

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

**Consolidated Financial Statements**

**With Independent Auditors' Review Report  
For the Three Months Ended March 31, 2021 and 2020**

Address: The Grand Pavilion Commercial Centre, Oleander Way, 802  
West Bay Road, P.O. Box 32052, Grand Cayman KY1-1208  
Telephone: 66-34-490537-40

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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安侯建業聯合會計師事務所

KPMG

台北市110615信義路5段7號68樓(台北101大樓)  
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,  
Xinyi Road, Taipei City 110615, Taiwan (R.O.C.)

Telephone 電話 + 886 2 8101 6666  
Fax 傳真 + 886 2 8101 6667  
Internet 網址 home.kpmg/tw

## Independent Auditors' Review Report

To the Board of Directors  
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, 2021 and 2020, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2021 and 2020, and notes of the consolidated financial statements, including a summary of significant 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 Statement of Auditing Standard 65, "Review of Financial Information Performed by the Independent Auditor of the Entity". 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 generally accepted auditing standards 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, 2021 and 2020, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2021 and 2020 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 Min-Ju Chao and Chun-Hsiu Kuang.

KPMG

Taipei, Taiwan (Republic of China)

May 10, 2021

**Notes to Readers**

The accompanying consolidated financial statements are intended only to present the consolidated statement of 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)  
**Reviewed only, not audited in accordance with the generally accepted auditing standards as of March 31, 2021 and 2020**

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

**Consolidated Balance Sheets**

**March 31, 2021, December 31, 2020, and March 31, 2020**

(Expressed in Thousands of New Taiwan Dollars)

	March 31, 2021		December 31, 2020		March 31, 2020			March 31, 2021		December 31, 2020		March 31, 2020	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
<b>Assets</b>													
11xx <b>Current assets:</b>							21xx <b>Current liabilities:</b>						
1100 Cash and cash equivalents (note 6(a))	\$ 863,120	5	821,682	5	557,717	4	2100 Short-term loans (notes 6(h), (k), 7, 8 and 9)	\$ 1,563,729	10	1,369,949	9	1,243,520	10
1110 Financial assets measured at fair value through profit or loss – current (note 6(b))	9,175	-	10,592	-	380	-	2120 Financial liabilities measured at fair value through profit or loss – current (note 6(b))	68	-	8,279	-	20,356	-
1136 Current financial assets at amortized cost (note 6(c))	199,717	1	-	-	-	-	2150 Notes payable	-	-	-	-	29	-
1150 Notes receivable, net (notes 6(d) and (s))	624	-	661	-	243	-	2170 Accounts payable	2,828,877	18	2,434,679	16	2,045,854	17
1170 Accounts receivable, net (notes 6(d) and (s))	3,696,371	23	3,683,750	24	2,921,724	24	2200 Other payables (note 6(q))	554,178	3	504,209	4	441,198	4
1200 Other receivables (note 6(e))	161,922	1	71,042	-	64,805	1	2213 Payable for machinery and equipment	583,527	4	499,952	3	282,986	2
130x Inventories (note 6(f))	2,377,019	15	2,227,880	15	1,970,148	16	2230 Current tax liabilities	47,059	-	20,678	-	3,881	-
1470 Other current assets	102,509	1	110,197	1	62,134	-	2280 Current lease liabilities (notes 6(i) and (n))	56,544	-	71,422	-	119,774	1
<b>Total current assets</b>	<b>7,410,457</b>	<b>46</b>	<b>6,925,804</b>	<b>45</b>	<b>5,577,151</b>	<b>45</b>	2321 Current portion of convertible bonds payable (notes 6(m) and (q))	-	-	-	-	98	-
15xx <b>Non-current assets:</b>							2322 Current portion of long-term loans (notes 6(a), (h), (l), 7 and 8)	363,895	2	297,010	2	145,045	1
1600 Property, plant and equipment (notes 6(h), (i), (k), (l), 8 and 9)	8,046,603	50	7,516,542	49	5,935,330	48	2399 Other current liabilities	37,264	-	38,479	-	17,881	-
1755 Right-of-use asset (notes 6(i) and (n))	295,305	2	297,935	2	444,250	4	<b>Total current liabilities</b>	<b>6,035,141</b>	<b>37</b>	<b>5,244,657</b>	<b>34</b>	<b>4,320,622</b>	<b>35</b>
1780 Intangible assets (notes 6(h) and (j))	186,264	1	188,097	2	187,088	2	25xx <b>Non-current liabilities:</b>						
1840 Deferred tax assets	24,098	-	25,160	-	14,775	-	2540 Long-term loans (notes 6(a), (h), (l), 7 and 8)	2,364,469	15	2,030,917	13	647,306	5
1915 Prepayment for equipment (note 6(h))	205,356	1	302,559	2	99,065	1	2570 Deferred tax liabilities	53,286	-	55,751	-	47,733	-
1920 Refundable deposits	7,737	-	7,954	-	7,772	-	2580 Non-current lease liabilities (notes 6(i) and (n))	83,641	1	73,633	1	71,223	1
1980 Other financial assets – non-current (notes 6(a), (l) and 8)	805	-	4,311	-	6,232	-	2612 Long-term payable	109,832	1	135,118	1	55,048	-
<b>Total non-current assets</b>	<b>8,766,168</b>	<b>54</b>	<b>8,342,558</b>	<b>55</b>	<b>6,694,512</b>	<b>55</b>	2670 Other non-current liabilities (note 6(o))	68,506	-	67,315	1	62,971	1
							<b>Total non-current liabilities</b>	<b>2,679,734</b>	<b>17</b>	<b>2,362,734</b>	<b>16</b>	<b>884,281</b>	<b>7</b>
							<b>Total liabilities</b>	<b>8,714,875</b>	<b>54</b>	<b>7,607,391</b>	<b>50</b>	<b>5,204,903</b>	<b>42</b>
							2xxx <b>Equity attributable to owners of parent (notes 6(m) and (q)):</b>						
							31xx Common stock	1,899,380	12	1,899,380	12	1,899,331	16
							3200 Capital surplus	2,405,512	15	2,405,512	16	2,405,463	20
							3300 Retained earnings	3,480,368	21	3,325,984	22	2,981,185	24
							3410 Exchange differences on translation of foreign financial statements	(354,310)	(2)	(6,244)	-	(250,635)	(2)
							<b>Total equity attributable to owners of parent</b>	<b>7,430,950</b>	<b>46</b>	<b>7,624,632</b>	<b>50</b>	<b>7,035,344</b>	<b>58</b>
							36xx <b>Non-controlling interests</b>	<b>30,800</b>	<b>-</b>	<b>36,339</b>	<b>-</b>	<b>31,416</b>	<b>-</b>
							3xxx <b>Total equity</b>	<b>7,461,750</b>	<b>46</b>	<b>7,660,971</b>	<b>50</b>	<b>7,066,760</b>	<b>58</b>
1xxx <b>Total assets</b>	<b>\$ 16,176,625</b>	<b>100</b>	<b>15,268,362</b>	<b>100</b>	<b>12,271,663</b>	<b>100</b>	2-3xxx <b>Total liabilities and equity</b>	<b>\$ 16,176,625</b>	<b>100</b>	<b>15,268,362</b>	<b>100</b>	<b>12,271,663</b>	<b>100</b>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**Reviewed only, not audited in accordance with generally accepted auditing standards**

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

**Consolidated Statements of Comprehensive Income**

**For the three months ended March 31, 2021 and 2020**

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

		For the three months ended March 31			
		2021		2020	
		Amount	%	Amount	%
4000	<b>Operating revenue (note 6(s))</b>	\$ 3,260,404	100	2,604,766	100
5000	<b>Operating costs (notes 6(f), (h), (i), (j) and (o))</b>	<u>2,644,194</u>	<u>81</u>	<u>2,045,507</u>	<u>79</u>
5900	<b>Gross profit from operations</b>	<u>616,210</u>	<u>19</u>	<u>559,259</u>	<u>21</u>
6000	<b>Operating expenses (notes 6(d), (h), (i), (j), (n), (o), (q) and 7):</b>				
6100	Selling expenses	198,664	6	145,004	5
6200	Administrative expenses	150,212	5	143,697	6
6300	Research and development expenses	9,656	-	9,825	-
6450	Expected credit loss (reversal of expected credit loss)	<u>54,433</u>	<u>2</u>	<u>(17,581)</u>	<u>(1)</u>
	<b>Total operating expenses</b>	<u>412,965</u>	<u>13</u>	<u>280,945</u>	<u>10</u>
6900	<b>Operating income</b>	<u>203,245</u>	<u>6</u>	<u>278,314</u>	<u>11</u>
7000	<b>Non-operating income and expenses (notes 6(b), (h), (n) and (t)):</b>				
7100	Interest income	145	-	67	-
7010	Other income	3,055	-	7,071	-
7020	Other gains and losses	(15,173)	-	16,994	1
7050	Finance costs	<u>(8,078)</u>	<u>-</u>	<u>(15,685)</u>	<u>(1)</u>
	<b>Total non-operating income and expenses</b>	<u>(20,051)</u>	<u>-</u>	<u>8,447</u>	<u>-</u>
7900	<b>Profit from continuing operations before tax</b>	183,194	6	286,761	11
7951	Less: Income tax expenses (note 6(p))	<u>28,135</u>	<u>1</u>	<u>1,489</u>	<u>-</u>
8200	<b>Profit</b>	<u>155,059</u>	<u>5</u>	<u>285,272</u>	<u>11</u>
8300	<b>Other comprehensive income:</b>				
8360	<b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>				
8361	Exchange differences on translation of foreign financial statements	(349,518)	(11)	(681,775)	(26)
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>
	Components of other comprehensive income that will be reclassified to profit or loss	<u>(349,518)</u>	<u>(11)</u>	<u>(681,775)</u>	<u>(26)</u>
8300	<b>Other comprehensive income (loss)</b>	<u>(349,518)</u>	<u>(11)</u>	<u>(681,775)</u>	<u>(26)</u>
8500	<b>Total comprehensive income</b>	<u>\$ (194,459)</u>	<u>(6)</u>	<u>(396,503)</u>	<u>(15)</u>
	<b>Profit, attributable to:</b>				
8610	Owners of parent	\$ 154,384	5	284,018	11
8620	Non-controlling interests	<u>675</u>	<u>-</u>	<u>1,254</u>	<u>-</u>
		<u>\$ 155,059</u>	<u>5</u>	<u>285,272</u>	<u>11</u>
	<b>Comprehensive income attributable to:</b>				
8710	Owners of parent	\$ (193,682)	(6)	(394,893)	(15)
8720	Non-controlling interests	<u>(777)</u>	<u>-</u>	<u>(1,610)</u>	<u>-</u>
		<u>\$ (194,459)</u>	<u>(6)</u>	<u>(396,503)</u>	<u>(15)</u>
	<b>Basic earnings per share (expressed in New Taiwan dollars) (note 6(r))</b>				
9750	Basic earnings per share	<u>\$ 0.81</u>		<u>1.50</u>	
9850	Diluted earnings per share	<u>\$ 0.81</u>		<u>1.50</u>	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
Reviewed only, not audited in accordance with generally accepted auditing standards

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

**Consolidated Statements of Changes in Equity**

**For the three months ended March 31, 2021 and 2020**

**(Expressed in Thousands of New Taiwan Dollars)**

**Equity attributable to owners of parent**

	Retained earnings				Exchange differences on translation of foreign operation	Total equity attributable to owners of parent	Non-controlling interests	Total equity	
	Common stock	Capital surplus	Special reserve	Unappropriated retained earnings					Total
<b>Balance at January 1, 2020</b>	\$ 1,890,409	2,396,626	300,256	2,396,911	2,697,167	428,276	7,412,478	33,011	7,445,489
Profit	-	-	-	284,018	284,018	-	284,018	1,254	285,272
Other comprehensive income	-	-	-	-	-	(678,911)	(678,911)	(2,864)	(681,775)
Total comprehensive income	-	-	-	284,018	284,018	(678,911)	(394,893)	(1,610)	(396,503)
Conversion of convertible bonds	8,922	8,837	-	-	-	-	17,759	-	17,759
Changes in non-controlling interests	-	-	-	-	-	-	-	15	15
<b>Balance at March 31, 2020</b>	<b>\$ 1,899,331</b>	<b>2,405,463</b>	<b>300,256</b>	<b>2,680,929</b>	<b>2,981,185</b>	<b>(250,635)</b>	<b>7,035,344</b>	<b>31,416</b>	<b>7,066,760</b>
<b>Balance at January 1, 2021</b>	\$ 1,899,380	2,405,512	300,256	3,025,728	3,325,984	(6,244)	7,624,632	36,339	7,660,971
Profit	-	-	-	154,384	154,384	-	154,384	675	155,059
Other comprehensive income	-	-	-	-	-	(348,066)	(348,066)	(1,452)	(349,518)
Total comprehensive income	-	-	-	154,384	154,384	(348,066)	(193,682)	(777)	(194,459)
Cash dividends distributed to non-controlling interests by the subsidiaries	-	-	-	-	-	-	-	(4,762)	(4,762)
<b>Balance at March 31, 2021</b>	<b>\$ 1,899,380</b>	<b>2,405,512</b>	<b>300,256</b>	<b>3,180,112</b>	<b>3,480,368</b>	<b>(354,310)</b>	<b>7,430,950</b>	<b>30,800</b>	<b>7,461,750</b>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**Reviewed only, not audited in accordance with generally accepted auditing standards**

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

**Consolidated Statements of Cash Flows**

**For the three months ended March 31, 2021 and 2020**

(Expressed in Thousands of New Taiwan Dollars)

	<b>For the three months ended March 31</b>	
	<b>2021</b>	<b>2020</b>
<b>Cash flows from (used in) operating activities:</b>		
Profit before tax	\$ 183,194	286,761
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit:</b>		
Depreciation expense	193,611	184,927
Amortization expense	4,183	3,723
Expected credit loss (reversal of expected credit loss)	54,433	(17,581)
Interest expense	8,078	15,685
Interest income	(145)	(67)
Loss (gain) on disposal of property, plant and equipment	(949)	212
Impairment loss on non-financial assets	3,966	3,188
<b>Total adjustments to reconcile profit</b>	<u>263,177</u>	<u>190,087</u>
<b>Changes in operating assets and liabilities:</b>		
<b>Changes in operating assets:</b>		
Financial assets measured at fair value through profit or loss	1,417	3,091
Notes receivable	37	160
Accounts receivable	(67,054)	73,774
Other receivables	(90,880)	(29,079)
Inventories	(149,139)	(106,496)
Other current assets	7,688	(3,723)
<b>Total changes in operating assets</b>	<u>(297,931)</u>	<u>(62,273)</u>
<b>Changes in operating liabilities:</b>		
Financial liabilities measured at fair value through profit or loss	(8,211)	17,066
Notes payable	-	22
Accounts payable	394,198	598,133
Other payables	49,811	47,249
Other current liabilities	(1,215)	(3,229)
Other non-current liabilities	1,191	(2,982)
<b>Total changes in operating liabilities</b>	<u>435,774</u>	<u>656,259</u>
<b>Total changes in operating assets and liabilities</b>	<u>137,843</u>	<u>593,986</u>
<b>Total adjustments</b>	<u>401,020</u>	<u>784,073</u>
Cash inflow generated from operations	584,214	1,070,834
Interest received	145	67
Interest paid	(7,920)	(16,919)
Income taxes paid	(45)	(48)
<b>Net cash flows from operating activities</b>	<u>576,394</u>	<u>1,053,934</u>
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of financial assets at amortised cost	(199,717)	-
Net cash flow from acquisition of subsidiaries (deduct cash acquired)	-	(163,942)
Acquisition of property, plant and equipment	(840,594)	(273,023)
Proceeds from disposal of property, plant and equipment	16,754	-
Decrease in refundable deposits	217	398
Acquisition of intangible assets	(10,037)	(348)
Decrease (increase) in other financial assets	3,506	(30)
Increase in prepayments for equipment	(99,124)	(123,018)
<b>Net cash flows used in investing activities</b>	<u>(1,128,995)</u>	<u>(559,963)</u>
<b>Cash flows from (used in) financing activities:</b>		
Increase in short-term loans	261,778	312,686
Proceeds from long-term loans	1,507,717	71,603
Repayments of long-term loans	(1,010,430)	(334,603)
Payment of lease liabilities	(25,721)	(39,724)
Cash dividends distributed to non-controlling interests	(4,762)	-
<b>Net cash flows from financing activities</b>	<u>728,582</u>	<u>9,962</u>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<u>(134,543)</u>	<u>(246,117)</u>
<b>Net increase in cash and cash equivalents</b>	41,438	257,816
<b>Cash and cash equivalents at beginning of period</b>	821,682	299,901
<b>Cash and cash equivalents at end of period</b>	<u>\$ 863,120</u>	<u>557,717</u>

See accompanying notes to consolidated financial statements.



(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**Reviewed only, not audited in accordance with generally accepted auditing standards**

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

**Notes to the Consolidated Financial Statements**

**March 31, 2021 and 2020**

**(Expressed in Thousands of New Taiwan Dollars, 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. (Apex Circuit (Thailand)), 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. Apex Circuit (Thailand) mainly manufactures and sells electronic printed circuit boards, please refer to note 14 for related information. 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 10, 2021.

**(3) New standards, amendments and interpretations adopted:**

- (a) The impact of the International Financial Reporting Standards (“IFRSs”) endorsed by the Financial Supervisory Commission, R.O.C. (“FSC”) 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, 2021:

- Amendments to IFRS 4 “Extension of the Temporary Exemption from Applying IFRS 9”
- Amendments to IFRS 9, IAS39, IFRS7, IFRS 4 and IFRS 16 “Interest Rate Benchmark Reform—Phase 2”

- (b) The impact of IFRS issued by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on April 1, 2021, would not have a significant impact on its consolidated financial statements:

- Amendments to IFRS 16 “Covid-19-Related Rent Concessions beyond June 30, 2021”

(Continued)

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

- (c) The impact of IFRS 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:

<b>Standards or Interpretations</b>	<b>Content of amendment</b>	<b>Effective date per IASB</b>
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of balance sheet, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.  The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity.	January 1, 2023
Amendments to IAS 16 “Property, Plant and Equipment – Proceeds before Intended Use”	The amendments prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognize such sales proceeds and related cost in profit or loss.	January 1, 2022
Amendments to IAS 1 “Disclosure of Accounting Policies”	The key amendments to IAS 1 include: <ul style="list-style-type: none"> <li>● requiring companies to disclose their material accounting policies rather than their significant accounting policies;</li> <li>● clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and</li> <li>● clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company’s financial statements.</li> </ul>	January 1, 2023

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

<b>Standards or Interpretations</b>	<b>Content of amendment</b>	<b>Effective date per IASB</b>
Amendments to IAS 8 “Definition of Accounting Estimates”	<p>The amendments introduce a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty.</p> <p>The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy.</p>	January 1, 2023

The Group is evaluating the impact of its initial adoption of the abovementioned standards or interpretations on its consolidated financial position and consolidated financial performance. 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”
- Amendments to IAS 37 “Onerous Contracts – Cost of Fulfilling a Contract”
- Annual Improvements to IFRS Standards 2018-2020
- Amendments to IFRS 3 “Reference to the Conceptual Framework”

**(4) Summary of significant accounting policies:**

(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, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRS endorsed by the FSC) for a complete set of the annual consolidated financial statements.

Except the following accounting policies mentioned below, the significant accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2020. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2020.

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**APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES**  
**Notes to the 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, 2020. For the related information, please refer to note 4(c) of the consolidated financial statements for the year ended December 31, 2020.

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

Name of investor	Name of subsidiary	Business activities	Percentage of ownership (%)		
			March 31, 2021	December 31, 2020	March 31, 2020
The Company	Apex Circuit (Thailand) Co., Ltd. (Apex Circuit (Thailand))	PCB manufacturing and sales	99.58 %	99.58 %	99.58 %
The Company	Approach Excellence Trading Ltd. (incorporated in British Virgin Islands) (AET)	Supply chain integration	100.00 %	100.00 %	100.00 %
Apex Circuit (Thailand)	Shye Feng Enterprise (Thailand) Co., Ltd. (APS)	PCB manufacturing and sales	99.99 %	99.99 %	99.99 %
Apex Circuit (Thailand)	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 %

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

(c) Employee benefits

The pension cost in the 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 best estimated by multiplying pre-tax income for the interim reporting period using the effective annual tax rate as forecasted by the management, and any resulting current and deferred tax expense should be recognized accordingly.

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

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.

**(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 IFRSs (in accordance with IAS 34 “Interim Financial Reporting” and endorsed by the FSC) requires management to make judgments, estimates and assumptions 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, 2020. For related information, please refer to note 5 of the consolidated financial statements for the year ended December 31, 2020.

**(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, 2020. For the related information, please refer to note 6 of the consolidated financial statements for the year ended December 31, 2020.

(a) Cash and cash equivalents

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Cash	\$ 4,596	6,319	5,605
Demand deposits	810,607	789,182	521,184
Checking deposits	30,798	17,629	21,852
Time deposits	17,119	8,552	9,076
Cash and cash equivalents in the consolidated statement of cash flows	<u>\$ 863,120</u>	<u>821,682</u>	<u>557,717</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, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Restricted bank deposit	<u>\$ 805</u>	<u>4,311</u>	<u>6,232</u>

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

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

(b) Financial assets and liabilities measured at fair value through profit or loss

(i) Financial assets measured at fair value— Current

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Financial assets held-for-trading:			
Derivative instruments not used for hedging			
Forward exchange contracts	\$ <u>9,175</u>	<u>10,592</u>	<u>380</u>

(ii) Financial liabilities measured at fair value— Current

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Financial liabilities held-for- trading:			
Derivative instruments not used for hedging			
Forward exchange contracts	\$ <u>68</u>	<u>8,279</u>	<u>20,356</u>

Please refer to note 6(t) for the amounts recognized in the comprehensive income statements 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, 2021, December 31, 2020, and March 31, 2020.

Forward exchange contracts:

				<u>March 31, 2021</u>	
	<u>Amount (in thousands)</u>	<u>Currency</u>	<u>Maturity dates</u>		<u>Fair value of assets (liabilities)</u>
Forward exchange purchased	USD 2,000	USD to THB	2021.10.4	\$	<u>(68)</u>
Forward exchange purchased	USD 10,000	USD to THB	2021.8.2 ~2021.9.30	\$	<u>9,175</u>

(Continued)

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

<b>December 31, 2020</b>				
	<b>Amount</b>	<b>Currency</b>	<b>Maturity dates</b>	<b>Fair value of assets (liabilities)</b>
	<b>(in thousands)</b>			<b>\$</b>
Forward exchange sold	USD 8,000	USD to THB	2021.1.12 ~2021.2.25	\$ <b>10,592</b>
Forward exchange purchased	USD 6,000	USD to THB	2021.1.4	\$ (6,240)
Forward exchange purchased	USD 5,000	NTD to USD	2021.1.20	\$ <b>(8,279)</b>
				\$ <b>(8,279)</b>
<b>March 31, 2020</b>				
	<b>Amount</b>	<b>Currency</b>	<b>Maturity dates</b>	<b>Fair value of assets (liabilities)</b>
	<b>(in thousands)</b>			<b>\$</b>
Forward exchange purchased	USD 3,000	NTD to USD	2020.06.17 ~2020.07.13	\$ <b>380</b>
Forward exchange sold	USD 10,000	USD to THB	2020.06.11 ~2020.08.07	\$ (19,575)
Forward exchange purchased	USD 5,000	NTD to USD	2020.06.10 ~2020.08.10	(781)
				\$ <b>(20,356)</b>

Please refer to note 6(m) for financial assets measured at fair value through profit or loss components from issuing unsecured convertible bonds.

(c) Financial assets measured at amortized cost

	<b>March 31, 2021</b>	<b>December 31, 2020</b>	<b>March 31, 2020</b>
Time deposits	\$ <b>199,717</b>	-	-

The Group has assessed that these financial assets are held to maturity to collect contractual cash 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.

As of March 31, 2021, the Group held foreign time deposit with the weighted average interest rates of 0.34% maturing in July 2021.

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

(d) Notes receivable and accounts receivable

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Notes receivable	\$ 624	661	243
Accounts receivable	3,755,854	3,690,646	2,924,394
Less: loss allowance	<u>(59,483)</u>	<u>(6,896)</u>	<u>(2,670)</u>
	<u><b>\$ 3,696,995</b></u>	<u><b>3,684,411</b></u>	<u><b>2,921,967</b></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 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:

	<u>March 31, 2021</u>		
	<u>Gross carrying amount</u>	<u>Weighted average loss rate (%)</u>	<u>Loss allowance provision</u>
Not yet due	\$ 437,244	0.58	2,513
Past due 1~30 days	140,885	2.26	3,187
Past due 31~60 days	65,745	8.67	5,700
Past due 61~90 days	8,649	15.64	1,353
Past due 91~120 days	3,250	28.46	925
Past due 121~180 days	1,304	42.25	551
Past due over 180 days	<u>719</u>	100.00	<u>719</u>
	<u><b>\$ 657,796</b></u>		<u><b>14,948</b></u>
	<u>December 31, 2020</u>		
	<u>Gross carrying amount</u>	<u>Weighted average loss rate (%)</u>	<u>Loss allowance provision</u>
Not yet due	\$ 474,579	-	-
Past due 1~30 days	110,751	-	-
Past due 31~60 days	48,870	-	-
Past due 61~90 days	17,002	-	-
Past due 121~180 days	721	42.30	305
Past due over 180 days	<u>5</u>	100.00	<u>5</u>
	<u><b>\$ 651,928</b></u>		<u><b>310</b></u>

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

	<b>March 31, 2020</b>		
	<b>Gross carrying amount</b>	<b>Weighted average loss rate (%)</b>	<b>Loss allowance provision</b>
Not yet due	\$ 273,593	-	-
Past due 1~30 days	66,487	-	-
Past due 31~60 days	14,258	-	-
Past due 61~90 days	1,707	-	-
Past due 91~120 days	5	20.52	1
Past due 121~180 days	151	42.75	62
	<b>\$ 356,201</b>		<b>63</b>

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

	<b>March 31, 2021</b>		
	<b>Gross carrying amount</b>	<b>Weighted average loss rate (%)</b>	<b>Loss allowance provision</b>
Not yet due	\$ 289,845	-	-
Past due 1~30 days	27,164	-	-
Past due 31~60 days	2,348	-	-
Past due 61~90 days	4	-	-
	<b>\$ 319,361</b>		<b>-</b>

	<b>December 31, 2020</b>		
	<b>Gross carrying amount</b>	<b>Weighted average loss rate (%)</b>	<b>Loss allowance provision</b>
Not yet due	\$ 261,135	-	-
Past due 1~30 days	17,402	-	-
Past due 31~60 days	1,872	-	-
Past due 91~120 days	78	26.92	21
	<b>\$ 280,487</b>		<b>21</b>

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

	<b>March 31, 2020</b>		
	<b>Gross carrying amount</b>	<b>Weighted average loss rate (%)</b>	<b>Loss allowance provision</b>
Not yet due	\$ 340,206	-	-
Past due 1~30 days	41,522	-	-
Past due 31~60 days	2,450	0.01	-
Past due 121~180 days	<u>2</u>	27.42	<u>1</u>
	<b><u>\$ 384,180</u></b>		<b><u>1</u></b>

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

	<b>March 31, 2021</b>		
	<b>Gross carrying amount</b>	<b>Weighted average loss rate (%)</b>	<b>Loss allowance provision</b>
Past due over 180 days	<b><u>\$ 1,885</u></b>	100.00	<b><u>1,885</u></b>

	<b>December 31, 2020</b>		
	<b>Gross carrying amount</b>	<b>Weighted average loss rate (%)</b>	<b>Loss allowance provision</b>
Past due over 180 days	<b><u>\$ 1,890</u></b>	100.00	<b><u>1,890</u></b>

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

	<b>March 31, 2021</b>		
	<b>Gross carrying amount</b>	<b>Weighted average loss rate (%)</b>	<b>Loss allowance provision</b>
Not yet due	\$ 1,642,286	0.01	117
Past due 1~30 days	261,032	0.05	123
Past due 31~60 days	7,151	8.43	603
Past due 61~90 days	7,070	18.46	1,305
Past due over 180 days	<u>208</u>	100.00	<u>208</u>
	<b><u>\$ 1,917,747</u></b>		<b><u>2,356</u></b>

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

The accounts receivable above does not contain all the amounts that the Group has for a certain 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 is \$38,595 thousand.

	<b>December 31, 2020</b>		
	<b>Gross carrying amount</b>	<b>Weighted average loss rate (%)</b>	<b>Loss allowance provision</b>
Not yet due	\$ 1,615,811	0.01	125
Past due 1~30 days	302,963	0.03	86
Past due 31~60 days	33,862	1.47	497
Past due 61~90 days	26,084	0.38	99
Past due 121~180 days	80	32.50	26
Past due over 180 days	237	100.00	237
	<b>\$ 1,979,037</b>		<b>1,070</b>
	<b>March 31, 2020</b>		
	<b>Gross carrying amount</b>	<b>Weighted average loss rate (%)</b>	<b>Loss allowance provision</b>
Not yet due	\$ 1,327,868	-	-
Past due 1~30 days	197,324	-	-
Past due 31~60 days	17,938	-	-
Past due 61~90 days	3,318	-	-
Past due 91~120 days	1,599	-	-
Past due 121~180 days	1,068	30.24	323
Past due over 180 days	291	100.00	291
	<b>\$ 1,549,406</b>		<b>614</b>

The accounts receivable above does not contain all the amounts that the Group has for a certain client. As the uncertainty of receiving, 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 is \$1,925 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:

	<b>March 31, 2021</b>		
	<b>Gross carrying amount</b>	<b>Weighted average loss rate (%)</b>	<b>Loss allowance provision</b>
Not yet due	\$ 669,048	0.10	657
Past due 1~30 days	127,886	0.51	648
Past due 31~60 days	21,834	1.37	300
Past due 61~90 days	2,176	3.45	75
Past due 121~180 days	<u>150</u>	12.67	<u>19</u>
	<b><u>\$ 821,094</u></b>		<b><u>1,699</u></b>
	<b>December 31, 2020</b>		
	<b>Gross carrying amount</b>	<b>Weighted average loss rate (%)</b>	<b>Loss allowance provision</b>
Not yet due	\$ 564,569	0.10	553
Past due 1~30 days	52,134	0.51	264
Past due 31~60 days	149,793	1.37	2,051
Past due 61~90 days	8,953	3.42	306
Past due 91~120 days	873	10.88	95
Past due 121~180 days	1,491	12.34	184
Past due over 180 days	<u>152</u>	100.00	<u>152</u>
	<b><u>\$ 777,965</u></b>		<b><u>3,605</u></b>
	<b>March 31, 2020</b>		
	<b>Gross carrying amount</b>	<b>Weighted average loss rate (%)</b>	<b>Loss allowance provision</b>
Not yet due	\$ 523,060	0.01	2
Past due 1~30 days	69,410	0.04	30
Past due 31~60 days	19,684	0.06	12
Past due 61~90 days	13,655	0.06	9
Past due 91~120 days	5,222	0.13	7
Past due 121~180 days	<u>1,894</u>	0.39	<u>7</u>
	<b><u>\$ 632,925</u></b>		<b><u>67</u></b>

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

The movements in the allowance of accounts receivable were as follows:

	<b>For the three months ended</b>	
	<b>March 31</b>	
	<b>2021</b>	<b>2020</b>
Balance at the beginning	\$ 6,896	21,041
Acquisition through business combination	-	318
Impairment losses (reversal gain)	54,433	(17,581)
Foreign exchange losses	(1,846)	(1,108)
Balance at the ending	<b><u>\$ 59,483</u></b>	<b><u>2,670</u></b>

(e) Other receivables

	<b>March 31, 2021</b>	<b>December 31, 2020</b>	<b>March 31, 2020</b>
Other receivables	\$ 161,922	71,042	64,805
Less: Loss allowance	-	-	-
	<b><u>\$ 161,922</u></b>	<b><u>71,042</u></b>	<b><u>64,805</u></b>

The Group does not have any past due other receivables as of March 31, 2021, December 31, 2020, and March 31, 2020.

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

(f) Inventories

	<b>March 31, 2021</b>		
	<b>Cost</b>	<b>Allowance for loss</b>	<b>Net realizable value</b>
Raw materials	\$ 724,050	(44,595)	679,455
Work in process	364,426	(9,312)	355,114
Finished goods	696,502	(40,073)	656,429
Supplies and spare parts	528,728	(41,838)	486,890
Goods in transit	196,448	-	196,448
Merchandise inventory	2,683	-	2,683
Total	<b><u>\$ 2,512,837</u></b>	<b><u>(135,818)</u></b>	<b><u>2,377,019</u></b>

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

	<b>December 31, 2020</b>		
	<b>Cost</b>	<b>Allowance for loss</b>	<b>Net realizable value</b>
Raw materials	\$ 696,155	(41,558)	654,597
Work in process	341,756	(6,428)	335,328
Finished goods	689,798	(22,113)	667,685
Supplies and spare parts	465,241	(43,919)	421,322
Goods in transit	142,978	-	142,978
Merchandise inventory	5,970	-	5,970
<b>Total</b>	<b>\$ 2,341,898</b>	<b>(114,018)</b>	<b>2,227,880</b>

  

	<b>March 31, 2020</b>		
	<b>Cost</b>	<b>Allowance for loss</b>	<b>Net realizable value</b>
Raw materials	\$ 644,617	(39,201)	605,416
Work in process	351,038	(9,064)	341,974
Finished goods	525,871	(16,386)	509,485
Supplies and spare parts	385,879	(63,256)	322,623
Goods in transit	189,935	-	189,935
Merchandise inventory	715	-	715
<b>Total</b>	<b>\$ 2,098,055</b>	<b>(127,907)</b>	<b>1,970,148</b>

For the three months ended March 31, 2021 and 2020, in addition to the normal cost of goods sold, the following loss and revenue were included in the Group's operating costs:

	<b>For the three months ended March 31</b>	
	<b>2021</b>	<b>2020</b>
Loss on market price decline and obsolete and slow-moving inventories (reversal gain)	\$ 27,625	(4,792)
Revenue from sale of scrap	(109,096)	(54,985)
Loss on inventory obsolescence	70,824	63,254
	<b>\$ (10,647)</b>	<b>3,477</b>

As of March 31, 2021, December 31, 2020, and March 31, 2020, the Group did not pledge its inventory as collateral.

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

(g) Business combination

On October 3, 2019, the Company's Board of Directors resolved to acquire shares of APS in order to diversify its production line. The acquisition would be completed in January 2020, with a purchase amount not exceeding 281,000 thousand Baht. The Group has obtained the control of APS by acquiring 99.99% shares of APS in January 2020.

Please refer to note 6(f) of the 2020 consolidated financial statements for related information on the acquisition.

(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, 2021 and 2020, were as follows:

	<u>Land</u>	<u>Land improvement</u>	<u>Buildings</u>	<u>Machinery and equipment</u>	<u>Transportation equipment</u>	<u>Office equipment</u>	<u>Leasehold improvement</u>	<u>Unfinished construction and equipment undergoing acceptance testing</u>	<u>Total</u>
Cost:									
Balance at January 1, 2021	\$ 740,846	8,066	2,323,404	7,908,213	15,960	474,606	17,855	1,047,902	12,536,852
Additions	-	-	11,406	78,746	-	18,907	5,459	784,365	898,883
Disposals	-	-	-	(52,929)	-	(1,270)	-	-	(54,199)
Reclassification (notes 1 and 2)	-	-	7,339	362,861	-	136	-	(184,681)	185,655
Translation effect	(32,765)	(357)	(41,257)	(101,358)	4,654	(20,258)	(852)	(63,317)	(255,510)
Balance at March 31, 2021	<b>\$ 708,081</b>	<b>7,709</b>	<b>2,300,892</b>	<b>8,195,533</b>	<b>20,614</b>	<b>472,121</b>	<b>22,462</b>	<b>1,584,269</b>	<b>13,311,681</b>
Balance at January 1, 2020	\$ 351,537	8,335	2,297,849	7,767,265	12,912	464,785	10,902	204,952	11,118,537
Acquisition through business combination	38,489	-	65,250	39,118	2,391	1,275	-	4,879	151,402
Additions	97,777	-	26,655	20,633	-	7,702	500	229,911	383,178
Disposals	-	-	-	(1,403)	-	(539)	-	-	(1,942)
Reclassification (note 1)	-	-	24,233	137,951	-	(3)	-	(121,118)	41,063
Translation effect	(37,202)	(711)	(208,988)	(694,796)	(1,776)	(39,955)	(783)	(22,290)	(1,006,501)
Balance at March 31, 2020	<b>\$ 450,601</b>	<b>7,624</b>	<b>2,204,999</b>	<b>7,268,768</b>	<b>13,527</b>	<b>433,265</b>	<b>10,619</b>	<b>296,334</b>	<b>10,685,737</b>
Accumulated depreciation and impairment losses:									
Balance at January 1, 2021	\$ -	4,834	902,104	3,783,721	12,619	306,078	10,954	-	5,020,310
Depreciation	-	208	33,628	131,144	324	11,384	474	-	177,162
Impairment loss	-	-	-	3,966	-	-	-	-	3,966
Disposals	-	-	-	(37,227)	-	(1,167)	-	-	(38,394)
Translation effect	-	(220)	21,184	89,289	4,792	(12,605)	(406)	-	102,034
Balance at March 31, 2021	<b>\$ -</b>	<b>4,822</b>	<b>956,916</b>	<b>3,970,893</b>	<b>17,735</b>	<b>303,690</b>	<b>11,022</b>	<b>-</b>	<b>5,265,078</b>
Balance at January 1, 2020	\$ -	4,231	826,368	3,921,969	10,384	278,836	8,908	-	5,050,696
Depreciation	-	205	31,804	119,950	887	11,011	523	-	164,380
Impairment loss	-	-	-	3,188	-	-	-	-	3,188
Disposals	-	-	-	(1,263)	-	(467)	-	-	(1,730)
Reclassification	-	-	-	2	-	(2)	-	-	-
Translation effect	-	(369)	(77,248)	(362,319)	(1,398)	(24,162)	(631)	-	(466,127)
Balance at March 31, 2020	<b>\$ -</b>	<b>4,067</b>	<b>780,924</b>	<b>3,681,527</b>	<b>9,873</b>	<b>265,216</b>	<b>8,800</b>	<b>-</b>	<b>4,750,407</b>

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

	<u>Land</u>	<u>Land improvement</u>	<u>Buildings</u>	<u>Machinery and equipment</u>	<u>Transportation equipment</u>	<u>Office equipment</u>	<u>Leasehold improvement</u>	<u>Unfinished construction and equipment undergoing acceptance testing</u>	<u>Total</u>
Carrying amount:									
Balance at January 1, 2021	\$ 740,846	3,232	1,421,300	4,124,492	3,341	168,528	6,901	1,047,902	7,516,542
Balance at March 31, 2021	\$ 708,081	2,887	1,343,976	4,224,640	2,879	168,431	11,440	1,584,269	8,046,603
Balance at March 31, 2020	\$ 450,601	3,557	1,424,075	3,587,241	3,654	168,049	1,819	296,334	5,935,330

Note 1: The cost of \$186,468 thousand and \$41,063 thousand, respectively, were transferred from prepayments for equipment for the three months ended March 31, 2021 and 2020.

2: The cost of \$813 thousand was reclassified from equipment undergoing acceptance testing of property, plant and equipment to intangible assets for the three months ended March 31, 2021.

The Group tested the related machinery for impairment and estimated the differences between the book value and the recoverable amount. The impairment loss recognized was as follows:

	<b>For the three months ended March 31</b>	
	<b>2021</b>	<b>2020</b>
Impairment loss	<b>\$ 3,966</b>	<b>3,188</b>

The Group used fair value less selling cost to calculate the recoverable amount as the basis to measure the impairment of 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:

	<u>Buildings</u>	<u>Machinery and equipment</u>	<u>Transportation equipment</u>	<u>Office equipment</u>	<u>Total</u>
Cost:					
Balance at January 1, 2021	\$ 101,810	298,022	41,670	1,418	442,920
Additions	5,293	18,340	3,311	-	26,944
Translation effect	(4,011)	(13,700)	(1,928)	(63)	(19,702)
Balance at March 31, 2021	<b>\$ 103,092</b>	<b>302,662</b>	<b>43,053</b>	<b>1,355</b>	<b>450,162</b>
Balance at January 1, 2020	\$ 107,596	526,283	26,546	-	660,425
Acquisition through business combination	-	-	286	-	286
Additions	142	4,994	-	-	5,136
Translation effect	(8,425)	(45,055)	(2,308)	-	(55,788)
Balance at March 31, 2020	<b>\$ 99,313</b>	<b>486,222</b>	<b>24,524</b>	<b>-</b>	<b>610,059</b>

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

	<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, 2021	\$ 28,517	96,275	19,950	243	144,985
Depreciation	6,047	7,693	2,583	126	16,449
Translation effect	(1,134)	(4,476)	(953)	(14)	(6,577)
Balance at March 31, 2021	<u>\$ 33,430</u>	<u>99,492</u>	<u>21,580</u>	<u>355</u>	<u>154,857</u>
Balance at January 1, 2020	\$ 27,261	121,793	10,386	-	159,440
Depreciation	6,643	11,334	2,570	-	20,547
Translation effect	(2,328)	(10,840)	(1,010)	-	(14,178)
Balance at March 31, 2020	<u>\$ 31,576</u>	<u>122,287</u>	<u>11,946</u>	<u>-</u>	<u>165,809</u>
Carrying amount:					
Balance at January 1, 2021	<u>\$ 73,293</u>	<u>201,747</u>	<u>21,720</u>	<u>1,175</u>	<u>297,935</u>
Balance at March 31, 2021	<u>\$ 69,662</u>	<u>203,170</u>	<u>21,473</u>	<u>1,000</u>	<u>295,305</u>
Balance at March 31, 2020	<u>\$ 67,737</u>	<u>363,935</u>	<u>12,578</u>	<u>-</u>	<u>444,250</u>

## (j) Intangible assets

The cost, amortization, and impairment losses for the intangible assets of the Group for the three months ended March 31, 2021 and 2020, 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, 2021	\$ 119,155	3,110	40,789	112,334	275,388
Addition	-	-	-	10,037	10,037
Reclassification from property, plant and equipment	-	-	-	813	813
Translation effect	(5,270)	(137)	(1,803)	(5,239)	(12,449)
Balance at March 31, 2021	<u>\$ 113,885</u>	<u>2,973</u>	<u>38,986</u>	<u>117,945</u>	<u>273,789</u>
Balance at January 1, 2020	\$ -	-	-	111,021	111,021
Acquisition through business combinations	126,315	3,298	43,240	259	173,112
Additions	-	-	-	348	348
Translation effect	(10,765)	(281)	(3,685)	(9,465)	(24,196)
Balance at March 31, 2020	<u>\$ 115,550</u>	<u>3,017</u>	<u>39,555</u>	<u>102,163</u>	<u>260,285</u>
Amortization and impairment loss:					
Balance at January 1, 2021	\$ -	622	4,079	82,590	87,291
Amortization	-	153	1,003	3,027	4,183
Translation effect	-	(32)	(209)	(3,708)	(3,949)
Balance at March 31, 2021	<u>\$ -</u>	<u>743</u>	<u>4,873</u>	<u>81,909</u>	<u>87,525</u>

(Continued)

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

	<u>Goodwill</u>	<u>Operating procedure</u>	<u>Customer relationship</u>	<u>Software</u>	<u>Total</u>
Balance at January 1, 2020	\$ -	-	-	76,097	76,097
Amortization	-	157	1,031	2,535	3,723
Translation effect	-	(6)	(42)	(6,575)	(6,623)
Balance at March 31, 2020	<u>\$ -</u>	<u>151</u>	<u>989</u>	<u>72,057</u>	<u>73,197</u>
Carrying amount:					
Balance at January 1, 2021	<u>\$ 119,155</u>	<u>2,488</u>	<u>36,710</u>	<u>29,744</u>	<u>188,097</u>
Balance at March 31, 2021	<u>\$ 113,885</u>	<u>2,230</u>	<u>34,113</u>	<u>36,036</u>	<u>186,264</u>
Balance at March 31, 2020	<u>\$ 115,550</u>	<u>2,866</u>	<u>38,566</u>	<u>30,106</u>	<u>187,088</u>

Please refer to note 6(f) of the 2020 consolidated financial statements for more information on the goodwill arising from the acquisition.

(k) Short-term loans

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Secured loans	\$ 112,446	33,317	1,122,594
Unsecured loans	1,451,283	1,336,632	120,926
Total	<u>\$ 1,563,729</u>	<u>1,369,949</u>	<u>1,243,520</u>
Unused credit line	<u>\$ 3,429,698</u>	<u>3,916,525</u>	<u>3,612,392</u>
Interest rate (%)	<u>0.29~2.95</u>	<u>0.32~4.09</u>	<u>0.95~6.25</u>

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

(l) Long-term loans

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Secured loans	\$ 2,190,783	1,721,901	349,805
Unsecured loans	542,177	611,228	445,658
Less: deferred financing fee	(4,596)	(5,202)	(3,112)
Subtotal	2,728,364	2,327,927	792,351
Less: current portion	(363,895)	(297,010)	(145,045)
Total	<u>\$ 2,364,469</u>	<u>2,030,917</u>	<u>647,306</u>
Unused credit line	<u>\$ 4,081,050</u>	<u>4,408,821</u>	<u>1,501,384</u>
Interest rate (%)	<u>1.05~4.00</u>	<u>1.05~3.75</u>	<u>1.69~5.88</u>
Maturity date	<u>2022.8~2026.1</u>	<u>2022.8~2025.10</u>	<u>2020.3~2023.12</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**  
**Notes to the Consolidated Financial Statements**

(ii) Loan contract

The agreements that the Group entered into with banks had no significant change for the three months ended March 31, 2021 and 2020. Please refer to note 6(k) of the 2020 consolidated financial statements for related information.

(m) Corporate bonds payable

The details of the corporate bonds payable were as follows: :

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Unsecured convertible bonds	\$ <u>-</u>	<u>-</u>	<u>98</u>

For the three months ended March 31, 2021 and 2020, the Group did not issue or buyback convertible bonds. Please refer to note 6(l) of the 2020 consolidated financial statements for related information. Please refer to note 6(q) for more information on the conversion of convertible bonds into common stock for the three months ended March 31, 2021 and 2020.

The third convertible bonds of the Group were fully converted as of June 30, 2020.

(i) Financial assets measured at fair value through profit or loss were as follows:

	<u>December 31, 2020</u>	<u>March 31, 2020</u>
	<b>Third unsecured convertible bond</b>	<b>Third unsecured convertible bond</b>
Beginning balance	\$ 16	16
Valuation loss	(12)	(13)
Conversion	(4)	(3)
Ending balance	<u>\$ -</u>	<u>-</u>

(ii) The balances of the equity component recorded as capital surplus— stock warrants were as follows:

	<u>December 31, 2020</u>	<u>March 31, 2020</u>
	<b>Third unsecured convertible bond</b>	<b>Third unsecured convertible bond</b>
Beginning balance	\$ 839	839
Less: conversion	839	834
Ending balance	<u>\$ -</u>	<u>5</u>

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

(n) Lease liabilities

The amounts of leased liability were as follows:

	<b>March 31, 2021</b>	<b>December 31, 2020</b>	<b>March 31, 2020</b>
Current	\$ 56,544	71,422	119,774
Non-current	83,641	73,633	71,223
	<u>\$ 140,185</u>	<u>145,055</u>	<u>190,997</u>

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

The amounts recognized in profit or loss were as follows:

	<b>For the three months ended March 31</b>	
	<b>2021</b>	<b>2020</b>
Interest on lease liabilities	\$ 1,372	2,388
Variable lease payments not included in the measurement of lease liabilities	\$ -	194
Expenses relating to short-term leases	\$ 338	494
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	\$ 301	15

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

	<b>For the three months ended March 31</b>	
	<b>2021</b>	<b>2020</b>
Total cash outflow from operating activities	\$ 2,011	3,091
Total cash outflow from investing activities	25,721	39,724
Total cash outflow for leases	<u>\$ 27,732</u>	<u>42,815</u>

(i) Real estate leases

As of March 31, 2021, 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.

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**APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES**  
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(ii) Other leases

As of March 31, 2021, the Group leases office equipment and vehicles with lease terms of 1 to 5 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.

(o) 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, 2020 and 2019.

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

	<b>For the three months ended</b>	
	<b>March 31</b>	
	<u>2021</u>	<u>2020</u>
Operating costs	\$ 2,038	1,462
Administration expenses	<u>1,178</u>	<u>1,433</u>
	<u><u>\$ 3,216</u></u>	<u><u>2,895</u></u>

(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:

	<b>For the three months ended</b>	
	<b>March 31</b>	
	<u>2021</u>	<u>2020</u>
Administration expenses	<u>\$ 236</u>	<u>224</u>

(iii) Long-term employee benefit plan

The balance of the Group's long-term employee benefit plan amounted to \$7,060 thousand, \$6,294 thousand and \$5,143 thousand as of March 31, 2021, December 31, 2020, and March 31, 2020, respectively.

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

(p) Income taxes

The amounts of income tax for the three months ended March 31, 2021 and 2020, were as follows:

	<b>For the three months ended March 31</b>	
	<b>2021</b>	<b>2020</b>
Current tax expense		
Current period	<b>\$ 28,135</b>	<b>1,489</b>

The Company and AET are not required to pay income tax in the country in which they are incorporated, so there is no need to file an income tax return.

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 2019. The income tax return of AET's Taiwan Branch and the Company's Taiwan Branch had been approved by the Revenue department through 2019. APC was established in China in February 2020, so it has not yet filed any income tax return.

(q) 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, 2021 and 2020. Please refer to note 6(p) of the 2020 consolidated financial statements for related information.

Reconciliation of shares outstanding for the three months ended March 31, 2021 and 2020, was as follows:

	Unit: Thousand shares <b>For the three months ended March 31</b>	
	<b>2021</b>	<b>2020</b>
Balance at January 1	189,938	189,041
Conversion of convertible bonds	-	892
Balance at March 31	<b>189,938</b>	<b>189,933</b>

(i) Issuance of common stock

In the three months ended March 31, 2020, the third convertible bondholders converted bonds into common stock, and of which 892 thousand shares were converted at par value, amounting to \$8,922 thousand. Registration processes in relation to the bond conversion have been completed.

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

(ii) Capital surplus

The balances of capital surplus were as follows:

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Premium on capital stock	\$ 2,378,112	2,378,112	2,378,058
Donation by shareholders	27,067	27,067	27,067
Issuance of convertible bonds— stock warrant	-	-	5
Gain or loss on entity's disposition of equity of the subsidiary	333	333	333
	<u>\$ 2,405,512</u>	<u>2,405,512</u>	<u>2,405,463</u>

(iii) Distribution of earnings

According to the Articles of Association, if the Company is profitable during the given accounting year, then the Company is allowed to set aside a maximum amount of 2% of its net profit as remuneration to employees, directors, and supervisors. However, when experiencing a cumulative loss, the Company shall first appropriate a reserve amount to offset the cumulative loss. The Company's estimated remuneration for employees, directors and supervisors for the three months ended March 31, 2021 and 2020 was \$0 thousand and \$180 thousand, respectively. Should there be difference between the actual distribution amount that was resolved by shareholders' meeting and the estimated amount, it will be regarded as changes in accounting estimates and errors, and it will be adjusted in the Company's profit or loss for the given year.

On March 10, 2021, the employee remuneration, as well as remuneration to directors and supervisors of \$0 thousand and \$720 thousand, respectively, which were approved during the Company's Board of Directors meeting, were the same as those recognized in the 2020 financial statements. However, the distribution of earnings has yet to be approved during the shareholders' meeting. On June 5, 2020, the employee remuneration, as well as remuneration to directors and supervisors, of \$0 thousand and \$720 thousand, respectively, which were approved during the shareholders' meeting, were the same as those recognized in the financial statements in 2019. The related information is available on the Market Observation Post System website.

On March 3, 2021, the Company's Board of Directors approved to appropriate the 2020 earnings. On June 5, 2020, the shareholder's meetings resolved to distribute the 2019 earnings. These earnings were appropriated as follows:

	<u>2020</u>	<u>2019</u>
Dividends distributed to ordinary shareholders		
Cash	\$ <u>569,814</u>	<u>569,799</u>

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**APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES**  
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The related information about the earnings distribution that was approved by the Company's Board of Directors and resolved during the shareholder's meeting is available on the Market Observation Post System website.

(r) Earnings per share

The calculation of basic and diluted earnings per share (EPS) was as follows:

	Unit: Thousand shares	
	For the three months ended	
	March 31	
	2021	2020
Basic EPS:		
Net income	\$ <u>154,384</u>	<u>284,018</u>
Weighted-average number of common shares outstanding	<u>189,938</u>	<u>189,463</u>
Basic EPS (New Taiwan Dollars)	\$ <u>0.81</u>	<u>1.50</u>
Diluted EPS:		
Net income	\$ 154,384	284,018
Influence of dilutive expenses	<u>-</u>	<u>76</u>
Net income for calculating diluted EPS	\$ <u>154,384</u>	<u>284,094</u>
Weighted-average number of common shares outstanding	189,938	189,463
Conversion of convertible bonds	<u>-</u>	<u>475</u>
Weighted-average number of common shares outstanding — diluted	<u>189,938</u>	<u>189,938</u>
Diluted EPS (New Taiwan Dollars)	\$ <u>0.81</u>	<u>1.50</u>

(s) Revenues from contracts with customers

(i) Disaggregation of revenue

	For the three months ended	
	March 31	
	2021	2020
Primary geographical markets:		
Singapore	\$ 626,309	587,073
Thailand	605,816	519,311
Vietnam	424,022	239,654
Samoa	391,268	148,198
Korea	377,375	365,969
Other	<u>835,614</u>	<u>744,561</u>
	\$ <u>3,260,404</u>	<u>2,604,766</u>

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**APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES**  
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	<b>For the three months ended</b>	
	<b>March 31</b>	
	<b>2021</b>	<b>2020</b>
Main product/service line		
Single-layer PCB sales	\$ 151,019	142,263
Double-layer PCB sales	844,271	546,862
Multi-layer PCB sales	2,260,944	1,916,418
Other	7,845	5,068
Less: sales allowance	(3,675)	(5,845)
	<b>\$ 3,260,404</b>	<b>2,604,766</b>

(ii) Remaining balances of contract

	<b>December 31,</b>		
	<b>March 31, 2021</b>	<b>2020</b>	<b>March 31, 2020</b>
Notes receivable	\$ 624	661	243
Accounts receivable	3,755,854	3,690,646	2,924,394
Less: loss allowance	(59,483)	(6,896)	(2,670)
Total	<b>\$ 3,696,995</b>	<b>3,684,411</b>	<b>2,921,967</b>

(t) Non-operating income and expenses

(i) Interest income

The details of interest income are as follows:

	<b>For the three months ended</b>	
	<b>March 31</b>	
	<b>2021</b>	<b>2020</b>
Interest income	<b>\$ 145</b>	<b>67</b>

(ii) Other income

The details of other income are as follows:

	<b>For the three months ended</b>	
	<b>March 31</b>	
	<b>2021</b>	<b>2020</b>
Income from cancellation of orders	\$ 5	4,226
Others	3,050	2,845
	<b>\$ 3,055</b>	<b>7,071</b>

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**APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES**  
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(iii) Other gains and losses

The details of other gains and losses are as follows:

	<b>For the three months ended March 31</b>	
	<b>2021</b>	<b>2020</b>
Gains (Losses) on disposal of property, plant and equipment	\$ 949	(212)
Foreign exchange gains (losses), net	(17,496)	41,387
Valuation gains (losses) on financial assets (liabilities), net	5,389	(20,993)
Impairment loss	(3,966)	(3,188)
Other	(49)	-
	<b>\$ (15,173)</b>	<b>16,994</b>

(iv) Finance cost

The details of finance cost are as follows:

	<b>For the three months ended March 31</b>	
	<b>2021</b>	<b>2020</b>
Interest expense on loans from banks	\$ 15,260	13,922
Interest expense on lease liabilities	1,372	2,388
Less: interest expense capitalized	(8,554)	(688)
Amortization of discount on bonds payable	-	63
	<b>\$ 8,078</b>	<b>15,685</b>

(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 2020 consolidated financial statements for related information.

(i) Credit risk

1) Risk exposure

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

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**APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES**  
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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%, 40% and 35% of the total amount of notes and accounts receivable as of March 31, 2021, December 31, 2020, and March 31, 2020, respectively. As of March 31, 2021, December 31, 2020, and March 31, 2020, the Group's accounts receivable concentrated on three main customers were \$1,253,225 thousand, \$1,455,501 thousand and \$1,011,352 thousand, respectively.

3) Credit risk of accounts receivable

Please refer to note 6(d) for information on credit risk of accounts receivable; and note 6(e) for details of other receivables. All of other receivables are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected losses.

(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>
<b>March 31, 2021</b>					
Non-derivative financial liabilities					
Short-term loans	\$ 1,563,729	1,565,850	1,565,850	-	-
Long-term loans	2,728,364	2,836,041	413,665	785,875	1,636,501
Lease liabilities	140,185	148,980	60,112	32,328	56,540
Accounts payable	2,828,877	2,828,877	2,828,877	-	-
Other payables (including payables on equipment)	1,137,705	1,137,705	1,137,705	-	-
Long-term payable	109,832	109,832	-	90,144	19,688
Derivative financial liabilities					
Other forward contract—					
Inflow	-	(57,067)	(57,067)	-	-
Outflow	68	57,135	57,135	-	-
	<u>\$ 8,508,760</u>	<u>8,627,353</u>	<u>6,006,277</u>	<u>908,347</u>	<u>1,712,729</u>

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**APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES**  
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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>
<b>December 31, 2020</b>					
Non-derivative financial liabilities					
Secured bank loans	\$ 1,750,016	1,829,623	348,103	1,041,945	439,575
Unsecured bank loans	1,947,860	1,973,000	1,368,809	466,358	137,833
Lease liabilities	145,055	153,151	75,113	31,058	46,980
Accounts payable	2,434,679	2,434,679	2,434,679	-	-
Other payables (including payables on equipment)	1,004,161	1,004,161	1,004,161	-	-
Long-term payable	135,118	135,118	-	104,016	31,102
Derivative financial liabilities					
Other forward contract—					
Inflow	-	(313,997)	(313,997)	-	-
Outflow	8,279	322,276	322,276	-	-
	<u>\$ 7,425,168</u>	<u>7,538,011</u>	<u>5,239,144</u>	<u>1,643,377</u>	<u>655,490</u>
<b>March 31, 2020</b>					
Non-derivative financial liabilities					
Secured bank loans	\$ 467,619	487,151	275,625	109,079	102,447
Unsecured bank loans	1,568,252	1,599,556	1,150,386	24,566	424,604
Lease liabilities	190,997	199,444	125,461	49,485	24,498
Convertible bonds payable (including derivative financial assets)	98	100	100	-	-
Accounts and notes payable	2,045,883	2,045,883	2,045,883	-	-
Other payables (including payables on equipment)	724,184	724,184	724,184	-	-
Long-term payable	55,048	55,048	-	19,707	35,341
Derivative financial liabilities					
Other forward contract—					
Inflow	-	(419,203)	(419,203)	-	-
Outflow	20,356	439,559	439,559	-	-
	<u>\$ 5,072,437</u>	<u>5,131,722</u>	<u>4,341,995</u>	<u>202,837</u>	<u>586,890</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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**APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES**  
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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, 2021			December 31, 2020			March 31, 2020			
	Foreign currency	Exchange rate	Amount	Foreign currency	Exchange rate	Amount	Foreign currency	Exchange rate	Amount	
Financial assets										
Monetary items										
USD	\$	131,657	28.37	3,735,437	129,502	28.43	3,681,969	87,099	30.01	2,614,151
Financial liabilities										
Monetary items										
USD		163,409	28.66	4,683,195	143,829	28.69	4,127,128	90,032	30.30	2,727,690

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, trade and other receivables, loans and borrowings, and trade and other payables that are denominated in foreign currency.

A 5% strengthening of the NTD and THB against the USD as at March 31, 2021 and 2020, would have increased net profit before tax for the three months ended March 31, 2021 and 2020, by \$47,000 thousand and \$5,600 thousand, respectively. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the reporting date. The analysis assumes that all other variables remain constant and ignores any impact of forecasted sales and purchases.

3) Exchange gains and losses on monetary items

Due to the numerous types of functional currency of the Group, the Group disclose its exchange gains and losses of monetary items aggregately. The Company's exchange gains (losses), including realized and unrealized, were \$(17,496) thousand and \$41,387 thousand for the three months ended March 31, 2021 and 2020, respectively.

(iv) Interest rate analysis

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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If the interest rate had increased / decreased by 0.25%, the Group's net income would have decreased / increased by \$10,742 thousand and \$5,097 thousand for the three months ended March 31, 2021 and 2020, respectively, with all other variable factors remaining constant. This was mainly due to the Group's borrowing at variable rates.

(v) 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, except as described in the following paragraphs, 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:

	<b>March 31, 2021</b>				
	<b>Amount</b>	<b>Fair value</b>			<b>Total</b>
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
Financial assets measured of fair value through profit or loss					
Derivative financial assets – current	\$ 9,175	-	9,175	-	9,175
Financial assets measured at amortized cost					
Cash and cash equivalents	863,120	-	-	-	-
Financial assets at amortized cost	199,717	-	-	-	-
Notes receivables	624	-	-	-	-
Accounts receivables	3,696,371	-	-	-	-
Other receivables	161,922	-	-	-	-
Refundable deposits	7,737	-	-	-	-
Other financial assets	805	-	-	-	-
Subtotal	<u>4,930,296</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 4,939,471</u>	<u>-</u>	<u>9,175</u>	<u>-</u>	<u>9,175</u>

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December 31, 2020					
	Amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial liabilities measured of fair value through profit or loss					
Derivative financial liabilities – current	\$ 8,279	-	8,279	-	8,279
Financial liabilities measured at amortized cost					
Secured bank loans	1,750,016	-	-	-	-
Unsecured bank loans	1,947,860	-	-	-	-
Lease liabilities	145,055	-	-	-	-
Accounts payable	2,434,679	-	-	-	-
Other payables (including payables on equipment)	1,004,161	-	-	-	-
Long-term payable	135,118	-	-	-	-
Subtotal	7,416,889	-	-	-	-
Total	<u>\$ 7,425,168</u>	<u>-</u>	<u>8,279</u>	<u>-</u>	<u>8,279</u>
March 31, 2020					
	Amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets measured of fair value through profit or loss					
Derivative financial assets – current	\$ 380	-	380	-	380
Financial assets measured at amortized cost					
Cash and cash equivalents	557,717	-	-	-	-
Notes receivables	243	-	-	-	-
Accounts receivables	2,921,724	-	-	-	-
Other receivables	64,805	-	-	-	-
Refundable deposits	7,772	-	-	-	-
Other financial assets	6,232	-	-	-	-
Subtotal	3,558,493	-	-	-	-
Total	<u>\$ 3,558,873</u>	<u>-</u>	<u>380</u>	<u>-</u>	<u>380</u>

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**APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES**  
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	<b>March 31, 2020</b>				
	<b>Amount</b>	<b>Fair value</b>			<b>Total</b>
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>		
Financial liabilities measured of fair value through profit or loss					
Derivative financial liabilities – current	\$ 20,356	-	20,356	-	20,356
Financial liabilities measured at amortized cost					
Secured bank loans	467,619	-	-	-	-
Unsecured bank loans	1,568,252	-	-	-	-
Lease liabilities	190,997	-	-	-	-
Convertible bonds payable (including derivative financial assets)	98	-	-	-	-
Accounts payable	2,045,883	-	-	-	-
Other payables (including payables on equipment)	724,184	-	-	-	-
Long-term payable	55,048	-	-	-	-
Subtotal	5,052,081	-	-	-	-
Total	<u>\$ 5,072,437</u>	<u>-</u>	<u>20,356</u>	<u>-</u>	<u>20,356</u>

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 shall be estimate by the fair value's basis. This method applies to: cash and cash in bank, financial assets measured at amortized cost, notes and accounts receivable and payable (including related parties), other receivables and payables (including related parties), refundable deposits, other financial assets, short-term loans and payables for machinery and equipment.
- ii) The fair value of convertible bonds is estimated using a valuation model, but the fair value of convertible bonds is not necessarily equal to future cash outflow.

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**APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES**  
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iii) Fair value of long-term debt, lease liabilities, and long-term payable is 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 debt is recognized by 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. 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 by book value.

b) Derivative financial instruments

Forward exchange contracts were usually estimated by the current forward exchange rates of the transaction banks. The fair value of convertible bond options, redemption rights, and put options was estimated using an external expert's valuation reports.

(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 2020 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 2020 consolidated financial statements. Please refer to note 6(v) of the 2020 consolidated financial statements for related information.

(x) Non-cash investing and financing activities

For the three months ended March 31, 2021 and 2020, the Group's non-cash investing and financing activities were derived from the acquisition of machinery and equipment and right-of-use asset through finance leasing, as well as the conversion of convertible bonds into common stock. Please refer to notes 6(m), (n) and (q) for related information.

Reconciliation of liabilities from financing activities were as follows:

	January 1, 2021	Cash flows	Non-cash changes		March 31, 2021
			Acquisition of contracts	Translation effect	
Long-term loans	\$ 2,327,927	497,287	-	(96,850)	2,728,364
Short-term loans	1,369,949	261,778	-	(67,998)	1,563,729
Lease liabilities	145,055	(25,721)	26,944	(6,093)	140,185
Total liabilities from financing activities	\$ 3,842,931	733,344	26,944	(170,941)	4,432,278

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	January 1, 2020	Obtained from acquisition	Cash flows	Non-cash changes			March 31, 2020
				Acquisition of contracts	Translation effect	Amortization of discount	
Long-term loans	\$ 1,101,544	-	(263,000)	-	(46,193)	-	792,351
Short-term loans	899,218	132,192	312,686	-	(100,576)	-	1,243,520
Lease liabilities	244,360	169	(39,724)	5,136	(18,944)	-	190,997
Corporate bonds payable	17,797	-	-	-	-	63	(17,762)
Total liabilities from financing activities	<u>\$ 2,262,919</u>	<u>132,361</u>	<u>9,962</u>	<u>5,136</u>	<u>(165,713)</u>	<u>63</u>	<u>2,226,966</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>
APS	The entity's chairman is the second immediate family of the chairman of the Company (note)
Wang Chin Shin	The second immediate family of the chairman of the Company
Wang Chang Tao	The second immediate family of the chairman of the Company
Wang Chong Hsien	The second immediate family of the chairman of the Company
Wang Shu Mu	Chairman of the Company

Note: The Group has acquired 99.99% shares of APS on January, 2020.

- (c) Significant transactions with related parties

- (i) Acquisitions of share

The Group acquired 99.99% shares of APS with total amount of \$277,485 thousand (THB 274,983 thousand) from related parties. The amounts that the Group paid to related party for the three months ended March 31, 2020 were summarized as below:

	<u>2020.1.1~ 2020.3.31</u>
Wang Chin Shin	\$ 57,843
Wang Chang Tao	28,255
Wang Chong Hsien	<u>83,163</u>
Total	<u>\$ 169,261</u>

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**APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES**  
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(ii) Guarantee

For the three months ended March 31, 2021 and 2020, chairman of the Company provided credit guarantees to the Group for short-term and long-term loans.

(d) Management personnel compensation

Key management personnel compensation comprised:

	<b>For the three months ended March 31</b>	
	<b>2021</b>	<b>2020</b>
Short-term employee benefits	\$ 10,864	9,972
Post-employment benefits	166	231
Other long-term benefits	1	1
	<b>\$ 11,031</b>	<b>10,204</b>

**(8) Pledged assets:**

<b>Pledged assets</b>	<b>Object</b>	<b>March 31, 2021</b>	<b>December 31, 2020</b>	<b>March 31, 2020</b>
Other financial assets				
— non-current:				
Restricted bank deposits	Long-term loans	\$ 805	4,311	6,232
Property, plant, and equipment:				
Land	Long-term and short-term loans	398	416	220,491
Buildings	Long-term and short-term loans	44,328	47,541	1,205,107
Machinery and equipment	Long-term, short-term loans and electricity guarantee	922,116	900,820	1,283,191
Office equipment	Long-term and short-term loans	-	-	25,523
Total		<b>\$ 967,647</b>	<b>953,088</b>	<b>2,740,544</b>

**(9) Commitments and contingencies:**

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

	<b>March 31, 2021</b>	<b>December 31, 2020</b>	<b>March 31, 2020</b>
Acquiring property, plant and equipment	\$ 1,090,640	1,615,496	868,325
Long-term commitments	70,245	82,078	124,505
Total	<b>\$ 1,160,885</b>	<b>1,697,574</b>	<b>992,830</b>

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**APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES**  
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(b) The Group had outstanding letters of credit as follows:

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Letters of credit	\$ <u>104,529</u>	<u>110,431</u>	<u>179,552</u>

(c) Guarantees provided by banks were as follows:

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Electricity guarantee	\$ <u>80,432</u>	<u>84,154</u>	<u>81,239</u>

**(10) Losses Due to Major Disasters: None.**

**(11) Subsequent Events: None.**

**(12) Other:**

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

Function  Account	For the three months ended March 31					
	2021			2020		
	Operating cost	Operating expenses	Total	Operating cost	Operating expenses	Total
Personnel costs						
Salaries	400,788	75,018	475,806	343,425	75,334	418,759
Health insurance	-	423	423	-	408	408
Pension	2,038	1,414	3,452	1,462	1,657	3,119
Remuneration to directors	-	180	180	-	180	180
Other personnel expense	37,365	13,323	50,688	33,346	11,915	45,261
Depreciation	171,341	22,270	193,611	156,773	28,154	184,927
Amortization	1,511	2,672	4,183	1,460	2,263	3,723

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

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**(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, 2021:

- (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)										
1	The Company	Apex Circuit (Thailand)	2	22,292,850 (Note 2)	7,303,954	7,076,408	2,656,852	-	95.22 %	22,292,850 (Note 3)	Y	N	N
2	The Company	APS	2	22,292,850 (Note 2)	142,110	136,470	63,686	-	1.84 %	22,292,850 (Note 3)	Y	N	N
3	Apex Circuit (Thailand)	The Company	3	3,665,357 (Note 4)	1,027,128	1,027,128	142,655	-	13.82 %	3,665,357 (Note 5)	N	Y	N
4	Apex Circuit (Thailand)	APS	2	3,665,357 (Note 4)	463,998	463,998	321,559	-	6.22 %	3,665,357 (Note 5)	N	N	N

Note 1: Relationships with Guarantors and Obligees

1. Companies with business relations.
2. Companies in which more than 50% of shares with voting rights are directly or indirectly owned by the Company.
3. Companies directly or indirectly owning more than 50% of shares with voting rights of the Company.
4. Companies in which 90% of shares with voting rights are directly or indirectly owned the Company.
5. Companies under reciprocal inter-insurance for construction contractual purpose.
6. Companies guaranteed by all contributed shareholders due to co-investing relationships.
7. 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 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 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 Apex Circuit (Thailand)'s net worth.

Note 5: Total amount of the guarantee provided by Apex Circuit (Thailand) is limited to 50% of its net worth.

- (iii) Securities held as of March 31, 2021 (excluding investment in subsidiaries, associates and joint ventures): None.
- (iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NTD300 million or 20% of the capital stock: None.
- (v) Acquisition of individual real estate with amount exceeding the lower of NTD300 million or 20% of the capital stock: None.
- (vi) Disposal of individual real estate with amount exceeding the lower of NTD300 million or 20% of the capital stock: None.
- (vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NTD100 million or 20% of the capital stock: None.
- (viii) Receivables from related parties with amounts exceeding the lower of NTD100 million or 20% of the capital stock: None.
- (ix) Information regarding trading in derivative financial instruments: 6(b) and (m)
- (x) 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, 2021:

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of March 31, 2021			Net income (losses) of investee (Note 1)	Share of profits/losses of investee (Notes 1 and 2)	Note
				March 31, 2021	December 31, 2020	Shares (thousands)	Percentage of ownership	Carrying value (Notes 1 and 2)			
The Company	Apex Circuit (Thailand) Co., Ltd.	Thailand	PCB (printed circuit board) manufacturing and sales	3,311,762	3,311,762	143,194	99.58 %	7,299,915	160,998	160,322	
The Company	AET	British Virgin Islands	Supply chain integration	10,000	10,000	1,000	100.00 %	5,616	(15)	(602)	
Apex Circuit (Thailand) Co., Ltd.	APS	Thailand	PCB (printed circuit board) manufacturing and sales	277,485	277,485	32	99.99 %	220,366	(15,893)	(15,891) (Note 3)	
APS	APSS	Singapore	PCB sales development	8,195	8,195	402	100.00 %	4,693	(402)	(388)	

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.

## (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, 2021 (Note 4)	Investment flows		Accumulated outflow of investment from Taiwan as of March 31, 2021 (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)						
APC	Supply Chain integration	8,488 (RMB2,000)	2	-	-	-	-	1,624 (RMB370)	99.58 %	1,026 (RMB234)	3,370 (RMB765)	-

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

- (1) Direct investment in China.
- (2) Direct investment in Thailand (Apex Circuit Co., Ltd.) prior to investing in China.
- (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 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 year are calculated by using the exchange rate on March 31, 2021 (BS exchange rate RMB:TWD=1:4.4056).The net income (loss) of the investee company and investment gains (losses) recognized by the parent company are calculated by the average exchange rate (IS exchange rate RMB:TWD=1:4.3854.)

## (ii) Limitation on investment in China: None.

## (iii) Significant transactions in China: None.

(Continued)

**APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES**  
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(d) Major shareholders:

<b>Shareholder's Name</b>	<b>Shareholding</b>	<b>Shares</b>	<b>Percentage</b>
Lu Yan Xian		18,800,000	9.89 %
Jin Da He Co., Ltd.		15,700,000	8.26 %
Yi Zhan Xin Co., Ltd.		10,500,000	5.52 %

Unit: share

Note:(1) The main shareholder information of this table is calculated by Depositor & Clearing Corporation (TDCC) using information that shareholder acquired more than 5% of common share and preferred share have been completed non-physical delivered. There might be a difference between share capital on the financial report and the actual share that have completed non-physical delivered due to different basis of accounting.

(2) Percentage of ownership is chopped to the second decimal place.

**(14) Segment information:**

The information on operating segments of the Group is as follows:

	<b>For the three months ended March 31</b>			
	<b>2021</b>			
	<b>Thailand</b>	<b>Other</b>	<b>Adjustments and eliminations</b>	<b>Total</b>
Revenue				
Revenue from external customers	\$ 3,260,404	-	-	3,260,404
Revenue from transactions with other operating segments	2,638	53,558	(56,196)	-
Total revenue	<u>\$ 3,263,042</u>	<u>53,558</u>	<u>(56,196)</u>	<u>3,260,404</u>
Segment's profit or loss	<u>\$ 191,547</u>	<u>(4,129)</u>	<u>(4,224)</u>	<u>183,194</u>

(Continued)



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	<b>For the three months ended March 31</b>			
	<b>2020</b>			
	<b>Thailand</b>	<b>Other</b>	<b>Adjustments and eliminations</b>	<b>Total</b>
Revenue				
Revenue from external customers	\$ 2,604,766	-	-	2,604,766
Revenue from transactions with other operating segments	1,486	26,300	(27,786)	-
Total revenue	<b>\$ 2,606,252</b>	<b>26,300</b>	<b>(27,786)</b>	<b>2,604,766</b>
Segment's profit or loss	<b>\$ 304,721</b>	<b>(14,535)</b>	<b>(3,425)</b>	<b>286,761</b>

For the three months ended March 31, 2021 and 2020, the adjustments and eliminations of operating segments' profit were \$(4,224) thousand and \$(3,425) thousand, respectively.