

Acme Electronics Corporation and Subsidiaries

Consolidated Financial Statements and Independent Auditors' Review Report

For the Nine Months Ended September 30, 2025 and 2024

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

Tel.:(02)2650-3337

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.

§TABLE OF CONTENT§

ITEM	PAGE	FINANCIAL STATEMENTS NOTES NO.
I. Cover	1	-
II. Table of Content	2	-
III. Independent Auditors' Review Report	3-4	-
IV. Consolidated Balance Sheets	5	-
V. Consolidated Statements of Comprehensive Income	6	-
VI. Consolidated Statements of Changes in Equity	7	-
VII. Consolidated Statements of Cash Flows	8-9	-
VIII. Notes to Consolidated Financial Statements		
(I) Company History	10	1
(II) Date and Procedure for the Approval of Financial Statements	10	2
(III) Application of Newly Issued and Revised Standards and Interpretations	10-12	3
(IV) Summary of Significant Accounting Policies	12-14	4
(V) Critical Accounting Judgments and Key Sources of Estimation Uncertainty	14	5
(VI) Information on Important Accounting Items	14-40	6-23
(VII) Related Party Transactions	40-44	24
(VIII) Collateralized Assets	44	25
(IX) Significant Contingent Liability and Contractual Commitments	44	26
(X) Significant Disaster Loss	-	-
(XI) Significant Events After the Balance Sheet Date	-	-
(XII) Others	45-46	27
(XIII) Disclosure Items		
1. Information on Significant Transactions	46, 48-50, 53	28
2. Information on Reinvestment	46, 51	28
3. Information on Investments in Mainland China	46-47, 48-49, 52-53	28
(XIV) Segment Information	47	29

Independent Auditors' Review Report

To: Acme Electronics Corporation

Introduction

We have reviewed the Consolidated Balance Sheet of Acme Electronics Corporation and its subsidiaries (hereinafter collectively the "Group") as of September 30, 2025 and 2024, the Consolidated Statements of Comprehensive Income for the three months ended September 30, 2025 and 2024, and for the nine months ended September 30, 2025 and 2024, 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 nine months from January 1 to September 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 of Review

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\$6,311 thousand and NT\$12,421 thousand as of September 30, 2025 and 2024, respectively, the net losses of affiliates accounted for under

the equity method amounted to NT\$327 thousand and NT\$2,067 thousand from July 1 to September 30, 2025 and 2024, respectively, the net losses of affiliates accounted for under the equity method amounted to NT\$4,329 thousand and NT\$5,775 thousand from January 1 to September 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 September 30, 2025 and 2024, and the consolidated financial performance of the Group from July 1 to September 30, 2025 and 2024, and the consolidated financial performance and consolidated cash flows of the Group from January 1 to September 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

November 4, 2025

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.

Acme Electronics Corporation and Subsidiaries
Consolidated Balance Sheets
September 30, 2025, December 31 and September 30, 2024

Unit: In Thousands of New Taiwan Dollars

Code	Assets	September 30, 2025		December 31, 2024		September 30, 2024	
		Amount	%	Amount	%	Amount	%
	Current assets						
1100	Cash and cash equivalents (Note 6)	\$ 634,015	12	\$ 727,586	13	\$ 564,214	11
1110	Financial assets at fair value through profit or loss (FVTPL) - current (Note 7)	560	-	44	-	5,968	-
1136	Financial assets at amortized cost - current (Notes 8 and 25)	37,373	1	22,090	-	22,908	1
1150	Notes receivable (Note 9)	72,429	1	65,596	1	70,897	1
1170	Accounts receivable, net (Notes 9 and 24)	758,453	14	721,749	13	799,298	15
1200	Other receivables (Note 24)	14,349	-	8,396	-	18,508	-
1220	Current tax assets (Notes 4 and 20)	15,690	-	10,752	-	13,495	-
130X	Inventories (Note 10)	779,233	15	871,843	16	870,175	16
1470	Other current assets (Note 24)	70,771	1	62,271	1	62,996	1
11XX	Total current assets	<u>2,382,873</u>	<u>44</u>	<u>2,490,327</u>	<u>44</u>	<u>2,428,459</u>	<u>45</u>
	Non-current assets						
1550	Investments accounted for using equity method (Note 12)	6,311	-	10,640	-	12,421	-
1600	Property, plant and equipment (Notes 13 and 25)	2,639,929	49	2,614,704	47	2,451,996	45
1755	Right-of-use assets (Notes 14 and 25)	144,538	3	164,599	3	166,796	3
1780	Intangible assets	3,000	-	4,281	-	4,781	-
1840	Deferred tax assets (Notes 4 and 20)	91,313	2	82,779	2	72,013	1
1915	Prepayments for equipment (Note 24)	90,236	2	227,324	4	286,238	5
1920	Refundable deposits (Note 25)	13,276	-	15,762	-	17,788	1
15XX	Total non-current assets	<u>2,988,603</u>	<u>56</u>	<u>3,120,089</u>	<u>56</u>	<u>3,012,033</u>	<u>55</u>
1XXX	Total Assets	<u><u>\$ 5,371,476</u></u>	<u><u>100</u></u>	<u><u>\$ 5,610,416</u></u>	<u><u>100</u></u>	<u><u>\$ 5,440,492</u></u>	<u><u>100</u></u>
Code	Liabilities and Equity						
	Current liabilities						
2100	Short-term borrowings (Notes 15 and 25)	\$ 432,469	8	\$ 457,886	8	\$ 346,604	6
2110	Short-term notes payable, net (Note 15)	27,982	1	69,992	1	99,990	2
2120	Financial liabilities at fair value through profit or loss (FVTPL) - current (Note 7)	-	-	1,282	-	28	-
2170	Notes payable and accounts payable (Note 24)	78,424	2	113,670	2	85,804	2
2200	Other payables (Note 24)	273,378	5	315,271	6	268,012	5
2230	Current tax liabilities (Notes 4 and 20)	305	-	259	-	1,184	-
2280	Lease liabilities - current (Note 14)	14,978	-	15,624	1	14,851	-
2320	Long-term borrowings due within one year (Notes 15 and 25)	2,307	-	172,248	3	132,345	2
2399	Other current liabilities	<u>5,720</u>	<u>-</u>	<u>7,393</u>	<u>-</u>	<u>10,475</u>	<u>-</u>
21XX	Total current liabilities	<u>835,563</u>	<u>16</u>	<u>1,153,625</u>	<u>21</u>	<u>959,293</u>	<u>17</u>
	Non-current liabilities						
2540	Long-term borrowings (Notes 15 and 25)	1,803,359	34	1,503,369	27	1,533,312	28
2570	Deferred tax liabilities (Notes 4 and 20)	106,107	2	116,455	2	109,763	2
2580	Lease liabilities - non-current (Note 14)	22,996	-	34,513	-	35,151	1
2630	Long-term deferred incomes (Notes 15 and 17)	45,433	1	40,014	1	41,072	1
2640	Net defined benefit liabilities, non-current (Notes 4 and 16)	12,046	-	12,046	-	9,911	-
2645	Guarantee deposits received	<u>2,617</u>	<u>-</u>	<u>3,696</u>	<u>-</u>	<u>3,660</u>	<u>-</u>
25XX	Total non-current liabilities	<u>1,992,558</u>	<u>37</u>	<u>1,710,093</u>	<u>30</u>	<u>1,732,869</u>	<u>32</u>
2XXX	Total liabilities	<u>2,828,121</u>	<u>53</u>	<u>2,863,718</u>	<u>51</u>	<u>2,692,162</u>	<u>49</u>
	Equity attributable to owners of the Company (Note 18)						
3110	Ordinary share capital	2,129,937	39	2,129,937	38	2,129,937	39
3200	Capital surplus	54	-	50	-	-	-
3350	Retained earnings (Accumulated deficit)	(106,306)	(2)	(20,755)	-	10,030	-
3410	Other equity						
	Exchange differences on translating the financial statements of foreign operations	(164,818)	(3)	(88,649)	(2)	(75,678)	(1)
31XX	Total equity attributable to owners of the Company	<u>1,858,867</u>	<u>34</u>	<u>2,020,583</u>	<u>36</u>	<u>2,064,289</u>	<u>38</u>
36XX	Non-controlling interests (Note 11)	<u>684,488</u>	<u>13</u>	<u>726,115</u>	<u>13</u>	<u>684,041</u>	<u>13</u>
3XXX	Total equity	<u>2,543,355</u>	<u>47</u>	<u>2,746,698</u>	<u>49</u>	<u>2,748,330</u>	<u>51</u>
	Total liabilities and equity	<u><u>\$ 5,371,476</u></u>	<u><u>100</u></u>	<u><u>\$ 5,610,416</u></u>	<u><u>100</u></u>	<u><u>\$ 5,440,492</u></u>	<u><u>100</u></u>

The accompanying notes are an integral part of the Consolidated Financial Statements.
(Please refer to the Review Report issued by Deloitte & Touche on November 4, 2025)

Acme Electronics Corporation and Subsidiaries
Consolidated Statements of Comprehensive Income

For the Three Months Ended September 30, 2025 and 2024, and for the Nine Months Ended September 30, 2025 and 2024

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

Code		From July 1 to September 30, 2025		From July 1 to September 30, 2024		From January 1 to September 30, 2025		From January 1 to September 30, 2024	
		Amount	%	Amount	%	Amount	%	Amount	%
Operating revenue									
4110	Sales revenue (Note 24)	\$ 775,155	100	\$ 846,663	100	\$ 2,267,273	102	\$ 2,387,949	100
4170	Less: Sales returns and allowances	<u>688</u>	<u>-</u>	<u>2,300</u>	<u>-</u>	<u>45,177</u>	<u>2</u>	<u>4,806</u>	<u>-</u>
4000	Total operating revenue	774,467	100	844,363	100	2,222,096	100	2,383,143	100
Operating costs									
5110	Cost of goods sold (Notes 10, 16, 19, and 24)	<u>648,034</u>	<u>84</u>	<u>648,734</u>	<u>77</u>	<u>1,880,172</u>	<u>85</u>	<u>1,823,828</u>	<u>77</u>
5900	Gross profit	<u>126,433</u>	<u>16</u>	<u>195,629</u>	<u>23</u>	<u>341,924</u>	<u>15</u>	<u>559,315</u>	<u>23</u>
Operating expenses (Notes 9, 16, 19, and 24)									
6100	Selling and marketing expenses	38,428	5	37,716	4	114,834	5	107,574	4
6200	Administrative expenses	48,938	6	49,206	6	152,358	7	144,140	6
6300	Research and development expenses	52,190	7	50,846	6	160,203	7	139,658	6
6450	Provision (reversal of provision) for bad debt expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>266</u>	<u>-</u>	<u>212</u>	<u>-</u>
6000	Total operating expenses	<u>139,556</u>	<u>18</u>	<u>137,768</u>	<u>16</u>	<u>427,661</u>	<u>19</u>	<u>391,584</u>	<u>16</u>
6500	Other operating expenses (Note 13)	<u>-</u>	<u>-</u>	<u>(1,091)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,073)</u>	<u>-</u>
6900	Net operating (loss) profit	<u>(13,123)</u>	<u>(2)</u>	<u>56,770</u>	<u>7</u>	<u>(85,737)</u>	<u>(4)</u>	<u>165,658</u>	<u>7</u>
Non-operating income and expenses									
7100	Interest income	3,281	1	4,509	-	11,494	1	14,075	1
7010	Other incomes (Notes 17, 19 and 24)	9,512	1	7,929	1	27,204	1	30,820	1
7230	Gains (losses) from foreign exchange (Note 19)	<u>10,603</u>	<u>1</u>	<u>(24,669)</u>	<u>(3)</u>	<u>(21,385)</u>	<u>(1)</u>	<u>2,059</u>	<u>-</u>
7020	Other gains and losses (Note 19)	<u>(69)</u>	<u>-</u>	<u>7,553</u>	<u>1</u>	<u>4,096</u>	<u>-</u>	<u>11,833</u>	<u>-</u>
7050	Finance costs (Note 19)	<u>(11,299)</u>	<u>(1)</u>	<u>(10,338)</u>	<u>(1)</u>	<u>(33,808)</u>	<u>(2)</u>	<u>(28,581)</u>	<u>(1)</u>
7060	Share of profit or loss of affiliates accounted for using equity method (Note 12)	<u>(327)</u>	<u>-</u>	<u>(2,067)</u>	<u>-</u>	<u>(4,329)</u>	<u>-</u>	<u>(5,775)</u>	<u>-</u>
7000	Total non-operating income and expenses	<u>11,701</u>	<u>2</u>	<u>(17,083)</u>	<u>(2)</u>	<u>(16,728)</u>	<u>(1)</u>	<u>24,431</u>	<u>1</u>
7900	Net profit (loss) before tax	<u>(1,422)</u>	<u>-</u>	<u>39,687</u>	<u>5</u>	<u>(102,465)</u>	<u>(5)</u>	<u>190,089</u>	<u>8</u>
7950	Income tax expense (Notes 4 and 20)	<u>(7,583)</u>	<u>(1)</u>	<u>(1,303)</u>	<u>-</u>	<u>(2,061)</u>	<u>-</u>	<u>(9,955)</u>	<u>-</u>
8200	Net (loss) profit for the period	<u>(9,005)</u>	<u>(1)</u>	<u>38,384</u>	<u>5</u>	<u>(104,526)</u>	<u>(5)</u>	<u>180,134</u>	<u>8</u>
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	115,277	15	99,641	12	<u>(117,863)</u>	<u>(5)</u>	195,313	8
8399	Income tax relating to items that may be reclassified to profit or loss (Note 20)	<u>(17,347)</u>	<u>(3)</u>	<u>(11,325)</u>	<u>(2)</u>	<u>19,042</u>	<u>1</u>	<u>(26,676)</u>	<u>(1)</u>
8300	Total other comprehensive income (net)	<u>97,930</u>	<u>12</u>	<u>88,316</u>	<u>10</u>	<u>(98,821)</u>	<u>(4)</u>	<u>168,637</u>	<u>7</u>
8500	Total comprehensive income for the period	<u>\$ 88,925</u>	<u>11</u>	<u>\$ 126,700</u>	<u>15</u>	<u>(\$ 203,347)</u>	<u>(9)</u>	<u>\$ 348,771</u>	<u>15</u>
Net (loss) profit attributable to:									
8610	Owners of parent company	<u>(\$ 3,544)</u>	<u>-</u>	<u>\$ 49,053</u>	<u>6</u>	<u>(\$ 85,551)</u>	<u>(4)</u>	<u>\$ 188,118</u>	<u>8</u>
8620	Non-controlling Interests	<u>(\$ 5,461)</u>	<u>(1)</u>	<u>(10,669)</u>	<u>(1)</u>	<u>(\$ 18,975)</u>	<u>(1)</u>	<u>(7,984)</u>	<u>-</u>
8600		<u>(\$ 9,005)</u>	<u>(1)</u>	<u>\$ 38,384</u>	<u>5</u>	<u>(\$ 104,526)</u>	<u>(5)</u>	<u>\$ 180,134</u>	<u>8</u>
Total comprehensive income attributable to:									
8710	Owners of parent company	\$ 65,845	8	\$ 94,358	11	<u>(\$ 161,720)</u>	<u>(7)</u>	\$ 294,824	13
8720	Non-controlling Interests	<u>23,080</u>	<u>3</u>	<u>32,342</u>	<u>4</u>	<u>(\$ 41,627)</u>	<u>(2)</u>	<u>53,947</u>	<u>2</u>
8700		<u>\$ 88,925</u>	<u>11</u>	<u>\$ 126,700</u>	<u>15</u>	<u>(\$ 203,347)</u>	<u>(9)</u>	<u>\$ 348,771</u>	<u>15</u>
Earnings (losses) per share (Note 21)									
9750	Basic	<u>(\$ 0.02)</u>		<u>\$ 0.23</u>		<u>(\$ 0.40)</u>		<u>\$ 0.88</u>	
9850	Diluted	<u>(\$ 0.02)</u>		<u>\$ 0.23</u>		<u>(\$ 0.40)</u>		<u>\$ 0.88</u>	

The accompanying notes are an integral part of the Consolidated Financial Statements.
(Please refer to the Review Report issued by Deloitte & Touche on November 4, 2025)

Acme Electronics Corporation and Subsidiaries
 Consolidated Statements of Changes in Equity
 For the Nine Month Ended September 30, 2025 and 2024

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

Code		Equity attributable to owners of the Company						Non-controlling Interests (Note 11)	Total equity		
		Share capital (Note 18)		Capital surplus (Note 18)	Retained earnings (Accumulated deficit) (Note 18)	Exchange differences on translating the financial statements of foreign operations					
		Number of shares issued	Amount			(\$ 182,384)	\$ 1,769,465				
A1	Balance as of January 1, 2024	212,993,743	\$ 2,129,937	\$ 299,942	(\$ 478,030)			\$ 555,114	\$ 2,324,579		
C11	Capital surplus to offset deficit	-	-	(299,942)	299,942	-	-	-	-		
D1	Net Income (loss) from January 1 to September 30, 2024	-	-	-	188,118	-	188,118	(7,984)	180,134		
D3	Other comprehensive income (loss) from January 1 to September 30, 2024	-	-	-	-	106,706	106,706	61,931	168,637		
D5	Total comprehensive income (loss) from January 1 to September 30, 2024	-	-	-	188,118	106,706	294,824	53,947	348,771		
O1	Non-controlling Interests	-	-	-	-	-	-	74,980	74,980		
Z1	Balance as of September 30, 2024	212,993,743	\$ 2,129,937	\$ -	\$ 10,030	(\$ 75,678)	\$ 2,064,289	\$ 684,041	\$ 2,748,330		
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 September 30, 2025	-	-	-	(85,551)	-	(85,551)	(18,975)	(104,526)		
D3	Other comprehensive income (loss) from January 1 to September 30, 2025	-	-	-	-	(76,169)	(76,169)	(22,652)	(98,821)		
D5	Total comprehensive income (loss) from January 1 to September 30, 2025	-	-	-	(85,551)	(76,169)	(161,720)	(41,627)	(203,347)		
Z1	Balance as of September 30, 2025	212,993,743	\$ 2,129,937	\$ 54	(\$ 106,306)	(\$ 164,818)	\$ 1,858,867	\$ 684,488	\$ 2,543,355		

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

(Please refer to the Review Report issued by Deloitte & Touche on November 4, 2025)

Acme Electronics Corporation and Subsidiaries
 Consolidated Statements of Cash Flows
 For the Nine Month Ended September 30, 2025 and 2024

Unit: In Thousands of New Taiwan Dollars

<u>Code</u>	Cash flows from operating activities	<u>From January 1 to September 30, 2025</u>	<u>From January 1 to September 30, 2024</u>
A10000	Net (loss) profit before tax for the period	(\$ 102,465)	\$ 190,089
A20010	Income (expenses) items		
A20100	Depreciation expenses	274,826	237,455
A20200	Amortization expense	1,852	1,123
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	(5,335)	(12,914)
A20900	Finance costs	33,808	28,581
A21200	Interest income	(11,494)	(14,075)
A22300	Share of profit or loss of associates accounted for using the equity method	4,329	5,775
A22500	Profit on disposal and scrapping of property, plant and equipment	(825)	(347)
A23700	Loss on write-down of inventories	425	7,584
A29900	Impairment losses	-	2,073
A29900	Deferred and other income	(3,792)	(2,907)
A30000	Change in operating assets and liabilities		
A31115	Financial assets mandatorily measured at fair value through profit or loss	3,537	7,083
A31130	Notes receivable	(6,833)	(14,445)
A31150	Accounts receivable (including related parties)	(36,622)	(119,207)
A31180	Other receivables (including related parties)	(5,664)	(6,717)
A31200	Inventories	94,942	(212,320)
A31240	Other current assets	(8,741)	(14,151)
A32150	Notes and accounts payable (including related parties)	(35,246)	24,327
A32180	Other payables (including related parties)	(20,955)	28,214
A32230	Other current liabilities	(1,673)	(2,513)
A32240	Net defined benefit liabilities	-	(5,207)
A33000	Cash flows generated from operations	174,340	127,713
A33100	Interest received	11,205	13,620

(Continued)

(Continued)

Code		From January 1 to September 30, 2025	From January 1 to September 30, 2024
A33300	Interest paid	(\$ 32,505)	(\$ 27,659)
A33500	Income tax paid	(7,888)	(10,526)
AAAA	Net cash flows generated from operating activities	<u>145,152</u>	<u>103,148</u>
	 Cash flows from investing activities		
B00040	Purchase of financial assets at amortized cost	(15,072)	(418)
B02700	Acquisition of property, plant and equipment	(244,399)	(574,606)
B02800	Proceeds from disposal of property, plant and equipment	10,903	1,253
B03800	Decrease (increase) in refundable deposits	2,180	(6,415)
B04500	Purchase of Intangible assets	-	(1,540)
B09900	Increase in long-term deferred income	<u>11,987</u>	<u>362</u>
BBBB	Net cash used in investing activities	(234,401)	(581,364)
	 Cash flows from financing activities		
C00100	Decrease in short-term borrowings	(34,477)	(15,661)
C00600	Increase (decrease) in short-term notes payable	(42,000)	99,990
C01600	Proceeds from long-term borrowings	1,673,900	1,552,600
C01700	Repayments of long-term borrowings	(1,544,874)	(1,223,795)
C03000	Increase (decrease) in guarantee deposits	(887)	3,050
C04020	Repayments of the principal portion of lease liabilities	(11,309)	(11,055)
C05800	Change in non-controlling interests	-	74,980
C09900	Exercise of disgorgement	<u>4</u>	<u>-</u>
CCCC	Net cash from financing activities	<u>40,357</u>	<u>480,109</u>
DDDD	Effects of exchange rate changes on the balance of cash held in foreign currencies	(44,679)	<u>105,598</u>
EEEE	Increase (decrease) in cash and cash equivalents for the period	(93,571)	107,491
E00100	Beginning balance of cash and cash equivalents	<u>727,586</u>	<u>456,723</u>
E00200	Ending balance of cash and cash equivalents	<u>\$ 634,015</u>	<u>\$ 564,214</u>

The accompanying notes are an integral part of the Consolidated Financial Statements.
(Please refer to the Review Report issued by Deloitte & Touche on November 4, 2025)

Acme Electronics Corporation and Subsidiaries
Notes to Consolidated Financial Statements
For the Nine Month Ended September 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 November 4, 2025.

III. Application of Newly Issued and Revised Standards and Interpretations

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

The application of the latest IFRS Financial Reporting 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 Referencing Nature-dependent Electricity"	January 1, 2026
		"Annual Improvements to IFRS Accounting Standards — Volume 11"	January 1, 2026
		IFRS 17 "Insurance Contracts" (including the 2020 and 2021 amendments)	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 (Note 2)
		IFRS 19 "Subsidiaries without Public Accountability: Disclosures"(including the 2025 amendments)	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.

Note 2: On September 25, 2025, the Financial Supervisory Commission announced that IFRS 18 will take effect starting from January 1, 2028. Domestic entities could elect to apply IFRS 18 for an earlier period after the endorsement of IFRS 18 by the FSC.

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) Following Statements

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 and Table 4, and Table 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

	September 30, 2025	December 31, 2024	September 30, 2024
Petty cash and cash on hand	\$ 756	\$ 962	\$ 952
Checks and demand deposits in banks	333,730	269,927	130,472
Cash equivalents			
Time deposits	138,768	173,965	166,512
Reserve repurchase agreements collateralized by bonds	160,761 \$ 634,015	282,732 \$ 727,586	266,278 \$ 564,214

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:

	September 30, 2025	December 31, 2024	September 30, 2024
Demand deposits	0.001%~3.70%	0.001%~4.10%	0.001%~4.40%
Time deposits	1.05%~4.00%	3.00%~4.75%	3.15%~4.85%
Reserve repurchase agreements collateralized by bonds	1.32%~4.20%	2.50%~4.40%	2.55%~5.50%

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

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Financial assets - current</u>			
Mandatorily measured at fair value through profit or loss			
Derivatives (not under hedge accounting)			
– Foreign exchange forward contracts	\$ 560	\$ 44	\$ 5,968
<u>Financial liabilities - current</u>			
Held for trading			
Derivatives (not under hedge accounting)			
– Foreign exchange forward contracts	\$ -	\$ 1,282	\$ 28

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)		
<u>September 30, 2025</u>					
Sell	USD/MYR	2025.10.17~2026.1.9	USD	400/ MYR	1,766
<u>December 31, 2024</u>					
Sell	USD/MYR	2025.1.16~2025.6.23	USD	2,600/ MYR	11,208
<u>September 30, 2024</u>					
Sell	USD/MYR	2024.10.11~2025.1.17	USD	1,600/ MYR	7,362
	EUR/MYR	2024.10.21~2024.12.20	EUR	309/ MYR	1,538

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

	September 30, 2025	December 31, 2024	September 30, 2024
Pledged time deposits with banks	\$ 16,470	\$ 22,090	\$ 22,908
Bank deposits with original maturity over 3 months	\$ 20,903	\$ -	\$ -
	<u>\$ 37,373</u>	<u>\$ 22,090</u>	<u>\$ 22,908</u>

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

	September 30, 2025	December 31, 2024	September 30, 2024
Pledged time deposits with banks	2.00%~2.35%	1.575%~2.60%	1.575%~2.60%
Time deposits with original maturity over 3 months	3.45%~3.65%	-	-

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

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Notes receivable</u>			
Measured at amortized cost			
Gross carrying amount	<u>\$ 72,429</u>	<u>\$ 65,596</u>	<u>\$ 70,897</u>
<u>Accounts receivable</u>			
Measured at amortized cost			
Gross carrying amount	<u>\$ 763,461</u>	<u>\$ 728,869</u>	<u>\$ 811,542</u>
Less: allowance for loss	<u>(5,008)</u>	<u>(7,120)</u>	<u>(12,244)</u>
	<u><u>\$ 758,453</u></u>	<u><u>\$ 721,749</u></u>	<u><u>\$ 799,298</u></u>

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.

September 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	0.34%	0.64%	0.00%	37.35%	
Gross carrying amount	\$ 788,862	\$ 39,455	\$ 2,119	\$ 5,454	\$ 835,890
Loss allowance (Lifetime ECLs)	(2,720)	(251)	-	(2,037)	(5,008)
Amortized cost	<u>\$ 786,142</u>	<u>\$ 39,204</u>	<u>\$ 2,119</u>	<u>\$ 3,417</u>	<u>\$ 830,882</u>

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	<u>\$ 746,530</u>	<u>\$ 40,411</u>	<u>\$ 404</u>	<u>\$ -</u>	<u>\$ 787,345</u>

September 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%	0.47%	7.50%	85.38%	
Gross carrying amount	\$ 838,695	\$ 33,765	\$ 2,481	\$ 7,498	\$ 882,439
Loss allowance (Lifetime ECLs)	(5,498)	(158)	(186)	(6,402)	(12,244)
Amortized cost	<u>\$ 833,197</u>	<u>\$ 33,607</u>	<u>\$ 2,295</u>	<u>\$ 1,096</u>	<u>\$ 870,195</u>

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

	From January 1 to September 30, 2025	From January 1 to September 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	(348)	675
Ending balance	<u>\$ 5,008</u>	<u>\$ 12,244</u>

X. Inventories

	September 30, 2025	December 31, 2024	September 30, 2024
Finished goods	\$ 334,154	\$ 318,819	\$ 374,345
Work in progress	229,353	274,271	262,211
Raw materials and Supplies	<u>215,726</u>	<u>278,753</u>	<u>233,619</u>
	<u><u>\$ 779,233</u></u>	<u><u>\$ 871,843</u></u>	<u><u>\$ 870,175</u></u>

The costs of inventories recognized as cost of goods sold from July 1 to September 30, 2025 and 2024, from January 1 to September 30, 2025 and 2024 were NT\$648,034 thousand, NT\$648,734 thousand, NT\$1,880,172 thousand, and NT\$1,823,828 thousand, respectively.

The cost of goods sold from July 1 to September 30, 2025, and from January 1 to September 30, 2025 included a net realizable value recovery on inventories of NT\$2,197 thousand and an inventory write-down loss of NT\$425 thousand, respectively.

The cost of goods sold from July 1 to September 30, 2024, and from January 1 to September 30, 2024 included losses from decrease of net realizable value of NT\$6,793 thousand and NT\$7,584 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 (%)			
			September 30, 2025	December 31, 2024	September 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 (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 Ferrite Products Sdn. Bhd. (ACME Ferrite)	Manufacturing and marketing of soft ferrite core	100.00%	100.00%	100.00%	(5)
ACME (MA)	ACME Advanced Material (ACME Advanced)	Manufacturing and marketing of silicon carbide	100.00%	100.00%	100.00%	(6)
	Acme Electronics (Guangzhou) Co., Ltd. (ACME (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 (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 (GZ).
- (3) ACME (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 (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 (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.

Subsidiary	Profit (Loss) Allocated to Non-controlling Interests				Non-controlling Interests		
	From July 1 to September 30, 2025	From July 1 to September 30, 2024	From January 1 to September 30, 2025	From January 1 to September 30, 2024	September 30, 2025	December 31, 2024	September 30, 2024
ACME (Cayman) and its subsidiaries	(\$ 5,461)	(\$ 10,669)	(\$ 18,975)	(\$ 7,984)	\$ 684,488	\$ 726,115	\$ 684,041

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

	September 30, 2025	December 31, 2024	September 30, 2024	
Current assets	\$ 1,015,040	\$ 1,131,363	\$ 1,048,243	
Non-current assets	1,247,961	1,333,636	1,241,022	
Current liabilities	(435,302)	(520,327)	(449,054)	
Non-current liabilities	(112,197)	(124,842)	(125,830)	
Equity	<u>\$ 1,715,502</u>	<u>\$ 1,819,830</u>	<u>\$ 1,714,381</u>	
Equity attributable to:				
Owners of the Company	\$ 1,031,014	\$ 1,093,715	\$ 1,030,340	
Non-controlling Interests	<u>684,488</u>	<u>726,115</u>	<u>684,041</u>	
	<u><u>\$ 1,715,502</u></u>	<u><u>\$ 1,819,830</u></u>	<u><u>\$ 1,714,381</u></u>	
Operating revenue	From July 1 to September 30, 2025	From July 1 to September 30, 2024	From January 1 to September 30, 2025	From January 1 to September 30, 2024
	<u><u>\$ 356,429</u></u>	<u><u>\$ 324,841</u></u>	<u><u>\$ 1,060,768</u></u>	<u><u>\$ 1,004,809</u></u>
Net loss for the period	(\$ 13,686)	(\$ 26,739)	(\$ 47,557)	(\$ 17,569)
Other comprehensive income (loss)	<u>71,532</u>	<u>107,796</u>	<u>(56,771)</u>	<u>155,214</u>
Total comprehensive income	<u><u>\$ 57,846</u></u>	<u><u>\$ 81,057</u></u>	<u><u>(\$ 104,328)</u></u>	<u><u>\$ 137,645</u></u>
Net loss attributable to:				
Owners of the Company	(\$ 8,225)	(\$ 16,070)	(\$ 28,582)	(\$ 10,559)
Non-controlling Interests	<u>(5,461)</u>	<u>(10,669)</u>	<u>(18,975)</u>	<u>(7,010)</u>
	<u><u>(\$ 13,686)</u></u>	<u><u>(\$ 26,739)</u></u>	<u><u>(\$ 47,557)</u></u>	<u><u>(\$ 17,569)</u></u>
Total comprehensive income attributable to:				
Owners of the Company	\$ 34,766	\$ 48,716	(\$ 62,701)	\$ 82,725
Non-controlling Interests	<u>23,080</u>	<u>32,341</u>	<u>(41,627)</u>	<u>54,920</u>
	<u><u>\$ 57,846</u></u>	<u><u>\$ 81,057</u></u>	<u><u>(\$ 104,328)</u></u>	<u><u>\$ 137,645</u></u>
Cash flow				
Operating activities	\$ 5,827	(\$ 56,177)	\$ 2,632	\$ 73,667
Investing activities	(4,304)	(59,790)	(97,763)	(234,775)
Financing activities	21,006	5,026	(5,306)	162,859
Effects of exchange rate changes	<u>12,633</u>	<u>36,709</u>	<u>(7,353)</u>	<u>51,894</u>
Net cash inflow (outflow)	<u><u>\$ 35,162</u></u>	<u><u>(\$ 74,232)</u></u>	<u><u>(\$ 107,790)</u></u>	<u><u>\$ 53,645</u></u>

XII. Investments Accounted for Using Equity Method

Company Name	September 30, 2025		December 31, 2024		September 30, 2024	
	Amount	Shareholding	Amount	Shareholding	Amount	Shareholding
USI Optronics Corporation (USIO)	<u>\$ 6,311</u>	34%	<u>\$ 10,640</u>	34%	<u>\$ 12,421</u>	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

	September 30, 2025	December 31, 2024	September 30, 2024
Current assets	\$ 39,510	\$ 22,974	\$ 25,876
Non-current assets	11,208	14,238	16,326
Current liabilities	(<u>\$ 32,153</u>)	(<u>\$ 5,914</u>)	(<u>\$ 5,665</u>)
Equity	18,565	31,298	36,537
The Company's shareholding ratio (%)	<u>34%</u>	<u>34%</u>	<u>34%</u>
Equity attributable to the Group	<u>\$ 6,311</u>	<u>\$ 10,640</u>	<u>\$ 12,421</u>
Carrying amount of investment	<u>\$ 6,311</u>	<u>\$ 10,640</u>	<u>\$ 12,421</u>
	From July 1 to September 30, 2025	From July 1 to September 30, 2024	From January 1 to September 30, 2025
Operating revenue	<u>\$ 4,521</u>	<u>\$ 718</u>	<u>\$ 8,909</u>
Net loss for the period	(<u>\$ 960</u>)	(<u>\$ 6,079</u>)	(<u>\$ 12,733</u>)
Total comprehensive income	(<u>\$ 960</u>)	(<u>\$ 6,079</u>)	(<u>\$ 12,733</u>)
			From January 1 to September 30, 2024
			<u>\$ 5,982</u>

XIII. Property, Plant and Equipment

	From January 1 to September 30, 2025				
	Beginning balance	Increase during the period	Decrease during the period	Internal transfer	Effects of exchange rate
<u>Cost</u>					
Land	\$ 82,657	\$ -	\$ -	\$ -	\$ -
Land improvement	7,996	-	-	-	7,996
Building and equipment	1,508,736	2,257	-	196,612	(55,764)
Machinery and equipment	3,775,281	110,908	(27,051)	141,353	(133,795)
Transportation equipment	16,832	899	(446)	-	(521)
Leasehold improvements	-	6,694	-	-	(2)
Other equipment	357,857	11,043	(14,273)	84,457	(12,402)
Construction in progress	<u>234,240</u>	<u>134,123</u>	<u>-</u>	<u>(327,778)</u>	<u>(2,978)</u>
Total cost	<u>5,983,599</u>	<u>\$ 265,924</u>	<u>(\$ 41,770)</u>	<u>\$ 94,644</u>	<u>(\$ 205,462)</u>
<u>Accumulated depreciation and impairment</u>					
Land improvement	7,703	\$ 126	\$ -	\$ -	\$ -
Building and equipment	907,966	54,872	-	-	(38,303)
Machinery and equipment	2,172,205	185,078	(17,587)	4	(91,106)
Transportation equipment	12,651	702	(446)	-	(435)
Leasehold improvements	-	394	-	-	8
Other equipment	<u>268,370</u>	<u>19,475</u>	<u>(13,659)</u>	<u>(4)</u>	<u>(11,008)</u>
Total accumulated depreciation and impairment	<u>3,368,895</u>	<u>\$ 260,647</u>	<u>(\$ 31,692)</u>	<u>\$ -</u>	<u>(\$ 140,844)</u>
Net	<u>\$ 2,614,704</u>				<u>\$ 2,639,929</u>
	From January 1 to September 30, 2024				
	Beginning balance	Increase during the period	Decrease during the period	Internal transfer	Effects of exchange rate
<u>Cost</u>					
Land	\$ 82,657	\$ -	\$ -	\$ -	\$ -
Land improvement	7,996	-	-	-	7,996
Building and equipment	1,382,495	8,067	(1,272)	42,839	62,671
Machinery and equipment	3,250,312	26,956	(62,191)	277,180	157,598
Transportation equipment	16,055	-	(1,829)	-	1,556
Other equipment	404,737	27,903	(108,365)	9,009	22,966
Construction in progress	<u>-</u>	<u>161,541</u>	<u>-</u>	<u>(21,090)</u>	<u>2,420</u>
Total cost	<u>5,144,252</u>	<u>\$ 224,467</u>	<u>(\$ 173,657)</u>	<u>\$ 307,938</u>	<u>\$ 247,211</u>
<u>Accumulated depreciation and impairment</u>					
Land improvement	\$ 7,534	\$ 126	\$ -	\$ -	\$ -
Building and equipment	808,038	51,023	(1,179)	-	28,821
Machinery and equipment	1,932,443	155,239	(61,592)	-	103,780
Transportation equipment	13,024	617	(1,829)	-	1,284
Other equipment	<u>334,804</u>	<u>18,505</u>	<u>(108,151)</u>	<u>-</u>	<u>15,728</u>
Total accumulated depreciation and impairment	<u>3,095,843</u>	<u>\$ 225,510</u>	<u>(\$ 172,751)</u>	<u>\$ -</u>	<u>\$ 149,613</u>
Net	<u>\$ 2,048,409</u>				<u>\$ 2,451,996</u>

The Group recognized an impairment loss of NT\$1,091 thousand and NT\$2,073, respectively, for assets that were idle and did not meet production needs during the period from July 1 to September 1, 2024, and January 1 to September 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

	September 30, 2025	December 31, 2024	September 30, 2024
Carrying amount of right-of-use assets			
Land	\$ 107,823	\$ 115,931	\$ 118,267
Buildings	2,816	3,620	262
Machinery and equipment	31,993	44,825	47,947
Transportation equipment	1,906	223	320
	<u>\$ 144,538</u>	<u>\$ 164,599</u>	<u>\$ 166,796</u>

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

	From July 1 to September 30, 2025	From July 1 to September 30, 2024	From January 1 to September 30, 2025	From January 1 to September 30, 2024
Addition for right-of-use assets			\$ 1,972	\$ 349
Depreciation expense of right-of-use assets				
Land	\$ 969	\$ 1,026	\$ 2,993	\$ 3,001
Buildings	196	29	607	87
Machinery and equipment	3,308	3,574	10,290	10,643
Transportation equipment	97	95	289	287
	<u>\$ 4,570</u>	<u>\$ 4,724</u>	<u>\$ 14,179</u>	<u>\$ 14,018</u>

(II) Lease liabilities

As of September 30, 2025 and December 31 and September 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 3-8 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 July 1 to September 30, 2025	From July 1 to September 30, 2024	From January 1 to September 30, 2025	From January 1 to September 30, 2024
Expenses relating to short-term leases	\$ 3,174	\$ 2,037	\$ 9,406	\$ 5,979
Total cash flows on lease	(\$ 6,947)	(\$ 5,906)	(\$ 21,124)	(\$ 17,502)

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\$7,628 thousand and NT\$3,527 thousand respectively on September 30, 2025 and 2024.

XV. Borrowings

(I) Short-term borrowings

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Secured borrowings</u>			
(Note 25)			
Bank loans	\$ 2,505	\$ 4,575	\$ 5,629
<u>Unsecured borrowings</u>			
Credit line loan	429,964	453,311	340,975
	<u>\$ 432,469</u>	<u>\$ 457,886</u>	<u>\$ 346,604</u>

The interest rates of short-term borrowings were 1.90% ~ 4.13%, 1.90% ~ 4.43% and 1.94% ~ 4.42% respectively as of September 30, 2025 and December 31 and September 30, 2024, respectively.

(II) Short-term notes payable

	September 30, 2025	December 31, 2024	September 30, 2024
Commercial note payable	\$ 28,000	\$ 70,000	\$ 100,000
Less: Discount on commercial note payable	(_____18)	(_____8)	(_____10)
	<u>\$ 27,982</u>	<u>\$ 69,992</u>	<u>\$ 99,990</u>

The interest rates on short-term notes payable were 1.958%, 1.998% and 1.888% ~1.968% as of September 30, 2025 and December 31 and September 30, 2024, respectively.

(III) Long-term borrowings

	September 30, 2025	December 31, 2024	September 30, 2024
Secured bank loans	\$ 1,387,122	\$ 1,410,617	\$ 1,413,657
Unsecured bank loans	418,544	265,000	252,000
	1,805,666	1,675,617	1,665,657
Long-term borrowings due within one year	(_____2,307)	(_____172,248)	(_____132,345)
	<u>\$ 1,803,359</u>	<u>\$ 1,503,369</u>	<u>\$ 1,533,312</u>
Maturity year	2025~2043	2025~2043	2024~2043
Range of interest rates	1.12%~4.25%	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 September 30, 2025, a total of NT\$359,700 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 July 1 to September 30, 2025 and 2024, and from January 1 to September 30, 2025 and 2024, was calculated using the actuarially determined pension cost rates as of December 31, 2024 and 2023, amounting to NT\$197 thousand, NT\$46 thousand, NT\$659 thousand, and NT\$138 thousand, respectively.

XVII. Government subsidy

Acme Electronics (KS) reached an agreement with the 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 September 30, 2025, December 31 and September 30, 2024, due to the above-mentioned circumstances, the Group's unamortized deferred revenue amounted to RMB 9,255 thousand (NT\$ 39,656 thousand) and RMB 7,329 thousand (NT\$ 33,424 thousand) and RMB 7,583 thousand (NT\$ 34,252 thousand), respectively.

The Group recognized NT\$1,310 thousand, NT\$1,673 thousand, NT\$3,792 thousand, and NT\$14,967 thousand of government subsidies as other income from July 1 to September 30, 2025 and 2024, and from January 1 to September 30, 2025 and 2024, respectively, due to the above-mentioned circumstances and other subsidies.

XVIII. Equity

(I) Ordinary share capital

	September 30, 2025	December 31, 2024	September 30, 2024
Number of shares authorized (in thousands)	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>
Share capital authorized	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>212,994</u>	<u>212,994</u>	<u>212,994</u>
Share capital issued	<u>\$ 2,129,937</u>	<u>\$ 2,129,937</u>	<u>\$ 2,129,937</u>

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 (September 30, 2024: None)

	September 30, 2025	December 31, 2024
<u>May only be used to offset deficits</u>		
Disgorgement	\$ <u>54</u>	\$ <u>50</u>

(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 July 1 to September 30, 2025	From July 1 to September 30, 2024	From January 1 to September 30, 2025	From January 1 to September 30, 2024
Property, Plant and Equipment	\$ 89,006	\$ 79,611	\$ 260,647	\$ 223,437
Right-of-use assets	4,570	4,724	14,179	14,018
Intangible assets	<u>611</u>	<u>452</u>	<u>1,852</u>	<u>1,123</u>
Total	<u><u>\$ 94,187</u></u>	<u><u>\$ 84,787</u></u>	<u><u>\$ 276,678</u></u>	<u><u>\$ 238,578</u></u>
Summary of depreciation by function				
Operating costs	\$ 77,312	\$ 69,918	\$ 223,034	\$ 196,988
Operating expenses	<u>16,264</u>	<u>14,417</u>	<u>51,792</u>	<u>40,467</u>
	<u><u>\$ 93,576</u></u>	<u><u>\$ 84,335</u></u>	<u><u>\$ 274,826</u></u>	<u><u>\$ 237,455</u></u>
Summary of amortization by function				
Operating costs	\$ 466	\$ 339	\$ 1,367	\$ 829
Administrative expenses	104	79	357	211
Research and development expenses	<u>41</u>	<u>34</u>	<u>128</u>	<u>83</u>
	<u><u>\$ 611</u></u>	<u><u>\$ 452</u></u>	<u><u>\$ 1,852</u></u>	<u><u>\$ 1,123</u></u>

(II) Employee benefit expenses

	From July 1 to September 30, 2025	From July 1 to September 30, 2024	From January 1 to September 30, 2025	From January 1 to September 30, 2024
Post-retirement benefits (Note 16)				
Defined contribution plans	\$ 16,180	\$ 14,037	\$ 48,815	\$ 42,201
Defined benefit plans	<u>197</u>	<u>46</u>	<u>659</u>	<u>138</u>
	16,377	14,083	49,474	42,339
Salary, Bonus, etc.	<u>233,760</u>	<u>231,978</u>	<u>692,093</u>	<u>658,080</u>
Total	<u><u>\$ 250,137</u></u>	<u><u>\$ 246,061</u></u>	<u><u>\$ 741,567</u></u>	<u><u>\$ 700,419</u></u>
Summary of employee benefit expenses by function				
Operating costs	\$ 186,850	\$ 183,014	\$ 541,538	\$ 517,648
Operating expenses	<u>63,287</u>	<u>63,047</u>	<u>200,029</u>	<u>182,771</u>
	<u><u>\$ 250,137</u></u>	<u><u>\$ 246,061</u></u>	<u><u>\$ 741,567</u></u>	<u><u>\$ 700,419</u></u>

(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 September 30, 2025, so the remunerations of employees and directors are not estimated and recognized.

The estimated employee compensation and director remuneration for the periods from July 1 to September 30, 2024, and from January 1 to September 30, 2024, are as follows:

Estimated proportion

	From January 1 to September 30, 2024
Employee compensation	Cash
Director remuneration	1%
	-

Amount

	From July 1 to September 30, 2024	From January 1 to September 30, 2024
Employee compensation	\$ 99	\$ 99
Director remuneration	\$ -	\$ -

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 July 1 to September 30, 2025	From July 1 to September 30, 2024	From January 1 to September 30, 2025	From January 1 to September 30, 2024
Management service income (Note 24)	\$ 2,073	\$ 1,770	\$ 7,950	\$ 6,971
Government subsidy income	1,310	1,673	3,792	14,967
Others	<u>6,129</u>	<u>4,486</u>	<u>15,462</u>	<u>8,882</u>
	<u><u>\$ 9,512</u></u>	<u><u>\$ 7,929</u></u>	<u><u>\$ 27,204</u></u>	<u><u>\$ 30,820</u></u>

(V) Foreign exchange gain (loss)

	From July 1 to September 30, 2025	From July 1 to September 30, 2024	From January 1 to September 30, 2025	From January 1 to September 30, 2024
Foreign exchange gains	\$ 12,905	(\$ 5,709)	\$ 51,145	\$ 42,613
Foreign exchange losses	(<u>2,302</u>)	(<u>18,960</u>)	(<u>72,530</u>)	(<u>40,554</u>)
Net profit (loss)	<u><u>\$ 10,603</u></u>	<u><u>(\$ 24,669)</u></u>	<u><u>(\$ 21,385)</u></u>	<u><u>\$ 2,059</u></u>

(VI) Other gain and loss

	From July 1 to September 30, 2025	From July 1 to September 30, 2024	From January 1 to September 30, 2025	From January 1 to September 30, 2024
Gain on disposal of property, plant and equipment	\$ 105	\$ 478	\$ 825	\$ 347
Gain on financial assets at FVTPL	469	7,616	5,335	12,914
Others	(<u>643</u>)	(<u>541</u>)	(<u>2,064</u>)	(<u>1,428</u>)
	<u><u>(\$ 69)</u></u>	<u><u>\$ 7,553</u></u>	<u><u>\$ 4,096</u></u>	<u><u>\$ 11,833</u></u>

(VII) Finance costs

	From July 1 to September 30, 2025	From July 1 to September 30, 2024	From January 1 to September 30, 2025	From January 1 to September 30, 2024
Interest on bank loan	\$ 11,256	\$ 10,191	\$ 33,859	\$ 28,113
Interest on lease liabilities	125	147	409	468
Less: Capitalization of interest (included in work in progress)	(82) \$ 11,299	-\$ 10,338	(460) \$ 33,808	-\$ 28,581

Capitalization of interest information is as follows:

	From July 1 to September 30, 2025	From July 1 to September 30, 2024	From January 1 to September 30, 2025	From January 1 to September 30, 2024
Capitalization of interest	\$ 82	\$ -	\$ 460	\$ -
Capitalization of interest rate	1.93%	-	1.91%	-

XX. Income tax

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

	From July 1 to September 30, 2025	From July 1 to September 30, 2024	From January 1 to September 30, 2025	From January 1 to September 30, 2024
Current income tax In respect of the current period	\$ 1,100	\$ 1,967	\$ 2,872	\$ 9,192
Deferred income tax In respect of the current period	6,483	(664)	4,579	874
Adjustments for previous years	-\$ 6,483	-\$ 664	(5,390)	(111)
Income tax expense recognized in profit or loss	\$ 7,583	\$ 1,303	\$ 2,061	\$ 9,955

(II) Income tax recognized in other comprehensive income

	From July 1 to September 30, 2025	From July 1 to September 30, 2024	From January 1 to September 30, 2025	From January 1 to September 30, 2024
<u>Deferred income tax</u>				
Income tax expenses (benefits) recognized in other comprehensive income				
– Translation the financial statements of foreign operations	<u>\$ 17,347</u>	<u>\$ 11,325</u>	<u>(\$ 19,042)</u>	<u>\$ 26,676</u>

(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 September 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 July 1 to September 30, 2025	From July 1 to September 30, 2024	From January 1 to September 30, 2025	From January 1 to September 30, 2024
Basic earnings (losses) per share	<u>(\$ 0.02)</u>	<u>\$ 0.23</u>	<u>(\$ 0.40)</u>	<u>\$ 0.88</u>
Diluted earnings (losses) per share	<u>(\$ 0.02)</u>	<u>\$ 0.23</u>	<u>(\$ 0.40)</u>	<u>\$ 0.88</u>

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 July 1 to September 30, 2025	From July 1 to September 30, 2024	From January 1 to September 30, 2025	From January 1 to September 30, 2024
Net (loss) profit for calculating basic earnings (losses) per share	<u>(\$ 3,544)</u>	<u>\$ 49,053</u>	<u>(\$ 85,551)</u>	<u>\$ 188,118</u>

Number of Shares

	Unit: Thousands of shares			
	From July 1 to September 30, 2025	From July 1 to September 30, 2024	From January 1 to September 30, 2025	From January 1 to September 30, 2024
Weighted average number of ordinary shares outstanding used for calculating basic (losses) earnings per share	212,994	212,994	212,994	212,994
Impact of potential diluted ordinary shares: Employee compensation	_____ -	_____ 3	_____ -	_____ 3
Weighted average number of ordinary shares outstanding used for calculating diluted earnings (losses) per share	<u>212,994</u>	<u>212,997</u>	<u>212,994</u>	<u>212,997</u>

If the consolidated company has the option to distribute employee compensation in the form of either stock or cash, the calculation of diluted earnings per share assumes that employee compensation will be distributed in stock. When such potential ordinary shares have a dilutive effect, they are included in the weighted average number of shares outstanding for the calculation of diluted earnings per share. When calculating diluted earnings per share prior to determining the number of shares to be distributed as employee compensation in the following year, the dilutive effect of such potential ordinary shares is also continuously taken into account.

The consolidated company did not estimate employee compensation for the periods from July 1 to September 30, 2025, and from January 1 to September 30, 2025, due to being in a loss position.

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

September 30, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivatives	\$ _____ -	\$ _____ 560	\$ _____ -	\$ _____ 560
Financial liabilities at FVTPL				
Derivatives	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -

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

September 30, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivatives	\$ _____ -	\$ _____ 5,968	\$ _____ -	\$ _____ 5,968
Financial liabilities at FVTPL				
Derivatives	\$ _____ -	\$ _____ 28	\$ _____ -	\$ _____ 28

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

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Financial assets</u>			
Financial assets at FVTPL	\$ 560	\$ 44	\$ 5,968
Measured at amortized cost (Note 1)	1,529,895	1,561,179	1,493,613
<u>Financial liabilities</u>			
Financial liabilities at FVTPL	-	1,282	28
Measured at amortized cost (Note 2)	2,620,536	2,636,132	2,469,727

Note 1: The balance includes financial assets measured at amortized cost, such as cash and cash equivalents, pledged time deposits with banks, bank deposits with original maturities of more than three months, accounts receivables other receivables, and 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 cash equivalent, accounts receivable, other receivables, long-term and short-term loans, short-term notes payable, accounts payable, other payables and lease liabilities. The financial management department of the Group coordinates the financial operation in the domestic financial market, and supervises and manages financial risks related to the operation of the Group by analyzing the internal risk reports of the risks according to the level and scope of risks. Such risk includes market risk (including foreign exchange risk and interest rate risk), credit risk, and liquidity risk.

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

1. Market risks

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

(1) Foreign exchange risk

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

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

Sensitivity analysis

The sensitivity analysis of foreign exchange rate risks is mainly computed with respect to foreign currency items on the end date of the financial reporting period. The Group is mainly impacted by the exchange rate fluctuations in USD. If the Group's functional currency appreciated/depreciates 3% against the U.S. dollar, the Group's loss before tax for the period from January 1 to September 30, 2025 will increase/decrease by NT\$16,151 thousand, and the profit before tax for the period from January 1 to September 30, 2024 will decrease/increase by NT\$20,930 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:

	September 30, 2025	December 31, 2024	September 30, 2024
Fair value interest rate risk			
– Financial assets	\$ 566,882	\$ 556,785	\$ 526,090
– Financial liabilities	886,920	470,636	490,964
Cash flow interest rate risk			
– Financial assets	107,041	197,499	62,823
– Financial liabilities	1,417,171	1,782,996	1,671,289

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 by NT\$4,913 thousand from January 1 to September 30, 2025, and decrease/increase the Group's profit before tax by NT\$6,032 thousand from January 1 to September 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 72%, 71% and 64% of

total accounts receivable as of September 30, 2025 and December 31 and September 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.

September 30, 2025

	Weighted Average Interest Rate (%)	On Demand or Less than 1 Year	1-5 Years	Over 5 years
<u>Non-derivative financial liabilities</u>				
Non-interest bearing liabilities	-	\$ 249,207	\$ -	\$ -
Lease liabilities	2.39	15,389	23,465	-
Floating interest rate liabilities	1.81	30,396	1,447,552	59,270
Fixed interest rate liabilities	2.15	<u>467,875</u>	<u>391,952</u>	<u>-</u>
		<u>\$ 762,867</u>	<u>\$ 1,862,969</u>	<u>\$ 59,270</u>

December 31, 2024

	Weighted Average Interest Rate (%)	On Demand or Less than 1 Year	1-5 Years	Over 5 years
<u>Non-derivative financial liabilities</u>				
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	<u>423,484</u>	<u>-</u>	<u>-</u>
		<u>\$ 1,074,108</u>	<u>\$ 1,591,242</u>	<u>\$ 64,044</u>

September 30, 2024

	Weighted Average Interest Rate (%)	On Demand or Less than 1 Year	1-5 Years	Over 5 years
<u>Non-derivative financial liabilities</u>				
Non-interest bearing liabilities	-	\$ 259,798	\$ -	\$ -
Lease liabilities	1.11	15,332	35,792	-
Floating interest rate liabilities	1.81	168,202	1,539,764	68,420
Fixed interest rate liabilities	2.17	<u>442,052</u>	<u>-</u>	<u>-</u>
		<u>\$ 885,384</u>	<u>\$ 1,575,556</u>	<u>\$ 68,420</u>

(2) Financing facilities

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Unsecured banking facilities</u>			
— Amount used	\$ 876,865	\$ 788,311	\$ 692,975
— Amount unused	<u>1,027,702</u>	<u>1,745,302</u>	<u>1,639,779</u>
	<u>\$ 1,904,567</u>	<u>\$ 2,533,613</u>	<u>\$ 2,332,754</u>
<u>Secured banking facilities</u>			
— Amount used	\$ 1,392,725	\$ 1,420,513	\$ 1,425,213
— Amount unused	<u>236,483</u>	<u>263,727</u>	<u>265,277</u>
	<u>\$ 1,629,208</u>	<u>\$ 1,684,240</u>	<u>\$ 1,690,490</u>

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 September 30, 2025, and December 31 and September 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 Corp. (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 Corp. (SPC)	Fellow subsidiary
Swanson Plastics (Kunshan) Co., Ltd. (SPK)	Fellow subsidiary
USI International Corp. (USIIC)	Fellow subsidiary
USI Optronics Corporation (USIO)	Associate
USI Education Foundation (USIF)	Other related parties

(II) Sales

Related Party Category/Name	From July 1 to September 30, 2025	From July 1 to September 30, 2024	From January 1 to September 30, 2025	From January 1 to September 30, 2024
Associate				
USIO	\$ 79	\$ 77	\$ 242	\$ 225

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 July 1 to September 30, 2025	From July 1 to September 30, 2024	From January 1 to September 30, 2025	From January 1 to September 30, 2024
Fellow subsidiary				
SPK	\$ 159	\$ -	\$ 159	\$ -
Associate				
USIO	<u>\$ 4,521</u>	<u>\$ 717</u>	<u>\$ 8,577</u>	<u>\$ 2,511</u>
	<u>\$ 4,680</u>	<u>\$ 717</u>	<u>\$ 8,736</u>	<u>\$ 2,511</u>

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	September 30, 2025	December 31, 2024	September 30, 2024
Accounts receivable - related parties	Associate			
	USIO	\$ <u> </u> <u> </u>	\$ <u>186</u>	\$ <u>79</u>
Other receivables - related parties	Fellow subsidiary			
	SPC	\$ <u>3,434</u>	\$ <u>3,787</u>	\$ <u>2,882</u>
	SPK	<u>1,427</u>	<u> </u>	<u> </u>
	Associate			
	USIO	<u> </u> <u>652</u>	<u> </u> <u>246</u>	<u> </u> <u> </u>
		<u> </u> <u><u>5,513</u></u>	<u> </u> <u><u>4,033</u></u>	<u> </u> <u><u>2,882</u></u>

(V) Payables to related parties

Accounting Subject	Related Party Category/Name	September 30, 2025	December 31, 2024	September 30, 2024
Accounts payable - related parties	Associate			
	USIO	\$ <u>1,350</u>	\$ <u> </u> <u> </u>	\$ <u>505</u>
Other payables - related parties	Parent company			
	USI	\$ <u>100</u>	\$ <u>975</u>	\$ <u>1,213</u>
	Fellow subsidiary			
	SPC	<u>1,267</u>	<u>607</u>	<u>419</u>
	UM	<u> </u> <u>20</u>	<u>2,541</u>	<u>532</u>
	CGPC	<u> </u> <u> </u>	<u> </u> <u>7</u>	<u> </u> <u> </u>
	APC	<u> </u> <u> </u>	<u> </u> <u>83</u>	<u> </u> <u>83</u>
	USIIC	<u> </u> <u> </u>	<u> </u> <u> </u>	<u> </u> <u>3</u>
	Associate			
	USIO	<u> </u> <u> </u>	<u> </u> <u>23</u>	<u> </u> <u> </u>
		<u> </u> <u><u>1,387</u></u>	<u> </u> <u><u>4,236</u></u>	<u> </u> <u><u>2,250</u></u>

(VI) Prepayments

Related Party Category/Name	September 30, 2025	December 31, 2024	September 30, 2024
Associate			
USIO	\$ <u>25,000</u>	\$ <u> </u> <u> </u>	\$ <u> </u> <u> </u>

In June 2025, the Company entered into a contract with its associate, USI Optronics Corporation, for the acquisition of equipment amounting to NT\$40,000 thousand and technology transfer amounting to NT\$9,000 thousand, with a total consideration of NT\$49,000 thousand. As of September 30, 2025, advance payments amounting to NT\$25,000 thousand had been made, which were recognized as NT\$16,000 thousand in prepayments for equipment and NT\$9,000 thousand in other current assets. The transaction is expected to be completed in March 2026.

(VII) Acquisition of property, plant and equipment

Related Party Category/Name	Acquisition price	
	From January 1 to September 30, 2025	From January 1 to September 30, 2024
Associate USIO	\$ -	\$ 600

(VIII) Other related party transactions

Accounting Subject	Related Party Category/Name	From July 1 to September 30, 2025	From July 1 to September 30, 2024	From January 1 to September 30, 2025	From January 1 to September 30, 2024
Management service fee income (Classified as non-operating income and expenses)	Fellow subsidiary SPC Associate	\$ 2,073	\$ 1,770	\$ 7,540	\$ 6,688
	USIO	\$ 2,073	\$ 1,770	\$ 7,950	\$ 6,971
Management service fee expenditures (Classified as operating expenses)	Parent company USI Fellow subsidiary	\$ 67	\$ 62	\$ 198	\$ 186
	UM SPC	3,455 1,166 \$ 4,688	3,292 349 \$ 3,703	8,693 4,083 \$ 12,974	9,817 1,220 \$ 11,223
Rent expenditures (Classified as operating expenses)	Parent company USI Fellow subsidiary	\$ 745	\$ 750	\$ 2,234	\$ 2,251
	APC	116 \$ 861	118 \$ 868	348 \$ 2,582	354 \$ 2,605

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 July 1 to September 30, 2025	From July 1 to September 30, 2024	From January 1 to September 30, 2025	From January 1 to September 30, 2024
Donation expenses (classified as operating expenses)	Other related parties USIF	\$ -	\$ -	\$ 1,000	\$ -
Other expenditures (Classified as operating expenses)	Fellow subsidiary SPC TVCM Associate USIO	\$ 118 - 14 \$ 132	\$ 165 - 36 \$ 201	\$ 323 3 70 \$ 396	\$ 176 - 268 \$ 444
Other income (classified as non-operating income and expenses)	Associate USIO	\$ 142	\$ -	\$ 239	\$ -

(IX) Compensation of key management personnel

	From July 1 to September 30, 2025	From July 1 to September 30, 2024	From January 1 to September 30, 2025	From January 1 to September 30, 2024
Short-term employee benefits	\$ 4,784	\$ 12,154	\$ 14,940	\$ 28,535
Post-retirement benefits	88	87	269	206
	<u>\$ 4,872</u>	<u>\$ 12,241</u>	<u>\$ 15,209</u>	<u>\$ 28,741</u>

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:

	September 30, 2025	December 31, 2024	September 30, 2024
Time deposit (classified as refundable deposits)	\$ 7,700	\$ 7,700	\$ 7,700
Current deposit (classified as refundable deposits)	4,285	6,841	9,033
Time deposits (classified as financial assets measured at amortized cost)	16,470	22,090	22,908
Property, plant, and equipment (carrying amount)	793,724	661,531	668,534
Right-of-use assets	<u>24,204</u>	<u>25,266</u>	<u>26,788</u>
	<u>\$ 846,383</u>	<u>\$ 723,428</u>	<u>\$ 734,963</u>

XXVI. Significant Contingent Liability and Contractual Commitments

As of September 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:

September 30, 2025						
	Foreign currency (NT\$ thousands)		Exchange Rate (NT\$)		Functional Currency (NT\$ thousands)	NT\$ (NT\$ thousands)
Financial assets						
Monetary items						
USD	\$ 9,973	30.4450	(USD: NTD)	\$ 303,629	\$ 303,629	
USD	2,932	7.1055	(USD: RMB)	20,833	89,262	
USD	6,543	4.3696	(USD: MYR)	28,592	199,215	
RMB	24,796	4.2847	(RMB: NTD)	106,243	106,243	

September 30, 2025						
	Foreign currency (NT\$ thousands)		Exchange Rate (NT\$)		Functional Currency (NT\$ thousands)	NT\$ (NT\$ thousands)
Financial liabilities						
Monetary items						
USD	816	30.4450	(USD: NTD)	24,851	24,851	
USD	96	7.1055	(USD: RMB)	684	2,930	
USD	852	4.3696	(USD: MYR)	3,724	25,946	
RMB	20,241	4.2847	(RMB: NTD)	86,727	86,727	

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	

September 30, 2024						
	Foreign currency (NT\$ thousands)		Exchange Rate (NT\$)		Functional Currency (NT\$ thousands)	NT\$ (NT\$ thousands)
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	

September 30, 2024						
	Foreign currency (NT\$ thousands)		Exchange Rate (NT\$)		Functional Currency (NT\$ thousands)	NT\$ (NT\$ thousands)
Financial assets						
Monetary items						
USD	\$ 15,981	31.6500	(USD: NTD)	\$ 505,784	\$ 505,784	
USD	2,033	7.0073	(USD: RMB)	14,244	64,334	
USD	7,037	4.2652	(USD: MYR)	30,013	222,714	
RMB	7,940	4.5167	(RMB: NTD)	35,863	35,863	
Financial liabilities						
Monetary items						
USD	1,028	31.6500	(USD: NTD)	32,544	32,544	
USD	929	7.0073	(USD: RMB)	6,509	29,401	
USD	1,049	4.2652	(USD: MYR)	4,475	33,206	
RMB	16,180	4.5167	(RMB: NTD)	73,081	73,081	

The net foreign exchange gains or losses (realized and unrealized) of the Group from July 1 to September 30, 2025 and 2024, from January 1 to September 30, 2025 and 2024 were a gain of NT\$10,603 thousand, loss of NT\$24,669 thousand, loss of NT\$21,385 thousand, and a gain of NT\$2,059 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 September 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 (GZ)	ACME (KS)	Other receivables	Yes	\$ 185,032	\$ 154,249	\$ 68,555	3.00%~3.10%	2	\$ -	Business turnover	\$ -	—	—	\$ 393,562	\$ 393,562	

Note 1: The total amount of external funds loaned by ACME (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 September 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 September 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 September 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	ACME	ACME (KS)	Subsidiary of ACME (Cayman)	\$ 2,788,301	\$ 166,529	\$ 154,249	\$ -	None	8.30%	\$ 3,717,735	Y	N	Y	
1	ACME (MA)	ACME Ferrite	Subsidiaries of ACME(MA)	745,407	126,948	122,517	82,678	None	11.51%	851,893	Y	N	N	

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

Note 3: The foreign currency amount was calculated based on the spot exchange rate of September 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 September 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)	
ACME	ACME (GZ)	Subsidiary of GALE	Purchase (including processing fee)	\$ 274,357	45%	55 days	\$ -	—	(\$ 86,661)	65%	Note 2
ACME (GZ)	ACME	Subsidiary of GALE	Sales (including processing fee)	(274,357)	35%	55 days	\$ -	—	86,661	31%	Note 2

Note 1: The terms of payment and receipt of transactions and price between the Company and ACME (GZ) and ACME (KS) are not materially different 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 September 30, 2025

Table 4.

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

Investor	Investee	Location	Main Business Activities	Original Investment Amount (Note 2)		Ending Holding			Net Profit (Loss) of Investee for the Period (Note 3)	Investment Profit (Loss) Recognized for the Period (Note 3)	Remarks
				September 30, 2025	December 31, 2024	Number of Shares	%	Carrying Amount (Note 2)			
ACME	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%	\$ 1,031,132	(\$ 47,557)	(\$ 28,582)	Note 1
	GAEL	CITCO Building, Wickhams Cay Road Town, Tortola, British Virgin Islands	Corporate investments	669,072	669,072	20,800,000	100%	987,440	19,677	19,677	Note 1
	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%	6,311	(12,733)	(4,329)	
ACME (Cayman)	ACME (MA)	Plot 15, Jalan Industri 6 Kawasan Perindustrian Jelapang II(ZPB) Jelapang 30020 Ipoh, Perak, Malaysia.	Corporate investments	727,361	727,361	96,808,000	100%	1,073,874	(51,726)		Note 1
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	264,514	264,514	9,120,000	100%	743,076	(17,429)		Note 1
	ACME Advanced	Plot 15, Jalan Industri 6 Kawasan Perindustrian Jelapang II(ZPB) Jelapang 30020 Ipoh, Perak, Malaysia.	Manufacturing and marketing of silicon carbide	377,694	377,694	54,208,000	100%	321,990	(33,819)		Note 1

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 September 30, 2025.

Note 3: The amount is calculated based on the average exchange rate from January 1 to September 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 September 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 (KS)	Manufacturing and marketing of soft ferrite core	\$ 935,423	Indirect investment via ACME (Cayman).	\$ 374,188	\$ -	\$ -	\$ 374,188	\$ 4,813	60.10%	\$ 2,893	\$ 376,458	\$ -
ACME (GZ)	Manufacturing and marketing of soft ferrite core	584,544	Indirect investment via GAEL.	619,676	\$ -	\$ -	619,976	20,424	100%	20,424	983,905	\$ -

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
\$ 923,823 (Notes 2 and 6)	\$ 1,115,292 (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 a capital increase arising from the capitalization of retained earnings of Acme (KS) as a result of which the Company's investment increased by US\$6,289 thousand based on its ownership interest.

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

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

Note 5: The amount is calculated based on the average exchange rate from January 1 to September 30, 2025.

Note 6: The foreign currency amount was calculated based on the spot exchange rate of September 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 Material Intercompany Transactions
 From January 1 to September 30, 2025

Table 6.

Unit: In Thousands of New Taiwan Dollars

No.	Name of Trader	Counterparty	Relationships with Trader (Note)	Transactions Details			% of Total Consolidated Operating Revenue or Total Asset
				Financial Statement Accounts	Amount	Transaction Terms	
0	ACME	ACME (KS)	1	Sales revenue	\$ 86,012	55 days for both purchase and sales	3.87%
0	ACME	ACME (GZ)	1	Sales revenue	91,898	55 days for both purchase and sales	4.14%
0	ACME	ACME Ferrite	1	Sales revenue	8,729	55 days for both purchase and sales	0.39%
0	ACME	ACME (KS)	1	Cost of goods sold	98,486	55 days for both purchase and sales	4.43%
0	ACME	ACME (GZ)	1	Cost of goods sold	2,660	55 days for both purchase and sales	0.12%
0	ACME	ACME Ferrite	1	Cost of goods sold	1,329	55 days for both purchase and sales	0.06%
0	ACME	ACME (GZ)	1	Processing costs (classified as cost of goods sold)	271,697	—	12.23%
0	ACME	ACME (KS)	1	Royalty revenue	19,268	—	0.87%
0	ACME	ACME (GZ)	1	Royalty revenue	10,432	—	0.47%
0	ACME	ACME Ferrite	1	Other income	951	—	0.04%
0	ACME	ACME (KS)	1	Accounts receivable - related parties	31,934	55 days for both purchase and sales	0.59%
0	ACME	ACME (GZ)	1	Accounts receivable - related parties	18,698	55 days for both purchase and sales	0.35%
0	ACME	ACME Ferrite	1	Accounts receivable - related parties	1,091	55 days for both purchase and sales	0.02%
0	ACME	ACME (KS)	1	Other receivables - related parties	17,442	—	0.32%
0	ACME	ACME (GZ)	1	Other receivables - related parties	10,690	—	0.20%
0	ACME	ACME Ferrite	1	Other receivables - related parties	355	—	0.01%
0	ACME	ACME (GZ)	1	Notes and accounts payable—related parties	86,661	55 days for both purchase and sales	1.61%
0	ACME	ACME (KS)	1	Notes and accounts payable—related parties	25,061	55 days for both purchase and sales	0.47%
0	ACME	ACME Ferrite	1	Notes and accounts payable—related parties	600	55 days for both purchase and sales	0.01%
0	ACME	ACME (GZ)	1	Service fees (classified as operating expenses)	922	—	0.04%
0	ACME	ACME (GZ)	1	Miscellaneous expenses (classified as cost of goods sold)	437	—	0.02%
3	ACME (KS)	ACME (GZ)	3	Sales revenue	25,990	55 days for both purchase and sales	1.17%
3	ACME (KS)	ACME (GZ)	3	Cost of goods sold	29,435	55 days for both purchase and sales	1.32%
3	ACME (KS)	ACME (GZ)	3	Interest expenses	1,345	—	0.06%
3	ACME (KS)	ACME (GZ)	3	Accounts receivable - related parties	4,563	55 days for both purchase and sales	0.08%
3	ACME (KS)	ACME (GZ)	3	Notes and accounts payable—related parties	7,230	55 days for both purchase and sales	0.13%
3	ACME (KS)	ACME (GZ)	3	Other payables - related parties	68,783	—	1.28%
3	ACME (KS)	ACME Ferrite	3	Sales revenue	41,239	55 days for both purchase and sales	1.86%
3	ACME (KS)	ACME Ferrite	3	Cost of goods sold	2,265	55 days for both purchase and sales	0.10%
3	ACME (KS)	ACME Ferrite	3	Accounts receivable - related parties	17,914	55 days for both purchase and sales	0.33%
3	ACME (GZ)	ACME (KS)	3	Other income	449	—	0.02%
3	ACME Ferrite	ACME (GZ)	3	Sales revenue	11,024	55 days for both purchase and sales	0.50%
3	ACME Ferrite	ACME (GZ)	3	Accounts receivable - related parties	2,969	55 days for both purchase and sales	0.06%

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.