

Apex Biotechnology Corporation and Subsidiaries

Consolidated Financial Statements for the Nine Months Ended September 30, 2024 and 2023 and Independent Auditors' Review Report

Notice to Readers

The reader is advised that these financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Apex Biotechnology Corporation

Introduction

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

Scope of Review

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

Basis for Qualified Conclusion

As disclosed in Note 11 to the consolidated financial statements, the financial statements of some non-significant subsidiaries included in the consolidated financial statements were not reviewed. As of September 30, 2024, and 2023, the combined total assets of these non-significant subsidiaries were NT\$17,224 thousand and NT\$11,244 thousand, respectively, representing 0.74% and 0.50%, respectively, of the consolidated total assets, and the combined total liabilities of these non-significant subsidiaries were NT\$5,901 thousand and NT\$2,956 thousand, respectively, representing 1.06% and 0.62%, respectively, of the consolidated total liabilities; for

the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023, the amounts of combined comprehensive income and loss of these subsidiaries were NT\$699 thousand, NT\$(218) thousand, NT\$2,104 thousand and NT\$1,457 thousand, respectively, representing 2.15%, (0.55)%, 2.32% and 1.42%, respectively, of the consolidated total comprehensive income and loss.

Qualified Conclusion

Based on our reviews, except for the adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not give a true and fair view of the consolidated financial position of the Company as of September 30, 2024 and 2023, its consolidated financial performance for the three months ended September 30, 2024 and 2023 and its consolidated financial performance and 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 Ya Yun Chang and Yu Feng Huang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

November 13, 2024

Notice to Readers

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

For the convenience of readers, the independent auditors’ review report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors’ review report and consolidated financial statements shall prevail.

APEX BIOTECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(In Thousands of New Taiwan Dollars)

ASSETS	September 30, 2024		December 31, 2023		September 30, 2023		LIABILITIES AND EQUITY	September 30, 2024		December 31, 2023		September 30, 2023	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
Current assets							Current liabilities						
Cash (Note 6)	\$ 406,888	17	\$ 382,046	17	\$ 251,979	11	Short-term loans (Note 16)	\$ -	-	\$ 30,000	1	\$ -	-
Financial assets at fair value through profit or loss – current (Note 7)	59,903	3	61,868	3	60,414	3	Contract liabilities - current (Note 22)	63,852	3	6,595	-	17,928	1
Notes and accounts receivable, net (Notes 9, 22 and 29)	427,340	18	288,390	13	343,821	15	Notes payable (Note 17)	33,157	1	27,435	1	29,835	1
Other receivables (Note 9)	10,376	1	5,717	-	8,368	1	Accounts payable (Notes 17 and 29)	176,973	8	128,782	6	110,025	5
Inventories (Note 10)	628,882	27	747,714	32	748,802	33	Other payables (Notes 18 and 29)	125,533	5	123,721	6	130,522	6
Other current assets (Note 15)	26,013	1	20,906	1	23,927	1	Current tax liabilities (Notes 4 and 24)	17,220	1	46,237	2	48,381	2
Total current assets	<u>1,559,402</u>	<u>67</u>	<u>1,506,641</u>	<u>66</u>	<u>1,437,311</u>	<u>64</u>	Current provisions (Note 19)	11,246	1	10,099	1	10,365	1
Non-current assets							Lease liabilities - current (Note 13)	8,831	-	7,200	-	7,639	-
Financial assets at amortized cost - non-current (Notes 8 and 30)	6,200	-	6,200	-	6,200	1	Other current liabilities (Note 18)	2,836	-	3,285	-	2,812	-
Property, plant and equipment (Note 12)	589,082	25	604,355	26	614,119	27	Total current liabilities	<u>439,648</u>	<u>19</u>	<u>383,354</u>	<u>17</u>	<u>357,507</u>	<u>16</u>
Right-of-use assets (Note 13)	116,900	5	116,234	5	119,047	5	Non-current liabilities						
Intangible assets (Note 14)	40,734	2	44,219	2	65,712	3	Deferred tax liabilities (Notes 4 and 24)	1,688	-	43	-	1,121	-
Deferred tax assets (Notes 4 and 24)	6,827	-	4,239	-	3,490	-	Lease liabilities - non-current (Note 13)	115,814	5	116,196	5	118,028	5
Prepayments for business facilities	4,043	-	2,410	-	2,410	-	Guarantee deposits received	470	-	477	-	486	-
Refundable deposits	3,991	-	4,130	-	4,048	-	Total non-current liabilities	<u>117,972</u>	<u>5</u>	<u>116,716</u>	<u>5</u>	<u>119,635</u>	<u>5</u>
Net defined benefit asset, non-current (Notes 4 and 20)	8,102	1	8,576	1	5,666	-	Total liabilities	<u>557,620</u>	<u>24</u>	<u>500,070</u>	<u>22</u>	<u>477,142</u>	<u>21</u>
Total non-current assets	<u>775,879</u>	<u>33</u>	<u>790,363</u>	<u>34</u>	<u>820,692</u>	<u>36</u>	Equity attributable to shareholders of the parent (Note 21)						
Total assets	<u>\$ 2,335,281</u>	<u>100</u>	<u>\$ 2,297,004</u>	<u>100</u>	<u>\$ 2,258,003</u>	<u>100</u>	Share capital						
							Ordinary shares	999,502	43	999,502	44	999,502	44
							Capital surplus	68,368	3	68,368	3	68,368	3
							Retained earnings						
							Legal reserve	528,094	23	516,208	22	516,208	23
							Unappropriated earnings	170,338	7	202,665	9	184,425	8
							Total retained earnings	<u>698,432</u>	<u>30</u>	<u>718,873</u>	<u>31</u>	<u>700,633</u>	<u>31</u>
							Other equity	10,741	-	9,691	-	11,716	1
							Equity attributable to shareholders of the parent	1,777,043	76	1,796,434	78	1,780,219	79
							Non-controlling interests (Note 21)	618	-	500	-	642	-
							Total equity	<u>1,777,661</u>	<u>76</u>	<u>1,796,934</u>	<u>78</u>	<u>1,780,861</u>	<u>79</u>
							Total liabilities and equity	<u>\$ 2,335,281</u>	<u>100</u>	<u>\$ 2,297,004</u>	<u>100</u>	<u>\$ 2,258,003</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche review report dated November 13, 2024)

APEX BIOTECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
NET OPERATING REVENUE								
(Notes 22 and 29)	\$ 509,560	100	\$ 412,491	100	\$ 1,398,215	100	\$ 1,266,309	100
OPERATING COSTS								
(Notes 10, 23 and 29)	<u>365,630</u>	<u>72</u>	<u>275,201</u>	<u>67</u>	<u>1,027,879</u>	<u>73</u>	<u>871,790</u>	<u>69</u>
GROSS PROFIT	<u>143,930</u>	<u>28</u>	<u>137,290</u>	<u>33</u>	<u>370,336</u>	<u>27</u>	<u>394,519</u>	<u>31</u>
OPERATING EXPENSES (Notes 23 and 29)								
Selling and marketing expenses	26,899	5	25,830	6	80,017	6	77,216	6
General and administrative expenses	31,090	6	32,175	8	94,687	7	94,048	7
Research and development expenses	38,892	8	41,766	10	115,210	8	119,871	10
Expected credit gain	(269)	-	-	-	(269)	-	-	-
Total operating expenses	<u>96,612</u>	<u>19</u>	<u>99,771</u>	<u>24</u>	<u>289,645</u>	<u>21</u>	<u>291,135</u>	<u>23</u>
INCOME FROM OPERATIONS	<u>47,318</u>	<u>9</u>	<u>37,519</u>	<u>9</u>	<u>80,691</u>	<u>6</u>	<u>103,384</u>	<u>8</u>
NON-OPERATING INCOME AND EXPENSES (Note 23)								
Interest income	3	-	20	-	1,159	-	1,157	-
Other income	709	-	1,057	-	3,719	-	3,968	-
Other gains and losses	(5,355)	(1)	10,760	3	25,536	2	23,547	2
Finance costs	(923)	-	(878)	-	(2,729)	-	(3,443)	-
Total non-operating income and expenses	<u>(5,566)</u>	<u>(1)</u>	<u>10,959</u>	<u>3</u>	<u>27,685</u>	<u>2</u>	<u>25,229</u>	<u>2</u>
INCOME BEFORE INCOME TAX	41,752	8	48,478	12	108,376	8	128,613	10
INCOME TAX EXPENSE								
(Notes 4 and 24)	<u>(8,634)</u>	<u>(2)</u>	<u>(10,658)</u>	<u>(3)</u>	<u>(18,774)</u>	<u>(2)</u>	<u>(27,949)</u>	<u>(2)</u>
NET INCOME	<u>33,118</u>	<u>6</u>	<u>37,820</u>	<u>9</u>	<u>89,602</u>	<u>6</u>	<u>100,664</u>	<u>8</u>

(Continued)

APEX BIOTECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME								
(LOSS) (Note 21)								
Items that may be reclassified subsequently to profit or loss								
Exchange differences arising on translation of foreign operations	(\$ 572)	-	\$ 1,666	1	\$ 1,070	-	\$ 2,234	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 32,546</u>	<u>6</u>	<u>\$ 39,486</u>	<u>10</u>	<u>\$ 90,672</u>	<u>6</u>	<u>\$ 102,898</u>	<u>8</u>
NET INCOME ATTRIBUTABLE TO :								
Shareholders of the parent	\$ 33,073	6	\$ 37,863	9	\$ 89,504	6	\$ 100,616	8
Non-controlling interests	45	-	(43)	-	98	-	48	-
	<u>\$ 33,118</u>	<u>6</u>	<u>\$ 37,820</u>	<u>9</u>	<u>\$ 89,602</u>	<u>6</u>	<u>\$ 100,664</u>	<u>8</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO :								
Shareholders of the parent	\$ 32,503	6	\$ 39,508	10	\$ 90,554	6	\$ 102,825	8
Non-controlling interests	43	-	(22)	-	118	-	73	-
	<u>\$ 32,546</u>	<u>6</u>	<u>\$ 39,486</u>	<u>10</u>	<u>\$ 90,672</u>	<u>6</u>	<u>\$ 102,898</u>	<u>8</u>
EARNINGS PER SHARE (Note 25)								
Basic	<u>\$ 0.33</u>		<u>\$ 0.38</u>		<u>\$ 0.90</u>		<u>\$ 1.01</u>	
Diluted	<u>\$ 0.33</u>		<u>\$ 0.38</u>		<u>\$ 0.89</u>		<u>\$ 1.00</u>	

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

(With Deloitte & Touche review report dated November 13, 2024)

(Concluded)

APEX BIOTECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In Thousands of New Taiwan Dollars)

	Equity Attributable to Shareholders of the Parent						Other Equity Exchange Differences on Translation of Foreign Operations	Non-controlling Interests	Total Equity
	Share Capital		Capital Surplus	Retained Earnings		Total			
	Shares (In thousands)	Amount		Legal Reserve	Unappropriated Earnings				
BALANCE AT JANUARY 1, 2023	99,950	\$ 999,502	\$ 68,368	\$ 497,454	\$ 242,493	\$ 9,507	\$ 1,817,324	\$ 569	\$ 1,817,893
Appropriation of 2022 earnings									
Legal reserve	-	-	-	18,754	(18,754)	-	-	-	-
Cash dividends -\$1.4 per share	-	-	-	-	(139,930)	-	(139,930)	-	(139,930)
Net income (loss) for the nine months ended September 30, 2023	-	-	-	-	100,616	-	100,616	48	100,664
Other comprehensive income (loss) for the nine months ended September 30, 2023, net of Income tax	-	-	-	-	-	2,209	2,209	25	2,234
Total comprehensive income (loss) for the nine months ended September 30, 2023	-	-	-	-	100,616	2,209	102,825	73	102,898
BALANCE AT SEPTEMBER 30, 2023	99,950	\$ 999,502	\$ 68,368	\$ 516,208	\$ 184,425	\$ 11,716	\$ 1,780,219	\$ 642	\$ 1,780,861
BALANCE AT JANUARY 1, 2024	99,950	\$ 999,502	\$ 68,368	\$ 516,208	\$ 202,665	\$ 9,691	\$ 1,796,434	\$ 500	\$ 1,796,934
Appropriation of 2023 earnings									
Legal reserve	-	-	-	11,886	(11,886)	-	-	-	-
Cash dividends -\$1.10 per share	-	-	-	-	(109,945)	-	(109,945)	-	(109,945)
Net income for the nine months ended September 30, 2024	-	-	-	-	89,504	-	89,504	98	89,602
Other comprehensive income (loss) for the nine months ended September 30, 2024, net of Income tax	-	-	-	-	-	1,050	1,050	20	1,070
Total comprehensive income (loss) for the nine months ended September 30, 2024	-	-	-	-	89,504	1,050	90,554	118	90,672
BALANCE AT SEPTEMBER 30, 2024	99,950	\$ 999,502	\$ 68,368	\$ 528,094	\$ 170,338	\$ 10,741	\$ 1,777,043	\$ 618	\$ 1,777,661

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

(With Deloitte & Touche review report dated November 13, 2024)

APEX BIOTECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	For the Nine Months Ended	
	September 30	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 108,376	\$ 128,613
Adjustments for :		
Depreciation expense	43,195	49,707
Amortization expense	5,623	7,937
Expected credit gain	(269)	-
Net loss on financial assets at fair value through profit or loss	1,965	5,415
Finance costs	2,729	3,443
Interest income	(1,159)	(1,157)
Dividend income	(2,279)	(1,421)
Property, plant and equipment transferred to expenses	716	223
Impairment loss on non-financial assets	14,944	4,500
Unrealized foreign exchange gain	(12,575)	(11,822)
Changes in operating assets and liabilities		
Notes receivable and accounts receivable	(138,619)	143,822
Other receivables	(4,659)	1,718
Inventories	103,888	(14,050)
Other current assets	(5,107)	(3,121)
Contract liabilities	57,257	(11,115)
Notes payable	5,722	(33,390)
Accounts payable	50,482	(117,001)
Other payables	(319)	(10,331)
Provisions	1,147	(536)
Other current liabilities	(449)	(214)
Net defined benefit assets	474	491
Cash generated from operations	231,083	141,711

(Continued)

APEX BIOTECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	For the Nine Months Ended	
	September 30	
	2024	2023
Interest received	\$ 1,159	\$ 1,188
Dividend received	2,279	1,421
Interest paid	(2,729)	(3,443)
Income taxes paid	(48,348)	(18,052)
Net cash generated from operating activities	<u>183,444</u>	<u>122,825</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(19,116)	(17,712)
Decrease in refundable deposits	174	103
Acquisition of intangible assets	(1,390)	(2,320)
Decrease (Increase) in prepayments for business facilities	(1,633)	<u>2,507</u>
Net cash used in investing activities	(21,965)	(17,422)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	29,415	250,928
Decrease in short-term loans	(59,415)	(300,928)
Decrease in guarantee deposits received	(27)	-
Payments of lease liabilities	(6,776)	(6,332)
Cash dividends paid	(109,945)	(139,930)
Net cash used in financing activities	(146,748)	(196,262)
EFFECT OF EXCHANGE RATE CHANGES ON CASH		
	<u>10,111</u>	<u>11,133</u>
NET INCREASE (DECREASE) IN CASH	24,842	(79,726)
CASH, BEGINNING OF THE PERIOD	<u>382,046</u>	<u>331,705</u>
CASH, END OF THE PERIOD	<u>\$ 406,888</u>	<u>\$ 251,979</u>

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

(With Deloitte & Touche review report dated November 13, 2024)

(Concluded)

APEX BIOTECHNOLOGY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Apex Biotechnology Corporation (“APEX”) was incorporated on December 2, 1997 and engages mainly in research, development, production, manufacturing and selling of biochemical testing instruments and its detection strips, and trade of products and components relevant to the core business.

APEX’s shares have been listed on the Taiwan Stock Exchange (TWSE) since September 19, 2001.

The consolidated financial statements are presented in APEX’s functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorized for issued by the Board of Directors on November 13, 2024.

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

a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRS Accounting Standards”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The initial application of the amendments to the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have a material impact on the accounting policies of APEX and its subsidiaries (collectively as the “Company”).

b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2025

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note 1)

Note 1: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Company shall not restate the comparative information and shall recognize any effect

of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

As of the date the consolidated financial statements were authorized for issue, the Company is continuously assessing the possible impact of the application of other standards and interpretations on the Company's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

- c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

- 1) IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 will supersede IAS 1 "Presentation of Financial Statements". The main changes comprise:

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Company shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Company shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Company labels items as "other" only if it cannot find a more informative label.
- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management's view of an aspect of the financial performance of the Company as a whole, the Company shall disclose related information about its MPMs in a single note to the financial

statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Company is continuously assessing the possible impact that the application of other standards and interpretations will have on the Company's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" as endorsed and issued into effect by the FSC. The disclosed information included in these interim consolidated financial statements is less than the disclosed information required in a complete set of annual consolidated financial statements.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit assets or liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of APEX and the entities controlled by APEX (i.e., its subsidiaries).

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of APEX and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

See Notes 11 and 32 for detailed information on subsidiaries (including the percentages of ownership and main businesses).

d. Other material accounting policies

Except for the following, refer to the consolidated financial statements for the year ended December 31, 2023.

1) Classification of current and non-current assets and liabilities

Current assets include:

- Assets held primarily for the purpose of trading;
- Assets expected to be realized within 12 months after the reporting period; and
- Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- Liabilities held primarily for the purpose of trading;
- Liabilities due to be settled within 12 months after the reporting period; and
- Liabilities for which the Company does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

2) Retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

3) Income tax expense

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

When developing material accounting estimates, the Company considers the possible impact of inflation and interest rate fluctuations on the cash flow projections, growth rates, discount rates, profitability and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. For other related information refer to the statements of critical accounting judgments and key sources of estimation uncertainty to the consolidated financial statements for the year ended December 31, 2023.

6. CASH

	September 30, 2024	December 31, 2023	September 30, 2023
Cash on hand	\$ 249	\$ 236	\$ 287
Checking accounts and demand deposits	<u>406,639</u>	<u>381,810</u>	<u>251,692</u>
	<u>\$ 406,888</u>	<u>\$ 382,046</u>	<u>\$ 251,979</u>

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Financial assets at FVTPL -current</u>			
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
Domestic emerging market shares	\$ 49,138	\$ 52,080	\$ 52,056
Domestic unlisted shares	<u>10,765</u>	<u>9,788</u>	<u>8,358</u>
	<u>\$ 59,903</u>	<u>\$ 61,868</u>	<u>\$ 60,414</u>

8. FINANCIAL ASSETS AT AMORTIZED COST

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Non-current</u>			
Domestic investments			
Time deposits with original maturities of more than 3 months	<u>\$ 6,200</u>	<u>\$ 6,200</u>	<u>\$ 6,200</u>

- a. The interest rates range for time deposits with original maturities of more than 3 months was 0.790%~1.065% per annum as of September 30,2024, December 31,2023 and September 30, 2023.
- b. Refer to Note 30 for information relating to investments in financial assets at amortized cost pledged as security.

9. NOTES RECEIVABLE, ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Notes receivable</u>			
Notes receivable - operating	\$ 3,699	\$ 4,596	\$ 4,550
<u>Accounts receivable</u>			
At amortized cost			
Gross carrying amount	425,140	285,617	339,305
Less: Allowance for impairment loss	(1,499)	(1,823)	(34)
	<u>423,641</u>	<u>283,794</u>	<u>339,271</u>
	<u>\$ 427,340</u>	<u>\$ 288,390</u>	<u>\$ 343,821</u>
<u>Other receivables</u>			
Tax receivable	\$ 10,314	\$ 5,677	\$ 8,310
Others	<u>62</u>	<u>40</u>	<u>58</u>
	<u>\$ 10,376</u>	<u>\$ 5,717</u>	<u>\$ 8,368</u>

Accounts receivable

The average credit period of sales of goods is 15 days to 150 days. No interest is charged on accounts receivable. To strengthen the credit risk management, small amount of credit limit is offered to the new client. Once the transaction is stable and the sales amount has reached a certain level, would entrust the professional credit investigation agency to determine the credit limit of the customer based on the relevant reports, complimented with other supervision procedures to ensure appropriate actions has been taken to guarantee the collection of the overdue receivables. Moreover, the Company will double check the collectable amount of the account receivables on the balance sheet date as the assurance that the uncollectable account receivables has been listed and recognized as appropriate impairment loss.

The Company measures the loss allowance for accounts receivable at an amount equal to lifetime ECLs. The expected credit losses on accounts receivable are estimated using a provision matrix prepared by reference to the past default experience of the customer, the customer's current financial position, economic condition of the industry in which the customer operates, as well as the industry outlook. The Company uses different provision matrixes based on customer segments by credit rating, transaction type, and determines the expected credit loss rate by reference to past due days of accounts receivable.

The Company writes off an account receivable when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For accounts receivable that have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of accounts receivable based on the Company's provision matrix.

September 30, 2024

	Not Past Due	1 to 30 Days Past Due	31 to 90 Days Past Due	91 to 180 Days Past Due	Over 181 Days Past Due	Total
Expected credit loss rate	0%	0%	0%	0%	94.63%	
Gross carrying amount	\$359,925	\$ 60,016	\$ 3,455	\$ 161	\$ 1,583	\$425,140
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>-</u>	<u>(1,498)</u>	<u>(1,499)</u>
Amortized cost	<u>\$359,925</u>	<u>\$ 60,015</u>	<u>\$ 3,455</u>	<u>\$ 161</u>	<u>\$ 85</u>	<u>\$423,641</u>

December 31, 2023

	Not Past Due	1 to 30 Days Past Due	31 to 90 Days Past Due	91 to 180 Days Past Due	Over 181 Days Past Due	Total
Expected credit loss rate	0%	0.96%	99.74%	100%	-	
Gross carrying amount	\$257,195	\$ 26,855	\$ 1,562	\$ 5	\$ -	\$285,617
Loss allowance (Lifetime ECLs)	<u>(1)</u>	<u>(259)</u>	<u>(1,558)</u>	<u>(5)</u>	<u>-</u>	<u>(1,823)</u>
Amortized cost	<u>\$257,194</u>	<u>\$ 26,596</u>	<u>\$ 4</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$283,794</u>

September 30, 2023

	Not Past Due	1 to 30 Days Past Due	31 to 90 Days Past Due	91 to 180 Days Past Due	Over 181 Days Past Due	Total
Expected credit loss rate	0%	0%	0.06%	1.31%	-	
Gross carrying amount	\$268,209	\$ 66,959	\$ 1,687	\$ 2,450	\$ -	\$339,305
Loss allowance (Lifetime ECLs)	<u>(1)</u>	<u>-</u>	<u>(1)</u>	<u>(32)</u>	<u>-</u>	<u>(34)</u>
Amortized cost	<u>\$268,208</u>	<u>\$ 66,959</u>	<u>\$ 1,686</u>	<u>\$ 2,418</u>	<u>\$ -</u>	<u>\$339,271</u>

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

	For the Nine Months Ended	
	September 30	
	2024	2023
Balance at January 1	\$ 1,823	\$ 32
Amounts written off	(115)	-
Amounts recovered	(269)	-
Foreign exchange gains and losses	<u>60</u>	<u>2</u>
Balance at September 30	<u>\$ 1,499</u>	<u>\$ 34</u>

10. INVENTORIES

	September 30,	December 31,	September 30,
	2024	2023	2023
Finished goods and merchandise	\$ 80,981	\$ 124,158	\$ 81,155
Work in progress	298,680	280,913	297,835
Raw materials	<u>249,221</u>	<u>342,643</u>	<u>369,812</u>
	<u>\$ 628,882</u>	<u>\$ 747,714</u>	<u>\$ 748,802</u>

The cost of inventories recognized as cost of goods sold for the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023 were NT\$365,630 thousand, NT\$275,201 thousand, NT\$1,027,879 thousand, and NT\$871,790 thousand, respectively. The cost of goods sold included inventory write-downs were NT\$3,826 thousand, NT\$1,500 thousand, NT\$14,944 thousand and NT\$4,500 thousand, respectively.

11. SUBSIDIARIES

The consolidated financial statements include subsidiaries which are as follows:

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Remark
			September 30,	December 31,	September 30,	
			2024	2023	2023	
APEX	Omnis Health LLC	Import and exports of medical equipment and its relevant business	99%	99%	99%	-
	Apex Biotechnology (Suzhou) Corporation	Import and exports of medical equipment and its relevant business	96%	96%	96%	1

Note 1 : The subsidiary included in the consolidated financial statements is non-significant, and its financial statements has not been reviewed.

12. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery Equipment	Testing Equipment	Transportation Equipment	Office Equipment	Miscellaneous Equipment	Equipment under Acceptance	Total
<u>Cost</u>									
Balance at January 1, 2024	\$261,675	\$604,129	\$512,919	\$ 42,610	\$ 3,654	\$ 20,035	\$200,809	\$ 9,682	\$ 1,655,513
Additions	-	895	1,174	1,008	-	1,190	2,619	14,356	21,242
Disposals	-	-	(5,065)	-	-	(212)	(620)	(716)	(6,613)
Reclassification	-	-	668	5,347	564	-	2,463	(9,042)	-
Effects of exchange rate changes	-	-	44	-	-	14	38	-	96
Balance at September 30, 2024	<u>\$261,675</u>	<u>\$605,024</u>	<u>\$509,740</u>	<u>\$ 48,965</u>	<u>\$ 4,218</u>	<u>\$ 21,027</u>	<u>\$205,309</u>	<u>\$ 14,280</u>	<u>\$1,670,238</u>
<u>Accumulated depreciation</u>									
Balance at January 1, 2024	\$ -	\$360,247	\$458,112	\$ 29,539	\$ 916	\$ 16,960	\$185,374	\$ -	\$1,051,158
Depreciation expenses	-	14,857	10,400	3,223	494	910	5,952	-	35,836
Disposals	-	-	(5,065)	-	-	(212)	(620)	-	(5,897)
Effects of exchange rate changes	-	-	16	-	-	10	33	-	59
Balance at September 30, 2024	<u>\$ -</u>	<u>\$375,104</u>	<u>\$463,473</u>	<u>\$ 32,762</u>	<u>\$ 1,410</u>	<u>\$ 17,668</u>	<u>\$190,739</u>	<u>\$ -</u>	<u>\$1,081,156</u>
Carrying amount at September 30, 2024	<u>\$261,675</u>	<u>\$229,920</u>	<u>\$ 46,267</u>	<u>\$ 16,203</u>	<u>\$ 2,808</u>	<u>\$ 3,359</u>	<u>\$ 14,570</u>	<u>\$ 14,280</u>	<u>\$589,082</u>
Carrying amount at December 31, 2023 and January 1, 2024	<u>\$261,675</u>	<u>\$243,882</u>	<u>\$ 54,797</u>	<u>\$ 13,071</u>	<u>\$ 2,738</u>	<u>\$ 3,075</u>	<u>\$ 15,435</u>	<u>\$ 9,682</u>	<u>\$604,355</u>
<u>Cost</u>									
Balance at January 1, 2023	\$261,675	\$604,129	\$506,565	\$ 38,829	\$ 2,955	\$ 20,152	\$197,945	\$ 10,906	\$ 1,643,156
Additions	-	-	2,360	1,595	1,799	28	2,605	7,273	15,660
Disposals	-	-	(2,477)	(290)	(1,857)	-	(25)	(223)	(4,872)
Reclassification	-	-	4,997	2,393	757	-	843	(8,990)	-
Effects of exchange rate changes	-	-	77	-	-	38	1	-	116
Balance at September 30, 2023	<u>\$261,675</u>	<u>\$604,129</u>	<u>\$511,522</u>	<u>\$ 42,527</u>	<u>\$ 3,654</u>	<u>\$ 20,218</u>	<u>\$201,369</u>	<u>\$ 8,966</u>	<u>\$1,654,060</u>
<u>Accumulated depreciation</u>									
Balance at January 1, 2023	\$ -	\$337,248	\$445,738	\$ 25,962	\$ 2,432	\$ 16,184	\$174,222	\$ -	\$1,001,786
Depreciation expenses	-	17,712	11,427	2,851	181	1,033	9,539	-	42,743
Disposals	-	-	(2,477)	(290)	(1,857)	-	(25)	-	(4,649)
Effects of exchange rate changes	-	-	28	-	-	32	1	-	61
Balance at September 30, 2023	<u>\$ -</u>	<u>\$354,960</u>	<u>\$454,716</u>	<u>\$ 28,523</u>	<u>\$ 756</u>	<u>\$ 17,249</u>	<u>\$183,737</u>	<u>\$ -</u>	<u>\$1,039,941</u>
Carrying amount at September 30, 2023	<u>\$261,675</u>	<u>\$249,169</u>	<u>\$ 56,806</u>	<u>\$ 14,004</u>	<u>\$ 2,898</u>	<u>\$ 2,969</u>	<u>\$ 17,632</u>	<u>\$ 8,966</u>	<u>\$614,119</u>

The Company's property, plant and equipment are all for self-use.

No impairment loss recognized or reversed for the nine months ended September 30, 2024 and 2023.

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	
Main buildings	21-47 years
Electronic equipment	2-16 years
Machinery equipment	1-11 years
Testing equipment	2-10 years
Transportation equipment	2-10 years
Office equipment	2-7 years
Miscellaneous equipment	2-20 years

13. LEASE ARRANGEMENTS

a. Right-of-use assets

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Carrying amount</u>			
Land	\$ 102,470	\$ 105,290	\$ 106,230
Buildings	9,095	10,561	12,088
Transportation equipment	3,306	275	482
Office equipment	<u>2,029</u>	<u>108</u>	<u>247</u>
	<u>\$ 116,900</u>	<u>\$ 116,234</u>	<u>\$ 119,047</u>

	<u>For the Three Months Ended September 30</u>		<u>For the Nine Months Ended September 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Additions to right-of-use assets			<u>\$ 7,654</u>	<u>\$ 790</u>
Depreciation charge for right-of-use assets				
Land	\$ 940	\$ 940	\$ 2,820	\$ 2,820
Buildings	1,157	1,054	3,435	3,108
Transportation equipment	255	205	699	618
Office equipment	<u>134</u>	<u>140</u>	<u>405</u>	<u>418</u>
	<u>\$ 2,486</u>	<u>\$ 2,339</u>	<u>\$ 7,359</u>	<u>\$ 6,964</u>

Except for the aforementioned additions and recognized depreciation, the Company did not have significant sublease or impairment of right-of-use assets during the nine months ended September 30, 2024 and 2023.

b. Lease liabilities

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Carrying amount</u>			
Current	<u>\$ 8,831</u>	<u>\$ 7,200</u>	<u>\$ 7,639</u>
Non-current	<u>\$ 115,814</u>	<u>\$ 116,196</u>	<u>\$ 118,028</u>

Range of discount rate for lease liabilities was as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Land	2.93%	2.93%	2.93%
Buildings	0.86%-3.45%	0.86%-3.85%	0.86%-3.85%
Transportation equipment	5.78%	5.69%	5.69%
Office equipment	5.69%~5.78%	5.69%	5.69%

c. Material leasing activities and terms

The Company leases land and buildings for the use of plants and offices with lease terms of 2 ~ 33 years.

d. Other lease information

	For the Three Months Ended		For the Nine Months Ended	
	September 30		September 30	
	2024	2023	2024	2023
Expenses relating to short-term leases	<u>\$ 473</u>	<u>\$ 599</u>	<u>\$ 1,282</u>	<u>\$ 1,739</u>
Total cash outflow for leases			<u>(\$ 10,750)</u>	<u>(\$ 10,737)</u>

14. INTANGIBLE ASSETS

	Software	Trademarks	Patents	Customer Relationship	Total
<u>Cost</u>					
Balance at January 1, 2024	\$ 19,295	\$ 152,104	\$ 28,243	\$ 98,870	\$ 298,512
Additions	-	-	1,390	-	1,390
Effects of exchange rate changes	-	4,535	-	3,043	7,578
Balance at September 30, 2024	<u>\$ 19,295</u>	<u>\$ 156,639</u>	<u>\$ 29,633</u>	<u>\$ 101,913</u>	<u>\$ 307,480</u>
<u>Accumulated amortization and impairment</u>					
Balance at January 1, 2024	\$ 13,878	\$ 127,403	\$ 14,142	\$ 98,870	\$ 254,293
Amortization expenses	1,056	3,256	1,311	-	5,623
Effects of exchange rate changes	-	3,787	-	3,043	6,830
Balance at September 30, 2024	<u>\$ 14,934</u>	<u>\$ 134,446</u>	<u>\$ 15,453</u>	<u>\$ 101,913</u>	<u>\$ 266,746</u>
Carrying amount at September 30,					
2024	<u>\$ 4,361</u>	<u>\$ 22,193</u>	<u>\$ 14,180</u>	<u>\$ -</u>	<u>\$ 40,734</u>
Carrying amounts at December 31,					
2023 and January 1, 2024	<u>\$ 5,417</u>	<u>\$ 24,701</u>	<u>\$ 14,101</u>	<u>\$ -</u>	<u>\$ 44,219</u>
<u>Cost</u>					
Balance at January 1, 2023	\$ 22,892	\$ 151,726	\$ 27,281	\$ 98,886	\$ 300,785
Additions	1,358	-	962	-	2,320
Effects of exchange rate changes	269	7,486	-	5,023	12,778
Balance at September 30, 2023	<u>\$ 24,519</u>	<u>\$ 159,212</u>	<u>\$ 28,243</u>	<u>\$ 103,909</u>	<u>\$ 315,883</u>
<u>Accumulated amortization and impairment</u>					
Balance at January 1, 2023	\$ 17,652	\$ 102,723	\$ 12,383	\$ 98,886	\$ 231,644
Amortization expenses	1,175	5,441	1,321	-	7,937
Effects of exchange rate changes	270	5,297	-	5,023	10,590
Balance at September 30, 2023	<u>\$ 19,097</u>	<u>\$ 113,461</u>	<u>\$ 13,704</u>	<u>\$ 103,909</u>	<u>\$ 250,171</u>
Carrying amount at September 30,					
2023	<u>\$ 5,422</u>	<u>\$ 45,751</u>	<u>\$ 14,539</u>	<u>\$ -</u>	<u>\$ 65,712</u>

Except for amortization recognized, the Company did not have significant disposal or impairment of intangible assets during the nine months ended September 30, 2024 and 2023.

Intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Trademarks	2-12.7 years
Patents	1-26 years
Software	1-10 years
Customer Relationship	1-6.7 years

15. OTHER CURRENT ASSETS

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Current</u>			
Prepayments (Note)	\$ 24,558	\$ 18,508	\$ 22,440
Others	<u>1,455</u>	<u>2,398</u>	<u>1,487</u>
	<u>\$ 26,013</u>	<u>\$ 20,906</u>	<u>\$ 23,927</u>

Note : The prepayments were mainly for the prepayment of patents, repairs and maintenance expenses, trademarks and insurance expenses, etc.

16. BORROWINGS

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Unsecured borrowings</u>			
Working capital loans	<u>\$ -</u>	<u>\$ 30,000</u>	<u>\$ -</u>

The interest rate on bank borrowing was 1.85% at December 31, 2023.

17. NOTES PAYABLE AND ACCOUNTS PAYABLE

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Notes payable</u>			
Operating	<u>\$ 33,157</u>	<u>\$ 27,435</u>	<u>\$ 29,835</u>
<u>Accounts payable</u>			
Operating	<u>\$ 176,973</u>	<u>\$ 128,782</u>	<u>\$ 110,025</u>

The average credit period on purchases of certain goods was 30-90 days. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

18. OTHER LIABILITIES

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Current</u>			
Other payables			
Payables for salaries and bonuses	\$ 50,533	\$ 58,068	\$ 55,737
Payables for employees' compensation and remuneration of directors	9,457	12,237	11,749
Payables for purchases of equipment	2,512	386	1,272
Others (Note)	<u>63,031</u>	<u>53,030</u>	<u>61,764</u>
	<u>\$ 125,533</u>	<u>\$ 123,721</u>	<u>\$ 130,522</u>

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Other liabilities</u>			
Receipts under custody	<u>\$ 2,836</u>	<u>\$ 3,285</u>	<u>\$ 2,812</u>

Note: The Others item refers to the payable for consumable expenses, utility bills and cleaning fees, etc. incurred by the Company due to operations.

19. PROVISIONS

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Current</u>			
Employee benefits (Note)	<u>\$ 11,246</u>	<u>\$ 10,099</u>	<u>\$ 10,365</u>

Note : The provision for employee benefits represents vested service leave entitlements accrued.

20. RETIREMENT BENEFIT PLANS

For the three months ended September 30, 2024 and 2023, and for the nine months ended September 30, 2024 and 2023, the pension expenses of defined benefit plans were NT\$158 thousand, NT\$164 thousand, NT\$474 thousand, and NT\$491 thousand, respectively, and these were calculated based on the pension cost rate determined by the actuarial calculation on December 31, 2023 and 2022, respectively.

21. EQUITY

a. Ordinary shares

	September 30, 2024	December 31, 2023	September 30, 2023
Authorized shares (in thousands)	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
Authorized capital	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>
Issued and paid shares (in thousands)	<u>99,950</u>	<u>99,950</u>	<u>99,950</u>
Issued capital	<u>\$ 999,502</u>	<u>\$ 999,502</u>	<u>\$ 999,502</u>

A holder of issued common shares with par value of NT\$10 per share is entitled to vote and to receive dividends.

b. Capital surplus

	September 30, 2024	December 31, 2023	September 30, 2023
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)			
Conversion of convertible bonds	\$ 26,570	\$ 26,570	\$ 26,570
Treasury share transactions	1,592	1,592	1,592
Transfer in from shares option due to convertible bonds repayment	<u>40,206</u>	<u>40,206</u>	<u>40,206</u>
	<u>\$ 68,368</u>	<u>\$ 68,368</u>	<u>\$ 68,368</u>

Note : Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's paid-in capital and once a year).

c. Retained earnings and dividends policy

Under the dividends policy as set forth in APEX's Articles of Incorporation, where the company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit until the amount of the legal reserve equals the amount of APEX's paid-in capital, setting aside or reverse special reserve in accordance with the laws or the regulations of the competent authority, and then any remaining profit together with any undistributed retained earnings shall be used by the Board of Directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the all or part of the distribution of dividends and bonuses, if the distribution is in cash, the board of directors shall be authorized to resolve the proposal by the vote of at least half of the directors

present, provided the number of directors present shall be at least two-thirds of the entire board of directors, and report the distribution to the shareholders' meeting.

For the policies on the distribution of compensation of employees and remuneration of directors, refer to compensation of employees and remuneration of directors in Note 23(g).

The policies for dividends distribution mainly considers future expansion of the Company's operating scale and cash flow needs, as well as interests of shareholders, dividends balance, and the Company's long-term financial planning. The shareholders' dividends should account for more than 50% of the appropriated earnings, while the cash part of should account for at least 20% of the actual distributed dividend.

An appropriation of earnings to a legal reserve shall be made until the legal reserve equals APEX's paid-in capital. The legal reserve may be used to offset deficits. If APEX has no deficit and the legal reserve has exceeded 25% of APEX's paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriations of earnings for 2023 and 2022 were as follows:

	Appropriation of Earnings	
	For the Year Ended	
	December 31	
	2023	2022
Legal reserve	<u>\$ 11,886</u>	<u>\$ 18,754</u>
Cash dividends	<u>\$ 109,945</u>	<u>\$ 139,930</u>
Cash dividends per share (NT\$)	\$ 1.1	\$ 1.4

The above 2023 and 2022 appropriations for cash dividends were resolved by APEX's Board of Directors on March 13, 2024 and March 10, 2023, respectively; the other proposed appropriations were resolved by the shareholders in their meetings on April 30, 2024 and May 31, 2023, respectively.

d. Other equity items

Exchange differences on the translation of the financial statements of foreign operations

	For the Nine Months Ended	
	September 30	
	2024	2023
Balance at January 1	\$ 9,691	\$ 9,507
Recognized for the period		
Exchange differences on the translation of		
the financial statements of foreign		
operations	<u>1,050</u>	<u>2,209</u>
Balance at September 30	<u>\$ 10,741</u>	<u>\$ 11,716</u>

e. Non-controlling interests

	For the Nine Months Ended September 30	
	2024	2023
Balance at January 1	\$ 500	\$ 569
Share in profit (loss) for the period	98	48
Other comprehensive income (loss) during the period		
Exchange differences on the translation of the financial statements of foreign operations	<u>20</u>	<u>25</u>
Balance at September 30	<u>\$ 618</u>	<u>\$ 642</u>

22. REVENUE

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Revenue from contracts with customers				
Revenue from the sale of goods	\$ 507,256	\$ 405,935	\$ 1,392,363	\$ 1,235,688
Other operating revenue	<u>2,304</u>	<u>6,556</u>	<u>5,852</u>	<u>30,621</u>
	<u>\$ 509,560</u>	<u>\$ 412,491</u>	<u>\$ 1,398,215</u>	<u>\$ 1,266,309</u>

a. Contract information

Revenue from the sale of goods

The Company estimates the discount amount based on the range of price discounts given in the past, using the most probable amount. However, taking into the account that major competitors provide more favorable discounts than the estimated amount, the Company determines the revenue recognition amount based on the favorable discount. The remaining products are sold at a fixed price as agreed in the contract.

b. Contract balances

	September 30, 2024	December 31, 2023	September 30, 2023	January 1, 2023
Accounts receivable (Note 9)	<u>\$ 423,641</u>	<u>\$ 283,794</u>	<u>\$ 339,271</u>	<u>\$ 481,618</u>
Contract liabilities				
Sale of goods	<u>\$ 63,852</u>	<u>\$ 6,595</u>	<u>\$ 17,928</u>	<u>\$ 29,043</u>

The changes in the contract liability balances primarily result from the timing difference between the satisfaction of the performance obligations and the respective customer's payment.

Revenue in the current year that was recognized from the contract liability balance at the beginning of the year and from the performance obligations satisfied in the previous periods was summarized as follows:

	For the Nine Months Ended	
	September 30	
	2024	2023
<u>From contract liabilities at the start of the year</u>		
Sale of goods	<u>\$ 4,505</u>	<u>\$ 24,028</u>

c. Disaggregation of revenue

	For the Three Months Ended		For the Nine Months Ended	
	September 30		September 30	
	2024	2023	2024	2023
USA	\$ 202,113	\$ 193,600	\$ 522,625	\$ 496,322
Italy	160,972	112,307	446,673	434,814
Austria	74,381	27,010	188,182	100,792
Taiwan	19,299	19,298	57,038	54,968
Others	<u>52,795</u>	<u>60,276</u>	<u>183,697</u>	<u>179,413</u>
	<u>\$ 509,560</u>	<u>\$ 412,491</u>	<u>\$ 1,398,215</u>	<u>\$ 1,266,309</u>

23. NET PROFIT FROM CONTINUING OPERATIONS

a. Interest income

	For the Three Months Ended		For the Nine Months Ended	
	September 30		September 30	
	2024	2023	2024	2023
Bank deposits	<u>\$ 3</u>	<u>\$ 20</u>	<u>\$ 1,159</u>	<u>\$ 1,157</u>

b. Other income

	For the Three Months Ended		For the Nine Months Ended	
	September 30		September 30	
	2024	2023	2024	2023
Rental income	\$ 228	\$ 407	\$ 814	\$ 1,215
Dividend income	147	-	2,279	1,421
Grant income (Note 26)	40	-	232	30
Others	<u>294</u>	<u>650</u>	<u>394</u>	<u>1,302</u>
	<u>\$ 709</u>	<u>\$ 1,057</u>	<u>\$ 3,719</u>	<u>\$ 3,968</u>

c. Other gains and losses

	For the Three Months Ended		For the Nine Months Ended	
	September 30		September 30	
	2024	2023	2024	2023
Net foreign exchange gains	\$ 2,174	\$ 10,738	\$ 27,351	\$ 28,890
Fair value changes of financial assets and financial liabilities				
Financial assets mandatorily classified as at FVTPL	(7,561)	-	(1,965)	(5,415)
Others	<u>32</u>	<u>22</u>	<u>150</u>	<u>72</u>
	<u>(\$ 5,355)</u>	<u>\$ 10,760</u>	<u>\$ 25,536</u>	<u>\$ 23,547</u>

d. Finance costs

	For the Three Months Ended		For the Nine Months Ended	
	September 30		September 30	
	2024	2023	2024	2023
Interest on lease liabilities	\$ 922	\$ 875	\$ 2,692	\$ 2,666
Interest on bank loans	<u>1</u>	<u>3</u>	<u>37</u>	<u>777</u>
	<u>\$ 923</u>	<u>\$ 878</u>	<u>\$ 2,729</u>	<u>\$ 3,443</u>

e. Depreciation and amortization

	For the Three Months Ended		For the Nine Months Ended	
	September 30		September 30	
	2024	2023	2024	2023
An analysis of depreciation by function				
Operating costs	\$ 9,595	\$ 10,427	\$ 29,329	\$ 31,712
Operating expenses	<u>4,511</u>	<u>5,805</u>	<u>13,866</u>	<u>17,995</u>
	<u>\$ 14,106</u>	<u>\$ 16,232</u>	<u>\$ 43,195</u>	<u>\$ 49,707</u>

	For the Three Months Ended		For the Nine Months Ended	
	September 30		September 30	
	2024	2023	2024	2023
An analysis of amortization by function				
Operating costs	\$ 179	\$ 191	\$ 544	\$ 573
Selling and marketing expenses	92	866	291	2,585
General and administrative expenses	1,050	1,046	3,129	3,067
Research and development expenses	<u>559</u>	<u>574</u>	<u>1,659</u>	<u>1,712</u>
	<u>\$ 1,880</u>	<u>\$ 2,677</u>	<u>\$ 5,623</u>	<u>\$ 7,937</u>

f. Employee benefits expense

	For the Three Months Ended		For the Nine Months Ended	
	September 30		September 30	
	2024	2023	2024	2023
Short-term benefits	\$ 130,232	\$ 122,914	\$ 389,636	\$ 380,605
Post-employment benefits				
Defined contribution plan	3,987	3,956	12,029	12,111
Defined benefit plans (Note 20)	<u>158</u>	<u>164</u>	<u>474</u>	<u>491</u>
Total employee benefits expense	<u>\$ 134,377</u>	<u>\$ 127,034</u>	<u>\$ 402,139</u>	<u>\$ 393,207</u>

	For the Three Months Ended		For the Nine Months Ended	
	September 30		September 30	
	2024	2023	2024	2023
An analysis of employee benefits expense by function				
Operating costs	\$ 77,996	\$ 69,669	\$ 231,086	\$ 223,581
Operating expenses	<u>56,381</u>	<u>57,365</u>	<u>171,053</u>	<u>169,626</u>
	<u>\$ 134,377</u>	<u>\$ 127,034</u>	<u>\$ 402,139</u>	<u>\$ 393,207</u>

g. Compensation of employees and remuneration of directors

According to the APEX's Articles of Incorporation, APEX accrues compensation of employees and remuneration of directors at the rates of no less than 3% and no higher than 1%, respectively, of net profit before income tax. The compensation of employees and the remuneration of directors for the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023, were as follows:

Accrual rate

	For the Nine Months Ended	
	September 30	
	2024	2023
Compensation of employees	7%	7%
Remuneration of directors	1%	1%

Amount

	For the Three Months Ended		For the Nine Months Ended	
	September 30		September 30	
	2024	2023	2024	2023
Compensation of employees	<u>\$ 3,646</u>	<u>\$ 3,802</u>	<u>\$ 8,275</u>	<u>\$ 9,761</u>
Remuneration of directors	<u>\$ 521</u>	<u>\$ 543</u>	<u>\$ 1,182</u>	<u>\$ 1,394</u>

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

The appropriations of compensation of employees and remuneration of directors for 2023 and 2022 that were resolved by APEX's Board of Directors on March 13, 2024 and March 10, 2023, respectively, are as shown below:

	For the Year Ended December 31			
	2023		2022	
	Cash	Shares	Cash	Shares
Compensation of employees	\$ 10,708	\$ -	\$ 15,191	\$ -
Remuneration of directors	1,529	-	2,170	-

There is no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2023 and 2022.

Information on the compensation of employees and remuneration of directors resolved by the APEX's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

h. Gains or losses on foreign currency exchange

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Foreign exchange gains	\$ 6,899	\$ 15,422	\$ 32,076	\$ 44,879
Foreign exchange losses	(4,725)	(4,684)	(4,725)	(15,989)
	<u>\$ 2,174</u>	<u>\$ 10,738</u>	<u>\$ 27,351</u>	<u>\$ 28,890</u>

24. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Current tax				
In respect of the current period	\$ 12,491	\$ 11,135	\$ 25,983	\$ 29,803
Adjustments for prior periods	<u>-</u>	<u>-</u>	(6,264)	<u>-</u>
	<u>12,491</u>	<u>11,135</u>	<u>19,719</u>	<u>29,803</u>
Deferred tax				
In respect of the current period	(3,855)	(475)	(943)	(1,852)
Exchange difference on foreign operations	(2)	(2)	(2)	(2)
	<u>(3,857)</u>	<u>(477)</u>	<u>(945)</u>	<u>(1,854)</u>
Income tax expense recognized in profit or loss	<u>\$ 8,634</u>	<u>\$ 10,658</u>	<u>\$ 18,774</u>	<u>\$ 27,949</u>

b. Income tax assessments

The income tax returns through 2022 have been assessed by the tax authorities.

25. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Basic earnings per share	\$ 0.33	\$ 0.38	\$ 0.90	\$ 1.01
Diluted earnings per share	\$ 0.33	\$ 0.38	\$ 0.89	\$ 1.00

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share were as follows:

Net Income for the Period

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Income for the period attributable to shareholders of the parent used in the computation of basic earnings and diluted earnings per share	\$ 33,073	\$ 37,863	\$ 89,504	\$ 100,616

Number of shares (in thousands)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Weighted average number of ordinary shares used in the computation of basic earnings per share	99,950	99,950	99,950	99,950
Effect of potentially dilutive ordinary shares:				
Compensation of employees	278	363	368	511
Weighted average number of ordinary shares used in the computation of diluted earnings per share	100,228	100,313	100,318	100,461

The Company may settle the compensation of employees in cash or shares; therefore, the Company assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

26. GOVERNMENT GRANTS

For the nine months ended September 30, 2024, the Company obtained the subsidy of NT\$232 thousand from the Ministry of Labor on Enterprise Human Resources Improvement Plan and Ministry of Economy Affairs on Dubai and Mexico International Medical Exhibition. The amount has been included in the Other Income item.

27. CAPITAL MANAGEMENT

The Company manages its capital to ensure that entities in the group will be able to operate under the premises of going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Company's overall strategy remains unchanged.

The capital structure of the Company consists of equity attributable to owners of the parent company (comprising share capital, capital surplus, retained earnings and other equity).

The Company is not subject to any externally imposed capital requirements.

The management of the Company periodically examines the capital structure and contemplates on the potential costs and risks involved while exerting different financial tools. Based on management's recommendations, the Company will balance the overall capital structure through adjust the dividends paid, new shares issued, shares repurchased, new debt issued or existing debt redeemed.

28. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

The management considers that the carrying amounts of financial assets and financial liabilities that not measured at fair value were approximate their fair values.

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

September 30, 2024

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets at FVTPL				
Domestic emerging market shares	\$ -	\$ -	\$ 49,138	\$ 49,138
Domestic unlisted shares	-	-	10,765	10,765
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,903</u>	<u>\$ 59,903</u>

December 31, 2023

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets at FVTPL				
Domestic emerging market				
shares	\$ -	\$ -	\$ 52,080	\$ 52,080
Domestic unlisted shares	<u>-</u>	<u>-</u>	<u>9,788</u>	<u>9,788</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,868</u>	<u>\$ 61,868</u>

September 30, 2023

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets at FVTPL				
Domestic emerging market				
shares	\$ -	\$ -	\$ 52,056	\$ 52,056
Domestic unlisted shares	<u>-</u>	<u>-</u>	<u>8,358</u>	<u>8,358</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60,414</u>	<u>\$ 60,414</u>

There were no transfers between Level 1 and Level 2 in the current and prior periods.

2) Valuation techniques and inputs applied for Level 3 fair value measurement

- a) The Company measures the fair value of its domestic emerging market shares by using the market approach, which refer to the price of the comparable target companies and consider the differences between the evaluated companies and the comparable target companies, that use the appropriate multiply to evaluate the companies. The significant unobservable inputs are listed as below. When the liquidity discount lessens, it implies the fair value of the investment will increase.

	September 30, 2024	December 31, 2023	September 30, 2023
Discount for lack of marketability	10.00%	11.10%	11.68%

If the inputs to the valuation model were changed to reflect reasonably possible alternative assumptions while all the other variables were held constant, the fair value of the shares would increase (decrease) as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Discount for lack of marketability			
1% increase	<u>(\$ 546)</u>	<u>(\$ 586)</u>	<u>(\$ 589)</u>
1% decrease	<u>\$ 546</u>	<u>\$ 586</u>	<u>\$ 589</u>

- b) The Company measures the fair value of its domestic unlisted shares by using the asset-based approach, the total value of an investment is based on the fair value of its assets and liabilities. The significant unobservable inputs are listed as follows. When the liquidity discount lessens, it implies the fair value of the investment will increase.

	September 30, 2024	December 31, 2023	September 30, 2023
Discount for lack of marketability	20%	20%	20%

If the inputs to the valuation model were changed to reflect reasonably possible alternative assumptions while all the other variables were held constant, the fair value of the shares would increase (decrease) as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Discount for lack of marketability			
1% increase	(\$ 135)	(\$ 122)	(\$ 114)
1% decrease	\$ 135	\$ 122	\$ 114

c. Categories of financial instruments

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Financial assets</u>			
Financial assets at FVTPL			
Mandatorily classified as at FVTPL	\$ 59,903	\$ 61,868	\$ 60,414
Financial assets measured at amortized cost			
(Note 1)	844,481	680,806	606,106
<u>Financial liabilities</u>			
Financial liabilities measured at amortized cost			
cost (Note 2)	272,879	236,914	200,144

Note 1 : The balances include financial assets at amortized cost, which comprise cash, pledged deposits, notes receivable and accounts receivable (including from related parties), other receivables and refundable deposits.

Note 2 : The balances include financial liabilities at amortized cost, which comprise short-term loans, notes payable, accounts payable (including from related parties), other payables (including from related parties) and guarantee deposits received.

d. Financial risk management objectives and policies

The Company's major financial instruments include equity investments, accounts receivable, accounts payable, borrowings and lease liabilities. The Company's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Company through internal risk reports that analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The corporate treasury function reports quarterly to the Company's management, that monitors risks and policies implemented to mitigate risk exposures.

1) Market risk

The Company's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below).

There has been no change to the Company's exposure to market risks and the manner in which these risks are managed and measured.

a) Foreign currency risk

The carrying amounts of the significant monetary assets and liabilities not denominated in functional currency (including those eliminated on consolidation) at the end of the reporting period are set out in Note 31.

Sensitivity analysis

The Company was mainly exposed to the USD, RMB, EUR and JPY.

The following table details the Company's sensitivity to a 1% increase and decrease in the functional currency against the relevant foreign currencies. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange rates is 1%. A positive number below indicates an increase in pre-tax profit with the functional currency weakening 1% against the relevant currency. For a 1% strengthening of the functional currency against the relevant currency, there would be an equal and opposite impact on pre-tax profit, and the balances below would be negative.

	USD Impact		RMB Impact	
	For the Nine Months Ended		For the Nine Months Ended	
	September 30		September 30	
	2024	2023	2024	2023
Profit or loss	<u>\$ 2,182</u>	<u>\$ 2,169</u>	<u>\$ 328</u>	<u>\$ 214</u>

	EUR Impact		JPY Impact	
	For the Nine Months Ended		For the Nine Months Ended	
	September 30		September 30	
	2024	2023	2024	2023
Profit or loss	\$ 4,273	\$ 2,685	\$ 2	(\$ 6)

b) Interest rate risk

The carrying amount of the Company's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Fair value interest rate risk			
Financial assets	\$ 6,200	\$ 6,200	\$ 6,200
Financial liabilities	124,645	153,396	125,667
Cash flow interest rate risk			
Financial assets	406,639	381,802	251,692

Sensitivity analysis

The sensitivity analysis below was determined based on the Company's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate assets, the analysis was prepared assuming the amount of each liability outstanding at the end of the period was outstanding for the whole year.

If interest rates had been 0.1% higher/lower and all other variables were held constant, the Company's pre-tax profit for the nine months ended September 30, 2024 and 2023 would have increased/decreased by NT\$305 thousand and NT\$189 thousand, respectively, which was mainly a result of variable-rate of net assets.

c) Other price risk

The Company was exposed to price risk through equity investments. Equity investments are held for strategic rather than for trading purposes, the Company does not actively trade these investments. The Company's price risk is mainly concentrated in equity investment in Taiwan.

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 5% higher/lower, pre-tax profit for the nine months ended September

30, 2024 and 2023 would have increased/decreased by NT\$2,995 thousand and NT\$3,021 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in a financial loss to the Company. At the end of the reporting period, the Company's maximum exposure to credit risk, which would cause a financial loss to the Company due to the failure of the counterparties to discharge its obligation by the Company, comes from the carrying amounts of the respective recognized financial assets as stated in the consolidated balance sheets.

The Company transacted with a large number of customers from various industries and geographical locations. The Company continuously assesses the financial positions of customers.

The Company's credit risk is mainly concentrated in the Company's top three customers, as of September 30, 2024, December 31, 2023 and September 30 2023, the total accounts receivable from the aforementioned customer's ratio of 83% , 74% and 77%, respectively.

3) Liquidity risk

The Company manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Company's operations and mitigate the effects of fluctuations in cash flows.

a) Liquidity and interest risk rate table for non-derivative financial liabilities

The following table details the Company's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows. The maturity dates for other non-derivative financial liabilities were based on the agreed upon repayment dates.

September 30, 2024

	Less than		
	1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>	<u>1 Year</u>	<u>1-5 Years</u>	<u>5+ Years</u>
Lease liabilities	\$ 12,389	\$ 32,218	\$ 130,607
Notes payable	33,157	-	-
Accounts payable	176,973	-	-
Other payables	<u>125,533</u>	<u>-</u>	<u>-</u>
	<u>\$ 348,052</u>	<u>\$ 32,218</u>	<u>\$ 130,607</u>

Further information on the maturity analysis of the above financial liabilities was as follows:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$12,389</u>	<u>\$32,218</u>	<u>\$29,350</u>	<u>\$29,350</u>	<u>\$29,350</u>	<u>\$ 42,557</u>

December 31, 2023

	Less than 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>			
Lease liabilities	\$ 10,549	\$ 30,306	\$ 135,009
Notes payable	27,435	-	-
Accounts payable	128,782	-	-
Other payables	123,721	-	-
Fixed interest rate liabilities	<u>30,000</u>	<u>-</u>	<u>-</u>
	<u>\$ 320,487</u>	<u>\$ 30,306</u>	<u>\$ 135,009</u>

Further information on the maturity analysis of the above financial liabilities was as follows:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Fixed interest rate liabilities	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ -
Lease liabilities	<u>10,549</u>	<u>30,306</u>	<u>29,350</u>	<u>29,350</u>	<u>29,350</u>	<u>46,959</u>
	<u>\$40,549</u>	<u>\$30,306</u>	<u>\$29,350</u>	<u>\$29,350</u>	<u>\$29,350</u>	<u>\$46,959</u>

September 30, 2023

	Less than 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>			
Lease liabilities	\$ 11,033	\$ 31,497	\$ 136,477
Notes payable	29,835	-	-
Accounts payable	110,025	-	-
Other payables	<u>130,522</u>	<u>-</u>	<u>-</u>
	<u>\$ 281,415</u>	<u>\$ 31,497</u>	<u>\$ 136,477</u>

Further information on the maturity analysis of the above financial liabilities was as follows:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 11,003</u>	<u>\$31,497</u>	<u>\$29,350</u>	<u>\$29,350</u>	<u>\$29,350</u>	<u>\$48,427</u>

b) Financing facilities

	September 30, 2024	December 31, 2023	September 30, 2023
Uncollateralized Bank loan facilities			
Amount used	\$ -	\$ 30,000	\$ -
Amount unused	<u>689,900</u>	<u>554,230</u>	<u>593,620</u>
	<u>\$ 689,900</u>	<u>\$ 584,230</u>	<u>\$ 593,620</u>

	September 30, 2024	December 31, 2023	September 30, 2023
Collateralized Bank loan facilities			
Amount used	\$ -	\$ -	\$ -
Amount unused	<u>72,795</u>	<u>70,622</u>	<u>96,810</u>
	<u>\$ 72,795</u>	<u>\$ 70,622</u>	<u>\$ 96,810</u>

29. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between APEX and its subsidiaries, which are related parties of APEX, have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Company and related parties are disclosed as below.

a. Related party name and category

<u>Related Party Name</u>	<u>Relationship with the Company</u>
METERTECH INC.	Others

b. Sales of goods

Line Item	Related Party Category/Name	For the Three Months Ended		For the Nine Months Ended	
		September 30		September 30	
		2024	2023	2024	2023
Sales	Others	<u>\$ 122</u>	<u>\$ 192</u>	<u>\$ 183</u>	<u>\$ 411</u>

c. Purchases of goods

Line Item	Related Party Category/Name	For the Three Months Ended		For the Nine Months Ended	
		September 30		September 30	
		2024	2023	2024	2023
Cost of goods sold	Others	<u>\$ 740</u>	<u>\$ 2,072</u>	<u>\$ 4,712</u>	<u>\$ 5,418</u>

The Company has no comparable counterparties to compare with the sales and purchase prices of related parties. The payment terms for sales and purchases of related parties and unrelated parties were 30 to 150 days after monthly closing or after receiving the goods.

d. Receivables from related parties

Line Item	Related Party Category/ Name	September 30,	December 31,	September 30,
		2024	2023	2023
		Notes receivable and accounts receivable	Others	<u>\$ 128</u>

The outstanding accounts receivable from related parties are unsecured.

e. Payables to related parties

Line Item	Related Party Category/ Name	September 30,	December 31,	September 30,
		2024	2023	2023
		Accounts payable	Others	<u>\$ -</u>

The outstanding accounts payable from related parties are unsecured and will be settled in cash.

f. Other transactions with related parties

Line Item	Related Party Category/Name	For the Three Months Ended		For the Nine Months Ended	
		September 30		September 30	
		2024	2023	2024	2023
Operating expenses	Others	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25</u>	<u>\$ 6</u>

The Company has no comparable counterparties to compare with the operating expenses of related parties.

g. Compensation of key management personnel

	For the Three Months Ended		For the Nine Months Ended	
	September 30		September 30	
	2024	2023	2024	2023
Short-term benefits	\$ 6,777	\$ 5,657	\$ 16,860	\$ 15,368
Post-employment benefits	<u>71</u>	<u>71</u>	<u>196</u>	<u>198</u>
	<u>\$ 6,848</u>	<u>\$ 5,728</u>	<u>\$ 17,056</u>	<u>\$ 15,566</u>

The remuneration of directors and other key executives, were determined by the remuneration committee, based on the performance of individuals and market trends.

30. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as guarantee for land lease to the Hsinchu Science Park Bureau.

	September 30, 2024	December 31, 2023	September 30, 2023
Pledged time deposits (classified as financial assets at amortized cost)	<u>\$ 6,200</u>	<u>\$ 6,200</u>	<u>\$ 6,200</u>

31. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Company's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies of the entities in the Company and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

September 30, 2024

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 7,873	31.650(USD:NTD)	\$ 249,180
USD	80	7.007(USD:RMB)	2,536
EUR	12,078	35.380	427,320
RMB	7,253	4.523	32,805
JPY	7,742	0.2223	<u>1,721</u>
			<u>\$ 713,562</u>

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial liabilities</u>			
Monetary items			
USD	\$ 1,059	31.650	\$ 33,517
JPY	7,058	0.2223	<u>1,569</u>
			<u>\$ 35,086</u>

December 31, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 8,501	30.705(USD:NTD)	\$ 261,023
USD	68	7.083 (USD:RMB)	2,084
EUR	8,510	33.980	289,170
RMB	6,989	4.327	30,241
JPY	10,132	0.2172	<u>2,201</u>
			<u>\$ 584,719</u>

Financial liabilities

Monetary items			
USD	752	30.705	\$ 23,090
RMB	187	4.327	809
JPY	6,509	0.2172	<u>1,414</u>
			<u>\$ 25,313</u>

September 30, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 7,752	32.270(USD:NTD)	\$ 250,157
USD	20	7.180(USD:RMB)	634
EUR	7,918	33.910	268,499
RMB	4,854	4.415	21,430
JPY	4,449	0.2162	<u>962</u>
			<u>\$ 541,682</u>

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial liabilities</u>			
Monetary items			
USD	\$ 1,051	32.270	\$ 33,916
JPY	7,228	0.2162	<u>1,563</u>
			<u>\$ 35,479</u>

The significant unrealized foreign exchange gains (losses) were as follows:

For the Three Months Ended September 30				
2024			2023	
Foreign Currency	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)
USD	31.650 (USD : NTD)	(\$ 3,732)	32.270 (USD : NTD)	\$ 2,978
EUR	35.380 (EUR : NTD)	(826)	33.910 (EUR : NTD)	(4,418)
RMB	4.5230 (RMB : NTD)	45	4.4150 (RMB : NTD)	305
JPY	0.2223 (JPY : NTD)	(85)	0.2162 (JPY : NTD)	(16)
GBP	42.430 (GBP : NTD)	(2)	39.230 (GBP : NTD)	4
CHF	37.545 (CHF : NTD)	18	35.055 (CHF : NTD)	(14)
AUD	21.930 (AUD : NTD)	<u>3</u>	20.550 (AUD : NTD)	<u>-</u>
		<u>(\$ 4,579)</u>		<u>(\$ 1,161)</u>

For the Nine Months Ended September 30				
2024			2023	
Foreign Currency	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)
USD	31.650 (USD : NTD)	(\$ 2,628)	32.270 (USD : NTD)	\$ 4,938
EUR	35.380 (EUR : NTD)	530	33.910 (EUR : NTD)	286
RMB	4.5230 (RMB : NTD)	79	4.4150 (RMB : NTD)	88
JPY	0.2223 (JPY : NTD)	23	0.2162 (JPY : NTD)	41
CHF	37.545 (CHF : NTD)	72	35.055 (CHF : NTD)	12
AUD	21.930 (AUD : NTD)	<u>4</u>	20.550 (AUD : NTD)	<u>-</u>
		<u>(\$ 1,920)</u>		<u>\$ 5,365</u>

32. SEPARATELY DISCLOSED ITEMS

Except for items (a) to (g), there are no other significant transactions, information on investees and information on investment in mainland China and major shareholder that should be disclosed.

a. Financing provided to others

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

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reason for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 2)
													Item	Value		
0	APEX	Omnis	Other receivables - related parties	Yes	\$ 63,300 (USD2,000 thousand)	\$ - (USD - thousand)	\$ - (USD - thousand)	4.30%~5.30%	The need for short-term financing	\$ -	Operating capital	\$ -	-	\$ -	\$ 533,112	\$ 710,817
		Omnis	Other receivables - related parties	Yes	\$ 56,970 (USD1,800 thousand)	\$ 56,970 (USD1,800 thousand)	37,980 (USD1,200 thousand)	4.57%~5.12%	The need for short-term financing	-	Operating capital	-	-	-	\$ 533,112	\$ 710,817

Note 1 : Financing limit for each borrower in the Group which APEX directly or indirectly owns more than 20% of its voting shares, shall not exceed 30% of APEX's net equity as stated in latest financial statements.

Note 2 : The aggregate financing limit shall not exceed 40% of APEX's net equity as stated in latest financial statements.

b. Endorsements/guarantees provided

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

No.	Endorser/Guarantor	Endorsee/Guaranteee		Limit on Endorsement/Guarantee Given on Behalf of Each Party (Note 1)	Maximum Amount Endorsed/Guaranteed During the Period	Outstanding Endorsement/Guarantee at the End of the Period	Actual Amount Borrowed	Amount Endorsed/Guaranteed by Collateral	Ratio of Accumulated Endorsement/Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/Guarantee Limit (Note 2)	Endorsement/Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
0	APEX	Omnis	Subsidiary	\$ 355,408	\$ 56,970 (USD 1,800 thousand)	\$ 56,970 (USD 1,800 thousand)	\$ - (USD - thousand)	\$ 56,970	3.21	\$ 888,521	Yes	No	No

Note 1 : Limit on endorsements/guarantees given on behalf of each party shall not exceed 20% of APEX's net equity as stated in latest financial statements.

Note 2 : The aggregate endorsements/guarantees limit shall less than 50% of APEX's net equity as stated in latest financial statements.

c. Marketable securities held

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2024			
				Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value
APEX	Shares : Lytone Enterprise, Inc.	—	FVTPL- current	2,131,800	\$ 49,138	12	\$ 49,138
	Shares : Ascendax Venture Capital Corporation	—	FVTPL- current	863,940	10,765	2	10,765
	H2 INC.	—	FVTPL- current	899,646	-	1	-
	Shares : Shieh-tai Biochemical Technology Co., Ltd.	—	FVTPL- current	372,000	-	1	-

Note : The marketable securities listed above were not pledged, guarantees or otherwise restricted by contract as of September 30, 2024.

d. Intercompany relationships and significant transactions

For the Nine Months Ended September 30, 2024

No.	Company Name	Counterparty	Relationship (Note 1)	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms (Note 2)	% to Total Revenues or Assets
0	APEX	APEX(Suzhou)	1	Sales	\$ 8,111	—	0.58%
				Net receivable-from related parties	5,704	—	0.24%
				Purchase	4,553	—	0.33%
				Account payables-related parties	1,493	—	0.06%
		Omnis	1	Sales	40,836	—	2.92%
				Other operating revenue	19	—	-
				Sales returns	(1,418)	—	(0.10%)
				Interest revenue	1,424	—	0.10%
				Net receivable from related parties	20,925	—	0.90%
				Other receivables from related parties	38,953	—	1.67%
1	APEX(Suzhou)	Omnis	2	Sales	7,226	—	0.52%

Note 1 : The transactions from the parent company to the subsidiary are denoted as 1. The transactions between two subsidiaries are denoted as 2.

Note 2 : The Company has no comparable counterparties to compare with the sales prices of subsidiaries. The payment terms for sales with subsidiaries were 120 to 150 days after monthly closing.

e. Information on investees

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

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of September 30, 2024			Net Income (Loss) of the Investee	Share of Profit (Loss)
				September 30, 2024	December 31, 2023	Shares/Units	(%)	Carrying Amount		
APEX	Omnis	USA	Wholesale of medical consumable and medical equipment	\$ 526,613	\$ 526,613	70,312,094	99	\$ 25,018	\$ 347	\$ 343

f. Information on investment in mainland China

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

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2024	Investment Flow		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2024	Net Income (Loss) of the Investee	% Ownership for Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of September 30, 2024	Accumulated Repatriation of Investment Income as of September 30, 2024
					Outflow	Inflow						
APEX (Suzhou)	Wholesale of medical consumable and medical equipment	\$ 35,394 (RMB 7,000 thousand)	(Note 1)	\$ 33,975 (RMB 6,700 thousand)	\$ -	\$ -	\$ 33,975 (RMB 6,700 thousand)	\$2,198	96%	\$2,104	\$6,786	\$ -

Accumulated Outward Remittance for Investment in Mainland China as of September 30, 2024	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amounts of Investment Stipulated by Investment Commission, MOEA
\$33,975 (RMB 6,700 thousand)	\$33,975 (RMB 6,700 thousand)	\$1,066,226

Note 1 : Direct investment in mainland China.

Note 2 : The amount was recognized based on the unreviewed financial statements of the investee company.

g. Information of major shareholders

Name of shareholders with ownership of 5% or greater, amount and proportion of shareholding.

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership
Yen Shih Shen	9,744,579	9.74%
SANYANG MOTOR CO., LTD.	7,356,000	7.35%

33. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of products. Each product has similar economic characteristics and sales through the centralized sales approach, thus, the Company aggregated into a one operating segment. The segment information presented to the chief operating decision maker are consistent with the information in the financial statements. The segment revenues and operating results for the nine months ended September 30, 2024 and 2023 are shown in the comprehensive income statements for the nine months ended September 30, 2024 and 2023. The segment assets as of September 30, 2024, December 31, 2023 and September 30, 2023 are shown in the consolidated balance sheets as of September 30, 2024, December 31, 2023 and September 30, 2023.