Stock Code: 8121

Acme Electronics Corporation and Subsidiaries

Consolidated Financial Statements for the
Three Months Ended March 31, 2026 and 2025 and
Independent Auditors' Review Report

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Acme Electronics Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of Acme Electronics Corporation and its subsidiaries (the "Group") as of March 31, 2026 and 2025, the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months then ended, and the related notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements"). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our review.

Scope of Review

Except as explained in the following paragraph, we conducted our review in accordance with the Standards on Review Engagements of the Republic of China 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit, consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we cannot express an audit opinion.

Basis for Qualified Conclusion

As disclosed in Note 12 to the consolidated financial statements, the carrying amounts of investments accounted for using the equity method were NT$3,458 thousand and NT$9,652 thousand as of March 31, 2026 and 2025, respectively, and the share of losses of associates accounted for using the equity method amounted to NT$1,644 thousand and NT$988 thousand, respectively, for the three months ended March 31, 2026 and 2025 based on the unreviewed financial statements of these investees.

Qualified Conclusion

Based on our review, except for the effects of the financial statements of the investees as described in the Basis for Qualified Conclusion section, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements are not prepared, in all material respects, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” as endorsed and issued into effect by the Financial Supervisory Commission, or that they do not present fairly the consolidated financial position of Acme Electronics Corporation and its subsidiaries as of March 31, 2026 and 2025, and the consolidated financial performance and consolidated cash flows for the three months ended March 31, 2026 and 2025.

The engagement partners on the reviews resulting in this independent auditors’ review report are Chang, Cheng-Hsiu and Liu, Yi-Ching.

Deloitte & Touche
Taipei, Taiwan
Republic of China
May 4, 2026

Notices to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to 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 accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors’ review report and consolidated financial statements shall prevail.

ACME ELECTRONICS CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	March 31, 2026		December 31, 2025		March 31, 2025	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	$ 542,600	10	$ 664,870	12	$ 677,130	12
Financial assets at fair value through profit or loss - current (Note 7)	7	-	759	-	277	-
Financial assets at amortized cost - current (Notes 8 and 25)	137,817	3	134,686	2	22,445	-
Notes receivable (Note 9)	54,620	1	74,579	1	84,519	2
Accounts receivable, net (Notes 9 and 24)	858,820	15	815,017	14	677,153	12
Other receivables (Note 24)	19,618	-	11,018	-	14,238	-
Current tax assets (Note 20)	6,605	-	4,928	-	13,099	-
Inventories (Note 10)	856,488	15	818,036	15	847,404	16
Other current assets (Note 24)	72,232	1	104,681	2	41,415	1
Total current assets	2,548,807	45	2,628,574	46	2,377,680	43
NON-CURRENT ASSETS						
Investments accounted for using equity method (Note 12)	3,458	-	5,102	-	9,652	-
Property, plant and equipment (Notes 13 and 25)	2,708,838	48	2,670,188	47	2,697,772	49
Right-of-use assets (Notes 14 and 25)	146,503	3	147,036	3	162,241	3
Intangible assets	2,749	-	3,114	-	3,901	-
Deferred tax assets (Note 20)	92,462	2	89,196	2	81,223	2
Prepayments for equipment (Note 24)	112,682	2	105,854	2	145,099	3
Refundable deposits (Note 25)	13,542	-	13,360	-	13,594	-
Other non-current assets	3,094	-	2,592	-	2,987	-
Total non-current assets	3,083,328	55	3,036,442	54	3,116,469	57
TOTAL	$ 5,632,135	100	$ 5,665,016	100	$ 5,494,149	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 15 and 25)	$ 354,315	6	$ 465,616	8	$ 493,340	9
Short-term notes payable, net (Note 15)	77,940	2	79,973	2	179,899	3
Financial liabilities at fair value through profit or loss - current (Note 7)	578	-	3,504	-	71	-
Notes and accounts payable (Note 24)	99,399	2	111,538	2	74,654	2
Other payables (Note 24)	225,249	4	272,608	5	204,097	4
Current tax liabilities (Note 20)	491	-	203	-	362	-
Lease liabilities, current (Note 14)	13,158	-	14,743	-	15,790	-
Current portion of long-term borrowings (Notes 15 and 25)	2,589	-	2,517	-	2,322	-
Other current liabilities	5,485	-	7,185	-	7,680	-
Total current liabilities	779,204	14	957,887	17	978,215	18
NON-CURRENT LIABILITIES						
Long-term borrowings (Notes 15 and 25)	1,854,230	33	1,807,410	32	1,541,359	28
Deferred tax liabilities (Notes 4 and 20)	138,472	3	122,378	2	119,278	2
Lease liabilities, non-current (Note 14)	19,622	-	20,913	1	31,071	1
Long-term deferred income (Note 15 and 17)	59,342	1	58,802	1	51,686	1
Net defined benefit liabilities, non-current (Note 16)	13,643	-	13,643	-	11,837	-
Guarantee deposits received	2,822	-	2,730	-	3,286	-
Total non-current liabilities	2,088,131	37	2,025,876	36	1,758,517	32
Total liabilities	2,867,335	51	2,983,763	53	2,736,732	50
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT (Notes 18)						
Common stock	2,129,937	38	2,129,937	38	2,129,937	39
Capital surplus	54	-	54	-	50	-
Accumulated deficit	(64,618)	(1)	(86,859)	(2)	(42,574)	(1)
Other equity						
Exchange differences on translation of the financial statements of foreign operations	(28,000)	(1)	(79,456)	(2)	(60,576)	(1)
Total equity attributable to owners of the Company	2,037,373	36	1,963,676	34	2,026,837	37
NON-CONTROLLING INTERESTS (Note 11)	727,427	13	717,577	13	730,580	13
Total equity	2,764,800	49	2,681,253	47	2,757,417	50
TOTAL	$ 5,632,135	100	$ 5,665,016	100	$ 5,494,149	100

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

(With Deloitte & Touche review report dated May 4, 2026)

Acme Electronics Corporation and Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings (Losses) Per Share)

	For the Three Months Ended March 31			
	2026		2025	
	Amount	%	Amount	%
OPERATING REVENUE				
Sales revenue (Note 24)	$ 854,090	100	$ 720,076	100
Less: Sales returns and allowances	1,229	-	794	-
Total operating revenue	852,861	100	719,282	100
OPERATING COSTS				
Cost of goods sold (Notes 10, 19, and 24)	687,144	81	610,075	85
GROSS PROFIT	165,717	19	109,207	15
OPERATING EXPENSES (Notes 9, 16, 19, and 24)				
Selling and marketing expenses	39,855	4	35,473	5
General and administrative expenses	50,320	6	54,036	8
Research and development expenses	50,696	6	58,388	8
Expected credit losses	-	-	138	-
Total operating expenses	140,871	16	148,035	21
INCOME (LOSS) FROM OPERATIONS	24,846	3	(38,828)	(6)
NON-OPERATING INCOME AND EXPENSES				
Interest income	3,185	-	4,246	1
Other income (Notes 17, 19 and 24)	11,627	1	8,041	1
Foreign exchange gain (Note 19)	3,924	1	3,986	1
Other gains and losses (Note 19)	(14,820)	(2)	1,951	-
Finance costs (Note 19)	(11,609)	(1)	(11,313)	(2)
Share of loss of associates	(1,644)	-	(988)	-
Total non-operating income and expenses	(9,337)	(1)	5,923	1
INCOME BEFORE INCOME TAX	15,509	2	(32,905)	(5)

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	For the Three Months Ended March 31			
	2026		2025	
	Amount	%	Amount	%
INCOME TAX BENEFIT (EXPENSE) (Note 20)	($ 2,827)	-	$ 1,880	-
	12,682	2	(31,025)	(5)
NET INCOME (LOSS) FOR THE PERIOD				
OTHER COMPREHENSIVE INCOME (NET)				
Items that may be reclassified subsequently to profit or loss				
Exchange differences arising on translation of foreign operations	83,729	10	48,762	7
Income tax relating to items that may be reclassified to profit or loss (Note 20)	(12,864)	(2)	(7,018)	(1)
Other comprehensive income for the period, net	70,865	8	41,744	6
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	$ 83,547	10	$ 10,719	1
NET INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	$ 22,241	2	($ 21,819)	(3)
Non-controlling interests	(9,559)	(1)	(9,206)	(1)
	$ 12,682	1	($ 31,025)	(4)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	$ 73,697	9	$ 6,254	1
Non-controlling interests	9,850	1	4,465	-
	$ 83,547	10	$ 10,719	1
EARNINGS (LOSSES) PER SHARE (NT$, Note 21)				
Basic	$ 0.10		($ 0.10)	
Diluted	$ 0.10		($ 0.10)	

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

(With Deloitte & Touche review report dated May 4, 2026)

Acme Electronics Corporation and Subsidiaries

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)

	Equity attributable to owners of the Company							
	Common stock							
	Number of Shares Issued	Amount	Capital Surplus	Accumulated Deficit	Exchange Differences on Translation of Foreign Operations	Total	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2025	212,993,743	$ 2,129,937	$ 50	($ 20,755)	($ 88,649)	$ 2,020,583	$ 726,115	$ 2,746,698
Net loss for the three months ended March 31, 2025	-	-	-	(21,819)	-	(21,819)	(9,206)	(31,025)
Other comprehensive income (loss) for the three months ended March 31, 2025	-	-	-	-	28,073	28,073	13,671	41,744
Total comprehensive income (loss)	-	-	-	(21,819)	28,073	6,254	4,465	10,719
BALANCE AT MARCH 31, 2025	212,993,743	$ 2,129,937	$ 50	($ 42,574)	($ 60,576)	$ 2,026,837	$ 730,580	$ 2,757,417
BALANCE AT JANUARY 1, 2026	212,933,743	$ 2,129,937	$ 54	($ 86,859)	($ 79,456)	$ 1,963,676	$ 717,577	$ 2,681,253
Net Income for the three months ended March 31, 2026		-	-	22,241	-	22,241	(9,559)	12,682
Other comprehensive income (loss) for the three months ended March 31, 2026	-	-	-	-	51,456	51,456	19,409	70,865
Total comprehensive income (loss)	-	-	-	22,241	51,456	73,697	9,850	83,547
BALANCE AT MARCH 31, 2026	212,933,743	$ 2,129,937	$ 54	($ 64,618)	($ 28,000)	$ 2,037,373	$ 727,427	$ 2,764,800

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

(With Deloitte & Touche review report dated May 4, 2026)

Acme Electronics Corporation and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	Three Months Ended March 31	
	2026	**2025**
CASH FLOWS FROM OPERATING ACTIVITIES		
INCOME (LOSS) BEFORE INCOME TAX	$ 15,509	($ 32,905)
Adjustments for		
Depreciation expenses	100,628	91,536
Amortization expense	790	607
Expected credit losses	-	138
Gain (loss) on financial instruments at fair value through profit or loss, net	766	(2,150)
Finance costs	11,609	11,313
Interest income	(3,185)	(4,246)
Share of profit (loss) of associates	1,644	988
Loss (gain) on disposal or retirement of property, plant and equipment	705	(132)
Inventory write-down (reversal gain)	(6,740)	51
Deferred and other income	(1,825)	(1,165)
Change in operating assets and liabilities		
Financial assets mandatorily measured at fair value through profit or loss	(2,940)	706
Notes receivable	19,959	(18,923)
Accounts receivable (including related parties)	(43,960)	44,341
Other receivables (including related parties)	(8,169)	(6,454)
Inventories	(33,269)	23,266
Other current assets	32,449	20,856
Notes and accounts payable (including related parties)	(12,139)	(39,016)
Other payables (including related parties)	(45,538)	(84,327)
Other current liabilities	(1,700)	287
Net defined benefit liabilities	-	(209)
Cash generated from operations	24,594	4,562
Interest received	2,754	4,858
Interest paid	(11,801)	(11,287)
Income tax paid	(3,864)	(2,884)
Net cash flows generated from operating activities	11,683	(4,751)

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	Three Months Ended March 31	
	2026	**2025**
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of financial assets at amortized cost	185	-
Acquisition of property, plant and equipment	(99,671)	(99,580)
Proceeds from disposal of property, plant and equipment	950	8,604
Decrease in refundable deposits	-	2,265
Increase in deferred income	576	12,259
Net cash used in investing activities	(97,960)	(76,452)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short-term borrowings	(116,169)	32,886
Increase (decrease) in short-term notes payable	(2,000)	110,000
Proceeds from long-term borrowings	367,000	247,000
Repayments of long-term borrowings	(321,628)	(380,767)
Decrease in guarantee deposits	-	(458)
Repayments of the principal portion of lease liabilities	(3,963)	(3,949)
Net cash inflows from (used in) financing activities	(76,760)	4,712
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	40,767	26,035
NET DECREASE IN CASH AND CASH EQUIVALENTS	(122,270)	(50,456)
	664,870	727,586
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 542,600	$ 677,130

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

(With Deloitte & Touche review report dated May 4, 2026

Acme Electronics Corporation and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025

(**Amounts in Thousands of New Taiwan Dollars, Unless Stated Otherwise**)

1. COMPANY HISTORY

Acme Electronics Corporation (hereinafter referred to as the "Company") was established through investment by USI Corporation ("USI") on September 5, 1991, and commenced its major production and sales activities on December 1, 1994.

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

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

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

2. DATE AND PROCEDURE FOR THE APPROVAL OF FINANCIAL STATEMENTS

The accompanying consolidated financial statements were approved for issue by the Company's Board of Directors on May 4, 2026.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

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

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

(II) IFRS Accounting Standards issued by IASB**,** but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Issued 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"	To be determined by IASB
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027 (Note 2)
IFRS 19 "Subsidiaries without Public Accountability: Disclosures" (including the 2025 amendments)	January 1, 2027
Amendments to IAS 21 "Translation into a Hyperinflationary Presentation Currency"	January 1, 2027

Note 1: Unless stated otherwise, the above New, Amended and Revised 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 shall be applied by enterprises in Taiwan for annual reporting periods beginning on or after January 1, 2028. Early adoption is permitted once IFRS 18 has been endorsed by the FSC.

<u>IFRS 18 "Presentation and Disclosure of Financial Statements," and consequential amendments.</u>

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

- The consolidated entity shall assess whether it has , as one of its principal operating activities**,** investing in particular types of assets and providing financing to customers, and shall classify income and expense items in the statement of profit or loss into operating, investing, financing, income tax, and discontinued operations categories accordingly.
- The income statement should include the operating profit or loss, profit or loss before financing and income taxes, as well as subtotals and totals of income.
- Guidance on aggregation and disaggregation: The Group should identify and classify assets, liabilities, equity, income, expenses, and cash flows from individual transactions or other matters based on shared characteristics. This ensures that each line item reported in the primary financial statements shares at least one common characteristic. Items with dissimilar 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 management-defined performance measures : 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, IAS 7 "Statement of Cash Flows" is subject to the following consequential amendments:

- When preparing cash flows from operating activities using the indirect method, the Group shall use operating profit or loss as the starting point for reconciliation.
- Interest and dividends received by the Group shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. Where the Group has specific principal operating activities, it shall take into account the classification of dividend income, interest income, and interest expense in the

statement of profit or loss in determining the classification of dividends received, interest received, and interest paid in the statement of cash flows. Each cash flow shall be classified in only one category of activities .

Except for the above impact, as of the date the accompanying consolidated financial statements were issued, the Group continues in evaluating other impacts of the above amended standards and on its financial position and financial performance from the initial adoption of the aforementioned standards or interpretations and related applicable period. The related impact will be disclosed when the Group completes its evaluation.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

For the convenience of readers, the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the R.O.C. 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 consolidated financial statements shall prevail.

Statement of Compliance

The accompanying consolidated financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34, "Interim Financial Reporting," endorsed and issued into effect by the FSC. The consolidated financial statements do not present all the disclosures required for a complete set of annual consolidated financial statements prepared under the IFRS Accounting Standards endorsed and issued into effect by the FSC (collectively, the "Taiwan-IFRS Accounting Standards").

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 at the measurement date.

(2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., prices) or indirectly (i.e., derived from prices).

(3) Level 3 inputs are unobservable inputs for an asset or liability.

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 carrying amounts of the Group and non-controlling interests have been adjusted to reflect 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).

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, 2025.

(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, settlements 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 interim periods are assessed on an annual basis, and are calculated by applying the tax rate applicable to the expected total annual earnings to the pre-tax income for the period.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION AND UNCERTAINTY

For the significant accounting judgments and key sources of estimation uncertainty in the developing the Group’s accounting estimates, refer to the consolidated financial statements for the year ended December 31, 2025.

6. CASH AND CASH EQUIVALENTS

	March 31, 2026	December 31, 2025	March 31, 2025
Petty cash and cash on hand	$ 805	$ 644	$ 839
Checking accounts and demand deposits in banks	330,147	379,946	302,301
Cash equivalents			
Time deposits	38,630	72,792	212,701
Repurchase agreements	173,018	211,488	161,289
	$ 542,600	$ 664,870	$ 677,130

As of balance sheet date, the ranges of the market interest rates for bank deposits and repurchase agreements were as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Demand deposits	0.001%~3.20%	0.001%~3.30%	0.001%~3.70%
Time deposits	3.40%~3.82%	3.10%~3.66%	1.66%~4.35%
repurchase agreements	1.30%~3.80%	2.30%~3.85%	2.55%~4.35%

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

	March 31, 2026	December 31, 2025	March 31, 2025
Financial assets - current			
Mandatorily measured at fair value through profit or loss			
Derivatives (not under hedge accounting)			
— Foreign exchange forward contracts	$ 7	$ 759	$ 277
Financial liabilities - current			
Held for trading			
Derivatives (not under hedge accounting)			
— Foreign exchange forward contracts	$ 578	$ 3,504	$ 71

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)
March 31, 2026			
Sell	USD/TWD	2026.4.7	USD 990/ NTD 31,533
Sell	USD/MYR	2026.4.20~2026.10.26	USD 1,400/ MYR 5,474

	Currency	Maturity Date	Contract Amount (In Thousands)			
December 31, 2025						
Sell	USD/TWD	2026.1.7~2026.3.2	USD	5,700/ NTD	175,324
Sell	USD/MYR	2026.1.9~2026.1.16	USD	400/ MYR	1,720
March 31, 2025					
Sell	USD/MYR	2025.4.18~2025.9.18	USD	1,800/ MYR	7,882
Sell	EUR/MYR	2025.5.9~2025.6.30	EUR	220/ MYR	1,034

The Group entered into forward exchange contracts to manage exposures due to fluctuations of foreign exchange rates. These forward exchange contracts did not meet the criteria for hedge accounting. Therefore, the Group did not apply hedge accounting treatments for these forward exchange contracts.

8. FINANCIAL ASSETS AT AMORTIZED COST - CURRENT

	March 31, 2026	December 31, 2025	March 31, 2025
Assets pledged as collateral			
Pledged time deposits	$ 18,089	$ 17,683	$ 22,445
Time deposits with original maturity of more than 3 months	119,728	117,003	-
	$ 137,817	$ 134,686	$ 22,445

As of the balance sheet date, the ranges of the market interest rates for the above assets were as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Pledged time deposits	2.00%~2.35%	2.00%~2.35%	1.70%~2.60%
Time deposits with original maturity of more than 3 months	3.40%~3.80%	3.40%~3.80%	-

Please refer to Note 25 for the information on financial assets at amortized cost pledged as collateral by the Group.

9. NOTES AND ACCOUNTS RECEIVABLE

	March 31, 2026	December 31, 2025	March 31, 2025
At amortized cost			
Notes receivable			
Gross carrying amount	$ 54,620	$ 74,579	$ 84,519
Accounts receivable			
Gross carrying amount	$ 864,259	$ 820,299	$ 684,528
Less: Loss allowance	(5,439)	(5,282)	(7,375)
	$ 858,820	$ 815,017	$ 677,153

The Group's credit period for the sale of goods ranges from 30 to 150 days, and no interest is charged due to the short credit period.

To manage credit risk, the Group assesses the credit quality of individual customers and determines credit limits using an internal credit rating system, and reviews these limits periodically based on customers' historical transaction records and financial conditions. In addition, the Group reviews the recoverable amount of receivables at each balance sheet date to ensure that appropriate impairment losses are recognized for receivables with potential credit risk.

The Group measures the loss allowance for accounts receivable at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are estimated using a provision matrix, based on the Group's historical default experience, current financial conditions of customers, and forward-looking information, including industry economic conditions and outlook. As the Group's historical credit loss experience does not show significant differences in loss patterns among different customer groups, the provision matrix is not further segmented, and expected credit losses rates are determined based on the number of days past due.

The Group writes off accounts receivable when there is evidence indicating that the debtor is experiencing significant financial difficulty and there is no realistic prospect of recovery. For receivables that have been written off, the Group continues to engage in collection activities Any subsequent recoveries are recognized in profit or loss.

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

March 31, 2026

	Not past due	Up to 60 Days	61-90 Days	Over 91 Days	Total
Expected credit losses rate	0.31%	4.32%	100%	100%	
Gross carrying amount	$ 891,574	$ 25,712	$ 987	$ 606	$ 918,879
Loss allowance (Lifetime ECLs)	(2,733)	(1,113)	(987)	(606)	(5,439)
Amortized cost	$ 888,841	$ 24,599	$ -	$ -	$ 913,440

December 31, 2025

	Not past due	Up to 60 Days	61-90 Days	Over 91 Days	Total
Expected credit losses rate	0.15%	4.21%	43.02%	32.84%	
Gross carrying amount	$ 858,828	$ 27,980	$ 1,886	$ 6,184	$ 894,878
Loss allowance (Lifetime ECLs)	(1,263)	(1,177)	(811)	(2,031)	(5,282)
Amortized cost	$ 857,565	$ 26,803	$ 1,075	$ 4,153	$ 889,596

March 31, 2025

	Not past due	Up to 60 Days	61-90 Days	Over 91 Days	Total
Expected credit losses rate	0.30%	1.82%	26.76%	100%	
Gross carrying amount	$ 735,950	$ 27,051	$ 1,865	$ 4,181	$ 769,047
Loss allowance (Lifetime ECLs)	(2,203)	(492)	(499)	(4,181)	(7,375)
Amortized cost	$ 733,747	$ 26,559	$ 1,366	$ -	$ 761,672

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

	Three Months Ended March 31	
	2026	2025
Balance at beginning of period	$ 5,282	$ 7,120
Provision for the period	-	138
Foreign exchange differences translation gains and losses	157	117
Balance at end of period	$ 5,439	$ 7,375

10. INVENTORIES

	March 31, 2026	December 31, 2025	March 31, 2025
Finished goods	$ 334,454	$ 335,806	$ 315,648
Work in progress	262,185	234,240	281,375
Raw materials and supplies	259,849	247,990	250,381
	$ 856,488	$ 818,036	$ 847,404

Cost of goods sold related to inventories for the three months ended March 31, 2026 and 2025 amounted to NT$687,144 thousand and NT$610,075 thousand, respectively.

Cost of goods sold for the three months ended March 31, 2026 and 2025 included a reversal of inventory write-downs of NT$6,740 thousand and a write-down of inventories of NT$51 thousand, respectively. The reversal resulted from an increase in the selling prices of inventories in a specific market.

11. SUBSIDIARY

a. Subsidiaries included in the consolidated financial statements

The consolidated financial statements include the following subsidiaries:

Investor	Subsidiary	Nature of Activities	Ownership (%) March 31, 2026	Ownership (%) December 31, 2025	Ownership (%) March 31, 2025	Remark
The Company	ACME Electronics (Cayman) Corp. (ACME (Cayman))	Investment holding	60.10%	60.10%	60.10%	(1)
	Golden Amber Enterprises Ltd. (GAEL)	Investment holding	100.00%	100.00%	100.00%	(2)
ACME (Cayman)	Acme Electronics (Kunshan) Co., Ltd. (ACME Electronics (KS))	Manufacturing and sales of soft ferrite core	100.00%	100.00%	100.00%	(3)
	ACME Components (Malaysia) Sdn. Bhd. (ACME (MA))	Investment holding	100.00%	100.00%	100.00%	(4)
ACME (MA)	ACME Ferrite Products Sdn. Bhd. (ACME Ferrite)	Manufacturing and sales of soft ferrite core	100.00%	100.00%	100.00%	(5)
	ACME Advanced Materials Sdn. Bhd. (ACME Advanced)	Manufacturing and sales of silicon carbide	100.00%	100.00%	100.00%	(6)
GAEL	Acme Electronics (Guangzhou) Co., Ltd. (ACME Electronics (GZ))	Manufacturing and sales of soft ferrite core	100.00%	100.00%	100.00%	(7)

(1) ACME (Cayman) was established on June 28, 2000 and is primarily engaged in investment holding, with 100% reinvestment in its subsidiaries ACME Electronics (KS) and ACME (MA).

(2) GAEL was established on March 26, 1998 in the British Virgin Islands and is primarily engaged in investment holding, with 100% reinvestment in its subsidiary, ACME Electronics (GZ).

(3) ACME Electronics (KS) was established on July 27, 2000 and is primarily engaged in the manufacturing and sales of soft ferrite cores for use in communication, information, consumer and automotive electronic products.

(4) ACME (MA) was established on September 6, 1990 and is primarily engaged in investment holding, with 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 and is primarily engaged in the manufacturing and sales of soft ferrite cores for use in communication, information, consumer and automotive electronic products.

(6) ACME Advanced was established in January 2024 and is primarily engaged in the manufacturing and sales of silicon carbide for use in communication, information, consumer and automotive electronic products.

(7) ACME Electronics (GZ) was established on November 24, 2004 and is primarily engaged in the manufacturing and sales of soft ferrite cores , as well as processing of materials. The Company has entered into an outsourced processing agreement with ACME Electronics (GZ) to supply the processed products to export manufacturers in mainland China.

b. Details of subsidiaries that have material non-controlling interests

Refer to Table 4 for information on the main business locations and countries of incorporation.

Subsidiary	Profit (Loss) allocated to non-controlling interests Three Months Ended March 31		Non-controlling interests		
	2026	2025	March 31, 2026	December 31, 2025	March 31, 2025
ACME (Cayman) and its subsidiaries	($ 9,559)	($ 9,206)	$ 727,427	$ 717,577	$ 730,580

The summarized financial information of the following subsidiaries is based on amounts before the elimination of intercompany transactions:

ACME (Cayman) and its subsidiaries

	March 31, 2026	December 31, 2025	March 31, 2025
Current assets	$ 984,940	$ 1,023,603	$ 1,067,831
Non-current assets	1,315,141	1,301,103	1,329,858
Current liabilities	(351,265)	(402,463)	(442,657)
Non-current liabilities	(125,698)	(123,813)	(124,011)
Equity	$ 1,823,118	$ 1,798,430	$ 1,831,021
Equity attributable to:			
Owners of the Company	$ 1,095,691	$ 1,080,853	$ 1,100,441
Non-controlling interests	727,427	717,577	730,580
	$ 1,823,118	$ 1,798,430	$ 1,831,021

	Three Months Ended March 31	
	2026	2025
Operating revenue	$ 353,787	$ 348,351
Net loss for the period	($ 23,958)	($ 23,071)
Other comprehensive income	48,646	34,262
Total comprehensive income	$ 24,688	$ 11,191
Net loss attributable to:		
Owners of the Company	($ 14,399)	($ 13,865)
Non-controlling Interests	(9,559)	(9,206)
	($ 23,958)	($ 23,071)
Total comprehensive income attributable to:		
Owners of the Company	$ 14,838	$ 6,726
Non-controlling interests	9,850	4,465
	$ 24,688	$ 11,191
Cash flows		
Net cash flows from operating activities	($ 31,716)	$ 57,863

	Three Months Ended March 31	
	2026	2025
Net cash flows from investing activities	(6,406)	(130,601)
Net cash flows from financing activities	(13,653)	(9,168)
Effect of exchange rate changes on cash and cash equivalents	5,944	7,834
Net increase (decrease) in cash and cash equivalents	($ 45,831)	($ 74,072)

12. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	March 31, 2026		December 31, 2025		March 31, 2025	
	Amount	Ownership (%)	Amount	Ownership (%)	Amount	Ownership (%)
Individually immaterial associates						
USI Optronics Corporation (USIO)	$ 3,458	34%	$ 5,102	34%	$ 9,652	34%

Refer to Table 4 for information on the Group's associates

The investments accounted for using equity method and the Group's share of profit or loss of investees was determined based on the investees' financial statements, which have not been audited by an independent auditor. However, the Group's management believes that the unaudited financial statements of the investees would have no material impact on the consolidated financial statements.

13. PROPERTY, PLANT AND EQUIPMENT

	March 31, 2026	December 31, 2025	March 31, 2025
Land	$ 82,657	$ 82,657	$ 82,657
Land improvements	132	153	251
Buildings and equipment	746,351	752,813	659,488
Machinery and equipment	1,638,127	1,628,874	1,673,892
Transportation and communication equipment	4,207	4,320	3,999
Leasehold improvements	5,923	6,146	-
Other equipment	171,623	173,931	92,221
Construction in progress	59,818	21,294	185,264
	$2,708,838	$2,670,188	$2,697,772

There were no impairment losses recognized for property, plant and equipment . for the three months ended March 31, 2026 and 2025.

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Land improvements	8 - 20 years
Buildings and equipment	
Office buildings, laboratories, and improvements	20 - 50 years
Others	3 - 15 years
Machinery and equipment	3 - 15 years
Transportation and communication equipment	5 years
Other equipment	3 - 25 years

Refer to Note 25 for information on property, plant and equipment pledged as collateral for loans.

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	March 31, 2026	December 31, 2025	March 31, 2025
Carrying amounts			
Land	$ 114,946	$ 112,635	$ 116,836
Buildings	2,601	2,725	3,455
Machinery and equipment	27,247	29,868	41,823
Transportation equipment	1,709	1,808	127
	$ 146,503	$ 147,036	$ 162,241

Refer to Note 25 for information on right-of-use assets pledged as collateral for bank borrowings.

	Three Months Ended March 31	
	2026	**2025**
Depreciation of right-of-use assets		
Land	$ 1,069	$ 1,039
Buildings	210	211
Machinery and equipment	3,582	3,608
Transportation equipment	99	96
	$ 4,960	$ 4,954

b. Lease liabilities

As of March 31, 2026 ,December 31, 2025 and March 31, 2025, the discount rates of lease liabilities were 1.11%-3.00%.

c. Material lease-in activities and terms

The Group leases buildings, machinery and transportation equipment for manufacturing and operational purposes, with lease terms ranging from 3 to 8 years.

Right-of-use assets- land represent land use rights of the Group located in mainland China and Malaysia.

d. Other lease information

	Three Months Ended March 31	
	2026	2025
Expenses relating to short-term leases	$ 3,408	$ 2,043
Total cash flows for lease	($ 7,486)	($ 6,144)

The Group has elected to apply the recognition exemption for short-term leases of office equipment and does not recognize the related right-of-use assets and lease liabilities for such leases. The short-term lease commitments subject to recognition exemption amounted to NT$4,144 thousand and NT$3,363 thousand as of March 31, 2026 and 2025, respectively.

15. BORROWINGS

a. Short-term borrowings

	March 31, 2026	December 31, 2025	March 31, 2025
Secured borrowings (Note 25)			
Bank loans	$ 2,467	$ 4,460	$ 4,560
Unsecured borrowings			
Lines of credit	351,848	461,156	488,780
	$ 354,315	$ 465,616	$ 493,340

The interest rates of short-term borrowings ranged from 0.99% to 4.48%, 0.99% to 4.13% and 1.90% to 4.43% as of March 31, 2026 and December 31, 2025 and March 31, 2025, respectively.

b. Short-term notes payable

	March 31, 2026	December 31, 2025	March 31, 2025
Commercial paper	$ 78,000	$ 80,000	$ 180,000
Less: Discount on commercial paper	(60)	(27)	(101)
	$ 77,940	$ 79,973	$ 179,899

The interest rates on short-term notes payable ranged from 1.988% to 1.998%, 2.038%, and 1.968% to 1.998% as of March 31, 2026, December 31, 2025, and ,March 31, 2025, respectively.

c. Long-term borrowings

	March 31, 2026	December 31, 2025	March 31, 2025
Secured borrowings	$ 1,438,186	$ 1,391,338	$ 1,388,916
Unsecured borrowings	418,633	418,589	154,765
	1,856,819	1,809,927	1,543,681
Current portion of long-term borrowings	(2,589)	(2,517)	(2,322)
	$ 1,854,230	$ 1,807,410	$ 1,541,359
Maturity	2026-2043	2026-2043	2025-2043
Range of interest rates	1.12%~4.31%	1.12%~4.11%	1.12%~4.36%

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 March 31, 2026, a total of NT$405,700 thousand has been utilized.

Refer to Note 25 for details of assets pledged as collateral for secured borrowings.

16. POST-RETIREMENT BENEFITS PLANS

Pension cost related to defined benefit plans recognized for the three months ended March 31, 2026 and 2025 was determined based on the actuarially determined pension cost assumptions as of December 31, 2025 and December 31,2024, amounting to NT$210 thousand, and NT$196 thousand, respectively.

17. GOVERNMENT GRANTS

Acme Electronics (KS) entered into an agreement with Kunshan Zhoushi Town People's Government in 2006, under which Acme Electronics (KS) agreed to relocate its plant and increase its investment to obtain subsidies for land use rights and basic power projects. Acme Electronics (KS) classified the subsidies as long-term deferred income and amortized them over the useful lives of related assets.

Acme Electronics (GZ) obtained subsidies related to depreciable assets from the local government in 2025 and 2023. Acme Electronics (GZ) classified the subsidies as long-term deferred income and amortized them over the useful lives of related assets.

As of March 31, 2026, December 31, 2025 and March 31, 2025, due to the above, the Group's unamortized deferred revenue amounted to RMB 11,558 thousand (NT$53,445 thousand), RMB 11,908 thousand (NT$53,249 thousand), and RMB 9,773 thousand (NT$45,206 thousand), respectively.

Due to the above and other subsidies, the Group recognized government grants as other income for the three months ended March 31, 2026 and 2025, which amounted to NT$1,825 thousand and NT$1,165 thousand, respectively.

18. EQUITY

a. Share capital

	March 31, 2026	December 31, 2025	March 31, 2025
Shares authorized (in thousands)	300,000	300,000	300,000
Share capital	$ 3,000,000	$ 3,000,000	$ 3,000,000
Shares issued and fully paid (in thousands)	212,994	212,994	212,994
Share capital	$ 2,129,937	$ 2,129,937	$ 2,129,937

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

Of the authorized share capital, 11,000 thousand shares were reserved for employee share options.

b. Capital surplus

	March 31, 2026	December 31, 2025	March 31, 2025
May be used to offset deficits	$ 54	$ 54	$ 50

c. Retained earnings and dividends policy

According to the Company's articles of incorporation, if the Company has profits for the year, it shall provide compensation for directors and employees. Compensation for directors shall not exceed 1% of earnings, while compensation for employees shall not be less than 1% of earnings. However, if the Company has accumulated losses, an amount shall first be set aside to offset such losses. If the Company has net income after tax based on the annual financial statements, it shall first offset prior years' losses, set aside 10% as a legal reserve (unless the legal reserve has reached the Company's paid-in capital), and then appropriate the remaining earnings, if any, in accordance with applicable laws and regulations.

In consideration of future funding requirements and financial planning, cash dividends shall not be less than 10% of the total dividends. However, no dividends shall be distributed if earnings per share are less than NT$0.1. Refer to Note 19 (3) for details of employees' and directors' compensation.

The Company held its annual shareholders' meeting on May 27, 2025 and resolved not to distribute earnings due to accumulated losses.

The Company had accumulated losses as of December 31, 2025. Therefore, the Board of Directors resolved on March 4, 2026 not to distribute earnings for 2025, subject to approval by the shareholders at the annual shareholders' meeting.

19. NET INCOME (LOSS) FOR THE PERIOD

a. Depreciation and amortization

	Three Months Ended March 31	
	2026	2025
Property, plant and equipment	$ 95,668	$ 86,582
Right-of-use assets	4,960	4,954
Intangible assets	456	429
Other assets	334	178
Total	$ 101,418	$ 92,143
Depreciation by function		
Cost of goods sold	$ 83,766	$ 72,686
Operating expenses	16,862	18,850
	$ 100,628	$ 91,536
Amortization by function		
Cost of goods sold	$ 750	$ 435
Administrative expenses	20	127
Research and development expenses	20	45
	$ 790	$ 607

b. Employee benefits expense

	Three Months Ended March 31	
	2026	2025
Post-retirement benefits (Note 16)		
Defined contribution plans	$ 20,845	$ 17,368
Defined benefit plans	210	196
	21,055	17,564
Salary, bonus, etc.	251,262	231,086
Total	$ 272,317	$ 248,650
Employee benefits expense by function		
Cost of goods sold	$ 204,519	$ 178,137
Operating expenses	67,798	70,513
	$ 272,317	$ 248,650

c. Employees’ compensation and directors’ remuneration

The Company accrues employees’ compensation and directors’ remuneration at rates of no less than 1% and no higher than 1%, respectively, of profit before income tax before deducting employees’ compensation and directors’ remuneration, 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 offset the loss for the period from January 1 to March 31, 2026 and 2025, so the remunerations of employees and directors are not estimated and recognized.

If there are any subsequent changes in the amounts after the annual consolidated financial statements are authorized for issue, the differences shall be such changes shall be accounted for as changes in accounting estimates in the subsequent period.

Information on the remunerations of employees and directors proposed by the Company's Board of Directors is can be accessed through the Market Observation Post System (MOPS) website of the Taiwan Stock Exchange.

d. Other income

	Three Months Ended March 31	
	2026	2025
Management service income (Note 24)	$ 2,667	$ 2,901
Government grants	1,825	1,165
Other income	7,135	3,975
	$ 11,627	$ 8,041

e. Foreign exchange gains (losses)

	Three Months Ended March 31	
	2026	2025
Foreign exchange gain	$ 34,778	$ 32,223
Foreign exchange loss	(30,854)	(28,237)
Net gain	$ 3,924	$ 3,986

f. Other gains and losses

	Three Months Ended March 31	
	2026	2025
Gain (loss) on disposal of property, plant and equipment	($ 705)	$ 132
Gain (loss) on financial assets at FVTPL	(766)	2,150
s Other losses	(13,349)	(331)
	($ 14,820)	$ 1,951

g. Finance costs

	Three Months Ended March 31	
	2026	2025
Bank loan interest expense	$ 11,543	$ 11,488
Interest expense lease liabilities	115	152
Less: Interest capitalized (included in construction in progress)	(49)	(327)
	$ 11,609	$ 11,313

Information on interest capitalization is as follows:

	Three Months Ended March 31	
	2026	2025
Interest capitalized	$ 49	$ 327
Capitalization rate	1.87%	1.89%

20. INCOME TAX

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

	Three Months Ended March 31	
	2026	2025
Current income tax		
Current period	$ 1,144	$ 885
Adjustments for prior years	1,410	-
	2,554	885
Deferred income tax		
current period	8,458	(2,765)
Effect of changes in tax rates	(7,550)	-
Adjustments for prior years	(635)	-
	273	(2,765)
Income tax expense (benefit)	$ 2,827	($ 1,880)

b. Income tax relating to components of other comprehensive income

	Three Months Ended March 31	
	2026	2025
Deferred income tax		
Income tax expense (benefits) recognized in other comprehensive income		
— Translation of foreign operations	$ 12,864	$ 7,018

c. Certification of income tax

The Company's income tax returns through 2024 have been assessed by the tax authorities.

d. The information on the income tax of subsidiaries is as follows:

(1) ACME (Cayman) and GAEL had no income tax expense for the three months ended March 31, 2026 and 2025 due to applicable tax exemptions in accordance with the regulations of the jurisdictions in which they were established.

(2) The preferential tax rate for high-tech enterprises applicable to ACME Electronics (GZ), which had been approved and filed with the competent authority, expired in 2026, after which the applicable statutory tax rate increased from 15% to 25%.

(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%.

21. EARNINGS (LOSS) PER SHARE

	Three Months Ended March 31	
	2026	**2025**
Basic earnings (loss) per share	$ 0.10	($ 0.10)
Diluted earnings (loss) per share	$ 0.10	($ 0.10)

The following data were used in the computation of earnings (loss) per share:

Net income (loss)

	Three Months Ended March 31	
	2026	**2025**
Net income (loss) for the period	$ 22,241	($ 21,819)

Number of shares

(Unit: thousand shares)

	Three Months Ended March 31	
	2026	**2025**
Weighted average number of ordinary shares outstanding used for calculating basic and diluted earnings (loss) per share	212,994	212,994

22. **CAPITAL RISK MANAGEMENT**

The Group manages its capital with the objective of maintaining the Group as a going concern to and providing returns to shareholders by optimizing the balance between debt and equity. Management reviews the capital structure of the Group on a regular basis. As part of this review, management considers the cost of capital and the risks associated with each class of capital. Based on the recommendations of management , the Group may adjust its overall capital structure through the payment dividends, issuing new shares, repurchasing of shares, or issuance or redemption of debt.

23. **FINANCIAL INSTRUMENTS**

a. Financial instruments not measured at fair value – fair value information

Except the derivative instruments, which are measured at the fair value after the initial recognition, the financial assets and financial liabilities of the Group are measured at the amortized cost**.** Management believes that the carrying amounts approximate their fair value.

b. Fair value information - financial instruments measured at fair value on a recurring basis

(1) Fair value hierarchy

March 31, 2026

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivatives	$ -	$ 7	$ -	$ 7
Financial liabilities at FVTPL				
Derivatives	$ -	$ 578	$ -	$ 578

December 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivatives	$ -	$ 759	$ -	$ 759
Financial liabilities at FVTPL				
Derivatives	$ -	$ 3,504	$ -	$ 3,504

March 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivatives	$ -	$ 277	$ -	$ 277
Financial liabilities at FVTPL				
Derivatives	$ -	$ 71	$ -	$ 71

There were no transfers between Levels 1 and 2 of the fair value hierarchy for the three months ended March 31, 2026 and 2025.

(2) Valuation techniques and inputs used in Level 2 fair value measurement

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

c. Categories of financial instruments

	March 31, 2026	**December 31, 2025**	**March 31, 2025**
Financial assets			
Financial assets at FVTPL	$ 7	$ 759	$ 277
Measured at amortized cost (Note 1)	1,627,017	1,713,530	1,489,079
Financial liabilities			
Financial liabilities at FVTPL	578	3,504	71
Measured at amortized cost (Note 2)	2,616,544	2,742,392	2,498,957

Note 1: The amounts include 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, receivables, other receivables, and refundable deposits.

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

d. Financial risk management objectives and policies

The Group's major financial instruments include cash and cash equivalent , receivables, other receivables and , borrowings, payables, and lease liabilities. The financial management department of the Group coordinates financial activities in the domestic and international markets, and supervises and manages financial risks related to the Group's operations by reviewing internal risk reports based on the level and scope of risks. These risks include market risk (including foreign exchange risk and interest rate risk), credit risk, and liquidity risk.

The Group uses derivative financial instruments to . hedge its risk exposure in order to reduce the impact of these risks. The use of derivative financial instruments is governed by policies approved by the Board of Directors. Internal auditors continuously review compliance with these policies and risk limits. The Group does not engage in transactions in financial instruments, including derivatives, 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 changes in interest rates (see (2) below).

1) Foreign exchange risk

The Group engages in foreign currency sales and purchases, which expose the Group to foreign exchange risk. The Group manages its foreign exchange risk by using forward exchange contracts within the scope permitted by policy. Refer to Note 27 for the carrying amounts of the Group's monetary assets and monetary liabilities denominated in non-functional currencies at the end of the reporting period (including monetary items denominated in a non-functional currencies that have been eliminated in the consolidated financial statements).

Sensitivity analysis

The sensitivity analysis is primarily based on the foreign currency exposure at the end of the reporting period. The Group is mainly exposed to fluctuations in the USD exchange rate. If the Group's functional currency had appreciated/depreciated by 3% against the USD, profit before tax would have decreased/increased by NT$19,221 thousand and NT$14,306 thousand for the three months ended March 31, 2026 and 2025, respectively.

The Group's exposure to foreign exchange risk arises mainly from cash and cash equivalents, receivables and payables denominated in USD that were outstanding at the end of the reporting period and were not hedged.

In management's opinion, the sensitivity analysis is based on the exposure at the end of the reporting period and does not reflect the exposure during the period.

2) Interest rate risk

The Group is exposed to the fair value interest rate risk on fixed-rate financial assets and financial liabilities , and to cash flow interest rate risk on floating-rate financial assets and financial liabilities. Management regularly monitors interest rate fluctuations and adjusts its floating-rate financial liabilities so that the Group's interest rates closely approximate market rates in response to interest rate risk.

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

	March 31, 2026	December 31, 2025	March 31, 2025
Fair value interest rate risk			
— Financial assets	$ 618,132	$ 725,710	$ 637,054
— Financial liabilities	753,567	767,785	715,540
Cash flow interest rate risk			
— Financial assets	64,450	69,287	58,350
— Financial liabilities	1,568,287	1,623,387	1,548,241

Sensitivity analysis

Fixed-rate financial assets and financial liabilities are not included in the sensitivity analysis as they are measured at amortized cost. For floating-rate financial assets and liabilities, the analysis assumes that the amounts outstanding at the end of the reporting period were outstanding for the whole period. A 0.5% increase or decrease in interest rates represents management's assessment of the reasonably possible change in interest rates.

If interest rates had increased/decreased by 0.5% and all other variables were held constant, profit before tax would have decreased/increased by NT$1,880 thousand and increased/decreased by NT$1,862 thousand for the three months ended March 31, 2026 and 2025, respectively.

(2) Credit risk

Credit risk refers to risk of financial loss to the Group if a counterparty fails to meet its contractual obligations. As of the end of the reporting period, the Group's maximum exposure to credit risk is represented by the carrying amounts of the financial assets recognized in the consolidated balance sheets.

The Group has adopted a policy of only conducting transactions with reputable counterparties and, where appropriate, obtaining sufficient collateral to mitigate the risk of financial loss. The Group uses publicly available information and its own trading records to rate major customers. The Group continuously monitors its credit risk exposure and the credit ratings of counterparties, and diversifies its exposure among counterparties with qualified credit ratings. Credit limits are approved and reviewed on an ongoing basis.

To mitigate credit risk, management has established procedures to determine credit limits, approve credit, and perform other monitoring procedures to ensure that appropriate actions are taken to recover overdue balances. In addition, the Group reviews the recoverability of each individual receivable at the end of the reporting period to ensure that adequate allowances are made for irrecoverable amounts. Accordingly, management believes that the Group's credit risk is reduced.

In addition, credit risk on working capital and derivative financial instruments is limited as counterparties are banks with high credit ratings assigned by an international credit rating agencies.

The Group's credit risk by geographic region is mainly concentrated in mainland China and accounted for approximately 63%, 65% and 73% of total accounts receivable as of March 31, 2026 and December 31, 2025 and March 31, 2025, respectively.

(3) Liquidity risk

The Group manages liquidity risk by maintaining sufficient cash and cash equivalents to meet its obligations and mitigate the effects of cash flow fluctuations.

1) Liquidity and interest rate risk tables

The following table sets out the Group's remaining contractual maturities for its non-derivative financial liabilities based on the earliest date on which the Group can be required to pay. The table is based on the undiscounted cash flows of financial liabilities, including the estimated cash flows of interests and principals.

March 31, 2026

	On Demand or Less than 1 Year	**1-5 Years**	**Over 5 Years**
Non-derivative financial liabilities			
Non-interest-bearing liabilities	$ 251,497	$ -	$ -
Lease liabilities	13,505	19,973	-
Floating-rate liabilities	131,969	1,482,168	62,426
Fixed-rate liabilities	339,319	401,410	-
	$ 736,290	$ 1,903,551	$ 62,426

December 31, 2025

	On Demand or Less than 1 Year	1-5 Years	Over 5 Years
Non-derivative financial liabilities			
Non-interest-bearing liabilities	$ 273,647	$ -	$ -
Lease liabilities	15,122	21,323	-
Floating-rate liabilities	233,865	1,440,342	62,251
Fixed-rate liabilities	351,630	403,330	-
	$ 874,264	$ 1,864,995	$ 62,251

March 31, 2025

	On Demand or Less than 1 Year	1-5 Years	Over 5 Years
Non-derivative financial liabilities			
Non-interest-bearing liabilities	$ 213,292	$ -	$ -
Lease liabilities	16,286	31,682	-
Floating-rate liabilities	35,053	1,587,323	64,199
Fixed-rate liabilities	672,287	-	-
	$ 936,918	$ 1,619,005	$ 64,199

2) Financing facilities

	March 31, 2026	December 31, 2025	March 31, 2025
Unsecured financing facilities			
Amount drawn	$ 848,748	$ 960,056	$ 842,284
Amount available	1,418,892	1,290,820	1,701,083
	$ 2,267,640	$ 2,250,876	$ 2,543,367
Secured financing			
Amount drawn	$ 1,443,149	$ 1,398,336	$ 1,398,052
Amount available	193,938	237,179	288,896
	$ 1,637,087	$ 1,635,515	$ 1,686,948

24. RELATED PARTY TRANSACTIONS

USI Corporation has control over the Company and is therefore the parent company of the Company. As at March 31, 2026, and December 31, 2025 and March 31, 2025, USI held 46.9% of the ordinary shares of the Company directly and indirectly through its subsidiaries.

Balances and transactions between the Company and its subsidiaries, which are related parties , have been eliminated on consolidation and are not disclosed in these consolidated financial statements. Except as disclosed elsewhere in these notes, transactions between the Group and other related parties are as follows.

a. Name of related party and relationship with the Group

Name of Related Party	Relationship with the Group
USI CORPORATION (USI)	Parent company
USI Management Consulting Corporation (UM)	Fellow subsidiary
China General Plastics Corporation (CGPC)	Fellow subsidiary
Asia Polymer Corporation (APC)	Fellow subsidiary
Swanson Technologies Corporation (STC)	Fellow subsidiary
Swanson Plastics Corporation (SPC)	Fellow subsidiary
Swanson Plastics (Kunshan) Co., Ltd. (SPKC)	Fellow subsidiary
Swanson Plastics (Malaysia) Co., Ltd. (SPM)	Fellow subsidiary
USI Optronics Corporation (USIO)	Associate
USI Education Foundation (USIF)	Other related parties

b. Sales

Related Party Category/Name	Three Months Ended March 31 2026	2025
Associate		
USIO	$ 171	$ -

The terms and conditions of sales transactions between the Company and related parties are 60 days after the end of each month. The terms and prices of sales to related parties are equivalent to those of non-related parties.

c. Purchases

Related Party Category/Name	Three Months Ended March 31 2026	2025
Fellow subsidiary		
SPKC	$ 66	$ -
Associate		
USIO	3,285	885
	$ 3,351	$ 885

The terms and conditions of purchase transactions between the Company and related parties are 25 days after the end of each month. The terms and prices of purchases from related parties are equivalent to those of non-related parties.

d. Receivables from related parties

Account	Related Party Category/Name	March 31, 2026	December 31, 2025	March 31, 2025
Other receivables from related parties	Fellow subsidiary			
	SPC	$ 4,969	$ 3,321	$ 6,298
	SPKC	1,805	1,675	-
	SPM	19	-	-
	CGPC	2	-	-
	STC	-	153	-
	Associate			
	USIO	200	413	182
		$ 6,995	$ 5,562	$ 6,480

e. Payables to related parties

Account	Related Party Category/Name	March 31, 2026	December 31, 2025	March 31, 2025
Accounts payable to related parties	Fellow subsidiary			
	SPKC	$ 45	$ 52	$ -
	Associate			
	USIO	2,149	2,788	-
		$ 2,194	$ 2,840	$ -
Other payables to related parties	Parent company			
	USI	$ 22	$ 58	$ 423
	Fellow subsidiary			
	SPC	2,057	803	1,733
	UM	63	14	44
	APC	-	-	41
	STC	-	-	17
	Associate			
	USIO	523	546	37
		$ 2,665	$ 1,421	$ 2,295

f. Prepayments to related parties

Related Party Category/Name	March 31, 2026	December 31, 2025	March 31, 2025
Associate			
USIO	$ 61,800	$ 30,000	$ -

In June 2025, the Company entered into an agreement with an associate USIO, under which the Company agreed to acquire equipment for NT$40,000 thousand and technology transfer services for NT$9,000 thousand, with a total contract amount of NT$49,000 thousand. As of March 31, 2026, prepayments of NT$45,000 thousand have been made, and the related transactions were completed in April 2026. In February 2026, the Company entered into another agreement with USIO to purchase equipment for NT$42,000 thousand. As of March 31, 2026, prepayments of NT$16,800 thousand have been made. The related transactions are expected to be completed by September 2026.

g. Other related party transactions

Account	Related Party Category/Name	Three Months Ended March 31 2026	Three Months Ended March 31 2025
Management service income (included in non-operating income and expenses)	Fellow subsidiary		
	SPC	$ 2,609	$ 2,901
	SPM	58	-
		$ 2,667	$ 2,901
Management service fee (included in operating expenses)	Parent company		
	USI	$ -	$ 66
	Fellow subsidiary		
	UM	3,074	3,041
	SPC	1,948	1,606
		$ 5,022	$ 4,713
Rent expenses (included in operating expenses)	Parent company		
	USI	$ 766	$ 744
	Fellow subsidiary		
	APC	138	116
	SPC	75	-
		$ 979	$ 860

The Company leases the Neihu office from the parent company on a monthly basis and pays rent in accordance with the agreed terms.

Account	Related Party Category/Name	Three Months Ended March 31 2026	Three Months Ended March 31 2025
Donation expenses (included in operating expenses)	Other related parties		
	USIF	$ 1,000	$ 1,000
Other expenses (included in operating cost)	Fellow subsidiary		
	SPC	$ 51	$ 109
	Associate		
	USIO	1,163	35
		$ 1,214	$ 144

Account	Related Party Category/Name	Three Months Ended March 31 2026	Three Months Ended March 31 2025
Other income (included in non-operating income and expenses)	Associate USIO	$ 45	$ 46

h. Compensation of key management personnel

	Three Months Ended March 31 2026	Three Months Ended March 31 2025
Short-term employee benefits	$ 5,472	$ 4,832
Post-retirement benefits	97	88
	$ 5,569	$ 4,920

The compensation of directors and key management personnel is determined by the remuneration committee based on individual performance market conditions.

25. COLLATERALIZED ASSETS

The following assets of the Group are provided as collateral for loans, customs duties on imported raw materials and natural gas consumption:

	March 31, 2026	December 31, 2025	March 31, 2025
Time deposit (classified as refundable deposits)	$ 7,700	$ 7,700	$ 7,700
Demand deposit (classified as refundable deposits)	4,624	4,472	4,626
Time deposits (classified as financial assets measured at amortized cost)	18,089	17,683	22,445
Property, plant, and equipment (carrying amount)	778,741	796,966	800,880
Right-of-use assets	26,062	25,731	25,571
	$ 835,216	$ 852,552	$ 861,222

26. SIGNIFICANT CONTINGENT LIABILITY AND COMMITMENTS

As of March 31, 2026, in order to obtain subsidies from the Industrial Upgrade Platform Innovation Guidance Program and the Large-to-Small Manufacturing Industry Low Carbon and Intelligent Upgrade and Transformation Program from the Taiwan government, the Company had provided a performance bond issued by a bank of NT$10,700 thousand.

27. **INFORMATION ON EXCHANGE RATE OF FOREIGN CURRENCY-DOMINATED FINANCIAL ASSETS AND LIABILITIES**

The following information is presented in foreign currencies other than the functional currency of the Group's entities. The exchange rates used are those at the end of the reporting period. The foreign currency assets and liabilities with significant exposure are as follows:

	March 31, 2026				
	Foreign Currency (NT$ thousands)	**Exchange Rate (NT$)**		**Functional Currency (NT$ thousands)**	**NT$ (NT$ thousands)**
Financial assets					
Monetary items					
USD	$ 13,529	31.9950	(USD: NTD)	$ 432,872	$ 432,872
USD	3,285	6.9193	(USD: RMB)	22,727	105,090
USD	5,908	4.1810	(USD: MYR)	24,701	189,025
RMB	11,696	4.6240	(RMB: NTD)	54,081	54,081
Financial liabilities					
Monetary items					
USD	770	31.9950	(USD: NTD)	24,626	24,626
USD	680	6.9193	(USD: RMB)	4,705	21,757
USD	1,247	4.1810	(USD: MYR)	5,216	39,912
RMB	20,130	4.6240	(RMB: NTD)	93,081	93,081

	December 31, 2025				
	Foreign Currency (NT$ thousands)	**Exchange Rate (NT$)**		**Functional Currency (NT$ thousands)**	**NT$ (NT$ thousands)**
Financial assets					
Monetary items					
USD	$ 15,602	31.4300	(USD: NTD)	$ 490,371	$ 490,371
USD	2,144	7.0288	(USD: RMB)	15,073	67,401
USD	6,884	4.2016	(USD: MYR)	28,926	216,377
RMB	14,841	4.4716	(RMB: NTD)	66,365	66,365
Financial liabilities					
Monetary items					
USD	1,095	31.4300	(USD: NTD)	34,425	34,425
USD	1,150	7.0288	(USD: RMB)	8,082	36,140
USD	1,178	4.2016	(USD: MYR)	4,948	37,012
RMB	19,153	4.4716	(RMB: NTD)	85,643	85,643

	March 31, 2025				
	Foreign Currency (NT$ thousands)	Exchange Rate (NT$)		Functional Currency (NT$ thousands)	NT$ (NT$ thousands)
Financial assets					
Monetary items					
USD	$ 8,491	33.2050	(USD: NTD)	$ 281,950	$ 281,950
USD	2,551	7.1782	(USD: RMB)	18,310	84,698
USD	6,064	4.5993	(USD: MYR)	27,890	201,357
RMB	13,829	4.6258	(RMB: NTD)	63,970	63,970
Financial liabilities					
Monetary items					
USD	1,029	33.2050	(USD: NTD)	34,184	34,184
USD	772	7.1782	(USD: RMB)	5,542	25,635
USD	944	4.5993	(USD: MYR)	4,340	31,334
RMB	15,366	4.6258	(RMB: NTD)	71,079	71,079

Except as shown in the foregoing table, the Group still has outstanding foreign exchange forward contracts as of March 31, 2026, December 31, 2025, and March 31, 2025. Please refer to Note 7.

The net foreign exchange gains or losses (realized and unrealized) of the Group from January 1 to March 31, 2026 and 2025 was gains of NT$3,924 thousand and NT$3,986 thousand. Due to the variety of foreign currency transactions and functional currencies of the Group’s individual entities, the exchange gains or losses could not be disclosed by each significant currencies.

28. DISCLOSURE ITEMS

a. Significant Transactions:

(1) Financing provided to others: Table 1.

(2) Endorsements and guarantees provided for others: Table 2.

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

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

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

(6) Others - intercompany relationships and significant intercompany transactions: Table 6.

b. Reinvestment information: Table 4.

c. Information on Investments in Mainland China:

(1) Information on investees in mainland China, including the name, principal business activities, paid-in capital, method of investment, inward and outward remittance, ownership percentage, current profit and loss, recognized

investment income or loss, carrying amount of the investment, accumulated inbound investment from Taiwan, and limits on investment : Table 5.

(2) Significant transactions with investee companies in mainland China , whether conducted directly or indirectly through a third region, and their transaction prices, payment terms, unrealized gains or losses, and other related information that may have a significant effect on the financial statements:

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

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

3) The amount of property transactions and the gains or losses arising therefrom: None.

4) Endorsements and guarantees or pledges of collateral at the end of the period and their purposes: None.

5) Financing provided to others, including the maximum balance, ending balance, interest rate range and total interest for the period: Table 1.

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

29. 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 of the electronic materials segment as a whole. Accordingly, the Group has a single reportable segment, the electronic materials segment. The electronic materials segment is primarily engaged in the manufacture and sale of ferrite cores, ferrite powders and silicon carbide

The accounting policies of the operating segment are the same as those described in Note 4. Relevant segment revenue and results can be found in the consolidated statements of comprehensive income.

Acme Electronics Corporation and Subsidiaries

FINANCING PROVIDED TO OTHERS

FOR THE THREE MONTHS ENDED MARCH 31, 2026

(Amounts in Thousands of New Taiwan Dollars, Unless Stated Otherwise) **TABLE 1**

No.	Financing Company	Counterparty	Financial Statement Account	Related Party (Yes/No)	Maximum Balance for the Period	Ending balance (Note 3)	Amount Drawn (Note 3 and 4)	Interest Rates	Nature for Financing (Note 2)	Transaction Amounts	Reasons for Financing	Allowance for Bad Debt	Collateral		Financing Limits for Each Borrowing Company(Note 1)	Financing Company's Total Financing Amount Limits(Note 1)	Note
													Item	Value			
1	Acme Electronics (GZ)	ACME Electronics (KS)	Other receivables	Yes	$ 138,720	$ 138,720	$ 23,120	3%	2	$ -	Business turnover	$ -	—	—	$ 426,107	$ 426,107	

Note 1: The total amount of funds loaned by Acme Electronics (GZ) shall not exceed 40% of the Company's net worth. The limit is determined based on the Company's net worth as of March 31, 2026.

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

(1) Please enter "1" transactions arising from business dealings.

(2) Please enter "2" for short-term financing.

Note 3: Foreign currency amounts are translated into NT dollars using the spot exchange rate as of March 31, 2026.

Note 4: All intercompany transactions have been eliminated in the consolidated financial statements.

Acme Electronics Corporation and Subsidiaries

ENDORSEMENTS/GUARANTEES PROVIDED FOR OTHERS

FOR THE THREE MONTHS ENDED MARCH 31, 2026

(Amounts in Thousands of New Taiwan Dollars, Unless Stated Otherwise) **TABLE 2**

No.	Endorser/Guarantor or Provider	Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party (Note 2)	Maximum Balance for the Period	Ending Balance (Note 3)	Amount Actually Drawn (Note 3)	Amount of Endorsement/Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity per Latest Financial Statements (Note 1)	Maximum Endorsement/Guarantee Amount Allowable(Note 2)	Guarantee Provided by Parent Company	Guarantee Provided by Parent Company	Guarantee Provided to Subsidiaries in Mainland China	Note
		Name	Nature of Relationship											
1	ACME (MA)	ACME Ferrite	Subsidiaries of ACME(MA)	$ 787,955	$ 144,407	$ 142,214	$ 96,816	None	12.63%	$ 900,520	Y	N	N	
1	ACME (MA)	ACME Advanced	Subsidiaries of ACME(MA)	$ 787,955	7,770	7,653	7,653	None	0.68%	900,520	Y	N	N	

Note 1: The rates were calculated based on the equity of ACME(MA) as of March 31, 2026.

Note 2: The total amount of endorsements and guarantees of ACME (MA) shall not exceed 80% of its net worth. The amount of endorsement and guarantees for any single entity shall not exceed 70% of ACME (MA)'s net worth. The limits of endorsements and guarantees were calculated based on the equity of ACME (MA) as of March 31, 2026.

Note 3: Foreign currency amounts are translated based on the spot exchange rate as of March 31, 2026.

Acme Electronics Corporation and Subsidiaries

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL

FOR THE THREE MONTHS ENDED MARCH 31, 2026

(Amounts in Thousands of New Taiwan Dollars)

TABLE 3

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction (Note 1)		Notes/Accounts Payable or Receivable		Note
			Purchases / Sales	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
The Company	Acme Electronics (GZ)	Subsidiaries of GAEL	Purchases (including processing fees)	$ 103,517	42%	55 days	$ -	—	($ 92,572)	64%	Note 2
Acme Electronics (GZ)	The Company	Subsidiaries of GAEL	Sales (including processing fees)	103,517	53%	55 days	-	—	92,572	25%	Note 2

Note 1: The prices and terms of payment and receipt of transactions between the Company and its subsidiaries are not materially different from those of general transactions.

Note 2: All intercompany transactions have been eliminated in the consolidated financial statements.

Acme Electronics Corporation and Subsidiaries

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE (EXCLUDING INFORMATION ON INVESTMENT IN MAINLAND CHINA)

FOR THE THREE MONTHS ENDED MARCH 31, 2026

(Amounts in Thousands of New Taiwan Dollars, Unless Stated Otherwise) **TABLE 4**

Investor Company	Investee Company	Location	Main Business and Products	Original Investment Amount (Note 2)		Balance as of March 31, 2026			Net Income (Losses) of the Investee (Note 3)	Share of Profits/Losses of Investee (Note 3)	Note
				March 31, 2026	December 31, 2025	Shares	Percentage of Ownership	Carrying Amount (Note 2)			
The Company	ACME (Cayman)	Ugland House P.O. Box 309 George Town, Grand Cayman, Cayman Islands	Corporate investments	$ 1,108,637	$ 1,108,637	43,887,521	60.10%	$ 1,095,131	($ 23,958)	($ 14,399)	
	GAEL	CITCO Building, Wickhams Cay Road Town, Tortola, British Virgin Islands	Corporate investments	669,072	669,072	20,800,000	100%	1,067,344	1,399	1,399	
	USIO	12F, No. 37, Jihu Rd., Neihu Dist., Taipei City	Manufacturing and sales of sapphire single crystal	646,200	646,200	22,064,224	34%	3,458	(4,836)	(1,644)	
ACME (Cayman)	ACME (MA)	Plot 15,Jalan Industri 6 Kawasan Perindustrian Jelapang II(ZPB) Jelapang 30020 Ipoh, Perak, Malaysia.	Corporate investments	764,393	764,393	96,808,000	100%	1,135,288	(21,813)		
ACME (MA)	ACME Ferrite	Plot 15,Jalan Industri 6 Kawasan Perindustrian Jelapang II(ZPB) Jelapang 30020 Ipoh, Perak, Malaysia.	Manufacturing and sales of soft ferrite cores	290,520	290,520	9,120,000	100%	798,384	(11,708)		
	ACME Advanced	Plot 15,Jalan Industri 6 Kawasan Perindustrian Jelapang II(ZPB) Jelapang 30020 Ipoh, Perak, Malaysia.	Manufacturing and sales of silicon carbide	414,827	414,827	54,208,000	100%	145,445	(9,919)		

Note 1: The carrying amount of the investments and the recognized investment gain (loss) for the period have been eliminated in the consolidated financial statements.

Note 2: The foreign currency amounts are translated based on the spot exchange rate of March 31, 2026.

Note 3: The amounts are calculated based on the average exchange rate for the three months ended March 31, 2026.

Note 4: Refer to Table 5 for relevant information on . investees in Mainland China.

Acme Electronics Corporation and Subsidiaries

INFORMATION ON INVESTMENTS IN MAINLAND CHINA

FOR THE THREE MONTHS ENDED MARCH 31, 2026

(Amounts in Thousands of New Taiwan Dollars, Unless Stated Otherwise) **TABLE 5**

Investee Company	Main Business and Products	Total Amount of Paid-in Capital (Note 6)	Method of Investment	Accumulated Outward of Investment from Taiwan as ofJanuary 1, 2026 (Note 4)	Investment Flows		Accumulated Outward of Investment from Taiwan as ofMarch 31, 2026 (Note 4)	Net Income (Losses) of Investee Company (Note 5)	Percentage of Ownership	Share of Profits/Losses(Notes 3, 5 and 7)	Carrying Amount as of Balance as of March 31, 2026(Notes 6 and 7)	Accumulated Inward Remittance of Earnings as of March 31, 2026
					Outflow	Inflow						
ACME Electronics (KS)	Manufacturing and sales of soft ferrite core	$ 983,046	Indirect investment via ACME (Cayman).	$ 374,188	$ -	$ -	$ 374,188	($ 1,870)	60.10%	($ 1,124)	$ 404,033	$ -
Acme Electronics (GZ)	Manufacturing and sales of soft ferrite core	614,304	Indirect investment via GAEL.	619,676	-	-	619,676	1,505	100%	(1,505)	1,065,268	-

Accumulated Investment in Mainland China as of March 31, 2026	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
$ 970,856 (Notes 2 and 6)	$ 1,172,073 (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 obtainedapproval as an enterprise operating under the headquarters management system and is therefore not subject to the investment limit.

Note 2: It includes the capital increase from earnings of Acme Electronics (Kunshan) Co., Ltd., The Company increased its investment amount by US$6,289 thousand based on its ownership percentage.

Note 3: The investment gain (loss) recognized for the period was calculated based on the financial statements reviewed. by the auditors of the parent company in Taiwan.

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

Note 5: The amount was calculated based on the average exchange rate for the three months ended March 31, 2026.

Note 6: The amount was translated based on the spot exchange rate as of March 31, 2026.

Note 7: The carrying amount of the investment and the related investment gain (loss) for the period have been fully eliminated in the consolidated financial statements.

Acme Electronics Corporation and Subsidiaries

INTERCOMPANY RELATIONSHIPS AND MATERIAL INTERCOMPANY TRANSACTIONS

FOR THE THREE MONTHS ENDED MARCH 31, 2026

(Amounts in Thousands of New Taiwan Dollars) **TABLE 6**

No.	Company Name	Counterparty	Nature of Relationship (Note)	Intercompany Transactions			
				Financial Statement Item	Amount	Terms	Percentage of Consolidated Net Revenue or Total Assets
0	The Company	ACME Electronics (KS)	1	Sales revenue	$ 25,525	55 days after the end of each month for both purchase and sales	2.99%
0	The Company	Acme Electronics (GZ)	1	Sales revenue	31,949	55 days after the end of each month for both purchase and sales	3.75%
0	The Company	ACME Electronics (KS)	1	Cost of goods sold	33,111	55 days after the end of each month for both purchase and sales	3.88%
0	The Company	Acme Electronics (GZ)	1	Processing costs (classified as cost of goods sold)	102,998	－	12.08%
0	The Company	ACME Electronics (KS)	1	Accounts receivable - related parties	18,737	55 days after the end of each month for both purchase and sales	0.33%
0	The Company	Acme Electronics (GZ)	1	Accounts receivable - related parties	19,877	55 days after the end of each month for both purchase and sales	0.35%
0	The Company	ACME Electronics (KS)	1	Other receivables - related parties	30,326	－	0.54%
0	The Company	Acme Electronics (GZ)	1	Notes and accounts payable－related parties	92,572	55 days after the end of each month for both purchase and sales	1.64%
0	The Company	ACME Electronics (KS)	1	Notes and accounts payable－related parties	20,554	55 days after the end of each month for both purchase and sales	0.36%
3	ACME Electronics (KS)	Acme Electronics (GZ)	3	Sales revenue	10,252	55 days after the end of each month for both purchase and sales	1.20%
3	ACME Electronics (KS)	Acme Electronics (GZ)	3	Other payables - related parties	23,483	－	0.42%
3	ACME Electronics (KS)	ACME Ferrite	3	Sales revenue	17,132	55 days after the end of each month for both purchase and sales	2.01%
3	ACME Electronics (KS)	ACME Ferrite	3	Accounts receivable - related parties	10,596	55 days after the end of each month for both purchase and sales	0.19%

Note:

1. Parent to subsidiary.
2. Subsidiary to parent.
3. Between subsidiaries.
4. Intercompany transactions have been eliminated in the consolidated financial statements.