days for both purchase and sales	0.57%

Note: 1. The parent company to its subsidiary.
2. The subsidiary to the parent company.
3. Between subsidiaries.
4. All the transactions were written off when preparing the consolidated financial statements.