

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

**Consolidated Financial Statements**

**With Independent Auditors' Review Report  
For the Nine Months Ended September 30, 2024 and 2023**

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

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## Independent Auditors' Review Report

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

### Introduction

We have reviewed the accompanying consolidated balance sheets of Apex International Co., Ltd. and its subsidiaries ("the Group") as of September 30, 2024 and 2023, and the related consolidated statements of comprehensive income for the three months and nine months ended September 30, 2024 and 2023, as well as the changes in equity and cash flows for the nine months ended September 30, 2024 and 2023, and notes of the consolidated financial statements, including a summary of material accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### Scope of Review

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

### Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of September 30, 2024 and 2023, and of its consolidated financial performance for the three months and nine months ended September 30, 2024 and 2023, as well as its consolidated cash flows for the nine months ended September 30, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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

KPMG

Taipei, Taiwan (Republic of China)  
November 5, 2024

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

## APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES

## Consolidated Balance Sheets

September 30, 2024, December 31, 2023, and September 30, 2023

(Expressed in Thousands of New Taiwan Dollar)

		September 30, 2024		December 31, 2023		September 30, 2023				September 30, 2024		December 31, 2023		September 30, 2023	
Assets		Amount	%	Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%	Amount	%
11xx	<b>Current assets:</b>							21xx	<b>Current liabilities:</b>						
1100	Cash and cash equivalents (notes 6(a) and 8)	\$ 672,663	3	641,929	4	712,113	4	2100	Short-term loans (notes 6(g), (j), 7, 8 and 9)	\$ 2,378,372	12	2,284,359	13	2,299,147	12
1110	Financial assets at fair value through profit or loss							2120	Financial liabilities at fair value through profit or loss						
	— current (notes 6(a), (b) and 8)	118	-	23,521	-	4,916	-		loss— current (notes 6(a), (b) and 8)	10,074	-	1,595	-	43,717	-
1136	Financial assets measured at amortized cost (note 6(c))	14,729	-	-	-	-	-	2170	Accounts payable	2,763,243	13	1,911,865	11	1,980,652	11
1150	Notes receivable, net (notes 6(d) and (q))	3,376	-	1,522	-	3,099	-	2200	Other payables	562,113	3	494,683	3	531,599	3
1170	Accounts receivable, net (notes 6(d) and (q))	3,330,029	16	2,999,642	17	2,958,484	16	2213	Payable for machinery and equipment	586,061	3	237,280	1	335,230	2
1200	Other receivables (note 6(e))	159,819	1	104,027	1	139,731	1	2230	Current tax liabilities	-	-	79	-	-	-
130x	Inventories (note 6(f))	2,797,018	14	2,231,765	12	2,739,891	15	2280	Current lease liabilities (notes 6(h) and (l))	52,488	-	46,613	-	46,373	-
1470	Other current assets	75,444	-	62,801	-	83,259	-	2322	Long-term loans, current portion (notes 6(a), (g), (k), 7 and 8)	2,601,370	12	2,407,691	13	2,324,568	13
	<b>Total current assets</b>	<u>7,053,196</u>	<u>34</u>	<u>6,065,207</u>	<u>34</u>	<u>6,641,493</u>	<u>36</u>	2399	Other current liabilities	33,948	-	37,510	-	42,309	-
15xx	<b>Non-current assets:</b>								<b>Total current liabilities</b>	<u>8,987,669</u>	<u>43</u>	<u>7,421,675</u>	<u>41</u>	<u>7,603,595</u>	<u>41</u>
1600	Property, plant and equipment (notes 5, 6(g), (h), (i), (j), (k), 8 and 9)	13,128,278	63	11,474,655	63	11,364,684	61	25xx	<b>Non-Current liabilities:</b>						
1755	Right-of-use asset (notes 6(g), (h) and (l))	126,783	1	135,616	1	141,888	1	2540	Long-term loans (notes 6(a), (g), (k), 7 and 8)	5,085,712	25	3,523,834	20	3,610,842	20
1780	Intangible assets (notes 6(g) and (i))	198,317	1	193,653	1	190,552	1	2570	Deferred tax liabilities	44,079	-	40,261	-	41,664	-
1840	Deferred tax assets	43,494	-	39,789	-	35,784	-	2580	Non-current lease liabilities (notes 6(h) and (l))	78,729	-	92,810	1	99,072	1
1915	Prepayments for equipment (note 6(g))	119,143	1	164,195	1	157,546	1	2612	Long-term payable	7,685	-	10,747	-	11,712	-
1920	Refundable deposits	7,907	-	8,117	-	8,223	-	2670	Other non-current liabilities, others (note 6(m))	87,464	1	66,829	-	72,814	-
1980	Other financial assets— non-current (notes 6(a), (b), (k) and 8)	26,606	-	9,838	-	10,236	-		<b>Total non-current liabilities</b>	<u>5,303,669</u>	<u>26</u>	<u>3,734,481</u>	<u>21</u>	<u>3,836,104</u>	<u>21</u>
	<b>Total non-current assets</b>	<u>13,650,528</u>	<u>66</u>	<u>12,025,863</u>	<u>66</u>	<u>11,908,913</u>	<u>64</u>	2xxx	<b>Total liabilities</b>	<u>14,291,338</u>	<u>69</u>	<u>11,156,156</u>	<u>62</u>	<u>11,439,699</u>	<u>62</u>
								31xx	<b>Equity attributable to owners of the Company (note 6(o)):</b>						
								3110	Common stock	1,899,380	9	1,899,380	10	1,899,380	10
								3200	Capital surplus	2,405,304	12	2,405,304	13	2,405,304	13
								3300	Retained earnings	1,957,554	9	3,093,451	18	3,449,908	19
								3410	Exchange differences on translation of foreign financial statements	121,182	1	(494,097)	(3)	(675,388)	(4)
									<b>Total equity attributable to owners of the Company</b>	<u>6,383,420</u>	<u>31</u>	<u>6,904,038</u>	<u>38</u>	<u>7,079,204</u>	<u>38</u>
								36xx	<b>Non-controlling interests</b>	28,966	-	30,876	-	31,503	-
								3xxx	<b>Total equity</b>	<u>6,412,386</u>	<u>31</u>	<u>6,934,914</u>	<u>38</u>	<u>7,110,707</u>	<u>38</u>
1xxx	<b>Total assets</b>	<u>\$ 20,703,724</u>	<u>100</u>	<u>18,091,070</u>	<u>100</u>	<u>18,550,406</u>	<u>100</u>	2-3xxx	<b>Total liabilities and equity</b>	<u>\$ 20,703,724</u>	<u>100</u>	<u>18,091,070</u>	<u>100</u>	<u>18,550,406</u>	<u>100</u>

See accompanying notes to consolidated financial statements.

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

## APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES

## Consolidated Statements of Comprehensive Income

For the three months and nine months ended September 30, 2024 and 2023

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

	For the three months ended September 30				For the nine months ended September 30					
	2024		2023		2024		2023			
	Amount	%	Amount	%	Amount	%	Amount	%		
4000	<b>Operating revenue (note 6(q))</b>									
	\$	3,426,127	100	3,096,600	100	9,378,486	100	9,543,104	100	
5000	<b>Operating costs (notes 6(f), (g), (h), (i), (l), (m) and 12)</b>									
		<u>3,413,083</u>	<u>100</u>	<u>2,827,268</u>	<u>91</u>	<u>9,060,870</u>	<u>97</u>	<u>8,613,417</u>	<u>90</u>	
5900	<b>Gross profit from operations</b>									
		<u>13,044</u>	<u>-</u>	<u>269,332</u>	<u>9</u>	<u>317,616</u>	<u>3</u>	<u>929,687</u>	<u>10</u>	
6000	<b>Operating expenses (notes 6(d), (g), (h), (i), (l), (m), 7 and 12):</b>									
6188	Selling expenses	215,989	6	189,243	6	611,185	7	636,201	7	
6200	Administrative expenses	237,951	6	192,770	6	656,735	7	585,178	6	
6300	Research and development expenses	21,817	1	15,153	1	57,122	-	44,420	-	
6450	Expected credit loss (reversal of expected credit loss)	<u>(3,597)</u>	<u>-</u>	<u>2,864</u>	<u>-</u>	<u>(8,876)</u>	<u>-</u>	<u>(28,367)</u>	<u>-</u>	
	<b>Total operating expenses</b>	<u>472,160</u>	<u>13</u>	<u>400,030</u>	<u>13</u>	<u>1,316,166</u>	<u>14</u>	<u>1,237,432</u>	<u>13</u>	
6900	<b>Operating loss</b>									
		<u>(459,116)</u>	<u>(13)</u>	<u>(130,698)</u>	<u>(4)</u>	<u>(998,550)</u>	<u>(11)</u>	<u>(307,745)</u>	<u>(3)</u>	
7000	<b>Non-operating income and expenses (notes 6(b), (g), (l) and (s)):</b>									
7100	Interest income	178	-	283	-	1,372	-	1,890	-	
7010	Other income	19,081	1	10,880	-	61,810	1	38,606	-	
7020	Other gains and losses	16,993	-	13,774	-	28,502	-	31,893	-	
7050	Finance costs	<u>(89,970)</u>	<u>(3)</u>	<u>(75,051)</u>	<u>(2)</u>	<u>(232,435)</u>	<u>(2)</u>	<u>(202,256)</u>	<u>(2)</u>	
	<b>Total non-operating income and expenses</b>	<u>(53,718)</u>	<u>(2)</u>	<u>(50,114)</u>	<u>(2)</u>	<u>(140,751)</u>	<u>(1)</u>	<u>(129,867)</u>	<u>(2)</u>	
7900	<b>Loss from continuing operations before tax</b>									
		<u>(512,834)</u>	<u>(15)</u>	<u>(180,812)</u>	<u>(6)</u>	<u>(1,139,301)</u>	<u>(12)</u>	<u>(437,612)</u>	<u>(5)</u>	
7951	<b>Less: Income tax expenses (note 6(n))</b>									
		<u>9</u>	<u>-</u>	<u>2</u>	<u>-</u>	<u>978</u>	<u>-</u>	<u>12</u>	<u>-</u>	
8200	<b>Loss</b>									
		<u>(512,843)</u>	<u>(15)</u>	<u>(180,814)</u>	<u>(6)</u>	<u>(1,140,279)</u>	<u>(12)</u>	<u>(437,624)</u>	<u>(5)</u>	
8300	<b>Other comprehensive income (loss):</b>									
8360	<b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>									
8361	Exchange differences on translation of foreign financial statements	752,741	22	12,501	-	617,751	7	(103,333)	(1)	
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
8300	<b>Other comprehensive income (loss)</b>									
		<u>752,741</u>	<u>22</u>	<u>12,501</u>	<u>-</u>	<u>617,751</u>	<u>7</u>	<u>(103,333)</u>	<u>(1)</u>	
8500	<b>Total comprehensive income (loss)</b>									
	\$	<u><u>239,898</u></u>	<u><u>7</u></u>	<u><u>(168,313)</u></u>	<u><u>(6)</u></u>	<u><u>(522,528)</u></u>	<u><u>(5)</u></u>	<u><u>(540,957)</u></u>	<u><u>(6)</u></u>	
	<b>Loss attributable to:</b>									
8610	Owners of the Company	\$	(510,860)	(15)	(180,130)	(6)	(1,135,897)	(12)	(435,989)	(5)
8620	Non-controlling interests		<u>(1,983)</u>	<u>-</u>	<u>(684)</u>	<u>-</u>	<u>(4,382)</u>	<u>-</u>	<u>(1,635)</u>	<u>-</u>
		\$	<u><u>(512,843)</u></u>	<u><u>(15)</u></u>	<u><u>(180,814)</u></u>	<u><u>(6)</u></u>	<u><u>(1,140,279)</u></u>	<u><u>(12)</u></u>	<u><u>(437,624)</u></u>	<u><u>(5)</u></u>
	<b>Comprehensive income (loss) attributable to:</b>									
8710	Owners of the Company	\$	238,869	7	(167,680)	(6)	(520,618)	(5)	(538,912)	(6)
8720	Non-controlling interests		<u>1,029</u>	<u>-</u>	<u>(633)</u>	<u>-</u>	<u>(1,910)</u>	<u>-</u>	<u>(2,045)</u>	<u>-</u>
		\$	<u><u>239,898</u></u>	<u><u>7</u></u>	<u><u>(168,313)</u></u>	<u><u>(6)</u></u>	<u><u>(522,528)</u></u>	<u><u>(5)</u></u>	<u><u>(540,957)</u></u>	<u><u>(6)</u></u>
	<b>Deficits per share (expressed in New Taiwan dollars) (note 6(p))</b>									
9750	Basic deficits per share	\$	<u><u>(2.69)</u></u>	<u><u>(0.95)</u></u>	<u><u>(0.95)</u></u>	<u><u>(5.98)</u></u>	<u><u>(5.98)</u></u>	<u><u>(2.30)</u></u>	<u><u>(2.30)</u></u>	
9850	Diluted deficits per share	\$	<u><u>(2.69)</u></u>	<u><u>(0.95)</u></u>	<u><u>(0.95)</u></u>	<u><u>(5.98)</u></u>	<u><u>(5.98)</u></u>	<u><u>(2.30)</u></u>	<u><u>(2.30)</u></u>	

See accompanying notes to consolidated financial statements.

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

**APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES****Consolidated Statements of Changes in Equity****For the nine months ended September 30, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollar)****Equity attributable to owners of the Company**

	Common stock	Capital surplus	Retained earnings		Exchange differences on translation of foreign financial statements	Total equity attributable to owners of parent	Non-controlling interests	Total equity	
			Special reserve	Unappropriated retained earnings					Total
<b>Balance at January 1, 2023</b>	\$ 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	-	-	-	(435,989)	(435,989)	-	(435,989)	(1,635)	(437,624)
Other comprehensive loss	-	-	-	-	-	(102,923)	(102,923)	(410)	(103,333)
Total comprehensive loss	-	-	-	(435,989)	(435,989)	(102,923)	(538,912)	(2,045)	(540,957)
Changes in ownership interests in subsidiaries	-	(208)	-	-	-	-	(208)	208	-
<b>Balance at September 30, 2023</b>	<u>\$ 1,899,380</u>	<u>2,405,304</u>	<u>1,048,969</u>	<u>2,400,939</u>	<u>3,449,908</u>	<u>(675,388)</u>	<u>7,079,204</u>	<u>31,503</u>	<u>7,110,707</u>
<b>Balance at January 1, 2024</b>	\$ 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	-	-	-	(1,135,897)	(1,135,897)	-	(1,135,897)	(4,382)	(1,140,279)
Other comprehensive income	-	-	-	-	-	615,279	615,279	2,472	617,751
Total comprehensive income (loss)	-	-	-	(1,135,897)	(1,135,897)	615,279	(520,618)	(1,910)	(522,528)
<b>Balance at September 30, 2024</b>	<u>\$ 1,899,380</u>	<u>2,405,304</u>	<u>1,048,969</u>	<u>908,585</u>	<u>1,957,554</u>	<u>121,182</u>	<u>6,383,420</u>	<u>28,966</u>	<u>6,412,386</u>

See accompanying notes to consolidated financial statements.

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

**APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES****Consolidated Statements of Cash Flows****For the nine months ended September 30, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollar)**

	<b>For the nine months ended September 30</b>	
	<b>2024</b>	<b>2023</b>
<b>Cash flows from (used in) operating activities:</b>		
Loss before tax	\$ (1,139,301)	(437,612)
<b>Adjustments:</b>		
<b>Adjustments to reconcile loss:</b>		
Depreciation expense	946,623	973,759
Amortization expense	16,922	19,412
Reversal of expected credit loss	(8,876)	(28,367)
Interest expense	232,435	202,256
Interest income	(1,372)	(1,890)
Loss (gain) on disposal of property, plant and equipment	925	(2,708)
Valuation losses on financial assets or liabilities, net	57,919	48,494
Loss of impairment on non-financial assets	12,115	12,095
<b>Total adjustments to reconcile profit</b>	<b>1,256,691</b>	<b>1,223,051</b>
<b>Changes in operating assets and liabilities:</b>		
<b>Changes in operating assets:</b>		
Financial assets at fair value through profit or loss	(1,253)	43,518
Notes receivable	(1,854)	(2,943)
Accounts receivable	(325,888)	1,021,920
Other receivables	(55,792)	(18,230)
Inventories	(565,253)	358,148
Other current assets	(12,413)	(25,123)
<b>Total changes in operating assets</b>	<b>(962,453)</b>	<b>1,377,290</b>
<b>Changes in operating liabilities:</b>		
Financial liabilities at fair value through profit or loss	(25,651)	(31,481)
Accounts payable	851,378	(102,629)
Other payables	63,493	2,946
Other current liabilities	(3,562)	(17,879)
Other non-current liabilities	20,635	11,166
<b>Total changes in operating liabilities</b>	<b>906,293</b>	<b>(137,877)</b>
<b>Total changes in operating assets and liabilities</b>	<b>(56,160)</b>	<b>1,239,413</b>
<b>Total adjustments</b>	<b>1,200,531</b>	<b>2,462,464</b>
Cash inflow generated from operations	61,230	2,024,852
Interest received	1,372	1,890
Interest paid	(228,498)	(202,060)
Income taxes paid	(1,212)	(61,942)
<b>Net cash flows from (used in) operating activities</b>	<b>(167,108)</b>	<b>1,762,740</b>
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of financial assets at amortised cost	(14,729)	-
Acquisition of property, plant and equipment	(788,187)	(1,032,285)
Proceeds from disposal of property, plant and equipment	-	26,687
Decrease in refundable deposits	210	89
Acquisition of intangible assets	(3,984)	(3,643)
Decrease (increase) in other financial assets—non-current	(16,768)	8,321
Increase in prepayments for equipment	(260,097)	(186,754)
<b>Net cash flows used in investing activities</b>	<b>(1,083,555)</b>	<b>(1,187,585)</b>
<b>Cash flows from (used in) financing activities:</b>		
Decrease in short-term loans	(8,235)	(148,333)
Proceeds from long-term loans	2,904,693	2,077,996
Repayments of long-term loans	(1,831,968)	(2,051,417)
Payment of lease liabilities	(39,901)	(37,812)
Cash dividends paid	-	(379,876)
<b>Net cash flows from (used in) financing activities</b>	<b>1,024,589</b>	<b>(539,442)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>256,808</b>	<b>(37,866)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>30,734</b>	<b>(2,153)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>641,929</b>	<b>714,266</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 672,663</b>	<b>712,113</b>

See accompanying notes to consolidated financial statements.

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

## APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

September 30, 2024 and 2023

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

#### (1) Company history

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

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

The consolidated financial statements were authorized for issuance by the Board of Directors on November 5, 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"

(Continued)



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

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

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

<b>Standards or Interpretations</b>	<b>Content of amendment</b>	<b>Effective date per IASB</b>
IFRS 18 “Presentation and Disclosure in Financial Statements”	<p>The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.</p> <ul style="list-style-type: none"> <li>● 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.</li> <li>● 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.</li> <li>● 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.</li> </ul>	January 1, 2027

(Continued)

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

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

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

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

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

Except the accounting policies mentioned below, the material accounting policies adopted in the financial statements are the same as those in the financial statements for the year ended December 31, 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 Interpretations Committee ("SIC") Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRS Accounting Standards endorsed by the FSC) for a complete set of the annual consolidated financial statements.

(b) Basis of consolidation

Principles of preparation of the consolidated financial statements are the same as those of the consolidated financial statements for the year ended December 31, 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:

Name of investor	Name of subsidiary	Business activities	Percentage of ownership (%)			Note
			September 30, 2024	December 31, 2023	September 30, 2023	
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)

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

Name of investor	Name of subsidiary	Business activities	Percentage of ownership (%)			Note
			September 30, 2024	December 31, 2023	September 30, 2023	
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.

(Continued)

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

- (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 \$27,271 thousand, \$81,517 thousand and \$108,493 thousand in the three months ended September 30, 2024, third 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

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Cash	\$ 1,563	3,723	1,541
Demand deposits	658,296	614,841	679,112
Checking deposits	10,502	10,132	15,384
Time deposits	<u>2,302</u>	<u>13,233</u>	<u>16,076</u>
Cash and cash equivalents in the consolidated statement of cash flows	<u><u>\$ 672,663</u></u>	<u><u>641,929</u></u>	<u><u>712,113</u></u>

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

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Restricted bank deposit	<u><u>\$ 26,606</u></u>	<u><u>9,838</u></u>	<u><u>10,236</u></u>

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

(Continued)

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

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

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

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Financial assets held-for-trading:			
Derivative instruments not used for hedging			
Forward exchange contracts	\$ <u>118</u>	<u>23,521</u>	<u>4,916</u>

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

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Financial liabilities held-for- trading:			
Derivative instruments not used for hedging			
Forward exchange contracts	\$ <u>10,074</u>	<u>1,595</u>	<u>43,717</u>

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 September 30, 2024, December 31, 2023, and September 30, 2023.

Forward exchange contracts:

<u>September 30, 2024</u>					<u>Fair value of assets (liabilities)</u>
	<u>Amount (in thousands)</u>	<u>Currency</u>	<u>Maturity dates</u>		
Forward exchange purchased	USD 4,000	USD to THB	2025.4.2	\$	<u>118</u>
Forward exchange purchased	USD 8,500	USD to THB	2025.3.17~ 2025.3.25	\$	(7,822)
Forward exchange purchased	CNY 6,000	CNY to THB	2024.12.12~ 2025.3.11		(2,252)
Total				\$	<u>(10,074)</u>

(Continued)

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

<b>December 31, 2023</b>				
	<b>Amount</b>	<b>Currency</b>	<b>Maturity</b>	<b>Fair value of</b>
	<b>(in thousands)</b>		<b>dates</b>	<b>assets</b>
				<b>(liabilities)</b>
Forward exchange sold	USD 32,300	USD to THB	2024.1.16 ~2024.3.4	\$ <b>23,521</b>
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				\$ <b>(1,595)</b>
<b>September 30, 2023</b>				
	<b>Amount</b>	<b>Currency</b>	<b>Maturity</b>	<b>Fair value of</b>
	<b>(in thousands)</b>		<b>dates</b>	<b>assets</b>
				<b>(liabilities)</b>
Forward exchange purchased	USD 2,541	USD to THB	2023.11.24	\$ <b>4,916</b>
Forward exchange sold	CNY 500	CNY to THB	2023.10.26	\$ (23)
Forward exchange sold	USD 25,800	USD to THB	2023.10.2~ 2023.11.6	(43,694)
Total				\$ <b>(43,717)</b>

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

	<b>September 30,</b>
	<b>2024</b>
Time deposits with original maturity over three months	\$ <b>14,729</b>
Interest rate range (%)	<b>1.20</b>
Maturity date	<b>2025.4.29</b>

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

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

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

(Continued)

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

(d) Notes receivable and accounts receivable

	September 30, 2024	December 31, 2023	September 30, 2023
Notes receivable	\$ 3,376	1,522	3,099
Accounts receivable	3,381,174	3,055,286	3,028,682
Less: allowance for bad debt	(51,145)	(55,644)	(70,198)
	<u>\$ 3,333,405</u>	<u>3,001,164</u>	<u>2,961,583</u>

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

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

	<u>September 30, 2024</u>		
	<u>Gross carrying amount</u>	<u>Weighted average loss rate (%)</u>	<u>Loss allowance provision</u>
Not yet due	\$ 304,838	0.50	1,539
Past due 1~30 days	35,617	2.29	816
Past due 31~60 days	6,964	3.33	232
Past due 61~90 days	45	26.67	12
Past due 91~120 days	693	54.40	377
Past due 121~180 days	19	84.21	16
	<u>\$ 348,176</u>		<u>2,992</u>
	<u>December 31, 2023</u>		
	<u>Gross carrying amount</u>	<u>Weighted average loss rate (%)</u>	<u>Loss allowance provision</u>
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
	<u>\$ 327,453</u>		<u>13,367</u>

(Continued)

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

	<b>September 30, 2023</b>		
	<b>Gross carrying amount</b>	<b>Weighted average loss rate (%)</b>	<b>Loss allowance provision</b>
Not yet due	\$ 296,069	0.77	2,268
Past due 1~30 days	81,939	3.49	2,862
Past due 31~60 days	24,459	10.02	2,451
Past due 61~90 days	160	23.75	38
Past due over 180 days	9,840	100.00	9,840
	<b>\$ 412,467</b>		<b>17,459</b>

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

	<b>September 30, 2024</b>		
	<b>Gross carrying amount</b>	<b>Weighted average loss rate (%)</b>	<b>Loss allowance provision</b>
Not yet due	\$ 214,633	-	-
Past due 1~30 days	73,735	-	-
Past due 31~60 days	4,363	-	-
Past due 61~90 days	5,748	-	-
Past due 91~120 days	1,612	-	-
	<b>\$ 300,091</b>		<b>-</b>

	<b>December 31, 2023</b>		
	<b>Gross carrying amount</b>	<b>Weighted average loss rate (%)</b>	<b>Loss allowance provision</b>
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	-	-
	<b>\$ 415,942</b>		<b>-</b>

(Continued)



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

	<b>September 30, 2023</b>		
	<b>Gross carrying amount</b>	<b>Weighted average loss rate (%)</b>	<b>Loss allowance provision</b>
Not yet due	\$ 338,492	-	-
Past due 1~30 days	26,587	-	-
Past due 31~60 days	14,842	-	-
Past due 61~90 days	119	-	-
	<b>\$ 380,040</b>		<b>-</b>

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

	<b>September 30, 2024</b>		
	<b>Gross carrying amount</b>	<b>Weighted average loss rate (%)</b>	<b>Loss allowance provision</b>
Past due over 180 days	<b>\$ 2,023</b>	100.00	<b>2,023</b>

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

	<b>September 30, 2023</b>		
	<b>Gross carrying amount</b>	<b>Weighted average loss rate (%)</b>	<b>Loss allowance provision</b>
Past due over 180 days	<b>\$ 2,047</b>	100.00	<b>2,047</b>

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

	<b>September 30, 2024</b>		
	<b>Gross carrying amount</b>	<b>Weighted average loss rate (%)</b>	<b>Loss allowance provision</b>
Not yet due	\$ 1,750,949	-	-
Past due 1~30 days	180,151	-	-
Past due 31~60 days	4,341	-	-
Past due 61~90 days	8,043	-	-
	<b>\$ 1,943,484</b>		<b>-</b>

(Continued)

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

The accounts receivable above did not contain all the amounts that the Group has for a specific client. As the uncertainty of receiving such accounts receivable, the Group has fully recognized loss allowance of the total amount. Therefore, it is not included into expected credit loss calculation, and the total amount was \$39,627 thousand.

	<b>December 31, 2023</b>		
	<b>Gross carrying amount</b>	<b>Weighted average loss rate (%)</b>	<b>Loss allowance provision</b>
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
	<b>\$ 1,821,297</b>		<b>24</b>

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.

	<b>September 30, 2023</b>		
	<b>Gross carrying amount</b>	<b>Weighted average loss rate (%)</b>	<b>Loss allowance provision</b>
Not yet due	\$ 1,388,023	-	-
Past due 1~30 days	237,620	-	-
Past due 31~60 days	18,272	-	-
Past due 61~90 days	1,794	-	-
Past due 91~120 days	2,914	0.07	2
	<b>\$ 1,648,623</b>		<b>2</b>

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 \$40,103 thousand.

(Continued)

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

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

	<b>September 30, 2024</b>		
	<b>Gross carrying amount</b>	<b>Weighted average loss rate (%)</b>	<b>Loss allowance provision</b>
Not yet due	\$ 659,631	0.18	1,194
Past due 1~30 days	59,184	0.64	377
Past due 31~60 days	12,953	1.82	236
Past due 61~90 days	644	2.80	18
Past due 121~180 days	15,978	12.01	1,919
Past due over 180 days	2,759	100.00	2,759
	<b>\$ 751,149</b>		<b>6,503</b>
	<b>December 31, 2023</b>		
	<b>Gross carrying amount</b>	<b>Weighted average loss rate (%)</b>	<b>Loss allowance provision</b>
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
	<b>\$ 451,743</b>		<b>1,880</b>
	<b>September 30, 2023</b>		
	<b>Gross carrying amount</b>	<b>Weighted average loss rate (%)</b>	<b>Loss allowance provision</b>
Not yet due	\$ 440,699	0.74	3,262
Past due 1~30 days	76,941	5.51	4,243
Past due 31~60 days	7,893	7.97	629
Past due 61~90 days	22,650	10.59	2,399
Past due 91~120 days	318	16.98	54
	<b>\$ 548,501</b>		<b>10,587</b>

(Continued)

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

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

	<b>For the nine months ended September 30</b>	
	<b>2024</b>	<b>2023</b>
Balance at the beginning	\$ 55,644	99,303
Gain on reversal of impairment	(8,876)	(28,367)
Foreign exchange gains	4,377	(738)
Balance at the ending	<u><u>\$ 51,145</u></u>	<u><u>70,198</u></u>

(e) Other receivables

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Other receivables	<u><u>\$ 159,819</u></u>	<u><u>104,027</u></u>	<u><u>139,731</u></u>

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

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

(f) Inventories

	<b>September 30, 2024</b>		
	<b>Cost</b>	<b>Allowance for loss</b>	<b>Net realizable value</b>
Raw materials	\$ 859,243	(121,045)	738,198
Work in process	537,216	(56,948)	480,268
Finished goods	1,024,095	(276,472)	747,623
Supplies and spare parts	823,957	(64,173)	759,784
Goods in transit	60,299	-	60,299
Merchandise inventory	10,846	-	10,846
Total	<u><u>\$ 3,315,656</u></u>	<u><u>(518,638)</u></u>	<u><u>2,797,018</u></u>

(Continued)

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

	<b>December 31, 2023</b>		
	<b>Cost</b>	<b>Allowance for loss</b>	<b>Net realizable value</b>
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
<b>Total</b>	<b>\$ 2,618,149</b>	<b>(386,384)</b>	<b>2,231,765</b>

	<b>September 30, 2023</b>		
	<b>Cost</b>	<b>Allowance for loss</b>	<b>Net realizable value</b>
Raw materials	\$ 804,251	(118,856)	685,395
Work in process	395,816	(9,329)	386,487
Finished goods	1,154,125	(192,124)	962,001
Supplies and spare parts	691,564	(66,070)	625,494
Goods in transit	75,333	-	75,333
Merchandise inventory	5,181	-	5,181
<b>Total</b>	<b>\$ 3,126,270</b>	<b>(386,379)</b>	<b>2,739,891</b>

For the nine months ended September 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:

	<b>For the three months ended September 30</b>		<b>For the nine months ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Allowance for inventory valuation and obsolescence losses	\$ 30,524	40,057	87,793	30,844
Revenue from sale of scrap	(129,332)	(82,465)	(353,393)	(240,715)
Loss on inventory write-off	147,569	309	332,995	89,450
Testing cost	3,426	68,871	14,970	97,788
Idel cost	46,298	36,840	171,780	63,790
Unallocated manufacturing expense	214,480	132,870	596,503	407,068
	<b>\$ 312,965</b>	<b>196,482</b>	<b>850,648</b>	<b>448,225</b>

As of September 30, 2024, December 31, 2023, and September 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 nine months ended September 30, 2024 and 2023, were as follows:

	Land	Land improvement	Buildings	Machinery and equipment	Transportation equipment	Office equipment	Leasehold improvement	Construction in progress and equipment undergoing acceptance testing	Total
Cost:									
Balance at January 1, 2024	\$ 719,031	13,505	4,770,434	12,508,313	23,723	819,343	24,661	528,004	19,407,014
Additions	230,848	-	27,169	85,856	-	23,433	-	766,600	1,133,906
Disposals	-	-	-	(11,165)	(1,159)	(4,382)	(2,001)	-	(18,707)
Reclassification (notes 1 and 2)	13	-	49,294	185,062	-	4,416	-	75,813	314,598
Translation effect	89,093	1,265	454,062	1,196,155	2,111	78,684	1,938	128,782	1,952,090
Balance at September 30, 2024	<u>\$ 1,038,985</u>	<u>14,770</u>	<u>5,300,959</u>	<u>13,964,221</u>	<u>24,675</u>	<u>921,494</u>	<u>24,598</u>	<u>1,499,199</u>	<u>22,788,901</u>
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	-	-	313,676	293,230	-	41,178	-	178,738	826,822
Disposals	-	-	-	(151,746)	-	(6,034)	-	-	(157,780)
Reclassification (notes 1, 2 and 3)	-	-	499,580	239,529	482	14,997	-	(571,043)	183,545
Translation effect	(9,530)	(179)	(68,951)	(166,868)	(318)	(10,399)	(299)	(4,710)	(261,254)
Balance at September 30, 2023	<u>\$ 702,533</u>	<u>13,196</u>	<u>4,627,652</u>	<u>12,087,213</u>	<u>23,180</u>	<u>742,115</u>	<u>24,156</u>	<u>566,727</u>	<u>18,786,772</u>
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	-	1,148	190,448	640,124	729	71,922	2,084	-	906,455
Impairment loss	-	-	-	12,115	-	-	-	-	12,115
Disposals	-	-	-	(10,870)	(1,159)	(4,111)	(1,642)	-	(17,782)
Translation effect	-	937	156,368	613,521	1,971	53,047	1,632	-	827,476
Balance at September 30, 2024	<u>\$ -</u>	<u>10,944</u>	<u>1,824,669</u>	<u>7,159,752</u>	<u>23,024</u>	<u>621,209</u>	<u>21,025</u>	<u>-</u>	<u>9,660,623</u>
Balance at January 1, 2023	\$ -	6,839	1,238,901	5,021,452	19,610	412,180	15,976	-	6,714,958
Depreciation	-	1,457	163,399	701,487	944	65,746	2,129	-	935,162
Reversal of impairment	-	-	-	12,095	-	-	-	-	12,095
Disposals	-	-	-	(128,789)	-	(5,012)	-	-	(133,801)
Reclassification (note 3)	-	-	-	-	482	-	-	-	482
Translation effect	-	(121)	(19,993)	(79,416)	(293)	(6,755)	(230)	-	(106,808)
Balance at September 30, 2023	<u>\$ -</u>	<u>8,175</u>	<u>1,382,307</u>	<u>5,526,829</u>	<u>20,743</u>	<u>466,159</u>	<u>17,875</u>	<u>-</u>	<u>7,422,088</u>
Carrying amount:									
Balance at January 1, 2024	<u>\$ 719,031</u>	<u>4,646</u>	<u>3,292,581</u>	<u>6,603,451</u>	<u>2,240</u>	<u>318,992</u>	<u>5,710</u>	<u>528,004</u>	<u>11,474,655</u>
Balance at September 30, 2024	<u>\$ 1,038,985</u>	<u>3,826</u>	<u>3,476,290</u>	<u>6,804,469</u>	<u>1,651</u>	<u>300,285</u>	<u>3,573</u>	<u>1,499,199</u>	<u>13,128,278</u>
Balance at September 30, 2023	<u>\$ 702,533</u>	<u>5,021</u>	<u>3,245,345</u>	<u>6,560,384</u>	<u>2,437</u>	<u>275,956</u>	<u>6,281</u>	<u>566,727</u>	<u>11,364,684</u>

- Note 1: The cost of \$315,330 thousand and \$186,031 thousand, respectively, were reclassified from prepayment for equipment for the nine months ended September 30, 2024 and 2023.
- Note 2: The cost of \$732 thousand and \$2,968 thousand, respectively, were reclassified from equipment undergoing acceptance testing of property, plant and equipment to intangible assets for the nine months ended September 30, 2024 and 2023.
- Note 3: The cost of \$482 thousand and accumulated depreciation of \$482 thousand were reclassified from right-of-use asset for the nine months ended September 30, 2023.

(Continued)

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

Impairment Test:

- (i) As of September 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 September 30, 2024 was 13%.
- (iii) As of September 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 September 30		For the nine months ended September 30	
	2024	2023	2024	2023
	Loss of impairment	\$ 4,176	4,060	12,115

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.

(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	7,969	12,502	677	-	21,148
Translation effect	14,616	11,255	6,548	125	32,544
Balance at September 30, 2024	\$ 196,243	131,345	76,567	1,462	405,617

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

	<u>Buildings</u>	<u>Machinery and equipment</u>	<u>Transportation equipment</u>	<u>Office equipment</u>	<u>Total</u>
Balance at January 1, 2023	\$ 170,527	83,290	58,538	1,324	313,679
Additions	1,178	21,388	9,684	-	32,250
Reclassification to property, plant and equipment	-	-	(482)	-	(482)
Translation effect	(1,851)	(1,562)	(750)	(18)	(4,181)
Balance at September 30, 2023	<u>\$ 169,854</u>	<u>103,116</u>	<u>66,990</u>	<u>1,306</u>	<u>341,266</u>
Accumulated depreciation and impairment losses:					
Balance at January 1, 2024	\$ 99,543	67,309	48,168	1,289	216,309
Depreciation	19,685	12,062	8,421	-	40,168
Translation effect	9,501	7,442	5,293	121	22,357
Balance at September 30, 2024	<u>\$ 128,729</u>	<u>86,813</u>	<u>61,882</u>	<u>1,410</u>	<u>278,834</u>
Balance at January 1, 2023	\$ 74,461	51,080	37,151	1,053	163,745
Depreciation	18,355	11,984	8,043	215	38,597
Reclassification to property, plant and equipment	-	-	(482)	-	(482)
Translation effect	(1,101)	(934)	(429)	(18)	(2,482)
Balance at September 30, 2023	<u>\$ 91,715</u>	<u>62,130</u>	<u>44,283</u>	<u>1,250</u>	<u>199,378</u>
Carrying amount:					
Balance at January 1, 2024	<u>\$ 74,115</u>	<u>40,279</u>	<u>21,174</u>	<u>48</u>	<u>135,616</u>
Balance at September 30, 2024	<u>\$ 67,514</u>	<u>44,532</u>	<u>14,685</u>	<u>52</u>	<u>126,783</u>
Balance at September 30, 2023	<u>\$ 78,139</u>	<u>40,986</u>	<u>22,707</u>	<u>56</u>	<u>141,888</u>

(i) Intangible assets

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

	<u>Goodwill</u>	<u>Operating procedure</u>	<u>Customer relationship</u>	<u>Software</u>	<u>Total</u>
Costs:					
Balance at January 1, 2024	\$ 112,383	2,934	38,471	184,099	337,887
Addition	-	-	-	3,984	3,984
Reclassification from property, plant and equipment	-	-	-	732	732
Translation effect	10,527	275	3,603	17,479	31,884
Balance at September 30, 2024	<u>\$ 122,910</u>	<u>3,209</u>	<u>42,074</u>	<u>206,294</u>	<u>374,487</u>

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

	<u>Goodwill</u>	<u>Operating procedure</u>	<u>Customer relationship</u>	<u>Software</u>	<u>Total</u>
Balance at January 1, 2023	\$ 111,294	2,906	38,098	171,736	324,034
Addition	-	-	-	3,643	3,643
Disposal	-	-	-	(155)	(155)
Reclassification from property, plant and equipment	-	-	-	2,968	2,968
Translation effect	(1,490)	(39)	(510)	(2,423)	(4,462)
Balance at September 30, 2023	<u>\$ 109,804</u>	<u>2,867</u>	<u>37,588</u>	<u>175,769</u>	<u>326,028</u>
Amortization and impairment loss:					
Balance at January 1, 2024	\$ -	2,347	15,388	126,499	144,234
Amortization	-	440	2,884	13,598	16,922
Translation effect	-	261	1,714	13,039	15,014
Balance at September 30, 2024	<u>\$ -</u>	<u>3,048</u>	<u>19,986</u>	<u>153,136</u>	<u>176,170</u>
Balance at January 1, 2023	\$ -	1,743	11,429	105,021	118,193
Amortization	-	439	2,879	16,094	19,412
Disposals	-	-	-	(155)	(155)
Translation effect	-	(32)	(212)	(1,730)	(1,974)
Balance at September 30, 2023	<u>\$ -</u>	<u>2,150</u>	<u>14,096</u>	<u>119,230</u>	<u>135,476</u>
Carrying amount:					
Balance at January 1, 2024	<u>\$ 112,383</u>	<u>587</u>	<u>23,083</u>	<u>57,600</u>	<u>193,653</u>
Balance at September 30, 2024	<u>\$ 122,910</u>	<u>161</u>	<u>22,088</u>	<u>53,158</u>	<u>198,317</u>
Balance at September 30, 2023	<u>\$ 109,804</u>	<u>717</u>	<u>23,492</u>	<u>56,539</u>	<u>190,552</u>

## (j) Short-term loans

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Secured loans	\$ 88,371	85,291	83,334
Unsecured loans	2,290,001	2,199,068	2,215,813
Total	<u>\$ 2,378,372</u>	<u>2,284,359</u>	<u>2,299,147</u>
Unused credit line	<u>\$ 1,111,752</u>	<u>3,604,739</u>	<u>3,458,716</u>
Interest rate (%)	<u>2.22~4.70</u>	<u>1.95~5.95</u>	<u>1.95~4.70</u>

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

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

(k) Long-term loans

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

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Secured loans	\$ 443,927	424,300	476,697
Unsecured loans	7,246,785	5,512,155	5,463,752
Less: deferred financing fee	(3,630)	(4,930)	(5,039)
Subtotal	7,687,082	5,931,525	5,935,410
Less: current portion	(2,601,370)	(2,407,691)	(2,324,568)
Total	<u>\$ 5,085,712</u>	<u>3,523,834</u>	<u>3,610,842</u>
Unused credit line	<u>\$ 4,156,027</u>	<u>8,419,371</u>	<u>8,576,078</u>
Interest rate (%)	<u>2.24~6.30</u>	<u>2.16~6.33</u>	<u>2.16~6.33</u>
Maturity date	<u>2025.1~2029.6</u>	<u>2024.3~2029.6</u>	<u>2023.12~2029.6</u>

(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 nine months ended September 30, 2024 and 2023 were \$2,904,693 thousand and \$2,077,996 thousand, with the interest rates ranging from 2.34% to 6.30% and 2.16% to 6.33%, and maturities from January 2025 to June 2029 and from May 2024 to June 2029, as well as repayments amounting to \$1,831,968 thousand and \$2,051,417 thousand, respectively.

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:

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Current	\$ 52,488	46,613	46,373
Non-current	78,729	92,810	99,072
	<u>\$ 131,217</u>	<u>139,423</u>	<u>145,445</u>

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

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

The amounts recognized in profit or loss were as follows:

	<b>For the three months ended September 30</b>		<b>For the nine months ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Interest on lease liabilities	<u>\$ 1,070</u>	<u>1,169</u>	<u>3,200</u>	<u>3,593</u>
Expenses relating to short-term leases	<u>\$ 1,664</u>	<u>1,297</u>	<u>4,091</u>	<u>4,429</u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	<u>\$ 151</u>	<u>135</u>	<u>386</u>	<u>411</u>

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

	<b>For the nine months ended September 30</b>	
	<b>2024</b>	<b>2023</b>
Total cash outflow from operating activities	\$ 7,677	8,433
Total cash outflow from financing activities	<u>39,901</u>	<u>37,812</u>
Total cash outflow for leases	<u>\$ 47,578</u>	<u>46,245</u>

(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.

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

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

	<b>For the three months ended September 30</b>		<b>For the nine months ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Operating costs	\$ 1,902	1,709	5,517	5,094
Administration expenses	1,404	1,321	4,072	3,937
	<b><u>\$ 3,306</u></b>	<b><u>3,030</u></b>	<b><u>9,589</u></b>	<b><u>9,031</u></b>

(ii) Defined contribution plans

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

	<b>For the three months ended September 30</b>		<b>For the nine months ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Administration expenses	<b><u>\$ 216</u></b>	<b><u>212</u></b>	<b><u>648</u></b>	<b><u>672</u></b>

(iii) Long-term employee benefit plan

The balance of the Group's long-term employee benefit plan amounted to \$11,012 thousand, \$6,518 thousand and \$9,282 thousand as of September 30, 2024, December 31, 2023, and September 30, 2023, respectively.

(n) Income taxes

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

	<b>For the three months ended September 30</b>		<b>For the nine months ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Current tax expense				
Current period	\$ (355)	2	614	12
Adjustment for prior periods	364	-	364	-
Income tax expenses	<b><u>\$ 9</u></b>	<b><u>2</u></b>	<b><u>978</u></b>	<b><u>12</u></b>

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.

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

(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 nine months ended September 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:

	<b>2022</b>
Dividends distributed to ordinary shareholders	
Cash	<b>\$ 379,876</b>

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:

	<b>For the three months ended September 30</b>		<b>For the nine months ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Basic deficits per share (diluted deficits per share):				
Net loss	<b>\$ (510,860)</b>	<b>(180,130)</b>	<b>(1,135,897)</b>	<b>(435,989)</b>
Weighted-average number of common shares outstanding (thousand shares)	<b>189,938</b>	<b>189,938</b>	<b>189,938</b>	<b>189,938</b>
Basic deficits per share / diluted deficits per share (New Taiwan Dollars)	<b>\$ (2.69)</b>	<b>(0.95)</b>	<b>(5.98)</b>	<b>(2.30)</b>

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

## (q) Revenues from contracts with customers

## (i) Disaggregation of revenue

	<b>For the three months ended September 30</b>		<b>For the nine months ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Primary geographical markets:				
Singapore	\$ 406,790	548,090	1,481,206	1,882,464
Vietnam	398,413	499,164	1,392,407	1,567,572
Thailand	648,863	532,262	1,678,779	1,650,887
Korea	482,306	552,599	1,481,543	1,418,340
Others	<u>1,489,755</u>	<u>964,485</u>	<u>3,344,551</u>	<u>3,023,841</u>
	<b><u>\$ 3,426,127</u></b>	<b><u>3,096,600</u></b>	<b><u>9,378,486</u></b>	<b><u>9,543,104</u></b>
Main product/service line				
Single-layer PCB sales	\$ 90,926	104,118	264,758	321,592
Double-layer PCB sales	641,750	763,265	2,184,115	2,837,349
Multi-layer PCB sales	2,697,964	2,237,369	6,928,589	6,393,741
Others	6,581	3,165	23,134	17,971
Less: sales return and allowance	<u>(11,094)</u>	<u>(11,317)</u>	<u>(22,110)</u>	<u>(27,549)</u>
	<b><u>\$ 3,426,127</u></b>	<b><u>3,096,600</u></b>	<b><u>9,378,486</u></b>	<b><u>9,543,104</u></b>

## (ii) Remaining balances of contract

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Notes receivable	\$ 3,376	1,522	3,099
Accounts receivable	3,381,174	3,055,286	3,028,682
Less: loss allowance	<u>(51,145)</u>	<u>(55,644)</u>	<u>(70,198)</u>
Total	<b><u>\$ 3,333,405</u></b>	<b><u>3,001,164</u></b>	<b><u>2,961,583</u></b>

## (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 nine months ended September 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.

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

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:

	<b>For the three months ended September 30</b>		<b>For the nine months ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Interest income on bank deposits	\$ <u>178</u>	<u>283</u>	<u>1,372</u>	<u>1,890</u>

(ii) Other income

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

	<b>For the three months ended September 30</b>		<b>For the nine months ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Income from cancellation of orders	\$ 10,368	4,902	37,409	17,930
Others	<u>8,713</u>	<u>5,978</u>	<u>24,401</u>	<u>20,676</u>
	<b>\$ <u>19,081</u></b>	<b><u>10,880</u></b>	<b><u>61,810</u></b>	<b><u>38,606</u></b>

(iii) Other gains and losses

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

	<b>For the three months ended September 30</b>		<b>For the nine months ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Gains (losses) on disposal of property, plant and equipment	\$ (145)	(1,041)	(925)	2,708
Net foreign exchange gains	27,136	59,928	99,438	89,765
Valuation losses on financial assets or liabilities, net	(5,833)	(41,070)	(57,919)	(48,494)
Loss of impairment	(4,176)	(4,060)	(12,115)	(12,095)
Others	<u>11</u>	<u>17</u>	<u>23</u>	<u>9</u>
	<b>\$ <u>16,993</u></b>	<b><u>13,774</u></b>	<b><u>28,502</u></b>	<b><u>31,893</u></b>

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**APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES**  
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(iv) Finance cost

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

	<b>For the three months ended September 30</b>		<b>For the nine months ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Interest expense on loans from banks	\$ 99,390	79,589	260,338	226,417
Interest expense on lease liabilities	1,070	1,169	3,200	3,593
Less: interest expense capitalized	<u>(10,490)</u>	<u>(5,707)</u>	<u>(31,103)</u>	<u>(27,754)</u>
	<b><u>\$ 89,970</u></b>	<b><u>75,051</u></b>	<b><u>232,435</u></b>	<b><u>202,256</u></b>

(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.

(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 41%, 30% and 32% of the total amount of notes and accounts receivable as of September 30, 2024, December 31, 2023, and September 30, 2023, respectively. As of September 30, 2024, December 31, 2023, and September 30, 2023, the Group's accounts receivable concentrated on three main customers were \$1,361,100 thousand, \$903,481 thousand and \$938,879 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.

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

(ii) Liquidity risk

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

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Less than 1 year</u>	<u>1-2 years</u>	<u>More than 2 years</u>
<b>September 30, 2024</b>					
Non-derivative financial liabilities					
Short-term loans	\$ 2,378,372	2,391,930	2,391,930	-	-
Long-term loans	7,687,082	8,297,473	3,198,263	2,730,123	2,369,087
Lease liabilities	131,217	137,380	55,916	46,068	35,396
Accounts payable	2,763,243	2,763,243	2,763,243	-	-
Other payables (including payables for equipment)	1,148,174	1,148,174	1,148,174	-	-
Long-term payable	7,685	7,685	-	5,425	2,260
Derivative financial liabilities					
Other forward contract—					
Inflow	-	(304,109)	(304,109)	-	-
Outflow	10,074	314,183	314,183	-	-
	<u>\$ 14,125,847</u>	<u>14,755,959</u>	<u>9,567,600</u>	<u>2,781,616</u>	<u>2,406,743</u>
<b>December 31, 2023</b>					
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	-	-
	<u>\$ 11,011,477</u>	<u>11,405,973</u>	<u>7,624,178</u>	<u>2,331,645</u>	<u>1,450,150</u>

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

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Less than 1 year</u>	<u>1-2 years</u>	<u>More than 2 years</u>
<b>September 30, 2023</b>					
Non-derivative financial liabilities					
Short-term loans	\$ 2,299,147	2,313,986	2,313,986	-	-
Long-term loans	5,935,410	6,332,619	2,567,663	2,124,404	1,640,552
Lease liabilities	145,445	153,868	50,121	40,326	63,421
Accounts payable	1,980,652	1,980,652	1,980,652	-	-
Other payables (including payables for equipment)	866,829	866,829	866,829	-	-
Long-term payable	11,712	11,712	-	4,846	6,866
Derivative financial liabilities					
Other forward contract—					
Inflow	-	(783,366)	(783,366)	-	-
Outflow	43,717	827,083	827,083	-	-
	<u>\$ 11,282,912</u>	<u>11,703,383</u>	<u>7,822,968</u>	<u>2,169,576</u>	<u>1,710,839</u>

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:

	<u>September 30, 2024</u>			<u>December 31, 2023</u>			<u>September 30, 2023</u>		
	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>Amount</u>	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>Amount</u>	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>Amount</u>
Financial assets									
Monetary items									
USD	\$ 98,338	31.55	3,102,578	88,392	30.58	2,703,283	85,188	31.93	2,720,354
Financial liabilities									
Monetary items									
USD	63,757	31.89	2,033,022	41,071	30.88	1,268,072	44,292	32.21	1,426,685

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 September 30, 2024 and 2023, would have decreased/increased net loss before tax for the nine months ended September 30, 2024 and 2023, by \$53,400 thousand and \$64,600 thousand, respectively. The analysis assumes that all other variables remain constant, and is performed on the same basis for 2023.

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**APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES**  
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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 \$27,136 thousand, \$59,928 thousand, \$99,438 thousand and \$89,765 thousand, respectively, for the three months and the nine months ended September 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 \$18,800 thousand and \$15,400 thousand, respectively, for the nine months ended September 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.

(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:

	September 30, 2024				Total
	Amount	Fair value			
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Derivative financial assets – current	\$ 118	-	118	-	118

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**APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES**  
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	September 30, 2024				
	Amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 672,663	-	-	-	-
Financial assets at amortized cost	14,729	-	-	-	-
Notes receivables	3,376	-	-	-	-
Accounts receivables	3,330,029	-	-	-	-
Other receivables	159,819	-	-	-	-
Refundable deposits	7,907	-	-	-	-
Other financial assets	<u>26,606</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	<u>4,215,129</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 4,215,247</u>	<u>-</u>	<u>118</u>	<u>-</u>	<u>118</u>
Financial liabilities at fair value through profit or loss					
Derivative financial liabilities – current	<u>\$ 10,074</u>	<u>-</u>	<u>10,074</u>	<u>-</u>	<u>10,074</u>
Financial liabilities measured at amortized cost					
Short-term loans	2,378,372	-	-	-	-
Long-term loans	7,687,082	-	-	-	-
Lease liabilities	131,217	-	-	-	-
Accounts payable	2,763,243	-	-	-	-
Other payables (including payables for equipment)	1,148,174	-	-	-	-
Long-term payable	<u>7,685</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	<u>14,115,773</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 14,125,847</u>	<u>-</u>	<u>10,074</u>	<u>-</u>	<u>10,074</u>

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

	December 31, 2023				
	Amount	Fair value			Total
		Level 1	Level 2	Level 3	
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	<u>3,765,075</u>	-	-	-	-
Total	<u>\$ 3,788,596</u>	-	<u>23,521</u>	-	<u>23,521</u>
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	<u>11,009,882</u>	-	-	-	-
Total	<u>\$ 11,011,477</u>	-	<u>1,595</u>	-	<u>1,595</u>

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**APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES**  
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	September 30, 2023				
	Amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Derivative financial assets – current	\$ 4,916	-	4,916	-	4,916
Financial assets measured at amortized cost					
Cash and cash equivalents	712,113	-	-	-	-
Notes receivables	3,099	-	-	-	-
Accounts receivables	2,958,484	-	-	-	-
Other receivables	139,731	-	-	-	-
Refundable deposits	8,223	-	-	-	-
Other financial assets	10,236	-	-	-	-
Subtotal	3,831,886	-	-	-	-
Total	<u>\$ 3,836,802</u>	<u>-</u>	<u>4,916</u>	<u>-</u>	<u>4,916</u>
Financial liabilities at fair value through profit or loss					
Derivative financial liabilities – current	\$ 43,717	-	43,717	-	43,717
Financial liabilities measured at amortized cost					
Short term loans	2,299,147	-	-	-	-
Long-term loans	5,935,410	-	-	-	-
Lease liabilities	145,445	-	-	-	-
Accounts payable	1,980,652	-	-	-	-
Other payables (including payables for equipment)	866,829	-	-	-	-
Long-term payable	11,712	-	-	-	-
Subtotal	11,239,195	-	-	-	-
Total	<u>\$ 11,282,912</u>	<u>-</u>	<u>43,717</u>	<u>-</u>	<u>43,717</u>

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

2) Valuation techniques and assumptions used in fair value determination

a) Non-derivative financial instruments

- i) The carrying amounts of the following short-term financial instruments approximate their fair values because of their short maturities and payment request or payment amount of future cash flow will not be changed due to timing difference, and the book value is a reasonable approximation of fair value. This method applies to cash and cash equivalents, financial assets measured at amortized cost, notes and accounts receivable and payable, other receivables and payables, refundable deposits, other financial assets, short-term loans, payables for machinery and equipment.
- ii) Fair value of long-term loans, lease liabilities, and long-term payable are estimated using the present value of future cash flows discounted by the interest rates the Group may obtain for similar loans and lease payable. However, long-term loans are recognized at its book value because most of it has floating rates. Lease liabilities are calculated based on the fixed rate agreed in the lease contract or incremental borrowing rate. The present value of long-term payable is calculated based on the weighted-average cost of capital (WACC). There were no significant differences between book value and discounted present value. Thus, long-term payable is recognized at book value.

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.

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**APEX INTERNATIONAL CO., LTD. AND SUBSIDIARIES**  
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As at September 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 September 30, 2024, December 31, 2023, and September 30, 2023, was as follows:

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Net liabilities	<u>\$ 14,291,338</u>	<u>11,156,156</u>	<u>11,439,699</u>
Total equity	<u>\$ 6,412,386</u>	<u>6,934,914</u>	<u>7,110,707</u>
Debt-to-equity ratio	<u>222.87 %</u>	<u>160.87 %</u>	<u>160.88 %</u>

The Company's Board of Director resolved to handle the Cash Capital increase to Strengthen capital management on August 9th, 2024.

The quantitative capital management information for APT, a subsidiary of the Company, in the relevant periods are summarized below:

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Net liabilities	<u>\$ 13,380,773</u>	<u>11,193,650</u>	<u>11,748,343</u>
Total equity	<u>\$ 7,372,222</u>	<u>8,594,711</u>	<u>8,975,135</u>
Debt-to-equity ratio	<u>181.50 %</u>	<u>130.24 %</u>	<u>130.90 %</u>

Unit: thousands of THB

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 nine months ended September 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:

	<b>January 1, 2024</b>	<b>Cash flows</b>	<b>Non-cash changes</b>			<b>September 30, 2024</b>
			<b>Acquisition or termination of contracts</b>	<b>Classification</b>	<b>Translation effect</b>	
Long-term loans	\$ 5,931,525	1,072,725	-	100,000	582,832	7,687,082
Short-term loans	2,284,359	(8,235)	-	(100,000)	202,248	2,378,372
Lease liabilities	139,423	(39,901)	21,148	-	10,547	131,217
Total liabilities from financing activities	<u>\$ 8,355,307</u>	<u>1,024,589</u>	<u>21,148</u>	<u>-</u>	<u>795,627</u>	<u>10,196,671</u>

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

	January 1, 2023	Cash flows	Non-cash changes			September 30, 2023
			Acquisition or termination of contracts	Cancellation of contracts	Translation effect	
Long-term loans	\$ 5,976,283	26,579	-	-	(67,452)	5,935,410
Short-term loans	2,472,991	(148,333)	-	-	(25,511)	2,299,147
Lease liabilities	152,755	(37,812)	32,250	-	(1,748)	145,445
Total liabilities from financing activities	<u>\$ 8,602,029</u>	<u>(159,566)</u>	<u>32,250</u>	<u>-</u>	<u>(94,711)</u>	<u>8,380,002</u>

**(7) Related-party transactions**

- (a) Parent Company and ultimate controlling party

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

- (b) Names and relationship with related parties

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

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

- (c) Significant transactions with related parties – Guarantee

For the nine months ended September 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 September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Short-term employee benefits	\$ 16,949	15,015	48,372	42,930
Post-employment benefits	251	332	708	613
Other long-term benefits	2	2	4	5
	<u>\$ 17,202</u>	<u>15,349</u>	<u>49,084</u>	<u>43,548</u>

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

**(8) Pledged assets:**

<u>Pledged assets</u>	<u>Object</u>	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Other financial assets				
– non-current:				
Restricted bank deposits	Long-term loans and derivative instruments not used for hedging	\$ 26,606	9,838	10,236
Property, plant, and equipment:				
Land	Long-term and short-term loans	429	392	383
Buildings	Long-term and short-term loans	25,117	28,625	29,578
Machinery and equipment	Long-term, short-term loans and electricity guarantee	1,079,560	1,186,044	1,198,144
Total		<u>\$ 1,131,712</u>	<u>1,224,899</u>	<u>1,238,341</u>

**(9) Significant commitments and contingencies:**

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

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Acquisition of property, plant and equipment	\$ 492,267	484,686	516,261
Other long-term commitments	14,515	27,503	36,824
Total	<u>\$ 506,782</u>	<u>512,189</u>	<u>553,085</u>

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

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Letters of credit	\$ 86,682	72,538	102,675

(c) Guarantees provided by banks were as follows:

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Electricity guarantee	\$ 135,869	121,031	118,254

(Continued)

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

(10) Losses due to major disasters: None

(11) Subsequent events:

The Company's Board of Directors resolved to increase the Company's capital by issuing new shares for cash on August 9, 2024, and the chairman approved the issuance of 30,000 thousand shares at a price of NTD 40 per share on September 25, 2024 and October 23, 2024, respectively.

(12) Other:

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

Function Account	For the three months ended September 30					
	2024			2023		
	Operating cost	Operating expenses	Total	Operating cost	Operating expenses	Total
Personnel costs						
Salaries	511,233	99,028	610,261	419,209	92,387	511,596
Health insurance	-	401	401	-	431	431
Pension	1,902	1,620	3,522	1,709	1,533	3,242
Other personnel expense	50,792	24,133	74,925	44,128	19,795	63,923
Depreciation	296,330	34,164	330,494	301,673	32,880	334,553
Amortization	1,339	4,557	5,896	1,743	4,607	6,350

Function Account	For the nine months ended September 30					
	2024			2023		
	Operating cost	Operating expenses	Total	Operating cost	Operating expenses	Total
Personnel benefit costs						
Salaries	1,402,116	281,148	1,683,264	1,193,931	252,932	1,446,863
Health insurance	-	1,217	1,217	-	1,457	1,457
Pension	5,517	4,720	10,237	5,094	4,609	9,703
Other personnel expense	137,593	70,946	208,539	126,598	57,198	183,796
Depreciation	847,809	98,814	946,623	878,470	95,289	973,759
Amortization	3,678	13,244	16,922	5,640	13,772	19,412

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

(Continued)

**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 nine months ended September 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	19,150,260 (Note 2)	16,496,084	16,496,084	8,780,426	-	258.42 %	19,150,260 (Note 3)	Y	N	N
1	APT	APS	4	3,619,393 (Note 4)	697,149	697,149	276,481	-	10.92 %	3,619,393 (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 September 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.

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

## (b) Information on investees:

The following is the information on investees for the nine months ended September 30, 2024:

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of September 30, 2024			Net income (losses) of investee (Note 1)	Share of profits/losses of investee (Notes 1 and 2)	Note
				September 30, 2024	December 31, 2023	Shares (thousands)	Percentage of ownership	Carrying value (Notes 1 and 2)			
The Company	APT	Thailand	PCB (printed circuit board) manufacturing and sales	3,757,116	3,757,116	151,194	99.60 %	7,209,830	(1,095,296)	(1,095,915) (Note 4)	
The Company	AET	British Virgin Islands	Supply chain integration	10,000	10,000	1,000	100.00 %	9,714	93	(29) (Note 4)	
APT	APS	Thailand	PCB (printed circuit board) manufacturing and sales	277,485	277,485	32	99.99 %	233,629	(8,645)	(8,644) (Note 3)	
APS	APSS	Singapore	PCB sales development	8,195	8,195	402	100.00 %	18,334	3,559	(1,211) (Note 4)	

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

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

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

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

## (c) Information on investment in China:

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

Unit: in thousands of dollars

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment (Note 1)	Accumulated outflow of investment from Taiwan as of January 1, 2024 (Note 4)	Investment flows		Accumulated outflow of investment from Taiwan as of September 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
					Outflow (Note 4)	Inflow (Note 4)						
APC	Supply Chain integration	39,848 (RMB9,000)	2	-	-	-	-	(3,160) (RMB(710))	99.60 %	(3,875) (RMB(871))	27,652 (RMB6,011)	-

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

- (1) Direct investment in China.
- (2) Indirect investment in China through investment in Thailand (APT).
- (3) Other methods.

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

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

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

Note 5: The book value at end of period were calculated by using the exchange rate on September 30, 2024 (BS exchange rate RMB:TWD=1:4.6002).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=1:4.4487).

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

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

## (d) Major shareholders: None.

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

**(14) Segment information:**

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

	<b>For the three months ended September 30</b>			
	<b>2024</b>			
	<b>Thailand</b>	<b>Other</b>	<b>Adjustments and eliminations</b>	<b>Total</b>
Revenue				
Revenue from external customers	\$ 3,416,248	9,810	69	3,426,127
Intersegment revenues	10,540	86,741	(97,281)	-
Total revenue	<u>\$ 3,426,788</u>	<u>96,551</u>	<u>(97,212)</u>	<u>3,426,127</u>
Reportable segment profit or loss	<u>\$ (493,150)</u>	<u>(12,144)</u>	<u>(7,540)</u>	<u>(512,834)</u>
	<b>For the three months ended September 30</b>			
	<b>2023</b>			
	<b>Thailand</b>	<b>Other</b>	<b>Adjustments and eliminations</b>	<b>Total</b>
Revenue				
Revenue from external customers	\$ 3,086,152	10,448	-	3,096,600
Intersegment revenues	11,780	56,475	(68,255)	-
Total revenue	<u>\$ 3,097,932</u>	<u>66,923</u>	<u>(68,255)</u>	<u>3,096,600</u>
Reportable segment profit or loss	<u>\$ (167,912)</u>	<u>(11,089)</u>	<u>(1,811)</u>	<u>(180,812)</u>
	<b>For the nine months ended September 30</b>			
	<b>2024</b>			
	<b>Thailand</b>	<b>Other</b>	<b>Adjustments and eliminations</b>	<b>Total</b>
Revenue				
Revenue from external customers	\$ 9,354,338	24,148	-	9,378,486
Intersegment revenues	29,525	235,969	(265,494)	-
Total revenue	<u>\$ 9,383,863</u>	<u>260,117</u>	<u>(265,494)</u>	<u>9,378,486</u>
Reportable segment profit or loss	<u>\$ (1,082,339)</u>	<u>(44,142)</u>	<u>(12,820)</u>	<u>(1,139,301)</u>

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

	<b>For the nine months ended September 30</b>			
	<b>2023</b>			
	<b>Thailand</b>	<b>Other</b>	<b>Adjustments and eliminations</b>	<b>Total</b>
Revenue				
Revenue from external customers	\$ 9,493,579	49,525	-	9,543,104
Intersegment revenues	<u>54,306</u>	<u>172,378</u>	<u>(226,684)</u>	<u>-</u>
Total revenue	<u><b>\$ 9,547,885</b></u>	<u><b>221,903</b></u>	<u><b>(226,684)</b></u>	<u><b>9,543,104</b></u>
Reportable segment profit or loss	<u><b>\$ (409,088)</b></u>	<u><b>(25,153)</b></u>	<u><b>(3,371)</b></u>	<u><b>(437,612)</b></u>

For the three months and nine months ended September 30, 2024 and 2023, the adjustments and eliminations of the intersegment net profit to the reportable segment loss were \$7,540 thousand, \$1,811 thousand, \$12,820 thousand and \$3,371 thousand, respectively.