

T3EX GLOBAL HOLDINGS CORP.**Parent Company Only Financial Statements****with Independent Auditors' Report****For the Years Ended December 31, 2021 and 2020**

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

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Independent Auditors' Report

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

Opinion

We have audited the financial statements of T3EX Global Holdings Corp. ("the Company"), which comprise the balance sheets as of December 31, 2021 and 2020, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants, and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Revenue recognition

Please refer to Note 4(m) "Revenue recognition" of financial statement and Note 6(q) "Revenue from contracts with customers" for the details of operating revenues of financial statements.

Description of key audit matter:

T3EX Global Holdings Corp. is an industrial holding company. Its main operating revenue is from the share of profit of associates accounted for using the equity method and the services revenue from subsidiaries by providing management services. We expect that its revenue recognition is the matter to the users of the financial statements. Consequently, this is one of the key assessment areas in our audit on parent-company-only financial statements of T3EX Global Holding Corp.

How the matter was addressed in our audit:

Understanding the internal control on revenue recognition applied by the management and assessing whether its revenue recognition had been carried out in accordance with the established accounting policy; checking whether T3EX Global Holdings Corp. had calculated and recognized the share of profits and losses of its subsidiaries and associates by using the equity method; comparing the differences between the investment cost and the net equity of its subsidiaries and associates, to ensure that they had been properly handled. Issuing confirmation letter to T3EX Global Holdings Corp.'s subsidiaries to inquire the amount of the management services fee.

2. Equity method investees impairment assessment

Please refer to Note 4(l) "Impairment of non-financial assets" for accounting policies, Note 5 "assumptions on the accounting estimates and assumptions of the impairment of Equity method investees" and Note 6 (e) for the details of Equity method investees in the financial statements.

Description of key audit matter:

The goodwill and other intangible assets arising from acquisition transactions booked as the investment under the equity method of parent-company-only financial statements. The accounting policy applying to the goodwill and other intangible assets arising from acquisition transactions is with the uncertainty estimation. Consequently, this is one of the key assessment areas in our audit on parent-company-only financial statements of T3EX Global Holding Corp.

How the matter was addressed in our audit:

Understanding the internal control on the impairment assessment of the goodwill and other intangible assets; selecting significant goodwill and other intangible assets and obtaining impairment assessment reports issued by the external experts engaged by the management; assessing model, parameters and assumptions applying to the financial information forecast; and evaluating whether the assessment for goodwill and other intangible assets was based on the accounting policies.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Parent-company-only Financial Statements

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

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on this financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Chi-Lung Yu and Mei-Pin Wu.

KPMG

Taipei, Taiwan (Republic of China)
March 8, 2022

Notes to Readers

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

The independent auditors' audit report and the accompanying 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' audit report and financial statements, the Chinese version shall prevail.

(English Translation of Financial Statements Originally Issued in Chinese)
T3EX GLOBAL HOLDINGS CORP.

Balance Sheets

December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

Assets		December 31, 2021		December 31, 2020		Liabilities and Equity		December 31, 2021		December 31, 2020	
		Amount	%	Amount	%			Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (notes 6(a)&(s))	\$ 277,986	3	131,102	3	2100	Short-term borrowings (notes 6(h)(s)(v)&8)	\$ 400,000	4	1,300,000	26
1110	Current financial assets at fair value through profit or loss (notes 6(b)(j)&(s))	967,596	9	76,945	1	2200	Other payables (notes 6(k)&(s))	89,289	1	43,553	1
1120	Current financial assets at fair value through other comprehensive income (notes 6 (c)&(s))	717,193	7	203,773	4	2230	Current tax liabilities	13,663	-	275	-
1180	Accounts receivable due from related parties, net (notes 6(d),(q),(s),&7)	54,845	-	45,593	1	2399	Other current liabilities, others	87	-	99	-
1210	Other receivables due from related parties, net (notes 6(s)&7)	200,000	2	200,000	4		Current liabilities	503,039	5	1,343,927	27
1470	Other current assets	52,995	-	3,062	-	2530	Bonds payable (notes 6(j) & (s))	-	-	287,611	6
	Current assets	2,270,615	21	660,475	13	2540	Long-term borrowings (notes 6(i)(s)(v)&8)	200,000	2	200,000	4
Non-current assets:						2640	Net defined benefit liability, non-current (note 6(k))	16,374	-	14,425	-
1517	Non-current financial assets at fair value through other comprehensive income (notes 6(c)&(s))	1,166,500	11	229,000	5		Non-current liabilities	216,374	2	502,036	10
1550	Investments accounted for using equity method, net (note 6(e)&(n))	7,092,228	66	3,883,979	78		Total liabilities	719,413	7	1,845,963	37
1600	Property, plant and equipment (notes 6(f)&8)	183,151	2	180,214	4	Equity attributable to owners of parent (notes 6(c)(j)(m)&(n)):					
1780	Intangible assets (note 6(g))	21,451	-	20,002	-	3110	Ordinary share	1,447,522	13	1,171,575	23
1840	Deferred tax assets (note 6(l))	9,390	-	10,684	-	3140	Capital collected in advance	-	-	86,108	2
1920	Guarantee deposits paid (notes 6(s)&8)	336	-	336	-	3200	Capital surplus	2,546,036	24	830,563	17
	Non-current assets	8,473,056	79	4,324,215	87	3300	Retained earnings	4,612,097	43	1,066,722	21
						3400	Other equity	1,479,163	14	44,319	1
						3500	Treasury shares	(60,560)	(1)	(60,560)	(1)
							Total equity	10,024,258	93	3,138,727	63
Total assets		\$ 10,743,671	100	4,984,690	100	Total liabilities and equity		\$ 10,743,671	100	4,984,690	100

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

T3EX GLOBAL HOLDINGS CORP.**Statements of Comprehensive Income****For the years ended December 31, 2021 and 2020****(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)**

		2021		2020	
		Amount	%	Amount	%
4000	Operating revenue (notes 6(q)&7)	\$ 3,346,647	100	593,438	100
5000	Operating costs (notes 6(k)(n)(p)&12)	<u>141,294</u>	<u>4</u>	<u>87,190</u>	<u>15</u>
	Gross profit from operations	<u>3,205,353</u>	<u>96</u>	<u>506,248</u>	<u>85</u>
	Net operating income	<u>3,205,353</u>	<u>96</u>	<u>506,248</u>	<u>85</u>
	Non-operating income and expenses:				
7010	Other income (notes 6(r)&7)	18,014	-	5,324	1
7020	Other gains and losses, net (notes 6(b)&(r))	738,083	22	43,091	8
7100	Interest income (notes 6(r)&7)	2,052	-	1,971	-
7510	Interest expense (note 6(r))	<u>(13,276)</u>	<u>-</u>	<u>(16,596)</u>	<u>(3)</u>
	Profit before income tax	<u>3,950,226</u>	<u>118</u>	<u>540,038</u>	<u>91</u>
7950	Less: Income tax (benefit) expenses(note 6(l))	<u>15,354</u>	<u>-</u>	<u>(1,954)</u>	<u>-</u>
	Profit	<u>3,934,872</u>	<u>118</u>	<u>541,992</u>	<u>91</u>
8300	Other comprehensive income (loss):				
8310	Items that may not be reclassified subsequently to profit or loss				
8311	Remeasurements of defined benefit plans	(1,737)	-	706	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	1,464,851	43	325,906	55
8330	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	<u>(6,779)</u>	<u>-</u>	<u>(3,126)</u>	<u>(1)</u>
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>1,456,335</u>	<u>43</u>	<u>323,486</u>	<u>54</u>
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign financial statements	(13,419)	-	(71,387)	(12)
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Components of other comprehensive income that will be reclassified to profit or loss	<u>(13,419)</u>	<u>-</u>	<u>(71,387)</u>	<u>(12)</u>
8300	Other comprehensive income	<u>1,442,916</u>	<u>43</u>	<u>252,099</u>	<u>42</u>
	Comprehensive income	<u>\$ 5,377,788</u>	<u>161</u>	<u>794,091</u>	<u>133</u>
	Earnings per share (note 6(o))(NT Dollars)				
	Basic earnings per share	<u>\$ 30.03</u>		<u>4.72</u>	
	Diluted earnings per share	<u>\$ 30.00</u>		<u>4.70</u>	

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

T3EX GLOBAL HOLDINGS CORP.**Statements of Changes in Equity****For the years ended December 31, 2021 and 2020****(Expressed in Thousands of New Taiwan Dollars)**

	Retained earnings							Total other equity				
	Share capital			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
	Ordinary shares	Capital collected in advance	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings					
Balance on 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
Profit	-	-	-	-	-	541,992	541,992	-	-	-	-	541,992
Other comprehensive income	-	-	-	-	-	(2,420)	(2,420)	(71,387)	325,906	254,519	-	252,099
Total comprehensive income	-	-	-	-	-	539,572	539,572	(71,387)	325,906	254,519	-	794,091
Appropriation and distribution of retained earnings:												
Legal reserve appropriated	-	-	-	23,141	-	(23,141)	-	-	-	-	-	-
Special reserve appropriated	-	-	-	-	60,624	(60,624)	-	-	-	-	-	-
Cash dividends on ordinary share	-	-	-	-	-	(150,535)	(150,535)	-	-	-	-	(150,535)
Other changes in capital surplus:												
Recognition of equity component of convertible bonds issued	-	-	25,138	-	-	-	-	-	-	-	-	25,138
Capital increase by cash	-	86,108	-	-	-	-	-	-	-	-	-	86,108
Changes in ownership interests in subsidiaries	-	-	661	-	-	-	-	-	-	-	-	661
Purchase of treasury share	-	-	-	-	-	-	-	-	-	-	(32,763)	(32,763)
Share-based payments transactions	-	-	5,953	-	-	-	-	-	-	-	-	5,953
Disposal of investments in equity instruments designated at fair value through other comprehensive income												
	-	-	-	-	-	24,146	24,146	-	(24,146)	(24,146)	-	-
Balance on December 31, 2020	1,171,575	86,108	830,563	234,269	186,054	646,399	1,066,722	(265,044)	309,363	44,319	(60,560)	3,138,727
Profit	-	-	-	-	-	3,934,872	3,934,872	-	-	-	-	3,934,872
Other comprehensive income	-	-	-	-	-	(8,516)	(8,516)	(13,419)	1,464,851	1,451,432	-	1,442,916
Total comprehensive income	-	-	-	-	-	3,926,356	3,926,356	(13,419)	1,464,851	1,451,432	-	5,377,788
Appropriation and distribution of retained earnings:												
Legal reserved appropriated	-	-	-	56,372	-	(56,372)	-	-	-	-	-	-
Special reserve appropriated	-	-	-	-	(178,938)	178,938	-	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	-	(397,569)	(397,569)	-	-	-	-	(397,569)
Capital increase by cash	200,000	(86,108)	1,494,499	-	-	-	-	-	-	-	-	1,608,391
Conversion of convertible bonds	75,947	-	212,616	-	-	-	-	-	-	-	-	288,563
Changes in ownership interests in subsidiaries	-	-	1,307	-	-	-	-	-	-	-	-	1,307
Share-based payment transactions	-	-	7,051	-	-	-	-	-	-	-	-	7,051
Disposal of investments in equity instruments designated at fair value through other comprehensive income												
	-	-	-	-	-	16,588	16,588	-	(16,588)	(16,588)	-	-
Balance at December 31, 2021	\$ 1,447,522	-	2,546,036	290,641	7,116	4,314,340	4,612,097	(278,463)	1,757,626	1,479,163	(60,560)	10,024,258

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)
T3EX GLOBAL HOLDINGS CORP.

Statements of Cash Flows
For the years ended December 31, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

	2021	2020
Cash flows from operating activities:		
Profit before tax	\$ 3,950,226	540,038
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expenses	4,334	6,192
Amortization expenses	6,744	6,182
Net gain on financial assets or liabilities at fair value through profit	(460,202)	(39,894)
Interest expenses	13,276	16,596
Interest income	(2,052)	(1,971)
Dividend income	(14,450)	-
Share-based payment transactions	2,634	881
Share of profit of associates accounted for using equity method	(3,278,886)	(534,327)
Gain on disposal of investments	(278,670)	(4,601)
Total adjustments to reconcile loss	(4,007,272)	(550,942)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Increase in accounts receivable due from related parties	(9,252)	(2,366)
Decrease in other current assets	967	600
Increase in other payables	45,736	10,181
Decrease in other payables to related parties	-	(47,490)
Increase (decrease) in other current liabilities	(12)	17
Increase in net defined benefit liability	212	207
Total adjustments	(3,969,621)	(589,793)
Cash outflow generated from operations	(19,395)	(49,755)
Interest received	2,052	1,971
Interest paid	(11,322)	(16,265)
Income taxes paid	(672)	(5,248)
Net cash flows used in operating activities	(29,337)	(69,297)
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(19,658)	(16,601)
Proceeds from disposal of financial assets at fair value through other comprehensive income	25,402	55,452
Acquisition of financial assets at fair value through profit or loss	(596,089)	(44,246)
Proceeds from disposal of financial assets at fair value through profit or loss	392,408	105,028
Acquisition of investments accounted for using equity method	-	(5,706)
Acquisition of property, plant and equipment	(7,271)	(1,441)
Acquisition of intangible assets	(8,193)	(1,676)
Dividends received	78,800	36,521
Net cash flows from (used in) investing activities	(134,601)	127,331
Cash flows from (used in) financing activities:		
Decrease in short-term loans	(900,000)	(80,000)
Proceeds from issuance of convertible bonds	-	312,269
Proceeds from issuance of long-term borrowings	200,000	200,000
Repayments of long-term borrowings	(200,000)	(300,000)
Cash dividends paid	(397,569)	(150,535)
Capital increase by cash	1,608,391	86,108
Cost of increase in treasury stock	-	(32,763)
Net cash flows from financing activities	310,822	35,079
Net increase in cash and cash equivalents	146,884	93,113
Cash and cash equivalents at beginning of period	131,102	37,989
Cash and cash equivalents at end of period	\$ 277,986	131,102

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

T3EX GLOBAL HOLDINGS CORP.

Notes to the Financial Statements

For the years ended December 31, 2021 and 2020

(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 limited by shares, and 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 mainly engages in industrial investment holdings.

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

The parent-company-only financial statements were authorized for issue by the board of directors on March 8, 2022.

(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. which have already been adopted.

The Company has initially adopted the following new amendments, which do not have a significant impact on its financial statements, from January 1, 2021:

- Amendments to IFRS 4 “Extension of the Temporary Exemption from Applying IFRS 9”
- Amendments to IFRS 9, IAS39, IFRS7, IFRS 4 and IFRS 16 “Interest Rate Benchmark Reform—Phase 2”

The Company has initially adopted the following new amendments, which do not have a significant impact on its financial statements, from April 1, 2021:

- Amendments to IFRS 16 “Covid-19-Related Rent Concessions beyond June 30, 2021”

- (b) The impact of IFRS issued by the FSC but not yet effective

The Company assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2022, would not have a significant impact on its financial statements:

- Amendments to IAS 16 “Property, Plant and Equipment—Proceeds before Intended Use”
- Amendments to IAS 37 “Onerous Contracts—Cost of Fulfilling a Contract”
- Annual Improvements to IFRS Standards 2018–2020
- Amendments to IFRS 3 “Reference to the Conceptual Framework”

(Continued)

T3EX GLOBAL HOLDINGS CORP.
Notes to the Financial Statements

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

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

Standards or Interpretations	Content of amendment	Effective date per IASB
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of balance sheet, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity.	January 1, 2023
Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	The amendments narrowed the scope of the recognition exemption so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.	January 1, 2023

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

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IAS 1 “Disclosure of Accounting Policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”

(Continued)

T3EX GLOBAL HOLDINGS CORP. Notes to the Financial Statements

(4) Summary of significant accounting policies:

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

(a) Statement of compliance

These parent-company-only financial statements have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” (hereinafter referred to as the Regulations).

(b) Basis of preparation

(i) Basis of measurement

The parent-company-only financial statements have been prepared on a historical cost basis except for the following material items in the balance sheets:

- 1) Financial instruments at fair value through profit or loss are measured at fair value;
- 2) Financial assets at fair value through other comprehensive income are measured at fair value;
- 3) The defined benefit liabilities (assets) are measured at fair value of the plan assets less the present value of the defined benefit obligation.

(ii) Functional and presentation currency

The functional currency of each Group entity is determined based on the primary economic environment in which the entity operates. The Company's parent-company-only financial statements are presented in New Taiwan dollar, which is the Company's functional currency. All financial information presented in New Taiwan dollars has been rounded to the nearest thousand.

(c) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of the Company at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date.

Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss, except for those differences relating to the following, which are recognized in other comprehensive income.

(Continued)

T3EX GLOBAL HOLDINGS CORP.
Notes to the Financial Statements

- 1) an investment in equity securities designated as at fair value through other comprehensive income.
- 2) a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or
- 3) qualifying cash flow hedges to the extent that the hedges are effective.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Company disposes of any part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interest. When the Company disposes of only part of investment in an associate or joint venture that includes a foreign operation while retaining significant or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, exchange differences arising from such a monetary item that are considered to form part of the net investment in the foreign operation are recognized in other comprehensive income.

(d) Classification of current and non-current assets and liabilities

An asset is classified as current under one of the following criteria, and all other assets are classified as non-current.

- (i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is expected to be realized within twelve months after the reporting period; or
- (iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as non-current.

- (i) It is expected to be settled in the entity's normal operating cycle;
- (ii) It is held primarily for the purpose of trading;

(Continued)

T3EX GLOBAL HOLDINGS CORP. Notes to the Financial Statements

- (iii) It is due to be settled within twelve months after the reporting period; or
- (iv) The Company does not have an unconditional right to defer settlement for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(e) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(f) Financial instruments

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

On initial recognition, a financial asset is classified as measured at amortized cost; fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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T3EX GLOBAL HOLDINGS CORP. Notes to the Financial Statements

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Fair value through other comprehensive income (FVOCI)

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date on which the Company's right to receive payment is established.

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL, including derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

4) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, amortized costs, notes and accounts receivable, other receivable, guarantee deposit paid and other financial assets).

The Company measures loss allowances at an amount equal to lifetime expected credit loss (ECL), except for the following which are measured as 12-month ECL:

- debt securities that are determined to have low credit risk at the ended of reporting period; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly
(Continued)

T3EX GLOBAL HOLDINGS CORP.

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since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment as well as forward-looking information.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognized in other comprehensive income instead of reducing the carrying amount of the asset.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

5) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

(Continued)

T3EX GLOBAL HOLDINGS CORP.

Notes to the Financial Statements

The Company enters into transactions whereby it transfers assets recognized in its statement of balance sheet but retains either all or substantially all the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

Debt and equity instruments issued by the Company are classified as financial liabilities or equity in accordance with the substance of the contractual agreements and the definitions of a financial liability and an equity instrument.

2) Equity instrument

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

3) Treasury shares

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is recognized in capital surplus or retained earnings (if the capital surplus is not sufficient to be written down).

4) Compound financial instruments

Compound financial instruments issued by the Company comprise convertible bonds denominated in NTD that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of compound financial instruments is initially recognized at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognized at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognized in profit or loss. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognized.

(Continued)

T3EX GLOBAL HOLDINGS CORP. Notes to the Financial Statements

5) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

6) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred, or liabilities assumed) is recognized in profit or loss.

7) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(g) Investment in associates

Associates are those entities in which the Company has significant influence, but not control, over the financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of investment includes transaction costs. The carrying amount of investment in associates includes goodwill arising from the acquisition, less any accumulated impairment losses.

The parent-company-only financial statements include the Company's share of the profit or loss and other comprehensive income of those associates after adjustments to align their accounting policies with those of the Company, from the date on which significant influence commences until the date on which significant influence ceases. The Company recognizes and changes of its proportionate share in the investee within capital surplus, when an associate's equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes in actual significant influence.

Gains and losses resulting from transactions between the Company and an associate are recognized only to the extent of unrelated Company's interests in the associate.

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T3EX GLOBAL HOLDINGS CORP. Notes to the Financial Statements

When the Company's share of losses of an associate equals or exceeds its interest in an associate, it discontinues recognizing its share of further losses. After the recognized interest is reduced to zero, additional losses are provided for, and liability is recognized, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate.

(h) Investment in subsidiaries

The subsidiaries, which are controlled by the Company, are evaluated using the equity method when preparing their financial statements. Under the equity method, the net income, other comprehensive income and equity of parent-company-only financial statements are the same as those of the net income, other comprehensive income and equity in the equity attributable to the owners of the parent company in the consolidated financial statements.

The Company has recognized the changes in equity of its subsidiaries under shareholder's equity.

(i) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it is probable that future economic benefits associated with the expenditure will flow to the Company.

(iii) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

- | | |
|--------------------------|------------|
| 1) buildings | 5~50 years |
| 2) fixtures and fittings | 3~7 years |

Depreciation methods, useful lives and residual values are reviewed at each annual reporting date and adjusted if appropriate.

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T3EX GLOBAL HOLDINGS CORP. Notes to the Financial Statements

(j) Leased assets

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a lease

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments; including in-substance fixed payments
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

- there is a change in future lease payments arising from the change in an index or rate; or
- there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee; or
- there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset; or
- there is a change of its assessment on whether it will exercise a purchase, extension or termination option; or
- there is any lease modifications

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T3EX GLOBAL HOLDINGS CORP. Notes to the Financial Statements

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Company accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of fixtures and fittings that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

When the Company acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers to the lessee substantially all the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, the Company applies IFRS15 to allocate the consideration in the contract.

(k) Intangible assets

(i) Recognition and measurement

Goodwill arising on the acquisition of subsidiaries is measured at cost, less accumulated impairment losses.

Expenditure on research activities is recognized in profit or loss as incurred.

Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to, and has sufficient resources to, complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost, less accumulated amortization and any accumulated impairment losses.

Other intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

(Continued)

T3EX GLOBAL HOLDINGS CORP. Notes to the Financial Statements

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures, including expenditure on internally generated goodwill and brands, are recognized in profit or loss as incurred.

(iii) Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

The estimated useful lives for current and comparative periods are as follows:

- | | |
|----------------------|---------|
| 1) Computer Software | 7 years |
|----------------------|---------|

Amortization methods, useful lives and residual values are reviewed at each annual reporting date and adjusted if appropriate.

(l) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories, contract assets, deferred tax assets and investment properties and biological assets, measured at fair value, less costs) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

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T3EX GLOBAL HOLDINGS CORP. Notes to the Financial Statements

(m) Revenue recognition

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring services to customers. The Company recognizes revenue when it satisfies a performance obligation by transferring control of services to customers.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. Consequently, the group does not adjust any of the transaction prices for the time value of money.

(n) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

(ii) Defined benefit plans

The Company's net obligation in respect of the defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods; discounting that amount and deducting the fair value of any plan assets.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability (asset), which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Short-term employee benefits

Short-term employees are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(Continued)

T3EX GLOBAL HOLDINGS CORP. Notes to the Financial Statements

(o) Share-based payment

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the share appreciation rights. Any changes in the liability are recognized in profit or loss.

Grant date of a share-based payment award is the date which the Company and employees reach consensus on the price and number of a new award.

(p) Income tax

Income taxes comprise current taxes and deferred taxes. Except for expenses that are related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatment, do not meet the definition of income taxes, and therefore accounted for them under IAS37.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

- (i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits (losses) at the time of the transaction;
- (ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- (iii) taxable temporary differences arising on the initial recognition of goodwill.

(Continued)

T3EX GLOBAL HOLDINGS CORP. Notes to the Financial Statements

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred taxes are measured at tax rates that are expected to be applied to temporary difference when they reserve, using tax rates enacted or substantively enacted at the reporting date, and reflect uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if the following criteria are met:

- (i) The Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (ii) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
 - 1) the same taxable entity; or
 - 2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(q) Earnings per share

The Company discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted-average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted-average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares, such as convertible bonds, employee stock options and employee compensation estimation.

(r) Operating segments

An operating segment is disclosed on the Consolidated Financial Statement of the Group, therefore this statement will not include the operating segments.

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

The preparation of the parent-company-only financial statements in conformity with the IFRSs 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.

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the following period.

(Continued)

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Notes to the Financial Statements

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year, please refer to note 6(e) Investments accounted for using the equity method.

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is as follows:

- (a) Judgment of whether the Company has substantive control over its investees

The Company holds 30% of the outstanding voting shares of PT. Dexter Eurekatama and is the single largest shareholder of the investee. Although the remaining 70% of PT. Dexter Eurekatama's shares are not concentrated within specific shareholders, the Company still cannot obtain more than half of the total number of PT. Dexter Eurekatama's directors, and it also cannot obtain more than half of the voting rights at a shareholders' meeting. Therefore, it is determined that the Company has significant influence on PT. Dexter Eurekatama.

(6) Explanation of significant accounts:

- (a) Cash and cash equivalents

	December 31, 2021	December 31, 2020
Checking accounts	\$ 34	41
Demand deposits-foreign currency	19,658	773
Demand deposits	258,294	130,288
	\$ 277,986	131,102

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

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

	December 31, 2021	December 31, 2020
Mandatorily measured at fair value through profit or loss:		
Derivative instruments not used for hedging		
Right of redemption of convertible bonds	\$ -	328
Non-derivative financial assets		
Funds	7,234	7,223
Stocks listed on domestic markets	960,362	69,394
Total	\$ 967,596	76,945

For the years ended December 31, 2021 and 2020, the investment income from disposal of financial assets at fair value through profit or loss is \$278,670 thousand and \$4,601 thousand, recorded as other gains and losses.

(Continued)

T3EX GLOBAL HOLDINGS CORP.
Notes to the Financial Statements

(c) Financial assets at fair value through other comprehensive income

	December 31, 2021	December 31 2020
Equity investments at fair value through other comprehensive income		
Current		
Domestic Company-Soonest express Co., Ltd.	\$ 51,624	42,881
Domestic Company-Yang Ming Marine Transport Corp.	665,569	160,892
Total	<u>\$ 717,193</u>	<u>203,773</u>
Non-current		
Domestic Company Private placement stocks-Yang Ming Marine Transport Corp.	<u>\$ 1,166,500</u>	<u>229,000</u>

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

In June 2021, the Company 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 \$23,906 thousand. The Company realized a gain of \$16,588 thousand, which was reclassified from other comprehensive income to retained earnings.

In June, August and December 2020, the Company has sold its partial shares held in Soonest express Co., Ltd. and Yang Ming Marine Transport Corp. in order to adjust its investment strategy. The shares sold had a fair value of \$21,782 thousand and \$33,670 thousand, respectively. The Company realized a gain of \$24,149 thousand, which was reclassified from other comprehensive income to retained earnings.

The above financial assets were not provided as collateral guarantees.

(d) Accounts receivable due from related parties

	December 31, 2021	December 31, 2020
Accounts receivable due from related parties -measured at amortized cost	<u>\$ 54,845</u>	<u>45,593</u>

As of December 31, 2021 and 2020, the Company does not have any over-due accounts receivable.

There were no movements in the allowance of doubtful receivables with respect to accounts receivable for the Company during the fiscal years 2021 and 2020.

As of December 31, 2021 and 2020, no receivables were pledged as collateral.

(Continued)

T3EX GLOBAL HOLDINGS CORP.
Notes to the Financial Statements

(e) Investments accounted for using equity method

A summary of the Company's financial information about investments accounted for using the equity method at the reporting date is as follows:

	December 31, 2021	December 31, 2020
Subsidiary	\$ 7,054,816	3,841,160
Associates	37,412	42,819
	<u>\$ 7,092,228</u>	<u>3,883,979</u>

(i) Subsidiary

Please refer to the consolidated financial statements for the years ended December 31, 2021.

(ii) Associates

No publicly quoted prices were available for the above associates.

The financial information on associates of the Company is as follows:

	December 31, 2021	December 31, 2020
Carrying amount of individual insignificant associates equity	<u>\$ 104,051</u>	<u>78,830</u>

The Company does not share any contingent liabilities of an associate incurred jointly with other investors. The Company also does not have any contingent liabilities because the Company is severally liable for all or part of the liabilities of the associate.

There are no significant restrictions on the ability of associates to transfer funds to the Company.

(iii) Guarantees

As of December 31, 2021 and 2020, the Company did not provide any investments accounted for using the equity method as collateral for its loans.

(Continued)

T3EX GLOBAL HOLDINGS CORP.
Notes to the Financial Statements

(f) Property, plant and equipment

The cost and depreciation of the property, plant and equipment of the Company for the years ended December 31, 2021 and 2020, were as follows:

	<u>Land</u>	<u>Buildings</u>	<u>Office and Other Equipment</u>	<u>Total</u>
Cost or deemed cost:				
Balance on January 1, 2021	\$ 132,594	54,925	32,852	220,371
Additions	-	-	7,271	7,271
Disposal	-	-	(21,040)	(21,040)
Balance on December 31, 2021	<u>\$ 132,594</u>	<u>54,925</u>	<u>19,083</u>	<u>206,602</u>
Balance on January 1, 2020	\$ 132,594	69,299	40,034	241,927
Additions	-	686	755	1,441
Disposal	-	(15,060)	(7,937)	(22,997)
Balance on December 31, 2020	<u>\$ 132,594</u>	<u>54,925</u>	<u>32,852</u>	<u>220,371</u>
Depreciation and impairment loss:				
Balance on January 1, 2021	\$ -	14,569	25,588	40,157
Depreciation	-	1,201	3,133	4,334
Disposal	-	-	(21,040)	(21,040)
Balance on December 31, 2021	<u>\$ -</u>	<u>15,770</u>	<u>7,681</u>	<u>23,451</u>
Balance on January 1, 2020	\$ -	28,531	28,431	56,962
Depreciation	-	1,098	5,094	6,192
Disposal	-	(15,060)	(7,937)	(22,997)
Balance on December 31, 2020	<u>\$ -</u>	<u>14,569</u>	<u>25,588</u>	<u>40,157</u>
Carrying amounts:				
Balance on December 31, 2021	<u>\$ 132,594</u>	<u>39,155</u>	<u>11,402</u>	<u>183,151</u>
Balance on January 1, 2020	<u>\$ 132,594</u>	<u>40,768</u>	<u>11,603</u>	<u>184,965</u>
Balance on December 31, 2020	<u>\$ 132,594</u>	<u>40,356</u>	<u>7,264</u>	<u>180,214</u>

A summary of pledged assets as of December 31, 2021 and 2020 is found in note 8.

(g) Intangible assets

The cost and amortization of the intangible assets of the Company for the years ended December 31, 2021 and 2020, were as follows:

	<u>Intangible Assets</u>
Cost:	
Balance on January 1, 2021	\$ 62,041
Additions	8,193
Balance on December 31, 2021	<u>\$ 70,234</u>
Balance on January 1, 2020	\$ 60,365
Additions	1,676
Balance on December 31, 2020	<u>\$ 62,041</u>

(Continued)

T3EX GLOBAL HOLDINGS CORP.
Notes to the Financial Statements

	<u>Intangible Assets</u>
Amortization and impairment loss:	
Balance on January 1, 2021	\$ 42,039
Amortization	<u>6,744</u>
Balance on December 31, 2021	<u>\$ 48,783</u>
Balance on January 1, 2020	\$ 35,857
Amortization	<u>6,182</u>
Balance on December 31, 2020	<u>\$ 42,039</u>
Carrying value:	
Balance on December 31, 2021	<u>\$ 21,451</u>
Balance on January 1, 2020	<u>\$ 24,508</u>
Balance on December 31, 2020	<u>\$ 20,002</u>

Amortization of intangible assets of the Company for the years ended December 31, 2021 and 2020, were recognized as operating expenses in the individual profit and loss.

(h) Short-term borrowing

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Unsecured bank loans	\$ 400,000	1,100,000
Secured bank loans	<u>-</u>	<u>200,000</u>
Total	<u>\$ 400,000</u>	<u>1,300,000</u>
Unused short-term credit lines	<u>\$ 2,550,000</u>	<u>1,110,000</u>
Interest rate	<u>0.85%~0.90%</u>	<u>0.86%~1.02%</u>

Please refer to note 8 for further information on assets pledged as collateral.

(i) Long-term borrowing

Long-term borrowings were as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Unsecured bank loans	\$ 200,000	200,000
Less: current portion	<u>-</u>	<u>-</u>
Total	<u>\$ 200,000</u>	<u>200,000</u>
Unused long-term credit lines	<u>\$ -</u>	<u>-</u>
Interest rate	<u>1.05%</u>	<u>1.05%</u>

For the year ended December 31, 2021, the Company's proceeds from long-term borrowings amounted to \$200,000 thousand with an interest rate of 1.05%. The long-term borrowings are due in October 2023.

(Continued)

T3EX GLOBAL HOLDINGS CORP. Notes to the Financial Statements

For the year ended December 31, 2020, the Company's proceeds from long-term borrowings amounted to \$200,000 thousand with an interest rate of 1.05%. The long-term borrowings were due in August 2022 and repaid in advance on September 29, 2021.

For the years ended December 31, 2021 and 2020, the repayment amounted to \$200,000 thousand and \$300,000 thousand, respectively.

Please refer to note 8 for further information on assets pledged as collateral.

(j) Bonds payable

The details of unsecured convertible bonds were as follows:

	December 31, 2021	December 31, 2020
Total convertible corporate bonds issued	\$ 300,000	300,000
Less: Cumulative converted amount	300,000	-
Unamortized corporate bonds discount	-	12,389
Corporate bonds issued balance at year-end	<u>\$ -</u>	<u>287,611</u>
Embedded derivative — call and put options, included in financial liabilities at fair value through profit or loss	<u>\$ -</u>	<u>328</u>
Equity components — conversion options, included in capital surplus — stock options	<u>\$ -</u>	<u>25,138</u>

The Company issued the 4th domestic unsecured convertible bonds and recognized conversion options and the liability component as equity and liability, respectively. The detailed information was as follows:

	4th domestic unsecured convertible bonds
The present value of the convertible corporate bonds at the time of issuance	\$ 287,280
The embedded derivative instrument — redemption options at the time of issuance	(149)
The equity component at the time of issuance	25,138
Total amount of the convertible corporate bonds at the time of issuance	<u>\$ 312,269</u>

The Company issued the 4th domestic unsecured convertible bonds on December 2, 2020, with face value amounting to \$300,000. The terms and conditions of the bonds were as follows:

- (i) Issuance price: 105.09% of the par value
- (ii) Coupon rate: 0%
- (iii) Issuance period: 3 years (December 2, 2020 to December 2, 2023)

(Continued)

T3EX GLOBAL HOLDINGS CORP. Notes to the Financial Statements

(iv) The Company's right of redemption:

At any time during the period from March 3, 2021 to October 23, 2023, when the closing price of the Company's common shares is equal to or greater than the conversion price by 30% for 30 consecutive trading days, or the outstanding balance of the bonds is less than 10% of total initial issue amount, the Company may redeem the bonds in cash at face value.

(v) Bondholders' put option:

The holders of the 4th domestic unsecured convertible bonds have no right to request the Company to repurchase the convertible bond.

(vi) Terms of conversion:

- 1) The bondholders may request conversion of the bond to the Company's common stock at any time during the period from March 3, 2021 to December 2, 2023.
- 2) Terms of conversion price:

The conversion price was set at \$39.5 at the time of issue. When the numbers of common shares of the Company changes, or other convertible bonds are issued with a conversion price lower than the market price, the conversion price will be adjusted based on a formula in accordance with the terms of issue.

(k) Employee benefits

(i) Defined benefit plan

Reconciliation of defined benefit obligation at present value and plan asset at fair value is as follows:

	December 31, 2021	December 31, 2020
Total present value of defined benefit obligations	\$ (34,407)	(31,454)
Fair value of plan assets	18,033	17,029
Net defined benefit liability	<u>\$ (16,374)</u>	<u>(14,425)</u>

The Company's employee benefit liabilities were as follows:

	December 31, 2021	December 31, 2020
Paid vacation liability-current (recorded in other payables)	<u>\$ 229</u>	<u>229</u>

The Company makes defined benefit plan contributions to the pension fund account at Bank of Taiwan and to the manager pension fund account that provide pensions for employees upon retirement. Plans (covered by the Labor Standards Law) entitle a retired employee to receive retirement benefits based on years of service and average salary for the six months prior to retirement.

(Continued)

T3EX GLOBAL HOLDINGS CORP.
Notes to the Financial Statements

1) Composition of plan assets

The Company allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Fund, Ministry of Labor. With regard to the utilization of the funds, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

As of December 31, 2021, the pension fund account balance at Bank of Taiwan and the manager pension fund balance amounted to \$2,091 thousands and \$15,942 thousands, respectively. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

2) Movements in the present value of defined benefit obligation

The movements in present value of the defined benefit obligations for the Company were as follows:

	<u>2021</u>	<u>2020</u>
Defined benefit obligations on January 1	\$ 31,454	30,816
Current service costs and interest cost	1,139	1,354
Remeasurements loss (gain)	<u>1,814</u>	<u>(716)</u>
Defined benefit obligations on December 31	<u><u>\$ 34,407</u></u>	<u><u>31,454</u></u>

3) Movements of defined benefit plan assets

The movements in the present value of the defined benefit plan assets for the years ended December 31, 2021 and 2020 were as follows:

	<u>2021</u>	<u>2020</u>
Fair value of plan assets on January 1	\$ 17,029	15,892
Expected return on plan assets	6	145
Contribution to the plan	921	1,002
Remeasurements loss (gain)	<u>77</u>	<u>(10)</u>
Fair value of plan assets on December 31	<u><u>\$ 18,033</u></u>	<u><u>17,029</u></u>

(Continued)

T3EX GLOBAL HOLDINGS CORP.
Notes to the Financial Statements

4) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the Company were as follows:

	<u>2021</u>	<u>2020</u>
Current service costs	\$ 1,058	1,064
Net interest of net liabilities for defined benefit obligations	<u>75</u>	<u>145</u>
	<u><u>\$ 1,133</u></u>	<u><u>1,209</u></u>

The above net pension gains and losses are recognized as operating cost.

5) Remeasurement of net defined benefit liability recognized in other comprehensive income

The Company's remeasurement of the net defined benefit liability (asset) recognized in other comprehensive income for the years ended December 31, 2021 and 2020 was as follows:

	<u>2021</u>	<u>2020</u>
Accumulated amount at January 1	\$ (2,627)	(1,921)
Recognized during the period	<u>1,737</u>	<u>(706)</u>
Accumulated amount at December 31	<u><u>\$ (890)</u></u>	<u><u>(2,627)</u></u>

6) Actuarial assumptions

The principal actuarial assumptions at the reporting date were as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Discount rate	0.625 %	0.625 %
Future salary increasing rate	3.000 %	3.000 %

The expected allocation payment to be made by the Company to the defined benefit plans for the one-year period after the reporting date is \$913 thousand dollar.

The weighted-average lifetime of the defined benefit plans is 16.60 years.

7) Sensitivity analysis

When calculating the present value of the defined benefit obligations, the Company uses judgments and estimations to determine the actuarial assumptions, including the discount rates and future salary changes, as of the end of the reporting period. Any changes in the actuarial assumptions may significantly impact the amount of the defined benefit obligations.

(Continued)

T3EX GLOBAL HOLDINGS CORP. Notes to the Financial Statements

The changes in the main actuarial assumptions might have an impact on the present value of the defined benefit obligation:

	Effects to the defined benefit obligation	
	Increase by 0.25%	Decrease by 0.25%
December 31, 2021		
Discount rate	\$ (87)	92
Future salary increasing rate	89	(85)
December 31, 2020		
Discount rate	(81)	85
Future salary increasing rate	82	(79)

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown above. The method used in the sensitivity analysis is consistent with the calculation of pension liabilities in the balance sheets.

There is no change in the method and assumptions used in the preparation of sensitivity analysis for 2021 and 2020.

(ii) Defined contribution plan

The Company allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under these defined contribution plans, the Company allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

The pension costs incurred from the contributions to the Bureau of the Labor Insurance amounted to \$1,675 thousand and \$1,512 thousand for the years ended December 31, 2021 and 2020, respectively.

(l) Income tax

(i) The components of income tax for 2021 and 2020 were as follows:

	2021	2020
Current income tax expense	\$ 14,060	1,988
Deferred income tax expense (benefit)	1,294	(3,942)
Income tax (profit) expense	<u>\$ 15,354</u>	<u>(1,954)</u>

(Continued)

T3EX GLOBAL HOLDINGS CORP.
Notes to the Financial Statements

Reconciliation of income tax expense and profit before tax for the years ended December 31, 2021 and 2020 were as follows:

	2021	2020
Profit before income tax	\$ <u>3,950,226</u>	<u>540,038</u>
Income tax using the Company's domestic tax rate	790,045	108,008
Domestic investment income using equity method	(67,244)	(24,274)
Changes in unrecognized temporary differences	(588,533)	(82,591)
Gains that does not affect income tax expense	(138,590)	(5,921)
Prior year income tax underestimation (overestimation)	10	(159)
Undistributed earnings additional tax	13,663	275
Others	<u>6,003</u>	<u>2,708</u>
	\$ <u>15,354</u>	<u>(1,954)</u>

(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax assets and liabilities

The Company is able to control the timing of the reversal of the temporary differences associated with investments in subsidiaries as of December 31, 2021 and 2020. Also, management considers it probable that the temporary differences will not reverse in the foreseeable future. Hence, such temporary differences are not recognized as deferred tax assets and liabilities. Details are as follows:

	December 31, 2021	December 31, 2020
Unrecognized deferred tax assets	\$ <u>4,450</u>	<u>5,581</u>
Unrecognized deferred tax liabilities	\$ <u>1,087,857</u>	<u>500,455</u>

2) Recognized deferred tax assets and liabilities

The movements in deferred tax assets and liabilities for the years ended December 31, 2021 and 2020 were as follows:

	Defined benefit plans	Others	Total
Deferred tax assets:			
Balance at January 1, 2020	\$ 4,094	6,590	10,684
Debited in profit or loss	<u>-</u>	<u>(1,294)</u>	<u>(1,294)</u>
Balance at December 31, 2020	\$ <u>4,094</u>	<u>5,296</u>	<u>9,390</u>
Balance at January 1, 2021	\$ 4,094	2,648	6,742
Credited in profit or loss	<u>-</u>	<u>3,942</u>	<u>3,942</u>
Balance at December 31, 2021	\$ <u>4,094</u>	<u>6,590</u>	<u>10,684</u>

(Continued)

T3EX GLOBAL HOLDINGS CORP.
Notes to the Financial Statements

3) Examination and approval

The Company's income tax returns for the years 2019 had been examined and approved by the Tax Authority.

(m) Capital and other equity

(i) Ordinary shares

As of December 31, 2021 and 2020, the authorized capital of the Company consisted of \$2,000,000 thousand, of which \$80,000 thousand were reserved for employee share options, with a par value of \$10 per share. As of December 31, 2021 and 2020, the issued capital were 144,752 and 117,158 thousand shares, respectively. All issued ordinary shares were paid up upon issuance.

A resolution was approved during the Board of Directors meeting held on October 14, 2020 to increase the cash capital of the Company by issuing 10,000 thousand new shares, with a par value of \$10 per share, amounting to \$100,000 thousand. The aforementioned cash increase was issued at a premium of \$30 per share. All funds for the issued shares have been collected, and the relevant legal registration procedures have been completed.

A resolution was approved during the Board of Directors meeting held on July 16, 2021 to increase the cash capital of the Company by issuing 10,000 thousand new shares, with a par value of \$10 per share, amounting to \$100,000 thousand. The aforementioned cash increase was issued at a premium of 140 per share. All funds for the issued shares have been collected and the relevant legal registration procedures had all been completed.

As of December 31, 2021, the convertible bonds issued by the Company were converted into \$7,594 thousand shares amounting to \$75,947 thousand. As of the issue date of the financial statements, the relevant statutory registration procedures have been completed.

Reconciliation of shares outstanding shares for the years ended December 31, 2021 and 2020 were as follows:

	Unit: thousand share	
	2021	2020
Beginning balance, January 1	\$ 117,158	117,158
Capital increase by cash	20,000	-
Conversion of convertible bonds	7,594	-
Ending balance, December 31	<u><u>\$ 144,752</u></u>	<u><u>117,158</u></u>

(Continued)

T3EX GLOBAL HOLDINGS CORP.
Notes to the Financial Statements

(ii) Capital surplus

The components of capital surplus were as follows:

	December 31, 2021	December 31, 2020
Paid-in capital derived from premium on issuance of common shares	\$ 2,005,494	497,991
Surplus arising from bond conversion option	483,419	245,665
Equity component of convertible bonds	-	25,138
Surplus arising from long-term equity investments—donated surplus and others	13,699	12,392
Surplus arising from premium from merger	2,912	2,912
Surplus arising from stock options	40,512	46,465
	<u>\$ 2,546,036</u>	<u>830,563</u>

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.

(iii) 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) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

(Continued)

T3EX GLOBAL HOLDINGS CORP.
Notes to the Financial Statements

2) Special reserve

By choosing to apply exemptions granted under IFRS 1 “First-time Adoption of International Financial Reporting Standards” during the Company’s first-time adoption of the International Financial Reporting Standards (IFRSs) endorsed by the Financial Supervisory Commission, cumulative translation adjustments (gains) shall be reclassified as retained earnings. The net increase in retained earnings due to the first-time adoption of IFRSs amounted to \$7,116 thousands. In accordance with Ruling No. 1010012865 issued by the Financial Supervisory Commission on April 6, 2012, an increase in retained earnings due to the first-time adoption of IFRSs shall be reclassified as special earnings reserve during earnings distribution, and when the relevant asset is used, disposed of, or reclassified, this special earnings reserve shall be reversed as distributable earnings proportionately. The carrying amount of special earnings reserve was \$7,116 thousands on December 31, 2021 and 2020.

In accordance with the guidelines of the above Ruling, a portion of current-period earnings and undistributed prior-period earnings shall be reclassified as special earnings reserve during earnings distribution. The amount to be reclassified should be equal to the difference between the total net current-period reduction of special earnings reserve resulting from the first-time adoption of IFRSs and the carrying amount of other shareholders’ equity as stated above. Similarly, a portion of undistributed prior-period earnings shall be reclassified as special earnings reserve (which does not qualify for earnings distribution) to account for cumulative changes to other shareholders’ equity pertaining to prior periods due to the first-time adoption of IFRSs. Amounts of subsequent reversals pertaining to the net reduction of other shareholders’ equity shall qualify for additional distributions.

3) Earnings distribution

Earnings distribution for 2020 and 2019 was resolved in the general meeting of shareholders held on August 17, 2021 and May 27, 2020, respectively. The relevant dividend distributions to shareholders were as follows:

	2020		2019	
	Amount per share (dollars)	Total amount	Amount per share (dollars)	Total amount
Dividends distributed to ordinary shareholders:				
Cash	\$ 3.20	<u><u>397,569</u></u>	1.30	<u><u>150,535</u></u>

(Continued)

T3EX GLOBAL HOLDINGS CORP.
Notes to the Financial Statements

Earnings distribution for 2021 was decided by the resolution adopted, at the meeting of the Board of Directors held on March 8, 2022. The relevant dividend distributions to shareholders was as follows:

	2021	
	Amount per share (NT dollars)	Total amount
Dividends distributed to ordinary shareholders:		
Cash	\$ 13.00	<u><u>1,843,858</u></u>

(iv) Treasury stock

For the years ended December 31, 2021 and 2020 the movements of the treasury stock were as below.

Item	January 1, 2021	Increase	Decrease	December 31, 2021
Treasury stock acquired — shares (in thousand shares)	<u>\$ 2,917</u>	<u>-</u>	<u>-</u>	<u>2,917</u>
Treasury stock acquired — amount	<u>\$ 60,560</u>	<u>-</u>	<u>-</u>	<u>60,560</u>

Item	January 1, 2020	Increase	Decrease	December 31, 2020
Treasury stock acquired — shares (in thousand shares)	<u>\$ 1,361</u>	<u>1,556</u>	<u>-</u>	<u>2,917</u>
Treasury stock acquired — amount	<u>\$ 27,797</u>	<u>32,763</u>	<u>-</u>	<u>60,560</u>

A total of 2,917 thousand shares were yet to be cancelled as of December 31, 2021, and 2020.

In accordance with the Securities and Exchange Act requirements, the number of shares repurchased should not exceed 10 percent of all shares outstanding. Also, the value of the repurchased shares should not exceed the sum of the Company's retained earnings, share premium, and realized capital reserves. As of December 31, 2021, the balance of treasury stock was in compliance with the requirement.

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

(Continued)

T3EX GLOBAL HOLDINGS CORP.
Notes to the Financial Statements

(n) Share-based payment

The Company's share-based payment arrangements were as follows:

	Cash capital increase reserved for employee subscription	
Grant date	September 8, 2021	December 2, 2020
Number of shares granted	501 thousand shares	845 thousand shares
Recipients	Employees of the Company and its subsidiaries	Employees of the Company and its subsidiaries
Vesting conditions	Vested immediately	Vested immediately

For the year ended December 31, 2021 and 2020, the number of shares granted for employees of the Company and subsidiaries was 501 thousand shares and 845 thousand shares, respectively. The cost of the above share-based payments transactions amounting to \$7,051 thousand and \$5,953 thousand, respectively, were recorded as operating expenses and investments accounted for using the equity method.

(o) Earnings per share (EPS)

(i) Basic earnings per share

The calculation of basic earnings per share as of December 31, 2021 and 2020, was based on the profit attributable to ordinary shareholders and the weighted-average number of outstanding ordinary shares. The details were as follows:

1) Profit attributable to common shareholders

	2021	2020
Profit attributable to ordinary shareholders of the Company	<u>\$ 3,934,872</u>	<u>541,992</u>

2) Weighted-average number of outstanding common shares (thousand shares)

	2021	2020
Issued ordinary shares at January 1	\$ 117,158	117,158
Effect of treasury stock	(2,917)	(2,423)
Effect of conversion of convertible bonds	4,397	-
Effect of capital increase by cash	<u>12,383</u>	<u>-</u>
Weighted-average number of outstanding ordinary shares at December 31	<u>\$ 131,021</u>	<u>114,735</u>

(Continued)

T3EX GLOBAL HOLDINGS CORP.
Notes to the Financial Statements

(ii) Diluted earnings per share

The calculation of diluted earnings per share as of December 31, 2021 and 2020 was based on the profit attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding after adjusting the effects of all dilutive potential ordinary shares. The details were as follows:

1) Profit attributable to ordinary shareholders (diluted)

	<u>2021</u>	<u>2020</u>
Profit attributable to ordinary shareholders of the Company (basic)	\$ 3,934,872	541,992
Interest on convertible bonds	1,955	331
Gains on revaluation of put and call options of convertible bonds measured at fair value	<u>(674)</u>	<u>(180)</u>
Profit attributable to common shareholders (diluted)	<u><u>\$ 3,936,153</u></u>	<u><u>542,143</u></u>

2) Weighted-average number of outstanding ordinary shares (diluted) (thousand shares)

	<u>2021</u>	<u>2020</u>
Weighted-average number of outstanding ordinary shares (basic)	\$ 131,021	114,734
Effect of conversion of convertible bonds	15	602
Effect of employee stock dividends	<u>158</u>	<u>79</u>
Weighted-average number of outstanding ordinary shares at December 31 (diluted)	<u><u>\$ 131,194</u></u>	<u><u>115,415</u></u>

(p) Employee compensation and directors' and supervisors' remuneration

In accordance with the articles of incorporation, the Company should contribute no less than 0.5% of the profit as employee compensation and more than 3% as directors' and supervisors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The amount of remuneration of each director and supervisor and of compensation for employees entitled to receive the abovementioned employee compensation is approved by the Board of Directors. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions.

For the years ended December 31, 2021 and 2020, the Company estimated its employee remuneration at \$19,951 thousand and \$2,796 thousand, and directors' and supervisors' remuneration at \$19,352 thousand and \$11,080 thousand, respectively. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees, directors and supervisors of each period, multiplied by the percentage of remuneration of to employees, directors and supervisors as specified in the Company's Aarticles . These remunerations were expensed under operating costs or operating expenses during 2021 and 2020. Related information would be available at the Market Observation Post System website. The differences between the actual compensation and the amount stated in the financial statements, if any, are accounted for as changes in accounting estimates and recognized as profit or loss in next year.

(Continued)

T3EX GLOBAL HOLDINGS CORP.
Notes to the Financial Statements

The information of compensation of relevant distribution and recognition on 2020 and 2019 were as below:

	2020		
	Actual Distribution	Recognized on financial statements	Difference
Employee compensation	\$ 2,796	2,796	-
Directors compensation	11,080	11,080	-

	2019		
	Actual Distribution	Recognized on financial statements	Difference
Employee compensation	\$ 1,320	1,313	7
Directors compensation	7,350	7,650	(300)

The relevant information of employee and director compensations decided by the Board of Directors of the Company can be found at the public information station.

(q) Revenue from contracts with customers

(i) Disaggregation of revenue

	2021	2020
Primary geographical markets:		
Hong Kong and China	\$ 2,573,403	421,020
Taiwan	353,751	137,099
Eastern Asia and others	419,493	35,319
	\$ 3,346,647	593,438
Primary service:		
Profits of investing subsidiaries	\$ 3,278,886	534,327
Management income	67,761	59,111
	\$ 3,346,647	593,438

(ii) Contract balances

	December 31, 2021	December 31, 2020	January 1, 2020
Accounts receivable (including related-parties)-measured at amortized cost	\$ 54,845	45,593	43,227

(Continued)

T3EX GLOBAL HOLDINGS CORP.
Notes to the Financial Statements

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

(r) Non-operation income and expenses

(i) Other gains and losses

The details of the Company's other gains or losses were as follows:

	2021	2020
Foreign exchange loss	\$ (859)	(1,564)
Gains on valuation of fair value of financial assets and liabilities through profit	460,202	39,894
Gain on disposal of investments	278,670	4,601
Other	70	160
	<u>\$ 738,083</u>	<u>43,091</u>

(ii) Other income

The details of the Company's other income were as follows:

	2021	2020
Rental income	\$ 3,564	3,564
Other income	14,450	1,760
	<u>\$ 18,014</u>	<u>5,324</u>

(iii) Interest income

The detail of the Company's interest income was as follows:

	2021	2020
Interest income from bank desposits	<u>\$ 2,052</u>	<u>1,971</u>

(iv) Finance costs

The detail of the Company's finance costs were as follows:

	2021	2020
Interest costs		
Bank borrowings	\$ 11,321	16,265
Amortization of convertible bonds discount	1,955	331
	<u>\$ 13,276</u>	<u>16,596</u>

(Continued)

T3EX GLOBAL HOLDINGS CORP.
Notes to the Financial Statements

(s) Financial instruments

(i) Credit risk

1) Exposure to credit risk

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

2) Concentration of credit risk

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

(ii) Liquidity risk

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

	<u>Carrying amount</u>	<u>Contractual cash flow</u>	<u>Within 6 months</u>	<u>6~12 months</u>	<u>1~2 years</u>	<u>2~5 years</u>	<u>Over 5 years</u>
December 31, 2021							
Non-derivative financial liabilities							
Bank borrowings	\$ 600,000	(604,482)	(400,282)	-	(204,200)	-	-
Trade and other payable	<u>89,289</u>	<u>(89,289)</u>	<u>(89,289)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 689,289</u>	<u>(693,771)</u>	<u>(489,571)</u>	<u>-</u>	<u>(204,200)</u>	<u>-</u>	<u>-</u>
December 31, 2020							
Non-derivative financial liabilities							
Bank borrowings	\$ 1,500,000	(1,505,274)	(1,300,787)	-	(204,487)	-	-
Trade and other payables	43,553	(43,553)	(43,553)	-	-	-	-
Bonds payable	<u>287,611</u>	<u>(300,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(300,000)</u>	<u>-</u>
	<u>\$ 1,831,164</u>	<u>(1,848,827)</u>	<u>(1,344,340)</u>	<u>-</u>	<u>(204,487)</u>	<u>(300,000)</u>	<u>-</u>

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

(Continued)

T3EX GLOBAL HOLDINGS CORP.
Notes to the Financial Statements

(iii) Currency risk

1) Exposure to foreign currency risk

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

Unit: thousand

	December 31, 2021			December 31, 2020			
	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD	
Financial assets							
Monetary item							
USD	\$	667	27.69	18,469	1,343	28.10	37,738
Non-monetary item							
IDR		18,505,681	0.00198	36,641	18,181,142	0.00203	36,908

2) Sensitivity analysis

The Company'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 and other receivables, that are denominated in foreign currency. A 1% depreciation/appreciation of USD against TWD as of December 31, 2021 and 2020 would have increased/decreased the net income before tax by \$185 thousand and \$377 thousand, respectively. The analysis assumes that all other variables remain constant. The analysis is performed on the same basis for both periods.

3) Exchange gains and losses on monetary items

The currency of the Company has a wide range of foreign currency items, so that the exchange of information on monetary items are disclosed. For the years ended December 31, 2021 and 2020, foreign exchange gains and losses (including realized and unrealized) are (859) thousand and (1,564) thousand.

(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.

(Continued)

T3EX GLOBAL HOLDINGS CORP.
Notes to the Financial Statements

If the interest rate had increased/decreased by 1%, the Company's net income before tax would have decreased/increased by \$6,000 thousand and \$15,000 thousand for the years ended December 31, 2021 and 2020, respectively, assuming all other variable factors had remained constant. This is mainly due to the Company'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 Company'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, and lease liabilities disclosure of fair value information is not required:

	December 31, 2021				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss:					
Financial assets designated as fair value through profit or loss	\$ 967,596	967,596	-	-	967,596
Financial assets as fair value through other comprehensive income:					
Stock in listed companies	1,883,693	717,193	1,166,500	-	1,883,693
Financial assets measured at amortized cost (loans and receivables):					
Cash and cash equivalent	277,986	-	-	-	-
Account receivables, and other receivables	254,845	-	-	-	-
Subtotal	532,831	-	-	-	-
Refundable deposits	336	-	-	-	-
Financial liabilities at amortized cost:					
Short term borrowings	\$ 400,000	-	-	-	-
Other payables	89,289	-	-	-	-
Long term borrowings	200,000	-	-	-	-
Subtotal	689,289	-	-	-	-

(Continued)

T3EX GLOBAL HOLDINGS CORP.
Notes to the Financial Statements

		December 31, 2020			
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss:					
Non-Derivative financial assets	\$ 76,945	76,617	328	-	76,945
Available-for-sale financial assets:					
Stock in listed companies	\$ 432,773	203,773	229,000	-	432,773
Financial assets measured at amortized cost (loans and receivables):					
Cash and cash equivalent	\$ 131,102	-	-	-	-
Accounts receivables, and other receivables	245,593	-	-	-	-
Subtotal	376,695	-	-	-	-
Refundable deposits	\$ 336	-	-	-	-
Financial liabilities at amortized cost:					
Short term borrowings	\$ 1,300,000	-	-	-	-
Other payables	43,553	-	-	-	-
Convertible bonds-debt component	287,611	-	-	-	-
Long term borrowings	200,000	-	-	-	-
Subtotal	1,831,164	-	-	-	-

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

Financial instruments of the Company 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.

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.

(Continued)

T3EX GLOBAL HOLDINGS CORP. Notes to the Financial Statements

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.

The Company's convertible bonds adopted the binomial tree model to evaluate the fair value.

4) Movement between Level 1 and Level 2

There were no movement between Level 1 and Level 2 for the years ended December 31, 2021 and 2020.

(t) Financial risk management

(i) Overview

The Company has exposure to the following risks from its financial instruments:

- 1) Credit risk
- 2) Liquidity risk
- 3) Market risk

The following likewise discusses the Company's objectives, policies and processes for measuring and managing the above mentioned risks. For more disclosures about the quantitative effects of these risk's exposures, please refer to the respective notes in the accompanying consolidated financial statements

(ii) Structure of risk management

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(Continued)

T3EX GLOBAL HOLDINGS CORP. Notes to the Financial Statements

The Board of Directors oversees how management monitors the risks, which should be in compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation of the risks faced by the Company. Internal Audit undertakes regular reviews of the risk management controls and procedures and exception management, the results of which are reported to the Board of Directors.

(iii) Credit risk

Credit risk means the potential loss to the Company if the client or the counterparty involved in a financial instrument transaction default. The primary potential credit risk is from the accounts receivable and investments of the Company.

1) Accounts receivable and other receivables

For the years ended December 31, 2021 and 2020, there was no significant concentration of credit risk from the sales of the Company.

The source of revenue of the Company is from the Group and its subsidiaries, as such, there is no credit risk.

The Company establishes an impairment allowance that represents its estimate of incurred losses in respect of trade receivables, other receivables, and investment. The components of this impairment allowance are a specific loss component that relates to individually significant exposure and a collective loss component for which a loss was incurred but not identified. The collective component is based on historical payment experience of similar financial assets.

2) Investments

The credit risk exposure of the bank deposits, fixed income investments, and other financial instruments is measured and monitored by the Company's finance department. As the Company deals with banks and other external parties with good credit standing and financial institutions, corporate organizations, and government agencies which are graded above investment level, the management believes that the Company does not have any compliance issues, and therefore, there is no significant credit risk.

3) Guarantees

The Company has determined that financial guarantees can only be provided to the following companies:

- a) Companies with a transaction relationship with the Company.
- b) Companies in which the Company has more than 50% of the voting shares.
- c) Companies which directly or indirectly hold more than 50% of the voting shares of T3EX Global Holdings Corp.

(Continued)

T3EX GLOBAL HOLDINGS CORP. Notes to the Financial Statements

4) Liquidity risk

Liquidity risk is a risk that the Company is unable to meet the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as much as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company actively expands its business to generate operating cash flow while it simultaneously manages the accounts receivable in a strict manner and controls its expenditure. In addition, the Company keeps good relationships with banks to obtain a sufficient credit limit for necessary cash demands in the operating cycle. Generally, the Company ensures that there is sufficient cash to cover expected operating expenditure but excluding the potential influence of unexpected extreme conditions (i.e. nature disasters). The total amount of unused credit as of December 31, 2021 and 2020, were \$2,550,000 thousand and \$1,110,000 thousand, respectively.

5) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The types of financial assets at fair value through profit or loss held by the Company are open-end funds and convertible bonds which are measured at fair value. Therefore, the Company is exposed to the risk of price changes in the beneficiary certificate market. The Company engages a professional agent to manage its financial assets. Parts of bank deposits, accounts receivable, and accounts payable are evaluated for foreign currency exposure. To manage the currency risk, the Company maintains its foreign currency net position within a certain limit. The convertible bonds held and issued by the Company are measured at fair value. This results in exposure to the risk of price changes in the equity and bond markets.

a) Currency risk

Interest is denominated in the same currency as borrowings. Generally, borrowings are denominated in currencies that match the cash flows generated by the underlying operations of the Company, which mainly uses the TWD.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Company ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates.

(Continued)

T3EX GLOBAL HOLDINGS CORP.
Notes to the Financial Statements

b) Interest rate risk

Except for bank loans, there are no financial assets or financial liabilities with floating interest rates. The Company negotiates the price case by case to control the interest rate risk.

(u) Capital management

The board's policy is to maintain a strong capital base in order to maintain investor, creditor, and market confidence and to sustain future development of the business. Capital consists of common shares, capital surplus, retained earnings, and non-controlling interests of the Company. The board of directors monitors the level of dividends to common shareholders.

The distribution of dividends of the Company follows the earnings of the year and is on a sustainable basis. When the board of directors drafts a proposal on appropriation and distribution of retained earnings, the dividend distribution shall not be lower than 50% of current earnings or unappropriated earnings, whichever is lower. However, the cash dividend shall not be lower than 10% of the total distribution of dividends.

The Company's debt-to-equity ratios at the end of the reporting periods were as follows.

	December 31, 2021	December 31, 2020
Total liabilities	\$ 719,413	1,845,963
Less: cash and cash equivalents	<u>277,986</u>	<u>131,102</u>
Net debt	<u>\$ 441,427</u>	<u>1,714,861</u>
Total equity	\$ 10,024,258	3,138,727
Less: amounts accumulated in equity relating to cash flow hedges	<u>-</u>	<u>-</u>
Adjusted capital	<u>\$ 10,024,258</u>	<u>3,138,727</u>
Debt-to-equity ratio	<u>4.40 %</u>	<u>54.64 %</u>

From time to time, the Company purchases its own shares on the market; the timing of these purchases depends on market prices. Primarily, the shares are intended to be used for issuing shares under the Company's share option scheme for employees. The purchase of treasury stock did not impact the Company's capital management.

As of December 31, 2021, the debt-to-equity ratio has been reduced due to the repayments of short-term borrowings which resulted in a decrease in net liabilities and an increase in total equity because of the improvement in profitability and capital by cash.

There were no changes in the Company's approach to capital management during the year.

(Continued)

T3EX GLOBAL HOLDINGS CORP.
Notes to the Financial Statements

- (v) Investing and financing activities not affecting current cash flow

The Company's investing and financing activities which did not affect the current cash flow in the years ended December 31, 2021 and 2020, were as follows:

Reconciliation of liabilities arising from financing activities were as follows:

	January 1, 2021	Cash flows	Foreign exchange movement	December 31, 2021
Long-term borrowings (including current portion)	\$ 200,000	-	-	200,000
Short-term borrowings	1,300,000	(900,000)	-	400,000
Total liabilities from financing activities	<u>\$ 1,500,000</u>	<u>(900,000)</u>	<u>-</u>	<u>600,000</u>

	January 1, 2020	Cash flows	Foreign exchange movement	December 31, 2020
Long-term borrowings (including current portion)	\$ 300,000	(100,000)	-	200,000
Short-term borrowings	1,380,000	(80,000)	-	1,300,000
Total liabilities from financing activities	<u>\$ 1,680,000</u>	<u>(180,000)</u>	<u>-</u>	<u>1,500,000</u>

(7) Related-party transactions:

- (a) Parent company and ultimate controlling party

The Company is the ultimate controlling party of the Company and its subsidiaries.

- (b) Name and relationship with related parties

The followings are related parties that had transactions with the Company during the periods covered in the consolidated financial statements.

Name of subsidiary	Relationship to the Group
T.H.I Group Ltd. (in B.V.I.)	Subsidiary company
GREATLINE INTERNATIONAL LIMITED (GREATLINE)	Subsidiary company
T.H.I GROUP VIETNAM CO., LTD.	Subsidiary company
T.H.I. GROUP (BANGKOK) COMPANY LIMITED	Subsidiary company
Taiwan Express Logistics Co., Ltd. (TEC)	Subsidiary company
T.H.I Logistics Co., Ltd.	Subsidiary company
T.H.I. GROUP (CAMBODIA) Co., Ltd.	Subsidiary company
T.H.I. GROUP SINGAPORE PTE. LTD. (SINGAPORE)	Subsidiary company
T.H.I. Japan Co., Ltd.	Subsidiary company

(Continued)

T3EX GLOBAL HOLDINGS CORP.
Notes to the Financial Statements

Name of subsidiary	Relationship to the Group
Fresh Beauty Enterprises Ltd.	Subsidiary company
Eastern Union Holdings Limited	Subsidiary company
T-Cube Global Logistics Co., Ltd.	Subsidiary company
T.H.I. GROUP LIMITED (in HK) (T.H.I. HK)	Subsidiary company
T.H.I. Group (Shanghai) Ltd. (T.H.I. Shanghai)	Subsidiary company
Exer Logistics Co., Ltd.	Subsidiary company
Shanghai Yaohwa International Forwarder Co., Ltd. (Shanghai Yaohwa)	Subsidiary company
Taiwan Express (HK) Co., Ltd. (TEC HK)	Subsidiary company
Taiwan Express (USA) INC.	Subsidiary company
TEC Logistics Co., Ltd.	Subsidiary company
TEC LOGISTICS (USA), INC	Subsidiary company
Hiview Logistics Co., Ltd.	Subsidiary company
TEC Logistics (Shenzhen) Co., Ltd.	Subsidiary company
T.H.I. LOGISTICS (Malaysia) SDN. BHD	Subsidiary company
T.H.I. LOGISTICS PHILIPPINES CORP.	Subsidiary company
Air Tropolis Express (s) Pte Ltd.	Subsidiary company
T-Cube (Suzhou) Global Logistics Co., Ltd.	Subsidiary company
T-SC Factoring Co., Ltd.	Subsidiary company
Shanghai Moorluk International Shipping Co.,Ltd.	Subsidiary company
T-SC Trading Co., Ltd.	Subsidiary company
TEC LOGISTICS VIETNAM COMPANY LIMITED	Subsidiary company
T-HL (Shanghai) Global Supply Chain Management Co.,	Subsidiary company
TEC Motion Co., Ltd.	Subsidiary company
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

(Continued)

T3EX GLOBAL HOLDINGS CORP.
Notes to the Financial Statements

(c) Transactions with key management personnel

Key management personnel compensation comprised:

	2021	2020
Short-term employee benefits	\$ 29,645	16,125
Post-employment benefits	1,216	1,709
	\$ 30,861	17,834

(d) Other related-party transactions

(i) Sales

The amount of significant sales by Company to related parties and its outstanding balance are as follows:

	Sales		Accounts receivable	
	2021	2020	December 31, 2021	December 31, 2020
T.H.I. Group (Shanghai) Ltd. (T.H.I. Shanghai)	\$ 41,674	35,108	41,373	33,457
Taiwan Express Logistics Co., Ltd. (TEC)	11,615	10,683	5,850	5,501
Other subsidiaries	14,472	13,320	7,622	6,635
	\$ 67,761	59,111	54,845	45,593

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

(ii) Loans to subsidiary (recorded in other receivables due from related parties)

The Company's loans to subsidiary and interest income are as follows:

	December 31, 2021	December 31, 2020
Taiwan Express Logistics Co., Ltd. (TEC)	\$ 200,000	200,000
	2021	2020
Interest income	\$ 2,013	1,957

The interest of the Company's loan to related parties are accrued by the average interest rate of the financial institution's short-term borrowings in the current year. All loans are unsecured and no impairment are required after assessment.

(Continued)

T3EX GLOBAL HOLDINGS CORP.
Notes to the Financial Statements

(iii) Leases (recorded in other income)

	2021	2020
T.H.I. Logistics Co., Ltd.	\$ <u>3,564</u>	<u>3,564</u>

The Company rented out an office to its subsidiary, the rental fee is determined based on nearby office rental rates and collected by monthly.

(8) Pledged assets:

Pledged assets	Object	December 31, 2021	December 31, 2020
Property, plant, and equipment	Credit facility	\$ 171,749	172,950
Refundable deposits	Office car deposit	<u>336</u>	<u>336</u>
		<u>\$ 172,085</u>	<u>173,286</u>

(9) Commitments and contingencies:

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

	December 31, 2021	December 31, 2020
Promissory notes	\$ <u>400,000</u>	<u>1,300,000</u>

(10) Losses Due to Major Disasters: None.

(11) Subsequent Events:

For the Company's long-term development and planning purpose, the Company's Board of Directors resolved on March 8, 2022 to purchase the land and buildings in Xinyi District, Taipei City for operating use, and have authorized the Chairman of the Board to complete the transaction within the amount of \$500,000 thousand.

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T3EX GLOBAL HOLDINGS CORP.
Notes to the Financial Statements

(12) Other:

- (a) A summary of current-period employee benefits, depreciation, and amortization, by function, is as follows:

By item	By function	2021			2020		
		Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefit							
Salaries		78,762	-	78,762	37,906	-	37,906
Labor and health insurance		3,358	-	3,358	2,664	-	2,664
Pension		2,808	-	2,808	2,721	-	2,721
Remuneration of directors		19,352	-	19,352	11,080	-	11,080
Others		1,450	-	1,450	1,207	-	1,207
Depreciation		4,334	-	4,334	6,192	-	6,192
Amortization		6,744	-	6,744	6,182	-	6,182

The Company's headcount and employees benefit expenses for the years 2021 and 2020 were as follows:

	2021	2020
Number of employees	<u>43</u>	<u>39</u>
Number of non-employee directors	<u>9</u>	<u>8</u>
The average employee benefits	<u>\$ 2,541</u>	<u>1,534</u>
The average salary	<u>\$ 2,317</u>	<u>1,307</u>
Change in the average salary	<u>77.28 %</u>	<u>20.91 %</u>
Compensation to the supervisor	<u>\$ -</u>	<u>-</u>

The Company's salaries and wages policy for directors, supervisors, management, and employees is as follows:

- (i) Remuneration to directors and supervisors shall be no more than 0.3% of the annual profits as stated in the Company's Articles of Incorporation. If the Company has the accumulated loss, the profit should be reserved to cover the loss amount.
- (ii) Compensation of management is determined by the compensation committee and resolved by the Board of Directors, taking into account the work results and the extent of contribution to the Company.
- (iii) Compensation of employees is determined by the position, performance, and seniority, taking into account the work results and the extent of contribution to the Company.

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T3EX GLOBAL HOLDINGS CORP.
Notes to the Financial Statements

(13) Other disclosures:**(a) Information on significant transactions:**

The following is the information on the Company's significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”:

(i) Loans to other parties:

No (Note 1)	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		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
0	The Company	Taiwan Express Logistic Co., Ltd.	Other receivables-related parties	Yes	390,000	270,000	200,000	Monthly changes in interest rates	2	-	Trading turnover	-		-	2,004,851	4,009,703
0	The Company	T.H.I. Group Limited (in HK)	Other receivables-related parties	Yes	85,500	83,070	-	Monthly changes in interest rates	2	-	Trading turnover	-		-	2,004,851	4,009,703
0	The Company	T.H.I. Logistics Co., Ltd.	Other receivables-related parties	Yes	80,000	80,000	-	Monthly changes in interest rates	2	-	Trading turnover	-		-	2,004,851	4,009,073
2	T.H.I. Group Limited (in HK)	Taiwan Express (HK) Co., Ltd.	Other receivables-related parties	Yes	57,000	55,380	55,380	Monthly changes in interest rates	2	-	Trading turnover	-		-	950,080	1,900,161
4	T.H.I. Group (Shanghai) Ltd. (T.H.I. Shanghai)	Shanghai Moorluk International Shipping Co., Ltd.	Other receivables-related parties	Yes	17,413	17,372	5,646	4.35%	2	-	Trading turnover	-		-	662,410	1,324,821
4	T.H.I. Group (Shanghai) Ltd. (T.H.I. Shanghai)	T-SC Factoring Co., Ltd.	Other receivables-related parties	Yes	130,596	130,293	-	Monthly changes in interest rates	2	-	Trading turnover	-		-	662,410	1,324,821
4	T.H.I. Group (Shanghai) Ltd. (T.H.I. Shanghai)	T-Cube Global Logistics Co., Ltd.	Other receivables-related parties	Yes	43,532	43,431	-	4.35%	2	-	Trading turnover	-		-	662,410	1,324,821
5	Shanghai Yahohwa International Forwarder Co., Ltd.	Shanghai Moorluk International Shipping Co., Ltd.	Other receivables-related parties	Yes	8,657	4,343	-	4.35%	2	-	Trading turnover	-		-	27,964	55,928
5	Shanghai Yahohwa International Forwarder Co., Ltd.	T-SC Factoring Co., Ltd.	Other receivables-related parties	Yes	17,355	-	-	4.35%-4.7%	2	-	Trading turnover	-		-	27,964	55,928

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.

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T3EX GLOBAL HOLDINGS CORP.
Notes to the Financial Statements

(ii) Guarantees and endorsements for other parties:

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
0	The Company	Shanghai Yaohwa International Forwarder Co., Ltd.	2	2,004,851	13,060	13,029	-	-	0.13 %	4,009,703	Y	N	Y
0	The Company	T.H.I. Group (Shanghai) Ltd. (T.H.I. Shanghai)	2	2,004,851	800,228	798,601	9,312	-	8.00 %	4,009,703	Y	N	Y
0	The Company	T-Cube Global Logistics Co., Ltd.	2	2,004,851	124,512	69,490	31,275	-	0.69 %	4,009,703	Y	N	Y
0	The Company	Taiwan Express (HK) Co., Ltd.	2	2,004,851	152,735	96,915	-	-	0.97 %	4,009,703	Y	N	N
0	The Company	T.H.I. Group Limited (H.K.)	2	2,004,851	111,080	83,070	15,075	-	0.83 %	4,009,703	Y	N	N
0	The Company	T-SC Factoring Co., Ltd.	2	2,004,851	288,100	-	-	-	- %	4,009,703	Y	N	Y
1	Shanghai Yaohwa International Forwarder Co., Ltd.	T.H.I. Group (Shanghai) Ltd.(T.H.I. Shanghai)	4	13,982	3,047	3,040	3,040	-	2.17 %	55,928	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 90% 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.

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(iii) Securities held as of December 31, 2021 (excluding investment in subsidiaries, associates and joint ventures):

(In Thousands of New Taiwan Dollars/thousand shares)

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	7,234	-	7,234	
The Company	Stock Evergreen Marine Corporation	-	Financial assets at fair value through profit or loss—current	3,405,000	485,212	0.01 %	485,212	
The Company	Stock Yang Ming Marine Transport Corp.	-	Financial assets at fair value through profit or loss—current	3,000,000	363,000	0.240 %	363,000	
The Company	Stock WPG HOLDINGS LIMITED	-	Financial assets at fair value through profit or loss—current	1,000,000	52,600	0.05 %	52,600	
The Company	Stock Wan Hai Lines Limited	-	Financial assets at fair value through profit or loss—current	300,000	59,550	- %	59,550	
The Company	Stock Soonest Express Co., Ltd.	-	Financial assets at fair value through other comprehensive income-current	666,972	51,624	2.22 %	51,624	
The Company	Stock Yang Ming Marine Transport Corp.	-	Financial assets at fair value through other comprehensive income-current	5,500,577	665,569	0.24 %	665,569	
The Company	Stock Yang Ming Marine Transport Corp.	-	Financial assets at fair value through other comprehensive income-non-current	10,000,000	1,166,500	0.29 %	1,166,500	Note(1)

Note 1: Private placement stock.

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars/thousand shares)

Name of company	Category and name of security	Account name	Name of counter-party	Relationship with the company	Beginning Balance		Purchases		Sales				Ending Balance	
					Shares	Amount	Shares	Amount	Shares	Price	Cost	Gain (loss) on disposal	Shares	Amount
The Company	Stock Yang Ming Marine Transport Corp.	Financial assets at fair value through profit or loss—current			-	-	5,400	354,693	2,400	361,105	134,502	226,603	3,000	363,000

(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\$300 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
T.H.I Group Vietnam Co., Ltd.	T.H.I Group (Shanghai) Ltd. (T.H.I. Shanghai)	Associates	Sales	(257,586)	11.55%	Not significantly different from those of the third parties	-	-	42,883	15.78%	

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Notes to the Financial Statements

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
T.H.I Group (Shanghai) Ltd. (T.H.I. Shanghai)	T.H.I. Logistics Ltd.	Associates	Sales	(263,212)	1.17%	Not significantly different from those of the third parties	-		29,872	1.10%	
EXer Logistics Co., Ltd.	T.H.I Group (Shanghai) Ltd. (T.H.I. Shanghai)	Subsidiary	Sales	(479,894)	96.30%	Not significantly different from those of the third parties	-		11,306	27.40%	
TEC Logistics (Shenzhen) Co., Ltd.	Taiwan Express Logistics Co., Ltd.	Subsidiary	Sales	(393,257)	34.35%	Not significantly different from those of the third parties	-		37,040	20.96%	
T.H.I Group (Shanghai) Ltd. (T.H.I. Shanghai)	T.H.I. GROUP LIMITED (in HK)	Subsidiary	Sales	(221,682)	1.10%	Not significantly different from those of the third parties	-		38,245	1.40%	
Taiwan Express (HK) Co.,Ltd (TEC HK)	Taiwan Express Logistics Co., Ltd	Subsidiary	Sales	(199,860)	25.28%	Not significantly different from those of the third parties	-		8,702	12.63%	

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

(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	Turnover rate	Overdue		Amounts received in subsequent period (Note 1)	Allowance for bad debts
					Amount	Action taken		
T.H.I. Group (Shanghai) Ltd.(T.H.I. Shanghai) The Company	T.H.I. Group Limited(in H.K.)	Associates	Other receivables 1,310,688	-	-		617,362	-
	Taiwan Express Logistic Co., Ltd.	Associates	Other receivables 200,000	-	-		-	-

Note 1: Amounts collected as of February 14, 2022.

(ix) Trading in derivative instruments: None.

(b) Information on investees:

The following is the information on investees for the years ended December 31, 2021 (excluding information on investees in Mainland China):

(In Thousands of New Taiwan Dollars/thousand shares)

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2021			Net income (loss) of the Investee	Share of profit loss of invest	Note
				December 31, 2021	December 31, 2020	Shares	Percentage of Ownership	Carrying value			
The Company	T.H.I. Group Ltd.(in B.V.I)	British Virgin Islands	Offshore settlement center	35,000 (USD1,000)	35,000 (USD1,000)	1,000,000	100.00 %	114,580	1,806	1,806	Subsidiaries
The Company	GREATLINE INTERNATIONAL LIMITED	British Virgin Islands	Offshore holding company	134,428 (USD4,050)	134,428 (USD4,050)	4,050,000	100.00 %	4,755,177	2,502,537	2,502,537	Subsidiaries
The Company	T.H.I Group VIETNAM CO., LTD.	Vietnam	Air & sea freight forwarding and packaging	8,362 (USD275)	8,362 (USD275)	4,950,000,000	99.00 %	361,893	298,863	295,875	Subsidiaries
The Company	T.H.I GROUP (BANGKOK) COMPANY LIMITED	Thailand	Air & sea freight forwarding and packaging	2,372 (USD72)	2,372 (USD72)	-	49.00 %	50,894	82,248	40,301	Subsidiaries
The Company	T.H.I. Japan Co., Ltd	Japan	Air & sea freight forwarding	10,365 (JPY31,130)	10,365 (JPY31,130)	3,060	51.00 %	30,814	14,420	7,354	Subsidiaries
The Company	Taiwan Express Logistic Co., Ltd.	Taiwan	Air & sea freight forwarding	704,200	704,200	35,958,400	100.00 %	975,056	151,382	151,382	Subsidiaries
The Company	T.H.I. Logistics Co. Ltd.	Taiwan	Air & sea freight forwarding	130,000	130,000	13,000,000	100.00 %	333,530	184,839	184,839	Subsidiaries
The Company	T.H.I. GROUP (CAMBODIA) Co., Ltd.	Cambodia	Air & sea freight forwarding	4,462 (USD150)	4,462 (USD150)	-	100.00 %	57,941	44,036	44,036	Subsidiaries
The Company	PT. Dexter Eurekatama	Indonesia	Air & sea freight forwarding	47,381 (USD1,598)	47,381 (USD1,598)	12,000	30.00 %	36,641	20,394	2,994	Investment under equity method
The Company	T.H.I. GROUP SINGAPORE PTE. LTD	Singapore	Air & sea freight forwarding	19,032 (SGD850)	19,032 (SGD850)	850,000	91.40 %	4,825	(10)	(9)	Subsidiaries

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Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2021			Net income (loss) of the Investee	Share of profit loss of invest	Note
				December 31, 2021	December 31, 2020	Shares	Percentage of Ownership	Carrying value			
The Company	LOGI International Co., Ltd.	Korea	Air & sea freight forwarding	9,666 (USD300)	9,666 (USD300)	16,285	30.00 %	771	4,011	(5,100)	Investment under equity method
The Company	Fresh Beauty Enterprises Ltd.	Samoa	Offshore holding company	307,353 (CNY60,979)	307,353 (CNY60,979)	66	66.00 %	321,042	34,763	20,636	Subsidiaries
The Company	T.H.I. Logistics (Malaysia) SDN. BHD	Malaysia	Air & sea freight forwarding	10,381 (USD315)	10,381 (USD315)	180,000	90.00 %	33,100	25,799	23,219	Subsidiaries
The Company	T.H.I. LOGISTICS PHILIPPINES CORP.	Philippines	Air & sea freight forwarding	16,467 (USD551)	16,467 (USD551)	419,750	99.94 %	15,964	9,021	9,016	Subsidiaries
GREATLINE INTERNATIONAL LIMITED	T.H.I. GROUP LIMITED (in HK)	Hong Kong	Air & sea freight forwarding	139,948 (USD4,314)	139,948 (USD4,314)	12,480,000	100.00 %	4,754,191	2,502,650	2,502,650	Subsidiaries
Fresh Beauty Enterprises Ltd.	Eastern Union Holdings Limited.	Hong Kong	Offshore holding company	57,411 (USD1,751)	57,411 (HKD1,751)	-	100.00 %	152,582	34,763	34,763	Subsidiaries
TEC	Taiwan Express (HK) Co., Ltd.	Hong Kong	Freight forwarding, customs clearance, and distribution	266,807 (HKD70,550)	266,807 (HKD70,550)	-	100.00 %	478,590	60,358	60,358	Subsidiaries
TEC	TEC Logistic Co., Ltd.	Taiwan	Freight forwarding, customs clearance, and delivery services	6,000	6,000	1,000,000	100.00 %	-	-	-	Subsidiaries
TEC	Orient Air General Sales Agent Co., Ltd.	Taiwan	Freight forwarding, customs clearance, and delivery services	600	600	60,000	30.00 %	11,278	34,415	10,325	The Group invested in which the subsidiary holds 30% of the shares
TEC	Hiview Logistics Co., Ltd.	Taiwan	Freight forwarding, customs clearance, and distribution	76,590	76,590	5,000,000	97.51 %	110,696	21,162	20,635	Subsidiaries
TEC	Taiwan Express (USA), INC.	United States	Freight forwarding, customs clearance, and distribution	31,629 (USD1,000)	31,629 (USD1,000)	100,000	100.00 %	31,160	-	-	Subsidiaries
TEC	TEC LOGISTICS (USA), INC.	United States	Freight forwarding, customs clearance, and distribution	8,549 (USD290)	8,549 (USD290)	200	100.00 %	12,021	-	-	Subsidiaries
TEC	TEC LOGISTICS VIETNAM COMPANY LIMITED	Vietnam	Air & Sea freight forwarding	10,577 (USD350)	10,577 (USD350)	-	100.00 %	8,892	(1,076)	(1,076)	Subsidiaries
TEC	TEC Motion Co., Ltd.	Taiwan	Freight forwarding, customs clearance, and distribution	8,500	-	3,000	100.00 %	8,373	-	(127)	Subsidiaries
TEC HK	Airtropolis Express(s) Pte. Ltd.	Singapore	Air freight forwarding	117,341 (SGD5,421)	76,640 (SGD3,413)	748	88.00 %	160,727	33,832	15,692	Subsidiaries

(c) Information on investment in mainland China

(i) Name, major operations and related information of investee in Mainland China:

(In Thousands of New Taiwan Dollars)

Name of investee	Main businesses and products	Total amount of paid-in capital (in thousand)	Method of investment (note 1)	Accumulated outflow of investment from Taiwan as of January 1, 2021	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2021	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)	15,285	100.00%	15,285	139,819	-
T.H.I. Group (Shanghai) Ltd.(T.H.I. Shanghai)	Air & sea freight forwarding and customs clearance	92,883 (3,060USD)	Note 1 (2)	89,165 (3,060USD)	-	-	89,165 (3,060USD)	1,944,257	100.00%	1,944,257	3,337,421	-
T-SC Factoring Co., Ltd.	Commercial service industry	215,680 (50,000CNY)	Note 2	-	-	-	-	(539)	100.00%	(539)	219,235	-
Shanghai Moorluk International Shipping Co., Ltd.	Air & sea freight forwarding and customs clearance	22,460 (5,000CNY)	Note 2	-	-	-	-	9,545	65.00%	6,000	23,161	-
T-Cube Global Logistics Co., Ltd.	Warehousing	54,610 (11,000CNY)	Note 1 (2)	274,589 (8,391USD)	-	-	274,589 (8,391USD)	34,564	66.00%	22,812	148,135	21,140
T HL (Shanghai) Global Supply Chain Management Co., Ltd	Warehousing	-	Note 6	-	-	-	-	-	66.00%	-	-	-

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Name of investee	Main businesses and products	Total amount of paid-in capital (in thousand)	Method of investment (note 1)	Accumulated outflow of investment from Taiwan as of January 1, 2021	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2021	Net income (losses) of the investee	Percentage of ownership	Investment income (losses)	book value	Accumulated remittance of earnings in current period
					Outflow	Inflow						
EXer Logistics Co., Ltd.	Express logistics company	58,023 (12,438CNY)	Note 2	-	-	-	-	26,687	93.51%	24,085	96,599	-
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)	42,452	100.00%	42,452	267,300	-
T-Cube (Suzhou) Global Logistic Co., Ltd.	Warehousing	43 (10CNY)	Note 4	-	-	-	-	10	66.00%	6	90	-
T-SC Trading Co., Ltd.	Supply chain management and import and export trade	4,273 (1,000CNY)	Note 5	-	-	-	-	(31)	100.00%	(31)	4,233	-

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 (Shenzhen) 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 amounting to \$183,901 thousand (HKD48,550 thousand) in the financial statements based on the "REGULATIONS GOVERNING THE APPROVAL OF INVESTMENT OR TECHNICAL COOPERATION IN MAINLAND CHINA" and have been approved by the Investment Commission Ministry of Economic Affairs.

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. but has yet to invest in its operating activity.

Note 6: As of December 31, 2021, T-HL (Shanghai) Global Supply Chain Management Co., Ltd. has completed the process of subscription, capital has yet to be remitted.

(ii) Limitation on investment in Mainland China:

Company Name	Accumulated Investment in Mainland China as of December 31, 2021 (Note 1)	Investment Amounts Authorized by Investment Commission, MOEA (Note 2)	Upper Limit on Investment
The Company	379,851 (13,718 USD thousand)	435,536 (15,729 USD thousand)	6,014,555

Note 1: Calculated by accumulated investment in Mainland China as of December 31, 2021 including 6,530 thousand (USD 200 thousand) remitted to T.H.I. Group (Shanghai) Logistic Ltd. and including USD 367 thousand remitted to Shanghai Huiyou Yuanhua trade Co., Ltd..

Note 2: At the reporting date, the exchange between USD and TWD rate was 1:27.69.

The investment income (losses) of the investee in mainland china are calculated based on the financial statement audit by the Company's CPA.

(iii) Significant transactions: None

(d) Major shareholders:

Shareholder's Name	Shareholding	Shares	Percentage
WPG HOLDINGS LIMITED		11,588,907	8.00 %

(14) Segment information:

Please refer to the consolidated financial statements for the years ended December 31, 2021.

T3EX GLOBAL HOLDINGS CORP.
STATEMENT OF FINANCIAL ASSETS AT FAIR
VALUE THROUGH PROFIT OR LOSS--
CURRENT

December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

Unit: thousand shares / thousand units				
Items	Number of units	Valuation	Fair value	
			Unit price	Total
Stock :				
Yang Ming Marine Transport Corp.	3,000	\$ 142,809	121.00	363,000
Evergreen Marine Corporation	3,405	306,695	142.50	485,212
WPG HOLDINGS LIMITED	1,000	(587)	52.60	52,600
Wan Hai Lines Limited	300	10,601	198.50	59,550
Fund :				
Yuanta Wan Tai Fund	473	<u>11</u>	15.28	<u>7,234</u>
Bond:				
		\$ <u>459,529</u>		<u>967,596</u>

T3EX GLOBAL HOLDINGS CORP.
STATEMENT OF FINANCIAL ASSETS AT FAIR
VALUE THROUGH OTHER COMPREHENSIVE
INCOME-CURRENT

December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

				Unit: thousand shares
<u>Name</u>	<u>Valuation</u>	<u>Number of shares</u>	<u>Fair value</u>	<u>Collateral</u>
Soonest Express Co., Ltd	\$ (2,102)	667	51,624	None
Yang Ming Marine Transport Group	<u>504,678</u>	5,501	<u>665,569</u>	None
	<u>\$ 502,576</u>		<u>717,193</u>	

T3EX GLOBAL HOLDINGS CORP.
STATEMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER
COMPREHENSIVE INCOME-NON-CURRENT

For the year ended December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

Unit: thousand shares

<u>Name</u>	<u>Beginning balance</u>		<u>Additions</u>		<u>Decrease</u>		<u>Valuation</u>	<u>Ending balance</u>		<u>Accumulated Impairment</u>	<u>Collateral</u>
	<u>Number of shares</u>	<u>Fair value</u>	<u>Number of shares</u>	<u>Amount</u>	<u>Number of shares</u>	<u>Amount</u>		<u>Number of shares</u>	<u>Fair value</u>		
Yang Ming Marine Transport Group	10,000	<u>\$ 229,000</u>	-	<u>-</u>	-	<u>-</u>	<u>937,500</u>	10,000	<u>1,166,500</u>	Not applicable	None

T3EX GLOBAL HOLDINGS CORP.

STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED INVESTEEES

For the year ended December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

Unit: thousand shares

Name	Beginning balance (Restated)			Additions (Note 2)		Decrease (Note 3)		Gains/loss from		Ending balance			Fair value (Note1)		Evaluation basis	Collateral
	Number of shares	Percentage of ownership	Amount	Number of shares	Amount	Number of shares	Amount	Investment using the equally method	Forage exchange adjustments	Number of shares	Percentage of ownership	Amount	Unit price	Total		
T.H.I. Group Ltd.(in B.V.I)	1,000	100	\$ 114,460	-	-	-	-	1,806	(1,686)	1,000	100	114,580	-	114,580	Equity method	None
GREATLINE INTERNATIONAL LIMITED	4,050	100	2,248,016	-	-	-	-	2,502,537	4,624	4,050	100	4,755,177	-	4,755,177	Equity method	None
T.H.I. GROUP VIETNAM CO., LTD.	4,950,000	99	66,018	-	-	-	-	295,875	-	4,950,000	99	361,893	-	361,893	Equity method	None
T.H.I. GROUP (BANGKOK) COMPANY LIMITED	-	49	14,453	-	-	-	-	40,301	(3,860)	-	49	50,894	-	50,894	Equity method	None
T.H.I. Japan Co., Ltd	3	51	27,777	-	-	-	(695)	7,354	(3,622)	3	51	30,814	-	30,814	Equity method	None
Taiwan Express Logistics Co., Ltd.	35,958	100	870,113	-	11,602	-	54,323	151,382	(3,718)	35,958	100	975,056	-	975,056	(Note 4) Equity method	None
T.H.I. Logistics Co. Ltd	13,000	100	162,493	-	2,309	-	16,111	184,839	-	13,000	100	333,530	-	333,530	Equity method	None
T.H.I. GROUP (CAMBODIA) Co., Ltd.	-	100	14,476	-	-	-	-	44,036	(571)	-	100	57,941	-	57,941	Equity method	None
PT DEXTER EUREKATAMA	12	30	36,908	-	-	-	-	2,994	(3,261)	12	30	36,641	-	36,641	(Note 4) Equity method	None
T.H.I. GROUP SINGAPORE PTE. LTD .	850	91	5,018	-	-	-	-	(9)	(184)	850	91.4	4,825	-	4,825	Equity method	None
LOGI International Co., Ltd.	16	30	5,911	-	-	-	-	(5,100)	(40)	16	30	771	-	771	(Note 4) Equity method	None
Fresh Beauty Entorprises LTD	66	66	299,686	-	-	-	-	20,636	720	66	66	321,042	-	321,042	(Note 4) Equity method	None
T.H.I. Logistics (Malaysia) SDN. BHD	180	90	10,771	-	-	-	-	23,219	(890)	180	90	33,100	-	33,100	Equity method	None
T.H.I. LOGISTICS PHILIPPINES CORP.	420	100	7,879	-	-	-	-	9,016	(931)	420	99.94	15,964	-	15,964	Equity method	None
Total			<u>\$ 3,883,979</u>		<u>13,911</u>		<u>(71,129)</u>	<u>3,278,886</u>	<u>(13,419)</u>			<u>7,092,228</u>		<u>7,092,228</u>		

Note 1: The Company's long term investment belongs to private companies, therefore the market value is disclosed as its net equity.

Note 2: The Company's capital increase by cash granted for employees of subsidiaries, valuation of financial assets at fair value through other comprehensive income of subsidiaries and change in ownership interests in subsidiaries.

Note 3: Cash dividends and remeasurement of the net defined benefit liability.

Note 4: Goodwill and intangible assets are included.

T3EX GLOBAL HOLDINGS CORP.
STATEMENT OF OPERATING COSTS
For the year ended December 31, 2021
(Expressed in thousands of New Taiwan Dollars)

<u>Account</u>	<u>Descriptions</u>	<u>Amount</u>
Operating Costs	Salary Expense	\$ 98,011
	Labor Expense	6,480
	Postage and phone Expense	8,153
	Others (Less than 5%)	<u>28,650</u>
Total		<u><u>\$ 141,294</u></u>

Net revenue, please refer to Note 6 (q).

Property, plant and equipment, please refer to Note 6 (f).

Accumulated depreciation of property, plant and equipment, please refer to Note 6 (f).

Intangible assets, please refer to Note 6 (g).

Deferred tax liabilities, please refer to Note 6 (l).

Other gains and losses, please refer to Note 6 (r).