Stock Code:2636

T3EX GLOBAL HOLDINGS CORP.
AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

With Independent Auditors' Review Report
For the Six Months Ended June 30, 2020 and 2019

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

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Independent Auditors' Review Report

To the Board of Directors of T3EX Global Holdings Corp.:

Introduction

We have reviewed the accompanying consolidated balance sheets of T3EX Global Holdings Corp. (the "Company") and its subsidiaries (the "Group") as of June 30, 2020 and 2019, and the related consolidated statements of comprehensive income for the three months and six months ended June 30, 2020 and 2019, as well as the changes in equity and cash flows for the six months then ended June 30, 2020 and 2019, and notes to the consolidated financial statements, including a summary of significant accounting policies. The 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 Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with Statement of Auditing Standard 65, "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the generally accepted auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As stated in Note 4(b), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect the total assets amounting to $1,112,775 thousand and $953,447 thousand, constituting 17.85% and 16.41% of the consolidated total assets; and the total liabilities amounting to $324,140 thousand and $308,305 thousand, constituting 8.62% and 9.38% of the consolidated total liabilities as of June 30, 2020 and 2019, respectively; as well as the total comprehensive income amounting to $38,943 thousand, $13,467 thousand, $51,288 thousand and $26,017 thousand, constituting 28.41%, 21.94%, 49.26% and 20.39% of the consolidated total comprehensive income (loss) for the three months and six months then ended, respectively.

Furthermore, as stated in Note 6(e), the equity accounted investments of the Group amounting to $48,379 thousand and $54,130 thousand as of June 30, 2020 and 2019, respectively, and the share of profit (loss) of these investees amounting to $(752) thousand, $(361) thousand, $(87) thousand and $(591) thousand for the three months and the six months ended then ended, respectively, were recognized solely on the financial statements prepared by these investees, but not reviewed by independent auditors.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity accounted investments described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of June 30, 2020 and 2019, and of its consolidated financial performance for the three months and six months ended June 30, 2020 and 2019, as well as its consolidated cash flows for the six months ended June 30, 2020 and 2019 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 Chi-Lung Yu and Mei-Pin Wu.

KPMG

Taipei, Taiwan (Republic of China)
July 31, 2020

Notes to Readers

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

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

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

Reviewed only, not audited in accordance with the generally accepted auditing standards as of June 30, 2020 and 2019

T3EX GLOBAL HOLDINGS CORP. AND SUBSIDIARIES

Consolidated Balance Sheets

June 30, 2020, December 31, 2019, and June 30, 2019

(Expressed in Thousands of New Taiwan Dollars)

	Assets	June 30, 2020 Amount	%	December 31, 2019 Amount	%	June 30, 2019 Amount	%
	Current assets:						
1100	Cash and cash equivalents (notes 6(a) & (v))	$ 2,275,231	36	2,216,962	37	1,947,541	34
1110	Current financial assets at fair value through profit or loss (notes 6(b) & (v))	22,215	-	55,196	1	41,441	1
1120	Current financial assets at fair value through other comprehensive income (notes 6(c) & (v))	92,477	1	69,451	1	72,156	1
1150	Notes receivable, net (notes 6(d), (q) & (v))	33,397	1	36,110	-	44,486	1
1170	Accounts receivable, net (notes 6(d), (q) & (v))	1,995,710	32	1,735,434	29	1,704,063	29
1180	Accounts receivable due from related parties, net (notes 6(d), (q), (v) & 7)	5,926	-	1,811	-	1,941	-
1220	Current tax assets	2,477	-	2,803	-	-	-
1470	Other current assets (notes 6(a) and (v) & 8)	179,493	3	232,986	4	392,326	7
	Current assets	4,606,926	73	4,350,753	72	4,203,954	73
	Non-current assets:						
1517	Non-current financial assets at fair value through other comprehensive income (notes 6(c) & (v))	169,876	3	184,676	3	163,507	3
1550	Investments accounted for using equity method (notes 6(e))	48,379	1	55,246	1	54,130	1
1600	Property, plant and equipment (notes 6(f) & 8)	282,001	4	277,603	5	282,012	4
1755	Right-of-use assets (note 6(g))	290,644	5	321,920	5	223,972	4
1805	Goodwill (note 6(h))	528,063	8	529,589	9	532,258	9
1821	Other intangible assets, net (notes 6(h))	95,855	2	109,182	2	121,767	2
1840	Deferred tax assets	46,628	1	47,729	-	47,801	1
1920	Refundable deposits (notes 6(v) & 8)	97,597	2	114,159	2	127,578	2
1995	Other non-current assets, others (notes 6(v) & 8)	69,534	1	61,066	1	52,140	1
	Non-current assets	1,628,577	27	1,701,170	28	1,605,165	27
	Total assets	$ 6,235,503	100	6,051,923	100	5,809,119	100

	Liabilities and Equity	June 30, 2020 Amount	%	December 31, 2019 Amount	%	June 30, 2019 Amount	%
	Current liabilities:						
2100	Short-term borrowings (notes 6(i), (v) & (y))	$ 1,557,928	25	1,518,040	25	1,331,420	23
2150	Notes payable (note 6(v))	11,140	-	10,436	-	18,964	-
2170	Accounts payable (note 6(v))	978,606	16	798,537	13	787,185	14
2180	Accounts payable to related parties (notes 6(v) & 7)	56	-	635	-	699	-
2216	Dividends payable	150,535	2	-	-	254,752	4
2219	Other payables (notes 6(v))	301,603	5	383,737	6	321,966	6
2230	Current tax liabilities	72,483	1	64,230	1	53,431	1
2280	Current lease liabilities (note 6(k), (v) &(y))	156,780	3	174,773	3	149,698	3
2322	Current portion of long-term borrowings (notes 6(j), (v) & (y))	1,639	-	1,659	-	201,734	3
2399	Other current liabilities, others	3,898	-	8,444	-	5,519	-
	Current liabilities	3,234,668	52	2,960,491	48	3,125,368	54
	Non-Current liabilities:						
2540	Long-term borrowings (notes 6(j), (v) & (y))	303,005	5	303,861	5	4,899	-
2570	Total deferred tax liabilities	123	-	123	-	-	-
2580	Non-current lease liabilities (note 6(k), (v) & (y))	140,769	2	151,938	4	77,359	1
2640	Net defined benefit liability, non-current	83,328	1	82,723	1	79,813	2
	Non-current liabilities	527,225	8	538,645	10	162,071	3
	Total liabilities	3,761,893	60	3,499,136	58	3,287,439	57
	Equity attributable to owners of parent (notes 6(c)&(n)):						
3100	Ordinary shares	1,171,575	19	1,171,575	19	1,171,575	20
3200	Capital surplus	798,811	13	798,811	13	798,811	14
3300	Retained earnings	693,359	11	653,539	11	524,236	9
3400	Other equity	(270,101)	(4)	(186,054)	(3)	(100,385)	(2)
3500	Treasury shares	(60,560)	(1)	(27,797)	-	(27,797)	-
	Equity attributable to owners of the Company	2,333,084	38	2,410,074	40	2,366,440	41
36xx	Non-controlling interests	140,526	2	142,713	2	155,240	2
	Total equity	2,473,610	40	2,552,787	42	2,521,680	43
	Total liabilities and equity	$ 6,235,503	100	6,051,923	100	5,809,119	100

See accompanying notes to financial statements.

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

Reviewed only, not audited in accordance with the generally accepted auditing standards

T3EX GLOBAL HOLDINGS CORP. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the three months and six months ended June 30, 2020 and 2019

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

		For the three months ended June 30				For the six months ended June 30			
		2020		2019		2020		2019	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	**Operating revenue (notes 6(q) & 7)**	$ 3,863,178	100	2,810,373	100	$ 6,399,594	100	5,398,529	100
5000	**Operating costs (notes 6(g), (k,) (l), 7 & 12)**	3,229,382	84	2,295,653	82	5,346,634	84	4,425,633	82
	Gross profit from operations	633,796	16	514,720	18	1,052,960	16	972,896	18
	Operating expenses (notes 6(g), (k), (l), (p) & 12)								
6100	Selling expenses	303,565	8	311,422	11	591,882	9	615,805	12
6200	Administrative expenses	111,300	3	123,248	4	204,008	3	226,505	4
6450	Impairment loss (gain on reversal of impairment) (note 6(d))	852	-	2,430	-	(2,123)	-	1,774	-
	Total operating expenses	415,717	11	437,100	15	793,767	12	844,084	16
	Net operating income	218,079	5	77,620	3	259,193	4	128,812	2
	Non-operating income and expenses:								
7010	Other income (note 6(r))	-	-	3,880	-	-	-	3,880	-
7020	Other gains and losses (notes 6(b), (s))	4,495	-	17,100	-	290	-	12,685	-
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method, net	(752)	-	(361)	-	(87)	-	(591)	-
7100	Total interest income (notes 6(t))	5,554	-	6,079	-	13,048	-	13,668	-
7510	Financial costs (notes 6(k), (u))	(9,788)	-	(7,484)	-	(20,229)	-	(17,266)	-
	Total non-operating income and cost	(491)	-	19,214	-	(6,978)	-	12,376	-
	Profit before tax	217,588	5	96,834	3	252,215	4	141,188	2
7950	Less: Income tax expenses (note 6(m))	44,950	1	21,040	1	57,926	1	29,583	-
	Profit	172,638	4	75,794	2	194,289	3	111,605	2
8300	**Other comprehensive income (loss):**								
8310	**Components of other comprehensive income that will not be reclassified to profit or loss**								
8316	Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income	35,424	1	(6,270)	-	(5,788)	-	(5,645)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-	-	-	-	-
		35,424	1	(6,270)	-	(5,788)	-	(5,645)	-
8360	**Components of other comprehensive income (loss) that will be reclassified to profit or loss**								
8361	Exchange differences on translation of foreign financial statements	(70,964)	(2)	(8,135)	-	(84,380)	(1)	21,610	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-	-	-	-	-
	Components of other comprehensive income that will be reclassified to profit or loss	(70,964)	(2)	(8,135)	-	(84,380)	(1)	21,610	-
8300	**Other comprehensive income**	(35,540)	(1)	(14,405)	-	(90,168)	(1)	15,965	-
	Total comprehensive income	**$ 137,098**	**3**	**61,389**	**2**	**104,121**	**2**	**127,570**	**2**
	Profit attributable to:								
	Owners of parent company	$ 168,212	4	76,108	2	189,963	3	112,928	2
8620	Non-controlling interests	4,426	-	(314)	-	4,326	-	(1,323)	-
		$ 172,638	**4**	**75,794**	**2**	**194,289**	**3**	**111,605**	**2**
	Comprehensive income attributable to:								
	Owners of parent company	$ 134,865	3	60,808	2	106,308	2	137,973	2
	Non-controlling interests	2,233	-	581	-	(2,187)	-	(10,403)	-
		$ 137,098	3	**61,389**	2	**104,121**	2	**127,570**	2
	Earnings per share (note 6(o))								
	Basic earnings per share (NT Dollars)	**$**	**1.47**		**0.66**		**1.65**		**0.98**
	Diluted earnings per share (NT Dollars)	**$**	**1.47**		**0.66**		**1.65**		**0.98**

See accompanying notes to financial statements.

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

Reviewed only, not audited in accordance with the generally accepted auditing standards

T3EX GLOBAL HOLDINGS CORP. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the six months ended June 30, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent company												
			Retained earnings				Total other equity interest						
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total other equity interest	Treasury shares	Total equity attributable to owners of parent company	Non-controlling interests	Total equity
Balance at January 1, 2019	$ 1,183,455	808,958	175,635	137,517	363,727	676,879	(120,377)	(5,053)	(125,430)	(60,643)	2,483,219	165,643	2,648,862
Profit	-	-	-	-	112,928	112,928	-	-	-	-	112,928	(1,323)	111,605
Other comprehensive income	-	-	-	-	-	-	30,690	(5,645)	25,045	-	25,045	(9,080)	15,965
Total comprehensive income	-	-	-	-	112,928	112,928	30,690	(5,645)	25,045	-	137,973	(10,403)	127,570
Appropriation and distribution of retained earnings:													
Legal reserve appropriated	-	-	35,493	-	(35,493)	-	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(254,752)	(254,752)	-	-	-	-	(254,752)	-	(254,752)
Reversal of special reserve	-	-	-	(12,087)	12,087	-	-	-	-	-	-	-	-
Retirement of treasury stock	(11,880)	(10,147)	-	-	(10,819)	(10,819)	-	-	-	32,846	-	-	-
Balance at June 30, 2019	**$ 1,171,575**	**798,811**	**211,128**	**125,430**	**187,678**	**524,236**	**(89,687)**	**(10,698)**	**(100,385)**	**(27,797)**	**2,366,440**	**155,240**	**2,521,680**
Balance at January 1, 2020	$ 1,171,575	798,811	211,128	125,430	316,981	653,539	(193,657)	7,603	(186,054)	(27,797)	2,410,074	142,713	2,552,787
Profit	-	-	-	-	189,963	189,963	-	-	-	-	189,963	4,326	194,289
Other comprehensive income	-	-	-	-	-	-	(77,867)	(5,788)	(83,655)	-	(83,655)	(6,513)	(90,168)
Total comprehensive income	-	-	-	-	189,963	189,963	(77,867)	(5,788)	(83,655)	-	106,308	(2,187)	104,121
Appropriation and distribution of retained earnings:													
Legal reserve appropriated	-	-	23,141	-	(23,141)	-	-	-	-	-	-	-	-
Special reserve appropriated	-	-	-	60,624	(60,624)	-	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(150,535)	(150,535)	-	-	-	-	(150,535)	-	(150,535)
Purchase of treasury share	-	-	-	-	-	-	-	-	-	(32,763)	(32,763)	-	(32,763)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	392	392	-	(392)	(392)	-	-	-	-
Balance at June 30, 2020	**$ 1,171,575**	**798,811**	**234,269**	**186,054**	**273,036**	**693,359**	**(271,524)**	**1,423**	**(270,101)**	**(60,560)**	**2,333,084**	**140,526**	**2,473,610**

See accompanying notes to financial statements.

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

Reviewed only, not audited in accordance with the generally accepted auditing standards

T3EX GLOBAL HOLDINGS CORP. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the six months ended June 30, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	For the six months ended June 30	
	2020	2019
Cash flows from operating activities:		
Profit before tax	$ 252,215	141,188
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	139,853	150,001
Amortization expense	12,213	11,691
Expected credit loss (gain)	(2,123)	1,774
Net (gain) loss on financial assets or liabilities at fair value through profit or loss	1,842	(1,732)
Interest expense	20,229	17,266
Interest income	(13,048)	(13,668)
Share of profit of associates and joint ventures accounted for using equity method	87	591
Loss (gain) on disposal of property, plant and equipment	228	(1,656)
Gain on disposal of investments	1,165	190
Total adjustments to reconcile profit (loss)	160,446	164,457
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease (increase) in notes receivable	2,713	(2,044)
(Increase) decrease in accounts receivable	(258,153)	213,692
Increase in accounts receivable due from related parties	(4,115)	(725)
Decrease in other current assets	15,603	2,383
Increase in other operating assets	(8,753)	(4,593)
Total changes in operating assets	(252,705)	208,713
Changes in operating liabilities:		
Increase (decrease) in notes payable	704	(3,659)
Increase (decrease) in accounts payable	180,069	(50,259)
Decrease in accounts payable to related parties	(579)	(816)
(Decrease) increase in other payables	(82,134)	(73,431)
Decrease in other current liabilities	(4,546)	(1,197)
Increase in net defined benefit liability	605	597
Total changes in operating liabilities	94,119	(128,765)
Total changes in operating assets and liabilities	(158,586)	79,948
Total adjustments	1,860	244,405
Cash inflow generated from operations	254,075	385,593
Interest received	13,048	13,668
Interest paid	(20,229)	(10,255)
Income taxes paid	(48,526)	(51,064)
Net cash flows from operating activities	198,368	337,942
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(16,601)	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	2,588	-
Acquisition of financial assets at fair value through profit or loss	(12,983)	(34,281)
Proceeds from disposal of financial assets at fair value through profit or loss	80,846	23,308
Acquisition of property, plant and equipment	(25,644)	(18,639)
Proceeds from disposal of property, plant and equipment	221	2,217
Decrease in refundable deposits	16,562	19,380
Acquisition of intangible assets	(886)	(7,912)
Decrease in investments payable	-	(3,704)
Dividends received	5,908	3,880
Net cash flows from (used in) investing activities	50,011	(15,751)
Cash flows from (used in) financing activities:		
Increase in short-term loans	39,776	20,500
Repayments of long-term borrowings	(833)	(605)
Payment of lease liabilities	(117,665)	(134,670)
Payments to acquire treasury stock	(32,763)	-
Net cash flows used in financing activities	(111,485)	(114,775)
Effect of exchange rate changes on cash and cash equivalents	(78,625)	13,146
Net increase in cash and cash equivalents	58,269	220,562
Cash and cash equivalents at beginning of period	2,216,962	1,726,979
Cash and cash equivalents at end of period	$ 2,275,231	1,947,541

See accompanying notes to financial statements.

T3EX GLOBAL HOLDINGS CORP.

Notes to the Consolidated Financial Statements

June 30, 2020 and 2019

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

(1) Company history

T3EX Global Holdings Corp. (the "Company") was incorporated on February 4, 1987, as a company registered with the Ministry of Economic Affairs, R.O.C. The address of the Company's registered office is 12F, No. 563, Sec. 4, Zhongxiao E. Rd., Xinyi Dist., Taipei City, R.O.C. The Company and its subsidiaries (the Group) mainly engage in sea and air freight forwarding, distribution, packing, warehousing, logistics, and customs clearance.

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

The consolidated financial statements were authorized for issuance by the board of directors on July 31, 2020.

(3) New standards, amendments and interpretations adopted:

(a) The impact of the International Financial Reporting Standards ("IFRSs") endorsed by the Financial Supervisory Commission, R.O.C. ("FSC") which have already been adopted.

The following new standards, interpretations and amendments have been endorsed by the FSC and are effective for annual periods beginning on or after January 1, 2020.

New, Revised or Amended Standards and Interpretations	Effective date per IASB
Amendments to IFRS 3 "Definition of a Business"	January 1, 2020
Amendments to IFRS 9, IAS39 and IFRS7 "Interest Rate Benchmark Reform"	January 1, 2020
Amendments to IAS 1 and IAS 8 "Definition of Material"	January 1, 2020
Amendments to IFRS 16 "Covid-19-Related Rent Concessions"	June 1, 2020

The Group assesses that the abovementioned standards would not have any material impact on its consolidated financial statements.

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

As of the date, the following IFRSs that have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

New, Revised or Amended Standards and Interpretations	Effective date per IASB
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"	Effective date to be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2023

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T3EX GLOBAL HOLDINGS CORP. AND SUBSIDIARIES
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New, Revised or Amended Standards and Interpretations	Effective date per IASB
Amendments to IAS 16 "Property, Plant and Equipment—Proceeds before Intended Use"	January 1, 2022
Amendments to IAS 37 "Onerous Contracts—Cost of Fulfilling a Contract"	January 1, 2022
Annual Improvements to IFRS Standards 2018-2020	January 1, 2022
Amendments to IFRS 17 "Insurance Contracts"	January 1, 2023

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

(4) Summary of significant accounting policies:

The significant accounting policies presented in the consolidated financial statements are summarized below, except for those specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the consolidated financial statements.

(a) Statement of compliance

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

Except the following accounting policies mentioned below, the significant accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2019. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2019.

(b) Basis of consolidation

(i) List of subsidiaries included in the consolidated financial statements

			Percentage of shares held			
Name of investor	**Name of subsidiary**	**Principal activity**	**June 30, 2020**	**December 31, 2019**	**June 30, 2019**	**Remark**
The Company	T.H.I Group Ltd. (in B.V.I.)	Offshore settlement center	100 %	100 %	100 %	Note (a)
The Company	GREATLINE INTERNATIONAL LIMITED (GREATLINE)	Offshore holding company	100 %	100 %	100 %	
The Company	T.H.I GROUP VIETNAM CO., LTD.	Air & sea freight forwarding and packaging	99 %	99 %	99 %	Note (a)
The Company	T.H.I. GROUP (BANGKOK) COMPANY LIMITED	Air & sea freight forwarding and packaging	49 %	49 %	49 %	Note (a)
The Company	Taiwan Express Logistics Co., Ltd. (TEC)	Air & sea freight forwarding and customs clearance	100 %	100 %	100 %	
The Company	T.H.I. Logistics Ltd.	Air & sea freight forwarding	100 %	100 %	100 %	

(Continued)

T3EX GLOBAL HOLDINGS CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

			Percentage of shares held			
Name of investor	Name of subsidiary	Principal activity	June 30, 2020	December 31, 2019	June 30, 2019	Remark
The Company	T.H.I. GROUP (CAMBODIA) Co., Ltd.	Air & sea freight forwarding	100 %	100 %	100 %	Note (a)
The Company	T.H.I. GROUP SINGAPORE PTE. LTD.	Air & sea freight forwarding	91.4 %	91.4 %	91.4 %	Note (a)
The Company	T.H.I. & Maruzen Co. Ltd.	Air & sea freight forwarding	51 %	51 %	51 %	Note (a)
The Company	T.H.I. Logistic (Malaysia) SDN. BHD	Air & sea freight forwarding	90 %	90 %	90 %	Note (a)
The Company	Fresh Beauty Enterprise Ltd. (Fresh Beauty)	Offshore holding company	66 %	66 %	66 %	Note (a)
The Company	T.H.I. LOGISTIC PHILIPPINGS CORP	Air & Sea freight forwarding	99.94 %	99.94 %	- %	Note (a)&(d)
Fresh Beauty	Eastern Union Holdings Limited (Eastern Union)	Offshore holding company	100 %	100 %	100 %	Note (a)
Eastern Union	T-Cube Global Logistics Co., Ltd.	Warehousing and distribution	100 %	100 %	100 %	Note (a)
T-Cube Global Logistics Co., Ltd.	T-Cube (suzhou) Global Logistic Co., Ltd.	Warehousing and distribution	100 %	100 %	- %	Note (a)&(c)
GREATLINE	T.H.I. GROUP LIMITED (in HK)	Air & sea freight forwarding	100 %	100 %	100 %	
T.H.I. GROUP LIMITED (in HK)	T.H.I. Group (Shanghai) Ltd. (T.H.I. Shanghai)	Air & sea freight forwarding and customs clearance	100 %	100 %	100 %	
T.H.I. GROUP LIMITED (in HK)	Shanghai Yaohwa International Forwarder Co., Ltd. (Shanghai Yaohwa)	Air & sea freight forwarding and customs clearance	100 %	100 %	100 %	Note (a)
T.H.I. Shanghai	EXer Logistics Co., Ltd.	Express logistics company	93.51 %	93.51 %	93.51 %	Note (a)
T.H.I. Shanghai	Shanghai Moorluk International Shipping Co., Ltd.	Freight forwarding, customs clearance, and distribution	60 %	60 %	60 %	Note (a)
T.H.I. Shanghai	T-SC Factoring Co., Ltd.	Commercial service	100 %	100 %	100 %	Note (a)&(b)
Shanghai Yaohwa	T-SC Trading Co., Ltd.	Supply Chain management, import export Trade	100 %	100 %	- %	Note (a)&(e)
Taiwan Express	Taiwan Express (HK) Co., Ltd.	Freight forwarding, customs clearance, and distribution	100 %	100 %	100 %	
Taiwan Express	Taiwan Express (USA) INC.	Freight forwarding, customs clearance, and distribution	100 %	100 %	100 %	Note (a)
Taiwan Express	TEC Logistic Co., Ltd.	Freight forwarding, customs clearance, and distribution	100 %	100 %	100 %	Note (a)
Taiwan Express	TEC LOGISTICS (USA), INC.	Freight forwarding, customs clearance, and distribution	100 %	100 %	100 %	Note (a)
Taiwan Express	Hiview Logistics Co., Ltd.	Freight forwarding, customs clearance, and distribution	97.51 %	97.51 %	97.51 %	Note (a)
Taiwan Express	TEC LOGISTICS VIETNAM COMPANY LIMITED	Freight forwarding and Warehousing	100 %	- %	- %	Note (a), (f)
Taiwan Express (HK)	TEC Logistics (Shenzhen) Co., Ltd.	Freight forwarding, customs clearance, and distribution	100 %	100 %	100 %	Note (a)
Taiwan Express (HK)	Air Tropolis Express (S) Pte Ltd.	Freight forwarding	65 %	65 %	65 %	Note (a)

(Continued)

Note (a) Non-significant subsidiary, its financial statements have not been reviewed.

Note (b) In order to increase overall profit and business diversity, T.H.I. Group Ltd (Shanghai) has approved the investment amount up to CNY$5,000 thousand for investing T-SC Factoring Co., Ltd. by the board of directors on November 4, 2019, and the total capital has already increased by cash in CNY$5,000 thousand.

Note (c) In order to develop its warehousing service in China, the Group established T-Cube (Shuzhou) Global Logistic Co., Ltd., in July 2019, and owned 66% of its ownership.

Note (d) In order to expand its market in the Philippines, the Group established T.H.I. LOGISTIC PHILIPPINGS CORP. in July 2019, and owned 99.94% of its ownership.

Note (e) In order to develop its supply-chain financing service, the Group established and owned 100% ownership of T-SC Trading Co., Ltd., in July 2019, who mainly engages in logistic business.

Note (f) In order to expand its air logistic business and warehousing service in Southeast Asia, the Group established and held the entire ownership of TEC LOGISTICS VIETNAM COMPANY LIMITED, who mainly engages in air logistic business, in February 2020. However, the parent company has invested in its operating activities USD$350,000 as of June 2020.

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

(c) Income Taxes

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

Income tax expenses for the period are best estimated by multiplying pre-tax income for the interim reporting period by the effective annual tax rate as forecasted by the management.

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

(d) Employee benefits

The pension cost in the interim period was calculated and disclosed on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

The preparation of the consolidated financial statements in conformity with the Regulations and IFRSs (in accordance with IAS 34 "Interim Financial Reporting" and endorsed by the FSC) requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

T3EX GLOBAL HOLDINGS CORP. AND SUBSIDIARIES
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The preparation of the consolidated interim financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2019. For the related information, please refer to note 5 of the consolidated financial statements for the year ended December 31, 2019.

(6) Explanation of significant accounts:

Except for the following disclosures, there is no significant difference as compared with those disclosed in the consolidated financial statements for the year ended December 31, 2019. Please refer to Note 6 of the 2019 annual consolidated financial statements.

(a) Cash and cash equivalents

	June 30, 2020	December 31, 2019	June 30, 2019
Cash on hand	$ 25,742	44,811	27,953
Demand deposits	2,096,313	1,923,462	1,633,780
Time deposits	153,176	248,689	285,808
	$ 2,275,231	2,216,962	1,947,541

The Group's time deposit, maturing over three months, amounting to $122,097 thousand, $85,567 thousand and 220,354 thousand as of June 30, 2020, December 31 and June 30, 2019, respectively, were recognized as other current assets.

Refer to note 6(v) for the sensitivity analysis of the financial assets and liabilities of the Group.

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

	June 30, 2020	December 31, 2019	June 30, 2019
Mandatorily measured at fair value through profit or loss:			
Non-derivative financial assets			
Fund	$ 7,215	7,198	7,180
Stock listed on domestic market	-	32,728	18,736
Corporate bonds	15,000	15,270	15,525
Total	$ 22,215	55,196	41,441

For the three months and six months ended June 30, 2020 and 2019, the investment loss from disposal of financial assets at fair value through profit or loss is$(3,461) thousand, $(190) thousand, $(1,165) thousand and $(190) thousand were recorded as other gains and losses.

T3EX GLOBAL HOLDINGS CORP. AND SUBSIDIARIES
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(c) Financial assets at fair value through other comprehensive income

		June 30, 2020	December 31, 2019	June 30, 2019
Equity investments at fair value through other comprehensive income				
Current				
Domestic Company-Soonest express Co., Ltd.	$	46,287	18,216	14,170
Domestic Company-Yang Ming Marine Transport Corp.		46,190	51,235	57,986
Total	$	**92,477**	**69,451**	**72,156**
Non-current				
Domestic Company Private placement stocks-Yang Ming Marine Transport Corp.	$	55,300	70,100	74,500
Domestic Non-public stocks-Central Taiwan Science Park Logistics Co.,		114,576	114,576	89,007
Total	$	**169,876**	**184,676**	**163,507**

The Group designated the investments shown above as equity securities at fair value through other comprehensive income because these equity securities represent those investments that the Group intends to hold for long-term for strategic purposes.

In June 2020, the Group has sold its partial shares held in Soonest express Co., Ltd. in order to adjust its investment strategy. The shares sold had a fair value of $2,588 thousand and the Group realized a gain of $392 thousand, which was reclassified from other comprehensive income to retained earnings.

As of June 30, 2020, December 31 and June 30, 2019, the financial assets at fair value through other comprehensive income of the Group had not been pledged as collateral for borrowing.

(d) Note and accounts receivable (including amount due from related parties)

		June 30, 2020	December 31, 2019	June 30, 2019
Note receivable from operating activities	$	33,397	36,110	44,486
Accounts receivable (including balance due from related parties) –measured as amortized cost		2,022,309	1,760,614	1,727,836
Less: Loss allowance		(20,673)	(23,369)	(21,832)
	$	**2,035,033**	**1,773,355**	**1,750,490**

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T3EX GLOBAL HOLDINGS CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, inducing macroeconomic and relevant industry information. The loss allowance provision in Taiwan were determined as follows:

	June 30, 2020		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance provision**
Current	$ 1,798,028	0.1%	1,798
Less than 60 day past due	213,534	0.1%	214
61~90 days past due	24,355	0.1%	24
More than 90 days past due	19,789	90%-100%	18,637
	$ 2,055,706		**20,673**

	December 31, 2019		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance provision**
Current	$ 1,643,784	0.1%	1,644
Less than 60 days past due	92,387	0.1%	92
61~90 days past due	36,936	0.1%	37
More than 90 days past due	23,617	90%-100%	21,596
	$ 1,796,724		**23,369**

	June 30, 2019		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance provision**
Current	$ 1,586,641	0.1%	1,587
Less than 60 days past due	111,038	0.1%	111
61~90 days past due	52,868	0.1%	53
More than 90 days past due	21,775	90%-100%	20,081
	$ 1,772,322		**21,832**

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T3EX GLOBAL HOLDINGS CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The movement in the allowance for notes and trade receivable was as follows:

	For the six months ended June 30,	
	2020	2019
Balance at January 1, 2020 and 2019	$ 23,369	19,873
Impairment losses recognized	(2,123)	1,774
Exchange rate effects and others	(573)	185
Balance at June 30, 2020 and 2019	$ 20,673	21,832

The aforementioned notes and accounts receivable of the Group were not pledged as collateral.

(e) Investments accounted for using equity method

(i) A summary of the Group' s financial information for equity-accounted investees at the reporting date is as follows:

	June 30, 2020	December 31, 2019	June 30, 2019
Associates	$ 48,379	55,246	54,130

(ii) As of June 30, 2020, December 31 and June 30, 2019, there was no equity-accounted investment had been pledged as collateral.

(iii) The unreviewed financial statements of investments accounted for using equity method.

Investments were accounted for by the equity method, and the share of profit or loss and other comprehensive income of those investments were calculated based on the financial statements that have not been reviewed.

(f) Property, plant and equipment

The information of Group's prperty, plant and equipment were as follows:

	Land	Buildings	Transportation Equipment	Office and Other Equipment	Total
Carrying amounts:					
Balance at January 1, 2020	$ 132,594	40,768	27,568	76,673	277,603
Balance at June 30, 2020	$ 132,594	40,237	35,765	73,405	282,001
Balance at January 1, 2019	$ 132,594	41,832	33,043	74,635	282,104
Balance at June 30, 2019	$ 132,594	41,300	26,423	81,695	282,012

T3EX GLOBAL HOLDINGS CORP. AND SUBSIDIARIES
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There were no significant additions, disposal, or recognition and reversal of impairment losses of investment property for the six months ended June 30, 2020 and 2019. Information on depreciation for the period is discussed in Note 12. Please refer to Note 6(g) of the 2019 annual consolidated financial statements for other related information.

A summary of pledged assets of June 30, 2020, December 31 and June 30, 2019, please refer to note 8.

(g) Right-of-use assets

The Group leases many assets including land and buildings, vehicles, machinery and equipment.

Information about leases for which the Group as a lessee is presented below:

		Land and buildings	Vehicles	Total
Cost:				
Balance at January 1, 2020	$	555,739	8,487	564,226
Additions		90,447	6,971	97,418
Disposal/write-off		(2,049)	(2,313)	(4,362)
Effect of changes in foreign exchange rates		(16,134)	(37)	(16,171)
Balance at June 30, 2020	$	**628,003**	**13,108**	**641,111**
Balance at January 1, 2019		321,711	7,623	329,334
Additions		20,756	-	20,756
Effect of changes in foreign exchange rates		3,859	8	3,867
Balance at June 30, 2019	$	**346,326**	**7,631**	**353,957**
Accumulated depreciation:				
Balance at January 1, 2020	$	236,824	5,482	242,306
Depreciation		118,878	2,282	121,160
Disposal/write-off		(877)	(2,168)	(3,045)
Effect of changes in foreign exchange rates		(9,915)	(39)	(9,954)
Balance at June 30, 2020	$	**344,910**	**5,557**	**350,467**
Balance at January 1, 2019		-	-	-
Depreciation		127,858	2,902	130,760
Effect of changes in foreign exchange rates		(769)	(6)	(775)
Balance at June 30, 2019		**127,089**	**2,896**	**129,985**
Carrying amount:				
Balance at January 1, 2020	$	**318,915**	**3,005**	**321,920**
Balance at June 30, 2020	$	**283,093**	**7,551**	**290,644**
Balance at June 30, 2019	$	**321,711**	**7,623**	**329,334**
Balance at January 1, 2019	$	**219,237**	**4,735**	**223,972**

(Continued)

T3EX GLOBAL HOLDINGS CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(h) Intangible assets

		Goodwill	Other intangible assets	Total
Carrying amounts:				
Balance at January 1, 2020	$	529,589	109,182	638,771
Balance at June 30, 2020	$	528,063	95,855	623,918
Balance at January 1, 2019	$	531,504	124,347	655,851
Balance at June 30, 2019	$	532,258	121,767	654,025

There were no significant additions, disposal, or recognition and reversal of impairment losses of intangible assets for the six months ended June 30, 2020 and 2019. Information on amortization for the period is disclosed in Note 12. Please refer to Note 6(i) of the 2019 annual consolidated financial statements for other related information.

(i) Short-term borrowing

		June 30, 2020	December 31, 2019	June 30, 2019
Unsecured bank loans	$	1,557,928	1,518,040	1,331,420
Unused credit facilities	$	1,550,413	1,691,628	1,136,119
Interest rate		0.80%~1.20%	0.80%~1.25%	0.80%~1.25%

Refer to note 8 for details of the related assets pledged as collateral.

(j) Long-term borrowing

Long-term borrowings were as follows:

		June 30, 2020	December 31, 2019	June 30, 2019
Unsecured bank loans	$	304,644	305,520	206,633
Less: Current portion		(1,639)	(1,659)	(201,734)
Total	$	303,005	303,861	4,899
Unused credit facilities	$	100,000	-	100,000
Interest rate		0.80%~1.15%	0.80%~1.15%	0.80%~1.16%

Refer to note 8 for details of the related assets pledged as collateral.

T3EX GLOBAL HOLDINGS CORP. AND SUBSIDIARIES
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(k) Lease liabilities

The Group's lease liabilities were as follow:

	June 30, 2020	December 31, 2019	June 30, 2019
Current	$ 156,780	174,773	149,698
Non-current	$ 140,769	151,938	77,359

For the maturity analysis, please refer to note 6(v).

The amounts recognized in profit or loss were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2020	2019	2019	2019
Interest on lease liabilities	$ 4,019	3,179	8,846	7,011
Expenses relating to short-term leases	$ 6,663	6,327	13,332	11,774
Expenses relating to leases of low-value assets net, excluding short-term leases of low-value assets	$ 714	1,626	1,901	3,095

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

	For the three months ended June 30,	
	2020	2019
Total cash outflow for leases	$ 141,744	149,539

(l) Employee benefits

(i) Defined benefit plans

Management believes that there was no material volatility of the market, no material reimbursement and settlement or other material one-time events since prior fiscal year. As a result, the pension cost in the accompanying interim period was measured and disclosed according to the actuarial report as of December 31, 2019 and 2018.

(ii) Defined contribution plans

The Group's expenses under the pension plan had already been contributed to the Bureau of Labor Insurance. Other subsidiaries contributed their pension expense according to the labor law of their registered countries.

T3EX GLOBAL HOLDINGS CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) The Group's pension expense are as follow, and the expense were recorded under COGS or operating expenses depending on the natures of the pension expenses.

	For the three months ended June 30,		For the six months ended June 30,	
	2020	2019	2020	2019
Defined benefit plans	$ 307	1,537	1,294	3,079
Defined contribution plans	5,361	20,486	17,044	43,342
	$ 5,668	22,023	18,338	46,421

(m) Income tax

(i) Income tax expense

The income tax expense for the six months ended June 30, 2020 and 2019, were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2020	2019	2020	2019
Tax expense	$ 44,950	21,040	57,926	29,583

(ii) Examination and approval

The Company's tax returns for the years through 2018 have been examined and approved by the Tax Authority.

(n) Share capital and other equity

Except for the following disclosure, there was no significant change for capital and other equity for the six months ended June 30, 2020 and 2019. For the related information, please refer to note 6(q) of the consolidated financial statements for the year ended December 31, 2019, for related information.

T3EX GLOBAL HOLDINGS CORP. AND SUBSIDIARIES
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(i) Capital surplus

The components of capital surplus were as follows:

		June 30, 2020	December 31, 2019	June 30, 2019
Paid-in capital derived from premium on issuance of common shares	$	497,991	497,991	497,991
Surplus arising from bond conversion option		245,665	245,665	245,665
Surplus arising from long-term equity investments—donated surplus and others		11,731	11,731	11,731
Surplus arising from premium from merger		2,912	2,912	2,912
Surplus arising from stock options		40,512	40,512	40,512
	$	798,811	798,811	798,811

In accordance with the R.O.C. Company Act realized capital reserve can only be reclassified as share capital or distributed as cash dividends after offsetting losses. The aforementioned realized capital reserve includes share premiums and donation. In accordance with the Securities Offering and Issuance Guidelines, the amount of capital reserve to be reclassified under share capital shall not exceed 10 percent of the actual share capital amount.

(ii) Retained earnings

According to the Company' s articles of incorporation, 10% of annual net earnings (net of income taxes), after deducting accumulated deficits, must be set aside 10% as legal reserve. Unless and until the accumulated legal reserve equals the Company' s total capital, the Company may set aside a special reserve in accordance to Article 41 of the Securities and Exchange Act. After the board of directors considers the Company' s budget for funding needs, financial structures, current period earnings, and steady profit distribution when proposing the distribution of earnings, the proposal should be resolved during the stockholders' meeting.

1) Earnings distribution

On May 27, 2020, The Group's shareholder's meetings resolved to distribute the 2019 earnings. On June 21, 2019, the shareholder's meetings resolved to distribute the 2018 earnings. The earnings were distributed as follow:

		2019		2018	
		Amount per share (TWD)	Total amount	Amount per share (TWD)	Total amount
Dividends distributed to common shareholders:					
Cash	$	1.3	150,535	2.2	254,752

(Continued)

T3EX GLOBAL HOLDINGS CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) Treasury stock

In accordance with the article under section 167(1) of the Company Act, the Company repurchased 1,556 thousand treasury shares as employee stock option for the six months ended June 30, 2020. A total of 2,917 thousand shares, 1,361 thousand shares and 1,361 thousand shares have yet to be cancelled as of June 30, 2020, December 31 and June 30, 2019, respectively.

In accordance with the requirements of Securities and Exchange Act, treasury shares held by the Company cannot be pledged and do not have any shareholders' rights before their transfer.

(o) Earnings per share

The Company's earnings per share were calculated as follows:

	For the three months ended June 30		For the six months ended June 30	
	2020	**2019**	**2020**	**2019**
Basic earnings per share				
Profit attributable to ordinary shareholders of the Company	$ **168,212**	**76,108**	**189,963**	**112,928**
Weighted-average number of ordinary shares at June 30 (thousands of shares)	$ **114,712**	**115,796**	**115,234**	**115,796**
Basic EPS (TWD)	$ **1.47**	**0.66**	**1.65**	**0.98**
Diluted earnings per share				
Profit attributable to ordinary shares of the Company (basic)	$ 168,212	76,108	189,963	112,928
Profit attributable to ordinary shareholders of the Company (diluted)	$ **168,212**	**76,108**	**189,963**	**112,928**
Weighted-average number of ordinary shares	114,712	115,796	115,234	115,796
Effect of employee stock bonus	42	23	63	56
Weighted-average number of ordinary shares (diluted) at June 30	**114,754**	**115,819**	**115,297**	**115,852**
Diluted EPS (TWD)	$ **1.47**	**0.66**	**1.65**	**0.97**

T3EX GLOBAL HOLDINGS CORP. AND SUBSIDIARIES
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(p) Employees compensation and director's remuneration

Pursuant to the Company's articles of incorporation, states if the Company profits this period they will set aside no less than 0.5% towards employee compensation and no more than 3% towards remuneration to directors. If the Company has accumulated loss, the profit should be reserved to offset the deficit. The aforementioned profits indicate the net income before tax without the remunerations to employees and directors. The pervading target given via shares includes the dependent employees of the Company's subsidiaries who met certain requirements decided by the Board of Directors.

For the three months and six months ended June 30, 2020 and 2019, the Company's employee compensation and directors' remuneration are as follow:

	For the three months ended June 30		For the six months ended June 30	
	2020	2019	2020	2019
Employees' remuneration	$ 1,040	408	1,158	589
Directors' remuneration	5,372	2,450	5,964	3,534
	$ 6,412	2,858	7,122	4,123

The Company accrued and recognized the employee compensation by using the Company's net income before tax without the remuneration to employees and directors for each period, multiplied by the proposed percentage which is stated under the Company's Articles of Incorporation. These remunerations were expensed under expenses for each period. If there are any subsequent adjustments to the actual remuneration amounts, the adjustment will be reflected in profit or loss in the following year.

For the year ended December 31, 2019 and 2018, the difference between the actual compensation and the recognized amount in the financial report of the employees' bonus and the board of directors remuneration are as follow:

	2019		
	Board of Directors resolution on actual compensation	Recognized amount in financial report	Difference
Employees' remuneration	$ 1,320	1,313	7
Directors' remuneration	7,350	7,650	(300)

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	2018		
	Board of Directors resolution on actual compensation	**Recognized amount in financial report**	**Difference**
Employees' remuneration	$ 1,850	1,843	7
Directors' remuneration	9,230	11,056	(1,826)

The information is available on the "Market Observation Post System" Website.

(q) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the three months ended June 30, 2020			
	Sea forwarding	**Air forwarding**	**Freight and other segments**	**Total**
Primary geographical markets				
Hong Kong and China	$ 1,315,905	1,268,551	289,537	2,873,993
Taiwan	291,976	299,649	63,283	654,908
Eastern Asia and others	148,665	153,402	32,210	334,277
	$ **1,756,546**	**1,721,602**	**385,030**	**3,863,178**
Primary service:				
Export forwarding	$ 1,571,538	1,499,072	-	3,070,610
Import forwarding	185,008	222,530	-	407,538
Warehouse and declaration	-	-	385,030	385,030
	$ **1,756,546**	**1,721,602**	**385,030**	**3,863,178**

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	For the three months ended June 30, 2019			
	Sea forwarding	Air forwarding	Freight and other segments	Total
Primary geographical markets				
Hong Kong and China	$ 1,154,520	560,093	271,662	1,986,275
Taiwan	303,747	147,308	71,604	522,659
Eastern Asia and others	175,192	85,030	41,217	301,439
	$ 1,633,459	792,431	384,483	2,810,373
Primary service:				
Export forwarding	$ 1,434,537	606,158	-	2,040,695
Import forwarding	198,922	186,273	-	385,195
Warehouse and declaration	-	-	384,483	384,483
	$ 1,633,459	792,431	384,483	2,810,373

	For the six months ended June 30, 2020			
	Sea forwarding	Air forwarding	Freight and other segments	Total
Primary geographical markets				
Hong Kong and China	$ 2,249,774	1,823,256	496,623	4,569,653
Taiwan	594,830	481,291	131,095	1,207,216
Eastern Asia and others	306,834	248,266	67,625	622,725
	$ 3,151,438	2,552,813	695,343	6,399,594
Primary service:				
Export forwarding	$ 2,812,137	2,150,706	-	4,962,843
Import forwarding	339,301	402,107	-	741,408
Warehouse and declaration	-	-	695,343	695,343
	$ 3,151,438	2,552,813	695,343	6,399,594

(Continued)

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	For the six months ended June 30, 2019			
	Sea forwarding	Air forwarding	Freight and other segments	Total
Primary geographical markets				
Hong Kong and China	$ 2,203,968	1,076,244	509,591	3,789,803
Taiwan	604,960	295,454	139,895	1,040,309
Eastern Asia and others	330,543	161,436	76,438	568,417
	$ 3,139,471	1,533,134	725,924	5,398,529
Primary service:				
Export forwarding	$ 2,775,673	1,189,842	-	3,965,515
Import forwarding	363,798	343,292	-	707,090
Warehouse and declaration	-	-	725,924	725,924
	$ 3,139,471	1,533,134	725,924	5,398,529

(ii) Contract balances

	June 30 2020	December 31, 2019	June 30, 2019
Notes receivable	$ 33,397	36,110	44,486
Accounts receivable (including amount due frome related paties) measured at amortized cost	2,022,309	1,760,614	1,727,836
Less: allowance for impairment	(20,673)	(23,369)	(21,832)
Total	$ 2,035,033	1,773,355	1,750,490

For details of notes receivable, accounts receivable and allowance for impairment, please refer to note 6(d).

(r) Other income

The Group's other income as follows:

	For the three months ended June 30		For the six months ended June 30	
	2020	2019	2020	2019
Dividends income	$ -	3,880	-	3,880

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(s) Other gains and loss

The Group's other gains or loss as follows:

	For the three months ended June 30		For the six months ended June 30	
	2020	2019	2020	2019
Foreign exchange gain (loss)	$ (4,360)	12,437	825	2,768
Gain (losses) on change in value of financial instrument at fair value through profit or loss	12,586	(293)	(1,842)	1,732
Gains (losses) on disposals of property, plant and equipment	(1)	1,335	(228)	1,656
Gains on disposals of investments	(3,461)	(190)	(1,165)	(190)
Other	(269)	3,811	2,700	6,719
	$ 4,495	17,100	290	12,685

(t) Interese income

	For the three months ended June 30		For the six months ended June 30	
	2020	2019	2020	2019
Interest income from bank deposits	$ 5,554	6,079	13,048	13,668

(u) Finance costs

The Group's finance costs as follows:

	For the three months ended June 30		For the six months ended June 30	
	2020	2019	2020	2019
Interest expense				
Bank borrowings	$ 5,769	4,305	11,383	10,255
Amortization of lease liabilities	4,019	3,179	8,846	7,011
	$ 9,788	7,484	20,229	17,266

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(v) Financial instruments

Except for the contention mentioned below, there was no significant change in the fair value of the Group's financial instruments and degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. For the related information, please refer to note 6(y) of the consolidated financial statements for the year ended December 31, 2019.

(i) Credit risk

1) Exposure to credit risk

The carrying amount of financial assets represents the Group's maximum credit exposure.

2) Concentration of credit risk

Based on the characteristic of the industry, the Group has no significant transactions with any single customer.

For the six months ended June 30, 2020 and 2019, there was no significant concentration of credit risk from the sales of the Group.

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the import of netting agreements.

	Carrying amount	Contractual cash flow	Within 6 months	6~12 months	1~2 years	2~5 years	Over 5 years
June 30, 2020							
Non-derivative financial liabilities							
Bank borrowings (including long-term loans and long-term loans due within one year)	$ 1,862,572	(1,870,745)	(1,562,692)	(821)	(305,863)	(1,369)	-
Trade and other payable	1,291,405	(1,291,405)	(1,291,405)	-	-	-	-
Dividend payable	150,535	(150,535)	(150,535)	-	-	-	-
Lease liabilities	297,549	(318,394)	(90,001)	(77,311)	(111,985)	(39,097)	-
	$ 3,602,061	(3,631,079)	(3,094,633)	(78,132)	(417,848)	(40,466)	-
December 31, 2019							
Non-derivative financial liabilities							
Bank borrowings (including long-term loans and long-term loans due within one year)	$ 1,823,560	(1,894,895)	(1,584,201)	(830)	(307,625)	(2,212)	-
Trade and other payable	1,193,345	(1,193,345)	(1,193,345)	-	-	-	-
Lease liabilities	326,711	(356,868)	(116,752)	(76,071)	(164,045)	-	-
	$ 3,343,616	(3,445,108)	(2,894,298)	(76,901)	(471,670)	(2,212)	-

(Continued)

T3EX GLOBAL HOLDINGS CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	Carrying amount	Contractual cash flow	Within 6 months	6~12 months	1~2 years	2~5 years	Over 5 years
June 30, 2019							
Non-derivative financial liabilities							
Bank borrowings (including long-term loans and long-term loans due within one year)	$ 1,538,053	(1,542,860)	(1,371,595)	(220,353)	(1,734)	(3,178)	-
Trade and other payable	1,128,814	(1,128,814)	(1,128,814)	-	-	-	-
Dividend payable	254,752	(254,752)	(254,752)	-	-	-	-
Lease liabilities	227,057	(237,289)	(94,060)	(63,408)	(79,821)	-	-
	$ 3,148,676	(3,163,715)	(2,849,221)	(283,761)	(81,555)	(3,178)	-

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

(iii) Currency risk

1) Exposure to foreign currency risk

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

Unit: thousand

	June 30, 2020		
	Foreign currency	Exchange rate	TWD
Financial assets			
Monetary items			
USD	$ 2,543	USD：TWD 29.43	74,840
	3,795	USD：HKD 7.7507	111,687
	40,543	USD：CNY 7.7095	1,193,180
HKD	1,611	HKD：TWD 3.7971	6,117
	50	HKD：USD 0.1290	190
	3,906	HKD：CNY 0.9134	14,831
CNY	5,329	CNY：TWD 4.1571	22,153
	7,961	CNY：USD 0.1413	33,095
TWD	18,721	TWD：HKD 0.2634	18,721
Non-Monetary items			
IDR	19,173,866	IDR：TWD 0.00188	36,047
Financial liabilities			
Monetary items			
USD	1,010	USD：TWD 29.43	29,724
	338	USD：HKD 7.7507	9,947
	14,356	USD：CNY 7.0795	422,497

(Continued)

T3EX GLOBAL HOLDINGS CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

	June 30, 2020		
	Foreign currency	**Exchange rate**	**TWD**
HKD	2,979	HKD：CNY 0.9134	11,312
	2,387	HKD：TWD 3.7971	9,064
CNY	151	CNY：HKD 1.0948	628
	2,518	CNY：TWD 4.1571	11,312
TWD	2,105	TWD：CNY 0.2406	2,105

	December 31, 2019		
	Foreign currency	**Exchange rate**	**TWD**
Financial assets			
Monetary items			
USD	$ 4,811	USD：TWD 29.99	144,282
	1,423	USD：VND 23,069	42,676
	5,151	USD：HKD 7.7876	154,478
	37,754	USD：CNY 6.9762	1,132,242
HKD	1,399	HKD：TWD 3.8510	5,388
	50	HKD：USD 0.1284	193
	3,297	HKD：CNY 0.8958	12,697
CNY	6,762	CNY：TWD 4.2989	29,069
	7,906	CNY：USD 0.1433	33,987
	9,090	CNY：HKD 1.1163	39,007
TWD	12,271	TWD：HKD 0.2597	12,271
Non-Monetary items			
IDR	20,073,398	IDR：TWD 0.00218	43,760
Financial liabilities			
Monetary items			
USD	630	USD：TWD 29.99	18,894
	201	USD：VND 23,069	6,028
	101	USD：HKD 7.7876	3,029
	12,552	USD：CNY 6.9762	376,434
HKD	2,884	HKD：CNY 0.8958	11,106
CNY	3	CNY：TWD 4.2989	13
	194	CNY：HKD 1.1163	834
TWD	668	TWD：HKD 0.2597	668

(Continued)

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Notes to the Consolidated Financial Statements

	June 30, 2019		
	Foreign currency	**Exchange rate**	**TWD**
Financial assets			
Monetary items			
USD	$ 3,705	USD：TWD 31.05	115,040
	1,354	USD：VND 25,875	42,042
	7,179	USD：HKD 7.8148	222,908
	40,961	USD：CNY 6.8747	1,271,839
HKD	2,419	HKD：TWD 3.9732	9,611
	50	HKD：USD 0.1280	199
	815	HKD：CNY 0.8797	3,238
CNY	6,522	CNY：TWD 4.5166	29,457
	4	CNY：HKD 1.1368	18
	7,802	CNY：USD 0.1455	35,239
TWD	440	TWD：CNY 0.2517	440
Non-Monetary items			
IDR	18,751,077	IDR：TWD 0.00223	41,815
Financial liabilities			
Monetary items			
USD	4,929	USD：TWD 31.05	153,045
	305	USD：VND 25,875	9,470
	51	USD：HKD 7.8148	1,584
	14,198	USD：CNY 6.8747	440,848
HKD	791	HKD：CNY 0.8797	3,143
	110	CNY：HKD 1.1368	497
	732	TWD：HKD 0.2517	732
	50	TWD：CNY 0.2214	50

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the foreign currency exchange gains and losses on the translation of cash and cash equivalents, accounts receivable, other receivables, loans, accounts payable, and other payables that are denominated in foreign currency. A 1% depreciation or appreciation of the functional currency against the foreign currency as of June 30, 2020 and 2019 would increase or decrease the net income before tax by $10,424 thousand and $11,207 thousand, respectively. The analysis assumes that all other variables remain constant. The analysis is performed on the same basis for both periods.

(Continued)

Due to the variety of the Group's functional currency, the Group discloses its exchange gains and losses of monetary items collectively. For the three months and six months ended June 30, 2020 and 2019, the Group's foreign exchange gains (losses), net (including realized and unrealized of monetary items) amounted to $(4,360) thousand, $12,437 thousand, $825 thousand, and $2,768 thousand, respectively.

(iv) Interest rate analysis

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

For variable-rate instruments, the sensitivity analysis assumes the variable-rate liabilities are outstanding for the whole year.

If the interest rate had increased/decreased by 1%, the Group's net income before tax would have decreased/increased by $18,626 thousand and $15,381 thousand for the six months ended June 30, 2020 and 2019, respectively, assuming all other variable factors had remained constant. This is mainly due to the Group's variable-rate borrowing.

(v) Fair value of financial instruments

1) Fair value hierarchy

a) Categories and fair value of financial instruments

The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, lease liabilities disclosure of fair value information is not required:

	June 30, 2020				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss:					
Financial assets designated at fair value through profit or loss	$ 22,215	22,215	-	-	22,215
Financial assets at fair value through other comprehensive income:					
Stock of listed companies	$ 147,777	92,477	55,300	-	147,777
Stock of private companies	114,576	-	-	114,576	114,576
Subtotal	262,353	92,477	55,300	114,576	262,353
Financial assets measured at amortized cost (receivables):					
Cash and cash equivalent	$ 2,275,231	-	-	-	-
Notes and accounts receivable (including related parties)	2,035,033	-	-	-	-
Other financial assets (account as other current assets and other non-current assets)	165,615	-	-	-	-
Subtotal	4,475,879	-	-	-	-

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	June 30, 2020				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Refundable deposits	$ 97,597	-	-	-	-
Financial liabilities at amortized cost:					
Short term borrowings	$ 1,557,928	-	-	-	-
Notes and accounts payable (including related parties)	989,802	-	-	-	-
Other payable	301,603	-	-	-	-
Lease liabilities (current)	156,780	-	-	-	-
Long term borrowing (including current portion)	304,644	-	-	-	-
Lease liabilities (non-current)	140,769	-	-	-	-
Subtotal	3,451,526	-	-	-	-

	December 31, 2019				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss:					
Financial assets designated as fair value through profit or loss	$ 55,196	55,196	-	-	55,196
Financial assets at fair value through other comprehensive income:					
Stock of listed companies	$ 139,551	69,451	70,100	-	139,551
Stock of private companies	114,576	-	-	114,576	114,576
Subtotal	254,127	69,451	70,100	114,576	254,127
Financial assets measured at amortized cost (loans and receivables):					
Cash and cash equivalent	$ 2,216,962	-	-	-	-
Notes and accounts receivable	1,773,355	-	-	-	-
Other financial assets (account as other current assets and other non-current)	133,907	-	-	-	-
Subtotal	4,124,224	-	-	-	-
Refundable deposits	$ 114,159	-	-	-	-
Financial liabilities at amortized cost:					
Short term borrowings	$ 1,518,040	-	-	-	-
Notes and accounts receivable	809,608	-	-	-	-
Other payable	383,737	-	-	-	-
Lease liabilities (current)	174,773	-	-	-	-
Long term borrowing (including current portion)	305,520	-	-	-	-
Lease liabilities (non-current)	151,938	-	-	-	-
Subtotal	3,343,616	-	-	-	-

(Continued)

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	June 30, 2019				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss:					
Financial assets designated as fair value through profit or loss	$ 41,441	41,441	-	-	41,441
Financial assets as fair value through other comprehensive income:					
Stock of listed companies	$ 146,656	72,156	74,500	-	146,656
Stock of private companies	89,007	-	-	89,007	89,007
Subtotal	235,663	72,156	74,500	89,007	235,663
Financial assets measured at amortized cost (loans and receivables):					
Cash and cash equivalent	$ 1,947,541	-	-	-	-
Note and accounts receivables	1,750,490	-	-	-	-
Other financial assets and other receivables (account as other current and non-current assets)	272,704	-	-	-	-
Subtotal	3,970,735	-	-	-	-
Refundable deposits	$ 127,578	-	-	-	-
Financial liabilities at amortized cost:					
Short-term borrowings	$ 1,331,420	-	-	-	-
Notes and accounts receivable	806,848	-	-	-	-
Other payable	321,966	-	-	-	-
Lease liabilities (current)	149,698	-	-	-	-
Long term borrowing (including current portion)	206,633	-	-	-	-
Lease liabilities (non-current)	77,359	-	-	-	-
Subtotal	2,893,924	-	-	-	-

2) Valuation techniques to measure fair value of financial instruments not measured at fair value

Financial instruments of the Group not measured at fair value are financial assets and liabilities valued at amortized cost. Measurement of fair value of these financial instruments is based on recent transaction prices. When market price is unavailable, valuation is based on discounted cash flow.

3) Valuation techniques for financial instruments measured at fair value

a) Non-derivative financial instruments

Fair value measurement of financial instruments is based on quoted market prices if these prices are available in an active market. Quoted prices on stock exchanges are regarded as the fair value of equity instruments in a listed market.

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A financial instrument is regarded as being quoted in an active market if quoted market prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's-length basis. If these conditions cannot be met, then the market is considered as non-active. In general, a market with low trading volume or high bid-ask spreads is an indication of a non-active market.

The fair value of financial assets and liabilities with standard terms and conditions and trading in active markets is based on quoted market prices. These include investments in stocks of listed entities.

The measurements of fair value of equity instruments without an active market are based on the market comparable listed company approach, which assumes that the fair value is measured by the book value per share of the investee and the price-book ratio of market comparable listed companies. The estimation of the fair value of equity instruments has been adjusted due to the effect of the discount arising from the lack of marketability.

b) Derivative financial instruments

The fair value is based on quoted prices. When quoted prices are unavailable, the fair value is in accordance with third-party pricing information.

4) Movement between Level 1 and Level 2

For the six months ended June 30, 2020 and 2019, there were no movement between Level 1 and Level 2.

5) Changes in Level 3

	Financial assets designed as fair value through other comprehensive income
Balance on January 1, 2020	$ 114,576
Balance on June 30, 2020	$ 114,576
Balance on January 1, 2019	$ 89,007
Balance on June 30, 2019	$ 89,007

T3EX GLOBAL HOLDINGS CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(w) Financial risk management

There were no significant changes in the Group' s financial risk management and policies as disclosed in Note 6(y) of the consolidated financial statements for the year ended December 31, 2019.

(x) Capital management

Management believes that the objectives, policies and processes of capital management of the Group has been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2019. Also, management believes that there were no significant changes in the Group's capital management information as disclosed for the year ended December 31, 2019. Please refer to Note 6(z) of the consolidated financial statements for the year ended December 31, 2019 for further details.

(y) Investing and financing activities not affecting current cash flow

The Group's investing and financing activities which did not affect the current cash flow in the six months ended June 30, 2020 and 2019, were as follows:

(i) For acquisition of right-to-use assets, please refer to note 6(g).

(ii) Reconciliation of liabilities arising from financing activities were as follows:

	January 1, 2020	Cash flows	Non-cash changes	June 30, 2020
Long-term borrowings (including current portion)	$ 305,520	(833)	(43)	304,644
Short-term borrowings	1,518,040	39,776	112	1,557,928
Lease liabilities	326,711	(126,511) Note	97,349	297,549
Total liabilities from financing activities	$ 2,150,271	(87,568)	97,418	2,160,121

	January 1, 2019	Cash flows	Non-cash changes	June 30, 2019
Long-term borrowings (including current portion)	$ 207,238	(605)	-	206,633
Short-term borrowings	1,310,920	20,500	-	1,331,420
Lease liabilities	329,334	(134,670)	32,393	227,057
Total liabilities from financing activities	$ 1,847,492	(114,775)	32,393	1,765,110

Note: Interest expenses record as operating activities.

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(7) Related-party transactions:

(a) Name of related-party and relationship:

There are relationships between related-party and the Group in the consolidated interim financial statement:

Name of related-party	Relationship to the Group
PT Dexter Eurekatama	Investment under equity method
LOGI International Co., Ltd.	Investment under equity method
Orient Air General Sales Agent Co., LTD.	Investment under equity method

(b) Other related-party transactions

(i) Revenue

The amounts of revenue and accounts receivable by the Group to related parties were as follow:

	Revenue				Accounts receivable		
	For the three months ended June 30		For the six months ended June 30		June 30,	December 31,	June 30,
	2020	2019	2020	2019	2020	2019	2019
Associates	$ 8,233	2,372	12,738	6,315	5,926	1,811	1,941

Trading terms of the above transactions require payments within 30 to 60 days or depending on the funding needs.

(ii) Cost

The amounts of cost and account payable by the Group to related parties were as follow:

	Cost				Accounts payable		
	For the three months ended June 30		For the six months ended June 30		June 30,	December 31,	June 30,
	2020	2019	2020	2019	2020	2019	2019
Associates	$ 1,964	3,322	5,970	8,862	56	635	699

Trading terms of the above transactions require payment within 30 to 60 days or depending on funding needs.

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(c) Transactions with key management personnel

(i) Key management personnel compensation comprised:

	For the three months ended June 30		For the six months ended June 30	
	2020	**2019**	**2020**	**2019**
Short-term employee benefits	$ 10,231	9,752	28,721	27,900
Post-employment benefits	501	1,295	1,282	2,590
	$ 10,732	11,047	30,003	30,490

(8) Pledged assets:

Pledged assets	Object	June 30, 2020	December 31, 2019	June 30, 2019
Property, plant, and equipment	Credit facility	$ 172,831	173,363	173,894
Other financial assets－current (account to other current assets)	Forward exchange guarantees and credit facility/logistics-related guarantees	12,408	16,922	20,995
Refundable deposits	Logistics-related guarantees	97,597	114,159	127,578
Other financial assets－non-current (account to other non-current assets)	Logistics-related guarantees	31,110	31,418	31,355
		$ 313,946	335,862	353,822

(9) Commitments and contingencies:

(a) Guarantees issued by financial institutions for the Group for freight forwarding services were as follows:

	June 30, 2020	December 31, 2019	June 30, 2019
HKD (unit: thousand)	$ 7,600	7,600	49,281
TWD (unit: thousand)	51,300	54,800	50,800

(b) In order to improve the quality of customer service, decrease operating costs, and to stay competitive in the industry, the Group entered into separate annual agreements with different American-line sea cargo companies based on their required volume of containers.

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(c) Promissory notes issued to the bank as collateral for short-term bank borrowings, logistics business, etc., were as follows.

	June 30, 2020	December 31, 2019	June 30, 2019
Promissory notes	$ 1,387,295	1,402,965	1,208,665

(10) Losses Due to Major Disasters: None.

(11) Subsequent Events: None.

(12) Other:

The personnel cost and depreciation and amortization expenses, categorized by function, were as follows.

	For the three months ended June 30,					
	2020			2019		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Personnel cost						
Salaries	26,653	268,029	294,682	24,441	261,319	285,760
Labor and health insurance	4,468	12,779	17,247	4,136	16,508	20,644
Pension	2,305	3,363	5,668	2,437	19,586	22,023
Others	3,051	17,958	21,009	1,320	10,482	11,802
Depreciation expenses	36,797	32,239	69,036	38,393	34,768	73,161
Amortization expenses	106	6,029	6,135	1,552	4,117	5,669

	For the six months ended June 30,					
	2020			2019		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Personnel cost						
Salaries	63,284	485,843	549,127	73,794	464,530	538,324
Labor and health insurance	8,392	28,142	36,534	7,851	32,298	40,149
Pension	3,776	14,562	18,338	6,202	40,219	46,421
Others	4,768	34,771	39,539	3,092	29,976	33,068
Depreciation expenses	75,920	63,933	139,853	79,933	70,068	150,001
Amortization expenses	185	12,028	12,213	2,917	8,774	11,691

T3EX GLOBAL HOLDINGS CORP. AND SUBSIDIARIES
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(13) Other disclosures:

(a) Information on significant transactions:

The following were the information on significant transactions required by the " Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Group for the three months ended June 30, 2020:

(i) Loans to other parties:

(In Thousands of New Taiwan Dollars)

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral Item	Collateral Value	Individual funding loan limits	Maximum limit of fund financing
0	The Company	Taiwan Express Logistic Co., Ltd	Other receivables-related parties	Yes	270,000	270,000	200,000	Monthly changing interest rate	2	-	Trading turnover	-		-	466,616	933,233
1	T.H.I. Group (Shanghai) Ltd.	T-Cube Logistics Co.,Ltd	Other receivables-related parties	Yes	21,327	20,786	-	4.35%	2	-	Trading turnover	-		-	232,258	464,517
1	T.H.I. Group (Shanghai) Ltd.	Shanghai Moorluk International Shipping Co., Ltd.	Other receivables-related parties	Yes	8,531	8,314	2,079	4.35%	2	-	Trading turnover	-		-	232,258	464,517
1	T.H.I. Group (Shanghai) Ltd.	T-SC Factoring Co., Ltd.	Other receivables-related patties	Yes	43,861	41,571	-	4.35%~4.7%	2	-	Trading turnover	-		-	232,258	464,517
2	Shanghai Yaohwa International Forwarder Co., Ltd.	T-SC Factoring Co., Ltd.	Other receivables-related patties	Yes	17,544	16,628	-	4.35%~4.7%	2	-	Trading turnover	-		-	22,837	45,674
2	Shanghai Yaohwa International Forwarder Co., Ltd.	Shanghai Moorluk International Shipping Co., Ltd.	Other receivables-related parties	Yes	4,265	4,157	-	4.35%	2	-	Trading turnover	-		-	22,837	45,674
3	THI Group Limited (H.K.)	Taiwan Express (HK) Co.,	Other receivables-related parties	Yes	60,540	58,860	58,860	Quarterly changes in interest rates	2	-	Trading turnover	-		-	403,176	806,353

Note 1: The numbers indicated above represent the following: 0 for investor, Subsidiaries are numbered sequentially starting from 1.

Note 2: Nature of lending: 1 for counterparties with transactions, and 2 for short-term operating capital.

Note 3: The ceiling on total loans granted by the Company to all parties is 40% of the net assets in the financial statements; the ceiling on total loans granted by the Company to each entity is 20% of the net assets in the financial statements.

Note 4: Ending facility balance approved by BOD.

Note 5: The above transactions have been reversed in this financial report.

(ii) Guarantees and endorsements for other parties:

(In Thousands of New Taiwan Dollars)

No.	Name of guarantor	Counter-party of guarantee and endorsement Name	Relationship with the Company	Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
0	The Company	Shanghai Yaohwa International Forwarder Co., Ltd	2	466,616	13,158	12,741	-	-	0.53 %	933,233	Y	N	Y
0	The Company	T.H.I Group (Shanghai) Ltd. (T.H.I. Shanghai)	2	466,616	114,094	112,572	-	-	4.83 %	933,233	Y	N	Y
0	The Company	T-SC Factoring Co., Ltd	2	466,616	294,830	281,430	-	-	12.06 %	933,233	Y	N	Y
0	The Company	T Cube Global Logistics Co., Ltd.	2	466,616	83,336	78,985	28,867	-	3.39 %	933,233	Y	N	Y

(Continued)

T3EX GLOBAL HOLDINGS CORP. AND SUBSIDIARIES
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No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
0	The Company	Taiwan Express (HK) Co., Ltd	2	466,616	105,945	103,005	-	-	4.41 %	933,233	Y	N	N
0	The Company	T.H.I. Group Limited (HK)	2	466,616	30,270	29,430	-	-	1.26 %	933,233	Y	N	N
1	Shanghai Yaohwa International Forwarder Co., Ltd.	T.H.I Group (Shanghai) Ltd	4	11,418	3,070	2,910	1,920	-	2.54 %	45,674	N	N	Y

Note 1: The numbers indicated above represent the following: 0 for investor, Subsidiaries are numbered sequentially starting from 1.

Note 2: The relationship between the guarantee provider and the receiver is as follows:

(1) The Company has transactions with its counterparties.

(2) The Company holds more than 50% of common shares of its subsidiary.

(3) The Company and its subsidiaries hold more than 50% of common shares of the investee company.

(4) The parent company holds more than 50% of its outstanding common shares (directly or indirectly) through a subsidiary.

(5) Companies within the same architectural field have signed a contractual agreement to provide mutual endorsements/ guarantees for the need of a specific construction project.

(6) The shareholders provide endorsements and/or guarantees for their mutually invested company in proportion to their shareholding percentage.

(7) Within the trade performance guarantees for preconstruction-sales contract in accordance with the Consumer Protection Law is jointly guaranteed.

Note 3: (1)Total guarantees amount should not exceed 40% of the Company's net assets in the financial statements if the following conditions are met:

Ownership of the Company should exceed 50%:

Guarantee amount should not exceed 20% of the Company's net assets

Ownership of the Company should not exceed 50%:

Guarantee amount should not exceed 20% of the Company's net assets

The net assets stated above refer to the net assets from the Company's most recently audited financial statements.

(2) Apart from the conditions listed above, guarantees for the purpose of business relations should not exceed the total amount of business transactions between the two parties, whichever is lower. The definition of business transactions could either be purchases or sales, whichever is higher.

(iii) Securities held as of June 30, 2020 (excluding investment in subsidiaries, associates and joint ventures):

(In Thousands of New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
The Company	Fund Yuanta Wan Tai Fund	-	Financial assets at fair value through profit or loss－current	473,454	7,215	-	7,215	
The Company	Bond Yang Ming Marine Transport Corp.	-	Financial assets at fair value through profit or loss－current	-	15,000	-	15,000	
The Company	Stock Soonest Express Co., Ltd.	-	Financial assets at fair value through other comprehensive income-current	879,972	46,287	2.93	46,287	
The Company	Stock Yang Ming Marine Transport Corp.	-	Financial assets at fair value through other comprehensive income-current	7,105,577	46,186	0.27	46,186	
The Company	Stock Yang Ming Marine Transport Corp.	-	Financial assets at fair value through other comprehensive income-non-current	10,000,000	55,300	0.38	55,300	(note 1)
Taiwan Express Logistic Co., Ltd.	Stock Central Taiwan Science Park Logistics Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	3,880,000	114,576	12.9000	114,576	
T.H.I. Logistics Co., Ltd.	Stock Yang Ming-Marine Transport Corp.	-	Financial assets at fair value through other comprehensive income-current	364	4	-	4	

Note 1: Acquire by private placement.

T3EX GLOBAL HOLDINGS CORP. AND SUBSIDIARIES
Notes to Consolidated Financial Statements

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

(v) Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

(vi) Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock: None.

(viii) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Counter-party	Nature of relationship	Ending balance (Note 1)	Turnover rate	Overdue		Amounts received in subsequent period (Note 2)	Allowance for bad debts
					Amount	Action taken		
T.H.I. Group (Shanghai) Ltd. (T.H.I. Shanghai)	T.H.I. Group Limited (HK)	Affiliates	Other receivables 396,340	-	-		-	-
The Company	Taiwan Express Logistic Co., Ltd.	Affiliates	Other receivables 200,000	-	-		-	-

Note 1: The aforementioned transactions have been reversed in this financial report.

Note 2: As of July 24, 2020, the amount of accounts receivable has not been retaken.

(ix) Trading in derivative instruments: None.

(i) Business relationships and significant intercompany transactions:

(In Thousands of New Taiwan Dollars)

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	The Company	Taiwan Express Logistic Co., Ltd.	1	Other receivables	200,000	The sales prices and payment terms of intercompany sales are not significantly different from those of the third parties.	3.19%
1	T.H.I. Group (Shanghai) Ltd.	T.H.I. Group Limited (in HK)	2	Other receivable	396,340	"	6.31%

Note 1: The numbers indicated above represent the following: 0 for the Parent company, Subsidiaries are numbered sequentially starting from 1.

Note 2: The relations of the transactions represent the following:

1. The Parent company to its subsidiaries.
2. Subsidiaries to the Parent company.
3. Subsidiaries to subsidiaries.

Note 3: This chart will disclose sales, accounts and notes receivable, other receivables, purchases, accounts and notes payable, and other payables.

Note 4: The above transactions have been reversed in this financial report.

T3EX GLOBAL HOLDINGS CORP. AND SUBSIDIARIES
Notes to Consolidated Financial Statements

(b) Information on investees:

The following is the information on investees for the six months ended June 30, 2020 (excluding information on investees in Mainland China):

(Foreign currency express in thousands dollars)
(In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of June 30, 2020					
				June 30, 2020	December 31, 2019	Shares (thousands)	Highest percentage of ownership	Carrying value	Net income (losses) of investee	Share of profits/losses of investee	Note
The Company	T.H.I Group Ltd.(in BVI)	British Virgin Islands	Offshore settlement center	35,000 (1,000USD)	35,000 (1,000USD)	1,000,000	100 00 %	116,535	573	573	Subsidiaries
The Company	GREATLINE INTERNATIONAL LIMITED(GREATLINE)	British Virgin Islands	Offshore holding company	134,428 (4,050USD)	134,428 (4,050USD)	4,050,000	100.00 %	2,020,828	161,030	161,030	Subsidiaries
The Company	T.H.I GROUP VIETNAM CO , LTD.	Vietnam	Air & sea freight forwarding and packaging	8,362 (275USD)	8,362 (275USD)	4,950,000,000	99 00 %	51,345	581	575	Subsidiaries
The Company	T.H.I GROUP (BANGKOK) COMPANY LIMITED	Thailand	Air & sea freight forwarding and packaging	2,372 (72USD)	2,372 (72USD)	-	49.00 %	11,083	3,687	1,807	Subsidiaries
The Company	THI & Maruzen Co , Ltd	Japan	Air & sea freight forwarding	10,365 (31,130JPY)	10,365 (31,130JPY)	3,060	51.00 %	24,622	4,802	2,449	Subsidiaries
The Company	Taiwan Express Logistic Co , Ltd (TEC)	Taiwan	Air & sea freight forwarding	704,200	704,200	35,958,400	100 00 %	819,335	51,628	48,628	Subsidiaries
The Company	T H.I. Logistics Co. Ltd	Taiwan	Air & sea freight forwarding	130,000	130,000	13,000,000	100.00 %	156,006	11,285	11,285	Subsidiaries
The Company	T.H.I. GROUP (CAMBODIA) Co., Ltd	Cambodia	Air & sea freight forwarding	4,462 (150USD)	4,462 (150USD)	-	100.00 %	10,961	931	931	Subsidiaries
The Company	PT Dexter Eurekatama	Indonesia	Air & sea freight forwarding	47,381 (1,598USD)	47,381 (1,598USD)	12,000	30 00 %	36,047	2,081	(938)	Investment under equity method
The Company	T.H.I GROUP SINGAPORE PTE. LTD	Singapore	Air & sea freight forwarding	19,032 (850SGD)	19,032 (850SGD)	850,000	91.40 %	5,008	669	611	Subsidiaries
The Company	LOGI International Co., Ltd.	Korea	Air & sea freight forwarding	9,666 (300USD)	9,666 (300USD)	16,285	30 00 %	6,306	(396)	(119)	Investment under equity method
The Company	Fresh Beauty Enterprises Ltd. (Fresh Beauty)	Samoa	Offshore holding company	307,353 (60,979CNY)	307,353 (60,979CNY)	66	66 00 %	283,863	(16,025)	(11,730)	Subsidiaries
The Company	T.H I. Logistics (Malaysia) SDN BHD	Malaysia	Air & sea freight forwarding	10,381 (315USD)	10,381 (315USD)	180,000	90 00 %	9,536	2,090	1,881	Subsidiaries
The Company	T.H I. LOGISTICS PHILIPPINES CORP	Philippines	Air & sea freight forwarding	10,761 (351USD)	10,761 (351USD)	419,750	99.94 %	4,187	(2,352)	(2,352)	Subsidiaries
GREATLINE INTERNATIONAL LIMITED	T.H.I GROUP LIMITED (in HK)	Hong Kong	Air & sea freight forwarding	139,948 (4,314USD)	139,948 (4,314USD)	12,480,000	100.00 %	2,019,671	161,138	161,138	Subsidiaries
Fresh Beauty Enterprises Ltd	Eastern Union Holdings Limited	Hong Kong	Offshore holding Company	57,411 (1,751USD)	57,411 (1,751USD)	-	100.00 %	120,436	(16,025)	(16,025)	Subsidiaries
TEC	Taiwan Express (HK) Co.,Ltd (TEC HK)	Taiwan	Freight forwarding, customs clearance, and distribution	266,807 (70,550HKD	266,807 (70,550HKD	-	100.00 %	387,251	35,793	35,793	Subsidiaries
TEC	TEC Logistic Co., Ltd	Taiwan	Freight forwarding, customs clearance, and delivery services	6,000	6,000	1,000,000	100 00 %	-	-	-	The Group invested in which the subsidiary holds 30% of the shares
TEC	Orient Air General Sales Agent Co., Ltd	Taiwan	Freight forwarding, customs clearance, and delivery services	600	600	60,000	30 00 %	6,026	3,232	970	Subsidiaries
TEC	Hiview Logistics Co., Ltd	Taiwan	Freight forwarding, customs clearance, and distribution	76,590	76,590	5,000,000	97.51 %	101,019	14,142	13,790	Subsidiaries
TEC	Taiwan Express (USA) INC	United States	Freight forwarding, customs clearance, and distribution	31,629 (1,000USD)	31,629 (1,000USD)	100,000	100.00 %	33,118	-	-	Subsidiaries
TEC	TEC LOGISTICS (USA) INC	United States	Freight forwarding, customs clearance, and distribution	8,549 (290SGD)	8,549 (290SGD)	200	100.00 %	12,776	-	-	Subsidiaries
TEC	TEC LOGISTICS VIETNAM COMPANY LIMITED	Vietnam	Sea freight forwarding	10,577 (350USD)	-	-	100.00 %	10,301	-	-	Subsidiaries
TEC HK	Airtropolis Express(s) Pte. Ltd.	Singapore	Air freight forwarding	76,640 (3,413SGD)	76,640 (3,413SGD)	553	65 00 %	91,836	15,190	9,243	Subsidiaries

(Continued)

T3EX GLOBAL HOLDINGS CORP. AND SUBSIDIARIES
Notes to Consolidated Financial Statements

(c) Information on overseas branches and representative offices:

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

(Foreign currency express in thousands dollars)
(In Thousands of New Taiwan Dollars)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment (Note 1)	Accumulated outflow of investment from Taiwan as of January 1, 2020	Investment flows		Accumulated outflow of investment from Taiwan as of June 30, 2020	Net income (losses) of the investee	Percentage of ownership	Investment income (losses)	book value	Accumulated remittance of earnings in current period
					Outflow	Inflow						
Shanghai Yaohwa International Forwarder Co , Ltd	Air & sea freight forwarding and customs clearance	55,031 (1,700USD)	Note 1 (2)	55,031 (1,700USD)	-	-	55,031 (1,700USD)	2,383	100.00%	2,383	116,498	-
T.H.I. Group (Shanghai) Ltd	Air & sea freight forwarding and customs clearance	92,883 (3,060USD)	Note 1 (2)	84,861 (2,600USD)	-	-	84,861 (2,600USD)	98,898	100.00%	98,898	1,188,407	-
T-SC Factoring Co , Ltd.	Commercial service	215,680 (50,000CNY)	Note 2	-	-	-	-	722	100.00%	722	208,964	-
Shanghai Moorluk International Shipping Co., Ltd.	Air & sea freight forwarding and customs clearance	22,460 (5,000CNY)	Note 2	-	-	-	-	80	60.00%	(46)	14,152	-
T-Cube Global Logistics Co., Ltd	Warehousing and company	54,610 (11,000CNY)	Note 1 (2)	274,589 (8,391USD)	-	-	274,589 (8,391USD)	(16,025)	66.00%	(10,576)	81,808	21,140
EXer Logistics Co , Ltd	Express logistics company	58,023 (12,438CNY)	Note 2	-	-	-	-	19,697	93.51%	17,556	94,947	-
TEC Logistics (Shenzhen) Co., Ltd	Freight forwarding, customs clearance, and distribution	183,901 (48,550HKD)	Note 3	183,901 (48,550HKD)	-	-	183,901 (48,550HKD)	23,016	100.00%	23,016	197,359	-
T-Cube (Suzhou) Global Logistic Co , Ltd	Warehousing	43 (10CNY)	Note 4	-	-	-	-	287	66 00%	189	25	-
T-SC Trading Co , Ltd	Supply chain management and import and export trade	213 (50CNY)	Note 5	-	-	-	-	(10)	100 00%	(10)	198	-

Note: The above investments were eliminated in the preparation of consolidated financial statements.

Note 1: The method of investment in Mainland China is as follows:

(1) Invested directly in Mainland China.

(2) Invested in Mainland China Via remittance through a third region.

(3) Others

Note 2: T.H.I. Group (Shanghai) Ltd. (T.H.I. Shanghai) directly invested in Exer Logistics Co., Ltd., 、Shanghai Moorluk International Shipping Co., Ltd and T-SC Factoring Co., Ltd.

Note 3: TEC Logistics Co., Ltd is invested by the Company's subsidiary, Taiwan Express Logistic Co., Ltd., that invested in Mainland China via remittance through a third region. The upper limit of the investments is 60% of Taiwan Express Logistic Co., Ltd.'s net assets in the financial statements based on the "REGULATIONS GOVERNING THE APPROVAL OFINVESTMENT OR TECHNICAL COOPERATION INMAINLAND CHINA" and have been approved by the Investment Commission Ministry of Economic Affairs amounting to $183,901 thousand (HKD45,550 thousand).

Note 4: T-Cube Global Logistics Co., Ltd. directly invested in T-Cube (Suzhou) Global Logistic Co., Ltd.

Note 5: Shanghai Yaohwa International Forwarder Co., Ltd. directly invested in T-SC Trading Co., Ltd.

(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of June 30, 2020 (Note 1)	Investment Amounts Authorized by Investment Commission, MOEA (Note 2)	Upper Limit on Investment
379,382 (12,891 USD thousand)	462,875 (15,728 USD thousand)	1,399,850

Note 1: Calculated by accumulated investment in Main land China as of June 30, 2020, including $6,530 thousand (USD $200 thousand) remitted to THI Group (Shanghai) Logistic Ltd.

Note 1: As the reporting date, the exchange between USD and TWD was 1:29.43.

(iii) Significant transactions:

The significant inter-company transactions with the subsidiary in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in "Information on significant transactions".

(d) Major shareholders holding more than 5% of Group ownership as of June 30, 2020 : None.

T3EX GLOBAL HOLDINGS CORP. AND SUBSIDIARIES
Notes to Consolidated Financial Statements

(14) Disclosures required for securities firm investing in countries or regions without securities authority:

(a) General information

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

	For the three months ended June 30, 2020				
	Sea export	Air export	Others	Adjustment/ elimination	Total
Segment revenue	$ 1,756,546	1,721,602	385,030	-	3,863,178
Segment gross profit	318,936	229,995	84,865	-	633,796

	For the three months ended June 30, 2019				
	Sea export	Air export	Others	Adjustment/ elimination	Total
Segment revenue	1,633,459	792,431	384,483	-	2,810,373
Segment gross profit	294,577	136,782	83,361	-	514,720

	For the six months ended June 30, 2020				
	Sea export	Air export	Others	Adjustment/ elimination	Total
Segment revenue	$ 3,151,438	2,552,813	695,343	-	6,399,594
Segment gross profit	546,759	355,556	150,645	-	1,052,960

	For the six months ended June 30, 2019				
	Sea export	Air export	Others	Adjustment/ elimination	Total
Segment revenue	3,139,471	1,533,134	725,924	-	5,398,529
Segment gross profit	555,441	259,951	157,504	-	972,896