Stock Code:4927

APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES

Consolidated Financial Statements

With Independent Auditors' Report
For the Six Months Ended June 30, 2024 and 2023

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Independent Auditors' Report

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

Opinion

We have audited the consolidated financial statements of Apex International Co., Ltd. and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of June 30, 2024 and 2023, the consolidated statements of comprehensive income for the three months ended and the six months ended June 30, 2024 and 2023, changes in equity and cash flows for the six months ended June 30, 2024 and 2023, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at June 30, 2024 and 2023, and its consolidated financial performance for the three months and six months ended June 30, 2024 and 2023, and its consolidated cash flow for the six months ended June 30, 2024 and 2023 in accordance with the Regulation 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.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significant in our audit of the consolidated financial statements for the six months ended June 30, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on our judgments, the key audit matter that should be disclosed in this audit report is as follows:

1. Subsequent measurements of inventories

Please refer to note 4(h) "Inventories" and note 5(a) of the consolidated financial statements for the year ended December 31, 2023, for accounting policy related to subsequent measurements of inventories, and accounting assumptions and estimation uncertainties of inventories, respectively. Please refer to note 6(f) "Inventories" for information related to impairment of inventories of the consolidated financial statements.

Description of key audit matter:

Inventories of the Group are measured at the lower of cost and net realizable value. The net realizable value of inventories is vulnerable to the impact of highly competitive market and the renewal of production technology of printed circuit board, which leads to the risk that the cost of inventories could be higher than the net realizable value. Therefore, the subsequent measurements of inventories was considered to be one of the key audit matters in our audit.

How the matter was addressed in our audit:

Our audit procedures included:

- Assessing whether appropriate provision policies for inventories are applied.
- Assessing whether the Group's subsequent measurement of inventories has been evaluated in accordance with the Group's provision policy on a consistent basis.
- Obtaining aging analysis of inventories, assessing the appropriateness of provision set aside for obsolete and slow-moving inventories, and examining relevant documents to verify the accuracy of the aging period.
- Obtaining evaluation report of the net realizable value of inventories, assessing the appropriateness of provision set aside for loss on market price decline, and examining relevant documents to verify the accuracy of sales prices and calculation of net realizable value.

2. Property, plant and equipment impairment assessment

The accounting policy for the impairment of property, plant and equipment, please refer to note 4(a) "Impairment－non-financial assets" for the year ended Decmber 31, 2023. For the accounting assumptions and estimation uncertainty please refer to note 5, and note 6(g) for the information related to impairment assessment, respectively.

Description of key the audit matter:

A subsidiary of the Group holds real estate and a large amount of production equipment, the assets recoverable amount may be lower than its carrying amount if the profitability of the subsidiary is not as expected due to decrease in operation performance or other unanticipated conditions. In the process of asset impairment assessment, management makes subjective judgments and the inherent uncertainty is considered as high. Therefore, we have identified the impairment of property, plant and equipment was considered as one of the key audit matters in our audit.

How the matter was addressed in our audit:

Our audit procedures included:

- Obtaining the impairment test report issued by the external expert and assessing the objectivity and the professional competence of the external expert.
- Assessing the reasonableness of the cash generating units, the book value of the subject assets and the cash flow forecast and engaging the internal expert to assess the methods and discount rate applied in the evaluation report.
- Performing retrospective testing over the future cash flows forecast provided by the management.
- Performing sensitivity analysis of key assumptions to understand the impact of recoverable amounts from changing of key assumptions.
- Assessing whether the property, plant and equipment is impaired, if so, whether the impairment loss has been recognized appropriately.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulation 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, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee) are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters significant in our audit of the consolidated financial statements for the six months ended June 30, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Chang, Chun-I and Kuang, Chun-Hsiu.

KPMG

Taipei, Taiwan (Republic of China)
August 9, 2024

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors’ 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’ report and consolidated financial statements, the Chinese version shall prevail.

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

APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

June 30, 2024, December 31, 2023, and June 30, 2023

(Expressed in Thousands of New Taiwan Dollar)

		June 30, 2024		December 31, 2023		June 30, 2023	
	Assets	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
11xx	**Current assets:**						
1100	Cash and cash equivalents (notes 5(a) and 8)	$ 558,850	3	641,929	4	680,402	3
1110	Financial assets at fair value through profit or loss－current (notes 5(a), (b) and 8)	457	-	23,521	-	3,804	-
1136	Financial assets measured at amortized cost－current (note 6(c))	13,227	-	-	-	-	-
1150	Notes receivable, net (notes 6(d) and (q))	1,711	-	1,522	-	513	-
1170	Accounts receivable, net (notes 6(d) and (q))	3,050,969	16	2,999,642	17	2,955,872	16
1200	Other receivables (note 6(e))	143,590	1	104,027	1	93,273	-
130x	Inventories (note 6(f))	2,543,585	14	2,231,765	12	2,962,021	16
1470	Other current assets	64,835	-	62,801	-	115,235	1
	Total current assets	6,377,224	34	6,065,207	34	6,811,120	36
15xx	**Non-current assets:**						
1600	Property, plant and equipment (notes 5, 6(g), (h), (i), (j), (k), 8 and 9)	11,639,222	63	11,474,655	63	11,446,275	61
1755	Right-of-use asset (notes 6(g), (h) and (l))	127,342	1	135,616	1	149,875	1
1780	Intangible assets (notes 6(g) and (i))	182,282	1	193,653	1	193,507	1
1840	Deferred tax assets	39,084	-	39,789	-	35,751	-
1915	Prepayments for equipment (note 6(g))	134,035	1	164,195	1	152,067	1
1920	Refundable deposits	8,004	-	8,117	-	8,129	-
1980	Other financial asses－non-current (notes 5(a), (b), (k) and 8)	10,382	-	9,838	-	16,762	-
	Total non-current assets	12,140,351	66	12,025,863	66	12,002,366	64
1xxx	**Total assets**	**$ 18,517,575**	**100**	**18,091,070**	**100**	**18,813,486**	**100**

		June 30, 2024		December 31, 2023		June 30, 2023	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
21xx	**Current liabilities:**						
2100	Short-term loans (notes 6(g), (j), 7, 8 and 9)	$ 2,431,708	13	2,284,359	13	1,943,217	10
2120	Financial liabilities at fair value through profit or loss－current (notes 5(a), (b) and 8)	2,587	-	1,595	-	5,189	-
2170	Accounts payable	2,626,925	15	1,911,865	11	2,094,686	12
2200	Other payables	601,189	3	494,683	3	532,360	3
2213	Payable for machinery and equipment	271,945	1	237,280	1	431,422	2
2216	Dividends payable (note 6(o))	-	-	-	-	379,876	2
2230	Current tax liabilities	-	-	79	-	-	-
2280	Current lease liabilities (notes 6(h) and (l))	49,160	-	46,613	-	46,649	-
2322	Long-term loans, current portion (notes 5(a), (g), (k), 7 and 8)	2,379,830	13	2,407,691	13	1,883,405	10
2399	Other current liabilities	28,610	-	37,510	-	46,876	-
	Total current liabilities	8,391,954	45	7,421,675	41	7,363,680	39
25xx	**Non-Current liabilities:**						
2540	Long-term loans (notes 5(a), (g), (k), 7 and 8)	3,749,038	21	3,523,834	20	3,940,928	21
2570	Deferred tax liabilities	39,589	-	40,261	-	41,626	-
2580	Non-current lease liabilities (notes 6(h) and (l))	82,142	-	92,810	1	106,566	1
2612	Long-term payable	8,120	-	10,747	-	12,912	-
2670	Other non-current liabilities, others (note 6(m))	74,244	-	66,829	-	68,754	-
	Total non-current liabilities	3,953,133	21	3,734,481	21	4,170,786	22
2xxx	**Total liabilities**	12,345,087	66	11,156,156	62	11,534,466	61
31xx	**Equity attributable to owners of the Company (note 6(o)):**						
3110	Common stock	1,899,380	10	1,899,380	10	1,899,380	10
3200	Capital surplus	2,405,304	13	2,405,304	13	2,405,304	13
3300	Retained earnings	2,468,414	14	3,093,451	18	3,630,038	20
3410	Exchange differences on translation of foreign financial statements	(628,547)	(3)	(494,097)	(3)	(687,838)	(4)
	Total equity attributable to owners of the Company	6,144,551	34	6,904,038	38	7,246,884	39
36xx	**Non-controlling interests**	27,937	-	30,876	-	32,136	-
3xxx	**Total equity**	6,172,488	34	6,934,914	38	7,279,020	39
2-3xxx	**Total liabilities and equity**	**$ 18,517,575**	**100**	**18,091,070**	**100**	**18,813,486**	**100**

See accompanying notes to consolidated financial statements.

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

APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the three months and six months ended June 30, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollar, except for Earnings per Common Share)

		For the three months ended June 30				For the six months ended June 30			
		2024		2023		2024		2023	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	**Operating revenue (note 6(q))**	$ 3,137,504	100	3,152,770	100	5,952,359	100	6,446,504	100
5000	**Operating costs (notes 6(f), (g), (h), (i), (l), (m) and 12)**	3,021,813	97	2,882,675	92	5,647,787	95	5,786,149	89
5900	**Gross profit from operations**	115,691	3	270,095	8	304,572	5	660,355	11
6000	**Operating expenses (notes 6(d), (g), (h), (i), (l), (m), 7 and 12):**								
6188	Selling expenses	197,168	6	204,626	6	395,196	7	446,958	7
6200	Administrative expenses	216,202	7	192,417	6	418,784	7	392,408	6
6300	Research and development expenses	13,072	-	14,795	-	35,305	1	29,267	-
6450	Reversal of expected credit loss	(2,791)	-	(5,401)	-	(5,279)	-	(31,231)	-
	Total operating expenses	423,651	13	406,437	12	844,006	15	837,402	13
6900	**Operating loss**	(307,960)	(10)	(136,342)	(4)	(539,434)	(10)	(177,047)	(2)
7000	**Non-operating income and expenses (notes 6(b), (g), (l) and (s)):**								
7100	Interest income	1,039	-	1,018	-	1,194	-	1,607	-
7010	Other income	31,627	1	18,874	1	42,729	1	27,726	-
7020	Other gains and losses	5,187	-	18,497	1	11,509	-	18,119	-
7050	Finance costs	(71,255)	(2)	(63,924)	(3)	(142,465)	(2)	(127,205)	(2)
	Total non-operating income and expenses	(33,402)	(1)	(25,535)	(1)	(87,033)	(1)	(79,753)	(2)
7900	**Loss from continuing operations before tax**	(341,362)	(11)	(161,877)	(5)	(626,467)	(11)	(256,800)	(4)
7951	**Less: Income tax expenses (note 6(n))**	608	-	31	-	969	-	10	-
8200	**Loss**	(341,970)	(11)	(161,908)	(5)	(627,436)	(11)	(256,810)	(4)
8300	**Other comprehensive income:**								
8360	**Components of other comprehensive income that will be reclassified to profit or loss**								
8361	Exchange differences on translation of foreign financial statements	26,730	1	(147,375)	(5)	(134,990)	(2)	(115,834)	(2)
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-	-	-	-	-
8300	**Other comprehensive income (loss)**	26,730	1	(147,375)	(5)	(134,990)	(2)	(115,834)	(2)
8500	**Total comprehensive loss**	**$ (315,240)**	**(10)**	**(309,283)**	**(10)**	**(762,426)**	**(13)**	**(372,644)**	**(6)**
	Loss attributable to:								
8610	Owners of the Company	$ (340,661)	(11)	(161,307)	(5)	(625,037)	(11)	(255,859)	(4)
8620	Non-controlling interests	(1,309)	-	(601)	-	(2,399)	-	(951)	-
		$ (341,970)	**(11)**	**(161,908)**	**(5)**	**(627,436)**	**(11)**	**(256,810)**	**(4)**
	Comprehensive loss attributable to:								
8710	Owners of the Company	$ (314,038)	(10)	(308,089)	(10)	(759,487)	(13)	(371,232)	(6)
8720	Non-controlling interests	(1,202)	-	(1,194)	-	(2,939)	-	(1,412)	-
		$ (315,240)	**(10)**	**(309,283)**	**(10)**	**(762,426)**	**(13)**	**(372,644)**	**(6)**
	Deficits per share (expressed in New Taiwan dollars) (note 6(p))								
9750	Basic deficits per share	**$**	**(1.79)**		**(0.85)**		**(3.29)**		**(1.35)**
9850	Diluted deficits per share	**$**	**(1.79)**		**(0.85)**		**(3.29)**		**(1.35)**

See accompanying notes to consolidated financial statements.

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

APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the six months ended June 30, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollar)

	Equity attributable to owners of the Company								
			Retained earnings						
	Common stock	Capital surplus	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at January 1, 2023	$ 1,899,380	2,405,512	1,048,969	3,216,804	4,265,773	(572,465)	7,998,200	33,340	8,031,540
Appropriation and distribution of retained earnings:									
Cash dividends of ordinary share	-	-	-	(379,876)	(379,876)	-	(379,876)	-	(379,876)
Loss	-	-	-	(255,859)	(255,859)	-	(255,859)	(951)	(256,810)
Other comprehensive loss	-	-	-	-	-	(115,373)	(115,373)	(461)	(115,834)
Total comprehensive loss	-	-	-	(255,859)	(255,859)	(115,373)	(371,232)	(1,412)	(372,644)
Changes in ownership interests in subsidiaries	-	(208)	-	-	-	-	(208)	208	-
Balance at June 30, 2023	**$ 1,899,380**	**2,405,304**	**1,048,969**	**2,581,069**	**3,630,038**	**(687,838)**	**7,246,884**	**32,136**	**7,279,020**
Balance at January 1, 2024	$ 1,899,380	2,405,304	1,048,969	2,044,482	3,093,451	(494,097)	6,904,038	30,876	6,934,914
Loss	-	-	-	(625,037)	(625,037)	-	(625,037)	(2,399)	(627,436)
Other comprehensive loss	-	-	-	-	-	(134,450)	(134,450)	(540)	(134,990)
Total comprehensive loss	-	-	-	(625,037)	(625,037)	(134,450)	(759,487)	(2,939)	(762,426)
Balance at June 30, 2024	**$ 1,899,380**	**2,405,304**	**1,048,969**	**1,419,445**	**2,468,414**	**(628,547)**	**6,144,551**	**27,937**	**6,172,488**

See accompanying notes to consolidated financial statements.

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

APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the six months ended June 30, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollar)

	For the six months ended June 30	
	2024	2023
Cash flows from (used in) operating activities:		
Loss before tax	$ (626,467)	(256,800)
Adjustments:		
Adjustments to reconcile loss:		
Depreciation expense	616,129	639,206
Amortization expense	11,026	13,062
Reversal of expected credit loss	(5,279)	(31,231)
Interest expense	142,465	127,205
Interest income	(1,194)	(1,607)
Loss (gain) on disposal of property, plant and equipment	780	(3,749)
Valuation losses on financial assets or liabilities, net	52,086	7,424
Loss of impairment on non-financial assets	7,939	8,035
Total adjustments to reconcile profit (loss)	823,952	758,345
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets at fair value through profit or loss	(12,254)	40,140
Notes receivable	(189)	(357)
Accounts receivable	(45,058)	1,027,396
Other receivables	(39,563)	28,228
Inventories	(311,820)	136,018
Other current assets	(1,261)	(57,099)
Total changes in operating assets	(410,145)	1,174,326
Changes in operating liabilities:		
Financial liabilities at fair value through profit or loss	(16,159)	(25,323)
Accounts payable	715,060	11,405
Other payables	107,110	3,880
Other current liabilities	(8,900)	(13,312)
Other non-current liabilities	7,415	7,106
Total changes in operating liabilities	804,526	(16,244)
Total changes in operating assets and liabilities	394,381	1,158,082
Total adjustments	1,218,333	1,916,427
Cash inflow generated from operations	591,866	1,659,627
Interest received	1,194	1,607
Interest paid	(143,069)	(127,182)
Income taxes paid	(1,779)	(61,726)
Net cash flows from operating activities	448,212	1,472,326
Cash flows from (used in) investing activities:		
Acquisition of financial assets at amortised cost	(13,227)	-
Acquisition of property, plant and equipment	(736,352)	(778,903)
Proceeds from disposal of property, plant and equipment	-	23,975
Decrease in refundable deposits	113	183
Acquisition of intangible assets	(2,231)	(533)
Decrease (increase) in other financial assets－non-current	(544)	1,795
Increase in prepayments for equipment	(172,863)	(101,519)
Net cash flows used in investing activities	(925,104)	(855,002)
Cash flows from (used in) financing activities:		
Increase (decrease) in short-term loans	284,384	(504,170)
Proceeds from long-term loans	1,189,330	1,204,164
Repayments of long-term loans	(996,999)	(1,279,841)
Payment of lease liabilities	(25,983)	(24,991)
Net cash flows from (used in) financing activities	450,732	(604,838)
Effect of exchange rate changes on cash and cash equivalents	(56,919)	(46,350)
Net decrease in cash and cash equivalents	(83,079)	(33,864)
Cash and cash equivalents at beginning of period	641,929	714,266
Cash and cash equivalents at end of period	$ **558,850**	**680,402**

See accompanying notes to consolidated financial statements.

(1) Company history

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

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

The consolidated financial statements were authorized for issuance by the Board of Directors on August 9, 2024.

(3) New standards, amendments and interpretations adopted:

(a) The impact of adopting the IFRS Accounting Standards endorsed by the Financial Supervisory Commission, R.O.C. ("FSC")

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2024:

- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
- Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”

(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 January 1, 2025, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS21 “Lack of Exchangeability”

(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:

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities. ● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. ● Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. ● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.	January 1, 2027

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

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “ Insurance Contracts” and amendments to IFRS 17 “ Insurance Contracts”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards—Volume 11

(4) Summary of material accounting policies:

Except the accounting ploicies mentioned below, the material accounting policies adopted in the financial statments are the same as those in the financial statements for the year ended December 31, 2023. For related information, please refer to note 4 of the financial statements for the year ended December 31, 2023.

(a) Statement of compliance

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

(b) Basis of consolidation

Principles of preparation of the consolidated financial statements are the same as those of the consolidated financial statements for the year ended December 31, 2023. For the related information, please refer to note 4(c) of the consolidated financial statements for the year ended December 31, 2023.

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

			Percentage of ownership (%)			
Name of investor	**Name of subsidiary**	**Business activities**	**June 30, 2024**	**December 31, 2023**	**June 30, 2023**	**Note**
The Company	Apex Circuit (Thailand) Co., Ltd. (APT)	PCB manufacturing and sales	99.60 %	99.60 %	99.60 %	(Note)
The Company	Approach Excellence Trading Ltd. (incorporated in British Virgin Islands) (AET)	Supply chain integration	100.00 %	100.00 %	100.00 %	

(Continued)

Name of investor	Name of subsidiary	Business activities	Percentage of ownership (%) June 30, 2024	December 31, 2023	June 30, 2023	Note
APT	Shye Feng Enterprise (Thailand) Co., Ltd. (APS)	PCB manufacturing and sales	99.99 %	99.99 %	99.99 %	
APT	Apex IPO (Dong Guan) Ltd. (APC)	Supply chain integration	100.00 %	100.00 %	100.00 %	
APS	Shye Feng (Singapore) Pte. Ltd. (APSS)	PCB sales development	100.00 %	100.00 %	100.00 %	

Note: The Company's Board of Directors resolved to participate in APT's capital increase and issuance of new shares on February 28, 2023. APT plans to issue 8,000 thousand shares at THB 62.5 per share, with a par value of THB 10 per share. As the minority shareholding waived its subscription, the Company subscribed the entire new shares issued and made the full payment on March 31, 2023. APT completed the registration of new shares with the local government on April 4, 2023.

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

(c) Employee benefits

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

(d) Income taxes

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

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

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

(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 IFRS Accounting Standards (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.

Except for the following, 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, 2023. For related information, please refer to note 5 of the consolidated financial statements for the year ended December 31, 2023.

(a) As there is an indication of impairment of the Group's property, plant and equipment, an impairment test is made at each reporting date. In the process of asset impairment test, the recoverable amount is estimated based on the assumptions of management's subjective judgment. Any changes in estimates due to changes in economic conditions or the Group's strategy may result in significant impairment losses in the future, please refer to note 6(g).

(b) Based on the actual usage experience of similar assets in the past and in order to provide reliable and relevant information, the Group decided to revise the estimated useful lives of some of its machinery and equipment beginning on January 1, 2024, with the approval of its board on February 28, 2024, resulting in the depreciation expenses to decrease by approximately $26,503 thousand, $53,321 thousand and $106,647 thousand in the three months ended June 30, 2024, second quarter and fiscal year of 2024, respectively.

(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, 2023. For the related information, please refer to note 6 of the consolidated financial statements for the year ended December 31, 2023.

(a) Cash and cash equivalents

	June 30, 2024	December 31, 2023	June 30, 2023
Cash	$ 1,803	3,723	1,785
Demand deposits	533,196	614,841	658,478
Checking deposits	4,593	10,132	7,685
Time deposits	19,258	13,233	12,454
Cash and cash equivalents in the consolidated statement of cash flows	**$ 558,850**	**641,929**	**680,402**

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:

	June 30, 2024	December 31, 2023	June 30, 2023
Restricted bank deposit	**$ 10,382**	**9,838**	**16,762**

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

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

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

	June 30, 2024	December 31, 2023	June 30, 2023
Financial assets held-for-trading:			
Derivative instruments not used for hedging			
Forward exchange contracts	$ 457	23,521	3,804

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

	June 30, 2024	December 31, 2023	June 30, 2023
Financial liabilities held-for-trading:			
Derivative instruments not used for hedging			
Forward exchange contracts	$ 2,587	1,595	5,189

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

The Group uses derivative financial instruments to hedge certain foreign exchange risk the Group is exposed to arising from its operating, financing, and investing activities. As these derivative financial instruments did not qualify for hedge accounting, the Group held the following derivative financial instruments as held-for-trading financial assets (liabilities) as of June 30, 2024, December 31, 2023, and June 30, 2023.

Forward exchange contracts:

	June 30, 2024				
	Amount (in thousands)		Currency	Maturity dates	Fair value of assets (liabilities)
Forward exchange purchased	USD	1,000	USD to THB	2024.11.18	$ 387
Forward exchange purchased	CNY	2,400	CNY to THB	2024.8.7 ~2024.10.17	70
Total					$ 457
Forward exchange sold	USD	10,000	USD to THB	2024.8.13 ~2024.9.3	$ (2,367)
Forward exchange purchased	CNY	5,000	CNY to THB	2024.11.7 ~2024.12.12	(220)
Total					$ (2,587)

(Continued)

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	December 31, 2023				
	Amount (in thousands)		Currency	Maturity dates	Fair value of assets (liabilities)
Forward exchange sold	USD	32,300	USD to THB	2024.1.16 ~2024.3.4	$ 23,521
Forward exchange purchased	USD	2,000	USD to THB	2024.1.2	$ (1,499)
Forward exchange purchased	CNY	700	CNY to THB	2024.1.16	(96)
Total					$ (1,595)

	June 30, 2023				
	Amount (in thousands)		Currency	Maturity dates	Fair value of assets (liabilities)
Forward exchange purchased	USD	3,500	USD to THB	2023.8.28 ~2023.11.24	$ 3,580
Forward exchange sold	CNY	3,000	CNY to THB	2023.10.26	177
Forward exchange sold	USD	2,000	USD to THB	2023.9.1	47
Total					$ 3,804
Forward exchange sold	USD	8,500	USD to THB	2023.8.9 ~2023.9.5	$ (5,189)

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

(c) Financial assets measured at amortized cost

	June 30, 2024
Time deposits with original maturity over three months	$ 13,227
Interest rate range (%)	1.20
Maturity date	2025.4.29

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

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

As of December 31, 2023 and June 30, 2023, the Group did not have financial assets measured at amortized cost.

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(d) Notes receivable and accounts receivable

	June 30, 2024	December 31, 2023	June 30, 2023
Notes receivable	$ 1,711	1,522	513
Accounts receivable	3,100,344	3,055,286	3,023,099
Less: allowance for bad debt	(49,375)	(55,644)	(67,227)
	$ 3,052,680	3,001,164	2,956,385

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

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

	June 30, 2024		
	Gross carrying amount	Weighted average loss rate (%)	Loss allowance provision
Not yet due	$ 198,075	0.52	1,027
Past due 1~30 days	18,884	2.41	455
Past due 31~60 days	4,199	3.83	161
Past due 61~90 days	483	26.50	128
Past due 121~180 days	16	87.50	14
Past due over 180 days	16	100.00	16
	$ 221,673		1,801

	December 31, 2023		
	Gross carrying amount	Weighted average loss rate (%)	Loss allowance provision
Not yet due	$ 232,787	0.78	1,822
Past due 1~30 days	68,036	3.49	2,376
Past due 31~60 days	19,404	10.02	1,945
Past due 121~180 days	18	88.89	16
Past due over 180 days	7,208	100.00	7,208
	$ 327,453		13,367

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	June 30, 2023		
	Gross carrying amount	**Weighted average loss rate (%)**	**Loss allowance provision**
Not yet due	$ 373,988	0.74	2,785
Past due 1~30 days	30,638	3.49	1,070
Past due 31~60 days	2,154	10.03	216
Past due 61~90 days	2	50.00	1
Past due 121~180 days	1	76.09	1
Past due over 180 days	14,126	100.00	14,126
	$ 420,909		**18,199**

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

	June 30, 2024		
	Gross carrying amount	**Weighted average loss rate (%)**	**Loss allowance provision**
Not yet due	$ 245,841	-	-
Past due 1~30 days	48,837	-	-
Past due 61~90 days	1,756	-	-
	$ 296,434		**-**

	December 31, 2023		
	Gross carrying amount	**Weighted average loss rate (%)**	**Loss allowance provision**
Not yet due	$ 335,974	-	-
Past due 1~30 days	43,305	-	-
Past due 31~60 days	25,501	-	-
Past due 61~90 days	11,162	-	-
	$ 415,942		**-**

	June 30, 2023		
	Gross carrying amount	**Weighted average loss rate (%)**	**Loss allowance provision**
Not yet due	$ 316,911	-	-
Past due 1~30 days	19,849	-	-
Past due 31~60 days	4,579	-	-
	$ 341,339		**-**

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

	June 30, 2024		
	Gross carrying amount	Weighted average loss rate (%)	Loss allowance provision
Past due over 180 days	$ 2,075	100.00	2,075

	December 31, 2023		
	Gross carrying amount	Weighted average loss rate (%)	Loss allowance provision
Past due over 180 days	$ 1,961	100.00	1,961

	June 30, 2023		
	Gross carrying amount	Weighted average loss rate (%)	Loss allowance provision
Past due over 180 days	$ 1,991	100.00	1,991

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

	June 30, 2024		
	Gross carrying amount	Weighted average loss rate (%)	Loss allowance provision
Not yet due	$ 1,797,395	-	-
Past due 1~30 days	219,641	-	-
Past due 31~60 days	6,384	-	-
Past due 61~90 days	775	14.58	113
Past due 91~120 days	306	18.63	57
	$ 2,024,501		170

The accounts receivable above did not contain all the amounts that the Group has for a specific client. As the uncertainty of receiving such accounts receivable, the Group has fully recognized loss allowance of the total amount. Therefore, it is not included into expected credit loss calculation, and the total amount was $40,640 thousand.

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	December 31, 2023		
	Gross carrying amount	**Weighted average loss rate (%)**	**Loss allowance provision**
Not yet due	$ 1,538,624	-	-
Past due 1~30 days	266,527	-	-
Past due 31~60 days	10,560	-	-
Past due 61~90 days	3,175	-	-
Past due 91~120 days	2,345	-	-
Past due 121~180 days	66	36.36	24
	$ 1,821,297		**24**

The accounts receivable above did not contain all the amounts that the Group has for a specific client. As the uncertainty of receiving such accounts receivable, the Group has fully recognized loss allowance of the total amount. Therefore, it is not included into expected credit loss calculation, and the total amount was $38,412 thousand.

	June 30, 2023		
	Gross carrying amount	**Weighted average loss rate (%)**	**Loss allowance provision**
Not yet due	$ 1,453,694	-	-
Past due 1~30 days	186,299	-	-
Past due 31~60 days	7,903	-	-
Past due 61~90 days	9,183	-	-
Past due 91~120 days	4,859	0.29	14
Past due over 180 days	173	100.00	173
	$ 1,662,111		**187**

The accounts receivable above did not contain all the amounts that the Group has for a specific client. As the uncertainty of receiving such accounts receivable, the Group has fully recognized loss allowance of the total amount. Therefore, it is not included into expected credit loss calculation, and the total amount was $39,005 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:

	June 30, 2024		
	Gross carrying amount	**Weighted average loss rate (%)**	**Loss allowance provision**
Not yet due	$ 397,919	0.18	716
Past due 1~30 days	28,057	0.62	175
Past due 31~60 days	17,949	1.78	319
Past due 61~90 days	46,354	2.72	1,263
Past due 91~120 days	20,425	8.04	1,642
Past due 121~180 days	6,028	9.52	574
	$ 516,732		**4,689**

	December 31, 2023		
	Gross carrying amount	**Weighted average loss rate (%)**	**Loss allowance provision**
Not yet due	$ 347,485	0.18	626
Past due 1~30 days	68,083	0.62	424
Past due 31~60 days	16,566	1.77	294
Past due 61~90 days	19,609	2.73	536
	$ 451,743		**1,880**

	June 30, 2023		
	Gross carrying amount	**Weighted average loss rate (%)**	**Loss allowance provision**
Not yet due	$ 489,014	0.74	3,621
Past due 1~30 days	55,194	5.52	3,046
Past due 31~60 days	12,087	8.01	968
Past due 61~90 days	1,962	10.71	210
	$ 558,257		**7,845**

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

	For the six months ended June 30	
	2024	**2023**
Balance at the beginning	$ 55,644	99,303
Gain on reversal of impairment	(5,279)	(31,231)
Foreign exchange gains	(990)	(845)
Balance at the ending	**$ 49,375**	**67,227**

(e) Other receivables

	June 30, 2024	**December 31, 2023**	**June 30, 2023**
Other receivables	**$ 143,590**	**104,027**	**93,273**

The Group did not have any past due other receivables as of June 30, 2024, December 31, 2023, and June 30, 2023.

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

(f) Inventories

	June 30, 2024		
	Cost	**Allowance for loss**	**Net realizable value**
Raw materials	$ 842,275	(130,376)	711,899
Work in process	517,935	(29,475)	488,460
Finished goods	902,618	(227,952)	674,666
Supplies and spare parts	616,988	(48,944)	568,044
Goods in transit	82,964	-	82,964
Merchandise inventory	17,552	-	17,552
Total	**$ 2,980,332**	**(436,747)**	**2,543,585**

	December 31, 2023		
	Cost	**Allowance for loss**	**Net realizable value**
Raw materials	$ 720,180	(139,629)	580,551
Work in process	353,063	(16,066)	336,997
Finished goods	835,593	(178,807)	656,786
Supplies and spare parts	690,420	(51,882)	638,538
Goods in transit	14,066	-	14,066
Merchandise inventory	4,827	-	4,827
Total	**$ 2,618,149**	**(386,384)**	**2,231,765**

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APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES
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	June 30, 2023		
	Cost	**Allowance for loss**	**Net realizable value**
Raw materials	$ 1,002,051	(107,341)	894,710
Work in process	471,938	(12,347)	459,591
Finished goods	1,039,672	(152,549)	887,123
Supplies and spare parts	717,425	(74,573)	642,852
Goods in transit	68,657	-	68,657
Merchandise inventory	9,088	-	9,088
Total	**$ 3,308,831**	**(346,810)**	**2,962,021**

For the six months ended June 30, 2024 and 2023, in addition to the costs of inventories recognized when inventories were sold, the following loss and revenue were included in the Group's operating costs:

	For the three months ended June 30		For the six months ended June 30	
	2024	**2023**	**2024**	**2023**
Allowance for inventory valuation and obsolescence losses (reversal income)	$ (7,354)	(31,120)	57,269	(9,213)
Revenue from sale of scrap	(130,084)	(81,668)	(224,061)	(158,250)
Loss on inventory write-off	147,782	89,141	185,426	89,141
Testing cost	5,631	19,011	11,544	28,917
Idel cost	42,493	26,950	125,482	26,950
Unallocated manufacturing expense	228,032	134,832	382,023	274,198
	$ 286,500	**157,146**	**537,683**	**251,743**

As of June 30, 2024, December 31, 2023, and June 30, 2023, 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) Property, plant and equipment

The cost, depreciation, and impairment losses of the property, plant and equipment of the Group in the six months ended June 30, 2024 and 2023, were as follows:

	Land	Land improvement	Buildings	Machinery and equipment	Transportation equipment	Office equipment	Leasehold improvement	Unfinished construction and equipment undergoing acceptance testing	Total
Cost:									
Balance at January 1, 2024	$ 719,031	13,505	4,770,434	12,508,313	23,723	819,343	24,661	528,004	19,407,014
Additions	226,913	-	19,953	17,973	-	12,018	-	491,533	768,390
Disposals	-	-	-	(6,858)	(1,140)	(2,289)	(1,967)	-	(12,254)
Reclassification (notes 1 and 2)	13	-	48,453	125,673	-	4,341	-	20,905	199,385
Translation effect	(12,892)	(240)	(85,039)	(222,962)	(420)	(14,496)	(383)	(9,584)	(346,016)
Balance at June 30, 2024	$ 933,065	13,265	4,753,801	12,422,139	22,163	818,917	22,311	1,030,858	20,016,519
Balance at January 1, 2023	$ 712,063	13,375	3,883,347	11,873,068	23,016	702,373	24,455	963,742	18,195,439
Additions	-	-	82,116	158,152	-	21,396	-	409,168	670,832
Disposals	-	-	-	(53,022)	-	(4,421)	-	-	(57,443)
Reclassification (notes 1, 2 and 3)	-	-	170,805	52,412	480	14,946	-	(134,885)	103,758
Translation effect	(10,171)	(192)	(60,116)	(172,491)	(338)	(10,585)	(332)	(18,804)	(273,029)
Balance at June 30, 2023	$ 701,892	13,183	4,076,152	11,858,119	23,158	723,709	24,123	1,219,221	18,639,557
Accumulated depreciation and impairment losses:									
Balance at January 1, 2024	$ -	8,859	1,477,853	5,904,862	21,483	500,351	18,951	-	7,932,359
Depreciation	-	703	123,888	416,626	493	46,839	1,380	-	589,929
Impairment loss	-	-	-	7,939	-	-	-	-	7,939
Disposals	-	-	-	(6,580)	(1,140)	(2,140)	(1,614)	-	(11,474)
Translation effect	-	(158)	(26,380)	(105,375)	(381)	(8,880)	(282)	-	(141,456)
Balance at June 30, 2024	$ -	9,404	1,575,361	6,217,472	20,455	536,170	18,435	-	8,377,297
Balance at January 1, 2023	$ -	6,839	1,238,901	5,021,452	19,610	412,180	15,976	-	6,714,958
Depreciation	-	963	105,922	461,692	676	42,987	1,407	-	613,647
Reversal of impairment	-	-	-	8,035	-	-	-	-	8,035
Disposals	-	-	-	(33,728)	-	(3,489)	-	-	(37,217)
Reclassification (note 3)	-	-	-	-	480	-	-	-	480
Translation effect	-	(115)	(19,642)	(79,736)	(301)	(6,590)	(237)	-	(106,621)
Balance at June 30, 2023	$ -	7,687	1,325,181	5,377,715	20,465	445,088	17,146	-	7,193,282
Carrying amount:									
Balance at January 1, 2024	$ 719,031	4,646	3,292,581	6,603,451	2,240	318,992	5,710	528,004	11,474,655
Balance at June 30, 2024	$ 933,065	3,861	3,178,440	6,204,667	1,708	282,747	3,876	1,030,858	11,639,222
Balance at June 30, 2023	$ 701,892	5,496	2,750,971	6,480,404	2,693	278,621	6,977	1,219,221	11,446,275

Note 1: The cost of $200,105 thousand and $106,235 thousand, respectively, were reclassified from prepayment for equipment for the six months ended June 30, 2024 and 2023.

2. The cost of $720 thousand and $2,957 thousand, respectively, were reclassified from equipment undergoing acceptance testing of property, plant and equipment to intangible assets for the six months ended June 30, 2024 and 2023.

3. The cost of $480 thousand and accumulated depreciation of $480 thousand were reclassified from right-of-use asset for the three months ended June 30, 2023.

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APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES
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Impairment Test:

(i) As of June 30, 2024, the Group performed impairment test of a specific cash-generating unit due to the continuous losses generated from it.

(ii) The recoverable amount of a cash-generating unit is based on its value in use. Value in use is determined by discounting the future cash flows arising from the continued use of the unit. The value in use calculation is based on the following key assumptions:

1) The estimated cash flows of the unit are based on past experience, actual operating results and the remaining useful life of the equipment, and cash flows beyond the five year period are extrapolated using a growth rate of 3%.

2) The Group estimated the pre-tax discount rate based on the weighted-average cost of capital. The discount rate as of June 30, 2024 was 13%.

(iii) As of June 30, 2024, the Group estimated that the recoverable amount of the cash generating unit was higher than the carrying amount, so the Group didn’t recognize impairment losses.

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

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Loss of impairment	$ 3,968	8,035	7,939	8,035

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

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

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

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(h) Right-of-use assets

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

	Buildings	Machinery and equipment	Transportation equipment	Office equipment	Total
Cost:					
Balance at January 1, 2024	$ 173,658	107,588	69,342	1,337	351,925
Additions	7,833	11,578	666	-	20,077
Translation effect	(2,395)	(1,921)	(1,223)	(24)	(5,563)
Balance at June 30, 2024	**$ 179,096**	**117,245**	**68,785**	**1,313**	**366,439**
Balance at January 1, 2023	$ 170,527	83,290	58,538	1,324	313,679
Additions	-	20,729	6,800	-	27,529
Reclassification to property, plant and equipment	-	-	(480)	-	(480)
Translation effect	(2,105)	(1,569)	(735)	(19)	(4,428)
Balance at June 30, 2023	**$ 168,422**	**102,450**	**64,123**	**1,305**	**336,300**
Accumulated depreciation and impairment losses:					
Balance at January 1, 2024	$ 99,543	67,309	48,168	1,289	216,309
Depreciation	12,885	7,724	5,591	-	26,200
Translation effect	(1,340)	(1,202)	(847)	(23)	(3,412)
Balance at June 30, 2024	**$ 111,088**	**73,831**	**52,912**	**1,266**	**239,097**
Balance at January 1, 2023	$ 74,461	51,080	37,151	1,053	163,745
Depreciation	12,258	7,847	5,270	184	25,559
Reclassification to property, plant and equipment	-	-	(480)	-	(480)
Translation effect	(1,106)	(874)	(400)	(19)	(2,399)
Balance at June 30, 2023	**$ 85,613**	**58,053**	**41,541**	**1,218**	**186,425**
Carrying amount:					
Balance at January 1, 2024	**$ 74,115**	**40,279**	**21,174**	**48**	**135,616**
Balance at June 30, 2024	**$ 68,008**	**43,414**	**15,873**	**47**	**127,342**
Balance at June 30, 2023	**$ 82,809**	**44,397**	**22,582**	**87**	**149,875**

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(i) Intangible assets

The cost, amortization, and impairment losses for the intangible assets of the Group for the six months ended June 30, 2024 and 2023, were as follows:

	Goodwill	Operating procedure	Customer relationship	Software	Total
Costs:					
Balance at January 1, 2024	$ 112,383	2,934	38,471	184,099	337,887
Addition	-	-	-	2,231	2,231
Reclassification from property, plant and equipment	-	-	-	720	720
Translation effect	(2,003)	(52)	(686)	(3,106)	(5,847)
Balance at June 30, 2024	**$ 110,380**	**2,882**	**37,785**	**183,944**	**334,991**
Balance at January 1, 2023	$ 111,294	2,906	38,098	171,736	324,034
Addition	-	-	-	533	533
Disposal	-	-	-	(155)	(155)
Reclassification from property, plant and equipment	-	-	-	2,957	2,957
Translation effect	(1,590)	(42)	(544)	(2,504)	(4,680)
Balance at June 30, 2023	**$ 109,704**	**2,864**	**37,554**	**172,567**	**322,689**
Amortization and impairment loss:					
Balance at January 1, 2024	$ -	2,347	15,388	126,499	144,234
Amortization	-	288	1,890	8,848	11,026
Translation effect	-	(41)	(275)	(2,235)	(2,551)
Balance at June 30, 2024	**$ -**	**2,594**	**17,003**	**133,112**	**152,709**
Balance at January 1, 2023	$ -	1,743	11,429	105,021	118,193
Amortization	-	292	1,913	10,857	13,062
Disposals	-	-	-	(155)	(155)
Translation effect	-	(30)	(198)	(1,690)	(1,918)
Balance at June 30, 2023	**$ -**	**2,005**	**13,144**	**114,033**	**129,182**
Carrying amount:					
Balance at January 1, 2024	**$ 112,383**	**587**	**23,083**	**57,600**	**193,653**
Balance at June 30, 2024	**$ 110,380**	**288**	**20,782**	**50,832**	**182,282**
Balance at June 30, 2023	**$ 109,704**	**859**	**24,410**	**58,534**	**193,507**

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(j) Short-term loans

	June 30, 2024	December 31, 2023	June 30, 2023
Secured loans	$ 79,362	85,291	64,315
Unsecured loans	2,352,346	2,199,068	1,878,902
Total	**$ 2,431,708**	**2,284,359**	**1,943,217**
Unused credit line	**$ 1,251,381**	**3,604,739**	**3,202,623**
Interest rate (%)	**2.22~5.70**	**1.95~5.95**	**1.45~5.68**

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

(k) Long-term loans

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

	June 30, 2024	December 31, 2023	June 30, 2023
Secured loans	$ 451,429	424,300	539,740
Unsecured loans	5,681,450	5,512,155	5,290,080
Less: deferred financing fee	(4,011)	(4,930)	(5,487)
Subtotal	6,128,868	5,931,525	5,824,333
Less: current portion	(2,379,830)	(2,407,691)	(1,883,405)
Total	**$ 3,749,038**	**3,523,834**	**3,940,928**
Unused credit line	**$ 6,996,576**	**8,419,371**	**8,191,995**
Interest rate (%)	**2.24~6.41**	**2.16~6.33**	**2.10~6.36**
Maturity date	**2024.7~2029.6**	**2024.3~2029.6**	**2024.5~2029.6**

(i) Collateral for loans

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

(ii) Loan contracts

The increase in long-term loans for the six months ended June 30, 2024 and 2023 were $1,189,330 thousand and $1,204,164 thousand, with the interest rates ranging from 2.30% to 6.41% and 2.10% to 6.36%, and maturities from July 2024 to June 2029 and from May 2024 to June 2029, as well as repayments amounting to $996,999 thousand and $1,279,841 thousand, respectively.

According to the loan contract between the Company, APT and the bank, the audited financial report is reviewed once or twice a year as the basis for debt covenants calculation, and the certain financial ratios shall be maintained over the life of the loan such as the current ratio, debt ratio and interest coverage ratio.

Due to the decline in market demand, the Company and APT violated the above debt covenants with Taipei Fubon Commercial Bank as of June 30, 2024. After negotiating with the bank, the Group has obtained the waiver. As a result, the Company and APT had no obligation to repay the bank borrowings immediately at June 30, 2024.

The Company and APT violated the debt covenants of certain banks as of December 31, 2023, wherein the Group has obtained a waiver for reviewing the debt covenants in February and March 2024.

For the related information, please refer to note 6(j) of the consolidated financial statements for the year ended December 31, 2023.

(l) Lease liabilities

The amounts of leased liability were as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Current	$ 49,160	46,613	46,649
Non-current	82,142	92,810	106,566
	$ 131,302	**139,423**	**153,215**

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

The amounts recognized in profit or loss were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2024	**2023**	**2024**	**2023**
Interest on lease liabilities	**$ 1,104**	**1,215**	**2,130**	**2,424**
Expenses relating to short-term leases	**$ 1,244**	**1,559**	**2,427**	**3,132**
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	**$ 118**	**122**	**235**	**276**

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

	For the six months ended June 30	
	2024	**2023**
Total cash outflow from operating activities	$ 4,792	5,832
Total cash outflow from financing activities	25,983	24,991
Total cash outflow for leases	**$ 30,775**	**30,823**

(i) Real estate leases

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

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

(ii) Other leases

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

(m) 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, 2023 and 2022.

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

	For the three months ended June 30		For the six months ended June 30	
	2024	**2023**	**2024**	**2023**
Operating costs	$ 1,807	1,690	3,615	3,385
Administration expenses	1,333	1,306	2,668	2,616
	$ 3,140	**2,996**	**6,283**	**6,001**

(ii) Defined contribution plans

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

	For the three months ended June 30		For the six months ended June 30	
	2024	**2023**	**2024**	**2023**
Administration expenses	**$ 216**	**211**	**432**	**460**

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(iii) Long-term employee benefit plan

The balance of the Group's long-term employee benefit plan amounted to $8,727 thousand, $6,518 thousand and $8,225 thousand as of June 30, 2024, December 31, 2023, and June 30, 2023, respectively.

(n) Income taxes

The amounts of income tax for the three months ended and the six months ended June 30, 2024 and 2023, were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2024	**2023**	**2024**	**2023**
Current tax expense				
Current period	$ 608	31	969	10

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

In Thailand and Singapore, where APT, APS and APSS operate, income taxes do not require approval by the tax authority. Income taxes paid in prior years have received income tax receipts up to 2022. The income tax return of AET's Taiwan Branch and the Company's Taiwan Branch had been approved by the Revenue department through 2022. The income tax of APC had been submitted to the Revenue department through 2022.

(o) 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 six months ended June 30, 2024 and 2023. Please refer to note 6(n) of the 2023 consolidated financial statements for related information.

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

There were no earnings distributed in 2023 based on a resolution decided during the Board of Directors meeting held on February 28, 2024; while the 2022 earnings distribution had been approved during the Board of Directors meeting held on March 29, 2023 as follows:

	2022
Dividends distributed to ordinary shareholders	
Cash	$ 379,876

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

(p) Deficits per share

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

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Basic deficits per share (diluted deficits per share):				
Net loss	$ (340,661)	(161,307)	(625,037)	(255,859)
Weighted-average number of common shares outstanding (thousand shares)	189,938	189,938	189,938	189,938
Basic deficits per share / diluted deficits per share (New Taiwan Dollars)	$ (1.79)	(0.85)	(3.29)	(1.35)

(q) Revenues from contracts with customers

(i) Disaggregation of revenue

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Primary geographical markets:				
Singapore	$ 509,372	639,206	1,074,416	1,334,374
Vietnam	478,566	471,038	993,994	1,068,408
Thailand	534,269	500,047	1,029,916	1,118,625
Korea	508,226	484,533	999,237	865,741
Others	1,107,071	1,057,946	1,854,796	2,059,356
	$ 3,137,504	3,152,770	5,952,359	6,446,504
Main product/service line				
Single-layer PCB sales	$ 87,670	96,254	173,832	217,474
Double-layer PCB sales	747,659	942,316	1,542,365	2,074,084
Multi-layer PCB sales	2,299,027	2,111,006	4,230,625	4,156,372
Others	9,503	6,025	16,553	14,806
Less: sales return and allowance	(6,355)	(2,831)	(11,016)	(16,232)
	$ 3,137,504	3,152,770	5,952,359	6,446,504

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(ii) Remaining balances of contract

	June 30, 2024	December 31, 2023	June 30, 2023
Notes receivable	$ 1,711	1,522	513
Accounts receivable	3,100,344	3,055,286	3,023,099
Less: loss allowance	(49,375)	(55,644)	(67,227)
Total	**$ 3,052,680**	**3,001,164**	**2,956,385**

(r) Remunerations to employees and directors

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

There were no employee remuneration and the remuneration to directors accrued for the three months ended and the six months ended June 30, 2024 and 2023. If there are differences between the actual distribution and estimated amount, they will be treated as changes in accounting estimates, and recognized as gain or loss in the following year.

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

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

(s) Non-operating income and expenses

(i) Interest income

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

	For the three months ended June 30		For the six months ended June 30	
	2024	**2023**	**2024**	**2023**
Interest income on bank deposits	**$ 1,039**	**1,018**	**1,194**	**1,607**

(ii) Other income

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

	For the three months ended June 30		For the six months ended June 30	
	2024	**2023**	**2024**	**2023**
Income from cancellation of orders	$ 23,887	11,491	27,041	13,028
Others	7,740	7,383	15,688	14,698
	$ 31,627	**18,874**	**42,729**	**27,726**

(iii) Other gains and losses

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

	For the three months ended June 30		For the six months ended June 30	
	2024	**2023**	**2024**	**2023**
Gains (losses) on disposal of property, plant and equipment	$ (685)	3,338	(780)	3,749
Net foreign exchange gains	12,823	28,133	72,302	29,837
Valuation losses on financial assets or liabilities, net	(2,978)	(4,938)	(52,086)	(7,424)
Loss of impairment	(3,968)	(8,035)	(7,939)	(8,035)
Others	(5)	(1)	12	(8)
	$ 5,187	**18,497**	**11,509**	**18,119**

(iv) Finance cost

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

	For the three months ended June 30		For the six months ended June 30	
	2024	**2023**	**2024**	**2023**
Interest expense on loans from banks	$ 81,307	73,309	160,948	146,828
Interest expense on lease liabilities	1,104	1,215	2,130	2,424
Less: interest expense capitalized	(11,156)	(10,600)	(20,613)	(22,047)
	$ 71,255	**63,924**	**142,465**	**127,205**

(t) 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(s) of the 2023 consolidated financial statements for related information.

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(i) Credit risk

1) Risk exposure

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

2) Concentration of credit risk

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, the management also considers the statistical information on the Group's customer base, including the default risk of the industry and country in which customers operate. The Group's accounts receivable are obviously concentrated on three main customers, which accounted for 37%, 30% and 34% of the total amount of notes and accounts receivable as of June 30, 2024, December 31, 2023, and June 30, 2023, respectively. As of June 30, 2024, December 31, 2023, and June 30, 2023, the Group's accounts receivable concentrated on three main customers were $1,114,625 thousand, $903,481 thousand and $1,015,359 thousand, respectively.

3) Credit risk of accounts receivable

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

(ii) Liquidity risk

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

	Carrying amount	Contractual cash flows	Less than 1 year	1-2 years	More than 2 years
June 30, 2024					
Non-derivative financial liabilities					
Short-term loans	$ 2,431,708	2,455,155	2,455,155	-	-
Long-term loans	6,128,868	6,537,309	2,606,945	2,371,730	1,558,634
Lease liabilities	131,302	137,850	52,618	43,794	41,438
Accounts payable	2,626,925	2,626,925	2,626,925	-	-
Other payables (including payables for equipment)	873,134	873,134	873,134	-	-
Long-term payable	8,120	8,120	-	4,872	3,248
Derivative financial liabilities					
Other forward contract－					
Inflow	-	(340,914)	(340,914)	-	-
Outflow	2,587	343,501	343,501	-	-
	$ 12,202,644	12,641,080	8,617,364	2,420,396	1,603,320

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	Carrying amount	Contractual cash flows	Less than 1 year	1-2 years	More than 2 years
December 31, 2023					
Non-derivative financial liabilities					
Short-term loans	$ 2,284,359	2,298,567	2,298,567	-	-
Long-term loans	5,931,525	6,304,129	2,629,994	2,286,203	1,387,932
Lease liabilities	139,423	147,107	50,194	40,482	56,431
Accounts payable	1,911,865	1,911,865	1,911,865	-	-
Other payables (including payables for equipment)	731,963	731,963	731,963	-	-
Long-term payable	10,747	10,747	-	4,960	5,787
Derivative financial liabilities					
Other forward contract－					
Inflow	-	(66,068)	(66,068)	-	-
Outflow	1,595	67,663	67,663	-	-
	$ 11,011,477	11,405,973	7,624,178	2,331,645	1,450,150
June 30, 2023					
Non-derivative financial liabilities					
Short-term loans	$ 1,943,217	1,990,248	1,990,248	-	-
Long-term loans	5,824,333	6,193,744	2,007,127	2,203,279	1,983,338
Lease liabilities	153,215	162,496	50,603	40,964	70,929
Accounts payable	2,094,686	2,094,686	2,094,686	-	-
Dividend payable	379,876	379,876	379,876	-	-
Other payables (including payables for equipment)	963,782	963,782	963,782	-	-
Long-term payable	12,912	12,912	-	4,842	8,070
Derivative financial liabilities					
Other forward contract－					
Inflow	-	(258,614)	(258,614)	-	-
Outflow	5,189	263,803	263,803	-	-
	$ 11,377,210	11,802,933	7,491,511	2,249,085	2,062,337

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

(iii) Currency risk

1) Currency risk exposure

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

	June 30, 2024			December 31, 2023			June 30, 2023		
	Foreign currency	Exchange rate	Amount	Foreign currency	Exchange rate	Amount	Foreign currency	Exchange rate	Amount
Financial assets									
Monetary items									
USD	$ 83,664	32.35	2,706,904	88,392	30.58	2,703,283	86,578	31.06	2,688,704

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	June 30, 2024			December 31, 2023			June 30, 2023		
	Foreign currency	Exchange rate	Amount	Foreign currency	Exchange rate	Amount	Foreign currency	Exchange rate	Amount
Financial liabilities									
Monetary items									
USD	53,662	32.54	1,746,125	41,071	30.88	1,268,072	54,283	31.33	1,700,597

2) Sensitivity analysis

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

A 5% strengthening of the NTD and THB against the USD as at June 30, 2024 and 2023, would have decreased/increased net loss before tax for the six months ended June 30, 2024 and 2023, by $48,000 thousand and $49,000 thousand, respectively. The analysis assumes that all other variables remain constant, and is performed on the same basis for 2023.

3) Exchange gains and losses on monetary items

Due to the numerous types of functional currency of the Group, the Group discloses its exchange gains and losses of monetary items aggregately. The Group's exchange gains, including realized and unrealized, were $12,823 thousand, $28,133 thousand, $72,302 thousand and $29,837 thousand, respectively, for the three months and the six months ended June 30, 2024 and 2023.

(iv) Interest rate risk

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

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

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

If the interest rate had increased / decreased by 0.25%, the Group's net loss would have decreased / increased by $10,700 thousand and $9,700 thousand, respectively, for the six months ended June 30, 2024 and 2023, with all other variable factors remaining constant. This was mainly due to the Group's interest rate of borrowing at variable rates.

(Continued)

APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES
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(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, 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:

	June 30, 2024				
		Fair value			
	Amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Derivative financial assets－current	$ 457	-	457	-	457
Financial assets measured at amortized cost					
Cash and cash equivalents	558,850	-	-	-	-
Financial assets at amortized cost	13,227	-	-	-	-
Notes receivables	1,711	-	-	-	-
Accounts receivables	3,050,969	-	-	-	-
Other receivables	143,590	-	-	-	-
Refundable deposits	8,004	-	-	-	-
Other financial assets	10,382	-	-	-	-
Subtotal	3,786,733	-	-	-	-
Total	**$ 3,787,190**	**-**	**457**	**-**	**457**

APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES
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	June 30, 2024				
		Fair value			
	Amount	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through profit or loss					
Derivative financial liabilities－current	$ 2,587	-	2,587	-	2,587
Financial liabilities measured at amortized cost					
Short-term loans	2,431,708	-	-	-	-
Long-term loans	6,128,868	-	-	-	-
Lease liabilities	131,302	-	-	-	-
Accounts payable	2,626,925	-	-	-	-
Other payables (including payables for equipment)	873,134	-	-	-	-
Long-term payable	8,120	-	-	-	-
Subtotal	12,200,057	-	-	-	-
Total	**$ 12,202,644**	**-**	**2,587**	**-**	**2,587**

	December 31, 2023				
		Fair value			
	Amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Derivative financial assets－current	$ 23,521	-	23,521	-	23,521
Financial assets measured at amortized cost					
Cash and cash equivalents	641,929	-	-	-	-
Notes receivables	1,522	-	-	-	-
Accounts receivables	2,999,642	-	-	-	-
Other receivables	104,027	-	-	-	-
Refundable deposits	8,117	-	-	-	-
Other financial assets	9,838	-	-	-	-
Subtotal	3,765,075	-	-	-	-
Total	**$ 3,788,596**	**-**	**23,521**	**-**	**23,521**

(Continued)

APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES
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	December 31, 2023				
		Fair value			
	Amount	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through profit or loss					
Derivative financial liabilities－current	$ 1,595	-	1,595	-	1,595
Financial liabilities measured at amortized cost					
Short-term loans	2,284,359	-	-	-	-
Long-term loans	5,931,525	-	-	-	-
Lease liabilities	139,423	-	-	-	-
Accounts payable	1,911,865	-	-	-	-
Other payables (including payables for equipment)	731,963	-	-	-	-
Long-term payable	10,747	-	-	-	-
Subtotal	11,009,882	-	-	-	-
Total	**$ 11,011,477**	**-**	**1,595**	**-**	**1,595**

	June 30, 2023				
		Fair value			
	Amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Derivative financial assets－current	$ 3,804	-	3,804	-	3,804
Financial assets measured at amortized cost					
Cash and cash equivalents	680,402	-	-	-	-
Notes receivables	513	-	-	-	-
Accounts receivables	2,955,872	-	-	-	-
Other receivables	93,273	-	-	-	-
Refundable deposits	8,129	-	-	-	-
Other financial assets	16,762	-	-	-	-
Subtotal	3,754,951	-	-	-	-
Total	**$ 3,758,755**	**-**	**3,804**	**-**	**3,804**

(Continued)

APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES
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	June 30, 2023				
		Fair value			
	Amount	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial liabilities at fair value through profit or loss					
Derivative financial liabilities－current	$ 5,189	-	5,189	-	5,189
Financial liabilities measured at amortized cost					
Short-term loans	1,943,217	-	-	-	-
Long-term loans	5,824,333	-	-	-	-
Lease liabilities	153,215	-	-	-	-
Accounts payable	2,094,686	-	-	-	-
Dividend payable	379,876	-	-	-	-
Other payables (including payables for equipment)	963,782	-	-	-	-
Long-term payable	12,912	-	-	-	-
Subtotal	11,372,021	-	-	-	-
Total	**$ 11,377,210**	**-**	**5,189**	**-**	**5,189**

2) Valuation techniques and assumptions used in fair value determination

a) Non-derivative financial instruments

i) The carrying amounts of the following short-term financial instruments approximate their fair values because of their short maturities and payment request or payment amount of future cash flow will not be changed due to timing difference, and the book value is a reasonable approximation of fair value. This method applys to cash and cash equivalents, financial assets measured at amortized cost, notes and accounts receivable and payable, other receivables and payables, refundable deposits, other financial assets, short-term loans, payables for machinery and equipment.

ii) Fair value of long-term loans, lease liabilities, and long-term payable are estimated using the present value of future cash flows discounted by the interest rates the Group may obtain for similar loans and lease payable. However, long-term loans are recognized at its book value because most of it has floating rates. Lease liabilities are calculated based on the fixed rate agreed in the lease contract or incremental borrowing rate. The present value of long-term payable is calculated based on the weighted-average cost of capital (WACC). There were no significant differences between book value and discounted present value. Thus, long-term payable is recognized at book value.

APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES
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b) Derivative financial instruments

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

(u) 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(t) of the 2023 consolidated financial statements for related information.

(v) Capital management

The Group manages capital to safeguard the capacity to continue to operate, to continue to provide a return on shareholders, to maintain the interest of related parties, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to the shareholders, reduce the capital for redistribution to shareholders, issue new shares, or sell assets to settle any liabilities.

The Group and other entities in the same industry use the debt-to-equity ratio to manage capital. This ratio is debt divided by equity. Debt is derived from the total liabilities on the balance sheet. Equity includes share capital, capital surplus, retained earnings, other equity and non-controlling interests.

As at June 30, 2024, the Group's capital management strategy was consistent with the year ended at December 31, 2023. The Group has to maintain the debt-to-equity ratio at a certain level according to the criteria set by creditors. The Group's debt-to-equity ratio as at June 30, 2024, December 31, 2023, and June 30, 2023, was as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Net liabilities	$ 12,345,087	11,156,156	11,534,466
Total equity	$ 6,172,488	6,934,914	7,279,020
Debt-to-equity ratio	200.00 %	160.87 %	158.46 %

The Company's Board of Director resolved to handle the Cash Capital increase to Strengthen capital management.

APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES
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The quantitative capital management information for APT, a subsidiary of the Company, in the relevant periods are summarized below:

Unit: thousands of THB

	June 30, 2024	December 31, 2023	June 30, 2023
Net liabilities	$ 12,710,933	11,193,650	11,827,966
Total equity	$ 7,917,443	8,594,711	9,164,341
Debt-to-equity ratio	160.54 %	130.24 %	129.07 %

APT's debt-to-equity ratio has been maintained within the scope of the loan contracts.

(w) Non-cash investing and financing activities

For the six months ended June 30, 2024 and 2023, the Group's non-cash investing and financing activities were derived from the acquisition of machinery and equipment and right-of-use asset through leasing. Please refer to note 6(h) for related information.

Reconciliation of liabilities from financing activities were as follows:

			Non-cash changes			
	January 1, 2024	Cash flows	Acquisition or termination of contracts	Classification	Translation effect	June 30, 2024
Long-term loans	$ 5,931,525	192,331	-	100,000	(94,988)	6,128,868
Short-term loans	2,284,359	284,384	-	(100,000)	(37,035)	2,431,708
Lease liabilities	139,423	(25,983)	20,077	-	(2,215)	131,302
Total liabilities from financing activities	$ 8,355,307	450,732	20,077	-	(134,238)	8,691,878

			Non-cash changes			
	January 1, 2023	Cash flows	Acquisition or termination of contracts	Cancellation of contracts	Translation effect	June 30, 2023
Long-term loans	$ 5,976,283	(75,677)	-	-	(76,273)	5,824,333
Short-term loans	2,472,991	(504,170)	-	-	(25,604)	1,943,217
Lease liabilities	152,755	(24,991)	27,529	-	(2,078)	153,215
Total liabilities from financing activities	$ 8,602,029	(604,838)	27,529	-	(103,955)	7,920,765

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

(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.

Name of related party	Relationship with the Group
Wang Shu Mu	Chairman of the Company

(c) Significant transactions with related parties－Guarantee

For the six months ended June 30, 2024 and 2023, 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:

	For the three months ended June 30		For the six months ended June 30	
	2024	**2023**	**2024**	**2023**
Short-term employee benefits	$ 16,165	14,204	31,423	27,915
Post-employment benefits	228	140	457	281
Other long-term benefits	1	1	2	3
	$ 16,394	**14,345**	**31,882**	**28,199**

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

(8) Pledged assets:

Pledged assets	Object	June 30, 2024	December 31, 2023	June 30, 2023
Other financial assets —non-current:				
Restricted bank deposits	Long-term loans and derivative instruments not used for hedging	$ 10,382	9,838	16,762
Property, plant, and equipment:				
Land	Long-term and short-term loans	385	392	383
Buildings	Long-term and short-term loans	24,423	28,625	31,423
Machinery and equipment	Long-term, short-term loans and electricity guarantee	995,254	1,186,044	1,237,757
Total		$ 1,030,444	1,224,899	1,286,325

(9) Significant commitments and contingencies:

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

	June 30, 2024	December 31, 2023	June 30, 2023
Acquisition of property, plant and equipment	$ 467,825	484,686	494,359
Other long-term commitments	14,009	27,503	41,197
Total	$ 481,834	512,189	535,556

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

	June 30, 2024	December 31, 2023	June 30, 2023
Letters of credit	$ 137,113	72,538	51,178

(c) Guarantees provided by banks were as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Electricity guarantee	$ 118,874	121,031	118,146

APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES
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(10) Losses due to major disasters:None

(11) Subsequent events:

The Company's board of Directors resolved to handle the cash capital increase on August 9, 2024, and an upper limit on the issuance of ordinary shares 40,000 thousand shares, the total amount of funds raise and issue price are authorized by the chairman in accordance with the law.

(12) Other:

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

Function	For the three months ended June 30					
	2024			2023		
Account	Operating cost	Operating expenses	Total	Operating cost	Operating expenses	Total
Personnel costs						
Salaries	482,667	93,602	576,269	389,819	81,355	471,174
Health insurance	-	400	400	-	396	396
Pension	1,807	1,549	3,356	1,690	1,517	3,207
Renumeration to directors	-	-	-	-	(360)	(360)
Other personnel expense	45,658	23,266	68,924	42,490	16,158	58,648
Depreciation	276,685	32,626	309,311	291,250	32,040	323,290
Amortization	1,208	4,336	5,544	1,956	4,571	6,527

Function	For the six months ended June 30					
	2024			2023		
Account	Operating cost	Operating expenses	Total	Operating cost	Operating expenses	Total
Personnel benefit costs						
Salaries	890,883	182,120	1,073,003	774,722	160,545	935,267
Health insurance	-	816	816	-	1,026	1,026
Pension	3,615	3,100	6,715	3,385	3,076	6,461
Renumeration to directors	-	-	-	-	-	-
Other personnel expense	86,801	46,813	133,614	82,470	37,403	119,873
Depreciation	551,479	64,650	616,129	576,797	62,409	639,206
Amortization	2,339	8,687	11,026	3,897	9,165	13,062

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

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

(13) Other disclosures:

(a) Information on significant transactions:

The following were the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Group for the six months ended June 30, 2024:

(i) Loans to other parties: None.

(ii) Guarantees and endorsements for other parties:

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company (note 1)										
0	The Company	APT	2	18,433,653 (Note 2)	15,418,237	15,418,237	6,715,451	-	250.93 %	18,433,653 (Note 3)	Y	N	N
1	APT	APS	4	3,490,801 (Note 4)	626,078	626,078	255,740	-	10.19 %	3,490,801 (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 in directly 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 constructional 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 for the guarantee provided to a specific enterprise shall not be applied when the Company directly or indirectly owns more than 90% of the investee's equity. However, the guarantee amount is still limited to 300% of the net worth of the Company's latest financial statements.

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

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

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

(iii) Securities held as of June 30, 2024 (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 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: Please refer to note 6(b).

(x) Business relationships and significant intercompany transactions: There were no significant transactions.

APEX INTERNATIONAL CO., LTD.
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(b) Information on investees:

The following is the information on investees for the six months ended June 30, 2024:

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount: June 30, 2024	Original investment amount: December 31, 2023	Balance as of June 30, 2024: Shares (thousands)	Balance as of June 30, 2024: Percentage of ownership	Balance as of June 30, 2024: Carrying value (Notes 1 and 2)	Net income (losses) of investee (Note 1)	Share of profits/losses of investee (Notes 1 and 2)	Note
The Company	APT	Thailand	PCB (printed circuit board) manufacturing and sales	3,757,116	3,757,116	151,194	99.60 %	6,953,675	(599,740)	(597,341) (Note 4)	
The Company	AET	British Virgin Islands	Supply chain integration	10,000	10,000	1,000	100.00 %	12,151	2,190	2,408 (Note 4)	
APT	APS	Thailand	PCB (printed circuit board) manufacturing and sales	277,485	277,485	32	99.99 %	217,783	(2,144)	(2,144) (Note 3)	
APS	APSS	Singapore	PCB sales development	8,195	8,195	402	100.00 %	18,480	(305)	(796) (Note 4)	

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

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

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

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

(c) Information on investment in China:

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

Unit: in thousands of dollars

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment (Note 1)	Accumulated outflow of investment from Taiwan as of January 1, 2024 (Note 4)	Investment flows: Outflow (Note 4)	Investment flows: Inflow (Note 4)	Accumulated outflow of investment from Taiwan as of June 30, 2024 (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
APC	Supply Chain integration	39,848 (RMB9,000)	2	-	-	-	-	(4,093) (RMB(926))	99.60 %	(4,352) (RMB(985))	26,620 (RMB5,897)	-

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

(1) Direct investment in China.

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

(3) Other methods.

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

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

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

Note 5: The book value at end of period were calculated by using the exchange rate on June 30, 2024 (BS exchange rate RMB:TWD=1:4.5141).The net income (loss) of the investee company and investment gains (losses) recognized by the parent company were calculated by the average exchange rate (IS exchange rate RMB:TWD=1:4.4186).

(ii) Limitation on investment in China: None.

(iii) Significant transactions in China: None.

(d) Major shareholders: None.

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Notes to the Consolidated Financial Statements

(14) Segment information:

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

	For the three months ended June 30			
	2024			
	Thailand	Other	Adjustments and eliminations	Total
Revenue				
Revenue from external customers	$ 3,129,872	7,701	(69)	3,137,504
Intersegment revenues	10,848	95,758	(106,606)	-
Total revenue	**$ 3,140,720**	**103,459**	**(106,675)**	**3,137,504**
Reportable segment profit or loss	**$ (323,660)**	**(14,208)**	**(3,494)**	**(341,362)**

	For the three months ended June 30			
	2023			
	Thailand	Other	Adjustments and eliminations	Total
Revenue				
Revenue from external customers	$ 3,132,039	20,731	-	3,152,770
Intersegment revenues	18,166	58,141	(76,307)	-
Total revenue	**$ 3,150,205**	**78,872**	**(76,307)**	**3,152,770**
Reportable segment profit or loss	**$ (152,663)**	**(7,638)**	**(1,576)**	**(161,877)**

	For the six months ended June 30			
	2024			
	Thailand	Other	Adjustments and eliminations	Total
Revenue				
Revenue from external customers	$ 5,938,090	14,338	(69)	5,952,359
Intersegment revenues	18,985	149,228	(168,213)	-
Total revenue	**$ 5,957,075**	**163,566**	**(168,282)**	**5,952,359**
Reportable segment profit or loss	**$ (589,189)**	**(31,998)**	**(5,280)**	**(626,467)**

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	For the six months ended June 30			
	2023			
	Thailand	Other	Adjustments and eliminations	Total
Revenue				
Revenue from external customers	$ 6,407,427	39,077	-	6,446,504
Intersegment revenues	42,526	115,903	(158,429)	-
Total revenue	**$ 6,449,953**	**154,980**	**(158,429)**	**6,446,504**
Reportable segment profit or loss	**$ (241,176)**	**(14,064)**	**(1,560)**	**(256,800)**

For the three months and six months ended June 30, 2024 and 2023, the adjustments and eliminations of the intersegment net profit to the reportable segment loss were $3,494 thousand, $1,576 thousand, $5,280 thousand and $1,560 thousand, respectively.