

Acme Electronics Corporation and Subsidiaries

Consolidated Financial Statements
for the
Six Months Ended June 30, 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 (collectively, the "Group") as of June 30, 2026 and 2025, the related consolidated statements of comprehensive income for the three months ended June 30, 2026 and 2025 and for the six months ended June 30, 2026 and 2025, the consolidated statement of changes in equity, and cash flows for the six months then ended, and related notes to the consolidated financial statements, including material accounting policies 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 and 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\$2,285 thousand and NT\$6,638 thousand as of June 30, 2026 and 2025, respectively. The share of net losses of associates

recognized under the equity method for the three months ended June 30, 2026 and 2025 amounted to NT\$1,173 thousand and NT\$3,014 thousand, respectively, and for the six months ended June 30, 2026 and 2025 amounted to NT\$2,817 thousand and NT\$4,002 thousand, respectively. The above amounts were based on the associates' unreviewed financial statements for the corresponding periods.

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 caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of June 30, 2026 and 2025, and its consolidated financial performance for the three months ended June 30, 2026 and 2025, and its consolidated financial performance and its consolidated cash flows for the six months ended June 30, 2026 and 2025 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.

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
August 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

(Amounts in Thousands of New Taiwan Dollars)

	June 30, 2026		December 31, 2025		June 30, 2025	
	Amount	%	Amount	%	Amount	%
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 512,043	9	\$ 664,870	12	\$ 543,518	11
Financial assets at fair value through profit or loss - current (Note 7)	99	-	759	-	1,254	-
Financial assets at amortized cost - current (Notes 8 and 25)	125,858	2	134,686	2	15,559	-
Notes receivable (Note 9)	54,506	1	74,579	1	52,462	1
Accounts receivable, net (Notes 9 and 24)	892,656	16	815,017	14	688,184	14
Other receivables (Note 24)	7,918	-	11,018	-	9,898	-
Current tax assets (Note 20)	6,995	-	4,928	-	14,218	-
Inventories (Note 10)	926,518	17	818,036	15	773,527	15
Other current assets	74,334	1	104,681	2	55,548	1
Total current assets	<u>2,600,927</u>	<u>46</u>	<u>2,628,574</u>	<u>46</u>	<u>2,154,168</u>	<u>42</u>
NON-CURRENT ASSETS						
Investments accounted for using equity method (Note 12)	2,285	-	5,102	-	6,638	-
Property, plant and equipment (Notes 13, 24, and 25)	2,697,488	48	2,670,188	47	2,566,428	50
Right-of-use assets (Notes 14 and 25)	142,071	2	147,036	3	140,841	3
Intangible assets (Note 24)	11,177	-	3,114	-	3,189	-
Deferred tax assets (Note 20)	88,227	2	89,196	2	113,016	2
Prepayments for equipment (Note 24)	114,894	2	105,854	2	144,446	3
Refundable deposits (Note 25)	14,716	-	13,360	-	12,993	-
Other non-current assets	2,849	-	2,592	-	2,802	-
Total non-current assets	<u>3,073,707</u>	<u>54</u>	<u>3,036,442</u>	<u>54</u>	<u>2,990,353</u>	<u>58</u>
TOTAL	<u>\$ 5,674,634</u>	<u>100</u>	<u>\$ 5,665,016</u>	<u>100</u>	<u>\$ 5,144,521</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 15 and 25)	\$ 390,806	7	\$ 465,616	8	\$ 389,944	8
Short-term notes payable, net (Note 15)	-	-	79,973	2	-	-
Financial liabilities at fair value through profit or loss - current (Note 7)	973	-	3,504	-	-	-
Notes and accounts payable (Note 24)	131,363	3	111,538	2	91,291	2
Other payables (Note 24)	291,503	5	272,608	5	220,129	4
Current tax liabilities (Note 20)	38	-	203	-	293	-
Lease liabilities, current (Note 14)	11,203	-	14,743	-	13,943	-
Current portion of long-term borrowings (Notes 15 and 25)	98,032	2	2,517	-	2,174	-
Other current liabilities	5,826	-	7,185	-	6,411	-
Total current liabilities	<u>929,744</u>	<u>17</u>	<u>957,887</u>	<u>17</u>	<u>724,185</u>	<u>14</u>
NON-CURRENT LIABILITIES						
Long-term borrowings (Notes 15 and 25)	1,771,061	31	1,807,410	32	1,778,408	35
Deferred tax liabilities (Note 20)	141,491	3	122,378	2	104,185	2
Lease liabilities, non-current (Note 14)	17,846	-	20,913	1	24,009	-
Long-term deferred incomes (Note 15 and 17)	58,109	1	58,802	1	44,757	1
Net defined benefit liabilities, non-current (Note 16)	13,643	-	13,643	-	12,046	-
Guarantee deposits received	2,854	-	2,730	-	2,501	-
Total non-current liabilities	<u>2,005,004</u>	<u>35</u>	<u>2,025,876</u>	<u>36</u>	<u>1,965,906</u>	<u>38</u>
Total liabilities	<u>2,934,748</u>	<u>52</u>	<u>2,983,763</u>	<u>53</u>	<u>2,690,091</u>	<u>52</u>
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT (Notes 18)						
Common stock	2,129,937	38	2,129,937	38	2,129,937	41
Capital surplus	54	-	54	-	54	-
Accumulated deficit	(85,984)	(2)	(86,859)	(2)	(102,762)	(2)
Other equity						
Exchange differences on translation of foreign operations	(21,363)	-	(79,456)	(2)	(234,207)	(4)
Total equity attributable to owners of the Company	<u>2,022,644</u>	<u>36</u>	<u>1,963,676</u>	<u>34</u>	<u>1,793,022</u>	<u>35</u>
NON-CONTROLLING INTERESTS (Note 11)	<u>717,242</u>	<u>12</u>	<u>717,577</u>	<u>13</u>	<u>661,408</u>	<u>13</u>
Total equity	<u>2,739,886</u>	<u>48</u>	<u>2,681,253</u>	<u>47</u>	<u>2,454,430</u>	<u>48</u>
TOTAL	<u>\$ 5,674,634</u>	<u>100</u>	<u>\$ 5,665,016</u>	<u>100</u>	<u>\$ 5,144,521</u>	<u>100</u>

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

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

Acme Electronics Corporation and Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In Thousands of New Taiwan Dollars, Except Losses Per Share)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2026		2025		2026		2025	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE								
Sales revenue (Note 24)	\$ 893,543	100	\$ 772,042	106	\$ 1,747,633	100	\$ 1,492,118	103
Less: Sales returns and allowances	<u>1,122</u>	<u>-</u>	<u>43,695</u>	<u>6</u>	<u>2,351</u>	<u>-</u>	<u>44,489</u>	<u>3</u>
Total operating revenue	892,421	100	728,347	100	1,745,282	100	1,447,629	100
OPERATING COSTS								
Cost of goods sold (Notes 10, 19, and 24)	<u>743,153</u>	<u>83</u>	<u>622,063</u>	<u>85</u>	<u>1,430,297</u>	<u>82</u>	<u>1,232,138</u>	<u>85</u>
GROSS PROFIT	<u>149,268</u>	<u>17</u>	<u>106,284</u>	<u>15</u>	<u>314,985</u>	<u>18</u>	<u>215,491</u>	<u>15</u>
OPERATING EXPENSES (Notes 9, 16, 19, and 24)								
Selling and marketing expenses	43,579	5	40,933	5	83,434	5	76,406	5
General and administrative expenses	50,607	5	49,384	7	100,927	6	103,420	7
Research and development expenses	60,745	7	49,625	7	111,441	6	108,013	8
Expected credit losses	<u>-</u>	<u>-</u>	<u>128</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>266</u>	<u>-</u>
Total operating expenses	<u>154,931</u>	<u>17</u>	<u>140,070</u>	<u>19</u>	<u>295,802</u>	<u>17</u>	<u>288,105</u>	<u>20</u>
INCOME (LOSS) FROM OPERATIONS	(<u>5,663</u>)	<u>-</u>	(<u>33,786</u>)	(<u>4</u>)	<u>19,183</u>	<u>1</u>	(<u>72,614</u>)	(<u>5</u>)
NON-OPERATING INCOME AND EXPENSES								
Interest income	2,785	-	3,967	1	5,970	-	8,213	1
Other income (Notes 17, 19 and 24)	2,817	-	9,651	1	14,444	1	17,692	1
Foreign exchange loss, net (Note 19)	(6,096)	(1)	(35,974)	(5)	(2,172)	-	(31,988)	(2)
Other gains and losses (Note 19)	(2,659)	-	2,214	-	(17,479)	(1)	4,165	-
Finance costs (Note 19)	(11,308)	(1)	(11,196)	(2)	(22,917)	(1)	(22,509)	(2)
Share of loss of associates	(<u>1,173</u>)	<u>-</u>	(<u>3,014</u>)	<u>-</u>	(<u>2,817</u>)	<u>-</u>	(<u>4,002</u>)	<u>-</u>
Total non-operating income and expenses	(<u>15,634</u>)	(<u>2</u>)	(<u>34,352</u>)	(<u>5</u>)	(<u>24,971</u>)	(<u>1</u>)	(<u>28,429</u>)	(<u>2</u>)
INCOME BEFORE INCOME TAX	(21,297)	(2)	(68,138)	(9)	(5,788)	-	(101,043)	(7)
INCOME TAX BENEFIT (EXPENSE) (note 20)	(<u>7,583</u>)	(<u>1</u>)	<u>3,642</u>	<u>-</u>	(<u>10,410</u>)	(<u>1</u>)	<u>5,522</u>	<u>-</u>
NET LOSS	(<u>28,880</u>)	(<u>3</u>)	(<u>64,496</u>)	(<u>9</u>)	(<u>16,198</u>)	(<u>1</u>)	(<u>95,521</u>)	(<u>7</u>)
OTHER COMPREHENSIVE INCOME (NET)								
Items that may be reclassified subsequently to profit or loss								
Exchange differences arising on translation of foreign operations	5,625	-	(281,902)	(39)	89,354	5	(233,140)	(16)
Income tax relating to items that may be reclassified to profit or loss (Note 20)	(<u>1,659</u>)	<u>-</u>	<u>43,407</u>	<u>6</u>	(<u>14,523</u>)	(<u>1</u>)	<u>36,389</u>	<u>3</u>
Other comprehensive income for the period, net	<u>3,966</u>	<u>-</u>	(<u>238,495</u>)	(<u>33</u>)	<u>74,831</u>	<u>4</u>	(<u>196,751</u>)	(<u>13</u>)
TOTAL COMPREHENSIVE INCOME	(\$ <u>24,914</u>)	(<u>3</u>)	(\$ <u>302,991</u>)	(<u>42</u>)	\$ <u>58,633</u>	<u>3</u>	(\$ <u>292,272</u>)	(<u>20</u>)
NET (LOSS) INCOME ATTRIBUTABLE TO:								
Owners of the Company	(\$ 21,366)	(2)	(\$ 60,188)	(8)	\$ 875	-	(\$ 82,007)	(6)
Non-controlling interests	(<u>7,514</u>)	(<u>1</u>)	(<u>4,308</u>)	(<u>1</u>)	(<u>17,073</u>)	(<u>1</u>)	(<u>13,514</u>)	(<u>1</u>)
	(\$ <u>28,880</u>)	(<u>3</u>)	(\$ <u>64,496</u>)	(<u>9</u>)	(\$ <u>16,198</u>)	(<u>1</u>)	(\$ <u>95,521</u>)	(<u>7</u>)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
Owners of the Company	(\$ 14,729)	(2)	(\$ 233,819)	(32)	\$ 58,968	3	(\$ 227,565)	(16)
Non-controlling interests	(<u>10,185</u>)	(<u>1</u>)	(<u>69,172</u>)	(<u>10</u>)	(<u>335</u>)	<u>-</u>	(<u>64,707</u>)	(<u>4</u>)
	(\$ <u>24,914</u>)	(<u>3</u>)	(\$ <u>302,991</u>)	(<u>42</u>)	\$ <u>58,633</u>	<u>3</u>	(\$ <u>292,272</u>)	(<u>20</u>)
LOSSES PER SHARE (Note 21)								
Basic	(\$ <u>0.10</u>)		(\$ <u>0.28</u>)		\$ <u>-</u>		(\$ <u>0.39</u>)	
Diluted	(\$ <u>0.10</u>)		(\$ <u>0.28</u>)		\$ <u>-</u>		(\$ <u>0.39</u>)	

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

(With Deloitte & Touche review report dated August 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		Capital surplus	Accumulated deficit	Exchange Differences on Translation of Foreign Operations	Total	Non-controlling interests	Total Equity
	Number of Shares Issued	Amount						
BALANCE AT JANUARY 1, 2025	212,993,743	\$ 2,129,937	\$ 50	(\$ 20,755)	(\$ 88,649)	\$ 2,020,583	\$ 726,115	\$ 2,746,698
Exercise of disgorgement	-	-	4	-	-	4	-	4
Net loss for the six months ended June 30, 2025	-	-	-	(82,007)	-	(82,007)	(13,514)	(95,521)
Other comprehensive income (loss) for the six months ended June 30, 2025	-	-	-	-	(145,558)	(145,558)	(51,193)	(196,751)
Total comprehensive income (loss) for the six months ended June 30, 2025	-	-	-	(82,007)	(145,558)	(227,565)	(64,707)	(292,272)
BALANCE, JUNE 30, 2025	<u>212,993,743</u>	<u>\$ 2,129,937</u>	<u>\$ 54</u>	<u>(\$ 102,762)</u>	<u>(\$ 234,207)</u>	<u>\$ 1,793,022</u>	<u>\$ 661,408</u>	<u>\$ 2,454,430</u>
BALANCE, JANUARY 1, 2026	212,993,743	\$ 2,129,937	\$ 54	(\$ 86,859)	(\$ 79,456)	\$ 1,963,676	\$ 717,577	\$ 2,681,253
Net Income (loss) for the six months ended June 30, 2026	-	-	-	875	-	875	(17,073)	(16,198)
Other comprehensive income (loss) for the six months ended June 30, 2026	-	-	-	-	58,093	58,093	16,738	74,831
Total comprehensive income (loss) for the six months ended June 30, 2026	-	-	-	875	58,093	58,968	(335)	58,633
BALANCE, JUNE 30, 2026	<u>212,993,743</u>	<u>\$ 2,129,937</u>	<u>\$ 54</u>	<u>(\$ 85,984)</u>	<u>(\$ 21,363)</u>	<u>\$ 2,022,644</u>	<u>\$ 717,242</u>	<u>\$ 2,739,886</u>

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

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

Acme Electronics Corporation and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Amounts in Thousands of New Taiwan Dollars)

	Six Months Ended June 30	
	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	(\$ 5,788)	(\$ 101,043)
Adjustments for		
Depreciation expenses	202,120	181,250
Amortization expense	1,645	1,241
Expected credit losses	-	266
Loss on financial instruments at fair value through profit or loss, net	(950)	(4,866)
Finance costs	22,917	22,509
Interest income	(5,970)	(8,213)
Share of profit (loss) of associates	2,817	4,002
Loss (gain) on disposal or retirement of property, plant and equipment	5,025	(720)
Inventory write-down (reversal gain)	(15,249)	2,622
Deferred and other income	(3,684)	(2,482)
Change in operating assets and liabilities		
Financial assets mandatorily measured at fair value through profit or loss	(921)	2,374
Notes receivable	20,073	13,134
Accounts receivable (including related parties)	(77,807)	33,328
Other receivables (including related parties)	3,007	(1,197)
Inventories	(94,678)	100,975
Other current assets	21,347	6,599
Notes and accounts payable (including related parties)	19,825	(22,379)
Other payables (including related parties)	2,914	(70,934)
Other current liabilities	(1,359)	(982)
Cash generated from operations	95,284	155,484
Interest received	6,063	7,908
Interest paid	(22,548)	(21,891)
Income tax paid	(6,408)	(5,925)
Net cash flows generated from operating activities	<u>72,391</u>	<u>135,576</u>

Acme Electronics Corporation and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Amounts in Thousands of New Taiwan Dollars)

	Six Months Ended June 30	
	2026	2025
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of financial assets at amortized cost	\$ 10,641	\$ 5,663
Acquisition of property, plant and equipment	(197,285)	(204,229)
Proceeds from disposal of property, plant and equipment	25,937	9,853
Decrease (increase) in refundable deposits	(1,093)	2,223
Increase in deferred income	618	11,803
Net cash used in investing activities	(161,182)	(174,687)
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term borrowings	(80,755)	(51,477)
Decrease in short-term notes payable	(80,000)	(70,000)
Proceeds from long-term borrowings	771,000	725,000
Repayments of long-term borrowings	(713,214)	(618,270)
Decrease in guarantee deposits	-	(887)
Repayments of the principal portion of lease liabilities	(7,997)	(7,661)
Exercise of disgorgement	-	4
Net cash used in financing activities	(110,966)	(23,291)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	46,930	(121,666)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(152,827)	(184,068)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	664,870	727,586
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 512,043	\$ 543,518

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

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

Acme Electronics Corporation and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 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 August 4, 2026.

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

a. 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.

b. The IFRS endorsed by the FSC for application starting from 2027

New, Amended and Revised Standards and Interpretations	Effective Date Announced by the IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027 (Note 1)
IFRS 19 “Subsidiaries without Public Accountability: Disclosures” (including the 2025 amendments)	January 1, 2027

New, Amended and Revised Standards and Interpretations	Effective Date Announced by the IASB
Amendments to IAS 21 “Translation into a Hyperinflationary Presentation Currency”	January 1, 2027
Amendments to IAS 28, “Amendments to the Fair Value Option for Investments in Associates and Joint Ventures”	January 1, 2027 (Note 2)

Note 1: Domestic entities are required apply IFRS 18 starting January 1, 2028, with the option for early adoption.

Note 2: An entity shall apply the amendment simultaneously with IFRS 18.

IFRS 18 “Presentation and Disclosure in Financial Statements” and Consequential Amendments; Amendments to IAS 28, “Amendments to the Fair Value Option for Investments in Associates and Joint Ventures”

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”. 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 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.

Upon initial application of IFRS 18, venture capital organizations, mutual funds, unit trusts and similar entities may elect to measure investments in associates or joint ventures at fair value through profit or loss instead of applying the equity method. The amendments to IAS 28 clarify that such similar entities include entities for which investing in particular types of assets is one of their principal operating activities as assessed under IFRS 18. If the Group satisfies the above criteria, it may elect to make such change on the date of initial application.

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.

The Group is still evaluating whether to early adopt IFRS 18 and the consequential amendments.

Except for the above impact, as of the date the accompanying consolidated financial statements were issued, the Group continues to evaluate 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.

- c. 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)
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 20, “Regulatory Assets and Regulatory Liabilities”	January 1, 2029

Note: 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.

As of the date of 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 SIGNIFICANT ACCOUNTING POLICIES

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, Table 5 and Table 6 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 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

	June 30, 2026	December 31, 2025	June 30, 2025
Petty cash and cash on hand	\$ 693	\$ 644	\$ 888
Checking accounts and demand deposits in banks	296,413	379,946	262,892
Cash equivalents			
Time deposits	35,356	72,792	152,112
Repurchase agreements	<u>179,581</u>	<u>211,488</u>	<u>127,626</u>
	<u>\$ 512,043</u>	<u>\$ 664,870</u>	<u>\$ 543,518</u>

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS - CURRENT

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Financial assets - current</u>			
Mandatorily measured at fair value through profit or loss			
Derivatives (not under hedge accounting)			
— Foreign exchange forward contracts	<u>\$ 99</u>	<u>\$ 759</u>	<u>\$ 1,254</u>

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Financial liabilities - current</u>			
Held for trading			
Derivatives (not under hedge accounting)			
— Foreign exchange forward contracts	<u>\$ 973</u>	<u>\$ 3,504</u>	<u>\$ -</u>

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>June 30, 2026</u>					
Sell	USD/TWD	2026.7.15~ 2026.8.14	USD	1,530/ NTD	48,189
Sell	USD/MYR	2026.7.17~ 2027.4.22	USD	2,364/ MYR	9,357
<u>December 31, 2025</u>					
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
<u>June 30, 2025</u>					
Sell	USD/MYR	2025.7.18~2026.1.9	USD	1,000/ MYR	4,407

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

	June 30, 2026	December 31, 2025	June 30, 2025
Pledged time deposits	\$ 17,998	\$ 17,683	\$ 15,559
Time deposits with original maturity of more than 3 months	<u>107,860</u>	<u>117,003</u>	<u>-</u>
	<u>\$ 125,858</u>	<u>\$ 134,686</u>	<u>\$ 15,559</u>

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

	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
<u>Notes receivable</u>			
Measured at amortized cost			
Gross carrying amount	<u>\$ 54,506</u>	<u>\$ 74,579</u>	<u>\$ 52,462</u>
<u>Accounts receivable</u>			
Measured at amortized cost			
Gross carrying amount	\$ 898,107	\$ 820,299	\$ 692,978
Less: Loss allowance	(<u>5,451</u>)	(<u>5,282</u>)	(<u>4,794</u>)
	<u>\$ 892,656</u>	<u>\$ 815,017</u>	<u>\$ 688,184</u>

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.

June 30, 2026

	<u>Not past due</u>	<u>Past Due Up to 60 Days</u>	<u>Past Due 61 to 90 Days</u>	<u>Past Due Over 91 Days</u>	<u>Total</u>
Expected credit losses rate	0.02%	9.17%	10.39%	100%	
Gross carrying amount	\$ 913,165	\$ 35,216	\$ 2,434	\$ 1,798	\$ 952,613
Loss allowance (Lifetime ECLs)	(<u>170</u>)	(<u>3,230</u>)	(<u>253</u>)	(<u>1,798</u>)	(<u>5,451</u>)
Amortized cost	<u>\$ 912,995</u>	<u>\$ 31,986</u>	<u>\$ 2,181</u>	<u>\$ -</u>	<u>\$ 947,162</u>

December 31, 2025

	<u>Not past due</u>	<u>Past Due Up to 60 Days</u>	<u>Past Due 61 to 90 Days</u>	<u>Past Due Over 91 Days</u>	<u>Total</u>
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)	(<u>1,263</u>)	(<u>1,177</u>)	(<u>811</u>)	(<u>2,031</u>)	(<u>5,282</u>)
Amortized cost	<u>\$ 857,565</u>	<u>\$ 26,803</u>	<u>\$ 1,075</u>	<u>\$ 4,153</u>	<u>\$ 889,596</u>

June 30, 2025

	<u>Not past due</u>	<u>Past Due Up to 60 Days</u>	<u>Past Due 61 to 90 Days</u>	<u>Past Due Over 91 Days</u>	<u>Total</u>
Expected credit losses rate	0.24%	4.00%	0.00%	82.67%	
Gross carrying amount	\$ 716,971	\$ 25,919	\$ 57	\$ 2,493	\$ 745,440
Loss allowance (Lifetime ECLs)	(<u>1,697</u>)	(<u>1,036</u>)	<u>-</u>	(<u>2,061</u>)	(<u>4,794</u>)
Amortized cost	<u>\$ 715,274</u>	<u>\$ 24,883</u>	<u>\$ 57</u>	<u>\$ 432</u>	<u>\$ 740,646</u>

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

	<u>Six Months Ended June 30</u>	
	<u>2026</u>	<u>2025</u>
Balance at beginning of period	\$ 5,282	\$ 7,120
Provision for the period	-	266
Actual write-offs for the current period	-	(2,030)
Foreign exchange differences translation gains and losses	<u>169</u>	(<u>562</u>)
Balance at end of period	<u>\$ 5,451</u>	<u>\$ 4,794</u>

10. INVENTORIES

	June 30, 2026	December 31, 2025	June 30, 2025
Finished goods	\$ 362,453	\$ 335,806	\$ 308,090
Work in progress	275,902	234,240	240,696
Raw materials and supplies	<u>288,163</u>	<u>247,990</u>	<u>224,741</u>
	<u>\$ 926,518</u>	<u>\$ 818,036</u>	<u>\$ 773,527</u>

Cost of goods sold related to inventories for the three months ended June 30, 2026 and 2025 and for the six months ended June 30, 2026 and 2025 amounted to NT\$743,153 thousand, NT\$622,063 thousand, NT\$1,430,297 thousand, and NT\$1,232,138 thousand, respectively.

Cost of goods sold for the three months and six months ended June 30, 2026 included a reversal of inventory write-downs of NT\$8,509 thousand and NT\$15,249 thousand, respectively. The reversal resulted from an increase in the selling prices of inventories in a specific market.

Cost of goods sold for the three months and six months ended June 30, 2025 included inventory write-downs of NT\$2,571 thousand and NT\$2,622 thousand, respectively.

11. SUBSIDIARY

a. Subsidiaries included in the consolidated financial statements

The consolidated financial statements include the following subsidiaries:

Investor Company	Subsidiary	Nature of Activities	Ownership (%)			Remark
			June 30, 2026	December 31, 2025	June 30, 2025	
The Company	ACME Electronics (Cayman) Corp. (ACME (Cayman))	Investment holding	60.10%	60.10%	60.10%	(1)
	Golden Amber Enterprises Limited (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 Material 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

Please refer to Table 5 for information on the main business locations and countries of registration.

Subsidiary	Profit (Loss) allocated to non-controlling interests				Non-controlling interests		
	Three Months Ended June 30		Six Months Ended June 30		June 30, 2026	December 31, 2025	June 30, 2025
	2026	2025	2026	2025			
ACME (Cayman) and its subsidiaries	<u>(\$ 7,514)</u>	<u>(\$ 4,308)</u>	<u>(\$ 17,073)</u>	<u>(\$ 13,514)</u>	<u>\$ 717,242</u>	<u>\$ 717,577</u>	<u>\$ 661,408</u>

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

ACME (Cayman) and its subsidiaries

	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Current assets	\$ 1,033,806	\$ 1,023,603	\$ 938,219
Non-current assets	1,293,206	1,301,103	1,220,496
Current liabilities	(405,925)	(402,463)	(390,482)
Non-current liabilities	(123,496)	(123,813)	(110,577)
Equity	<u>\$ 1,797,591</u>	<u>\$ 1,798,430</u>	<u>\$ 1,657,656</u>

Equity attributable to:

Owners of the Company	\$ 1,080,349	\$ 1,080,853	\$ 996,248
Non-controlling interests	<u>717,242</u>	<u>717,577</u>	<u>661,408</u>
	<u>\$ 1,797,591</u>	<u>\$ 1,798,430</u>	<u>\$ 1,657,656</u>

	<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>
Operating revenue	\$ <u>418,070</u>	\$ <u>355,988</u>	\$ <u>771,857</u>	\$ <u>704,339</u>
Net loss for the period	(\$ 18,832)	(\$ 10,800)	(\$ 42,790)	(\$ 33,871)
Other comprehensive income	(<u>6,695</u>)	(<u>162,565</u>)	<u>41,951</u>	(<u>128,303</u>)
Total comprehensive income	(\$ <u>25,527</u>)	(\$ <u>173,365</u>)	(\$ <u>839</u>)	(\$ <u>162,174</u>)
Net loss attributable to:				
Owners of the Company	(\$ 11,318)	(\$ 6,492)	(\$ 25,717)	(\$ 20,357)
Non-controlling interests	(<u>7,514</u>)	(<u>4,308</u>)	(<u>17,073</u>)	(<u>13,514</u>)
	(\$ <u>18,832</u>)	(\$ <u>10,800</u>)	(\$ <u>42,790</u>)	(\$ <u>33,871</u>)

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Total comprehensive income attributable to:				
Owners of the Company	(\$ 15,342)	(\$ 104,193)	(\$ 504)	(\$ 97,467)
Non-controlling interests	(<u>10,185</u>)	(<u>69,172</u>)	(<u>335</u>)	(<u>64,707</u>)
	(<u>\$ 25,527</u>)	(<u>\$ 173,365</u>)	(<u>\$ 839</u>)	(<u>\$ 162,174</u>)
Cash flows				
Net cash flows from operating activities	\$ 8,115	\$ 44,233	(\$ 23,601)	(\$ 3,195)
Net cash flows from investing activities	(15,039)	(68,149)	(21,445)	(93,459)
Net cash flows from financing activities	4,619	(17,144)	(9,034)	(26,312)
Effects of exchange rate changes on cash and cash equivalents.	(<u>888</u>)	(<u>27,820</u>)	<u>5,056</u>	(<u>19,986</u>)
Net increase (decrease) in cash and cash equivalents	(<u>\$ 3,193</u>)	(<u>\$ 68,880</u>)	(<u>\$ 49,024</u>)	(<u>\$ 142,952</u>)

12. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

Company Name	June 30, 2026		December 31, 2025		June 30, 2025	
	Amount	Ownership (%)	Amount	Ownership (%)	Amount	Ownership (%)
USI Optronics Corporation (USIO)	<u>\$ 2,285</u>	34%	<u>\$ 5,102</u>	34%	<u>\$ 6,638</u>	34%

Refer to Table 5 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

	June 30, 2026	December 31, 2025	June 30, 2025
Land	\$ 82,657	\$ 82,657	\$ 82,657
Land improvements	111	153	209
Buildings and equipment	727,050	752,813	722,947
Machinery and equipment	1,607,619	1,628,874	1,583,220
Transportation and communication equipment	4,929	4,320	3,447
Leasehold improvements	5,552	6,146	6,392
Other equipment	167,954	173,931	157,355
Construction in progress and equipment to be accepted	101,616	21,294	10,201
	<u>\$ 2,697,488</u>	<u>\$ 2,670,188</u>	<u>\$ 2,566,428</u>

There was no indication that property, plant and equipment was impaired; therefore, the Group did not recognize any impairment loss for the six months ended June 30, 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	3 - 50 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 borrowings.

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	June 30, 2026	December 31, 2025	June 30, 2025
Carrying amounts			
Land	\$ 114,172	\$ 112,635	\$ 104,137
Buildings	2,414	2,725	2,889
Machinery and equipment	23,874	29,868	33,784
Transportation equipment	1,611	1,808	31
	<u>\$ 142,071</u>	<u>\$ 147,036</u>	<u>\$ 140,841</u>

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

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Depreciation of right-of-use assets				
Land	\$ 1,074	\$ 985	\$ 2,143	\$ 2,024
Buildings	213	200	423	411
Machinery and equipment	3,636	3,374	7,218	6,982
Transportation equipment	98	96	197	192
	<u>\$ 5,021</u>	<u>\$ 4,655</u>	<u>\$ 9,981</u>	<u>\$ 9,609</u>

b. Lease liabilities

As of June 30, 2026, December 31, 2025, and June 30, 2025, the discount rates of lease liabilities were 1.11%-3.00%.

c. Material lease-in activities and terms

The Group leases several 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 June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Expenses relating to short-term leases	<u>\$ 3,252</u>	<u>\$ 4,189</u>	<u>\$ 6,660</u>	<u>\$ 6,232</u>
Total cash flows for lease	(<u>\$ 7,389</u>)	(<u>\$ 8,033</u>)	(<u>\$ 14,875</u>)	(<u>\$ 14,177</u>)

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 were NT\$6,494 thousand and NT\$5,760 thousand as of June 30, 2026 and 2025, respectively.

15. BORROWINGS

a. Short-term borrowings

	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
<u>Secured borrowings</u> (Note 25)			
Bank loans	\$ 3,927	\$ 4,460	\$ 4,154
<u>Unsecured borrowings</u>			
Lines of credit	<u>386,879</u>	<u>461,156</u>	<u>385,790</u>
	<u>\$ 390,806</u>	<u>\$ 465,616</u>	<u>\$ 389,944</u>

The interest rates of short-term borrowings ranged from 0.99% to 4.18%, 0.99% to 4.13% and 1.90% to 4.40% as of June 30, 2026 and December 31, 2025 and June 30, 2025, respectively.

b. Short-term notes payable (June 30, 2026 and 2025: None)

	<u>December 31, 2025</u>
Commercial paper	\$ 80,000
Less: Discount on commercial paper	(<u>27</u>)
	<u>\$ 79,973</u>

The interest rate on short-term bills payable was 2.038% as of December 31, 2025.

c. Long-term borrowings

	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Secured borrowings	\$ 1,441,415	\$ 1,391,338	\$ 1,384,792
Unsecured borrowings	<u>427,678</u>	<u>418,589</u>	<u>395,790</u>
	1,869,093	1,809,927	1,780,582
Current portion of long-term borrowings	(<u>98,032</u>)	(<u>2,517</u>)	(<u>2,174</u>)
	<u>\$ 1,771,061</u>	<u>\$ 1,807,410</u>	<u>\$ 1,778,408</u>
Maturity	2026~2043	2026~2043	2025~2043
Range of interest rates	1.12%~4.77%	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 June 30, 2026, a total of NT\$409,700 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 June 30, 2026 and 2025 and for the six months ended June 30, 2026 and 2025 was determined based on the actuarially determined pension assumptions as of December 31, 2025 and 2024, amounting to NT\$279 thousand, NT\$266 thousand, NT\$489 thousand, and NT\$462 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 June 30, 2026, December 31 and June 30, 2025, due to the above the Group’s unamortized deferred revenue amounted to RMB 11,208 thousand (NT\$52,413 thousand), RMB 11,908 thousand (NT\$53,249 thousand) and RMB 9,514 thousand (NT\$38,941 thousand), respectively.

Due to the above and other subsidies, the Group recognized government grants as other income for the three months ended June 30, 2026 and 2025 and for the six months ended June 30, 2026 and 2025, which amounted to NT\$1,859 thousand, NT\$1,317 thousand, NT\$3,683 thousand and NT\$2,482 thousand, respectively.

18. EQUITY

a. Share capital

	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Number of authorized shares (thousands)	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>
Authorized shares	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>
Number of issued and paid shares (thousands)	<u>212,994</u>	<u>212,994</u>	<u>212,994</u>
Issued shares	<u>\$ 2,129,937</u>	<u>\$ 2,129,937</u>	<u>\$ 2,129,937</u>

Each issued common stock with par value of \$10 is entitled the right to vote and receive dividends.

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

b. Capital surplus

	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
May be used to offset deficits	<u>\$ 54</u>	<u>\$ 54</u>	<u>\$ 54</u>

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. The specific requirements shall be defined by the Board of Directors. If the Company has net profits after tax according to its annual financial statements, 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. However, no dividends shall be distributed if earnings per share are less than NT\$0.1. Refer to Note 19 (c) for details of employees' and directors' compensation.

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

The Company held its annual shareholders' meeting on May 26, 2026 and resolved not to distribute earnings due to accumulated losses.

19. NET INCOME (LOSS)

a. Depreciation and amortization

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Property, plant, and equipment	\$ 96,471	\$ 85,059	\$ 192,139	\$ 171,641
Right-of-use assets	5,021	4,655	9,981	9,609
Intangible assets	597	456	1,053	885
Others	<u>258</u>	<u>178</u>	<u>592</u>	<u>356</u>
Total	<u>\$ 102,347</u>	<u>\$ 90,348</u>	<u>\$ 203,765</u>	<u>\$ 182,491</u>
Depreciation by function				
Cost of goods sold	\$ 84,532	\$ 73,036	\$ 168,298	\$ 145,722
Operating expenses	<u>16,960</u>	<u>16,678</u>	<u>33,822</u>	<u>35,528</u>
	<u>\$ 101,492</u>	<u>\$ 89,714</u>	<u>\$ 202,120</u>	<u>\$ 181,250</u>

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Amortization by function				
Cost of goods sold	\$ 813	\$ 466	\$ 1,563	\$ 901
Administrative expenses	21	126	41	253
Research and development expenses	<u>21</u>	<u>42</u>	<u>41</u>	<u>87</u>
	<u>\$ 855</u>	<u>\$ 634</u>	<u>\$ 1,645</u>	<u>\$ 1,241</u>

b. Employee benefits expenses

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Post-retirement benefits (Note 16)				
Defined contribution plans	\$ 20,672	\$ 15,267	\$ 41,517	\$ 32,635
Defined benefit plans	<u>279</u>	<u>266</u>	<u>489</u>	<u>462</u>
	20,951	15,533	42,006	33,097
Salary, bonus, etc.	<u>282,316</u>	<u>227,247</u>	<u>533,578</u>	<u>458,333</u>
Total	<u>\$ 303,267</u>	<u>\$ 242,780</u>	<u>\$ 575,584</u>	<u>\$ 491,430</u>
Employee benefits expense by function				
Cost of goods sold	\$ 230,428	\$ 176,551	\$ 434,947	\$ 354,688
Operating expenses	<u>72,839</u>	<u>66,229</u>	<u>140,637</u>	<u>136,742</u>
	<u>\$ 303,267</u>	<u>\$ 242,780</u>	<u>\$ 575,584</u>	<u>\$ 491,430</u>

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 June 30, 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 arising from 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 can be accessed through the Market Observation Post System (MOPS) website of the Taiwan Stock Exchange.

d. Other income

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Government grants	\$ 1,859	\$ 1,317	\$ 3,684	\$ 2,482
Management service income (Note 24)	(1,565)	2,976	1,102	5,877
Others	<u>2,523</u>	<u>5,358</u>	<u>9,658</u>	<u>9,333</u>
	<u>\$ 2,817</u>	<u>\$ 9,651</u>	<u>\$ 14,444</u>	<u>\$ 17,692</u>

e. Foreign exchange gains (losses)

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Foreign exchange gains	\$ 3,505	\$ 6,017	\$ 38,283	\$ 38,240
Foreign exchange losses	(<u>9,601</u>)	(<u>41,991</u>)	(<u>40,455</u>)	(<u>70,228</u>)
Net loss	(<u>\$ 6,096</u>)	(<u>\$ 35,974</u>)	(<u>\$ 2,172</u>)	(<u>\$ 31,988</u>)

f. Other gains and losses

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Gain (loss) on disposal of property, plant and equipment	(\$ 4,320)	\$ 588	(\$ 5,025)	\$ 720
Gain on financial assets at FVTPL	1,716	2,716	950	4,866
Others	(<u>55</u>)	(<u>1,090</u>)	(<u>13,404</u>)	(<u>1,421</u>)
	<u>(\$ 2,659)</u>	<u>\$ 2,214</u>	<u>(\$ 17,479)</u>	<u>\$ 4,165</u>

g. Finance costs

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Bank loan interest expense	\$ 11,254	\$ 11,115	\$ 22,797	\$ 22,603
Interest expense on lease liabilities	103	132	218	284
Less: Interest capitalized (included in construction in progress)	(49)	(51)	(98)	(378)
	<u>\$ 11,308</u>	<u>\$ 11,196</u>	<u>\$ 22,917</u>	<u>\$ 22,509</u>

Information on interest capitalization is as follows:

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Interest capitalized	\$ 48	\$ 51	\$ 97	\$ 378
Capitalization rate	1.85%	1.89%	1.86%	1.89%

20. INCOME TAX

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

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Current income tax expense				
Current tax expense recognized in the current period	(\$ 1,628)	(\$ 887)	(\$ 2,772)	(\$ 1,772)
Income tax adjustments on prior years	<u>3</u>	<u>-</u>	<u>(1,407)</u>	<u>-</u>
	<u>(1,625)</u>	<u>(887)</u>	<u>4,179</u>	<u>(1,772)</u>
Deferred income tax benefit (expense)				
Deferred tax expenses recognized for the period	(4,655)	(861)	(13,113)	1,904
Effect of changes in tax rates	-	-	7,550	-

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Income tax adjustments on prior years	(<u>1,303</u>)	<u>5,390</u>	(<u>668</u>)	<u>5,390</u>
	(<u>5,958</u>)	<u>4,529</u>	(<u>6,231</u>)	<u>7,294</u>
Income tax (expense) benefit recognized in profit or loss	(<u>\$ 7,583</u>)	<u>\$ 3,642</u>	(<u>\$ 10,410</u>)	<u>\$ 5,522</u>

b. Income tax recognized in other comprehensive income

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
<u>Deferred income tax benefit (expense)</u>				
Income tax (expenses) benefits recognized in other comprehensive income				
— Translation of foreign operations	(<u>\$ 1,659</u>)	<u>\$ 43,407</u>	(<u>\$ 14,523</u>)	<u>\$ 36,389</u>

c. Income tax examination

The tax authorities have examined income tax returns of the Company through 2024.

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

- (1) ACME (Cayman) and GAEL incurred no income tax expense for six months ended June 30, 2026 and 2025 as they qualified for tax exemptions under the applicable tax laws of their respective jurisdictions of incorporation.
- (2) The preferential income tax rate applicable to ACME Electronics (GZ) as a High and New Technology Enterprise expired in 2026. Accordingly, the applicable statutory income 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. LOSS PER SHARE

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Basic loss per share	(\$ 0.10)	(\$ 0.28)	\$ -	(\$ 0.39)
Diluted loss per share	(\$ 0.10)	(\$ 0.28)	\$ -	(\$ 0.39)

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

Net income (loss)

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Net income (loss) used to compute basic and diluted loss per share	(\$ 21,366)	(\$ 60,188)	\$ 875	(\$ 82,007)

Number of shares

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Weighted average number of ordinary shares outstanding used to compute basic and diluted (losses) earnings per share	<u>212,994</u>	<u>212,994</u>	<u>212,994</u>	<u>212,994</u>

(Thousands Shares)

22. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximizing the return to shareholders through optimizing the balance between debt and equity.

Management reviews the capital structure of the Group as needed. As part of this review, management considers the cost of capital and the risks associated with each class of capital. According to management's suggestions, the Group maintains a balanced capital structure through paying dividends, issuing new shares, and issuing new debt or repaying debt.

23. FINANCIAL INSTRUMENTS

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

Except for 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. Financial instruments that are measured at fair value on a recurring basis

(1) Fair value hierarchy

June 30, 2026

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets at FVTPL				
Derivatives	\$ <u>-</u>	\$ <u>99</u>	\$ <u>-</u>	\$ <u>99</u>
Financial liabilities at FVTPL				
Derivatives	\$ <u>-</u>	\$ <u>973</u>	\$ <u>-</u>	\$ <u>973</u>

December 31, 2025

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets at FVTPL				
Derivatives	\$ <u>-</u>	\$ <u>759</u>	\$ <u>-</u>	\$ <u>759</u>
Financial liabilities at FVTPL				
Derivatives	\$ <u>-</u>	\$ <u>3,504</u>	\$ <u>-</u>	\$ <u>3,504</u>

June 30, 2025

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets at FVTPL				
Derivatives	\$ <u>-</u>	\$ <u>1,254</u>	\$ <u>-</u>	\$ <u>1,254</u>

There were no transfers between Levels 1 and 2 fair value measurement for the three months and six months ended June 30, 2026 and 2025.

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

Categories of
Financial Instruments

Derivatives - foreign
exchange forward
contracts

Valuation Techniques and Inputs

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

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Financial assets</u>			
Financial assets at			
FVTPL	\$ 99	\$ 759	\$ 1,254
Measured at			
amortized cost			
(Note 1)	1,607,697	1,713,530	1,322,614
<u>Financial liabilities</u>			
Financial liabilities at			
FVTPL	973	3,504	-
Measured at			
amortized cost			
(Note 2)	2,685,619	2,742,392	2,484,447

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 equivalents, receivables, other receivables, long-term and short-term borrowings, short-term notes payable, payables, other payables, and lease liabilities. The Group's financial management department coordinates financial activities in domestic and international markets, and monitors and manages financial risks related to the Group's operations by reviewing internal risk reports based on the level and scope of risk exposure. 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 (refer to 1) below) and the changes in interest rates (refer to 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 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 appreciated/depreciates 3% against the U.S. dollar, the Group's loss before tax for the period from January 1 to June 30, 2026 will increase/decrease by NT\$17,486 thousand, and the pre-tax loss for the period from January 1 to June 30, 2025 will decrease/increase by NT\$13,261 thousand.

The Group's exposure to foreign exchange rate fluctuations arises primarily from outstanding unhedged USD-denominated receivables and payables. 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 were as follows:

	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Fair value interest rate risk			
Financial assets	\$ 412,303	\$ 725,710	\$ 496,388
Financial liabilities	715,928	767,785	804,743
Cash flow interest rate risk			
Financial assets	225,212	69,287	58,624
Financial liabilities	1,573,020	1,623,387	1,403,735

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.

With all other variables held constant, a 0.5% increase/decrease in market interest rates would increase/decrease the Group's loss before tax for the period by NT\$3,370 thousand for the six months ended June 30, 2026, and decrease/increase the Group's loss before tax by NT\$3,363 thousand for the six months ended June 30, 2025.

(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 agency.

The Group's credit risk by geographic region is mainly concentrated in mainland China and accounted for approximately 75%, 65% and 73% of total accounts receivable as of June 30, 2026, December 31, 2025 and June 30, 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 interest and principal cash flows.

June 30, 2026

	<u>Less than 1 Year</u>	<u>1-5 Years</u>	<u>Over 5 Years</u>
<u>Non-derivative financial liabilities</u>			
Non-interest- bearing liabilities	\$ 327,278	\$ -	\$ -
Lease liabilities	11,513	18,134	-
Floating-rate liabilities	230,276	1,383,975	60,418
Fixed-rate liabilities	<u>296,025</u>	<u>408,470</u>	<u>-</u>
	<u>\$ 865,092</u>	<u>\$ 1,810,579</u>	<u>\$ 60,418</u>

December 31, 2025

	<u>Less than 1 Year</u>	<u>1-5 Years</u>	<u>Over 5 Years</u>
<u>Non-derivative financial liabilities</u>			
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	<u>351,630</u>	<u>403,330</u>	<u>-</u>
	<u>\$ 874,264</u>	<u>\$ 1,864,995</u>	<u>\$ 62,251</u>

June 30, 2025

	<u>Less than 1 Year</u>	<u>1-5 Years</u>	<u>Over 5 Years</u>
<u>Non-derivative financial liabilities</u>			
Non-interest- bearing liabilities	\$ 235,867	\$ -	\$ -
Lease liabilities	14,341	24,466	-
Floating-rate liabilities	31,652	1,439,213	58,344
Fixed-rate liabilities	<u>395,248</u>	<u>383,857</u>	<u>-</u>
	<u>\$ 677,108</u>	<u>\$ 1,847,536</u>	<u>\$ 58,344</u>

2) Financing facilities

	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Unsecured financing facilities			
Amount drawn	\$ 814,779	\$ 960,056	\$ 781,790
Amount available	<u>1,361,431</u>	<u>1,290,820</u>	<u>1,270,138</u>
	<u>\$ 2,176,210</u>	<u>\$ 2,250,876</u>	<u>\$ 2,051,928</u>
Secured financing facilities			
Amount drawn	\$ 1,447,224	\$ 1,398,336	\$ 1,392,601
Amount available	<u>188,074</u>	<u>237,179</u>	<u>233,482</u>
	<u>\$ 1,635,298</u>	<u>\$ 1,635,515</u>	<u>\$ 1,626,083</u>

24. RELATED PARTY TRANSACTIONS

USI Corporation has control over the operations of the Company, so USI is the parent company of the Company. As of June 30, 2026, and December 31 and June 30, 2025, 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, 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

<u>Name of Related Party</u>	<u>Relationship with the Group</u>
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
Taiwan VCM Corporation (TVCM)	Fellow subsidiary
Swanson Plastics Corporation (SPC)	Fellow subsidiary
Swanson Technologies Corporation (STC)	Fellow subsidiary
Swanson Plastics (Kunshan) Co., Ltd. (SPK)	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 June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Associate				
USIO	\$ <u>171</u>	\$ <u>163</u>	\$ <u>342</u>	\$ <u>163</u>

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 June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Fellow subsidiary				
SPK	\$ 88	\$ -	\$ 154	\$ -
Associate				
USIO	<u>2,775</u>	<u>3,171</u>	<u>6,060</u>	<u>4,056</u>
	<u>\$ 2,863</u>	<u>\$ 3,171</u>	<u>\$ 6,214</u>	<u>\$ 4,056</u>

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	June 30, 2026	December 31, 2025	June 30, 2025
Accounts receivable from related parties	Associate			
	USIO	\$ <u>181</u>	\$ <u>-</u>	\$ <u>167</u>
Other receivables from related parties	Fellow subsidiary			
	SPK	\$ 1,930	\$ 1,675	\$ -
	SPC	281	3,321	2,116
	STC	-	153	-
	Associate			
	USIO	<u>594</u>	<u>413</u>	<u>3,307</u>
		<u>\$ 2,805</u>	<u>\$ 5,562</u>	<u>\$ 5,423</u>

e. Payables to related parties

<u>Account</u>	<u>Related Party Category/Name</u>	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Accounts payable to related parties	Fellow subsidiary			
	SPK	\$ 46	\$ 52	\$ -
	Associate			
	USIO	<u>1,911</u>	<u>2,788</u>	<u>1,328</u>
		<u>\$ 1,957</u>	<u>\$ 2,840</u>	<u>\$ 1,328</u>

<u>Account</u>	<u>Related Party Category/Name</u>	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Other payables to related parties	Parent company			
	USI	\$ 29	\$ 58	\$ 135
	Fellow subsidiary			
	SPC	16	803	1,423
	UM	23	14	12
	CGPC	-	-	7
	Associate			
	USIO	<u>6,448</u>	<u>546</u>	<u>-</u>
		<u>\$ 6,516</u>	<u>\$ 1,421</u>	<u>\$ 1,577</u>

f. Acquisition of property, plant and equipment

<u>Related Party Category/Name</u>	<u>Acquisition Cost</u>	
	<u>Six Months Ended June 30</u>	
	<u>2026</u>	<u>2025</u>
Associate		
USIO	<u>\$ 40,104</u>	<u>\$ -</u>

In February 2026, the Company signed a contract with USI Optronics Corporation to purchase equipment totaling NT\$42,000 thousand. As of June 30, 2026, part of the machinery has been delivered but had not yet been accepted. Construction in progress and equipment to be accepted amount to NT\$27,300 thousand. The Company expects to complete the transaction by September 2026. As of December 31 and June 30, 2025, prepayments for equipment, amounted to NT\$30,000 thousand and NT\$16,000 thousand, respectively.

g. Acquisition of other assets

<u>Related Party Category/Name</u>	<u>Account</u>	<u>Acquisition Cost</u>	
		<u>Six Months Ended June 30</u>	
		<u>2026</u>	<u>2025</u>
Associate			
USIO	Intangible assets	<u>\$ 9,000</u>	<u>\$ -</u>

h. Other related party transactions

Account	Related Party Category/Name	Three Months Ended June 30		Six Months Ended June 30	
		2026	2025	2026	2025
Management service fee income (included in non-operating income and expenses)	Fellow subsidiary				
	SPC	(\$ 1,962)	\$ 2,566	\$ 647	\$ 5,467
	SPM	57	-	115	-
	Associate				
	USIO	<u>340</u>	<u>410</u>	<u>340</u>	<u>410</u>
		(\$ 1,565)	\$ 2,976	\$ 1,102	\$ 5,877
Management service fee expenditures (included in operating expenses)	Parent company				
	USI	\$ -	\$ 65	\$ -	\$ 131
	Fellow subsidiary				
	UM	2,691	2,197	5,765	5,238
	SPC	<u>15</u>	<u>1,311</u>	<u>1,963</u>	<u>2,917</u>
		\$ 2,706	\$ 3,573	\$ 7,728	\$ 8,286
Rent expenses (included in operating costs and operating expenses)	Parent company				
	USI	\$ 767	\$ 745	\$ 1,533	\$ 1,489
	Fellow subsidiary				
	APC	135	116	273	232
	SPC	<u>75</u>	<u>-</u>	<u>150</u>	<u>-</u>
		\$ 977	\$ 861	\$ 1,956	\$ 1,721

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

Accounting Subject	Related Party Category/Name	Three Months Ended June 30		Six Months Ended June 30	
		2026	2025	2026	2025
Donation expenses (included in operating expenses)	Other related parties				
	USIF	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>
Other expenses (included in operating costs and operating expenses)	Fellow subsidiary				
	SPC	\$ -	\$ 3,013	\$ 51	\$ 3,122
	TVCM	-	3	-	3
	Associate				
	USIO	<u>1,170</u>	<u>21</u>	<u>2,333</u>	<u>56</u>
		\$ 1,170	\$ 3,037	\$ 2,384	\$ 3,181

Accounting Subject	Related Party Category/Name	Three Months Ended June 30		Six Months Ended June 30	
		2026	2025	2026	2025
Other income (included in non-operating income and expenses)	Associate USIO	\$ <u>117</u>	\$ <u>51</u>	\$ <u>162</u>	\$ <u>97</u>

i. Compensation of key management personnel

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Short-term employee benefits	\$ 7,274	\$ 5,324	\$ 12,746	\$ 10,156
Post-retirement benefits	<u>3,627</u>	<u>93</u>	<u>3,724</u>	<u>181</u>
	<u>\$ 10,901</u>	<u>\$ 5,417</u>	<u>\$ 16,470</u>	<u>\$ 10,337</u>

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:

	December 31,		
	June 30, 2026	2025	June 30, 2025
Time deposit (classified as refundable deposits)	\$ 6,000	\$ 7,700	\$ 7,700
Demand deposit (classified as refundable deposits)	4,676	4,472	4,093
Time deposits (classified as financial assets measured at amortized cost)	17,998	17,683	15,559
Property, plant, and equipment (carrying amount)	757,266	796,966	808,056
Right-of-use assets	<u>25,471</u>	<u>25,731</u>	<u>23,469</u>
	<u>\$ 811,411</u>	<u>\$ 852,552</u>	<u>\$ 858,877</u>

26. SIGNIFICANT CONTINGENT LIABILITY AND UNRECOGNIZED CONTRACTUAL COMMITMENTS

As of June 30, 2026, the Group had outstanding unused letters of credit issued for the purchase of machinery and equipment in the amount of NT\$6,183 thousand.

27. INFORMATION ON EXCHANGE RATE OF FOREIGN CURRENCY-DENOMINATED 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:

June 30, 2026				
	Foreign Currency (Thousands)	Exchange Rate	Functional Currency (Thousands)	New Taiwan Dollars (Thousands)
Financial assets				
Monetary items				
USD	\$ 12,805	31.850 (USD: NTD)	\$ 407,839	\$ 407,839
USD	3,870	6.8109 (USD: RMB)	26,360	123,270
USD	6,296	4.2160 (USD: MYR)	26,545	200,534
RMB	13,396	4.6763 (RMB: NTD)	62,646	62,646
Financial liabilities				
Monetary items				
USD	922	31.850 (USD: NTD)	29,378	29,378
USD	2,101	6.8109 (USD: RMB)	14,311	66,923
USD	1,648	4.2160 (USD: MYR)	6,948	52,490
RMB	23,826	4.6763 (RMB: NTD)	111,419	111,419
December 31, 2025				
	Foreign Currency (Thousands)	Exchange Rate	Functional Currency (Thousands)	New Taiwan Dollars (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
June 30, 2025				
	Foreign Currency (Thousands)	Exchange Rate	Functional Currency (Thousands)	New Taiwan Dollars (Thousands)
Financial assets				
Monetary items				
USD	\$ 8,457	29.3000 (USD: NTD)	\$ 247,786	\$ 247,786
USD	2,972	7.1586 (USD: RMB)	21,277	87,086
USD	6,373	4.3793 (USD: MYR)	27,908	186,721
RMB	18,634	4.0930 (RMB: NTD)	76,268	76,268

June 30, 2025				
	Foreign Currency (Thousands)	Exchange Rate	Functional Currency (Thousands)	New Taiwan Dollars (Thousands)
Financial liabilities				
<u>Monetary items</u>				
USD	859	29.3000 (USD: NTD)	25,155	25,155
USD	510	7.1586 (USD: RMB)	3,649	14,937
USD	1,347	4.3793 (USD: MYR)	5,901	39,481
RMB	17,890	4.0930 (RMB: NTD)	73,226	73,226

The net foreign exchange gains or losses (realized and unrealized) of the Group from April 1 to June 30, 2026 and 2025, from January 1 to June 30, 2026 and 2025 were losses of NT\$6,096 thousand, NT\$35,974 thousand, NT\$2,172 thousand, and NT\$31,988 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.

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 amounting to NT\$100 million or 20% of paid-in capital or more: Table 4.
- (6) Others - intercompany relationships and significant intercompany transactions: Table 7.

b. Information on Reinvestment: Table 5.

c. Information on Investments in Mainland China:

- (1) Information on investments 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 6.

- (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 the related payables at the end of the period: Table 7.
 - 2) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period: Table 7.
 - 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 the current profit or loss or financial situation, such as the provision or acceptance of services: Table 7.

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 SIX MONTHS ENDED JUNE 30, 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 Actually Drawn (Notes 3 and 4)	Interest rates	Nature for Financing (Note 2)	Transactions 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 from related parties	Yes	\$ 140,289	\$ 140,289	\$ 51,439	3.00%	2	\$ -	Business turnover	\$ -	—	—	\$ 439,762	\$ 439,762	

Note 1: The total amount of external 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 June 30, 2026.

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

- (1) Please enter “1” for transactions arising from business dealings.
- (2) Please enter “2” for short-term financing.

Note 3: Foreign currency amount are translated into NT dollars using the spot exchange rate of June 30, 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 SIX MONTHS ENDED JUNE 30, 2026

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

TABLE 2

No.	Endorser/ Guarantor Provider	Endorsee/Guarantee		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
		Company Name	Relationship											
1	ACME (MA)	ACME Ferrite	Subsidiaries of ACME (MA)	\$ 762,765	\$ 144,407	\$ 140,393	\$ 96,413	None	12.88%	\$ 871,731	Y	N	N	
1	ACME (MA)	ACME Advanced	Subsidiaries of ACME (MA)	762,765	7,770	7,554	7,554	None	0.69%	871,731	Y	N	N	

Note 1: The rates were calculated by the equity of ACME as of June 30, 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 endorsement/guarantee were calculated based on the equity of ACME (MA) as of June 30, 2026.

Note 3: Foreign currency amounts are translated based on the spot exchange rate of June 30, 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 SIX MONTHS ENDED JUNE 30, 2026

(Amounts in Thousands of New Taiwan Dollars)

TABLE 3

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transactions (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)	\$ 227,484	44%	55 days	\$ -	—	(\$ 111,325)	63%	Note 2
Acme Electronics (GZ)	The Company	Subsidiaries of GAEL	Sales (including processing fees)	(227,484)	34%	55 days	-	—	111,325	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
RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
JUNE 30, 2026
(Amounts in Thousands of New Taiwan Dollars)

TABLE 4

Company Name	Related Party	Nature of Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
Acme Electronics (GZ)	The Company	Subsidiaries of GAEL	Accounts receivable from related parties \$ 111,325	2.31	\$ -	—	\$ 45,037	Note 1

Note 1: No impairment losses were recognized after assessment.
 Note 2: All intercompany transactions have been eliminated in the consolidated financial statements.

Acme Electronics Corporation and Subsidiaries

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

FOR THE SIX MONTHS ENDED JUNE 30, 2026

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

TABLE 5

Investor Company	Investee Company	Location	Main Business and Products	Original Investment Amount (Note 2)		Balance as of June 30, 2026			Net Income (Losses) of the Investee (Note 3)	Share of Profits/Losses of Investee (Note 3)	Note
				June 30, 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	Investment holding	\$ 1,108,637	\$ 1,108,637	43,887,521	60.10%	\$ 1,080,698	(\$ 42,790)	(\$ 25,717)	
	GAEL	CITCO Building, Wickhams Cay Road Town, Tortola, British Virgin Islands	Investment holding	669,072	669,072	20,800,000	100%	1,103,022	23,071	23,071	
	USIO	12F, No. 37, Jihu Rd., Neihsu Dist., Taipei City	Manufacturing and sales of sapphire single crystal	646,200	646,200	22,064,224	34%	2,285	28,682	(2,817)	
ACME (Cayman)	ACME (MA)	Plot 15,Jalan Industri 6 Kawasan Perindustrian Jelapang II(ZPB) Jelapang 30020 Ipoh, Perak, Malaysia.	Investment holding	760,928	760,928	96,808,000	100%	1,099,062	(43,769)	-	
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 core	286,799	286,799	9,120,000	100%	779,385	(20,588)	-	
	ACME Advanced	Lot 187100 & Part of Lot 187101, Jalan Industri 3, Kawasan Perindustrian Jelapang II (ZPB), Jelapang 30020 Ipoh, Perak, Malaysia.	Manufacturing and sales of silicon carbide	409,514	409,514	54,208,000	100%	310,622	(22,813)	-	

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

Note 2: The foreign currency amount are translated based on the spot exchange rate of June 30, 2026.

Note 3: The amounts are calculated based on the average exchange rate for the six months ended June 30, 2026.

Note 4: Refer to Table 6 for relevant information on investment in mainland China.

Acme Electronics Corporation and Subsidiaries

INFORMATION ON INVESTMENTS IN MAINLAND CHINA

FOR THE SIX MONTHS ENDED JUNE 30, 2026

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

TABLE 6

Investee Company	Main Business and Products	Total Amount of Paid-in Capital (Note 6)	Method of Investment	Accumulated Outward of Investment from Taiwan as of January 1, 2026 (Note 4)	Investments Flows		Accumulated Outward of Investment from Taiwan as of June 30, 2026 (Note 4)	Net Income of Investee Company (Note 5)	Percentage of Ownership	Share of Profits/Losses(Notes 3, 5 and 7)	Carrying Amount as of Balance as of June 30, 2026 (Notes 6 and 7)	Accumulated Inward Remittance of Earnings as of June 30, 2026
					Outflow	Inflow						
ACME Electronics (KS)	Manufacturing and sales of soft ferrite core	\$ 978,591	Indirect investment via ACME (Cayman).	\$ 374,188	\$ -	\$ -	\$ 374,188	\$ 1,404	60.10%	\$ 844	\$ 410,595	\$ -
Acme Electronics (GZ)	Manufacturing and sales of soft ferrite core	611,520	Indirect investment via GAEL.	619,676	-	-	619,676	23,323	100%	23,323	1,099,405	-

Accumulated Investment in Mainland China as of June 30, 2026	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
\$ 966,456 (Notes 2 and 6)	\$ 1,166,761 (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 approval 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 six months ended June 30, 2026.
- Note 6: The amount was translated based on the spot exchange rate as of June 30, 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 SIX MONTHS ENDED JUNE 30, 2026

(Amounts in Thousands of New Taiwan Dollars)

TABLE 7

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	\$ 61,863	55 days after the end of each month for both purchase and sales	3.54%
0	The Company	Acme Electronics (GZ)	1	Sales revenue	69,432	55 days after the end of each month for both purchase and sales	3.98%
0	The Company	ACME Electronics (KS)	1	Cost of goods sold	66,888	55 days after the end of each month for both purchase and sales	3.83%
0	The Company	Acme Electronics (GZ)	1	Processing costs (included in cost of goods sold)	225,348	—	12.91%
0	The Company	ACME Electronics (KS)	1	Royalty revenue	14,051	—	0.81%
0	The Company	ACME Electronics (KS)	1	Accounts receivable from related parties	31,002	55 days after the end of each month for both purchase and sales	0.55%
0	The Company	Acme Electronics (GZ)	1	Accounts receivable from related parties	25,808	55 days after the end of each month for both purchase and sales	0.45%
0	The Company	ACME Electronics (KS)	1	Other receivables from related parties	16,240	—	0.29%
0	The Company	Acme Electronics (GZ)	1	Other receivables from related parties	14,579	—	0.26%
0	The Company	Acme Electronics (GZ)	1	Notes and accounts payable to related parties	111,325	55 days after the end of each month for both purchase and sales	1.96%
0	The Company	ACME Electronics (KS)	1	Notes and accounts payable to related parties	22,635	55 days after the end of each month for both purchase and sales	0.40%
3	ACME Electronics (KS)	Acme Electronics (GZ)	3	Sales revenue	33,916	55 days after the end of each month for both purchase and sales	1.94%
3	ACME Electronics (KS)	Acme Electronics (GZ)	3	Cost of goods sold	17,876	55 days after the end of each month for both purchase and sales	1.02%
3	ACME Electronics (KS)	Acme Electronics (GZ)	3	Accounts receivable from related parties	23,608	55 days after the end of each month for both purchase and sales	0.42%
3	ACME Electronics (KS)	Acme Electronics (GZ)	3	Other payables to related parties	51,728	—	0.91%
3	ACME Electronics (KS)	ACME Ferrite	3	Sales revenue	37,764	55 days after the end of each month for both purchase and sales	2.16%
3	ACME Electronics (KS)	ACME Ferrite	3	Accounts receivable from related parties	15,376	55 days after the end of each month for both purchase and sales	0.27%

Note 1: Parent to subsidiary.

Note 2: Subsidiary to parent.

Note 3: Between subsidiaries.

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