

**Apex Biotechnology Corporation and
Subsidiaries**

**Consolidated Financial Statements for the
Three Months Ended March 31, 2026 and 2025 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 March 31, 2026 and 2025, and the related consolidated statements of comprehensive income, the consolidated statement of changes in equity and cash flows for the three months ended March 31, 2026 and 2025, 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 March 31, 2026 and 2025, the combined total assets of these non-significant subsidiaries were NT\$25,523 thousand and NT\$19,580 thousand, respectively, representing 1.03% and 0.80%, respectively, of the consolidated total assets, and the combined total liabilities of these non-significant subsidiaries were NT\$8,465 thousand and NT\$9,566 thousand, respectively, representing 1.27% and 1.41%, respectively, of the consolidated total liabilities. For the three months ended March 31, 2026 and 2025, the combined comprehensive income of these

subsidiaries were NT\$1,373 thousand and NT\$(217) thousand, respectively, representing 1.67% and (0.35)%, respectively, of the consolidated total comprehensive income.

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 present fairly, in all material respects, the consolidated financial position of the Company as of March 31, 2026 and 2025, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2026 and 2025 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 Ming Hui Chen.

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 8, 2026

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	March 31, 2026		December 31, 2025		March 31, 2025		LIABILITIES AND EQUITY	March 31, 2026		December 31, 2025		March 31, 2025	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
Current assets							Current liabilities						
Cash (Note 6)	\$ 593,961	24	\$ 567,091	24	\$ 526,621	21	Contract liabilities - current (Note 21)	9,542	-	7,233	-	28,880	1
Financial assets at fair value through profit or loss – current (Note 7)	73,961	3	77,275	3	68,147	3	Notes payable (Note 16)	49,459	2	39,187	2	42,285	2
Notes and accounts receivable, net (Notes 9, 21 and 28)	498,646	20	437,799	18	446,928	18	Accounts payable (Notes 16 and 28)	181,272	7	192,508	8	182,417	7
Other receivables (Note 9)	12,791	1	9,806	-	13,489	1	Dividends payable (Note 20)	129,935	5	-	-	119,940	5
Inventories (Note 10)	559,174	22	561,834	23	605,401	25	Other payables (Note 17)	136,731	6	144,308	6	121,556	5
Other current assets (Note 15)	20,776	1	19,793	1	18,833	1	Current tax liabilities (Notes 4 and 23)	31,792	1	25,876	1	40,906	2
Total current assets	<u>1,759,309</u>	<u>71</u>	<u>1,673,598</u>	<u>69</u>	<u>1,679,419</u>	<u>69</u>	Current provisions (Note 18)	12,483	1	12,180	1	12,556	1
							Lease liabilities - current (Note 13)	6,579	-	7,692	-	9,009	-
							Other current liabilities (Note 17)	3,111	-	3,062	-	3,287	-
							Total current liabilities	<u>560,904</u>	<u>23</u>	<u>432,046</u>	<u>18</u>	<u>560,836</u>	<u>23</u>
Non-current assets							Non-current liabilities						
Financial assets at amortized cost - non-current (Notes 8 and 29)	6,200	-	6,200	-	6,200	-	Deferred tax liabilities (Notes 4 and 23)	3,249	-	10,819	1	8,457	-
Property, plant and equipment (Note 12)	541,814	22	552,203	23	575,594	24	Lease liabilities - non-current (Note 13)	101,824	4	101,982	4	107,324	5
Right-of-use assets (Note 13)	99,275	4	100,440	4	108,028	4	Guarantee deposits received	481	-	468	-	476	-
Intangible assets (Note 14)	34,232	1	35,710	2	38,855	2	Total non-current liabilities	<u>105,554</u>	<u>4</u>	<u>113,269</u>	<u>5</u>	<u>116,257</u>	<u>5</u>
Deferred tax assets (Notes 4 and 23)	6,164	-	12,795	1	12,811	-							
Prepayments for business facilities	10,480	1	2,926	-	3,760	-	Total liabilities	<u>666,458</u>	<u>27</u>	<u>545,315</u>	<u>23</u>	<u>677,093</u>	<u>28</u>
Refundable deposits	3,988	-	4,079	-	4,257	-							
Net defined benefit asset, non-current (Notes 4 and 19)	27,804	1	27,854	1	14,949	1	Equity attributable to shareholders of the parent (Note 20)						
Total non-current assets	<u>729,957</u>	<u>29</u>	<u>742,207</u>	<u>31</u>	<u>764,454</u>	<u>31</u>	Share capital						
							Ordinary shares	999,502	40	999,502	41	999,502	41
							Capital surplus	68,368	3	68,368	3	68,368	3
							Retained earnings						
							Legal reserve	541,607	22	541,607	23	528,094	22
							Unappropriated earnings	200,967	8	249,627	10	158,050	6
							Total retained earnings	742,574	30	791,234	33	686,144	28
							Other equity	11,475	-	10,612	-	12,161	-
							Equity attributable to shareholders of the parent	1,821,919	73	1,869,716	77	1,766,175	72
							Non-controlling interests (Note 20)	889	-	774	-	605	-
							Total equity	<u>1,822,808</u>	<u>73</u>	<u>1,870,490</u>	<u>77</u>	<u>1,766,780</u>	<u>72</u>
Total assets	<u>\$2,489,266</u>	<u>100</u>	<u>\$2,415,805</u>	<u>100</u>	<u>\$2,443,873</u>	<u>100</u>	Total liabilities and equity	<u>\$2,489,266</u>	<u>100</u>	<u>\$2,415,805</u>	<u>100</u>	<u>\$2,443,873</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche review report dated May 8, 2026)

APEX BIOTECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

	Note	For the Three Months Ended March 31			
		2026		2025	
		Amount	%	Amount	%
NET OPERATING REVENUE	21,28	\$ 519,723	100	\$ 558,753	100
OPERATING COSTS	10,22,28	<u>344,059</u>	<u>66</u>	<u>396,094</u>	<u>71</u>
GROSS PROFIT		<u>175,664</u>	<u>34</u>	<u>162,659</u>	<u>29</u>
OPERATING EXPENSES	9,22				
Selling and marketing expenses		25,148	5	24,153	4
General and administrative expenses		35,139	7	33,524	6
Research and development expenses		37,232	7	40,444	7
Expected credit loss (gain)		<u>(9,066)</u>	<u>(2)</u>	<u>8,338</u>	<u>2</u>
Total operating expenses		<u>88,453</u>	<u>17</u>	<u>106,459</u>	<u>19</u>
INCOME FROM OPERATIONS		<u>87,211</u>	<u>17</u>	<u>56,200</u>	<u>10</u>
NON-OPERATING INCOME AND EXPENSES					
Interest income	22	219	-	88	-
Other income	22,25	191	-	412	-
Other gains and losses	22	122	-	24,543	4
Finance costs	22	<u>(829)</u>	<u>-</u>	<u>(880)</u>	<u>-</u>
Total non-operating income and expenses		<u>(297)</u>	<u>-</u>	<u>24,163</u>	<u>4</u>
INCOME BEFORE INCOME TAX		86,914	17	80,363	14
INCOME TAX EXPENSE	4,23	<u>(5,544)</u>	<u>(1)</u>	<u>(18,375)</u>	<u>(3)</u>
NET INCOME		81,370	16	61,988	11

(Continued)

APEX BIOTECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

	Note	For the Three Months Ended March 31			
		2026		2025	
		Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)	20				
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of the financial statements of foreign operations		\$ 883	-	\$ 501	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>\$ 82,253</u>	<u>16</u>	<u>\$ 62,489</u>	<u>11</u>
NET INCOME (LOSS) ATTRIBUTABLE TO :					
Shareholders of the parent		\$ 81,275	16	\$ 62,027	11
Non-controlling interests		<u>95</u>	<u>-</u>	<u>(39)</u>	<u>-</u>
		<u>\$ 81,370</u>	<u>16</u>	<u>\$ 61,988</u>	<u>11</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO :					
Shareholders of the parent		\$ 82,138	16	\$ 62,518	11
Non-controlling interests		<u>115</u>	<u>-</u>	<u>(29)</u>	<u>-</u>
		<u>\$ 82,253</u>	<u>16</u>	<u>\$ 62,489</u>	<u>11</u>
EARNINGS PER SHARE	24				
Basic		<u>\$ 0.81</u>		<u>\$ 0.62</u>	
Diluted		<u>\$ 0.81</u>		<u>\$ 0.62</u>	

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

(With Deloitte & Touche review report dated May 8, 2026)

(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 ON JANUARY 1, 2025	99,950	\$ 999,502	\$ 68,368	\$ 528,094	\$ 215,963	\$ 11,670	\$ 1,823,597	\$ 634	\$ 1,824,231
Appropriation of 2024 earnings									
Cash dividends -\$1.2 per share	-	-	-	-	(119,940)	-	(119,940)	-	(119,940)
Net income (loss) for the three months ended									
March 31, 2025	-	-	-	-	62,027	-	62,027	(39)	61,988
Other comprehensive income (loss) for the three									
months ended March 31,2025, net of Income tax	-	-	-	-	-	491	491	10	501
Total comprehensive income (loss) for the three									
months ended March 31,2025	-	-	-	-	62,027	491	62,518	(29)	62,489
BALANCE ON MARCH 31, 2025	99,950	\$ 999,502	\$ 68,368	\$ 528,094	\$ 158,050	\$ 12,161	\$ 1,766,175	\$ 605	\$ 1,766,780
BALANCE ON JANUARY 1, 2026	99,950	\$ 999,502	\$ 68,368	\$ 541,607	\$ 249,627	\$ 10,612	\$ 1,869,716	\$ 774	\$ 1,870,490
Appropriation of 2025 earnings									
Cash dividends -\$1.3 per share	-	-	-	-	(129,935)	-	(129,935)	-	(129,935)
Net income (loss) for the three months ended									
March 31, 2026	-	-	-	-	81,275	-	81,275	95	81,370
Other comprehensive income (loss) for the three									
months ended March 31,2026, net of Income tax	-	-	-	-	-	863	863	20	883
Total comprehensive income (loss) for the three									
months ended March 31,2026	-	-	-	-	81,275	863	82,138	115	82,253
BALANCE ON MARCH 31, 2026	99,950	\$ 999,502	\$ 68,368	\$ 541,607	\$ 200,967	\$ 11,475	\$ 1,821,919	\$ 889	\$ 1,822,808

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

(With Deloitte & Touche review report dated May 8, 2026)

APEX BIOTECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31	
	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 86,914	\$ 80,363
Adjustments for :		
Depreciation expense	12,857	14,020
Amortization expense	1,751	1,834
Expected credit (gain) loss	(9,066)	8,338
Net loss on financial assets at fair value through profit or loss	3,314	3,952
Finance costs	829	880
Interest income	(219)	(88)
Property, plant and equipment transferred to expenses	1,021	-
Impairment loss on non-financial assets	3,370	2,920
Unrealized foreign exchange gain	(1,438)	(27,504)
Changes in operating assets and liabilities		
Notes receivable and accounts receivable	(51,182)	(90,449)
Other receivables	(2,985)	(5,405)
Inventories	(710)	54,170
Other current assets	(983)	2,237
Contract liabilities	2,309	(29,398)
Notes payable	10,272	(922)
Accounts payable	(12,034)	(14,166)
Other payables	(6,347)	(11,417)
Provisions	303	431
Other current liabilities	49	88
Net defined benefit assets	<u>50</u>	<u>126</u>
Cash generated from operations	38,075	(9,990)
Interest received	219	84
Interest paid	(829)	(880)
Income taxes paid	<u>(571)</u>	<u>(634)</u>

(Continued)

APEX BIOTECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31	
	2026	2025
Net cash generated from (used in) operating activities	\$ <u>36,894</u>	(\$ <u>11,420</u>)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(2,282)	(4,592)
Decrease (Increase) in refundable deposits	107	(84)
Acquisition of intangible assets	-	(839)
Decrease (Increase) in prepayments for business facilities	(<u>7,554</u>)	<u>3,038</u>
Net cash used in investing activities	(<u>9,729</u>)	(<u>2,477</u>)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	14,398	19,923
Decrease in short-term loans	(14,398)	(19,923)
Payments of lease liabilities	(<u>2,534</u>)	(<u>2,488</u>)
Net cash used in financing activities	(<u>2,534</u>)	(<u>2,488</u>)
EFFECT OF EXCHANGE RATE CHANGES ON CASH	<u>2,239</u>	<u>10,321</u>
NET INCREASE (DECREASE) IN CASH	26,870	(6,064)
CASH, BEGINNING OF THE PERIOD	<u>567,091</u>	<u>532,685</u>
CASH, END OF THE PERIOD	<u>\$ 593,961</u>	<u>\$ 526,621</u>

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

(With Deloitte & Touche review report dated May 8, 2026)

(Concluded)

APEX BIOTECHNOLOGY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Apex Biotechnology Corporation (“APEX”) was incorporated on December 2, 1997, and is primarily engaged in the research, development, production, manufacturing, and sale of biochemical testing instruments and proprietary test strips, as well as the import and export of products and components related to its 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 May 8, 2026.

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 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 in issue but not yet endorsed and issued into effect by the FSC

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
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 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027 (Note 2)
IFRS 19 “Subsidiaries without Public Accountability: Disclosures” (including the 2025 amendments to IFRS 19)	January 1, 2027
Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”	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.

Note 2: On September 25, 2025, the FSC announced that IFRS 18 will take effect starting from January 1, 2028. Domestic entities could elect to apply IFRS 18 for an earlier period after the endorsement of IFRS 18 by the FSC.

IFRS 18 “Presentation and Disclosure in Financial Statements”

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

- To classify items of income and expenses presented in the statement of profit or loss into the operating, investing, financing, income taxes and discontinued operations categories, the Company shall assess whether it has specified main business activities of investing in particular types of assets and providing financing to customers.
- 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.

In addition, the following consequential amendments have been made to IAS 7 “Statement of Cash Flows”:

- The Company shall use operating profit or loss as the starting point when presenting cash flows from operating activities under the indirect method.
- Interest and dividends received by the Company shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. However, if, after assessment, the Company has a specific main operating activity, it shall determine how to classify dividends received, interest received and interest paid in the statement of cash flows by referring to how it classifies dividend income, interest income and interest expense in the statement of profit or loss. The total of each of these cash flows shall be classified in a single category in the statement of cash flows.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Company is continuously assessing the other impacts of the above amended standards and interpretations 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 31 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, 2025.

1) 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.

2) 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

In the application of the Company's accounting policies, management is required to make judgments, estimations, and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

When developing material accounting estimates, the Company considers the possible impact of inflation, interest rate fluctuations and US reciprocal tariffs 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, 2025.

6. CASH

	March 31, 2026	December 31, 2025	March 31, 2025
Cash on hand	\$ 381	\$ 400	\$ 318
Demand deposits	<u>593,580</u>	<u>566,691</u>	<u>526,303</u>
	<u>\$ 593,961</u>	<u>\$ 567,091</u>	<u>\$ 526,621</u>

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Financial assets at FVTPL -current</u>			
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
Domestic emerging market shares	\$ 58,585	\$ 61,164	\$ 54,041
Domestic and foreign unlisted shares	<u>15,376</u>	<u>16,111</u>	<u>14,106</u>
	<u>\$ 73,961</u>	<u>\$ 77,275</u>	<u>\$ 68,147</u>

8. FINANCIAL ASSETS AT AMORTIZED COST

	March 31, 2026	December 31, 2025	March 31, 2025
<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 ranges of interest rates for time deposits with original maturities of more than 3 months were all 1.750% per annum as of March 31,2026, December 31,2025, and March 31, 2025.
- b. Refer to Note 29 for information relating to investments in financial assets at amortized cost pledged as security.

9. NOTES RECEIVABLE, ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Notes receivable</u>			
Notes receivable - operating	<u>\$ 3,814</u>	<u>\$ 6,851</u>	<u>\$ 2,876</u>
<u>Accounts receivable</u>			
At amortized cost			
Gross carrying amount	\$ 497,008	\$ 442,147	\$ 454,100
Less: Allowance for impairment loss	<u>(2,176)</u>	<u>(11,199)</u>	<u>(10,048)</u>
	<u>494,832</u>	<u>430,948</u>	<u>444,052</u>
	<u>\$ 498,646</u>	<u>\$ 437,799</u>	<u>\$ 446,928</u>

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Other receivables</u>			
Tax receivable	\$ 11,803	\$ 8,083	\$ 11,960
Others	<u>988</u>	<u>1,723</u>	<u>1,529</u>
	<u>\$ 12,791</u>	<u>\$ 9,806</u>	<u>\$ 13,489</u>

Accounts receivable

The average credit period on sales of goods ranges from 15 to 150 days, and accounts receivable are non-interest bearing. To enhance the credit risk management, new customers are initially granted small credit limits. Once a stable trading relationship and a certain sales volume are established, the Company engages professional credit rating agencies to determine the credit limit based on the relevant reports. This is complemented by ongoing monitoring procedures to ensure timely and appropriate actions are taken to recover overdue receivables. Furthermore, the Company reviews the recoverable amount of each receivable at the reporting date to ensure that the adequate impairment losses are recognized for uncollectible accounts.

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.

March 31, 2026

	1 to 30 Days		31 to 90 Days	91 to 180 Days Past	Over 181 Days Past	
	Not Past Due	Past Due	Past Due	Due	Due	Total
Expected credit loss rate	0.01%	0.04%	0.29%	100%	100%	
Gross carrying amount	\$ 339,976	\$ 91,021	\$ 64,791	\$ 69	\$ 1,851	\$ 497,008
Loss allowance (Lifetime ECLs)	(33)	(39)	(184)	(69)	(1,851)	(2,176)
Amortized cost	<u>\$ 339,943</u>	<u>\$ 90,982</u>	<u>\$ 63,907</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 494,832</u>

December 31, 2025

		1 to 30 Days	31 to 90 Days	91 to 180 Days Past	Over 181 Days Past	
	Not Past Due	Past Due	Past Due	Due	Due	Total
Expected credit loss rate	0.01%	0.07%	0.22%	94.24%	100%	
Gross carrying amount	\$ 303,037	\$ 77,681	\$ 50,433	\$ 139	\$ 10,857	\$ 442,147
Loss allowance (Lifetime ECLs)	(42)	(57)	(112)	(131)	(10,857)	(11,199)
Amortized cost	<u>\$ 302,995</u>	<u>\$ 77,624</u>	<u>\$ 50,321</u>	<u>\$ 8</u>	<u>\$ -</u>	<u>\$ 430,948</u>

March 31, 2025

		1 to 30 Days	31 to 90 Days	91 to 180 Days Past	Over 181 Days Past	
	Not Past Due	Past Due	Past Due	Due	Due	Total
Expected credit loss rate	0%	0.12%	17.23%	100%	100%	
Gross carrying amount	\$ 360,968	\$ 42,669	\$ 48,904	\$ 31	\$ 1,528	\$ 454,100
Loss allowance (Lifetime ECLs)	(9)	(52)	(8,428)	(31)	(1,528)	(10,048)
Amortized cost	<u>\$ 360,959</u>	<u>\$ 42,617</u>	<u>\$ 40,476</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 444,052</u>

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

	For the Three Months Ended March 31	
	2026	2025
Balance on January 1	\$ 11,199	\$ 1,870
Add : Net remeasurement of loss allowance	-	8,338
Less : Net remeasurement of loss allowance	(9,066)	-
Less : Amounts written off	-	(182)
Foreign exchange gains and losses	<u>43</u>	<u>22</u>
Balance on March 31	<u>\$ 2,176</u>	<u>\$ 10,048</u>

10. INVENTORIES

	March 31, 2026	December 31, 2025	March 31, 2025
Finished goods and merchandise	\$ 97,972	\$ 144,399	\$ 102,390
Work in progress	269,070	216,982	282,403
Raw materials	<u>192,132</u>	<u>200,453</u>	<u>220,608</u>
	<u>\$ 559,174</u>	<u>\$ 561,834</u>	<u>\$ 605,401</u>

The cost of inventories recognized as cost of goods sold for the three months ended March 31, 2026 and 2025 were NT\$344,059 thousand and NT\$396,094 thousand, respectively. The cost of goods sold included inventory write-downs for the three months ended March 31, 2026 and 2025 were NT\$3,370 thousand and NT\$2,920 thousand respectively.

11. SUBSIDIARIES

The consolidated financial statements include subsidiaries which are as follows:

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Remark
			March 31, 2026	December 31, 2025	March 31, 2025	
APEX	Omnis Health LLC	Engaged in the import and export of medical devices	99%	99%	99%	-
	Apex Biotechnology (Suzhou) Corporation	Engaged in the import and export of medical devices	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 on January 1, 2026	\$261,675	\$605,024	\$517,206	\$ 54,982	\$ 4,218	\$ 21,412	\$207,813	\$ 10,452	\$1,682,782
Additions	-	144	349	-	-	-	103	451	1,047
Disposals	-	-	(181)	-	-	-	(95)	(1,021)	(1,297)
Reclassification	-	-	821	-	-	-	385	(1,206)	-
Effects of exchange rate changes	-	-	27	-	-	11	25	-	63
Balance on March 31, 2026	<u>\$261,675</u>	<u>\$605,168</u>	<u>\$518,222</u>	<u>\$ 54,982</u>	<u>\$ 4,218</u>	<u>\$ 21,423</u>	<u>\$208,231</u>	<u>\$ 8,676</u>	<u>\$1,682,595</u>

(Continued)

	Land	Buildings	Machinery Equipment	Testing Equipment	Transportation Equipment	Office Equipment	Miscellaneous Equipment	Equipment under Acceptance	Total
<u>Accumulated depreciation</u>									
Balance on January 1, 2026	\$ -	\$397,531	\$478,325	\$ 39,296	\$ 2,279	\$ 18,088	\$195,060	\$ -	\$ 1,130,579
Depreciation expenses	-	4,006	3,282	1,247	174	366	1,349	-	10,424
Disposals	-	-	(181)	-	-	-	(95)	-	(276)
Effects of exchange rate changes	-	-	22	-	-	9	23	-	54
Balance on March 31, 2026	<u>\$ -</u>	<u>\$401,537</u>	<u>\$481,448</u>	<u>\$ 40,543</u>	<u>\$ 2,453</u>	<u>\$ 18,463</u>	<u>\$196,337</u>	<u>\$ -</u>	<u>\$1,140,781</u>
Carrying amount on March 31, 2026	<u>\$261,675</u>	<u>\$203,631</u>	<u>\$ 36,774</u>	<u>\$ 14,439</u>	<u>\$ 1,765</u>	<u>\$ 2,960</u>	<u>\$ 11,894</u>	<u>\$ 8,676</u>	<u>\$ 541,814</u>
Carrying amount on December 31, 2025 and									
January 1, 2026	<u>\$261,675</u>	<u>\$207,493</u>	<u>\$ 38,881</u>	<u>\$ 15,686</u>	<u>\$ 1,939</u>	<u>\$ 3,324</u>	<u>\$ 12,753</u>	<u>\$ 10,452</u>	<u>\$ 552,203</u>
<u>Cost</u>									
Balance on January 1, 2025	\$261,675	\$605,024	\$509,706	\$ 52,054	\$ 4,218	\$ 22,158	\$205,884	\$ 12,467	\$ 1,673,186
Additions	-	-	1,268	476	-	402	341	3,469	5,956
Disposals	-	-	-	-	-	-	(41)	-	(41)
Reclassification	-	-	2,896	-	-	-	123	(3,019)	-
Effects of exchange rate changes	-	-	20	-	-	8	18	-	46
Balance on March 31, 2025	<u>\$261,675</u>	<u>\$605,024</u>	<u>\$513,890</u>	<u>\$ 52,530</u>	<u>\$ 4,218</u>	<u>\$ 22,568</u>	<u>\$206,325</u>	<u>\$ 12,917</u>	<u>\$1,679,147</u>
<u>Accumulated depreciation</u>									
Balance on January 1, 2025	\$ -	\$379,972	\$466,127	\$ 33,965	\$ 1,583	\$ 18,020	\$192,335	\$ -	\$1,092,002
Depreciation expenses	-	4,857	3,294	1,326	174	361	1,544	-	11,556
Disposals	-	-	-	-	-	-	(41)	-	(41)
Effects of exchange rate changes	-	-	14	-	-	6	16	-	36
Balance on March 31, 2025	<u>\$ -</u>	<u>\$384,829</u>	<u>\$469,435</u>	<u>\$ 35,291</u>	<u>\$ 1,757</u>	<u>\$ 18,387</u>	<u>\$193,854</u>	<u>\$ -</u>	<u>\$1,103,553</u>
Carrying amount on March 31, 2025	<u>\$261,675</u>	<u>\$220,195</u>	<u>\$ 44,455</u>	<u>\$ 17,239</u>	<u>\$ 2,461</u>	<u>\$ 4,181</u>	<u>\$ 12,471</u>	<u>\$ 12,917</u>	<u>\$ 575,594</u>

(Concluded)

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

No impairment loss recognized or reversed for the three months ended March 31, 2026 and 2025.

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	3-16 years
Machinery equipment	5-10 years
Testing equipment	3-10 years
Transportation equipment	5-10 years
Office equipment	3-7 years
Miscellaneous equipment	2-20 years

13. LEASE ARRANGEMENTS

a. Right-of-use assets

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Carrying amount</u>			
Land	\$ 92,789	\$ 93,690	\$ 96,392
Buildings	3,480	3,355	7,077
Transportation equipment	1,780	2,035	2,798
Office equipment	<u>1,226</u>	<u>1,360</u>	<u>1,761</u>
	<u>\$ 99,275</u>	<u>\$ 100,440</u>	<u>\$ 108,028</u>

	For the Three Months Ended March 31	
	2026	2025
Additions to right-of-use assets	<u>\$ 1,213</u>	<u>\$ -</u>
Depreciation charge for right-of-use assets		
Land	\$ 901	\$ 901
Buildings	1,143	1,175
Transportation equipment	255	254
Office equipment	<u>134</u>	<u>134</u>
	<u>\$ 2,433</u>	<u>\$ 2,464</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 three months ended March 31, 2026 and 2025.

b. Lease liabilities

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Carrying amount</u>			
Current	\$ <u>6,579</u>	\$ <u>7,692</u>	\$ <u>9,009</u>
Non-current	\$ <u>101,824</u>	\$ <u>101,982</u>	\$ <u>107,324</u>

Range of discount rate for lease liabilities was as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Land	2.93%	2.93%	2.93%
Buildings	0.86%-3.60%	0.86%-3.45%	0.86%-3.45%
Transportation equipment	5.78%	5.78%	5.78%
Office equipment	5.78%	5.78%	5.78%

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 March 31	
	2026	2025
Expenses relating to short-term leases	\$ <u>310</u>	\$ <u>378</u>
Total cash outflow for leases	\$ <u>(3,661)</u>	\$ <u>(3,732)</u>

The Company leases certain office buildings and equipment which qualify as short-term leases. The Company has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

14. INTANGIBLE ASSETS

	Software	Trademarks	Patents	Customer Relationship	Total
<u>Cost</u>					
Balance on January 1, 2026	\$ 19,295	\$ 155,582	\$ 33,632	\$ 101,205	\$ 309,714
Effects of exchange rate changes	-	2,712	-	1,819	4,531
Balance on March 31, 2026	<u>\$ 19,295</u>	<u>\$ 158,294</u>	<u>\$ 33,632</u>	<u>\$ 103,024</u>	<u>\$ 314,245</u>
<u>Accumulated amortization</u>					
Balance on January 1, 2026	\$ 16,373	\$ 138,800	\$ 17,626	\$ 101,205	\$ 274,004
Amortization expenses	223	1,057	471	-	1,751
Effects of exchange rate changes	-	2,439	-	1,819	4,258
Balance on March 31, 2026	<u>\$ 16,596</u>	<u>\$ 142,296</u>	<u>\$ 18,097</u>	<u>\$ 103,024</u>	<u>\$ 280,013</u>
Carrying amount on March 31, 2026	<u>\$ 2,699</u>	<u>\$ 15,998</u>	<u>\$ 15,535</u>	<u>\$ -</u>	<u>\$ 34,232</u>
Carrying amounts on December 31,					
2025 and January 1, 2026	<u>\$ 2,922</u>	<u>\$ 16,782</u>	<u>\$ 16,006</u>	<u>\$ -</u>	<u>\$ 35,710</u>
<u>Cost</u>					
Balance on January 1, 2025	\$ 19,295	\$ 162,085	\$ 29,633	\$ 105,568	\$ 316,581
Additions	-	-	839	-	839
Effects of exchange rate changes	-	2,014	-	1,352	3,366
Balance on March 31, 2025	<u>\$ 19,295</u>	<u>\$ 164,099</u>	<u>\$ 30,472</u>	<u>\$ 106,920</u>	<u>\$ 320,786</u>
<u>Accumulated amortization</u>					
Balance on January 1, 2025	\$ 15,281	\$ 140,241	\$ 15,895	\$ 105,568	\$ 276,985
Amortization expenses	301	1,100	433	-	1,834
Effects of exchange rate changes	-	1,760	-	1,352	3,112
Balance on March 31, 2025	<u>\$ 15,582</u>	<u>\$ 143,101</u>	<u>\$ 16,328</u>	<u>\$ 106,920</u>	<u>\$ 281,931</u>
Carrying amount on March 31, 2025	<u>\$ 3,713</u>	<u>\$ 20,998</u>	<u>\$ 14,144</u>	<u>\$ -</u>	<u>\$ 38,855</u>

Except for addition and amortization recognized, the Company did not have significant disposal or impairment of intangible assets during the three months ended March 31, 2026 and 2025.

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

Trademarks	6-12 years
Patents	5-26 years
Software	3-10 years

15. OTHER CURRENT ASSETS

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Current</u>			
Prepayments (Note)	\$ 19,044	\$ 18,816	\$ 16,799
Others	<u>1,732</u>	<u>977</u>	<u>2,034</u>
	<u>\$ 20,776</u>	<u>\$ 19,793</u>	<u>\$ 18,833</u>

Note : The prepayments mainly consist of prepaid patents, trademarks, repairs and maintenance, and insurance premiums.

16. NOTES PAYABLE AND ACCOUNTS PAYABLE

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Notes payable</u>			
Operating	<u>\$ 49,459</u>	<u>\$ 39,187</u>	<u>\$ 42,285</u>
 <u>Accounts payable</u>			
Operating	<u>\$ 181,272</u>	<u>\$ 192,508</u>	<u>\$ 182,417</u>

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

17. OTHER LIABILITIES

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Current</u>			
Other payables			
Payables for salaries and bonuses	\$ 47,032	\$ 61,677	\$ 45,627
Payables for employees' compensation and remuneration of directors	25,576	18,753	19,708
Payables for purchases of equipment	325	1,560	2,846
Others (Note)	<u>63,798</u>	<u>62,318</u>	<u>53,375</u>
	<u>\$ 136,731</u>	<u>\$ 144,308</u>	<u>\$ 121,556</u>
	March 31, 2026	December 31, 2025	March 31, 2025
<u>Other liabilities</u>			
Receipts under custody	<u>\$ 3,111</u>	<u>\$ 3,062</u>	<u>\$ 3,287</u>

Note: Other payables mainly consist of consumables, utilities, and cleaning fees, incurred by the Company arising from operations.

18. PROVISIONS

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Current</u>			
Employee benefits (Note)	\$ <u>12,483</u>	\$ <u>12,180</u>	\$ <u>12,556</u>

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

19. RETIREMENT BENEFIT PLANS

For the three months ended March 31, 2026 and 2025, the pension expenses of defined benefit plans were NT\$50 thousand, NT\$127 thousand, respectively, and these were calculated based on the pension cost rate determined by the actuarial calculation on December 31, 2025 and 2024, respectively.

20. EQUITY

a. Ordinary shares

	March 31, 2026	December 31, 2025	March 31, 2025
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

	March 31, 2026	December 31, 2025	March 31, 2025
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
Amount transferred to capital surplus from stock options upon bond redemption	<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 22(g).

The dividend policy shall be conditioned by the business expansion and cash flow need of the company in the futures, the shareholders interest, balance of dividend payment and long-term financial planning shall also be considered. The total dividends amount shall be no less than fifty percent (50%) of the total accumulative distributed profit of the year, amount which the cash dividend ratio shall be no less than twenty percent (20%) of the total dividends.

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 2025 and 2024 were as follows:

	Appropriation of Earnings	
	For the Year Ended	
	December 31	
	2025	2024
Legal reserve	<u>\$ 16,712</u>	<u>\$ 13,513</u>
Cash dividends	<u>\$ 129,935</u>	<u>\$ 119,940</u>
Cash dividends per share (NT\$)	\$ 1.3	\$ 1.2

The above 2025 and 2024 appropriations for cash dividends had been resolved by the board of directors on March 13, 2026 and February 25, 2025, respectively; the other proposed appropriations for 2024 had been resolved by the shareholders in their meeting on May 23, 2025. The other proposed appropriations for 2025 will be resolved by the shareholders in their meetings to be held on May 22, 2026.

d. Other equity items

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

	For the Three Months Ended	
	March 31	
	2026	2025
Balance on January 1	\$ 10,612	\$ 11,670
Recognized for the period		
Exchange differences on the translation of the financial statements of foreign operations	<u>863</u>	<u>491</u>
Balance on March 31	<u>\$ 11,475</u>	<u>\$ 12,161</u>

e. Non-controlling interests

	For the Three Months Ended	
	March 31	
	2026	2025
Balance on January 1	\$ 774	\$ 634
Share in gain (loss) for the period	95	(39)
Other comprehensive income (loss) during the period		
Exchange differences on translating the financial statements of foreign entities	<u>20</u>	<u>10</u>
Balance on March 31	<u>\$ 889</u>	<u>\$ 605</u>

21. REVENUE

	For the Three Months Ended	
	March 31	
	2026	2025
Revenue from contracts with customers		
Revenue from the sale of goods	\$ 518,758	\$ 557,880
Other operating revenue	<u>965</u>	<u>873</u>
	<u>\$ 519,723</u>	<u>\$ 558,753</u>

a. Contract information

Revenue from the sale of goods

The Company estimates the sales discounts using the most likely amount based on historical experience. However, considering that discounts offered by major competitors are more favorable than the initial estimate, the Company determines the amount of revenue to be recognized based on these more competitive discount rates. Other products are sold at fixed prices stipulated in the contracts.

b. Contract balances

	March 31, 2026	December 31, 2025	March 31 2025	January 1, 2025
Accounts receivable (Note 9)	<u>\$ 494,832</u>	<u>\$ 430,948</u>	<u>\$ 444,052</u>	<u>\$ 340,982</u>
Contract liabilities				
Sale of goods	<u>\$ 9,542</u>	<u>\$ 7,233</u>	<u>\$ 28,880</u>	<u>\$ 58,278</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 on the beginning of the year and from the performance obligations satisfied in the previous periods was summarized as follows:

	For the Three Months Ended March 31	
	2026	2025
<u>From contract liabilities at the start of the year</u>		
Sale of goods	<u>\$ 4,323</u>	<u>\$ 38,172</u>

c. Disaggregation of revenue

	For the Three Months Ended March 31	
	2026	2025
USA	\$ 203,002	\$ 289,819
Italy	183,363	151,910
Austria	49,831	66,987
Taiwan	19,769	17,101
Others	<u>63,758</u>	<u>32,936</u>
	<u>\$ 519,723</u>	<u>\$ 558,753</u>

22. NET PROFIT FROM CONTINUING OPERATIONS

a. Interest income

	For the Three Months Ended March 31	
	2026	2025
Bank deposits	\$ <u>219</u>	\$ <u>88</u>

b. Other income

	For the Three Months Ended March 31	
	2026	2025
Rental income	\$ 150	\$ 229
Grant income (Note 25)	-	119
Others	<u>41</u>	<u>64</u>
	\$ <u>191</u>	\$ <u>412</u>

c. Other gains and losses

	For the Three Months Ended March 31	
	2026	2025
Net foreign exchange gains	\$ 3,436	\$ 28,495
Fair value changes of financial assets and financial liabilities		
Financial assets mandatorily classified as at FVTPL	<u>(3,314)</u>	<u>(3,952)</u>
	\$ <u>122</u>	\$ <u>24,543</u>

d. Finance costs

	For the Three Months Ended March 31	
	2026	2025
Interest on lease liabilities	\$ 817	\$ 866
Interest on bank loans	<u>12</u>	<u>14</u>
	\$ <u>829</u>	\$ <u>880</u>

e. Depreciation and amortization

	For the Three Months Ended March 31	
	2026	2025
An analysis of depreciation by function		
Operating costs	\$ 8,483	\$ 9,466
Operating expenses	<u>4,374</u>	<u>4,554</u>
	<u>\$ 12,857</u>	<u>\$ 14,020</u>
An analysis of amortization by function		
Operating costs	\$ 136	\$ 164
Selling and marketing expenses	73	79
General and administrative expenses	1,017	1,063
Research and development expenses	<u>525</u>	<u>528</u>
	<u>\$ 1,751</u>	<u>\$ 1,834</u>

f. Employee benefits expense

	For the Three Months Ended March 31	
	2026	2025
Short-term benefits	\$ 142,248	\$ 139,381
Post-employment benefits		
Defined contribution plan	4,046	3,988
Defined benefit plans (Note 19)	<u>50</u>	<u>127</u>
Total employee benefits expense	<u>\$ 146,344</u>	<u>\$ 143,496</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 83,785	\$ 83,695
Operating expenses	<u>62,559</u>	<u>59,801</u>
	<u>\$ 146,344</u>	<u>\$ 143,496</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 rates of no less than 3% and no higher than 1%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. In accordance with the

amendments to the Securities and Exchange Act in August 2024, the shareholders of the Company resolved the amendments to the Company's Articles at their 2025 regular meeting. The amendments explicitly stipulate the allocation of no less than 50% of the compensation of employees as compensation distributions for non-executive employees. The compensation of employees (including non-executive employees) and the remuneration of directors for the three months ended March 31, 2026 and 2025, are as follows:

Accrual rate

	For the Three Months Ended	
	March 31	
	2026	2025
Compensation of employees	8%	7%
Remuneration of directors	1%	1%

Amount

	For the Three Months Ended	
	March 31	
	2026	2025
Compensation of employees	<u>\$ 7,918</u>	<u>\$ 7,051</u>
Remuneration of directors	<u>\$ 990</u>	<u>\$ 1,007</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 2025 and 2024 that were resolved by the board of directors on March 13, 2026 and February 25, 2025, respectively, are as shown below:

	For the Year Ended December 31			
	2025		2024	
	Cash	Shares	Cash	Shares
Compensation of employees	\$ 16,669	\$ -	\$ 11,650	\$ -
Remuneration of directors	2,084	-	1,664	-

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, 2025 and 2024.

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	
	March 31	
	2026	2025
Foreign exchange gains	\$ 7,276	\$ 31,201
Foreign exchange losses	<u>(3,840)</u>	<u>(2,706)</u>
	<u>\$ 3,436</u>	<u>\$ 28,495</u>

23. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Three Months Ended	
	March 31	
	2026	2025
Current tax		
In respect of the current period	\$ 14,898	\$ 17,024
Adjustments for prior periods	(8,415)	-
Deferred tax		
In respect of the current period	<u>(939)</u>	<u>1,351</u>
Income tax expense recognized in profit or loss	<u>\$ 5,544</u>	<u>\$ 18,375</u>

b. Income tax assessments

The income tax returns through 2024 have been assessed by the tax authorities.

24. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Three Months Ended	
	March 31	
	2026	2025
Basic earnings per share	<u>\$ 0.81</u>	<u>\$ 0.62</u>
Diluted earnings per share	<u>\$ 0.81</u>	<u>\$ 0.62</u>

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	
	March 31	
	2026	2025
Income for the period attributable to shareholders of the parent used in the computation of basic earnings per share and diluted earnings per share	<u>\$ 81,275</u>	<u>\$ 62,027</u>

Number of shares (in thousands)

	For the Three Months Ended	
	March 31	
	2026	2025
Weighted average number of ordinary shares used in the computation of basic earnings per share	99,950	99,950
Effect of potentially dilutive ordinary shares:		
Compensation of employees	<u>716</u>	<u>445</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>100,666</u>	<u>100,395</u>

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.

25. GOVERNMENT GRANTS

For the three months ended March 31, 2025, the Company received subsidies totaling NT\$119 thousand from the Ministry of Labor for the “Enterprise Human Resources Uplift Program. The amounts are included in the “Other Income” line item.

26. CAPITAL MANAGEMENT

The Company manages its capital to ensure that entities in the group will be able to continue as going concerns while maximizing the return to shareholders 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.

Key management personnel of the Company review the capital structure annually. As part of this review, the key management personnel consider the cost of capital and the risks associated with each class of capital. Based on their recommendations, in order to balance the overall capital structure, the Company through the payment of dividends, issuance of new shares, shares repurchased, and the issuance of new debt or the redemption of existing debt.

27. 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

March 31, 2026

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets at FVTPL				
Domestic emerging market shares	\$ -	\$ -	\$ 58,585	\$ 58,585
Domestic unlisted shares	<u>-</u>	<u>-</u>	<u>15,376</u>	<u>15,376</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 73,961</u>	<u>\$ 73,961</u>

December 31, 2025

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets at FVTPL				
Domestic emerging market shares	\$ -	\$ -	\$ 61,164	\$ 61,164
Domestic unlisted shares	<u>-</u>	<u>-</u>	<u>16,111</u>	<u>16,111</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 77,275</u>	<u>\$ 77,275</u>

March 31, 2025

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets at FVTPL				
Domestic emerging market				
shares	\$ -	\$ -	\$ 54,041	\$ 54,041
Domestic and foreign unlisted				
shares	<u>-</u>	<u>-</u>	<u>14,106</u>	<u>14,106</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 68,147</u>	<u>\$ 68,147</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) Investments in domestic emerging market shares and certain domestic and foreign unlisted equity instruments are measured using the market approach. This approach derives value from the prices of comparable companies, adjusted for differences between the subject asset and its comparables, using appropriate multiples. The significant unobservable inputs are as follows: a decrease in the liquidity discount would result in an increase in the fair value of these investments.

	March 31, 2026	December 31, 2025	March 31, 2025
Discount for lack of marketability	9.71%~30%	7.24%~30%	10.00%

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:

	March 31, 2026	December 31, 2025	March 31, 2025
Discount for lack of marketability			
1% increase	<u>\$ (684)</u>	<u>\$ (700)</u>	<u>\$ (600)</u>
1% decrease	<u>\$ 684</u>	<u>\$ 700</u>	<u>\$ 600</u>

- b) Certain domestic unlisted equity instruments are measured using the asset-based approach, which evaluates the total value of individual assets and liabilities to reflect the overall value of the enterprise or business. The significant unobservable inputs are as follows: a decrease in the liquidity discount would result in an increase in the fair value of these investments.

	March 31, 2026	December 31, 2025	March 31, 2025
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Discount for lack of marketability	20%	20%	20%
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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:

	March 31, 2026	December 31, 2025	March 31, 2025
Discount for lack of marketability			
1% increase	\$ (192)	\$ (201)	\$ (176)
1% decrease	\$ 192	\$ 201	\$ 176

c. Categories of financial instruments

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Financial assets</u>			
Financial assets at FVTPL			
Mandatorily classified as at FVTPL	\$ 73,961	\$ 77,275	\$ 68,147
Financial assets measured at amortized cost (Note 1)	1,103,783	1,016,892	985,535
<u>Financial liabilities</u>			
Financial liabilities measured at amortized cost (Note 2)	291,900	292,650	278,132

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 notes payable, accounts payable (including from related parties), other payables 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 30.

Sensitivity analysis

The Company is 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 Three Months Ended		For the Three Months Ended	
	March 31		March 31	
	2026	2025	2026	2025
Profit or loss	\$ <u>1,609</u>	\$ <u>2,185</u>	\$ <u>158</u>	\$ <u>165</u>

	EUR Impact		JPY Impact	
	For the Three Months Ended		For the Three Months Ended	
	March 31		March 31	
	2026	2025	2026	2025
Profit or loss	\$ <u>4,952</u>	\$ <u>3,605</u>	(\$ <u>7</u>)	(\$ <u>8</u>)

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:

	March 31, 2026	December 31, 2025	March 31, 2025
Fair value interest rate risk			
Financial assets	\$ 6,200	\$ 6,200	\$ 6,200
Financial liabilities	108,403	109,674	116,333
Cash flow interest rate risk			
Financial assets	593,580	566,691	526,303

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 three months ended March 31, 2026 and 2025 would have increased/decreased by NT\$148 thousand and NT\$132 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 three months ended March 31, 2026 and 2025 would have increased/decreased by \$NT3,698 thousand and NT\$3,407 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 year, the Company's maximum exposure to credit risk, which would cause a financial loss due to the failure of the counterparties to discharge their obligations, is represented by 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 among its top three customers. As of March 31, 2026, December 31, 2025, and March 31, 2025, the accounts receivable from these customers accounted for 82%, 84%, and 81% of the total accounts receivable, respectively.

3) Liquidity risk

The Company manages liquidity risk by monitoring and maintaining a level of cash 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.

March 31, 2026

	Less than 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>			
Lease liabilities	\$ 9,718	\$ 68,621	\$ 73,743
Notes payable	49,459	-	-
Accounts payable	181,272	-	-
Other payables	<u>136,731</u>	<u>-</u>	<u>-</u>
	<u>\$ 377,180</u>	<u>\$ 68,621</u>	<u>\$ 73,743</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+ Years
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Lease liabilities \$9,718 \$68,621 \$28,214 \$28,214 \$ 17,315
December 31, 2025

	Less than		
	1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>			
Lease liabilities	\$ 10,841	\$ 24,717	\$ 118,498
Notes payable	39,187	-	-
Accounts payable	192,508	-	-
Other payables	<u>144,308</u>	<u>-</u>	<u>-</u>
	<u>\$ 386,844</u>	<u>\$ 24,717</u>	<u>\$ 118,498</u>

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

	Less than		5-10	10-15	15-20	
	1 Year	1-5 Years	Years	Years	Years	20+ Years
Lease liabilities	<u>\$10,841</u>	<u>\$24,717</u>	<u>\$28,214</u>	<u>\$28,214</u>	<u>\$28,214</u>	<u>\$ 33,856</u>

March 31, 2025

	Less than		
	1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>			
Lease liabilities	\$ 12,328	\$ 28,170	\$ 122,730
Notes payable	42,285	-	-
Accounts payable	182,417	-	-
Other payables	<u>121,556</u>	<u>-</u>	<u>-</u>
	<u>\$ 358,586</u>	<u>\$ 28,170</u>	<u>\$ 122,730</u>

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

	Less than		5-10	10-15	15-20	
	1 Year	1-5 Years	Years	Years	Years	20+ Years

Lease liabilities	<u>\$12,328</u>	<u>\$28,170</u>	<u>\$28,214</u>	<u>\$28,214</u>	<u>\$28,214</u>	<u>\$ 38,088</u>
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b) Financing facilities

	March 31, 2026	December 31, 2025	March 31, 2025
Unsecured bank loan facilities			
Amount used	\$ -	\$ -	\$ -
Amount unused	<u>659,975</u>	<u>657,150</u>	<u>666,025</u>
	<u>\$ 659,975</u>	<u>\$ 657,150</u>	<u>\$ 666,025</u>
	March 31, 2026	December 31, 2025	March 31, 2025
Secured bank loan facilities			
Amount used	\$ -	\$ -	\$ -
Amount unused	<u>57,591</u>	<u>56,574</u>	<u>59,769</u>
	<u>\$ 57,591</u>	<u>\$ 56,574</u>	<u>\$ 59,769</u>

28. 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 other related parties are disclosed as follows.

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	
		March 31	
		2026	2025
Sales	Others	<u>\$ 59</u>	<u>\$ -</u>

c. Purchases of goods

For the Three Months Ended	
March 31	

Line Item	Related Party Category/Name	2026	2025
Cost of goods sold	Others	\$ <u>1,018</u>	\$ <u>444</u>

There are no comparable benchmarks available for the purchase prices from related parties. The payment terms for both related and non-related parties are 30 ~ 150 days after the end of the month or upon receipt of goods.

d. Receivables from related parties

Line Item	Related Party Category/Name	March 31, 2026	December 31, 2025	March 31, 2025
Notes receivable and accounts receivable	Others	\$ <u>62</u>	\$ <u>54</u>	\$ <u>-</u>

The outstanding accounts receivable from related parties are unsecured.

e. Payables to related parties

Line Item	Related Party Category/Name	March 31, 2026	December 31, 2025	March 31, 2025
Accounts payable	Others	\$ <u>590</u>	\$ <u>487</u>	\$ <u>155</u>

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

f. Compensation of key management personnel

	For the Three Months Ended	
	March 31	
	2026	2025
Short-term employee benefits	\$ 7,241	\$ 5,736
Post-employment benefits	<u>154</u>	<u>53</u>
	\$ <u>7,395</u>	\$ <u>5,789</u>

The remuneration of directors and other key executives, as determined by the remuneration committee,

is based on the performance of individuals and market trends.

29. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets have been pledged as security deposits for the land lease with the Hsinchu Science Park Bureau.

	March 31, 2026	December 31, 2025	March 31, 2025
Pledged time deposits (classified as financial assets at amortized cost)	\$ <u>6,200</u>	\$ <u>6,200</u>	\$ <u>6,200</u>

30. 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:

March 31, 2026

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 6,741	31.995(USD:NTD)	\$ 215,678
USD	204	6.9194(USD:RMB)	6,534
EUR	13,490	36.710	495,218
RMB	3,405	4.629	15,762
JPY	393	0.2005	<u>79</u>
			<u>\$ 733,271</u>
<u>Financial liabilities</u>			
Monetary items			
USD	1,917	31.995	\$ 61,334

JPY	3,661	0.2005	<u>734</u>
			<u>\$ 62,068</u>

December 31, 2025

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 5,084	31.430(USD:NTD)	\$ 159,790
USD	209	7.0288(USD:RMB)	6,605
EUR	9,478	36.900	349,738
RMB	2,856	4.4960	12,841
JPY	5,951	0.2008	<u>1,195</u>
			<u>\$ 530,169</u>

Financial liabilities

Monetary items

USD	1,910	31.430	\$ 60,031
JPY	2,702	0.2008	543
EUR	7	36.900	258
GBP	34	42.330	<u>1,439</u>
			<u>\$ 62,271</u>

March 31, 2025

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 8,329	33.205(USD:NTD)	\$ 276,564
USD	180	7.1782(USD:RMB)	5,909
EUR	10,021	35.97	360,455
RMB	3,613	4.573	16,522
JPY	3,785	0.2227	<u>843</u>
			<u>\$ 660,293</u>

Financial liabilities

Monetary items

USD	1,928	33.205	\$ 64,019
RMB	1	4.573	5
JPY	7,455	0.2227	<u>1,660</u>
			<u>\$ 65,684</u>

For the three months ended March 31, 2026 and 2025, realized and unrealized net foreign exchange gains were NT\$3,436 thousand and NT28,495 thousand, respectively. It is impractical to disclose net foreign exchange gains and losses by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the entities in the Company.

31. SEPARATELY DISCLOSED ITEMS

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

a. Financing provided to others

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	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	\$ 47,993 (USD1,500 thousand)	\$ - (USD - thousand)	- (USD - thousand)	3.56%-4.34%	The need for short-term financing	-	Operating capital	\$ -	-	\$ -	\$ 546,575	\$ 728,767
		Omnis	Other receivables - related parties	Yes	\$ 41,594 (USD1,300 thousand)	\$ 41,594 (USD1,300 thousand)	31,995 (USD1,000 thousand)	3.59%	The need for short-term financing	-	Operating capital	-	-	-	\$ 546,575	\$ 728,767

Note 1 : The financing limit for any individual borrower within the Group, in which APEX directly or indirectly holds 20% or more of its voting shares, shall not exceed 30% of APEX's net equity as stated in its latest financial statements.

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

b. Endorsements/guarantees provided

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/ Guarantor	Endorsee/Guarantee		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	\$ 364,383	\$ 57,591 (USD 1,800 thousand)	\$ 57,591 (USD 1,800 thousand)	\$ - (USD - thousand)	\$ 57,591	3.16	\$ 910,959	Yes	No	No

Note 1 : The 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. Significant marketable securities held

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2026			
				Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value
APEX	Shares : Lytone Enterprise, Inc.	-	FVTPL- current	2,131,800	\$ 47,795	12	\$ 47,795

Shares : Ascendax Venture Capital Corporation.	—	FVTPL- current	1,263,940	\$ 15,376	2	\$ 15,376
Shares : H2 Inc.	—	FVTPL- current	439,716	10,790	1	10,790

Note1 : The marketable securities listed above were not pledged, guarantees or otherwise restricted by contract as of March 31, 2026.

Note2 : This table presents the marketable securities that the Company has determined should be disclosed based on the materiality principle.

d. Intercompany relationships and significant intercompany transactions

For the Three Months Ended March 31, 2026

No.	Investee Company	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	\$ 2,671	—	0.51%
				Net receivable -related parties	7,618	—	0.31%
		Omnis	1	Purchase	191	—	0.04%
				Sales	16,825	—	3.24%
				Other operating revenue	253	—	0.05%
				Interest revenue	288	—	0.06%
				Net receivable - related parties	26,212	—	1.05%
1	APEX(Suzhou)	Omnis	2	Other receivables - related parties	32,492	—	1.31%
				Sales	2,988	—	0.57%
				Net receivable - related parties	2,823	—	0.11%

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 appropriate comparable prices for sales to its subsidiaries. The collection period for these subsidiaries ranges from 120 to 150 days from the end of the month.

Note 3 : The significant transactions in this table may be determined by the Company based on the principle of materiality.

e. Information on investees

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of March 31, 2026			Net Income (Loss) of the Investee	Share of Profit (Loss)
				March 31, 2026	December 31, 2025	Shares	(%)	Carrying Amount		
APEX	Omnis	USA	Wholesale of medical consumable and medical equipment	\$ 526,613	\$ 526,613	70,312,094	99	\$30,379	\$2,991	\$ 2,958

f. Information on investment in mainland China

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2026	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2026	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of March 31, 2026	Accumulated Repatriation of Investment Income as of March 31, 2026
					Outward	Inward						
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)	\$ 1,434	96%	\$ 1,373	\$11,688	\$ -

Accumulated Outward Remittance for Investment in Mainland China as of March 31, 2026	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amounts of Investment Stipulated by Investment Commission, MOEA
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\$33,975 (RMB 6,700 thousand)	\$33,975 (RMB 6,700 thousand)	\$1,093,151
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Note 1 : Direct investment in mainland China.

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

32. 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 product. 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 three months ended March 31, 2026 and 2025 are shown in the consolidated comprehensive income statements for the three months ended March 31, 2026 and 2025. The segment assets as of March 31, 2026 and March 31, 2025 are shown in the consolidated balance sheets as of March 31, 2026 and March 31, 2025.