

**APEX INTERNATIONAL CO., LTD. AND
SUBSIDIARIES**

Consolidated Financial Statements

**With Independent Auditors' Review Report
For the Three Months Ended March 31, 2025 and 2024**

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The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

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Independent Auditors' Review Report

To the Board of Directors of Apex International Co., Ltd.:

Introduction

We have reviewed the accompanying consolidated balance sheets of Apex International Co., Ltd. and its subsidiaries ("the Group") as of March 31, 2025 and 2024, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2025 and 2024, and notes of the consolidated financial statements, including a summary of material accounting policies. 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 reviews.

Scope of Review

We conducted our reviews in accordance with the Standard on Review Engagements 2410, "Review of Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. A review of the 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 conducted in accordance with the Standards on Auditing of the Republic of China 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 do not express an audit opinion.

Conclusion

Based on our reviews, nothing has come to our attention that causes 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 March 31, 2025 and 2024, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2025 and 2024 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 Chao, Min-Ju and Chang, Chun-I.

KPMG

Taipei, Taiwan (Republic of China)

May 9, 2025

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with the 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 accepted and applied in the Republic of China.

The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

March 31, 2025, December 31, 2024, and March 31, 2024

(Expressed in Thousands of New Taiwan Dollar)

		March 31, 2025		December 31, 2024		March 31, 2024				March 31, 2025		December 31, 2024		March 31, 2024	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
11xx	Assets							21xx	Liabilities and Equity						
	Current assets:								Current liabilities:						
1100	Cash and cash equivalents (notes 6(a) and 8)	\$ 760,466	4	530,763	3	523,294	3	2100	Short-term loans (notes 6(h), (k), 7, 8 and 9)	\$ 2,059,306	10	1,938,954	10	1,900,759	11
1110	Financial assets at fair value through profit or loss							2120	Financial liabilities at fair value through profit or						
	— current (notes 6(a), (b) and 8)	3,576	-	2,219	-	4,199	-		loss— current (notes 6(a), (b) and 8)	4,583	-	1,077	-	7,839	-
1136	Financial assets measured at amortized cost							2170	Accounts payable	3,207,070	16	2,140,236	11	2,485,423	14
	(notes 6(d) and 8)	15,927	-	30,087	-	-	-	2200	Other payables	541,791	3	458,908	2	553,406	3
1150	Notes receivable, net (notes 6(e) and (r))	-	-	3,559	-	1,015	-	2213	Payable for machinery and equipment	375,436	2	580,171	3	300,382	2
1170	Accounts receivable, net (notes 6(e) and (r))	3,169,146	16	3,399,513	17	2,621,661	15	2230	Current tax liabilities	-	-	-	-	79	-
1200	Other receivables (note 6(f))	204,456	1	125,132	1	115,689	1	2280	Current lease liabilities (notes 6(i) and (m))	57,507	-	56,223	-	44,354	-
1220	Current income tax assets	61	-	61	-	-	-	2322	Long-term loans, current portion (notes 6(a), (h),						
130x	Inventories (note 6(g))	2,640,702	13	2,138,595	11	2,532,464	14		(l), 7 and 8)	2,420,783	12	5,970,435	31	2,183,042	12
1470	Other current assets	77,532	-	63,580	-	66,967	-	2399	Other current liabilities	48,296	-	45,789	-	29,220	-
	Total current assets	<u>6,871,866</u>	<u>34</u>	<u>6,293,509</u>	<u>32</u>	<u>5,865,289</u>	<u>33</u>		Total current liabilities	<u>8,714,772</u>	<u>43</u>	<u>11,191,793</u>	<u>57</u>	<u>7,504,504</u>	<u>42</u>
15xx	Non-current assets:							25xx	Non-Current liabilities:						
1517	Financial assets at fair value through other							2540	Long-term loans (notes 6(a), (h), (l), 7 and 8)	4,581,755	23	1,272,005	7	3,570,399	20
	comprehensive income— non-current (note							2570	Deferred tax liabilities	42,914	-	41,964	-	39,445	-
	6(c))	14,971	-	-	-	-	-	2580	Non-current lease liabilities (notes 6(i) and (m))	83,174	1	91,717	1	82,572	1
1600	Property, plant and equipment (notes 5, 6(h), (j),							2612	Long-term payable	4,505	-	6,167	-	9,304	-
	(k), (l), 8 and 9)	12,754,958	64	12,616,921	65	11,400,600	64	2670	Other non-current liabilities (note 6(n))	58,878	-	53,158	-	69,687	-
1755	Right-of-use assets (notes 6(i) and (m))	135,938	1	143,450	1	123,093	1		Total non-current liabilities	<u>4,771,226</u>	<u>24</u>	<u>1,465,011</u>	<u>8</u>	<u>3,771,407</u>	<u>21</u>
1780	Intangible assets (notes 6(h) and (j))	196,155	1	187,781	1	185,813	1	2xxx	Total liabilities	<u>13,485,998</u>	<u>67</u>	<u>12,656,804</u>	<u>65</u>	<u>11,275,911</u>	<u>63</u>
1840	Deferred tax assets	48,768	-	47,687	-	38,944	-	31xx	Equity attributable to owners of the Company						
1915	Prepayments for equipment (note 6(h))	83,015	-	113,770	1	131,669	1		(note 6(p)):						
1920	Refundable deposits	8,212	-	7,815	-	7,978	-	3110	Common stock	2,199,380	11	2,199,380	11	1,899,380	11
1980	Other financial assest— non-current (notes 6(a),							3200	Capital surplus	3,299,784	16	3,299,784	17	2,405,304	14
	(b), (l) and 8)	33,648	-	31,983	-	10,253	-	3300	Retained earnings	1,035,627	5	1,329,435	7	2,809,075	16
	Total non-current assets	<u>13,275,665</u>	<u>66</u>	<u>13,149,407</u>	<u>68</u>	<u>11,898,350</u>	<u>67</u>	3410	Exchange differences on translation of foreign						
									financial statements	100,420	1	(69,180)	-	(655,170)	(4)
									Total equity attributable to owners of the Company	<u>6,635,211</u>	<u>33</u>	<u>6,759,419</u>	<u>35</u>	<u>6,458,589</u>	<u>37</u>
								36xx	Non-controlling interests	<u>26,322</u>	<u>-</u>	<u>26,693</u>	<u>-</u>	<u>29,139</u>	<u>-</u>
								3xxx	Total equity	<u>6,661,533</u>	<u>33</u>	<u>6,786,112</u>	<u>35</u>	<u>6,487,728</u>	<u>37</u>
1xxx	Total assets	<u>\$ 20,147,531</u>	<u>100</u>	<u>19,442,916</u>	<u>100</u>	<u>17,763,639</u>	<u>100</u>	2-3xxx	Total liabilities and equity	<u>\$ 20,147,531</u>	<u>100</u>	<u>19,442,916</u>	<u>100</u>	<u>17,763,639</u>	<u>100</u>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES**Consolidated Statements of Comprehensive Income****For the three months ended March 31, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollar, except for Earnings per Common Share)**

		For the three months ended March 31			
		2025		2024	
		Amount	%	Amount	%
4000	Operating revenue (note 6(r))	\$ 3,136,725	100	2,814,855	100
5000	Operating costs (notes 6(g), (h), (i), (j), (m), (n) and 12)	<u>2,985,755</u>	<u>95</u>	<u>2,625,974</u>	<u>93</u>
5900	Gross profit from operations	<u>150,970</u>	<u>5</u>	<u>188,881</u>	<u>7</u>
6000	Operating expenses (notes 6(e), (h), (i), (j), (m), (n), 7 and 12):				
6188	Selling expenses	181,447	6	198,028	7
6200	Administrative expenses	194,770	6	202,582	7
6300	Research and development expenses	9,178	-	22,233	1
6450	Expected credit loss (reversal of expected credit loss)	<u>(1,735)</u>	<u>-</u>	<u>(2,488)</u>	<u>-</u>
	Total operating expenses	<u>383,660</u>	<u>12</u>	<u>420,355</u>	<u>15</u>
6900	Operating loss	<u>(232,690)</u>	<u>(7)</u>	<u>(231,474)</u>	<u>(8)</u>
7000	Non-operating income and expenses (notes 6(b), (h), (m) and (t)):				
7100	Interest income	290	-	155	-
7010	Other income	12,663	-	11,102	-
7020	Other gains and losses	14,946	1	6,322	-
7050	Finance costs	<u>(89,984)</u>	<u>(3)</u>	<u>(71,210)</u>	<u>(2)</u>
	Total non-operating income and expenses	<u>(62,085)</u>	<u>(2)</u>	<u>(53,631)</u>	<u>(2)</u>
7900	Loss from continuing operations before tax	<u>(294,775)</u>	<u>(9)</u>	<u>(285,105)</u>	<u>(10)</u>
7951	Less: Income tax expenses (note 6(o))	<u>-</u>	<u>-</u>	<u>361</u>	<u>-</u>
8200	Net loss	<u>(294,775)</u>	<u>(9)</u>	<u>(285,466)</u>	<u>(10)</u>
8300	Other comprehensive income (loss):				
8360	Components of other comprehensive income that will be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	170,196	5	(161,720)	(6)
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
8300	Other comprehensive income	<u>170,196</u>	<u>5</u>	<u>(161,720)</u>	<u>(6)</u>
8500	Total comprehensive loss	<u>\$ (124,579)</u>	<u>(4)</u>	<u>(447,186)</u>	<u>(16)</u>
	Loss attributable to:				
8610	Owners of the Company	\$ (293,808)	(9)	(284,376)	(10)
8620	Non-controlling interests	<u>(967)</u>	<u>-</u>	<u>(1,090)</u>	<u>-</u>
		<u>\$ (294,775)</u>	<u>(9)</u>	<u>(285,466)</u>	<u>(10)</u>
	Comprehensive loss attributable to:				
8710	Owners of the Company	\$ (124,208)	(4)	(445,449)	(16)
8720	Non-controlling interests	<u>(371)</u>	<u>-</u>	<u>(1,737)</u>	<u>-</u>
		<u>\$ (124,579)</u>	<u>(4)</u>	<u>(447,186)</u>	<u>(16)</u>
	Deficits per share (expressed in New Taiwan dollars) (note 6(q))				
9750	Basic deficits per share	<u>\$ (1.34)</u>		<u>(1.50)</u>	
9850	Diluted deficits per share	<u>\$ (1.34)</u>		<u>(1.50)</u>	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES**Consolidated Statements of Changes in Equity****For the three months ended March 31, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollar)**

	Equity attributable to owners of parent					Exchange differences on translation of foreign financial statements	Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Common stock	Capital surplus	Special reserve	Retained earnings Unappropriated retained earnings (deficit yet to be compensated)	Total				
Balance at January 1, 2024	\$ 1,899,380	2,405,304	1,048,969	2,044,482	3,093,451	(494,097)	6,904,038	30,876	6,934,914
Net loss	-	-	-	(284,376)	(284,376)	-	(284,376)	(1,090)	(285,466)
Other comprehensive loss	-	-	-	-	-	(161,073)	(161,073)	(647)	(161,720)
Total comprehensive loss	-	-	-	(284,376)	(284,376)	(161,073)	(445,449)	(1,737)	(447,186)
Balance at March 31, 2024	\$ 1,899,380	2,405,304	1,048,969	1,760,106	2,809,075	(655,170)	6,458,589	29,139	6,487,728
Balance at January 1, 2025	\$ 2,199,380	3,299,784	1,048,969	280,466	1,329,435	(69,180)	6,759,419	26,693	6,786,112
Net loss	-	-	-	(293,808)	(293,808)	-	(293,808)	(967)	(294,775)
Other comprehensive income	-	-	-	-	-	169,600	169,600	596	170,196
Total comprehensive income (loss)	-	-	-	(293,808)	(293,808)	169,600	(124,208)	(371)	(124,579)
Balance at March 31, 2025	\$ 2,199,380	3,299,784	1,048,969	(13,342)	1,035,627	100,420	6,635,211	26,322	6,661,533

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES**Consolidated Statements of Cash Flows****For the three months ended March 31, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollar)**

	For the three months ended March 31	
	2025	2024
Cash flows from (used in) operating activities:		
Loss before tax	\$ (294,775)	(285,105)
Adjustments:		
Adjustments to reconcile loss:		
Depreciation expense	344,649	306,818
Amortization expense	5,860	5,482
Reversal of expected credit loss	(1,735)	(2,488)
Interest expense	89,984	71,210
Interest income	(290)	(155)
Loss (gain) on disposal of property, plant and equipment	(7,104)	95
Valuation losses on financial assets or liabilities, net	1,865	49,108
Loss of impairment on non-financial assets	4,356	3,971
Total adjustments to reconcile profit or loss	437,585	434,041
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets at fair value through profit or loss	664	(20,437)
Notes receivable	3,559	507
Accounts receivable	230,433	381,648
Other receivables	(79,324)	(11,662)
Inventories	(502,107)	(300,699)
Other current assets	(13,952)	(3,296)
Total changes in operating assets	(360,727)	46,061
Changes in operating liabilities:		
Financial liabilities at fair value through profit or loss	(377)	(3,462)
Accounts payable	1,066,834	573,558
Other payables	80,215	59,232
Other current liabilities	2,507	(8,290)
Other non-current liabilities	5,720	2,858
Total changes in operating liabilities	1,154,899	623,896
Total changes in operating assets and liabilities	794,172	669,957
Total adjustments	1,231,757	1,103,998
Cash inflow generated from operations	936,982	818,893
Interest received	290	155
Interest paid	(87,316)	(71,719)
Income taxes paid	-	(1,195)
Net cash flows from operating activities	849,956	746,134
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(14,971)	-
Proceeds from disposal of financial assets at amortised cost	14,522	-
Acquisition of property, plant and equipment	(335,656)	(334,618)
Proceeds from disposal of property, plant and equipment	7,844	-
Decrease (increase) in refundable deposits	(397)	139
Acquisition of intangible assets	(60)	(904)
Increase in other financial assets — non-current	(1,665)	(415)
Increase in prepayments for equipment	(35,524)	(45,785)
Net cash flows used in investing activities	(365,907)	(381,583)
Cash flows from (used in) financing activities:		
Increase in short-term loans	76,303	-
Decrease in short-term loans	-	(340,774)
Proceeds from long-term loans	370,846	385,873
Repayments of long-term loans	(750,130)	(450,412)
Payment of lease liabilities	(15,154)	(12,342)
Net cash flows used in financing activities	(318,135)	(417,655)
Effect of exchange rate changes on cash and cash equivalents	63,789	(65,531)
Net increase (decrease) in cash and cash equivalents	229,703	(118,635)
Cash and cash equivalents at beginning of period	530,763	641,929
Cash and cash equivalents at end of period	\$ 760,466	523,294

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

March 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollar, Unless Otherwise Specified)

(1) Company history

Apex International Co., Ltd. (the "Company") was established in the Cayman Islands on October 28, 2009. The main purpose of the establishment, which resulted from organizational restructuring, was to apply for emerging stock registration on the Taipei Exchange ("TPEX") in the Republic of China. After restructuring, the Company became the holding company of Apex Circuit (Thailand) Co., Ltd. ("APT"), which is located in Thailand, and became a listed company on the TPEX in the Republic of China ("R.O.C.") on October 18, 2011. The Company then changed its listing from the TPEX to the Taiwan Stock Exchange ("TWSE") in the R.O.C. on September 8, 2015. APT mainly manufactures and sells electronic printed circuit boards. For the related information, please refer to note 14 of the consolidated financial statements. The Company and its subsidiaries are hereinafter referred to as the Group.

(2) Approval date and procedures of the consolidated financial statements:

The consolidated financial statements were authorized for issuance by the Board of Directors on May 9, 2025.

(3) New standards, amendments and interpretations adopted:

- (a) The impact of the IFRS Accounting Standards endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2025:

- Amendments to IAS21 "Lack of Exchangeability"
- Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" regarding the application guidance requirements for Section 4.1 of IFRS 9 and the related disclosure requirements of IFRS 7

(Continued)

APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (b) The impact of IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	<p>The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.</p> <ul style="list-style-type: none"> • A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. • Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. • Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes. 	January 1, 2027

(Continued)

APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

The Group is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” regarding the application guidance requirements for Sections 3.1 and 3.3 of IFRS 9 and the related disclosure requirements of IFRS 7
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

(4) Summary of material accounting policies:

Except the accounting policies mentioned below, the material accounting policies adopted in the financial statements are the same as those in the financial statements for the year ended December 31, 2024. For related information, please refer to note 4 of the financial statements for the year ended December 31, 2024.

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the preparation and guidelines of IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by FSC, and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, International Financial Reporting Interpretations Committee (“IFRIC”) and Standing Interpretations Committee (“SIC”) Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRS Accounting Standards endorsed by the FSC) for a complete set of the annual consolidated financial statements.

(b) Basis of consolidation

Principles of preparation of the consolidated financial statements are the same as those of the consolidated financial statements for the year ended December 31, 2024. For the related information, please refer to note 4(c) of the consolidated financial statements for the year ended December 31, 2024.

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APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

List of subsidiaries in the consolidated financial statements is as follows:

Name of investor	Name of subsidiary	Business activities	Percentage of ownership (%)			Note
			March 31, 2025	December 31, 2024	March 31, 2024	
The Company	Apex Circuit (Thailand) Co., Ltd. (APT)	PCB manufacturing and sales	99.65 %	99.65 %	99.60 %	(Note)
The Company	Approach Excellence Trading Ltd. (incorporated in British Virgin Islands) (AET)	Supply chain integration	100.00 %	100.00 %	100.00 %	
APT	Shye Feng Enterprise (Thailand) Co., Ltd. (APS)	PCB manufacturing and sales	99.99 %	99.99 %	99.99 %	
APT	Apex IPO (Dong Guan) Ltd. (APC)	Supply chain integration	100.00 %	100.00 %	100.00 %	
APS	Shye Feng (Singapore) Pte. Ltd. (APSS)	PCB sales development	100.00 %	100.00 %	100.00 %	

Note: The Company's Board of Directors resolved to participate in APT's capital increase and issuance of new shares on October 14, 2024. APT plans to issue 238,000 thousand shares at THB 52.5 per share, with a par value of THB 10 per share. As the minority shareholders waived their subscription, the Company subscribed the entire new shares issued and made the full payment on November 8, 2024. APT completed the registration of new shares with the local government on November 7, 2024.

Subsidiaries which are not included in the consolidated financial statements: None.

(c) Employee benefits

The pension cost in the interim period was calculated and disclosed on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year and adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-time events.

(d) Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of International Financial Reporting Standards 34, Interim Reporting.

Income tax expenses for the period are measured by multiplying together the pre-tax income for the interim reporting period and the management's best estimate of effective annual tax rate. This should be recognized fully as tax expense for the current period.

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled and be recognized directly in equity or other comprehensive income as tax expense.

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APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

The preparation of the consolidated financial statements in conformity with the Regulations and IAS 34 "Interim Financial Reporting" endorsed by the FSC requires management to make judgments, and estimates about the future, including climate-related risks and opportunities, that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The preparation of the consolidated financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2024. For related information, please refer to note 5 of the consolidated financial statements for the year ended December 31, 2024.

(6) Explanation of significant accounts:

Except for the following, the preparation of the consolidated financial statements are in conformity with the consolidated financial statements for the year ended December 31, 2024. For the related information, please refer to note 6 of the consolidated financial statements for the year ended December 31, 2024.

(a) Cash and cash equivalents

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Cash	\$ 1,734	1,498	3,851
Demand deposits	751,842	526,160	481,619
Checking deposits	6,890	850	6,542
Time deposits	<u>-</u>	<u>2,255</u>	<u>31,282</u>
Cash and cash equivalents in the consolidated statement of cash flows	<u>\$ 760,466</u>	<u>530,763</u>	<u>523,294</u>

Reserve account deposits that are not highly liquid and cannot be readily converted to a known amount of cash, or the values of which are subject to fluctuation, are listed under other financial assets—non-current as follows:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Restricted bank deposit	<u>\$ 33,648</u>	<u>31,983</u>	<u>10,253</u>

Please refer to note 8 for more information on the collateral for derivative instruments not used for hedging and long-term loans.

Please refer to note 6(u) for the disclosure of interest rate risks and sensitivity analysis of the Group's financial assets and liabilities °

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APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES
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(b) Financial assets and liabilities at fair value through profit or loss

(i) Financial assets at fair value through profit or loss — current

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Financial assets held-for-trading:			
Derivative instruments not used for hedging			
Forward exchange contracts	\$ <u>3,576</u>	<u>2,219</u>	<u>4,199</u>

(ii) Financial liabilities at fair value through profit or loss — current

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Financial liabilities held-for-trading:			
Derivative instruments not used for hedging			
Forward exchange contracts	\$ <u>4,583</u>	<u>1,077</u>	<u>7,839</u>

Please refer to note 6(t) for the amounts recognized in the consolidated statements of comprehensive income that resulted from remeasurement at fair value.

The Group uses derivative financial instruments to hedge certain foreign exchange risk the Group is exposed to arising from its operating, financing, and investing activities. As these derivative financial instruments did not qualify for hedge accounting, the Group held the following derivative financial instruments as held-for-trading financial assets (liabilities) as of March 31, 2025, December 31, 2024, and March 31, 2024.

Forward exchange contracts:

<u>March 31, 2025</u>					<u>Fair value of assets (liabilities)</u>
	<u>Amount (in thousands)</u>	<u>Currency</u>	<u>Maturity dates</u>		
Forward exchange purchased	USD 12,000	USD to THB	2025.4.30 ~2025.9.26		\$ 3,574
Forward exchange purchased	CNY 1,000	CNY to THB	2025.6.12		<u>2</u>
Total					<u>\$ 3,576</u>
Forward exchange purchased	USD 12,000	USD to THB	2025.6.26~ 2025.9.5		\$ (4,429)
Forward exchange purchased	CNY 3,000	CNY to THB	2025.6.23~ 2025.9.29		(154)
Total					<u>\$ (4,583)</u>

(Continued)

APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES
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December 31, 2024					Fair value of assets (liabilities)
	Amount (in thousands)	Currency	Maturity dates		
Forward exchange purchased	USD 7,000	USD to THB	2025.4.30 ~2025.5.2	\$	<u><u>2,219</u></u>
Forward exchange purchased	USD 2,000	USD to THB	2025.6.26	\$	(539)
Forward exchange purchased	CNY 6,000	CNY to THB	2025.3.11~ 2025.6.23		(538)
Total				\$	<u><u>(1,077)</u></u>

March 31, 2024					Fair value of assets (liabilities)
	Amount (in thousands)	Currency	Maturity dates		
Forward exchange purchased	USD 2,000	USD to THB	2024.7.5	\$	4,179
Forward exchange purchased	CNY 900	CNY to THB	2024.8.7		20
Total				\$	<u><u>4,199</u></u>
Forward exchange sold	USD 10,300	USD to THB	2024.4.9~ 2024.5.7	\$	<u><u>(7,839)</u></u>

Please refer to note 8 for more information on the collateral for derivative instruments not used for hedging.

(c) Financial assets at fair value through other comprehensive income

	March 31, 2025	December 31, 2024	March 31, 2024
Financial assets at fair value through other comprehensive income :			
Unlisted common shares	\$ <u><u>14,971</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

(i) Equity instrument investments at fair value through other comprehensive income

The Group designated the investments shown above as equity instruments at fair value through other comprehensive income because these equity instruments represent long-term strategic investments and are not held for trading purposes.

There were no disposals of strategic investments and transfers of any cumulative gain or loss within equity relating to these investment as of March 31, 2025.

(ii) For more information on market risk, please refer to note 6(u) .

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APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(d) Financial assets measured at amortized cost

	<u>March 31, 2025</u>	<u>December 31, 2024</u>
Time deposits with original maturity over three months	\$ -	14,352
Pledged time deposits	15,927	15,735
Total	<u>\$ 15,927</u>	<u>30,087</u>
Interest rate range (%)	<u>4.35</u>	<u>1.20~4.91</u>
Maturity date	<u>2025.4.23</u>	<u>2025.1.23~2025.4.29</u>

The Group has assessed that these financial assets are held to maturity to collect contrcash flows, which consist solely of payments of principal and interest on principal amount outstanding. Therefore, these investments were classified as financial assets measured at amortized cost.

For more information on credit risk, please refer to note 6(u).

As of March 31, 2023, the Group did not have financial assets measured at amortized cost.

(e) Notes receivable and accounts receivable

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Notes receivable	\$ -	3,559	1,015
Accounts receivable	3,243,478	3,473,911	2,673,638
Less: allowance for bad debt	<u>(74,332)</u>	<u>(74,398)</u>	<u>(51,977)</u>
	<u>\$ 3,169,146</u>	<u>3,403,072</u>	<u>2,622,676</u>

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, trade receivables have been grouped based on the regions that customers stand for, shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomics and relevant industry information.

The Group's analyses of the expected credit loss on its accounts receivable in the regions of Taiwan and Mainland China were as follows:

	March 31, 2025		
	Gross carrying amount	Weighted average loss rate (%)	Loss allowance provision
Not yet due	\$ 239,026	0.54	1,283
Past due 1~30 days	57,729	2.28	1,314
Past due 31~60 days	19,384	3.30	640
	\$ 316,139		3,237

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APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	December 31, 2024		
	Gross carrying amount	Weighted average loss rate (%)	Loss allowance provision
Not yet due	\$ 341,069	0.54	1,840
Past due 1~30 days	59,748	2.29	1,368
Past due 31~60 days	8,818	3.33	294
Past due 61~90 days	3,765	26.14	984
Past due 121~180 days	524	79.96	419
	\$ 413,924		4,905

	March 31, 2024		
	Gross carrying amount	Weighted average loss rate (%)	Loss allowance provision
Not yet due	\$ 214,008	0.52	1,122
Past due 1~30 days	17,658	2.41	425
Past due 31~60 days	4,869	3.82	186
Past due 61~90 days	14	14.29	2
Past due 91~120 days	192	55.73	107
Past due 121~180 days	1,487	89.85	1,336
Past due over 180 days	5,051	100.00	5,051
	\$ 243,279		8,229

The Group's analyses of the expected credit loss on its accounts receivable in the regions of Japan and Korea were as follows:

	March 31, 2025		
	Gross carrying amount	Weighted average loss rate (%)	Loss allowance provision
Not yet due	\$ 312,391	-	-
Past due 1~30 days	27,451	-	-
Past due 31~60 days	25,034	-	-
Past due 61~90 days	1,261	-	-
Past due 91~120 days	5	-	-
	\$ 366,142		-

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APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The accounts receivable above did not contain all the amounts that the Group has for a specific client. As the uncertainty of receiving such accounts receivable, the Group has fully recognized loss allowance of the total amount. Therefore, it is not included into expected credit loss calculation, and the total amount was \$11 thousand.

	December 31, 2024		
	Gross carrying amount	Weighted average loss rate (%)	Loss allowance provision
Not yet due	\$ 224,482	-	-
Past due 1~30 days	51,431	-	-
Past due 31~60 days	25,367	-	-
	\$ 301,280		-

The accounts receivable above did not contain all the amounts that the Group has for a specific client. As the uncertainty of receiving such accounts receivable, the Group has fully recognized loss allowance of the total amount. Therefore, it is not included into expected credit loss calculation, and the total amount was \$11 thousand.

	March 31, 2024		
	Gross carrying amount	Weighted average loss rate (%)	Loss allowance provision
Not yet due	\$ 325,692	-	-
Past due 1~30 days	23,542	-	-
Past due 31~60 days	667	-	-
Past due 61~90 days	4,909	-	-
Past due 91~120 days	5,014	-	-
Past due 121~180 days	6,751	-	-
	\$ 366,575		-

The Group's analyses of the expected credit loss on its accounts receivable in the region of India were as follows:

	March 31, 2025		
	Gross carrying amount	Weighted average loss rate (%)	Loss allowance provision
Past due over 180 days	\$ 2,119	100.00	2,119

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APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

December 31, 2024			
	Gross carrying amount	Weighted average loss rate (%)	Loss allowance provision
Past due over 180 days	<u>\$ 2,076</u>	100.00	<u>2,076</u>
March 31, 2024			
	Gross carrying amount	Weighted average loss rate (%)	Loss allowance provision
Past due over 180 days	<u>\$ 2,045</u>	100.00	<u>2,045</u>

The Group's analyses of the expected credit loss on its notes receivable and accounts receivable in other Asian region were as follows:

March 31, 2025			
	Gross carrying amount	Weighted average loss rate (%)	Loss allowance provision
Not yet due	\$ 1,706,919	-	-
Past due 1~30 days	219,635	-	-
Past due 31~60 days	14,234	-	-
Past due 61~90 days	2,720	14.45	393
Past due 91~120 days	1,356	25.00	339
Past due 121~180 days	1,691	49.79	842
Past due over 180 days	<u>1,716</u>	100.00	<u>1,716</u>
	<u>\$ 1,948,271</u>		<u>3,290</u>

The accounts receivable above did not contain all the amounts that the Group has for partial specific clients. As the uncertainty of receiving such accounts receivable, the Group has fully recognized loss allowance of the total amount. Therefore, it is not included into expected credit loss calculation, and the total amount was \$61,337 thousand.

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APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	December 31, 2024		
	Gross carrying amount	Weighted average loss rate (%)	Loss allowance provision
Not yet due	\$ 1,735,897	-	-
Past due 1~30 days	165,683	-	-
Past due 31~60 days	1,948	-	-
Past due 61~90 days	3,449	15.19	524
Past due 91~120 days	7,534	-	-
Past due 121~180 days	<u>1,675</u>	42.18	<u>706</u>
	<u>\$ 1,916,186</u>		<u>1,230</u>

The accounts receivable above did not contain all the amounts that the Group has for partial specific clients. As the uncertainty of receiving such accounts receivable, the Group has fully recognized loss allowance of the total amount. Therefore, it is not included into expected credit loss calculation, and the total amount was \$60,089 thousand.

	March 31, 2024		
	Gross carrying amount	Weighted average loss rate (%)	Loss allowance provision
Not yet due	\$ 1,486,587	-	-
Past due 1~30 days	148,336	-	-
Past due 31~60 days	22,084	-	-
Past due 91~120 days	47	-	-
Past due over 180 days	<u>69</u>	100.00	<u>69</u>
	<u>\$ 1,657,123</u>		<u>69</u>

The accounts receivable above did not contain all the amounts that the Group has for partial specific clients. As the uncertainty of receiving such accounts receivable, the Group has fully recognized loss allowance of the total amount. Therefore, it is not included into expected credit loss calculation, and the total amount was \$40,062 thousand.

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APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group's analyses of the expected credit loss on its accounts receivable in the Western region (Europe and America) were as follows:

	March 31, 2025		
	Gross carrying amount	Weighted average loss rate (%)	Loss allowance provision
Not yet due	\$ 417,661	0.21	880
Past due 1~30 days	121,984	1.00	1,219
Past due 31~60 days	5,943	5.55	330
Past due 61~90 days	43	16.28	7
Past due 91~120 days	915	31.15	285
Past due 121~180 days	2,172	40.33	876
Past due over 180 days	741	100.00	741
	\$ 549,459		4,338
	December 31, 2024		
	Gross carrying amount	Weighted average loss rate (%)	Loss allowance provision
Not yet due	\$ 666,090	0.22	1,444
Past due 1~30 days	108,158	1.02	1,104
Past due 31~60 days	1,876	5.81	109
Past due 61~90 days	3,808	15.26	581
Past due 91~120 days	1,351	31.24	422
Past due 121~180 days	291	33.33	97
Past due over 180 days	2,330	100.00	2,330
	\$ 783,904		6,087
	March 31, 2024		
	Gross carrying amount	Weighted average loss rate (%)	Loss allowance provision
Not yet due	\$ 279,720	0.18	503
Past due 1~30 days	44,896	0.62	279
Past due 31~60 days	34,388	1.78	611
Past due 61~90 days	6,565	2.73	179
	\$ 365,569		1,572

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APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES
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The movements in the allowance for losses of accounts receivable were as follows:

	For the three months ended March 31	
	2025	2024
Balance at the beginning	\$ 74,398	55,644
Gain on reversal of impairment	(1,735)	(2,488)
Foreign exchange gains	1,669	(1,179)
Balance at the ending	<u><u>\$ 74,332</u></u>	<u><u>51,977</u></u>

(f) Other receivables

	March 31, 2025	December 31, 2024	March 31, 2024
Other receivables	<u><u>\$ 204,456</u></u>	<u><u>125,132</u></u>	<u><u>115,689</u></u>

The Group did not have any past due other receivables as of March 31, 2025, December 31, 2024, and March 31, 2024.

For more information on credit risk, please refer to note 6(u).

(g) Inventories

	March 31, 2025		
	Cost	Allowance for loss	Net realizable value
Raw materials	\$ 974,659	(121,579)	853,080
Work in process	539,052	(32,961)	506,091
Finished goods	788,110	(155,841)	632,269
Supplies and spare parts	602,323	(68,127)	534,196
Goods in transit	112,472	-	112,472
Merchandise inventory	2,594	-	2,594
Total	<u><u>\$ 3,019,210</u></u>	<u><u>(378,508)</u></u>	<u><u>2,640,702</u></u>

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APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES
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	December 31, 2024		
	Cost	Allowance for loss	Net realizable value
Raw materials	\$ 738,100	(94,972)	643,128
Work in process	416,408	(32,986)	383,422
Finished goods	654,153	(150,158)	503,995
Supplies and spare parts	631,063	(70,199)	560,864
Goods in transit	43,296	-	43,296
Merchandise inventory	3,890	-	3,890
Total	<u>\$ 2,486,910</u>	<u>(348,315)</u>	<u>2,138,595</u>

	March 31, 2024		
	Cost	Allowance for loss	Net realizable value
Raw materials	\$ 857,381	(151,578)	705,803
Work in process	485,372	(28,287)	457,085
Finished goods	895,909	(213,974)	681,935
Supplies and spare parts	628,936	(48,618)	580,318
Goods in transit	103,146	-	103,146
Merchandise inventory	4,177	-	4,177
Total	<u>\$ 2,974,921</u>	<u>(442,457)</u>	<u>2,532,464</u>

For the three months ended March 31, 2025 and 2024, in addition to the costs of inventories recognized when inventories were sold, the following loss and revenue were included in the Group's operating costs:

	For the three months ended March 31	
	2025	2024
Allowance for inventory valuation and obsolescence losses	\$ 22,056	64,622
Revenue from sale of scrap	(126,152)	(93,976)
Loss on inventory write-off	-	37,644
Testing cost	774	5,913
Idle cost	73,765	82,989
Unallocated manufacturing expense	159,088	153,991
	<u>\$ 129,531</u>	<u>251,183</u>

As of March 31, 2025, December 31, 2024, and March 31, 2024, the Group did not pledge its inventory as collateral.

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APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES
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(h) Property, plant and equipment

The cost, depreciation, and impairment losses of the property, plant and equipment of the Group in the three months ended March 31, 2025 and 2024, were as follows:

		Land	Land improvement	Buildings	Machinery and equipment	Transportation equipment	Office equipment	Leasehold improvement	Construction in progress and equipment undergoing acceptance testing	Total
Cost:										
Balance at January 1, 2025	\$	1,012,425	14,393	5,174,284	13,410,870	21,132	903,939	24,016	1,590,261	22,151,320
Additions		-	-	51,960	21,691	-	4,915	-	50,693	129,259
Disposals		-	-	-	(140,212)	-	(2,274)	-	-	(142,486)
Reclassification (notes 1 and 2)		-	-	219,461	428,289	-	56,805	-	(645,917)	58,638
Translation effect		22,962	326	120,267	307,483	479	21,100	507	29,672	502,796
Balance at March 31, 2025	\$	<u>1,035,387</u>	<u>14,719</u>	<u>5,565,972</u>	<u>14,028,121</u>	<u>21,611</u>	<u>984,485</u>	<u>24,523</u>	<u>1,024,709</u>	<u>22,699,527</u>
Balance at January 1, 2024	\$	719,031	13,505	4,770,434	12,508,313	23,723	819,343	24,661	528,004	19,407,014
Additions		-	-	2,146	3,366	-	3,729	-	387,036	396,277
Disposals		-	-	-	(3,085)	(1,140)	(864)	-	-	(5,089)
Reclassification (notes 1 and 2)		-	-	38,260	100,099	-	-	-	(64,151)	74,208
Translation effect		(15,377)	(288)	(102,197)	(267,942)	(501)	(17,426)	(468)	(12,719)	(416,918)
Balance at March 31, 2024	\$	<u>703,654</u>	<u>13,217</u>	<u>4,708,643</u>	<u>12,340,751</u>	<u>22,082</u>	<u>804,782</u>	<u>24,193</u>	<u>838,170</u>	<u>19,455,492</u>
Accumulated depreciation and impairment losses:										
Balance at January 1, 2025	\$	-	11,039	1,875,337	6,976,758	19,778	630,228	21,259	-	9,534,399
Depreciation		-	372	69,626	231,305	246	27,073	719	-	329,341
Impairment loss		-	-	-	4,356	-	-	-	-	4,356
Disposals		-	-	-	(139,634)	-	(2,112)	-	-	(141,746)
Translation effect		-	255	44,792	157,751	451	14,518	452	-	218,219
Balance at March 31, 2025	\$	<u>-</u>	<u>11,666</u>	<u>1,989,755</u>	<u>7,230,536</u>	<u>20,475</u>	<u>669,707</u>	<u>22,430</u>	<u>-</u>	<u>9,944,569</u>
Balance at January 1, 2024	\$	-	8,859	1,477,853	5,904,862	21,483	500,351	18,951	-	7,932,359
Depreciation		-	358	61,636	207,955	247	23,480	697	-	294,373
Impairment loss		-	-	-	3,971	-	-	-	-	3,971
Disposals		-	-	-	(3,078)	(1,140)	(776)	-	-	(4,994)
Translation effect		-	(192)	(31,877)	(127,202)	(455)	(10,743)	(348)	-	(170,817)
Balance at March 31, 2024	\$	<u>-</u>	<u>9,025</u>	<u>1,507,612</u>	<u>5,986,508</u>	<u>20,135</u>	<u>512,312</u>	<u>19,300</u>	<u>-</u>	<u>8,054,892</u>
Carrying amount:										
Balance at January 1, 2025	\$	<u>1,012,425</u>	<u>3,354</u>	<u>3,298,947</u>	<u>6,434,112</u>	<u>1,354</u>	<u>273,711</u>	<u>2,757</u>	<u>1,590,261</u>	<u>12,616,921</u>
Balance at March 31, 2025	\$	<u>1,035,387</u>	<u>3,053</u>	<u>3,576,217</u>	<u>6,797,585</u>	<u>1,136</u>	<u>314,778</u>	<u>2,093</u>	<u>1,024,709</u>	<u>12,754,958</u>
Balance at March 31, 2024	\$	<u>703,654</u>	<u>4,192</u>	<u>3,201,031</u>	<u>6,354,243</u>	<u>1,947</u>	<u>292,470</u>	<u>4,893</u>	<u>838,170</u>	<u>11,400,600</u>

Note 1: The cost of \$68,505 thousand and \$74,928 thousand, respectively, were reclassified from prepayment for equipment for the three months ended March 31, 2025 and 2024.

2: The cost of \$9,867 thousand and \$720 thousand, respectively, were reclassified from equipment undergoing acceptance testing of property, plant and equipment to intangible assets for the three months ended March 31, 2025 and 2024.

Impairment Test:

- (i) As of March 31, 2025, the Group performed impairment test of a specific cash-generating unit due to the continuous losses generated from it.

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APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES
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- (ii) The recoverable amount of a cash-generating unit is based on its value in use. Value in use is determined by discounting the future cash flows arising from the continued use of the unit. The value in use calculation is based on the following key assumptions:
- 1) The estimated cash flows of the unit are based on past experience, actual operating results, the remaining useful life of the equipment, and corporate strategic plans for the followings ten years, and cash flows beyond the five year period are extrapolated using a growth rate of 3%.
 - 2) The Group estimated the pre-tax discount rate based on the weighted-average cost of capital. The discount rate as of March 31, 2025 was 12.90%.
 - 3) As of March 31, 2025, the Group estimated that the recoverable amount of the cash-generating unit was higher than the carrying amount, and therefore the Group did not recognize impairment losses.

The Group evaluated the majority of the idle machinery for impairment and estimated the differences between the book value and the recoverable amount. The impairment loss recognized was as follows:

	For the three months ended March 31	
	2025	2024
Loss of impairment	\$ <u>4,356</u>	<u>3,971</u>

The Group used the fair value, less selling cost, to calculate the recoverable amount as the basis to assess the impairment of the idle property, plant and equipment.

Please refer to note 6(t) for the amount of interest expenses capitalized.

Please refer to note 8 for more information on the collateral for loans.

(i) Right-of-use assets

The Group leases many assets including buildings, machinery and equipment, and transportation equipment. Information about leases for which the Group as a lessee is presented below:

	Buildings	Machinery and equipment	Transportation equipment	Office equipment	Total
Cost:					
Balance at January 1, 2025	\$ 214,352	128,765	83,190	1,425	427,732
Additions	-	755	4,044	-	4,799
Translation effect	4,357	2,929	1,930	32	9,248
Balance at March 31, 2025	<u>\$ 218,709</u>	<u>132,449</u>	<u>89,164</u>	<u>1,457</u>	<u>441,779</u>
Balance at January 1, 2024	\$ 173,658	107,588	69,342	1,337	351,925
Additions	-	1,822	666	-	2,488
Translation effect	(2,951)	(2,309)	(1,474)	(29)	(6,763)
Balance at March 31, 2024	<u>\$ 170,707</u>	<u>107,101</u>	<u>68,534</u>	<u>1,308</u>	<u>347,650</u>

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APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES
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	<u>Buildings</u>	<u>Machinery and equipment</u>	<u>Transportation equipment</u>	<u>Office equipment</u>	<u>Total</u>
Accumulated depreciation and impairment losses:					
Balance at January 1, 2025	\$ 131,018	89,075	62,815	1,374	284,282
Depreciation	8,231	4,362	2,715	-	15,308
Translation effect	2,699	2,067	1,454	31	6,251
Balance at March 31, 2025	<u>\$ 141,948</u>	<u>95,504</u>	<u>66,984</u>	<u>1,405</u>	<u>305,841</u>
Balance at January 1, 2024	\$ 99,543	67,309	48,168	1,289	216,309
Depreciation	6,037	3,601	2,807	-	12,445
Translation effect	(1,684)	(1,456)	(1,030)	(27)	(4,197)
Balance at March 31, 2024	<u>\$ 103,896</u>	<u>69,454</u>	<u>49,945</u>	<u>1,262</u>	<u>224,557</u>
Carrying amount:					
Balance at January 1, 2025	<u>\$ 83,334</u>	<u>39,690</u>	<u>20,375</u>	<u>51</u>	<u>143,450</u>
Balance at March 31, 2025	<u>\$ 76,761</u>	<u>36,945</u>	<u>22,180</u>	<u>52</u>	<u>135,938</u>
Balance at March 31, 2024	<u>\$ 66,811</u>	<u>37,647</u>	<u>18,589</u>	<u>46</u>	<u>123,093</u>

(j) Intangible assets

The cost, amortization, and impairment losses for the intangible assets of the Group for the three months ended March 31, 2025 and 2024, were as follows:

	<u>Goodwill</u>	<u>Operating procedure</u>	<u>Customer relationship</u>	<u>Software</u>	<u>Total</u>
Costs:					
Balance at January 1, 2025	\$ 119,768	3,127	40,999	201,602	365,496
Addition	-	-	-	60	60
Reclassification from property, plant and equipment	-	-	-	9,867	9,867
Translation effect	2,716	71	930	4,668	8,385
Balance at March 31, 2025	<u>\$ 122,484</u>	<u>3,198</u>	<u>41,929</u>	<u>216,197</u>	<u>383,808</u>
Balance at January 1, 2024	\$ 112,383	2,934	38,471	184,099	337,887
Addition	-	-	-	904	904
Reclassification from property, plant and equipment	-	-	-	720	720
Translation effect	(2,404)	(63)	(823)	(3,777)	(7,067)
Balance at March 31, 2024	<u>\$ 109,979</u>	<u>2,871</u>	<u>37,648</u>	<u>181,946</u>	<u>332,444</u>
Amortization and impairment losses:					
Balance at January 1, 2025	\$ -	3,127	20,500	154,088	177,715
Amortization	-	-	1,037	4,823	5,860
Translation effect	-	71	476	3,531	4,078
Balance at March 31, 2025	<u>\$ -</u>	<u>3,198</u>	<u>22,013</u>	<u>162,442</u>	<u>187,653</u>

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APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES
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	<u>Goodwill</u>	<u>Operating procedure</u>	<u>Customer relationship</u>	<u>Software</u>	<u>Total</u>
Balance at January 1, 2024	\$ -	2,347	15,388	126,499	144,234
Amortization	-	144	945	4,393	5,482
Translation effect	-	(50)	(333)	(2,702)	(3,085)
Balance at March 31, 2024	<u>\$ -</u>	<u>2,441</u>	<u>16,000</u>	<u>128,190</u>	<u>146,631</u>
Carrying amount:					
Balance at January 1, 2025	<u>\$ 119,768</u>	<u>-</u>	<u>20,499</u>	<u>47,514</u>	<u>187,781</u>
Balance at March 31, 2025	<u>\$ 122,484</u>	<u>-</u>	<u>19,916</u>	<u>53,755</u>	<u>196,155</u>
Balance at March 31, 2024	<u>\$ 109,979</u>	<u>430</u>	<u>21,648</u>	<u>53,756</u>	<u>185,813</u>

(k) Short-term loans

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Secured loans	\$ 88,065	133,952	83,467
Unsecured loans	1,971,241	1,805,002	1,817,292
Total	<u>\$ 2,059,306</u>	<u>1,938,954</u>	<u>1,900,759</u>
Unused credit line	<u>\$ 3,052,543</u>	<u>1,304,298</u>	<u>3,848,183</u>
Interest rate (%)	<u>2.51~5.69</u>	<u>2.22~5.95</u>	<u>2.10~4.70</u>

Please refer to note 8 for more information on the collateral for loans from bank.

(l) Long-term loans

The long-term loans of the Group were stated as follows:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Secured loans	\$ 325,302	375,334	502,357
Unsecured loans	6,680,417	6,870,803	5,255,539
Less: deferred financing fee	<u>(3,181)</u>	<u>(3,697)</u>	<u>(4,455)</u>
Subtotal	7,002,538	7,242,440	5,753,441
Less: current portion	<u>(2,420,783)</u>	<u>(5,970,435)</u>	<u>(2,183,042)</u>
Total	<u>\$ 4,581,755</u>	<u>1,272,005</u>	<u>3,570,399</u>
Unused credit line	<u>\$ 5,045,794</u>	<u>3,894,907</u>	<u>8,489,760</u>
Interest rate (%)	<u>2.24~5.58</u>	<u>2.24~6.41</u>	<u>2.22~6.38</u>
Maturity date	<u>2025.6~2029.6</u>	<u>2025.2~2029.6</u>	<u>2024.7~2029.6</u>

(i) Collateral for loans

Please refer to note 8 for more information on the collateral for loans.

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APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES
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(ii) Loan contracts

The increase in long-term loans for the three months ended March 31, 2025 and 2024 were \$370,846 thousand and \$385,873 thousand, with the interest rates ranging from 4.58% to 5.28% and 2.29% to 6.38%, and repayment maturities ranging from June 2025 to June 2029 and from July 2024 to June 2029, as well as repayments amounting to \$750,130 thousand and \$450,412 thousand, respectively.

The Company and APT violated the debt covenants of certain banks as of December 31, 2024, wherein the Group has obtained a waiver for reviewing the debt covenants in January and February 2025.

For the related information, please refer to note 6(k) of the consolidated financial statements for the year ended December 31, 2024.

(m) Lease liabilities

The amounts of leased liability were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Current	\$ 57,507	56,223	44,354
Non-current	83,174	91,717	82,572
	<u>\$ 140,681</u>	<u>147,940</u>	<u>126,926</u>

Please refer to note 6(u) for more information on maturity analysis.

The amounts recognized in profit or loss were as follows:

	For the three months ended March 31	
	2025	2024
Interest on lease liabilities	\$ <u>1,333</u>	<u>1,026</u>
Expenses relating to short-term leases	\$ <u>7,915</u>	<u>1,183</u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	\$ <u>684</u>	<u>117</u>

The amounts recognized in the statement of cash flows for the Group were as follows:

	For the three months ended March 31	
	2025	2024
Total cash outflow from operating activities	\$ 9,932	2,326
Total cash outflow from financing activities	15,154	12,342
Total cash outflow for leases	<u>\$ 25,086</u>	<u>14,668</u>

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APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES
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(i) Real estate leases

The Group leases buildings for its office space and warehouse. The leases of warehouse typically run for a period of 2 to 6 years, and of office for 1 to 5 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

Some leases of buildings contain extension options exercisable by the Group, the extension options held are exercisable only by the Group and not by the lessors. In which lessee is not reasonably certain to use an optional extended lease term, payments associated with the optional period are not included within lease liabilities.

(ii) Other leases

The Group leases office equipment and transportation equipment with lease terms of 1 to 7 years. Some of these leases are considered as short-term leases or leases of low-value items. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

(n) Employee benefits

(i) Defined benefit plans

Given there was no significant volatility of the market or any significant curtailments, settlements, or other one-time events in the prior fiscal year, pension cost in the interim financial statements is measured and disclosed in accordance with the pension cost determined by the actuarial report issued for the years ended December 31, 2024 and 2023.

The Group's expenses recognized in profit or loss, were as follows:

	For the three months ended	
	March 31	
	2025	2024
Operating costs	\$ 1,508	1,808
Administration expenses	1,233	1,335
	\$ 2,741	3,143

(ii) Defined contribution plans

Pension costs paid by the Group to the Bureau of Labor Insurance based on the defined contribution plans were as follows:

	For the three months ended	
	March 31	
	2025	2024
Administration expenses	\$ 208	216

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APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES
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(iii) Long-term employee benefit plan

The balance of the Group's long-term employee benefit plan amounted to \$9,373 thousand, \$7,459 thousand and \$7,537 thousand as of March 31, 2025, December 31, 2024, and March 31, 2024, respectively.

(o) Income taxes

The amounts of income tax for the three months ended March 31, 2025 and 2024, were as follows:

	For the three months ended March 31	
	2025	2024
Current tax expense		
Current period	\$ -	361

The Company and AET are not required to pay income tax and file an income tax return in the country in which they are incorporated.

In Thailand and Singapore, where APT, APS and APSS operate, income taxes do not require approval by the tax authority. Income taxes paid in prior years have received income tax receipts up to 2023. The income tax return of AET's Taiwan Branch and the Company's Taiwan Branch had been approved by the Revenue department through 2023. The income tax of APC had been submitted to the Revenue department through 2023.

(p) Share capital and other equity

Except for the following, there were no significant changes in the Group's share capital and other equity for the three months ended March 31, 2025 and 2024. Please refer to note 6(o) of the 2024 consolidated financial statements for related information.

According to the Company's Articles of Association, when allocating the net profit for each fiscal year, the Company should first offset its losses incurred in previous years, and appropriate a special surplus reserve as required by the regulators under the applicable public company rules. After the distribution, the remainder is to be combined with unappropriated earnings at the beginning of the period to form accumulated distributable profits. The Board of Directors shall prepare a resolution for the distribution of earnings in accordance with the dividend policy. If all or parts of the distribution were made in cash, it shall be approved by a majority vote cast at a meeting of the Board with two-thirds or more of the Directors present at the Board meeting; and in addition thereto a report of such distribution shall be submitted to the annual shareholders' meeting.

There were no earnings distributed in 2024 and 2023 based on a resolution passed by the Board of Directors on February 28, 2025 and 2024, respectively.

The related information about the earnings distribution that was approved by the Company's Board of Directors is available on the Market Observation Post System website.

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APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES
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(q) Deficits per share

The calculation of basic and diluted deficits per share was as follows:

	For the three months ended March 31	
	2025	2024
Basic deficits per share (diluted deficits per share):		
Net loss	\$ <u>(293,808)</u>	<u>(284,376)</u>
Weighted-average number of common shares outstanding (thousand shares)	<u>219,938</u>	<u>189,938</u>
Basic deficits per share / diluted deficits per share (New Taiwan Dollars)	\$ <u>(1.34)</u>	<u>(1.50)</u>

(r) Revenues from contracts with customers

(i) Disaggregation of revenue

	For the three months ended March 31	
	2025	2024
Primary geographical markets:		
Singapore	\$ 478,913	565,044
Thailand	552,803	495,647
Korea	552,803	491,011
Vietnam	501,590	515,428
Hong Kong	315,350	213,338
Others	<u>735,266</u>	<u>534,387</u>
	\$ <u>3,136,725</u>	<u>2,814,855</u>
Main product/service line		
Single-layer PCB sales	\$ 104,371	86,162
Double-layer PCB sales	679,609	794,706
Multi-layer PCB sales	2,361,066	1,931,598
Others	8,264	7,050
Less: sales return and allowance	<u>(16,585)</u>	<u>(4,661)</u>
	\$ <u>3,136,725</u>	<u>2,814,855</u>

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APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES
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(ii) Balances of contract

	March 31, 2025	December 31, 2024	March 31, 2024
Notes receivable	\$ -	3,559	1,015
Accounts receivable	3,243,478	3,473,911	2,673,638
Less: loss allowance	(74,332)	(74,398)	(51,977)
Total	<u><u>\$ 3,169,146</u></u>	<u><u>3,403,072</u></u>	<u><u>2,622,676</u></u>

(s) Remunerations to employees and directors

According to the Company's Articles of Association, where there are profits in a given year, after reserving the amount for covering the accumulated losses, a maximum of 2% of the profit shall be distributed as remunerations to employees and directors. Employee remuneration may be distributed in the form of shares or cash, and may be allocated to qualified employees of the Company's subsidiaries.

There were no employee remuneration and the remuneration to directors accrued for the three months ended March 31, 2025 and 2024. If there are differences between the actual distribution and estimated amount, they will be treated as changes in accounting estimates, and recognized as gain or loss in the following year.

The 2023 and 2022 remunerations to both employees and directors had been decided during the board meeting held on February 28, 2025 and 2024, respectively, wherein there were no differences between the actual and estimated amounts for both years.

The related information is available on the Market Observation Post System website.

(t) Non-operating income and expenses

(i) Interest income

The details of interest income of the Group were as follows:

	For the three months ended March 31	
	2025	2024
Interest income on bank deposits	<u><u>\$ 290</u></u>	<u><u>155</u></u>

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(ii) Other income

The details of other income of the Group were as follows:

	For the three months ended March 31	
	2025	2024
Income from cancellation of orders	\$ 5,095	3,154
Others	7,568	7,948
	\$ 12,663	11,102

(iii) Other gains and losses

The details of other gains and losses of the Group were as follows:

	For the three months ended March 31	
	2025	2024
Gains (losses) on disposal of property, plant and equipment	\$ 7,104	(95)
Net foreign exchange gains	21,076	59,479
Valuation losses on financial assets or liabilities, net	(1,865)	(49,108)
Loss of impairment	(4,356)	(3,971)
Others	(7,013)	17
	\$ 14,946	6,322

(iv) Finance cost

The details of finance cost of the Group were as follows:

	For the three months ended March 31	
	2025	2024
Interest expense on loans from banks	\$ 96,877	79,641
Interest expense on lease liabilities	1,333	1,026
Less: interest expense capitalized	(8,226)	(9,457)
	\$ 89,984	71,210

(u) Financial instruments

Except for the following, there were no significant changes in the credit risk and interest rate risk the Group was exposed to. Please refer to note 6(t) of the 2024 consolidated financial statements for related information.

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APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES
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(i) Credit risk

1) Risk exposure

The book value of financial assets represents the maximum risk exposure.

2) Concentration of credit risk

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, the management also considers the statistical information on the Group's customer base, including the default risk of the industry and country in which customers operate. The Group's accounts receivable are obviously concentrated on three main customers, which accounted for 34%, 39% and 33% of the total amount of notes and accounts receivable as of March 31, 2025, December 31, 2024, and March 31, 2024, respectively. As of March 31, 2025, December 31, 2024, and March 31, 2024, the Group's accounts receivable concentrated on three main customers were \$1,083,951 thousand, \$1,320,835 thousand and \$878,135 thousand, respectively.

3) Credit risk of accounts receivable

Please refer to note 6(e) for information on credit risk of accounts receivable; note 6(d) for details of financial assets measured at amortized cost and note 6(f) for details of other receivables. Financial assets measured at amortized cost, other receivables and refundable deposits are considered to have low risk, and thus, the allowance for bad debts are measured by the expected losses of 12 months during the period.

(ii) Liquidity risk

The following table shows the maturity of the financial liabilities including estimated interest:

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Less than 1 year</u>	<u>1-2 years</u>	<u>More than 2 years</u>
March 31, 2025					
Non-derivative financial liabilities					
Short-term loans	\$ 2,059,306	2,073,895	2,073,895	-	-
Long-term loans	7,002,538	7,516,366	3,134,956	2,112,801	2,268,609
Lease liabilities	140,681	148,685	61,645	47,570	39,470
Accounts payable	3,207,070	3,207,070	3,207,070	-	-
Other payables (including payables for machinery and equipment)	917,227	917,227	917,227	-	-
Long-term payable	4,505	4,505	-	4,505	-
Derivative financial liabilities					
Other forward contract —					
Inflow	-	(413,204)	(413,204)	-	-
Outflow	4,583	417,787	417,787	-	-
	<u><u>\$ 13,335,910</u></u>	<u><u>13,872,331</u></u>	<u><u>9,399,376</u></u>	<u><u>2,164,876</u></u>	<u><u>2,308,079</u></u>

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	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Less than 1 year</u>	<u>1-2 years</u>	<u>More than 2 years</u>
December 31, 2024					
Non-derivative financial liabilities					
Short-term loans	\$ 1,938,954	1,956,155	1,956,155	-	-
Long-term loans	7,242,440	7,791,429	6,556,788	1,039,208	195,433
Lease liabilities	147,940	156,745	60,601	50,107	46,037
Accounts payable	2,140,236	2,140,236	2,140,236	-	-
Other payables (including payables for machinery and equipment)	1,039,079	1,039,079	1,039,079	-	-
Long-term payable	6,167	6,167	-	5,286	881
Derivative financial liabilities					
Other forward contract —					
Inflow	-	(92,037)	(92,037)	-	-
Outflow	1,077	93,114	93,114	-	-
	<u><u>\$ 12,515,893</u></u>	<u><u>13,090,888</u></u>	<u><u>11,753,936</u></u>	<u><u>1,094,601</u></u>	<u><u>242,351</u></u>
March 31, 2024					
Non-derivative financial liabilities					
Short-term loans	\$ 1,900,759	1,912,222	1,912,222	-	-
Long-term loans	5,753,441	6,111,040	2,433,188	2,518,517	1,159,335
Lease liabilities	126,926	133,595	47,610	38,777	47,208
Accounts payable	2,485,423	2,485,423	2,485,423	-	-
Other payables (including payables for machinery and equipment)	853,788	853,788	853,788	-	-
Long-term payable	9,304	9,304	-	4,854	4,450
Derivative financial liabilities					
Other forward contract —					
Inflow	-	(321,159)	(321,159)	-	-
Outflow	7,839	328,998	328,998	-	-
	<u><u>\$ 11,137,480</u></u>	<u><u>11,513,211</u></u>	<u><u>7,740,070</u></u>	<u><u>2,562,148</u></u>	<u><u>1,210,993</u></u>

The Group does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

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(iii) Currency risk

1) Currency risk exposure

The Group's significant exposure to foreign currency risk was as follows:

	March 31, 2025			December 31, 2024			March 31, 2024		
	Foreign currency	Exchange rate	Amount	Foreign currency	Exchange rate	Amount	Foreign currency	Exchange rate	Amount
Financial assets									
Monetary items									
USD	\$ 93,962	33.05	3,105,049	97,532	32.22	3,239,936	77,042	31.91	2,458,032
Financial liabilities									
Monetary items									
USD	66,037	33.35	2,202,469	54,542	33.52	1,828,034	55,033	32.18	1,771,162

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, financial assets measured at amortized cost, account and other receivables, loans and borrowings, and account and other payables that are denominated in foreign currency.

A 5% strengthening of the NTD and THB against the USD as at March 31, 2025 and 2024, would have increased net loss before tax for the three months ended March 31, 2025 and 2024, by \$45,000 thousand and \$34,000 thousand, respectively. The analysis assumes that all other variables remain constant, and is performed on the same basis for 2024.

3) Exchange gains and losses on monetary items

Due to the numerous types of functional currency of the Group, the Group discloses its exchange gains and losses of monetary items aggregately. The Group's exchange gains, including realized and unrealized, were \$21,076 thousand and \$59,479 thousand, respectively, for the three months ended March 31, 2025 and 2024.

(iv) Interest rate risk

Please refer to the notes on liquidity risk management and interest rate exposure of the Group's financial assets and liabilities.

The following sensitivity analysis is based on the exposure to interest rate risk for derivative and non-derivative financial instruments on the reporting date.

For variable-rate instruments, the sensitivity analysis assumes the variable-rate liabilities are outstanding for the whole year ended at the reporting date. The Group internally reported the increases / decreases in interest rates and the exposure to changes in interest rates of 0.25% to the Group's key management so as to allow key management to assess the reasonableness of the changes in interest rates.

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APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES
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If the interest rate had increased / decreased by 0.25%, the Group's net loss would have decreased / increased by \$5,664 thousand and \$4,784 thousand, respectively, for the three months ended March 31, 2025 and 2024, with all other variable factors remaining constant. This was mainly due to the Group's interest rate of borrowing at variable rates.

(v) Other market price risk

For the three months ended March 31, 2025 and 2024, the sensitivity analyses for the changes in the securities price at the reporting date were performed using the same basis for other comprehensive income before tax as illustrated below:

<u>Prices of securities at the reporting date</u>	For the three months ended March 31	
	2025	2024
5% increase	\$ <u>749</u>	<u>-</u>
5% decrease	\$ <u>(749)</u>	<u>-</u>

(vi) Fair value information

1) Categories and fair value of financial instruments

The Group's financial assets at fair value through profit or loss are measured at fair value on a recurring basis. The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

	March 31, 2025				
	Fair value				Total
	Amount	Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Derivative financial assets — current	\$ <u>3,576</u>	<u>-</u>	<u>3,576</u>	<u>-</u>	<u>3,576</u>
Financial assets at fair value through other comprehensive income					
Unlisted common shares	<u>14,971</u>	<u>-</u>	<u>-</u>	<u>14,971</u>	<u>14,971</u>

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APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES
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		March 31, 2025			
		Fair value			Total
	Amount	Level 1	Level 2	Level 3	
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 760,466	-	-	-	-
Financial assets at amortized cost	15,927	-	-	-	-
Accounts receivables	3,169,146	-	-	-	-
Other receivables	204,456	-	-	-	-
Refundable deposits	8,212	-	-	-	-
Other financial assets	33,648	-	-	-	-
Subtotal	4,191,855	-	-	-	-
Total	\$ 4,210,402	-	3,576	14,971	18,547
Financial liabilities at fair value through profit or loss					
Derivative financial liabilities—current	\$ 4,583	-	4,583	-	4,583
Financial liabilities measured at amortized cost					
Short-term loans	2,059,306	-	-	-	-
Long-term loans	7,002,538	-	-	-	-
Lease liabilities	140,681	-	-	-	-
Accounts payable	3,207,070	-	-	-	-
Other payables (including payables for machinery and equipment)	917,227	-	-	-	-
Long-term payable	4,505	-	-	-	-
Subtotal	13,331,327	-	-	-	-
Total	\$ 13,335,910	-	4,583	-	4,583

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APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES
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	December 31, 2024				
	Amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Derivative financial assets – current	\$ 2,219	-	2,219	-	2,219
Financial assets measured at amortized cost					
Cash and cash equivalents	530,763	-	-	-	-
Financial assets at amortized cost	30,087	-	-	-	-
Notes receivables	3,559	-	-	-	-
Accounts receivables	3,399,513	-	-	-	-
Other receivables	125,132	-	-	-	-
Refundable deposits	7,815	-	-	-	-
Other financial assets	31,983	-	-	-	-
Subtotal	4,128,852	-	-	-	-
Total	<u>\$ 4,131,071</u>	<u>-</u>	<u>2,219</u>	<u>-</u>	<u>2,219</u>
Financial liabilities at fair value through profit or loss					
Derivative financial liabilities – current	\$ 1,077	-	1,077	-	1,077
Financial liabilities measured at amortized cost					
Short-term loans	1,938,954	-	-	-	-
Long-term loans	7,242,440	-	-	-	-
Lease liabilities	147,940	-	-	-	-
Accounts payable	2,140,236	-	-	-	-
Other payables (including payables for machinery and equipment)	1,039,079	-	-	-	-
Long-term payable	6,167	-	-	-	-
Subtotal	12,514,816	-	-	-	-
Total	<u>\$ 12,515,893</u>	<u>-</u>	<u>1,077</u>	<u>-</u>	<u>1,077</u>

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APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES
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		March 31, 2024			
		Fair value			Total
	Amount	Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Derivative financial assets—current	\$ 4,199	-	4,199	-	4,199
Financial assets measured at amortized cost					
Cash and cash equivalents	523,294	-	-	-	-
Notes receivables	1,015	-	-	-	-
Accounts receivables	2,621,661	-	-	-	-
Other receivables	115,689	-	-	-	-
Refundable deposits	7,978	-	-	-	-
Other financial assets	10,253	-	-	-	-
Subtotal	3,279,890	-	-	-	-
Total	<u>\$ 3,284,089</u>	<u>-</u>	<u>4,199</u>	<u>-</u>	<u>4,199</u>
Financial liabilities at fair value through profit or loss					
Derivative financial liabilities—current	\$ 7,839	-	7,839	-	7,839
Financial liabilities measured at amortized cost					
Short-term loans	1,900,759	-	-	-	-
Long-term loans	5,753,441	-	-	-	-
Lease liabilities	126,926	-	-	-	-
Accounts payable	2,485,423	-	-	-	-
Other payables (including payables for machinery and equipment)	853,788	-	-	-	-
Long-term payable	9,304	-	-	-	-
Subtotal	11,129,641	-	-	-	-
Total	<u>\$ 11,137,480</u>	<u>-</u>	<u>7,839</u>	<u>-</u>	<u>7,839</u>

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APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Valuation techniques and assumptions used in fair value determination

a) Non-derivative financial instruments

- i) The carrying amounts of the following short-term financial instruments approximate their fair values because of their short maturities and payment request or payment amount of future cash flow will not be changed due to timing difference, and the book value is a reasonable approximation of fair value. This method applies to cash and cash equivalents, financial assets measured at amortized cost, notes and accounts receivable and payable, other receivables and payables, refundable deposits, other financial assets, short-term loans, payables for machinery and equipment.
- ii) Fair value of long-term loans, lease liabilities, and long-term payable are estimated using the present value of future cash flows discounted by the interest rates the Group may obtain for similar loans and lease payable. However, long-term loans are recognized at its book value because most of it has floating rates. Lease liabilities are calculated based on the fixed rate agreed in the lease contract or incremental borrowing rate. The present value of long-term payable is calculated based on the weighted-average cost of capital (WACC). There were no significant differences between book value and discounted present value. Thus, long-term payable is recognized at book value.
- iii) The fair values of financial instruments, except for those with active markets, are obtained using valuation techniques or by reference to quoted prices from counterparties. Fair values obtained through valuation techniques may be calculated by reference to the current fair value of other financial instruments with substantially similar terms and characteristics, discounted cash flow techniques, or other valuation techniques, including the use of models with market information available at the consolidated balance sheet date.

b) Derivative financial instruments

Forward exchange contracts were usually estimated by the current forward exchange rates of the transaction banks.

(v) Financial risk management

There were no significant changes in the objectives and policies concerning the financial risks the Group was exposed to. Please refer to note 6(u) of the 2024 consolidated financial statements for related information.

(w) Capital management

The purpose, policy, procedures, and summarized quantitative data of the Group's capital management were the same as those disclosed in the 2024 consolidated financial statements. Please refer to note 6(v) of the 2024 consolidated financial statements for related information.

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APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(x) Non-cash investing and financing activities

For the three months ended March 31, 2025 and 2024, the Group's non-cash investing and financing activities were derived from the acquisition of right-of-use asset through leasing. Please refer to note 6(i) for related information.

Reconciliation of liabilities from financing activities were as follows:

	<u>January 1, 2025</u>	<u>Cash flows</u>	<u>Non-cash changes</u>		<u>March 31, 2025</u>
			<u>Acquisition or termination of contracts</u>	<u>Translation effect</u>	
Long-term loans	\$ 7,242,440	(379,284)	-	139,382	7,002,538
Short-term loans	1,938,954	76,303	-	44,049	2,059,306
Lease liabilities	147,940	(15,154)	4,799	3,096	140,681
Total liabilities from financing activities	<u>\$ 9,329,334</u>	<u>(318,135)</u>	<u>4,799</u>	<u>186,527</u>	<u>9,202,525</u>

	<u>January 1, 2024</u>	<u>Cash flows</u>	<u>Non-cash changes</u>		<u>March 31, 2024</u>
			<u>Acquisition or termination of contracts</u>	<u>Translation effect</u>	
Long-term loans	\$ 5,931,525	(64,539)	-	(113,545)	5,753,441
Short-term loans	2,284,359	(340,774)	-	(42,826)	1,900,759
Lease liabilities	139,423	(12,342)	2,488	(2,643)	126,926
Total liabilities from financing activities	<u>\$ 8,355,307</u>	<u>(417,655)</u>	<u>2,488</u>	<u>(159,014)</u>	<u>7,781,126</u>

(7) Related-party transactions

(a) Parent Company and ultimate controlling party

Apex International Co., Ltd. is the ultimate controlling party of the Group.

(b) Names and relationship with related parties

The followings are entities that have had transactions with related party during the periods covered in the consolidated financial statements.

<u>Name of related party</u>	<u>Relationship with the Group</u>
Wang Shu Mu	Chairman of the Company

(c) Significant transactions with related parties—Guarantee

For the three months ended March 31, 2025 and 2024, chairman of the Company provided credit guarantees to the Group for short-term and long-term loans.

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APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(d) Management personnel compensation

Key management personnel compensation comprised:

	For the three months ended March 31	
	2025	2024
Short-term employee benefits	\$ 11,857	15,258
Post-employment benefits	(51)	229
Other long-term benefits	3	1
	<u>\$ 11,809</u>	<u>15,488</u>

(8) Pledged assets:

Pledged assets	Object	March 31, 2025	December 31, 2024	March 31, 2024
Financial assets measured at amortized cost — current:				
Pledged time deposits	Long-term loans	\$ 15,927	15,735	-
Other financial assets — non-current:				
Restricted bank deposits	Long-term loans and derivative instruments not used for hedging	33,648	31,983	10,253
Property, plant, and equipment:				
Land	Long-term and short-term loans	428	418	384
Buildings	Long-term and short-term loans	21,180	22,450	26,173
Machinery and equipment	Long-term, short-term loans and electricity guarantee	1,019,336	1,024,029	1,130,819
		<u>\$ 1,090,519</u>	<u>1,094,615</u>	<u>1,167,629</u>

(9) Significant commitments and contingencies:

(a) The Group did not recognize the following contract commitments in the financial statements:

	March 31, 2025	December 31, 2024	March 31, 2024
Acquisition of property, plant and equipment	\$ 276,038	333,259	509,338
Other long-term commitments	12,442	6,580	24,286
Total	<u>\$ 288,480</u>	<u>339,839</u>	<u>533,624</u>

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APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (b) The Group had outstanding letters of credit as follows:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Letters of credit	\$ <u>64,789</u>	<u>53,436</u>	<u>60,582</u>

- (c) Guarantees provided by banks were as follows:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Electricity guarantee	\$ <u>135,398</u>	<u>132,396</u>	<u>118,443</u>

(10) Losses due to major disasters:None

(11) Subsequent events:

The Company's Board of Directors resolved to conduct a cash capital increase on May 9, 2025, and an upper limit on the issuance of common shares was 45,000 thousand shares, the total amount of funds raised and the issuance price were intended to be authorized to the chairman in accordance with the law.

(12) Other:

- (a) A summary of personnel benefit costs, depreciation, depletion and amortization is as follows:

	For the three months ended March 31					
Function	2025			2024		
Account	Operating cost	Operating expenses	Total	Operating cost	Operating expenses	Total
Personnel benefit costs						
Salaries	459,430	87,989	547,419	408,216	88,518	496,734
Health insurance	-	417	417	-	416	416
Pension	1,508	1,441	2,949	1,808	1,551	3,359
Other personnel expense	41,683	13,552	55,235	41,143	23,547	64,690
Depreciation	309,852	34,797	344,649	274,794	32,024	306,818
Amortization	1,280	4,580	5,860	1,131	4,351	5,482

- (b) The Group's operations were not affected by seasonality factors.

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APEX INTERNATIONAL CO., LTD.
Notes to Consolidated Interim Financial Statements

(13) Other disclosures:

(a) Information on significant transactions:

The following were the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Group for the three months ended March 31, 2025:

- (i) Loans to other parties: None.
- (ii) Guarantees and endorsements for other parties:

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company (note 1)										
0	The Company	APT	2	19,905,633 (Note 2)	16,646,783	16,646,783	8,593,885	-	250.89 %	19,905,633 (Note 3)	Y	N	N
1	APT	APS	4	3,759,162 (Note 4)	694,735	694,735	311,374	-	10.47 %	3,759,162 (Note 5)	N	N	N

Note 1: Relationships with Guarantors and Obligees

- Companies with business relations.
- Companies in which more than 50% of shares with voting rights are directly or indirectly owned by the Company.
- Companies directly or in directly owning more than 50% of shares with voting rights of the Company.
- Companies in which 90% of shares with voting rights are directly or indirectly owned the Company.
- Companies under reciprocal inter-insurance for constructional contractual purpose.
- Companies guaranteed by all contributed shareholders due to co-investing relationships.
- Companies established to practice escrow and joint, as well as several guarantees for presale homes under the Consumer Protection Act.

Note 2: If it was approved by Board of Directors, the guarantee limit for the guarantee provided to a specific enterprise shall not be applied when the Company directly or indirectly owns more than 90% of the investee's equity. However, the guarantee amount is still limited to 300% of the net worth of the Company's latest financial statements.

Note 3: The overall guarantee amount provided to others shall not exceed 300% of the net worth of the Company's latest financial statements.

Note 4: The guarantee limit for the guarantee provided to any individual company shall not exceed 50% of APT's net worth.

Note 5: Total amount of the guarantee provided by APT is limited to 50% of its net worth.

(iii) Securities held as of March 31, 2025 (excluding investment in subsidiaries, associates and joint ventures):

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares (thousands)	Carrying amount	Percentage of ownership (%)	Fair value	
The Company	Stock: ISU-APEX COMPANY LIMITED	-	Financial assets at fair value through other comprehensive income — non-current	1,530	14,971	15.00 %	14,971	

- (iv) Related-party transactions for purchases and sales with amounts exceeding the lower of NTD100 million or 20% of the capital stock: None.
- (v) Receivables from related parties with amounts exceeding the lower of NTD100 million or 20% of the capital stock: None.
- (vi) Business relationships and significant intercompany transactions: There were no significant transactions.

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(b) Information on investees:

The following is the information on investees for the three months ended March 31, 2025:

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of March 31, 2025			Net income (losses) of investee (Note 1)	Share of profits/losses of investee (Notes 1 and 2)	Note
				March 31, 2025	December 31, 2024	Shares (thousands)	Percentage of ownership	Carrying value (Notes 1 and 2)			
The Company	APT	Thailand	PCB (printed circuit board) manufacturing and sales	4,944,387	4,944,387	174,994	99.65 %	7,492,010	(276,019)	(275,052)	
The Company	AET	British Virgin Islands	Supply chain integration	10,000	10,000	1,000	100.00 %	8,643	(1,164)	(1,066) (Note 4)	
APT	APS	Thailand	PCB (printed circuit board) manufacturing and sales	277,485	277,485	32	99.99 %	202,673	(7,800)	(7,799) (Note 3)	
APS	APSS	Singapore	PCB sales development	8,195	8,195	402	100.00 %	19,330	(1,332)	1,401 (Note 4)	

Note 1: Long-term investment and investment gains and losses have been recognized by the equity method based on the financial statements of the investee companies reviewed by the Group's auditors.

Note 2: The long-term investment and investment gains or losses have been eliminated in the preparation of the consolidated financial statements.

Note 3: The amount of amortization of premium on investment recognized in this period has been included in share of profits/ losses of investee.

Note 4: It takes into account unrealized and realized gains and losses on intercompany transactions.

(c) Information on investment in China:

(i) The names of investees in China, the main businesses and products, and other information:

Unit: in thousands of dollars												
Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment (Note 1)	Accumulated outflow of investment from Taiwan as of January 1, 2025 (Note 4)	Investment flows		Accumulated outflow of investment from Taiwan as of March 31, 2025 (Note 4)	Net income (losses) of the investee (Note 2)	Percentage of ownership	Investment income (losses) (Notes 2 and 3)	Book value (Notes 2 and 3)	Accumulated remittance of earnings in current period
					Outflow (Note 4)	Inflow (Note 4)						
Apex IPO (Dong Guan) Ltd.	Supply Chain integration	39,848 (RMB9,000)	2	-	-	-	-	(216) (RMB(48))	99.65 %	167 (RMB37)	27,314 (RMB5,913)	-

Note 1: Investment methods are divided into the following three categories

(1) Direct investment in China.

(2) Indirect investment in China through investment in Thailand (APT).

(3) Other methods.

Note 2: Long-term investment and investment gains and losses have been recognized by using the equity method based on the financial statements of the investee companies reviewed by the Group's auditors.

Note 3: Long-term investment and investment gains or losses have been eliminated in the preparation of the consolidated financial statements.

Note 4: The Company is not a Taiwan local company, so no investment amount is shown.

Note 5: The book value at end of period were calculated by using the exchange rate on March 31, 2025 (BS exchange rate RMB:TWD=1:4.6193).The net income (loss) of the investee company and investment gains (losses) recognized by the parent company were calculated by the average exchange rate (IS exchange rate RMB:TWD=1:4.5173).

- (ii) Limitation on investment in China: None.
- (iii) Significant transactions in China: None.

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(14) Segment information:

The Group's operating segment information and reconciliation are as follows:

For the three months ended March 31				
2025				
	Thailand	Other	Adjustments and eliminations	Total
Revenue				
Revenue from external customers	\$ 3,134,276	2,449	-	3,136,725
Intersegment revenues	<u>3,892</u>	<u>21,900</u>	<u>(25,792)</u>	<u>-</u>
Total revenue	<u>\$ 3,138,168</u>	<u>24,349</u>	<u>(25,792)</u>	<u>3,136,725</u>
Reportable segment profit or loss	<u>\$ (275,650)</u>	<u>(20,401)</u>	<u>1,276</u>	<u>(294,775)</u>
For the three months ended March 31				
2024				
	Thailand	Other	Adjustments and eliminations	Total
Revenue				
Revenue from external customers	\$ 2,808,218	6,637	-	2,814,855
Intersegment revenues	<u>8,137</u>	<u>53,470</u>	<u>(61,607)</u>	<u>-</u>
Total revenue	<u>\$ 2,816,355</u>	<u>60,107</u>	<u>(61,607)</u>	<u>2,814,855</u>
Reportable segment profit or loss	<u>\$ (265,529)</u>	<u>(17,790)</u>	<u>(1,786)</u>	<u>(285,105)</u>

For the three months ended March 31, 2025 and 2024, the adjustments and eliminations of the intersegment net profit (loss) to the reportable segment profit (loss) were \$1,276 thousand and \$(1,786) thousand, respectively.