Stock Code：2636

台驊國際投資控股股份有限公司
T3EX Global Holdings Corp.

2022 Annual Report

Printed on 03 31, 2023

Notice to readers

This English-version annual report is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

Taiwan Stock Exchange Market Observation Post System: http://mops.twse.com.tw

T3EX Annual Report is available at：http://www.t3ex-group.com/Investor Relations

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Overseas Securities Exchange: None

Corporate Website
http://www.t3ex-group.com

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Letter to Shareholders

First of all, on behalf of T3EX Holdings, we would like to extend our sincere thanks to all the shareholders for your attention and support in the past year. T3EX Holdings will keep leading the industry and advance to be the provider of comprehensive logistics supply chain service.

2022 Performance Review:

Unit：NTD thousands

	2022	2021	YoY
Reveune	28,218,028	36,043,604	-22%
-Sea Freight	19,400,993	27,300,539	-29%
-Air Freight	4,932,499	6,574,886	-25%
-Rail Freight	1,322,075	1,050,975	26%
-Domestic Logistic	2,562,461	1,117,204	129%
Gross Profit	5,598,115	8,125,759	-31%
Operating Expense	3,060,562	3,800,305	-19%
Operating Profit	2,537,553	4,325,454	-41%
Income Profit after Tax	2,642,427	4,016,661	-34%
EPS(dollars) (Note 1)	18.03	30.03	-40%
Net value per share (dollars)	61.7	70.7	-

Note 1：EPS is calculated based on the weighted average number of shares in 2023, or $18.6 if the number of shares outstanding at the end of the year.

In 2022, the global economy will be affected by the epidemic, war and inflation, which will lead to weakened demand for end-use goods and slow inventory build-up and depletion, causing air and sea freight prices to fall from their highs. TSED's consolidated revenue reached $28.218 billion, gross profit was $5.598 billion, net profit after tax was $2.642 billion, earnings per share reached $18.03, and net value per share was $61.7.

Under the effect of the reversal of sea and air freight prices, the revenue of sea freight import and export and air freight import and export business in 2022 was NT$19.4 billion and NT$4.932 billion respectively, down 29% and 25% compared with the same period last year. After the first half of the year, China's economy was affected by the war between Russia and Ukraine and the strict closure of the city, the second half of the year began to relax the closure policy, and overall domestic demand and consumption returned to normal and showed significant growth. In addition, the Chinese government accelerated the quality development of the new western land and sea corridor, improved the quality of the China-Europe shuttle trains, and actively promoted the exchange and cooperation with the Belt and Road countries, which led to a gradual boom in trade with European and Asian countries, driving the revenue of China-Europe railroad and domestic trade logistics to grow 26% and 129% respectively compared with the same period last year.

T3EX is an international logistics company that provides global integrated logistics solutions by air, sea and rail. In particular, after the new epidemic and the US-China trade war, the global supply chain has changed and the logistics industry has emerged as an emerging complex, where the integration of information management and efficient service is the key to success. Our information systems are seamlessly connected to our customers' systems through electronic data interchange (EDI) to achieve fast and accurate data exchange. In addition, the shipment tracking system allows customers to track the location and progress of shipments anytime and anywhere, and the warehousing system can be interfaced with the customer's order system, allowing customers to keep track of order arrival status and warehouse inventory management in real time. We also have the ability to develop our own systems to quickly meet our customers' customized information needs. We will continue to improve our information technology and services to meet the changing needs of our customers and achieve better business results.

2023 Outlook:

The overall logistics market in the first half of the year was affected by the economic tug-of-war between the U.S. and China and inflation has not yet subsided under the suppression of consumer demand, resulting in inventory backlog, the outlook is still uncertain. However, the full unlocking of the huge domestic consumption market in China and the announcement of the GDP growth target of 5% will help the recovery of the global supply chain. The governments of Europe and the U.S. are using interest rate hikes to combat inflation, and corporate inventories are gradually falling, further driving the global economy back to growth in the second half of the year and boosting international transportation demand.

On the supply side, the first concern is the start of the new year, the U.S. line of new contract rates, will determine the direction of the second half of the shipping market operations. In addition, the market is most concerned about the problem of excess capacity, although facing the impact of increased delivery of new ships, but due to the new global energy-saving and carbon-reduction regulations will be eliminated from the old ships, or surrendered ships, offset part of the pressure of increased capacity supply, it is estimated that the downside of freight rates is limited, coupled with the U.S. port workers strike and domestic transport environment has not yet improved, the peak season will still cause congestion, freight rates are expected to rebound opportunities in the third quarter. The positive cycle of supply and demand in the market will lead to a crouching and then jumping performance for the whole year.

T3EX has benefited from the recent upward trend of the industry with good profits and a solid financial structure, and has sufficient capital to develop the following strategies:

1. Diversify our business by integrating international transportation by sea, air and rail, and complementing it with integrated logistics services such as warehousing and transportation and supply chain finance, in order to seize the opportunity of global supply chain restructuring and the huge domestic consumption market in China.
2. In terms of investment layout, we focus on strategic investment and continue to aim for economies of scale in our industry to grow stronger and larger. Through the dual operation headquarter model in Taipei and Shanghai, we are

developing potential markets such as India and Southeast Asia through mergers and acquisitions or joint ventures under the globalization distribution mechanism.

3. Financial investments are diversified into the logistics industry and upstream and downstream related industries, including sea/air freight, freight forwarding and airline companies. In the investment portfolio, since the shares are held at a low cost and are mostly high yield stocks, the dividend income from long-term holdings can increase earnings per share or enjoy the capital gains income after sale, which will help to pay cash dividends in the future.

Corporate Sustainability:

Our company focuses on creating sustainable value for our employees, customers, suppliers, shareholders, the environment and society, with sustainable development as our business strategy and goal. For example, the International Maritime Organization (IMO) will strengthen its carbon dioxide emission reduction policy from 2023 onwards, and existing ships will be required to reduce their speed by approximately 20% to meet the emission reduction target. This will have a significant impact on the operation of the logistics industry. Therefore, the Company has made the issue of corporate sustainable development a long-term management goal, and has made it an implementation objective to promote corporate sustainable development and realize the economic value of non-financial corporate development.

T3EX is a light asset-based logistics service provider with employees as the source of productivity, and therefore believes that having good human capital is the only way to provide relatively professional services to meet customer needs. We hope that the positive spirit of sustainable development can be passed from the company to the employees and from the employees to the family, and that we can join hands to make the earth a better and happier place to live.

We will continue to strengthen our expertise and create greater values for our shareholders.

Chairman& General Manger: David Yen

Accounting Management: Allen Hou

Company Profile

2.1 Date of Incorporation: 02 04, 1987

The date of foundation：T.H.I. Group was set up on 02 04, 1987. In August 2012, the Company changed its name- T3EX Global Holdings Corp.

2.2 Company History

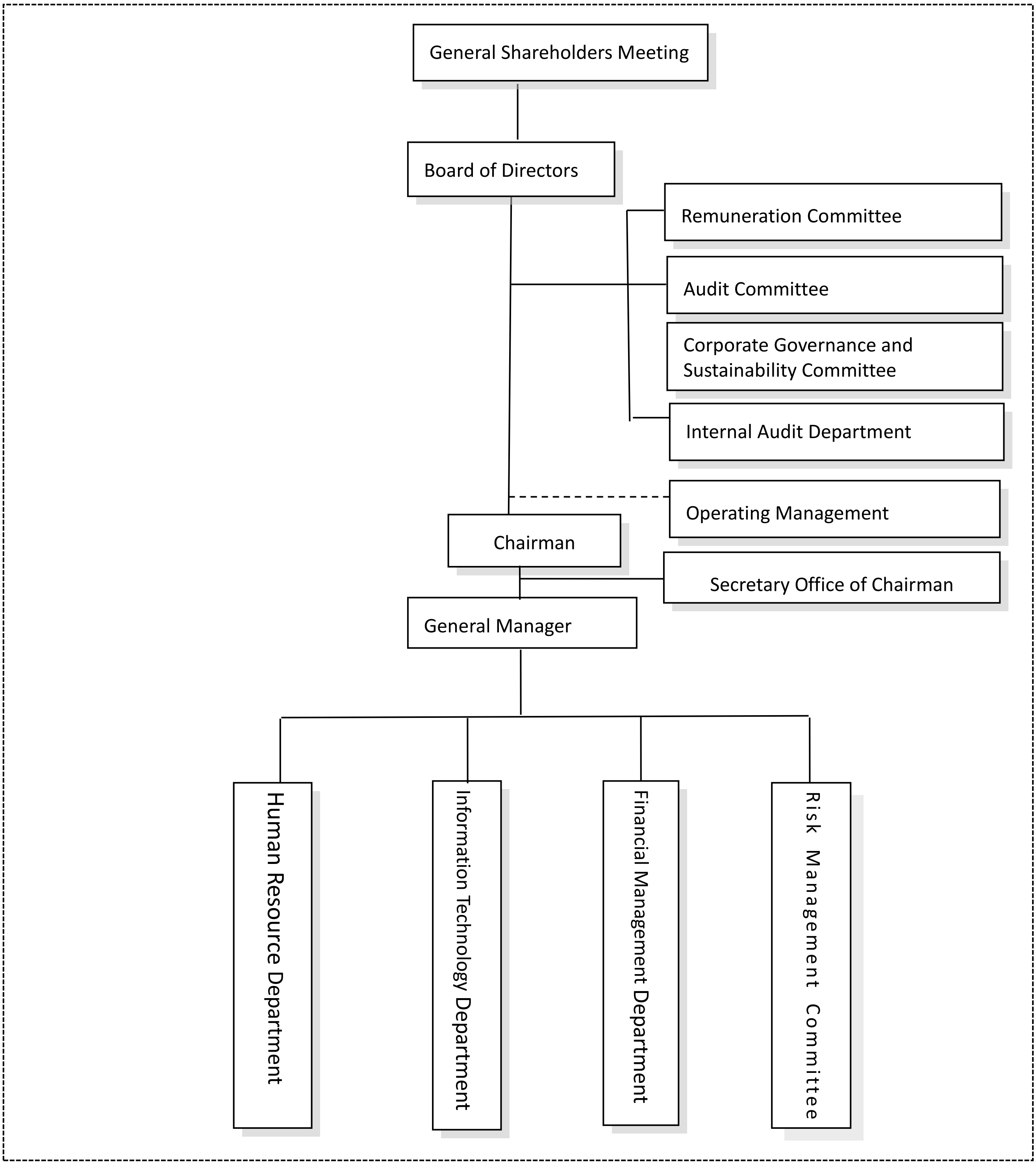
MM, Year	Milestones
Aug. 2012	The Company transformed into holdings company and changed its company name- T3EX Global Holdings Corp through Special Shareholders' Meeting.
Feb. 2013	The Company invested 30% shares of Joint venture in Indonesia-PT. Dexter Eurekatama.
Oct. 2013	The Company set up T.H.I. Online, entering into e-commerce business.
Jan. 2014	The logistics e-commerce platform T.H.I. Online was built by adopting an O2O logistics business model.
Jan. 2014	The Company issued NTD 300,000,000 convertible bond to reimburse debts.
Mar. 2014	The Company finished par value NTD 100,000,000 fundraising to increase operating capital.
Jan. 2015	The company established T.H.I. GROUP SINGAPORE PTE LTD, the operating headquarters in Southeast Asia.
Mar. 2015	The company raised our shareholdings in THI & Maruzen Inc. to 51%.
Aug. 2015	To reinforce ASEAN plus three regional deployment, the company acquired a 30% stake in Korean logistics company- LOGI International Co., Ltd.
Nov. 2015	To step into e-commerce logistics, the Company acquired 68% shares of Shanghai EXer Logistics Co.,Ltd.
Dec. 2015	To deeply develop warehousing and transportation services in China, we acquired 60% shares of T-Cube Global Logistics Co., Ltd.
Apr. 2016	The company established THI Logistics (Malaysia) SDN BHD, the operating headquarters in Southeast Asia.
Dec. 2016	The company changed its listing from GreTai Securities Market to the Taiwan Stock Exchange.
Jun. ,2017	To expand New Zealand and Australia business, the company invested Shanghai Moorluk International Shipping Co.,Ltd.

Oct. 2018	To expand Air cargos and cross border e-commerce business in Southern Asia market , the company invested AIRTROPOLIS EXPRESS(S) PTE LTD. (ATP) in Singapore
Jan. 2019	To develop supply chain finance business, the company established subsidiary - T-SC Factoring Co., Ltd.
Jul. 2019	THI Logistics Philippines Corp. was established, representing further broadening of the business coverage in Southeast Asia.
Feb. 2020	To expand the air forwarder and warehousing business in Vietnam, the Company set up TEC Logistics Viet Nam Company Limited.
Dec. 2020	The Company issued total par value NT$ 300,000,000 convertible bond to reimburse debts.
Jul. 2021	The Company set up TEC Motion Co., Ltd.
Oct. 2021	The Company set up T-HL（Shanghai）Global Supply Chain Management Co., Ltd.
May.2022	The Company set up Lianhua (Shanghai) Logistics Co., Ltd.
Nov. 2022	The Company set up T.H.I. Logistics (Hong Kong) Co., Limited.
Feb. 2023	The Company set up Shanghai Yi Hua Logistics Co., LTD.

I. Corporate Governance Report

3.1 Organization

3.1.1 Organizational Chart



3.1.2 Major Corporate Functions

Department	Functions
Remuneration Committee	To make recommendations to the Board on the Company's policy and structure for all Directors, and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy.
Audit Committee	The Audit Committee is responsible for overseeing the fair presentation of the Company's financial statements, the hiring (dismissal), independence and performance of its certified public accountants, and the effectiveness of the Company's internal controls. Other key functions include supervising the appropriateness of internal compliance procedures and plans and overseeing the management of existing or potential risk.
Corporate Governance and Sustainability Committee	To assist the board to supervises the progress of corporate governance and CSR and to report regularly.
Operating Management Committee	The board of directors holds ultimate responsibility. It major goal is assisting group to deal with the big issue and reporting to president and the Board.
Internal Audit Department	To identify deficiencies in the internal control system, assess the effectiveness and efficiency of operations, and provide appropriate improvement suggestions to ensure the effectiveness of the internal control system as well as for continuous improvement.
Financial Management Department	Responsible for the summarization and supply of accounting information, management and operation of finance and investment, annual budgeting, credit control.
Human Resource Department	Responsible for the planning and execution of human resource management, and planning and execution of general affairs.
Information Technology Department	Responsible for the planning, controlling, design, and implementation of the data processing.
Secretary Office of Chairman	Responsible for holding the board of meetings, shareholders meetings and others functional meeting, maintaining the public relations, investor relations, company branding and stock affairs, executing the

	corporate governance, CSR, and Group’s project management.
Risk Management Committee	Responsible for creating the Group's risk management target and control plan for the year as well as presenting the company’s achievements to the Board of Directors, Audit Committee and the Chairman.

3.2 Directors and Management Team

3.2.1 Directors

Mar 31, 2023

Title	Nationality/ Country of Origin	Name	Sex	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors who are spouses or within two degrees of kinship		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation
Director	R.O.C.	David Yen	Male	05.24 2022	3	01.16 1993	900,285	0.63%	900,285	0.63%	0	0	0	0	➢ The founder of T3EX group ➢ Shipping & Transportation Management in NTOU	➢ Group chairman of T3EX ➢ Board director: ➢ T-Cube logistics, T-Cube (Suzhou) logistics , T.H.I. Japan, Hope Ocean, Greatline international, Taiwan Express, Moorluk International Shipping., T-SC Factoring Co., Ltd.,, THI LOGISTICS PHILIPPINES ➢ Chairman: ➢ T3EX Holdings, THI group (Shanghai), and YHI International, THI logistics.	None	None	None
Director	R.O.C.	WPG Holdings representative: Simon Huang	Male	05.24 2022	3	08.17 2021	11,588,907	8.08%	11,588,907	8.08%	0	0	761,098	0.53%	➢ Department of Engineering Science, National ChengKung University ➢ Chairman：WPG Holdings Ltd., Trigold Holdings Limited (2017-present)	➢ Chairman, WPG Holdings Ltd.; ➢ Chairman, Trigold Holdings Limited ➢ Executive Director, TECSA	None	None	None

Director	R.O.C.	Benison Hsu	Male	05.24 2022	3	06.21. 2019	1,200,999	0.84%	1,200,999	0.84%	51,820	0.04%			➢ MBA in Tulane University. ➢ The founder of Taiwan Express	➢ Chairman: Taiwan Express, TEC logistics, T-TRANS international co. ltd. ➢ Board director: THI logistics, TEC logistics (Shenzhen), TEC logistics (Hong Kong) , TEC logistics (USA) , Taiwan Express (USA) , Hiview Logistics, Central Taiwan Science Park Logistics., INMAX SDN. BHD., AIRTROPOLIS EXPRESS(S) PTE LTD. (ATP). ➢ The independent director. ➢ CHENFULL INTERNATIONAL CO., LTD. San Far Property Ltd.			
Director	R.O.C.	Jack Lai	Male	05.24 2022	3	05.31. 2016	2,125,013	1.48%	2,125,013	1.48%	156,329	0.11%	0	0	➢ The associate vice president of T3EX ➢ DBA in National Taipei University.	➢ The CEO of THI Group ocean business. ➢ Board director: ➢ THI group (Shanghai), THI Logistics. THI International, THI Malaysia, T.H.I. Singapore., LOGI International, THI HK , EXer logistics, . T-SC Factoring Co., Ltd. AIRTROPOLIS EXPRESS(S) PTE LTD. (ATP), Eastern Union Holdings, Fresh Beauty enterprises., THI LOGISTICS PHILIPPINES, T.H.I. Janpan Co., Ltd.. ➢ Chairman : ➢ T-Cube logistics:, T-Cube (Suzhou) logistics , Moorluk International Shipping ➢ General Manager: ➢ T.H.I. Vietnam, T.H.I. CAMBODIA, T.H.I. Bangkok	None	None	None

Director	R.O.C.	YI-WEI INVESTMENT		05.24 2022	3	06.21 2019	2,122,184	1.48%	2,222,184	1.55%	0	0	0	0	-	-	None	None	None
	R.O.C.	Representative: Tony Lin	Male				759,936	0.53%	759,936	0.53%	0	0	0	0	➢ EMBA in NUS ➢ DBA in TIAS ➢ The GM of DIMERCO	➢ Board director: PT. Dexter Eurekatama, T3EX Global Holdings.	None	None	None
Director	R.O.C.	Chang Long INVESTMENT		05.24 2022	3	05.24 2022	2,000,774	1.71	2,000,774	1.57	0	0	0	0	-	-	None	None	None
	R.O.C.	Representative: Carl Wei	Male				0	0	0	0	0	0	0	➢ 0	➢ DBA in Fu Jen Catholic University ➢ The CEO of THI Logistics Sea business.. ➢ Manager of JI YE Shipping ➢ Manager of Taiming Shipping Agent ➢ The vice president of Kuang Ming Shipping Corp. ➢ The senior vice president of YANG MING MARINE TRANSPORT CORP.	➢ Board director: Moorluk International Shipping. T3EX Global Holdings.	None	None	None

Director	R.O.C.	Li-Chiu Chang	Male	05.24 2022	3	06.17. 2013	0	0	0	0	0	0	0	0	➢ Master of insurance in NCU. ➢ Financial Supervisory Commission ➢ The president of Yuanta Securities. ➢ The GM of Dahwa Securities. ➢ The auditor, chief, and leader of Financial Supervisory Commission ➢ The auditor of National Taxation Bureau of Taipei	➢ Chairman: FOCI Fiber Optic Communications, Panion & BF Biotec Inc., Herbiotek Co., Ltd, Ho Tung Chemical Corp., Cheng Fong Chemical Co., Ltd. ➢ Independent director : Acme ECME ELECTRONICS CORPORATION. T3EX Global Holdings. ➢ The CEO of Sun Ten Group. ➢ Board director: Sun Ten International,, SHI DING Venture Capital.	None	None	None
Director	R.O.C.	Jeff Lin	Male	05.24 2022	3	06.21 2019	0	0	0	0	0	0	0	0	➢ Chinese Literature in NCU. ➢ The lecturer of Mingdao High School ➢ The teacher of Tamkang High School. ➢ The manager of HR and Administrative Department of KPMG Accounting Firm.	➢ Independent director : T3EX Global Holdings.	None	None	None
Director	R.O.C.	Shen-Li Liao	Male	05.24 2022	3	05.24 2022	0	0	0	0	0	0	0	0	➢ MBA in NCU. ➢ The supervisor of Amazing Microelectronic Corp	➢ Independent director : T3EX Global Holdings.	None	None	None

Major shareholders of the institutional shareholders

Mar 31,2023

Name of Institutional Shareholders	Major Shareholders
WPG Holdings Corp.	Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF (8.28%), Yuanta/P-shares Taiwan Dividend Plus ETF(4.69%), Simon Huang(2.47%), Labor Retirement Fund(1.94%)
YI-WEI INVESTMENT Ltd	YEN,CHUN-CHU (99.50%), YEN,TING-CHU (0.25%), YEN,HSIANG-CHU (0.25%)
Chang Long Investment Co., Ltd.	YEN,CHUN-CHU (33.33%), YEN,TING-CHU (33.33%), YEN,HSIANG-CHU (33.17%), CHEN,HSING-HUA(0.17%)

Major shareholders of the Company's major institutional shareholders: None.

Professional qualifications and independence analysis of directors

Mar 31, 2022

Criteria / Name	Meet One of the Following Professional Qualification Requirements, Together with at Least Five Years Work Experience			Independence Criteria(Note)												Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
	An Instructor or Higher Position in a Department of Commerce, Law, Finance, Accounting, or Other Academic Department Related to the Business Needs of the Company in a Public or Private Junior College, College or University	A Judge, Public Prosecutor, Attorney, Certified Public Accountant, or Other Professional or Technical Specialist Who has Passed a National Examination and been Awarded a Certificate in a Profession Necessary for the Business of the Company	Have Work Experience in the Areas of Commerce, Law, Finance, or Accounting, or Otherwise Necessary for the Business of the Company	1	2	3	4	5	6	7	8	9	10	11	12	
David Yen	-	-	V	-	-	-	V		V		V	V	V	V	V	None
WPG Holdings representative: Simon Huang	-	-	-	V	V	V	V	V	V	V	V	V	V	V	-	None
Benison Hsu	-	-		-	-	-	V	V	V	V	V	V	V	V	V	3
Jack Lai	-	-	V	-	-	-	V	V	V	V	V	V	V	V	V	None
YI-WEI INVESTMENT Representative: Tony Lin	-	-	V	V	-	V	V	V	V	V	V	V	V	V	-	None
Chang Long Investment Representative: Carl Wei	-	-	V	V	-	V	V	V	V	V	V	V	V	V	-	None
Li-Chiu Chang	-	-	V	V	V	V	V	V	V	V	V	V	V	V	V	1
Shen-Li Liao	-	-	V	V	V	V	V	V	V	V	V	V	V	V	V	None
Jeff Lin	-	-	V	V	V	V	V	V	V	V	V	V	V	V	V	None

Note: Please tick the corresponding boxes that apply to the directors or supervisors during the two years prior to being elected or during the term of office.

1. Not an employee of the Company or any of its affiliates.
2. Not a director or supervisor of the Company or any of its affiliates. Not applicable in cases where the person is an independent director of the Company, its parent

company, or any subsidiary in which the Company holds, directly or indirectly, more than 50% of the voting shares.

3. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or ranking in the top 10 in holdings.
4. Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the persons in the preceding three subparagraphs.
5. Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company or of a corporate shareholder that ranks among the top five in shareholdings.
6. Not directors or shareholders holding 50% voting shares are the same directors, supervisors or employee of a company or person.
7. Not a chairman, general manager or the same ranked position are the same person or spouse of director, supervisor, employee of company or institution,
8. Not a director, supervisor, officer, or shareholder holding 5% or more of the shares, of a specified company or institution which has a financial or business relationship with the Company.
9. Not a professional individual provides audit or service for company or any affiliate of the company, and that accumulated commission are under NTS$500,000 in recently two years, as well as is an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that provides commercial, legal, financial, accounting services or consultation to the Company or to any affiliate of the Company, or a spouse thereof. These restrictions do not apply to any member of the remuneration committee who exercises powers pursuant to Article 7 of the "Regulations Governing the Establishment and Exercise of Powers of Remuneration Committees of Companies whose Stock is Listed on the TWSE or Traded on the TPEx".
10. Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company.
11. Not been a person of any conditions defined in Article 30 of the Company Law.
12. Not a governmental, juridical person or its representative as defined in Article 27 of the Company Law.

3.2.2 Management Team

Mar 31, 2023 Unit: shares

Title	Nationality/ Country of Origin	Name	Sex	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience（Education）	Other Position	Managers who are Spouses or Within Two Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
General Manager	R.O.C.	Allen Hou	Male	Mar.09 2023	0	0	0	0	0	0	➢ The CFO of the T3ex Global Holdings. ➢ The CFO of massage chairs group of Johnson Health Tech. ➢ The CFO of GRAND HALL ENTERPRISE. ➢ The CFO of Avalue Technology. ➢ Major in NTU Economics. ➢ MBA in CUNY	➢ The CFO of the Taiwan Express. ➢ The board of directors of THI logistics, Taiwan ➢ The board of directors of AIRTROPOLIS EXPRESS(S) PTE LTD.(ATP)Express,.	None	None	None
Senior Vice President	R.O.C.	Echo Wan	Female	May.31 2016	0	0	0	0	0	0	➢ The CAO of T3ex Global Holdings. ➢ Senior manager of SinoPac securities underwriting department. ➢ MBA of NCU ➢ Major Accounting in Fu Jen Catholic	➢ The CEO's special assistant of T3ex Global Holdings.	None	None	None
Senior Vice President	R.O.C.	Meloni e Lin	Female	Mar.04 2016	51,858	0.04	0	0	0	0	➢ National Taipei University of Business ➢ Manager of Operator Department of THI Logistics. ➢ Manager of Administrative Department of THI	➢ Manager of Internal IT Department ➢ The supervisor of THI logistics, Taiwan Express, and Hiview logistics	None	None	None
Senior Vice President	R.O.C.	Sandy Shen	Female	Nov.04 2022	0	0	0	0	0	0	➢ Chief Executive of T3EX	➢ The audit manager of T3ex Global Holdings.	None	None	None
Finance & Account Manager	R.O.C.	Alicia Yu	Female	Mar.09 2023	0	0	0	0	0	0	➢ The assistant manager of Finance Dept. of T3ex Global Holdings. ➢ Associate Manager of KPMG Audit Department	➢ The CFO of the T3ex Global Holdings.	None	None	None

Note: The chairperson to also act as the general manager or other equivalent position (highest managerial position). If the chairperson also acts as the general manager or other equivalent position (highest managerial position) or the chairperson and general manager or other equivalent position (highest managerial position) are spouses or relatives within one degree of consanguinity, Please detail the reasons, necessities and the response measures:

The reasons and necessities:

To enhance the communication between the company and its subsidiaries, the company appointed Mr. David Yen, the group chairman of T3EX Group, to be the company’s general manager. The assignment could improve the integration of the business development of the company and its subsidiaries, and lift the back-up efficient of the company’s supportive units such as finance Dept., IT Dept., and administration Dept.

The response measures:

The company has set over 50% directors who are not an employee of the Company or any of its affiliates. To meet the spirit of the blueprint of corporate governance which is mandated by Financial Supervisory Commission, the company would to increase the number of independent directors in future.

3.2.3 Remuneration of Directors, President, and Vice President

Remuneration of Directors and Independent Directors

Year 2021 Unit: NT$ thousands

Title	Name	Remuneration								Ratio of Total Remuneration (A+B+C+D) to Net Income (%)		Relevant Remuneration Received by Directors Who are Also Employees								Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%)		Compensation Paid to Directors from an Invested Company Other than the Company's Subsidiary
		Base Compensation (A)		Severance Pay (B)		Bonus to Directors (C)		Allowances (D)				Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Profit Sharing- Employee Bonus (G)						
																The company		Companies in the consolidated financial statements				
		The company	All companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	Cash	Stock	Cash	Stock	The company	Companies in the consolidated financial statements	
President	David Yen	0	0	0	0	10,450	10,450	887	887	0.40	0.40	0	42,764	0	1,759	3,000	0	3,000	0	0.43	1.43	0
Directors	WPG Holdings representative: Simon Huang																					
Directors	Benison Hsu																					
Directors	Jack Lai																					
Directors	YI-WEI INVESTMENT Representative: Tony Lin																					
Director	Chang Long INVESTMENT Representative: Carl Wei																					
Director	Li-Chiu Chang	0	0	0	0	3,300	3,300	360	360	0.12	0.12	0	0	0	0	0	0	0	0	0.12	0.12	0
Director	Jeff Lin																					
Director	Shen-Li Liao																					

Range of Remuneration	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements
Under NT$ 1,000,000	YI-WEI INVESTMENTR representative: Ji-Zhi Hsieh Ming-Hsu Tsai,	YI-WEI INVESTMENTR representative: Ji-Zhi Hsieh Ming-Hsu Tsai,	YI-WEI INVESTMENTR representative: Ji-Zhi Hsieh Ming-Hsu Tsai,	YI-WEI INVESTMENTR representative: Ji-Zhi Hsieh Ming-Hsu Tsai, WPG Holdings representative: Simon Huang(K.Y. Chen)
NT$1,000,001 ~ NT$2,000,000	Li-Chiu Chang, Jeff Lin, Shen-Li Liao, Dynamic Ocean Group Representative: Carl Wei, WPG Holdings representative: Simon Huang(K.Y. Chen), Jack Lai, Hope Ocean International Ltd Representative: Tony Lin, CHANG-JIE International Ltd. Representative: Benison Hsu	Li-Chiu Chang, Jeff Lin, Shen-Li Liao, Dynamic Ocean Group Representative: Carl Wei, WPG Holdings representative: Simon Huang(K.Y. Chen), Jack Lai, Hope Ocean International Ltd Representative: Tony Lin, CHANG-JIE International Ltd. Representative: Benison Hsu	Li-Chiu Chang, Jeff Lin, Shen-Li Liao, Dynamic Ocean Group Representative: Carl Wei, WPG Holdings representative: Simon Huang(K.Y. Chen), Jack Lai, Hope Ocean International Ltd Representative:Tony Lin, CHANG-JIE International Ltd. Representative: Benison Hsu	Li-Chiu Chang, Jeff Lin, Shen-Li Liao, Dynamic Ocean Group Representative: Carl Wei
NT$2,000,001 ~ NT$3,500,000	David Yen	David Yen	David Yen	0
NT$3,500,001 ~ NT$5,000,000	0	0	0	0
NT$5,000,001 ~ NT$10,000,000	0	0	0	Hope Ocean International Ltd Representative: Tony Lin,
NT$10,000,001~ NT$15,000,000	0	0	0	Jack Lai

NT$15,000,001 ~ NT$30,000,000	0	0	0	CHANG-JIE International Ltd. Representative: Benison Hsu, David Yen
NT$30,000,001 ~ NT$50,000,000	0	0	0	0
NT$50,000,001 ~ NT$100,000,000	0	0	0	0
Over NT$100,000,000	0	0	0	0
Total	11	11	11	11

Remuneration of the President and Vice President

Year 2022 Unit: NT$ thousands

Title	Name	Salary(A)		Severance Pay (B)		Bonuses and Allowances (C)		Profit Sharing- Employee Bonus (D)				Ratio of total compensation (A+B+C+D) to net income (%)		Compensation paid to the President and Vice President from an Invested Company Other Than the Company's Subsidiary
		The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company		Companies in the consolidated financial statements		The company	Companies in the consolidated financial statements	
								Cash	Stock	Cash	Stock			
General Manager	David Yen	7,807	22,424	335	1,240	2,322	5,110	3,400	0	3,400	0	0.35	0.74	None
Senior Vice President	Allen Hou													
Senior Vice President	Echo Wan													
Senior Vice President	Melonie Lin													
Senior Vice President	Sandy Shen													

Range of Remuneration	Name of President and Vice President	
	The company	Companies in the consolidated financial statements (A+B+C+D)
Under NT$ 1,000,000	David Yen	0
NT$1,000,001 ~ NT$2,000,000	Sandy Shen	0
NT$2,000,001 ~ NT$3,500,000	Echo Wan	Echo Wan, Sandy Shen
NT$3,500,001 ~ NT$5,000,000	Melonie Lin	Melonie Lin
NT$5,000,001 ~ NT$10,000,000	Allen Hou	Allen Hou
NT$10,000,001~ NT$15,000,000	0	0
NT$15,000,001 ~ NT$30,000,000	0	David Yen
NT$30,000,001 ~ NT$50,000,000	0	0
NT$50,000,001 ~ NT$100,000,000	0	0
Over NT$100,000,000	0	0
Total	5	5

Unit: NT$ thousands

	Title	Name	Employee Bonus - in Stock (Fair Market Value)	Employee Bonus - in Cash	Total	Ratio of Total Amount to Net Income (%)
Executive Officers	General Manager	David Yen	0	3,400	3,400	0.13
	Senior Vice President	Allen Hou				
	Senior Vice President	Melonie Lin				
	Senior Vice President	Sandy Shen				
	Senior Vice President	Echo Wan				

3.2.4 Comparison of Remuneration for Directors, Supervisors, Presidents and Vice Presidents in the Most Recent Two Fiscal Years and Remuneration Policy for Directors, Supervisors, Presidents and Vice Presidents

A. The ratio of total remuneration paid by the Company and by all companies included in the consolidated financial statements for the two most recent fiscal years to directors, supervisors, presidents and vice presidents of the Company, to the net income.

Year	2021		2022	
	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements
Total remuneration paid to directors and supervisors.	21,601	61,249	17,997	62,520
Ratio of total remuneration paid to directors and supervisors to net income (%).	0.54	1.57	0.68	2.37
Total remuneration paid to presidents and vice presidents.	13,886	29,028	13,864	28,774
Ratio of total remuneration paid to presidents and vice presidents to net income (%).	0.35	0.74	0.52	1.09

A. Comparing to 2021, the increase of the ratio of total remuneration paid to directors, supervisors, president, and vice president to net income in 2021 was caused by of decreasing income profit of 2022.
B. According to the Company's Article of Incorporation, more than 0.5% of profit of the current year distributable as employees' compensation and less than 0.3% of the current year distributable as directors' compensation shall be definitely specified in the Articles of Incorporation. However, the company's accumulated losses shall have been covered.
C. The remuneration of presidents and vice presidents shall be propose by the Remuneration Committee which evaluated and determined in accordance with the individual performance, achievements and the market trends, and submitted to Board of Directors for discussion before sent to the shareholders' meeting for resolution.

3.3 Implementation of Corporate Governance

3.3.1 Board of Directors

A total of 10(A) meetings of the Board of Directors were held in 2022/1/1 to 2023/3/31. The attendance of directors were as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) 【B/A】	Remarks
Chairman	David Yen	8	0	100.00%	None
Director	WPG Holdings representative: K.Y. Chen	3	0	100.00%	None
Director	WPG Holdings representative: Simon Huang	5	0	100.00%	None
Director	CHANG-JIE International Ltd Representative: Benison Hsu	3	0	100.00%	None
Director	Benison Hsu	5	0	100.00%	None
Director	Jack Lai	8	0	100.00%	None
Director	YI-WEI INVESTMENT Representative: Ji-Zhi Hsieh	2	1	50.00%	Until May 24^{th}, 2022
Director	YI-WEI INVESTMENT Representative: Tony Lin	5	0	100.00%	Since May 24^{th}, 2022
Director	Hope Ocean International Ltd Representative: Tony Lin	3	0	100.00%	Until May 24^{th}, 2022
Director	Dynamic Ocean Group Limited Representative: Carl Wei	3	0	100.00%	Until May 24^{th}, 2022
Director	Chang Long INVESTMENT Representative: Carl Wei	5	0	100.00%	Since May 24^{th}, 2022

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) 【B/A】	Remarks
Independent director	Li-Chiu Chang	7	1	87.50%	None
Independent director	Jeff Lin	8	0	100.00%	None
Independent director	Shen-Li Liao	5	0	100.00%	Since May 24th, 2022
Independent director	Ming-Hsu Tsai	3	0	100.00%	Until May 24th, 2022

Other mentionable items:

1. If there are circumstances referred to in Article 14-3 of the Securities and Exchange Act and resolutions of the directors' meetings objected to by independent directors or subject to qualified opinion and recorded or declared in writing, the dates of the meetings, sessions, contents of motion, all independent directors' opinions and the company's response should be specified:

Board Meeting Date	Contents of Motion	Independent director's opinions and company's response	Resolution	Article 14-3 of Securities
2022/03/08 (First Meeting in 2022)	2021 Employees' and Directors' Compensation.	No opinion	Pass	V
	Approval of the Company's 2021 Assessment of the effectiveness of internal control system and 2019 Internal Control System Statement.	No opinion	Pass	V
	Amendment to the Operational Procedures for Acquisition and Disposal of Assets.	No opinion	Pass	V
	The Election of Directors.	No opinion	Pass	V
	Evaluation of 2021 the Company's audit fee and independence.	No opinion	Pass	V
	Replacement of CPA	No opinion	Pass	V
	Approval of endorsement and guarantee to the bank loan contracts for the Company's subsidiary.	No opinion	Pass	V
2022/04/12 (First Extraordinary Meeting in 2022)	Adjustment of the Company's Nomination of Directors (including Independent Directors) for Election in 2022 Independent Directors	No opinion	Pass	V
2022/05/05 (Second Meeting in	Approval of loaning funds to the Company's subsidiary	No opinion	Pass	V

2022)	Approval of endorsement and guarantee to the bank loan contracts for the Company’s subsidiary.	No opinion	Pass	V
	Deliberations on any disguised financing transaction in the first quarter of 2022.	No opinion	Pass	V
2022/05/24 (Second Extraordinary Meeting in 2022)	Election of Chairman of the Board.	No opinion	Pass	V
	Appointment of Members of the Company's Compensation Committee.	No opinion	Pass	V
2022/06/24 (Third Extraordinary Meeting in 2022)	Proposed lease renewal of real estate in Suzhou High-tech Zone, China through a subsidiary	No opinion	Pass	V
2022/08/05 (Third Meeting in 2022)	Approval of Functions of Director’s & Officer’s(D＆O) Liability Insurance.	No opinion	Pass	V
	The Company intends to change its stock exchange agent with effect from November 1, 2022.	No opinion	Pass	V
	Revision of the Company's "Statement of Authority to Parent Company by Subsidiary.	No opinion	Pass	V
	Deliberations on any disguised financing transaction in the first quarter of 2022.	No opinion	Pass	V
	Approval of endorsement and guarantee to the bank loan contracts for the Company’s subsidiary.	No opinion	Pass	V
2022/11/03 (Fourth Meeting in 2022)	The ninth repurchase of the Company's shares.	No opinion	Pass	V
	The establishment of a new Hong Kong subsidiary of the Company.	No opinion	Pass	V
	Deliberations on any disguised financing transaction in the third quarter of 2022.	No opinion	Pass	V
	Approval of loaning funds to the Company’s subsidiary -Taiwan Express.	No opinion	Pass	V
2023/03/09 (First Meeting in 2023)	2022 Employees' and Directors' Compensation.	No opinion	Pass	V
	Approval of the Company’s 2022 Assessment of the effectiveness of internal	No opinion	Pass	V

	control system and 2021 Internal Control System Statement.			
	Discussion on the establishment of a 100% wholly-owned subsidiary in the Shanghai Free Trade Zone.	No opinion	Pass	V
	Evaluation of 2022 the Company’s audit fee and independence.	No opinion	Pass	V
	Personnel change of company president.	No opinion	Pass	V
	Change of personnel of the Company's head of finance and accounting.	No opinion	Pass	V
	Deliberations on any disguised financing transaction in the fourth quarter of 2022.	No opinion	Pass	V

2. If there are directors’ avoidance of motions in conflict of interest, the directors’ names, contents of motion, causes for avoidance and voting should be specified: None.
3. The execution of the Board’s self-evaluation of 2022:

Term	Once in a year
Period	2022/1/1-2022/12/31
Scope	The board, board members, and functional committees
Method	Internal board performance evaluation
Content	Board Performance： 1. Participation in the operation of the company. 2. Improvement of the quality of the board of directors' decision making. 3. Composition and structure of the board of directors. 4. Election and continuing education of the directors. 5. Internal control. Member Performance： 1. Alignment of the goals and missions of the company. 2. Awareness of the duties of a director. 3. Participation in the operation of the company. 4. Management of internal relationship and communication. 5. The director's professionalism and continuing education. 6. Internal control. Functional Committees Performance: 1. Participation in the operation of the company. 2. Awareness of the duties of the functional committee.

	3. Improvement of quality of decisions made by the functional committee. 4. Makeup of the functional committee and election of its members. 5. Internal control.
Conclusion	The Score of Internal Board Performance Evaluation: The score is 100.00(Full score is 100) The Score of Board Members Self-Evaluation: The Score of Internal Board performance Evaluation: The score is 95.78. (Full score is 100) The Score of Internal Functional Committee Performance Evaluation: The score is115. (Full score is 120)

4. Measures taken to strengthen the functionality of the board: The Company has followed the“ Rules and Procedures of Board of Directors ” , disclosed the related information at website and established the IR Contact institute to maintain shareholders’ relations. Besides, the Board of Directors also has established Remuneration Committee and Audit Committee to assist the board in carrying out its various duties.

3.3.2 Attendance of Independent Directors at Audit Committee Meetings

A total of 6 (A) meetings of the audit committee were held in 2022/01/01 to 2023/03/31. The attendance of independent directors were as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) 【B/A】	Remarks
Independent Director	Li-Chiu Chang	5	1	83.33	None
Independent Director	Jeff Lin	6	0	100.00	None
Independent Director	Shen-Li Liao	4	0	100.00	Since May 24^{th}, 2022
Independent Director	Ming-Hsu Tsai	2	0	100.00	Until May 24^{th}, 2022

Other mentionable items:

1. Annual Highlights:

The Audit Committee is responsible for assisting the Board of Directors in monitoring the Company's performance quality and integrity in terms of accounting, audit, financial reporting process and financial control, focused on the following:

1. Audit of Financial Statements, accounting policy and programs 2. Internal control system and related policy and program 3. Significant transactions in assets or derivatives 4. Endorsement or guarantee on significant loan 5. Placement or issuance of securities 6. Investment status of derivatives and cash 7. Legal compliance 8. Involvement of Company Managers and Directors in transactions with related parties

and any potential conflict of interest 9. Complaint report 10. Embezzlement prevention plan and investigation report 11. Information security 12. Corporate risk management 13. CPA background, independency and performance assessment 14. CPA appointment, dismissal or remuneration 15. Appointment/dismissal of Financial Supervisor, Accounting Supervisor or Internal Audit Supervisor 16. Duty performance of Audit Committee 17. Audit Committee's Performance Self-assessment Questionnaire

- Audit Financial Report: The Board of Directors prepared the Company's 2020 Business report, financial statements and earnings distribution proposal etc., where financial statements have been audited by KPMG Taiwan with supporting audit report. The abovementioned business report, financial statements and earnings distribution proposal have been audited by the Audit Committee, along with its unqualified opinion.
- Internal control system's effect was evaluated: Not only the performance was assessed in terms of the policy and programs for internal control system by Audit Committee in the Company (included but not limited to measures taken to control finance, operations, risk management, information security, subcontracting, law compliance), but also those regular reports made by the Audit Department, CPA and Top Management including risk management and law compliance. Audit Committee deems such parts as above effective and the Company has taken all necessary countermeasures to control, monitor and correct act of default.

2. Resolutions related to Security and Exchange Article14-5:

Meeting Date	Contents and Resolutions	Security and Exchange Article14-5	Resolutions which were not approved by the Audit Committee but was approved by two thirds or more of all directors.
2022/03/08 (First Meeting in 2022)	2021 Employees' and Directors' Compensation.	V	
	Approval of the Company’s 2021 Assessment of the effectiveness of internal control system and 2019 Internal Control System Statement.	V	
	Amendment to the Operational Procedures for Acquisition and Disposal of Assets.	V	
	The Election of Directors.	V	
	Evaluation of 2021 the Company’s audit fee and independence.	V	
	Replacement of CPA	V	
	Approval of endorsement	V	

Meeting Date	Contents and Resolutions	Security and Exchange Article14-5	Resolutions which were not approved by the Audit Committee but was approved by two thirds or more of all directors.
	and guarantee to the bank loan contracts for the Company’s subsidiary.		
	Audit committee resolutions: Approved.		
	The Company’s settlement of the opinions of audit committee: Approved.		
2022/04/12 (First Extraordinary Meeting in 2022)	Adjustment of the Company's Nomination of Directors (including Independent Directors) for Election in 2022 Independent Directors	V	
	Audit committee resolutions: Approved.		
	The Company’s settlement of the opinions of audit committee: Approved.		
2022/05/05 (Second Meeting in 2022)	Approval of loaning funds to the Company’s subsidiary	V	
	Approval of endorsement and guarantee to the bank loan contracts for the Company’s subsidiary.	V	
	Deliberations on any disguised financing transaction in the first quarter of 2022.	V	
	Audit committee resolutions: Approved.		
	The Company’s settlement of the opinions of audit committee: Approved.		
2022/05/24 (Second Extraordinary Meeting in 2022)	Election of Chairman of the Board.	V	
	Appointment of Members of the Company's Compensation Committee.	V	
	Audit committee resolutions: Approved.		
	The Company’s settlement of the opinions of audit committee: Approved.		
2022/06/24 (Third Extraordinary Meeting in 2022)	Proposed lease renewal of real estate in Suzhou High-tech Zone, China through a subsidiary	V	
	Audit committee resolutions: Approved.		
	The Company’s settlement of the opinions of audit committee: Approved.		
2022/08/05 (Third Meeting in 2022)	Approval of Functions of Director’s & Officer’s(D＆O) Liability Insurance.	V	
	The Company intends to change its stock exchange agent with effect from November 1, 2022.	V	
	Revision of the Company's "Statement of Authority to Parent Company by	V	

Meeting Date	Contents and Resolutions	Security and Exchange Article14-5	Resolutions which were not approved by the Audit Committee but was approved by two thirds or more of all directors.
	Subsidiary.		
	Deliberations on any disguised financing transaction in the first quarter of 2022.	V	
	Approval of endorsement and guarantee to the bank loan contracts for the Company’s subsidiary.	V	
	Audit committee resolutions: Approved.		
	The Company’s settlement of the opinions of audit committee: Approved.		
2022/11/03 (Fourth Meeting in 2022)	The ninth repurchase of the Company's shares.	V	
	The establishment of a new Hong Kong subsidiary of the Company.	V	
	Deliberations on any disguised financing transaction in the third quarter of 2022.	V	
	Approval of loaning funds to the Company’s subsidiary -Taiwan Express.	V	
	Audit committee resolutions: Approved.		
	The Company’s settlement of the opinions of audit committee: Approved.		
2023/03/09 (First Meeting in 2023)	2022 Employees' and Directors' Compensation.	V	
	Approval of the Company’s 2022 Assessment of the effectiveness of internal control system and 2021 Internal Control System Statement.	V	
	Discussion on the establishment of a 100% wholly-owned subsidiary in the Shanghai Free Trade Zone.	V	
	Evaluation of 2022 the Company’s audit fee and independence.	V	
	Personnel change of company president.	V	
	Change of personnel of the Company's head of finance and accounting.	V	
	Deliberations on any disguised financing	V	

Meeting Date	Contents and Resolutions	Security and Exchange Article14-5	Resolutions which were not approved by the Audit Committee but was approved by two thirds or more of all directors.
	transaction in the fourth quarter of 2022.		
	Audit committee resolutions: Approved.		
	The Company's settlement of the opinions of audit committee: Approved.		

3. There were no recusals of independent directors due to conflicts of interests in 2021.
4. Descriptions of the communications between the independent directors, the internal auditors, and the independent auditors:

Meeting Date	Communications between the independent directors and the internal auditors.	Communications between the independent directors and the independent auditors.
2022/03/08 (First meeting in 2022)	Reporting the execution of 2021 fourth quarter internal audit. Reviewing report on self-evaluation of internal control. Approving 2021 statements of Internal Control System.	Reporting the conclusions of auditing 2021 fourth quarter consolidated financial statements. Reporting the impact of the audit and financial statements from COVID-19. Discussing the self-edited financial statements. Reporting the update of regulations. Evaluation of 2022 the Company's audit fee and independence.
2022/05/05 (Second meeting in 2022)	Reporting the execution of 2022 first quarter internal audit.	None.
2022/08/04 (Third meeting in 2022)	Reporting the execution of 2022 second quarter internal audit. Approving the amendments to the Company's Internal Control System.	Reporting the conclusions of reviewing 2022 second quarter financial statements. Reporting the update of regulations.
2023/11/03 (Fourth meeting in 2021)	Reporting the execution of 2022 third quarter internal audit. Approved the assignment of audit manager. Approved the Company's 2023 audit plan.	None.
2023/03/09 (First meeting in 2023)	Reporting the execution of 2022 fourth quarter internal audit. Reviewing report on self-evaluation of internal control. Approving 2022 statements of Internal Control System.	Reporting the conclusions of auditing 2022 fourth quarter consolidated financial statements. Discussing the self-edited financial statements. Reporting the update of regulations. Evaluation of 2023 the Company's audit fee and independence.

3.3.3 Corporate Governance Implementation Status and Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"

Evaluation Item	Implementation Status [1]			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
1. Does the company establish and disclose the Corporate Governance Best-Practice Principles based on "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"?	V		The Company has established the Corporate Governance Best-Practice Principles based on "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies". The information has been disclosed on the Company's website.	None
2. Shareholding structure & shareholders' rights				None
(1) Does the company establish an internal operating procedure to deal with shareholders' suggestions, doubts, disputes and litigations, and implement based on the procedure?	V		In addition to the existing hotline and email channels, the Company has established an internal operating procedure, and has designated appropriate departments, such as Investor Relations, Public Relations, and stock affairs to handle shareholders' suggestions, doubts, disputes and litigation.	
(2) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares?	V		The chairman's secretary office is responsible for collecting the updated information of major shareholders and the list of ultimate owners of those shares.	

Evaluation Item	Implementation Status [1]			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
(3) Does the company establish and execute the risk management and firewall system within its conglomerate structure? (4) Does the company establish internal rules against insiders trading with undisclosed information?	V V		Rules are made to strictly regulate the activities of trading, endorsement and loans between the Company and its affiliates. In addition, the "Criteria of Internal Control Mechanism for a Public Company", outlined by the Financial Supervisory Commission when drafting the guidelines for the "Supervision and Governance of Subsidiaries", was followed in order to implement total risk control with respect to subsidiaries. To protect shareholders' rights and fairly treat shareholders, the Company has established the internal rules to forbid insiders trading on undisclosed information. The Company has also strongly advocated these rules in order to prevent any violations.	
3. Composition and Responsibilities of the Board of Directors (1) Does the Board develop and implement a diversified policy for the composition of its members?	V		Member diversification is considered by the Board members. Factors taken into account include, but are not limited to gender, age, cultures, educational background, race, professional experience, skills, knowledge and terms of service. The Board objectively chooses candidates to meet	None

Evaluation Item	Implementation Status [1]			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			the goal of member diversification. Among Company Directors, the following have experience in leadership, operations management and decision-making, and risk management as well as industry knowledge: David Yen (director), Benison Hsu (director), Jack Lai (director), Tony Lin (director), Carl Wei (director), ；Independent Director Li Chiu Chang has knowledge and experience in securities, finance and capital market while Independent Director Jeff Lin in the field of Human Resources Management; Independent Director Shen-Li Liao has background in the field of accounting profession management.	
(2) Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?	V		The Company established the Corporate Governance & Sustainability Committee in 2018 to strengthen its capabilities and performance. Its Risk Management Committee was approved and established in 2012, with operations beginning in 2020 aimed at achieving the Company's four goals, which include risk control and management related to information security, finance, corporate governance and operations; supervisors of related sectors serving as Committee members convene seasonal meetings to assess performance and report achievements to the Chairman of the Group. Company achievements are presented to the Committee and the Board of Directors every year.	
(3) Does the company establish a standard to	V		The board of directors shall have the knowledge, skills, and experience	

Evaluation Item	Implementation Status [1]			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
measure the performance of the Board, and implement it annually?			necessary to perform their duties. To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities: 1. Ability to make operational judgments. 2. Ability to perform accounting and financial analysis. 3. Ability to conduct management administration. 4. Ability to conduct crisis management. 5. Knowledge of the industry. 6. An international market perspective. 7. Ability to lead. 8. Ability to make policy decisions. The directors measure their performance in board annually. The Company has reported the outcome of self-evaluation on 2023/3/9 board meeting.	
(4) Does the company regularly evaluate the independence of CPAs?	V		The Company evaluates the independence of CPAs annually, ensuring that that they are not stakeholders such as a Board member, supervisor, shareholder or person paid by the Company. In latest two years, the directors evaluated the independence of CPAs annually in board meeting	

Evaluation Item	Implementation Status [1]			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			on March 8, 2022 and March 9, 2023.	
4. Does the Company established a full- (or part-) time corporate governance unit or personnel to be in charge of corporate governance affairs (including but not limited to furnish information required for business execution by directors, handle matters relating to board meetings and shareholders' meetings according to laws, handle corporate registration and amendment registration, record minutes of board meetings and shareholders meetings, etc.)?	V		On 2020/7/31, the company's board of meeting has assigned Allen Hou, the senior vice president and CFO of the company who has over 3 years finance management experience, to be the Chief Corporate Governance Officer. The corporate governance of dedicated office is the chairman's secretary office. The main duties of the Chief Corporate Governance officer and dedicated office are handling matters for board meetings and shareholders meetings, and assisting directors with legal compliance. The execution of 2022 as below: 1. Producing minutes of board meetings and shareholders meetings, and assisting in onboarding and continuous development of directors. 2. Assisting directors with legal compliance. 3. Maintaining investor relationship: In order to protect shareholder's rights, we have arranged communications between directors and main shareholders, institutional investors, as well as provided sufficient information which can	None

Evaluation Item	Implementation Status [1]			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			evaluate the company's truly value for investors when necessary. 4. Producing minutes of board meetings and noticing directors before 7 days before the meetings is convened. If a director or a juristic person that the director represents is an interested party in relation to an agenda item, we have reminded the director shall state the important aspects of the interested party relationship at the respective meeting. And we have sent the minutes of a board meeting within 20 days after the meeting. 5. Registering shareholders meetings, producing notices, agendas, and minutes of shareholders meetings within legal deadline, and applying for alteration of the registered corporation articles or new directors. The training of the Chief Corporate Governance Officer in 2020 as below:	

2Date of Training	Organizer	Class Name	Training Hour	Total Training Hour
2022/11/08	Accounting Research and Development Foundation	Enhancing Corporate Governance and Internal Control Compliance with "Wealth Management	6 hours	12 hours

Evaluation Item	Implementation Status [1]			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			(continued) disclosure. 2022/11/09 | Practical measures to refine the "three lines of internal control | 6 hours	
5. Does the company establish a communication channel and build a designated section on its website for stakeholders, as well as handle all the issues they care for in terms of corporate social responsibilities?	V		The Company provides detailed contact information, including telephone numbers and email addresses in the "IR Relations" section of the corporate website. In addition, personnel are in place to exclusively deal with issues of social responsibility, ensuring that various interested parties have channels to communicate with the Company.	None
6. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	V		The Company designates CAPITAL SECURITIES CORP. to deal with shareholder affairs.	None
7. Information Disclosure (1) Does the company have a corporate website to disclose both financial standings and the status of corporate governance?	V		The Company has set up a Chinese/English website (www.t3ex-group.com.tw) to disclose information regarding the Company's financials, business and corporate governance status. The Company has assigned an appropriate person to handle information collection and disclosure. Contact person: Echo Wan, TEL:	None

Evaluation Item	Implementation Status [1]			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
(2) Does the company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)? (3) Does the company publish and report its annual financial report within two months after the end of the fiscal year, and publish and report its financial reports for the first, second, and third quarters as well as its operating statements for each month before the specified deadlines?	V		+886-2-2753-2093 The Company has established a spokesman system. Investor conference information is disclosed on the corporate website: www.t3ex-group.com. The Company currently announces and reports its annual financial statements within three months after the end of the fiscal year, and announces and reports its first, second and third quarterly financial statements and monthly operations by the prescribed deadline. In the future, we will aim to announce and report earlier.	

8. Is there any other important information to facilitate a better understanding of the company's corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for

Evaluation Item	Implementation Status [1]			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	

directors and supervisors)?

8.1 Employee rights and wellness are stated in internal policies as required by relevant laws and regulations. The Company maintains good relationship with customers and suppliers and fulfills its duties as a responsible corporate citizen. Internal control, auditing and self-evaluation procedures are in place, while the Company also purchases insurance coverage for its directors.

8.2 The institutions and implementations of employee wellness and rights, investor relations, supplier relations, rights of stakeholders, please refer the Company's 2021 CSR report.

8.3 The implementations of risk management were followed the Company's internal regulations and procedures.

8.4 The directors training records:

Title	Name	Class Name	Training Times	Training Date
Chairman	David Yen	Shareholder Meeting Related Laws and Practices.	3	2022/09/16
		Corporate Governance and Securities Regulations - Legal Regulation of Insider Trading and Practical Case Studies.	3	2022/09/20
Director	WPG Holdings Representative: Simon Huang	Green Transformation - Sustainable Supply Chain Management and Green Operations.	3	2022/05/10
		How to deal with the U.S.-China trade and geopolitical conflict.	3	2022/08/09
Director	Benison Hsu	Supply Chain Information Security Threat Hunt - New Innovation Opportunity in Taiwan.	3	2022/07/21
		Digital Transformation, New Future, New Thinking on Risk	3	2022/10/05

Evaluation Item	Implementation Status [1]			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	

		Management.		
Director	Jack Lai	Exploring the tax and legal risks of equity pass-through.	3	2022/11/09
		Analysis of Management Rights Competition and Prevention Strategies.	3	2022/11/15
Director	YI-WEI INVESTMENT Representative: Tony Lin	Points to note in the "Shareholders' Meeting" and "Company Law" and practical analysis.	3	2022/08/10
		Election of Directors and Supervisors and Internal Managers' Obligations.	3	2022/08/19
Director	Chang Long INVESTMENT Representative: Carl Wei	ESG information disclosure trends and related regulations.	3	2022/10/07
		Geopolitics and post-epidemic situation, outlook on global industry development trends.	3	2022/10/18
Independent Director	Li-Chiu Chang	Competitiveness vs. Survivability, ESG Trends and Strategies.	3	2022/08/11
		Risks and opportunities of climate change and net-zero emission policies for business operations.	3	2022/11/14
Independent Director	Jeff Lin	Shareholder Meeting Related Laws and Practices	3	2022/09/16
		Corporate Governance and Securities Regulations - Legal Regulation of Insider Trading and Practical Case Studies	3	2022/09/20
Independent Director	Shen-Li Liao	Board of Directors and Functional Committees (Audit, Compensation) Regulations Analysis and Audit Focus.	6	2022/08/29
		How Auditors Detect Fraud in Financial Statements.	6	2022/08/30

Evaluation Item	Implementation Status[1]			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	

9. The improvement status for the result of Corporate Governance Evaluation announced by Taiwan Stock Exchange.

The Company's 2022 Corporate Governance Review with a ranking range of 66% to 80% among listed companies. The following table shows the unscored items and the improvement situation:

Pointless Items	Improvement
Does the company report the remuneration received by the directors at the shareholders' meeting, including the remuneration policy, the content and amount of individual remuneration?	Under planning.
Are the chairman of the board of directors and the president of the company or other equivalent position (top executive) not the same person, or are they each other's spouses or relatives?	Implemented this year
Is the number of directors who are employees of the company, its parent, subsidiary or sister company less than one-third of the total number of directors?	Implemented this year
Does the company's board of directors include at least one female director?	Under planning.
Has the company established and disclosed on the company's website internal rules prohibiting insiders, such as directors or employees, from trading in marketable securities using unpublished information, including (but not limited to) a 30-day closure period prior to the publication of annual financial reports and a 15-day closure period prior to the publication of quarterly financial reports, as well as instructions for implementing these rules?	Implemented this year
Does the company not have a government agency or a single legal entity and its affiliates occupying at least one-third of the board seats?	Under planning.
Does the company have a succession plan for board members and key management personnel and disclose their operations on	Under planning.

Evaluation Item	Implementation Status [1]			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	

the company's website or in its annual report?	
Does the company have risk management policies and procedures approved by the board of directors to disclose risk management areas, organizational structure and its operations, and report to the board at least annually?	
Have all the independent directors of the company completed the training in accordance with the Essentials of Continuing Education for Directors and Supervisors of Listed Companies?	Implemented this year
Does the company also report material information in English	Under planning.
Does the company publish its annual financial report within two months after the end of the year?	Under planning.
Does the company voluntarily publish its financial forecasts for the four seasons without any deficiencies corrected by the competent authorities or noted by the TWSE or the OTC?	Under planning.
Does the Company have an intellectual property management plan that is linked to its operational objectives, and does it disclose its implementation on the Company's website or in its annual report and report to the Board of Directors at least once a year?	Under planning.
Does at least one of the company's internal auditors have a license such as an International Internal Auditor, an International Computer Auditor or a Certificate of Competence in Accounting Examination?	Under planning.
Does the company's annual report disclose the remuneration of individual directors and supervisors?	Under planning.
Does the company's annual report disclose the link between the evaluation of the performance of directors and managers and their remuneration?	Under planning.
Does the company's annual report voluntarily disclose the personal compensation of the president and vice president?	Under planning.
Does the company's annual report disclose future research and development plans and estimated expenses?	Under planning.
Has the company obtained third party verification of the ESG reports prepared by the company? Does the company set up a special unit to ESG Dept., conduct risk assessment on environmental, social or corporate governance issues related to the	Under planning.

Evaluation Item	Implementation Status [1]			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
company's operation according to the principle of materiality, formulate relevant risk management policies or strategies, and have the board of directors supervise the promotion of sustainable development and disclose them on the company's website and annual report?				
Has the company established a human rights protection policy and specific management plan with reference to international human rights conventions and disclosed them on the company's website or in the annual report?	Under planning.			
Has the company disclosed its annual greenhouse gas emissions, water consumption and total weight of waste for the past two years?	Under planning.			
Does the company have a policy on greenhouse gas reduction, water reduction or other waste management, including reduction targets, promotion measures and status of achievement?	Under planning.			
Has the company obtained ISO 14001, ISO 50001 or similar environmental or energy management system certification?	Under planning.			
Does the company's website, annual report or sustainability report disclose supplier management policies that require suppliers to comply with regulations related to environmental, occupational safety and health or labor human rights issues, and describe the status of implementation?	Under planning.			
Does the company disclose information on corporate governance, strategy, risk management, metrics and targets for climate related risks and opportunities under the Climate Related Financial Disclosure Framework (TCFD)?	Under planning.			

3.3.4 Composition, Responsibilities and Operations of the Remuneration Committee

The Remuneration Committee assists the Board in discharging its responsibilities relating to the Company's compensation and benefits policies, plans and programs, and the evaluation of the directors' and executives' compensation.

The Chairman of the Remuneration Committee convened four regular meetings in 2015. The Remuneration Committee Charter is available on the Company's corporate website.

A. Professional Qualifications and Independence Analysis of Remuneration Committee Members

Title	Criteria / Name	Meets One of the Following Professional Qualification Requirements, Together with at Least Five Years' Work Experience			Independence Criteria (Note)										Number of Other Public Companies in Which the Individual is Concurrently Serving as an Remuneration Committee Member	Remarks
		An instructor or higher position in a department of commerce, law, finance, accounting, or other academic department related to the business needs of the Company in a public or private junior college, college or university	A judge, public prosecutor, attorney, Certified Public Accountant, or other professional or technical specialist who has passed a national examination and been awarded a certificate in a profession necessary for the business of the Company	Has work experience in the areas of commerce, law, finance, or accounting, or otherwise necessary for the business of the Company	1	2	3	4	5	6	7	8	9	10		
Independent director	Li-Chiu Chang			V	V	V	V	V	V	V	V	V	V	V	1	
Independent director	Jeff Lin			V	V	V	V	V	V	V	V	V	V	V	None	
Independent director	Shen-Li Liao			V	V	V	V	V	V	V	V	V	V	V	None	
Independent director	Ming-Hsu Tsai			V	V	V	V	V	V	V	V	V	V	V	None	Until May 24th, 2022

Note: Please tick the corresponding boxes that apply to a member during the two years prior to being elected or during the term(s) of office.

1. Not an employee of the Company or any of its affiliates.
2. Not a director or supervisor of affiliated companies. Not applicable in cases where the person is an independent director of the parent company, or any subsidiary in which the Company holds, directly or indirectly, more than 50% of the voting shares.
3. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company, or ranking in the top 10 in holdings.

4. Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the persons in the preceding three sub-paragraphs.
5. Not a director, supervisor, or employee of a corporate shareholder who directly holds 5% or more of the total number of outstanding shares of the Company, or who holds shares ranking in the top five holdings.
6. Not directors or shareholders holding 50% voting shares are the same directors, supervisors or employee of a company or person.
7. Not a chairman, general manager or the same ranked position are the same person or spouse of director, supervisor, employee of company or institution,
8. Not a director, supervisor, officer, or shareholder holding 5% or more of the shares of a specified company or institution which has a financial or business relationship with the Company.
9. Not a professional individual provides audit or service for company or any affiliate of the company, and that accumulated commission are under NTS$500,000 in recently two years, as well as is an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that provides commercial, legal, financial, accounting services or consultation to the Company or to any affiliate of the Company, or a spouse thereof.
10. Not a person of any conditions defined in Article 30 of the Company Law.

B. Attendance of Members at Remuneration Committee Meetings

There are 3 members in the Remuneration Committee.

A total of 4 (A) meetings of the Remuneration Committee were held in 2022/5/24 to 2023/3/31. The attendance of directors were as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) 【B/A】	Remarks
Convener	Li-Chiu Chang	3	0	100	None
Committee Member	Jeff Lin	3	0	100	None
Committee Member	Shen-Li Liao	2	0	100	None
Committee Member	Ming-Hsu Tsai	1	0	100	Until May 24th, 2022

Other mentionable items:

1. Periodically reviewing Compensation:

   The function of the Company's Salary/Remuneration Committee is evaluated professionally and objectively based on the remuneration policy and system for Company’s Directors and Managers; meeting is organized at least twice a year and proposals are presented during the special meeting of the Board of Directors where they are deemed necessary as reference for decision-making. The main duties include: (1) Periodically reviewing this Charter and the main duties include: (1) Periodically reviewing this Charter and making recommendations for amendments. (2) Establishing and periodically reviewing the performance assessment standards, annual and long-term performance goals, and the policies, systems, standards, and structure for the compensation of the directors, and managerial officers. (3)Periodically evaluation and reviewing the compensations of directors and managerial officers.

2. If the board of directors declines to adopt or modifies a recommendation of the remuneration committee, it should specify the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company's response to the remuneration committee's opinion (eg., the remuneration passed by the Board of Directors exceeds the recommendation of the remuneration committee, the circumstances and cause for the difference shall be specified):

Meeting Date of Remuneration committee	Content of Motion	Resolution	Company's response
2022.03.08 (First meeting in 2022)	Performance Evaluation and Compensation Policy for Directors and Managers of the Company	Pass	Approved by board of director meeting.
	Personnel changes in senior management		
	Approval of the distribution of the Company's material subsidiaries 2021 employee compensation.		
	Approval of the distribution of 2021 director and employee compensation.		
2022.11.04 (Second meeting in 2022)	Our fiscal year 2023 employment and compensation policy report	Pass	Approved by board of director meeting.
	Personnel changes in senior management		
2023.03.09 (First meeting in 2023)	Performance Evaluation and Compensation Policy for Directors and Managers of the Company	Pass	Approved by board of director meeting.
	Personnel change of the president of the Company		
	Personnel changes in the company's finance and accounting officers		
	Appointment of the company's information security officer		
	Approval of the distribution of the Company's material subsidiaries 2022 employee compensation.		
	Approval of the distribution of 2022 director and employee compensation.		

3. Resolutions of the remuneration committee objected to by members or subject to a qualified opinion and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified: None.

3.3.5 Promotion of Sustainable Development

Evaluation Item	Implementation Status [1]			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation [2]	
1. Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the board of directors authorized senior management to handle related matters under the supervision of the board?	V		The Company has established a Corporate Governance and Sustainability Committee to oversee the implementation of corporate responsibility on behalf of the Board of Directors and to report regularly to the Board of Directors. The Secretariat to the Chairman of the Board of Directors is responsible for its implementation. Please refer to page 43 of the 2021 ESG Report pages 31-32 or Chapter 4 - Honest Management and Sustainable Governance for the structure of the Sustainability Committee.	None
2. Does the company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	V		The Company defines the issues of concern to the Company's stakeholders in accordance with the principle of materiality. For details, please refer to Chapter 3 - Stakeholder Meetings and Interactions in the Company's 12021 ESG Report (Page 9-16)	None
3. Environmental Topic (1) Has the Company set an environmental management system designed to industry characteristics? (2) Does the Company endeavor to use energy more efficiently and to use renewable materials with low environmental impact? (3) Has the Company evaluated the potential risks and opportunities posed by climate change for its business now and in the future	V		The Company uses smart technology to develop smart logistics to increase the efficiency of vehicle and warehouse utilization and to reduce carbon emissions. The Company's main operation is international logistics contracting, which has a low environmental impact, but still focuses on improving the utilization of resources, increasing the efficiency of vehicles and warehousing, and developing intelligent logistics by using technology. The Company's industry is in the logistics service industry, and climate change will not have a significant impact on the Company's operating activities. However, the Company places	None

Evaluation Item	Implementation Status [1]			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation [2]	
and adopted relevant measures to address them? (4)Did the company collect data for the past two years on greenhouse gas emissions, volume of water consumption, and the total weight of waste, and establish policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes?			emphasis on energy conservation and has strict and appropriate controls over utilities and consumables. Please refer to Chapter 6 - Energy Saving and Carbon Reduction Management and Social Care in our 2021 ESG Report. (Pages 41-42)	
4. Social Topic (1) Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?	V		In order to protect the basic human rights of all employees, customers and stakeholders, the Company respects and follows the principles enshrined in international human rights conventions such as the United Nations Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights, the United Nations Global Compact and the United Nations International Labor Organization, and established the Company's Human Rights Policy in FY107 to respect internationally recognized basic human rights, including the basic conventions' In FY107, we established our Human Rights Policy to respect internationally recognized basic human rights, including the core labor standards of the basic conventions, prohibit child labor, eliminate all forms of forced labor, and eliminate employment discrimination, and to comply with labor-related laws and regulations in our locations.The Company set policies and procedures in compliance with regulations and internationally recognized human rights principles.	None

Evaluation Item	Implementation Status [1]			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation [2]	
(2) Has the Company established and implemented reasonable employee welfare measures (include salary/compensation, leave, and other benefits), and are business performance or results appropriately reflected in employee salary/compensation?			Please refer the chapter 5-Human Resource Developing of the Company's ESG report. (Page 34-Page 40)	
(3) Does the Company provide employees with a safe and healthy working environment, and implement regular safety and health education for employees?			Please refer the chapter 5-Human Resource Developing of the Company's CSR report. (Page 34-Page 40)	
(4) Has the Company established effective career development training plans?			Please refer the chapter 5-Human Resource Developing of the Company's CSR report. (Page 34-Page 40)	
(5)) Does the company comply with the relevant laws and international standards with regards to customer health and safety, customer privacy, and marketing and labeling of products and services, and implement consumer protection and grievance policies?			The Company is not a final product manufacturer or service provider, so this assessment is not applicable.	
(6) Has the company formulated supplier management policies requiring suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and what is the status of their implementation?			In accordance with the Company's "Supplier Management Regulations", we will evaluate whether the supplier is in compliance with the Company's management philosophy when entering into a contract with the supplier.	

Evaluation Item	Implementation Status [1]			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation [2]	
5. Does the company refer to international reporting standards or guidelines when preparing its sustainability report and other reports disclosing non-financial information? Does the company obtain third party assurance or certification for the reports above?	V		The Company has reported CSR report since 2018.	None
6. If the Company has adopted its own sustainable development best practice principles based on the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, please describe any deviation from the principles in the Company's operations: None				
7. Other important information to facilitate better understanding of the company's promotion of sustainable development：https://www.t3ex-group.com/ESG/1				

3.3.6 Ethical Corporate Management

Evaluation Item	Implementation Status [1]			Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
1. Establishment of ethical corporate management policies and programs (1) Does the company declare its ethical corporate management policies and procedures in its guidelines and external documents, as well as the commitment from its board to implement the policies?	V		The Company's Ethical Corporate Management Best-Practice Principles is a guideline to provide high ethical standards for all employees. The principles are disclosed in the annual report and on the company website. The Board of Directors and the management place the greatest importance in adopting the	None

Evaluation Item	Implementation Status [1]			Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
(2) Does the company establish policies to prevent unethical conduct with clear statements regarding relevant procedures, guidelines of conduct, punishment for violation, rules of appeal, and the commitment to implement the policies? (3) Does the company establish appropriate precautions against high-potential unethical conducts or listed activities stated in Article 2, Paragraph 7 of the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies?			highest standards of integrity and ethics in corporate management and employee work conduct. Bribery, corruption, deception, and all other forms of improper conduct are prohibited. The Company's Ethical Corporate Management Best-Practice Principles have established preventive measures against the following: (a) offering and accepting bribes; (b) illegal political donations; (c) improper charitable donations or sponsorship; (d) Offering or accepting unreasonable gifts or hospitality, or other inappropriate benefits. The aforementioned principles and related regulations were announced and disseminated to employees, managers and Board of Directors to enhance integrity and self-discipline. In order to prevent any unethical conduct, all employees must disclose any matters that have or may have the appearance of undermining the Principle, such as any actual or potential conflict of interest.	
2. Fulfill operations integrity policy (1) Does the company evaluate business partners' ethical records and include ethics-related clauses in business contracts?	V		The Company holds annual business meetings, conveying our integrity requirements to all our business partners. In addition, an ethic-related clause is included in every business contract. If there is any breach of the clause, the Company may terminate the partnership at any time without any further obligation or compensation.	None

Evaluation Item	Implementation Status [1]			Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
(2) Does the company establish an exclusively (or concurrently) dedicated unit supervised by the Board to be in charge of corporate integrity?			The Company assigned Chairman secretary office under the Board's supervision and submits reports to the Board of Directors. The Company's 2022 implementations of ethical management were reported to March 9, 2023 board meeting. The main duties as follow: 1. Assisting in incorporating ethics and moral values into this Corporation's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations. 2. Analyzing and assessing the risks of unethical conduct within the business scope on a regular basis and accordingly adopting programs to prevent unethical conduct and setting out in each program the standard operating procedures and conduct guidelines with respect to this Corporation's operations and business. 3. Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct. 4. Promoting and coordinating awareness and educational activities with respect to ethics policy. 5. Developing a whistle-blowing system and ensuring its operating effectiveness. 6. Assisting the board of directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively	

Evaluation Item	Implementation Status [1]			Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.	
(3) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?			The Company follows relevant regulations for listed companies. The Company also conducts due diligence before trading with upstream and downstream companies to minimize the risks. At the same time, the Company has made a hotline available for submissions of regarding conflicts of interest.	
(4) Has the company established effective systems for both accounting and internal control to facilitate ethical corporate management, and are they audited by either internal auditors or CPAs on a regular basis?			The Company has established accounting and internal control systems to ensure integrity in our operations. After internal auditors have analyzed and reviewed the annual audit program according to the risk evaluation results, the Company will compiles them into an audit report.	
(5) Does the company regularly hold internal and external educational trainings on operational integrity?			The Company's relevant trainings for current Directors and Managers since January 19, 2022 have contained notices for internal system and laws, regulations that Directors should pay more attention to etc. For employees, the Human Resource Department will launch orientation trainings for new hires and topics will include, but not limited to, value of integrity, sharing cases of dishonest behavior.	
3. Operation of the integrity channel (1) Does the company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up?	V		T3EX has established whistleblower protection, and the chairman's secretary office is the dedicated office which is the independent convey entrance for reporting staff's illegal or unethical behavior. Employees can report unethical message via email or letter, and the dedicated office has duty of confidentiality to protect message and reporters for preventing	None

Evaluation Item	Implementation Status [1]			Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
(2) Does the company establish standard operating procedures for confidential reporting on investigating accusation cases? (3) Does the company provide proper whistleblower protection?			unfair reactions or revenge. The Report Unit of Unethical Behavior : Letter: chairman's secretary office, 12F., No.563, Sec.4, Zhongxiao E. Rd., Xinyi District, Taipei 11072, Taiwan. Email： spokesman@th3ex-group.com Once the message was confirmed, the dedicated office will report to chairman as well as give whistleblower rewards. In addition, the Company will execute punishments which follows the Company's principle of reward and punishment. Especially for big unethical cases, the Company will do joint punishment toward the related mangers for the duty of supervision. Illegal matters, the Company will transfer illegal documents to court of justice or report to the Competent Authority.	
4. Strengthening information disclosure (1) Does the company disclose its ethical corporate management policies and the results of its implementation on the company's website and MOPS?	V		The Company's Ethical Corporate Management Best-Practice Principles and the results of our implementation have been posted on the Company's Chinese / English website and MOPS.	None
5. If the company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies, please describe any discrepancy between the policies and their implementation. There have been no differences.				
6. Other important information to facilitate a better understanding of the company's ethical corporate management policies (e.g., review and amend its policies).None.				

Note: Regardless of whether the evaluation item is achieved or not, the company shall state an appropriate explanation.

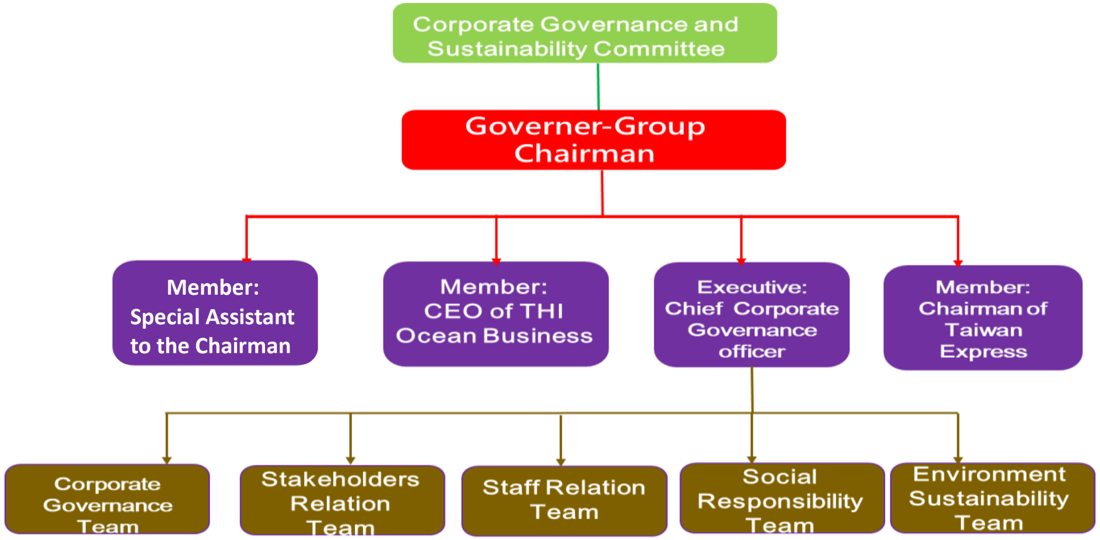
3.3.7 Corporate Governance Guidelines and Regulations:

Please refer to the Company's website at www. t3ex-group.com.

Other Important Information Regarding Corporate Governance

1. The company set Corporate Governance and Sustainability Committee on March 26, 2018.

(1)The structure of Corporate Governance and Sustainability Committee:



(2)The Institution of Corporate Governance and Sustainability Committee:

Main Duties:

a. To assist board to supervise the execution of corporate governance, ethical corporate management, and corporate social responsibility.

b. To regularly report to board for important corporate social responsibility issues and stakeholders communication outcome.

c. The execution of Corporate Governance and Sustainability Committee:

Work Plan	Actual Execution
Institute Corporate Governance and Sustainability Committee and the year 2017 work plan of ESG report.	Approved by BOD meeting on March 26, 2018.
Edit the Year 2021 ESG report- the chapter of stakeholder communications.	Approved by BOD meeting on March 8, 2022.
Edit the Year 2021 ESG report- the chapter of management letter and corporate governance.	Approved by BOD meeting on May 5 , 2022.
Edit the final version of Year 2021 ESG report.	Filed in public to MOPS website and the company's website on June 30, 2022.
Institute the year 2022 work plan of ESG report.	Approved by BOD meeting on August 5, 2022.

Work Plan	Actual Execution
Edit the Year 2022 ESG report- the chapter of main scope.	Approved by BOD meeting on November 3, 2022.
Edit the Year 2022 ESG report- the chapter of stakeholder communications.	Approved by BOD meeting on March 9, 2023.

2. The Company instituted the Procedures for Handling Material Inside Information.

3.3.9 Internal Control Systems

- Statement of Internal Control System:

T3EX Global Holdings Corp

Statement of Internal Control System

Date: March 9, 2023

Based on the findings of self-assessment, T3EX Global Holding Corp states the following with regard to its internal control system in 2020:

1. T3EX is fully aware that establishing, operating and maintaining an internal control system are the responsibilities of its Board of Directors and management. The aim of the internal control system is to provide reasonable assurance to operating effectiveness and efficiency (including profitability, performance and safeguarding of assets), reliability of financial reporting and compliance of applicable laws and regulations.

2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can only provide reasonable assurance of accomplishing the aforementioned three objectives. Moreover, the effectiveness of an internal control system may be subject to changes of environmental or circumstances. Nevertheless, the internal control system of T3EX contains self-monitoring mechanism and T3EX takes corrective actions whenever a deficiency is identified.

3. T3EX evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control System by Public Companies (herein below, the “Regulations”). The criteria adopted by the Regulations identify five components of internal control based on the process of management control: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring. Each component further contains several items. Please refer to the Regulations for details.

4. T3EX has evaluated the design and operating effectiveness of its internal control system according to the aforesaid criteria.

5. Based on the findings of the evaluation mentioned in the preceding paragraph, T3EX believes that, as of December 31, 2021, its internal control system (including its supervision and management of subsidiaries), as well as its internal controls to monitor the achievement of its objectives concerning operational effectiveness and efficiency, reliability of financial reporting, and compliance with the applicable laws and regulations, were effective in design and operation, and reasonably assured the achievement of the above-stated objectives.

6. This Statement will be integral part of T3EX’s Annual Report for the year 2021, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171 and 174 of the Securities and Exchange Law.

7. This Statement has been passed by the Board of Directors in their meeting held on March 9, 2023 with zero of nine attending directors expressing dissenting opinions, and the remainder all

affirming the content of this Statement.

T3EX Global Holdings Corp.

David Yen

Chairman & General Manager

- If the Company is requested by the SEC to retain CPA's service for examining internal control system, the Independent Auditor's Report must be disclosed: None

3.3.10 If there has been any legal penalty against the company or its internal personnel, or any disciplinary penalty by the company against its internal personnel for violation of the internal control system, during the most recent fiscal year or during the current fiscal year up to the publication date of the annual report, where the result of such penalty could have a material effect on shareholder equity or securities prices, the annual report shall disclose the penalty, the main shortcomings, and condition of improvement: None.

3.3.11 Major Resolutions of Shareholders' Meeting and Board Meetings

- Shareholders' meeting:

Date	Major resolutions	Implementation of Resolutions
2021/05/25	Approval of the 2021 business report and financial statements.	Pass
	Approval of the proposal for distribution of 2021 profits.	Pass, the implementation as follow: Ex-dividend base date: 2022/6/10 Distribution date: 2022/7/14 Cash dividend per share: NT$13
	Approval of the adoption of the capital use changing for "2021 capital increase through cash injection".	Pass
	Amendment to the Company's Articles of Incorporation.	Pass. Announced on website at 2022/5/24, and implemented by following the new procedures.
	Amendment to the Operational Procedures for Acquisition and Disposal of Assets.	Pass. Announced on website at 2022/5/24, and implemented by following the new procedures.
	The Election of Directors.	List of Directors Elected: Director： David Yen, WPG Holdings Representative: Simon Huang, Benison Hsu, Jack Lai, YI-WEI INVESTMENT Ltd. Representative:

		Tony Lin, Chang Long Investment Co., Ltd. Representative: Carl Wei. Independent Director： Li-Chiu Chang, Shen-Li Liao, Jeff Lin. Announced on website at 2022/5/24, and implemented by following the new procedures.
	Proposal of Release the Prohibition on Directors from Participation in Competitive Business.	Pass

- Board meeting:

Date:	Major resolutions	Resolution
March 8, 2022 (First Meeting in 2022)	1. The Company has prepared its own consolidated 2021 financial statements. 2. Approval of the 2021 business report and financial statements. 3. 2021 Employees' and Directors' Compensation. 4. Approval of the distribution of 2021 employee compensation to employees of the Company’s subsidiary. 5. Approval of the distribution of 2021 retained earnings. 6. Approval of the distribution of 2021 subsidiaries’ retained earnings. 7. Approval for 0 payout ratio of major subsidiaries’ 2021 earnings. 8. Approval of the Company’s 2021 Assessment of the effectiveness of internal control system and 2021 Internal Control System Statement. 9. Replacement of the Company's Certified Public Accountant 10. Evaluation of 2021 the Company’s audit fee and independence. 11. Proposed acquisition of buildings by the Company 12. Amendment to the Company’s Articles of Incorporation. 13. Amendment to the“Corporate Social Responsibility Best Practice Principles” 14. Amendment to the Corporate Governance Best Practice Principles for Companies 15. Amendment to the Operational Procedures for Acquisition and Disposal of Assets. 16. The Election of Directors. 17. Nomination the candidate of election of director. 18. Proposal of release the prohibition on directors from participation in competitive business. 19. Proposal of the scheduling of 2022 annual general shareholders’ meeting. 20. Proposal by shareholders who have owned over 1% shares. 21. Nomination the candidate by shareholders who have owned over 1% shares. 22. Proposal of the edition of stakeholder communications chapter of 2021 CSR report. 23. Approval of evaluation of directors and manager’s performance. 24. Deliberations on any disguised financing transaction in the fourth quarter of 2021. 25. Amendment to the subsidiaries’ Operational Procedures for Acquisition and Disposal of Assets . 26. Bank financial contracts.	Pass.

	27. Approval of endorsement and guarantee to the bank loan contracts for the Company's subsidiary.	
April 12,2022 (First Extraordinary Meeting in 2022)	1. To adjust the list of candidates nominated by the Company for election as directors (including independent directors) for the year 2022	
May 5,2022 (Second Meeting in 2022)	1. Proposal of edition of management letter and corporate governance chapter of 2021 ESG report. 2. Deliberations on any disguised financing transaction in the first quarter of 2022. 3. Amendment to the Articles of Incorporation of T.H.I. Group Vietnam Co., Ltd. 4. Increase in approved capital of T.H.I. Logistics Philippines Corp. 5. Bank financial contracts. 6. Approval to sign subordination agreements for shareholders' debts of subsidiaries. 7. Approval of loaning funds to the Company's subsidiaries. 8. Approval of endorsement and guarantee to the bank loan contracts for the Company's subsidiary.	Pass.
May 24,2022 (Second Extraordinary Meeting in 2022)	1. Election of Chairman of the Board. 2. Appointment of Members of the Company's Compensation Committee.	Pass.
June 24,2022 (Third Extraordinary Meeting in 2022)	1. Proposed lease renewal of real estate in Suzhou High-tech Zone, China through a subsidiary	Pass.
August 5,2022 (Third Meeting in 2022)	1. Approval of the year 2022 work plan of ESG institution. 2. Approval of Functions of Director's & Officer's(D＆O) Liability Insurance. 3. The Company intends to change its stock exchange agent with effect from November 1, 2022 4. Appointment of directors and supervisors of significant subsidiaries of the Group. 5. Amendment to the "Procedures for Acquisition or Disposal of Assets" of subsidiaries and grandchildren. 6. Revision of the Company's "Statement of Authority to Parent Company by Subsidiary. 7. Through the Group's newly established subsidiaries, the three major operations of capital lending, endorsement and guarantee, and asset acquisition and disposal are regulated. 8. Deliberations on any disguised financing transaction in the second quarter of 2022. 9. Bank financial contracts. 10. Approval of endorsement and guarantee to the bank loan contracts for the Company's subsidiary.	
November 3, 2022 (Forth Meeting in 2022)	1. Approval of the distribution of 2022 H1 retained earnings. 2. The ninth repurchase of the Company's shares. 3. The establishment of a new Hong Kong subsidiary of the Company. 4. Authorize the chairman of the board of directors to dispose of the financial investment targets in the accounts. 5. Approval of the Year 2023 business plan and financial budget. 6. Approval of the Year 2023 internal audit plan. 7. Approval of the scope and outline of 2022 ESG report. 8. Establishing the scope and main axes of the Company's 2022 Annual	Pass.

	Sustainability Report. 9. Amendment to the "Rules of Procedure of the Board of Directors" of the Company. 10. Deliberations on any disguised financing transaction in the third quarter of 2022. 11. Bank financial contracts. 12. Change and deletion of the Company's endorsement guarantee for its subsidiaries/grandchildren. 13. Approval of loaning funds to the Company's subsidiaries. 14. Authorized the chairman of the board of directors to sign a shareholder's subordination agreement for bank financing for a subsidiary. 15. Appointment of directors and supervisors of important subsidiaries of the Group. 16. Resignation of director of T.H.I. Logistics Co. Ltd.	
March 9, 2023 (First Meeting in 2023)	1. The Company has prepared its own consolidated 2022 financial statements. 2. Approval of the 2022 business report and financial statements. 3. 2022 Employees' and Directors' Compensation. 4. Approval of the distribution of 2022 employee compensation to employees of the Company's subsidiary. 5. Approval of the distribution of 2022 subsidiaries' retained earnings. 6. Approval for 0 payout ratio of major subsidiaries' 2022 earnings. 7. Approval of the distribution of 2021 retained earnings. 8. Approval of the distribution of 2022 H2 retained earnings. 9. Approval of the Company's 2022 Assessment of the effectiveness of internal control system and 2021 Internal Control System Statement. 10. Discussion on the establishment of a 100% wholly-owned subsidiary in the Shanghai Free Trade Zone. 11. Amendment to the Company's "Rules of Procedure for Shareholders' Meetings. 12. Amended the Company's "Treasury Stock Buyback and Transfer to Employees" retroactively. 13. Proposal of the scheduling of 2022 annual general shareholders' meeting. 14. Proposal by shareholders who have owned over 1% shares. 15. Evaluation of 2022 the Company's audit fee and independence. 16. The Company and its affiliates intend to establish general principles for pre-approved non-confirmation of service policies. 17. Personnel change of company president. 18. Change of personnel of the Company's head of finance and accounting. 19. Appointment of the head of information security of the Company.. 20. Proposal of the edition of stakeholder communications chapter of 2022 ESG report. 21. Amendment to the Corporate Governance Best Practice Principles for Companies. 22. Amendment to the Code of Practice for Sustainable Development for Companies. 23. The three main methods are lending funds through subsidiaries, endorsements and guarantees, and the acquisition and disposal of assets. 24. Approval of evaluation of directors and manager's performance. 25. Deliberations on any disguised financing transaction in the fourth quarter of 2022. 26. Bank financial contracts.	Pass.

1.3.12 Major Issues of Record or Written Statements Made by Any Director or Supervisor Dissenting to Important Resolutions Passed by the Board of Directors: None.

3.3.13Resignation or Dismissal of the Company's Key Individuals, Including the Chairman, CEO, Chief Corporate Governance Officer, and Heads of Accounting, Finance, Internal Audit, R&D:

Title	Name	Date Effective	Dismissal Date	Reason
General Manager	David Yen	2019.11.04	2023.03.09	The company's actual planning
Head of Finance and Accounting	Allen Hou	2013.03.26	2023.03.09	Promoted to the position of General Manager

3.4 Information Regarding the Company's Audit Fee and Independence

3.4.1 Audit Fee

Accounting Firm	Name of CPA	Period Covered by CPA's Audit	Remarks
KPMG Accounting Firm	Peggy Chen & WistonYu	2022.01.01~2022.12.31	

Note: If the Company has changed CPA or Accounting Firm during the current fiscal year, the company shall report the information regarding the audit period covered by each CPA and the replacement reason.

Unit: NT$ thousands

Fee Range	Fee Items	Audit Fee	Non-audit Fee	Total
1	Under NT$ 2,000,000		939	939
2	NT$2,000,001 ~ NT$4,000,000			
3	NT$4,000,001 ~ NT$6,000,000	6,096		6,096
4	NT$6,000,001 ~ NT$8,000,000			
5	NT$8,000,001 ~ NT$10,000,000			
6	Over NT$100,000,000			

Unit: NT$ thousands

Accounting Firm	Name of CPA	Audit Fee	Non-audit Fee					Period Covered by CPA's Audit	Remarks
			System of Design	Company Registration	Human Resource	Others	Subtotal		
KPMG Accounting Firm	Peggy Chen Wiston Yu	6,096	-	-	-	939	939	2022/01/01~2022/12/31	None-Audit Fee Others: TP Fee, Fund Raising Fee, Translation Fee, and others.

3.4.2 Replacement of CPA:

A. Regarding the former CPA

<table>
<tr><td>Replacement Date</td><td colspan="3">Jan 20, 2022</td></tr>
<tr><td>Replacement reasons and explanations</td><td colspan="3">KPMG Accounting Firm internal rotation.</td></tr>
<tr><td rowspan="3">Describe whether the Company terminated or the CPA did not accept the appointment</td><td>Parties / Status</td><td>CPA</td><td>The Company</td></tr>
<tr><td>Termination of appointment</td><td>None</td><td>None</td></tr>
<tr><td>No longer accepted (continued) appointment</td><td>None</td><td>None</td></tr>
<tr><td>Other issues (except for unqualified issues) in the audit reports within the last two years</td><td colspan="3">None</td></tr>
<tr><td rowspan="6">Differences with the company</td><td rowspan="4">Yes</td><td>-</td><td>Accounting principles or practices</td></tr>
<tr><td>-</td><td>Disclosure of Financial Statements</td></tr>
<tr><td>-</td><td>Audit scope or steps</td></tr>
<tr><td>-</td><td>Others</td></tr>
<tr><td>None</td><td colspan="2">✓</td></tr>
<tr><td colspan="3">Remarks/specify details:</td></tr>
<tr><td>Other Revealed Matters</td><td colspan="3">None</td></tr>
</table>

B. Regarding the successor CPA

Name of accounting firm	KPMG Accounting Firm
Name of CPA	Peggy Chen and WistonYu
Date of appointment	Jan 20, 2022
Consultation results and opinions on accounting treatments or principles with respect to specified transactions and the company's financial reports that the CPA might issue prior to the engagement.	None
Succeeding CPA's written opinion of disagreement toward the former CPA	None

3.4.3 Audit Independence

The Company's Chairman, Chief Executive Officer, Chief Financial Officer, and managers in charge of its finance and accounting operations did not hold any positions in the Company's independent auditing firm or its affiliates during 2022.

3.5 Changes in Shareholding of Directors, Supervisors, Managers and Major Shareholders

Unit: Shares

Title	Name	2021		As of March,26, 2022	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairman	David Yen	-	-	-	-
Director	WPG Holdings	-	-	-	-
	Representative: Simon Huang	-	-	-	-
Director	Benison Hsu	57,000 -	100,000 (100,000)	-	-
Director	Jack Lai	-	-	-	-
Director	YI-WEI INVESTMENT	100,000	2,100,000	-	-
	Representative: Tony Lin	-	-	-	-
Director	Chang Long INVESTMENT	400,000	-	-	-
	Representative: Carl Wei	-	-	-	-
Independent Director	Li-Chiu Chang	-	-	-	-
Independent Director	Shen-Li Liao	-	-	-	-
Independent Director	Jeff Lin		-		-
Vice President	Allen Hou	(15,760)	-	-	-

Title	Name	2021		As of March,26, 2022	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Vice President	Echo Wan	3,000 (96,000)	-	- (3,000)	-
Vice President	Melonie Lin	-	-	-	-
Vice President	Sandy Shen	-	-	-	-
Head of Finance and Accounting	Alicia Yu	-	-	-	-

3.5.1 Shares Trading with Related Parties: None.

3.5.2 Shares Pledge with Related Parties: None.

3.6 Relationship among the Top Ten Shareholders

As of 03/26/2022 Unit: shares/ %

Name	Current Shareholding		Spouse's/minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relationship	
WPG HOLDINGS	11,588,907	8.08	-	-	761,098	0.53	None	None	-
Representative: Simon Huang	-	-	-	-	-	-	None	None	-
Jin-Hua Investment Ltd	9,672,013	6.75	-	-	-	-	Pin Guan Investment Ltd	Same Representative	-
Representative: David Yen	900,285	0.63	-	-	-	-			
Pin Guan Investment Ltd	7,915,000	3.11	-	-	-	-	Jin-Hua Investment Ltd	Same Representative	-
Representative: David Yen	900,285	0.63	-	-	-	-			
Standard Chartered Custodian i Shares Emerging Markets Dividend Index	4,288,000	2.95	-	-	-	-	None	None	-
Standard Chartered Custodian i Shares V Co.	3,558,000	2.48	-	-	-	-	None	None	-
Dynamic Ocean Group Limited	2,404,482	1.68	-	-	-	-	None	None	-
Representative: David Yen	900,285	0.63	-	-	-	-			

Name	Current Shareholding		Spouse's/minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relationship	
YI-WEI Investment Ltd.	2,222,184	1.55	-	-	-	-	None	None	-
Representative: Jun- Zhu Yen	41,358	0.03	-	-	-	-	None	None	-
Jack Lai	2,125,013	1.48	156,329	0.11	-	-	None	None	-
CHANG-JIE International Ltd.	1,806,729	1.26	-	-	-	-	None	None	-
Representative: Benison Hsu	1,200,999	0.84	-	-	-	-	None	None	-
Chang Long INVESTMENT	1,530,000	1.07	-	-	-	-	None	None	-
Representative: Jun- Zhu Yen	41,358	0.03	-	-	-	-	None	None	-

3.7 Ownership of Shares in Affiliated Enterprises

Unit: shares/ %

Affiliated Enterprises	Ownership by the Company		Direct or Indirect Ownership by Directors, Supervisors, Managers		Total Ownership	
	Shares	%	Shares	%	Shares	%
T.H.I. Group Ltd(in BVI)	1,000,000	100	0	0	1,000,000	100
T.H.I. Logistics(Hong Kong) Limited.	50,000,000	100	0	0	50,000,000	100
Greatline International Limited	4,050,000	100	0	0	4,050,000	100
T.H.I. Group Vietnam Co., Ltd.	4,950,000,000	99	0	0	4,950,000,000	99
T.H.I. Group (Bangkok) Co., Ltd.	0	49	0	0	0	49
T.H.I. Japan Co., Ltd.	3,060	51	0	0	3,060	51
T.H.I. Group Singapore Pte. Ltd..	930000	100	0	0	850,000	91.40
T.H.I. Logistics (Malaysia) SDN BHD	180,000	90	0	0	180,000	90

Affiliated Enterprises	Ownership by the Company		Direct or Indirect Ownership by Directors, Supervisors, Managers		Total Ownership	
	Shares	%	Shares	%	Shares	%
T.H.I. Logistics Philippines Corp.	419,750	99.94	0	0	419,750	99.94
Fresh Beauty Enterprise Ltd.	66	66	0	0	66	66
Eastern union holdings limited	0	66	0	0	0	66
LOGI International Co., Ltd.	16,285	30	0	0	16,285	30
Taiwan Express Logistic Co., Ltd.	35,958,400	100	0	0	35,958,400	100
T.H.I. Logistics Ltd	13,000,000	100	0	0	13,000,000	100
T.H.I. Group (Cambodia) Co., Ltd.	0	100	0	0	0	100
PT. Dexter Eurekatama	12,000	30	0	0	12,000	30
T.H.I. Group Ltd(in HK)	12,480,000	100	0	0	12,480,000	100
T.H.I. Group (Shanghai) Ltd.	0	100	0	0	0	100
Shanghai Yi Hua Logistics Co., Ltd.	500,000,000	100	0	0	500,000,000	100
Shanghai Yaohwa International Forwarder Co., Ltd.	0	100	0	0	0	100
Shanghai Moorluk International Shipping Co.,Ltd.	0	65	0	0	0	65
Taiwan Express (HK) Co., Ltd.	0	100	0	0	0	100
T-HL（Shanghai）Global Supply Chain Management Co., Ltd	0	100	0	0	0	100
EXer Logistics Co.,Ltd.	0	93.51	0	0	0	93.51
T-Cube Global Logistics Co., Ltd	0	66	0	0	0	66
T-Cube (Suzhou) Global Logistics Co., Ltd	0	66	0	0	0	66
TEC Logistics Co., Ltd	1,000,000	100	0	0	1,000,000	100
Orient Air General Sales Agent Co.,	60,000	30	0	0	60,000	30

Affiliated Enterprises	Ownership by the Company		Direct or Indirect Ownership by Directors, Supervisors, Managers		Total Ownership	
	Shares	%	Shares	%	Shares	%
Hiview Logistics Co., Ltd	5,000,000	97.51	0	0	5,000,000	97.51
Taiwan Express (USA) INC.	1,000,000	100	0	0	1,000,000	100
TEC Logistics(USA), INC.	200	100	0	0	200	100
TEC Logistics (Shenzhen) Co., Ltd.	0	100	0	0	0	100
TEC Motion Co., Ltd.	7,500	100	0	0	7,500	100
AirTropolis Express (S) Pte. Ltd.(ATP)	748	88	0	0	748	88
T-SC Factoring Co., Ltd.	0	100	0	0	0	100
T-SC Trading Co., Ltd.	0	100	0	0	0	100
TEC Logistics Vietnam Company Limited.	0	100	0	0	0	100

IV. Capital Overview
4.1 Capital and Shares
4.1.1 Source of Capital
A. Issued Shares

As of 03/31/2022

Month/ Year	Par Value (NT$)	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount (NT$ thousands)	Shares	Amount (NT$ thousands)	Sources of Capital	Capital Increased by Assets Other than Cash	Other
08,2015	10	120,000	1,200,000	111,478	1,114,776	Issuing new shares for capital fundraising NT$100,000 thousand.	none	08/19/2015 Jin So Son Tzi No.10401172110
09,2015	10	120,000	1,200,000	115,107	1,151,067	Issuing new shares for earnings capitalization NT$36,291 thousand.	none	09/25/2015 Jin So Son Tzi No.10401199780
12,2015	10	120,000	1,200,000	116,042	1,160,421	Issuing new shares for conversion of Convertible bond NT$6,049 thousand and issuing employee stock option NT$3,305thousand.	none	12/01/2015 NO.10401250280
08,2016	10	120,000	1,200,000	118,335	1,183,347	Issuing new shares for earnings capitalization NT$22,927 thousand.	none	08/17/2016 Jin So Son Tz No.10501198620
11,2016	10	120,000	1,200,000	118,972	1,189,723	Issuing new shares for conversion of Convertible bond NT$2,296 thousand and issuing employee stock option NT$4,080thousand.	none	11/25/2016 Jin So Son Tz NO.10501272680
04,2017	10	120,000	1,200,000	118,565	1,185,654	Issuing new shares for conversion of Convertible bond NT$19,296 thousand, issuing employee stock option NT$275thousand, and cancelling buy back shares NT$23,640thousand.	none	04/17/2017 Jin So Son Tz No.10601043760
10,2018	10	120,000	1,200,000	118,345	1,183,454	Cancelling buy back shares NT$2,2000thousand.	none	10/11/2018 Jin So Son Tz No.10701130560
03,2019	10	120,000	1,200,000	117,157	1,171,574	Cancelling buy back shares NT$11,880thousand.	none	03/05/2018 Jin So Son Tz No.10801022240
02,2021	10	200,000	2,000,000	127,157	1,271,574	Issuing new shares for capital fundraising NT$100,000 thousand.	none	02/05/2021 Jin So Son Tz No.11001018690
03,2022	10	200,000	2,000,000	143,391	1,433,912	Cancelling buy back shares NT$1,361thousand.	none	01/03/2022 Jin So Son Tz No.11101030090

B. Type of Stock

As of 03/26/2022

Share Type	Authorized Capital				Remarks
	Issued Shares		Un-issued Shares	Total Shares	
	Public Shares	Private Shares Note1			
Common Share	143,391,230	0	56,608,770	200,000,000	Note1

Note 1: 6,430,000 common shares are unauthorized capital, so the total issued shares are 136,961,230 shares.

C. Information for Shelf Registration: None.

4.1.2 Status of Shareholders

As of 03/26/2022

Item	Government Agencies	Financial Institutions	Other Juridical Persons	Domestic Natural Persons	Foreign Institutions & Natural Persons	Treasury Stock	Total
Number of Shareholders	0	2	291	44,197	158	1	44,649
Shareholding (shares)	0	3,000	40,854,702	73,019,988	23,083,540	6,430,000	143,391,230
Percentage (%)	0	0.00%	28.49%	50.93%	16.10%	4.48%	100.00%

4.1.3 Shareholding Distribution Status

A. Common Shares

As of 03/26/2022

Class of Shareholding (Unit: Share)	Number of Shareholders	Shareholding (Shares)	Percentage (%)
1 ~ 999	24,193	1,389,030	0.97%
1,000 ~ 5,000	17,871	32,035,642	22.34%
5,001 ~ 10,000	1,479	11,233,849	7.83%
10,001 ~ 15,000	447	5,554,234	3.87%
15,001 ~ 20,000	233	4,275,066	2.98%
20,001 ~ 30,000	174	4,312,637	3.01%
30,001 ~ 40,000	71	2,512,614	1.75%
40,001~50,000	35	1,584,904	1.11%
50,001 ~ 100,000	69	4,718,420	3.29%
100,001 ~ 200,000	32	4,469,503	3.12%
200,001 ~ 400,000	19	5,279,130	3.68%
400,001 ~ 600,000	4	1,935,742	1.35%
600,001 ~ 800,000	5	3,531,513	2.46%
800,001 ~ 1,000,000	2	1,845,788	1.29%
1,000,001 or over	15	58,713,158	40.95%
Total	44,649	143,391,230	100.00%

B. Preferred Shares: The Company did not issue any preferred shares.

4.1.4 List of Major Shareholders

As of 3/27/2021

Shareholder's Name	Shares	Percentage
WPG HOLDINGS	11,588,907	8.08%
Jin-Hua Investment Ltd	9,672,013	6.75%
PIN GUAN Investment Ltd.	7,915,000	5.52%
Standard Chartered Custodian i Shares Emerging Markets Dividend Index	4,228,000	2.95%
Standard Chartered Custodian i Shares V Co.	3,558,000	2.48%
Dynamic Ocean Group Limited	2,404,482	1.68%
YI-WEI Investment Ltd.	2,222,184	1.55%
Jack Lai	2,125,013	1.48%
CHANG-JIE International Ltd.	1,806,729	1.26%
Chang Long Investment Ltd.	1,530,000	1.07%

4.1.5 Market Price, Net Worth, Earnings, and Dividends per Share

Unit: NT$

Items	2021	2022	01/01/2023-03/31/2023
Market Price per Share			
Highest Market Price	321.00	161.00	81.10
Lowest Market Price	36.80	56.30	62.60
Average Market Price	121.93	97.47	70.50
Net Worth per Share			
Before Distribution	70.68	61.69	—
After Distribution	67.87	—	—
Earnings per Share			
Weighted Average Shares (thousand shares)	131,021	141,306	136,961
Diluted Earnings Per Share	30.03	18.03	—
Adjusted Diluted Earnings Per Share	—	—	—
Dividends per Share			
Cash Dividends	3.2	13.00（Note4）	—
Stock Dividends			
• Dividends from Retained Earnings	13.00	10.17793356	—
• Dividends from Capital Surplus	—	—	—
Accumulated Undistributed Dividends	—	—	—
Return on Investment			
Price / Earnings Ratio (Note 1)	4.06	5.41	—
Price / Dividend Ratio (Note 2)	9.38	9.58	—

Cash Dividend Yield Rate (Note 3)	10.66%	10.44%	—

Note 1: Price / Earnings Ratio = Average Market Price / Earnings per Share
Note 2: Price / Dividend Ratio = Average Market Price / Cash Dividends per Share
Note 3: Cash Dividend Yield Rate = Cash Dividends per Share / Average Market Price
Note 4: Earning Distribution was already approved by the Company's board of director on 03/8/2022 but not be approved by shareholders' meeting.

4.1.6 Dividend Policy and Implementation Status

A. Dividend Policy

The distribution of the dividends of the Company will coordinate with the surplus of that year based on the principle of stabilization. The board of directors shall propose the allocation ratio and propose it at the shareholders' meeting. The appropriated earnings shall more than 50% of the current year after tax profit. If the earnings available for appropriation less than the current year after tax profit, it shall be allocated in earnings available for appropriation. Cash dividends shall not be less 10% of total shareholder dividends.

B. Proposed Distribution of Dividend

The proposal for the distribution of 2022 H2 profits was passed at the meeting of the board of directors on March 9, 2023. The Company had a proposal for withdrawing NT$684,806,150 from distributable earnings for cash dividends.

4.1.7The Impact of Stock Dividend Issuance on Business Performance, EPS, and Shareholder Return Rate:

The Company don't issue stock dividend, so it does not apply.

4.1.8 Employee and Directors' Remuneration：

A. Information Relating to Employee Bonus and Directors' Remuneration in the Articles of Incorporation:

More than 0.5% of profit of the current year distributable as employees' compensation and less than 0.3% of the current year distributable as directors' compensation shall be definitely specified in the Articles of Incorporation. However, the company's accumulated losses shall have been covered.

B. The Estimated Basis for Calculating the Employee and Directors' Remuneration

I. 0.5% of profit before tax for employees' compensation and 0.485% of profit before tax for directors' compensation.

II. Shall there be any difference between the actual amount of dividend approved by Board of Directors Meeting and that of the estimation, it will be deemed as the changes in accounting estimates and will be recognized in the profit and loss account of the distributing year.

C. Profit Distribution for Employee and Directors' Remuneration for 2020 Approved in Board of Directors Meeting:

I. Proposed distribution of cash dividend to employees and remuneration to directors.

The proposal for the distribution of 2022 remuneration was passed at the meeting of the board of directors on March 9, 2023. Unit: NT$

Item	Actual Distribution	Income Statement	Variation	Resolution
Employee Remuneration – in Cash	15,000,000	15,000,000	0	None
Directors' Remuneration	13,750,000	13,750,000	0	

II. Proposed stock dividend to employees and its ratio to total net income and total dividend to employees: None.

1.1.8 The Actual Distribution of the Employee and Directors' and Supervisors' Remuneration in Last Year： Unit: NT$

Item	Actual Distribution	2021 Income Statement	Variation	Resolution
Employee Remuneration – in Cash	19,950,883	19,950,883	0	None
Directors' and Supervisors' Remuneration	19,352,356	19,352,356	0	

4.1.9 Buyback of Treasury Stock：

Treasury stocks: Batch Order	8^{th} Batch	9^{th} Batch
Purpose of buyback	Transfer to employee	Transfer to employee
Timeframe of buyback	2020/3/20~2020/5/18	2022/11/4~2022/12/2
Price range	12.32~25.00 per share	43~94 per share
Type of shares	Common stock	Common stock
Quantity of shares buyback	1,556,000 shares	4,874,000 shares
Value of shares buyback	NT$32,762,643	NT$365,755,933
The ratio of the number of shares that were repurchased to the planned number of shares to be repurchased	15.56%	48.74%
Shares sold/transferred	0 share	0 share
Accumulated number of company shares held	1,556,000 shares	6,430,000 shares
Percentage of total company shares held (%)	2.29%	4.48%

4.2 Bonds

4.2.1 Corporate Bonds: None.

4.2.2 Convertible Bonds: None.

4.2.3 Exchangeable Bonds: None.

4.2.4 Shelf Registration for Issuing Bonds: None.

4.2.5 Corporate Bonds with Warrants: None.

4.3 Global Depository Receipts: None.

4.4 Employee Stock Options: None.

4.4.1 Issuance of Employee Stock Options: None.

4.4.2 List of Executives Receiving Employee Stock Options and the Top Ten Employees with Stock Options: None.

4.4.3 Issuance of New Restricted Employee Shares: None.

4.4.4 List of Executives Receiving New Restricted Employee Shares and the Top Ten Employees with New Restricted Employee Shares: None.

4.5 Status of New Shares Issuance in Connection with Mergers and Acquisitions:

None.

4.6 Financing Plans and Implementation: None.

V.Operational Highlights

5.1 Business Activities

With the fast pace of development, today the business scope of the Company and its subsidiaries includes ocean freight, air freight, customs declaration, warehousing, inland transportation, supply chain management, e-commerce, logistics, supply chain finance and other integrated logistics services. There are global operating locations throughout Taiwan, China, Northeast Asia, Southeast Asia and other areas. As a professional integrated logistics service provider, in addition to actively expand overseas strongholds, it works with strategic alliance partners both at home and abroad to enhance its competitive advantage. Internally the Company adopts professional information management and strictly requires the operation norm of staff and services to provide customers with a full range of logistic services.

5.1.1 Business Scope

(1)The main content of business:

A. International freight:

a. Ocean freight.

b. Air freight.

c. China-Europe/ China-Russia/ China-Central Asia railway.

B. Domestic logistics:

a. Customs declaration.

b. Warehousing.

c. Inland transportation.

C. Supply chain management and customize services.

D.E-commerce logistics.

E. Supply chain finance.

F. The design and plan of logistics

G. The logistics related investments.

(2) Revenue breakdown by business:

Unit；NT$ thousands

Main Business	2021		2022	
	Sales	%	Sales	%
International Ocean Freight	25,604,544	71.04	19,400,993	68.75
International Air Freight	6,574,886	18.24	4,932,499	17.48
Rail Freight	1,695,995	4.71	1,322,075	4.69
Logistics	2,168,179	6.01	2,562,461	9.08
Total	36,043,604	100.00	28,218,028	100.00

(3) Main products:

A. International Freight Forwarder:

a. Ocean freight:

The Company and its subsidiaries have flexible price and cargo space abilities and decades of stable cooperation with shipping companies and agents with a NVOCC business certificate. The Company has cargo space contracts with 2M Alliance、Ocean Alliance and THE Alliance. The focus is mainly the USA, Canada, and Europe long haul routes, and it constantly opens up new lines in Middle East, South America, Eastern Mediterranean and Southeast Asia. Based on its dense service locations in Greater China and the Asia Pacific region, combined with cooperative agencies throughout the world, the Company provides customers with Less than full container load (LCL) single container order services, Full container load (FCL) services, Special container transport, Door-to-door services, Sea-air transport service , and Sea-air-land transport services.

b. Air freight:

The Company and its subsidiaries provide transnational corporate service and customized cargo transportation planning capability, are issued Class I and II air accreditation certificates by Civil Aviation Administration of China. The Company's subsidiary-Taiwan Express acquired "HALAL Certification" which issued by JAKIM. The Company's subsidiaries also received customer sales agents from major global airlines such as EVA(BR), China Airlines (CI), Cathay Pacific (CX), China Southern Airlines(CZ), China Eastern Airlines (MU), Air China(CA), XIAMEN Airlines (MF), Hong Kong Aviation (HX), Air Canada(AC), ANA(NH), Turkish Airlines(TK), Thai Airways(TG), British Airways(BA), LATAM Chile(LA), Air Asia(D7), Qatar Airways(QR), KLM Royal Dutch Airlines(KLM), Korean Air(KE),Vietnam Airlines(VN), Emirates(EY),LOT Polish Airlines(LO),Gulf Air(GF),Czech Airlines(OK), Emirates(EK), Singapore Airlines(SQ), Lufthansa Cargo(LH), Asiana Airlines, etc., as well as the general sales agents in Taiwan area from Air New Zealand (NZ), Russian Aviation (RU), and Avianca Airlines (TA). The Company cooperates with global agents to provide global transportation arrangements, Less than full container load (LCL) services, combined land, sea and air multimodal transport, import transportation, bill of lading production and goods packaging services, special cargo export arrangements, commodity inspection, sanitation inspection and animal and plant quarantine service.

c. Cross Border China-Europe Rail Transport:

To provide export and import China-Europe, China-Russia, and China-Central Asia railway services as well as China-Central Asia transportation, the company established teams in 18 cities including Harbin, Changchun, Shenyang, Dailan, Tianjin, Zhengzhou, Hefei, Yiwu, Wuhan, Chengdu, Chongqing, Changsha, Shilong (Dongguan),Guangzhou, Xiamen, X'ian, Nanjing, and Suzhou and the company collaborated with overseas agencies in Europe and Russia.

B. Domestic logistics:

a. Customs declaration: The Company is the top 5 customs broker in Taiwan and also an A grade customs broker in China with locations in major ports and airports. It has set up customs departments to provide enterprises of all types with inspection, customs clearance/declaration, customs inspection, checking and other services, and according to the customer's business nature customizes logistic solutions in special customs-supervised areas.

b. Warehousing services: With the support of advanced WMS system, the Company's warehousing management team has advanced management and application equipment, is equipped with an upscale safety control system and obtained ISO9001 and ISO14001 international quality management system certification to provide versatile storage management services. The Company has its own warehouses in major locations, and cooperates with local warehousing and storage vendors in other service locations to provide customers with a base for transit.

c. Inland transportation: The Company's customized delivery team is supported with a TMS system and full cargo transportation tracking mechanism (GPS), has formed vehicle fleets in the operations locations in Taiwan, Hong Kong, Shenzhen, Guangzhou and Shanghai, and cooperates with local transportation vendors in other locations. The modes of transportation include roads and railways, and the distribution objects cover factories, dealers, shopping malls and supermarkets.

C. Cross-border e-commerce logistics:

The Company combines with completely locations in Asia and overseas agent networks in global to develop cross-border ecommerce logistics from Asia to USA /Europe or Intra-Asia trade.

D. Supply chain finance:

The Company provides funds to the upstream and downstream of the supply chain by taking its own credit as the guarantee in the bank. This may create more logistics businesses, and improve the market competitiveness. Moreover, it may break through the current situation of freight forwarding price competition and establish strategic partnership with the customer in the long term. The logistics plays the main role, while finance plays a supplementary role, so as to realize integration services of logistics, information flow, capital flow and business flow.

E. Supply chain management and customized services：

a. Supply chain management:

The Company uses the Group's sea, air and land resources and global cooperative agents to provide customers with services for procurement of raw materials, warehousing management of raw materials and finished products in the production process, packaging, sorting, labeling, inspection, transit and distribution, as well as helping customers in marketing channel establishment and maintenance. The Company provides a full range of logistics management services for customer relationship management and maintenance and information feedback.

b. Customized services：

(A) Multimodal transportation:

With the customized sea and air transport, sea and river transport, sea and railway transport and joint sea transport, the Company provides cross-border logistic services via sea, air, road and rail transport to connect Chinese inland with Southeast Asia, Central Asia and European inland.

(B) Reverse logistic services:

After delivering customer goods to the destination, the Company provides disposal, recycling and recovery related transport services for second-hand assets to save operating expenses for customers.

(C) Cold chain logistics:

The Company develops specialized logistic transport of chemicals, agricultural and marine products and biotechnological products to provide consumers, suppliers and retailers with a cold chain logistics model for integrated demands.

(D) Cargo insurance broker:

The Company is awarded a license for the cargo insurance brokerage business by the China Insurance Regulatory Commission, and provides customer cargo insurance, acts as an agent for customers to make claims to insurance companies, and acts on behalf of insurance companies to issue original insurance certificates.

(4) Plans to develop new products (services):

Construction of business to business (B2B2C) digital warehousing services:

To improve the logistics efficiency for the customer effectively, it plans to integrate the B2B warehousing management ability of Shanghai T-cube logistics Co., Ltd, the sub-subsidiary of the Company, and the B2C warehousing management ability of Shanghai EXer Logistics Co., Ltd., so as to link up with the B2B and B2C warehousing systems through the information system. In this way, it achieves the inventory sharing model, and performs distribution and delivery operations under the same warehousing system. Then the products are delivered through the collaborative warehouse model of “professional warehouse+ express service”. It aims to link up with the online and offline inventories to reduce the overall stock and the second transportation cost effectively, improve the turnover efficiency of the supply chain, increase the turnover rate of the inventory, and even help the operators obtain more complete data in the entire supply chain.

5.1.2 Industry Overview

(1) Current Industry Status and Development

In 2022, the global economy will be affected by three major factors: epidemic, war and inflation, weakening end-consumer demand, slowing inventory build-up and slowing down the rate of depletion, and under the effect of freight price reversal. Influenced by the monetary easing policies of major economies and the Russia-Ukraine conflict, commodity prices accelerated to rise, global inflationary pressure intensified, European and U.S. countries' consumption power weakened, purchase demand gradually shrank and inventory rose to a high level, Asian foreign trade export orders shrank and export value growth continued to decrease.

In the post-epidemic era, the mindset of enterprises in the supply chain has changed from "immediate inventory" to "safety inventory", prompting manufacturers to continue to actively build safety inventories. Various countries have started to implement powerful measures, such as encouraging foreign trade enterprises to sign long-term agreements with shipping companies, strengthening the regulation of the international maritime transport sector, cracking down on illegal fees and price inflation, and enhancing the construction of terminal infrastructure.

A. Ocean Freight Market Overview

Container ship orders will continue to increase from 2021 onwards, but the significant increase in capacity will fall in the fourth quarter of 2022, with a capacity of 26.143 million TEU at the end of 2022, up 4.5% year-on-year.

Unlike the continuous increase in 2021, the price will decline from a high level in the second half of 2022 to a low level during the epidemic. After 2023, the supply and demand will gradually reach a balance as the market fully recovers and shipping efficiency improves.

B. Air Freight Market Overview

Looking forward to the increase in global aviation demand, the aviation market will enter a recovery period. With the gradual relaxation of epidemic control measures in various countries, cross-regional mobility is gradually increasing, and demand in the aviation market is gradually recovering. According to the International Air Transport Association (IATA) report, global air passenger traffic will grow from over 3 billion in 2022 to 4 billion in 2023, exceeding 103% of 2019 (before the epidemic); air cargo demand will continue to grow strongly, with demand levels increasing by 4.6% year-on-year in 2023. As new technology applications such as electric vehicles, 5G and AI are launched, demand for semiconductors and related electronic components will stabilize, and air cargo demand will revive after manufacturers adjust their stock levels, further supporting air freight rates.

C. International Railway Market Overview

The China-Europe/China-Russia railroad has led the new international transportation landscape, and has become the main means of transportation for many customers after the epidemic, as the freight costs are much lower than air freight and the transit time is only 1/3 of that of sea freight. The Chinese government has been working hard to increase the number of trains, but the demand for railroads is still very strong. In addition to the existing partnership with the Ministry of Railways, the company has established a sales presence in Europe to continue to secure more space to meet growing customer demand.

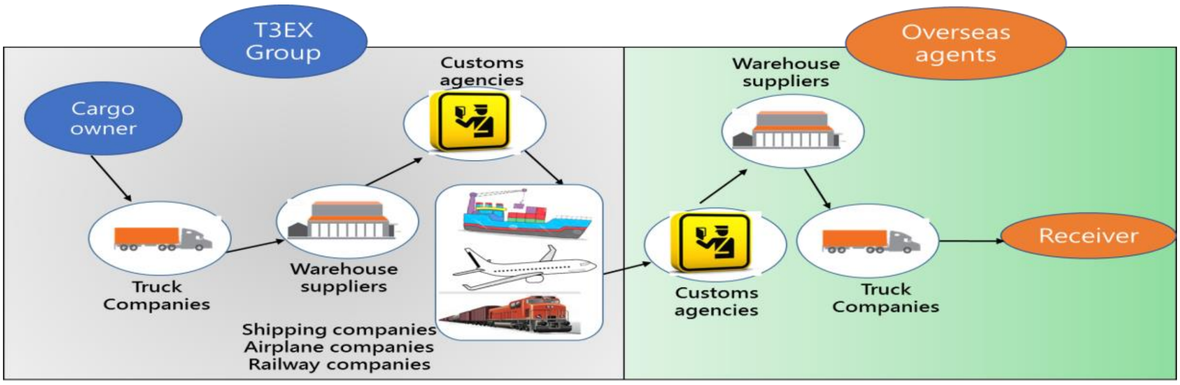
D. Logistics Market Overview

China has become the world's second largest consumer market and the number one trading country in goods. The domestic market continues to grow, and the reorganization of the supply chain due to the trade war between the US and China has created a "dual cycle economy" in which mainland China is both a producer and a consumer, resulting in a growing demand for domestic warehousing and transportation. Terasic has a complete warehousing and distribution network in China, with logistics warehouses in Shanghai, Hong Kong, Suzhou, Guangdong, Qingdao and other key cities, and inland transportation routes covering nearly 400 cities in China at the first, second and third levels.

(2)Relationship with Up-, Middle- and Downstream Companies

International Logistics supply chain- Export to USA, Canada and Europe:

T3EX group is an international forwarder. The below content is an example of export procedure. After receiving cargos, the company collaborated with truck companies, warehouse suppliers, customs agencies, container shipping companies, railway companies, airplane companies and overseas agents to deliver the cargos to receivers.



(3) Macro Economic, Product Trends and Competition

A. Logistics industry shuffles the deck in post-epidemic time embodying scale economy efficiency:

Logistics industry had have small-scale, regional alliance for a long time. Rapidly developed information technology is helpful to the corporate integration of supply chains, where a wide range of industries including but not limited to Hi-Tec industry, retail industry, sea forwarder industry improved their competitiveness through M&A plans. Lots of small-scale logistics providers exit from market due to shortage of operating capital and talents due to COVID-19 pandemic and logistics industry will shuffle the deck in post-epidemic time; large-scale logistics service providers with sufficient capital and diversified product lines will embody scale economy efficiency.

B. The China-US trade war as well as the Covid-19 pandemic resulted in a restructuring of the global supply chain, shaping China’s “dual circulation economy” with domestic manufacturing for domestic consumption, while Taiwan and Southeast Asia produce for the US consumer economy:

The Chinese government regarded the dual circulation economy as the main plan of the 14th Five-Year Plan and the 2035 Future Prospectus, pushing to expand domestic demand as the main pivot; T3EX's complete warehouse & logistics network in China will keep developing business opportunity domestically in China.

The continuing China-US trade war sees of the gradual transfer of the supply chain to the Southeast Asian Region. The population expansion and tax advantages will boost up business in this region in the upcoming years. Since 2009, the Company has been investing in Southeast Asia. We have 14 locations in Vietnam, Thailand, Singapore, Malaysia, Cambodia, Philippian, and Indonesia. In this year, we have expanded the sales teams, and develop the southeast Asia-Europe, America routes business for enlarging the business percentage in Southeast Asia.

C. China import one stop shopping service will be the next blue ocean for logistics industry.

China, the global factories, has manufacturing from importing the original materials and has exporting products to globe. Recently, Chinese government has mandating the restructuring of economics. For the policy of foreign trade, the government has transforming to import orientation from export orientation as well as has spurring domestic consumer activities.

As the wide area in China, the export-orientation trade, the import supply chain of logistics are incomplete, partial, single, sole…etc. that means every part of logistics services such as import, customs clearance, warehousing, transportation are different logistics companies which caused higher logistics cost and low efficiency compared to others countries. We expect import business and domestic business will increase because of the import spurring policy of Chinese government such as increasing domestic consumer activities. A company whose provide import one stop shopping logistics service will embrace huge opportunities.

T3EX Group has been developing import one stop shopping logistics service, and the Company has plentiful of warehousing and transportation network in China nationwide, we built warehouses in strategic cities such as Shanghai, Hong Kong, Suzhou, and Guangdong, our inland transportation covered nearly 400 tier 1, 2 and 3 cities.

5.1.3 Research and Development

The Company is in the logistics industry, and the key in enhancing the quality of logistics technology is the logistics system. The company has set up an IT software development department responsible for the integration of sea and air import and export, customs declaration, warehousing and other front-end operation and sales systems, and connected them with the back-end accounting management operating system in order to provide customers with the support systems required for a one-stop logistics service.

5.1.3.1 Research and Development Expense in Recent Year:

Not applicable as the development costs of the logistics system are the salaries of the IT staff and the purchase costs for the software; the costs are included in the management fee and no R&D department is set up.

5.1.3.2 Research and Development Accomplishments in the Recent Year:

Not applicable as the development costs of the Company's logistics system are those expenses entailed for the integration of front-end and back-end information.

5.1.4 Long Term and Short Term Business Development Plans

5.1.4.1 Short Term Business Development Plan

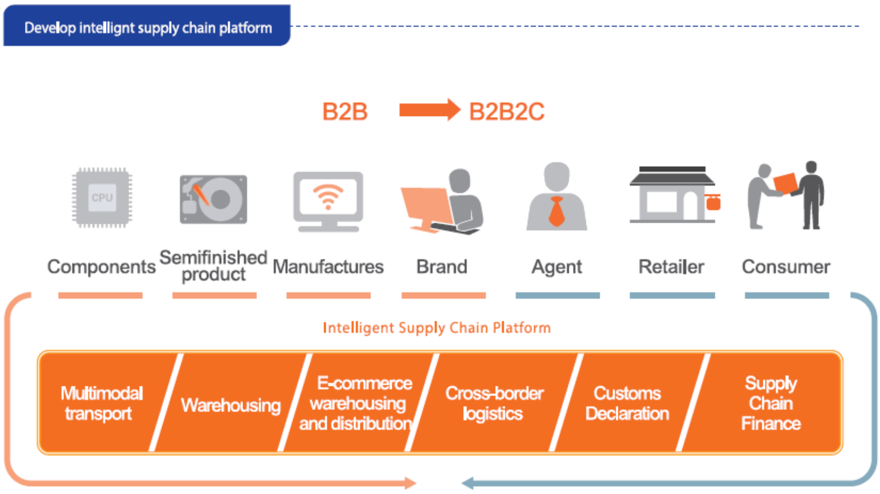
A. Raising Sufficient Capital to Expand Market Share in the Post-Covid-19 Era.

After the challenges and impact of this pandemic, some freight forwarders and logistics companies that lacked capital and talents and were small in size and poor quality were facing closure and exiting the market. Taiwan Securities Holdings will use sufficient funds and a sound financial structure to integrate upstream and downstream industries through mergers and acquisitions or joint ventures, introduce strategic alliance partners to expand market layout, and lead the company's profitability to continue to grow.

B. The Operating Strategy of Duo Headquarters.

Shanghai Headquarter (China Market)	Taipei Headquarter (Non-China Market)
1. Enhance one-stop logistics service in China (Import + Custom Clearance+ Warehousing + Transportation + Supply Chain Finance), increase investment in import logistics business 2. Develop Africa and Latin America market via JV and closer partnerships with overseas agents 3. Develop comprehensive China-Russia / China-Europe railway business 4. Expand supply chain finance business 5. Build digital B2B2C warehouses	1. Capture the opportunity of returning Taiwanese manufacturers from China, and increase investment in Taiwan 2. Increase investment in Southeast Asia market 3. Strengthen long haul route business from Asia to USA and Europe 4. Expand network locations within Asia 5. Deepen collaborations with WPG Holdings

5.1.4.2 Long Term Business Development Plan



5.2 Market and Sales Overview

5.2.1 Market Analysis

5.2.1.1 Sales (Service) Regions

Year / Area	2021		2022	
	Amount	(%)	Amount	(%)
China and Hong Kong	26,377,241	73.18	18,839,011	66.76
Taiwan	5,536,577	15.36	5,728,869	20.30
Eastern Asia	4,129,786	11.46	3,483,886	12.35
Total	-	-	166,262	0.59

The Company and its subsidiaries are logistic service providers, and the main service targets are importers and exporters around the world. The current main business contents are import and export shipping contracts, import and export air cargo contracts and customs clearance, warehousing and land transport services, and the business pattern is mainly export-oriented freight services with export to markets mainly in North America, Europe, Asia, Japan and other advanced countries.

5.2.1.2 Market Share

According to the latest announcement by Alphaliner, a maritime consultancy, Asian ports account for 14 of the world's top 20 container ports in the first half of 2022. Nine of the Group's ocean freight business is export business, of which more than seven are exported from Asia to Europe, the United States, Canada and other places. Therefore, based on the total throughput of the world's top 20 container ports in the first half of 2022, it is estimated that the Group's market share is calculated in terms of TEUs of import and export, and the Group's import and export will be 271,368 TEUs in 2022, accounting for approximately 0.14% of the world's top 20 container ports, which is better than the market share of 0.14% in 2021. Market share of 0.12% in 2021.

The world’s top ten container ports in 2022:

Rank 22 (21)	Port	Country	H1-2022	H1-2021	Variation H1 22Vs 21	Q1-2022	Q2-2022
1 (1)	Shanghai	China	22.540.000	22.945.000	-1,8%	12.260.000	10.280.000
2 (2)	Singapore	Singapore	18.406.900	18.730.900	-1,7%	9.076.700	9.330.200
3 (3)	Ningbo-Thoushan	China	17.480.000	16.070.000	8,8%	7,920)000	9.560.000
4 (4)	Shenzhen	China	14.400.000	13.770.000	4,6%	6,490)000	7.910.000
5 (6)	Qingdao	China	12.470.000	11.640.000	7,1%	5.900.000	6,570)000
6 (5)	Guangzhou	China	11.740.000	11.770.000	-0,3%	5.480.000	6.260.000
7 (7)	Busan	Korea	11.211.318	11.451.472	-2,1%	5,585)327	5.625.991
8 (8)	Tianjin	China	10.520.000	10.290.000	2,2%	4.630.000	5.890.000
9 (9)	LA/LB	United States	10.421.679	10.181.702	2,4%	5.142.692	5.278.987
10 (10)	Hong Kong	Hong Kong	8.387.000	8.708.000	-3,7%	3.706.000	4.681.000
11 (11)	Rotterdam	Netherlands	7.278.000	7.612.000	-4,4%	3.646.000	3.632.000
12 (13)	Dubai	Dubai	6.984.000	6.900.000	1,2%	3.424.000	3.560.000
13 (14)	Antwerp-Bruges	Belgium	6.770.000	7.220.000	-6,2%	n. a.*	n.a.*
14 (31)	Port Kela ng	Malaysia	6.489.021	7.004.229	-7,4%	3.207.359	3.281.662
15 (15)	Xiamen	China	5.980.000	5.900.000	1,4%	2.880.000	3.100.000
16 (161	Tanjung Pe epos	Malaysia	5.234.892	5.560.020	-5,8%	2.605.224	2.629.668
17 (18)	NY/NJ	United States	4.903.459	4.395.072	11,6%	2.386.415	2.517.044
18 (17)	Kaohsiung	Taiwan	4.878.485	4.945.861	-1,4%	2.402.287	002.476,
19 (20)	Laem Chdb rig	Thailand	4.429.721	4.256.932	4,1%	2.215.217	2.214.504
20 (19)	Hamburg	Germany	4.350.100	4.310.000	0,9%	2.251.000	2.099.000

Source: Alphaliner

According to the International Air Transport Association (IATA), the global air cargo volume will be 60.3 million tons in 2022, and the Company will carry 56,000 tons of air cargo in 2022, with a market share of 0.09%.

5.2.1.3 Market Demand, Supply and Growth

A. Ocean Freight Market:

According to Clarksons and Seabury, research institutes in the maritime industry, demand for container shipping will resume growth in 2023, with an average annual growth rate of 3.3% from 2023 to 2026. In the post-epidemic era, the global economy is expected to gradually return to the right track, and economic growth momentum will drive a positive cycle of supply and demand in the shipping market.

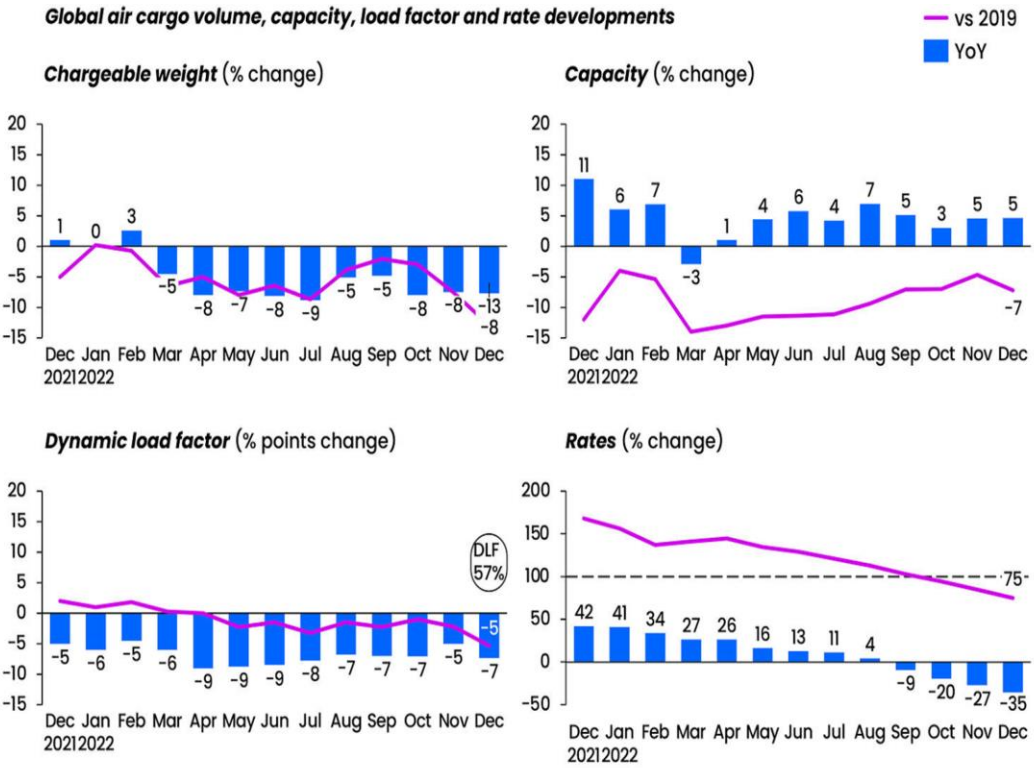
The International Maritime Organization (IMO) new environmental regulations have officially come into effect in 2023, and the shipping industry is included in the "EU carbon trading system". In response to the carbon tax imposed by the EU, the shipping industry has implemented energy-saving and carbon-reduction policies in response to sulfur emission restrictions, and old ships have been retrofitted with desulfurization towers and replaced with low-sulfur fuel oil.

B. Air Freight Market:

According to IATA's 2022-2023 outlook report, new applications of technology such as the home economy, electric vehicles and 5G during the epidemic have changed consumer behavior and are expected to continue to drive demand for e-commerce shopping, semiconductors and related electronic components, which will help support air freight prices when inventory adjustments bottom out.

In terms of supply, global international travel restrictions are gradually being lifted and demand for air cargo cabins is urgently compressing the amount of cargo carried in the belly of the aircraft, leaving air cargo space still quite tight. According to IATA's latest statistics (Figure 1 below), global supply has returned to pre-epidemic levels, but 2022 capacity is 8% lower than the same period last year and 13% lower than before the epidemic, indicating that demand for air freight is still pending inventory depletion and inflation.

Chart 1. Air cargo market in 2022 compared to the same period in 2019

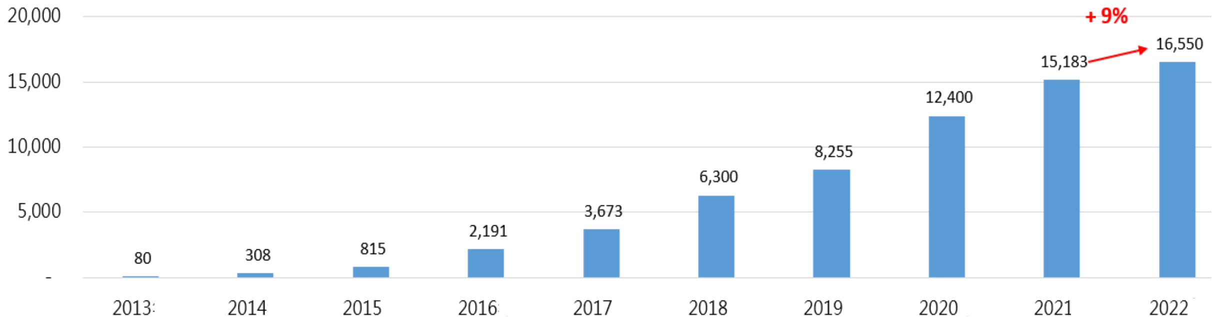


C. China-Europe Railway Market:

According to the Ministry of Commerce of China, China has become the largest bilateral trading partner of the European Union in

2021, with the total bilateral trade between China and Europe reaching a record high of US$828.1 billion. 2022 trade between China and Europe increased by 5.6% compared to the same period of the previous year, reaching US$874.5 billion, which is more than the bilateral trade between China and ASEAN, and the EU is now China's largest trading partner.

Since the epidemic, the China-Europe/Central Russia Railway has become the main mode of transportation for many customers, especially when there is a shortage of space for air and sea freight.



Source: National Bureau of Statistics of the People's Republic of China

D. Logistics Market:

The Company's logistics business is mainly in the China market. From the table below, we can see that the growth rate of retail sales and freight volume from FY109 to FY110 were both on a growth trend, except for the decline in FY109 due to the epidemic. In the long term, China's logistics market is a long-term trend because the Chinese government regards the development of domestic demand as an important economic goal. As for the supply side, it is difficult to assess the supply side due to the large number of players in the logistics industry in China.

	2020	2021	2022
Retail sales growth rate of social consumer goods	-4%	12%	-0.2%
Cargo Volume	0.3%	12.0%	6.5%

Source: National Bureau of Statistics of the People's Republic of China

5.2.1.4 Competitive Advantages

A. Synergy Created via Holding Structure:

1. Front End:

(1)Diversified products, comprehensive market coverage.

(2)Diluted the risk of having only single product.

(3)Increased service scope for customers.

2. Middle Platform:

(1)Increased economies of scale, as well as bargaining power.

(2)Product mix synergy.

(3)Integrated backend support that results in cost saving of customs, warehousing, and transportation personnel.

3. Back End:

(1)Enhanced financial structure.

(2)Decreased financing costs.

(3)Minimized operating risk.

(4)Employee career development & reward system.

B. Long-term agreements with ocean, air, rail suppliers.

C. Long-term and stable cooperative relations with global agents for stable customers and inland import logistics services of Europe and US.

D. China import total solution service (import + customs clearance + warehousing + transportation + supply chain finance).

5.2.1.5 Disadvantages and Responsive Strategies

The main targets of international freight services are importers and exporters. The current rapid development of liberalization and globalization of international trade has provided a good niche for the development of the logistics industry. Presently the Company and its subsidiaries have the following advantages to move towards a large-scale professional logistic group.

Advantage：

- Brand: A Taiwanese brand, acting as a platform for integrated services in Taiwan, Hong Kong and China, has the advantage of bridging localization and internationalization.
- Distribution: The Company has a complete network of location in Asia and a global network of agents.
- Product: The Company offers sea, land, air, river, railway transport, warehousing, supply chain finance and a full range of supply chain logistics management services.
- Stable cooperative relations: The Company has established long-term and close business relationships with a number of suppliers.
- Human: The Company has a team of professional, innovative and dedicated logistics specialists.
- Information: T3EX's advanced ERP system, WMS, SCM and e-commerce management enable us to provide customized information management services.

Disadvantage:

- Risk of variation in currency exchange rate.
- Inflation: The cost increase and the consumption decline.
- Unstable reginal political and economic circumstance.
- Unstable international freight.

Responsive Strategies

For external market changes, immediate react and adjust the business strategy;

adjust business and route configuration, and continue to expand cooperation with the industry as well as upstream and downstream manufacturers through acquisitions and strategic alliances to reduce operational risks.

5.2.2 Application of Major Products

Services of the Company and its subsidiaries are mainly integrated international logistics services, which cover comprehensive supply chain management services from the procurement of goods and raw materials and sea, air or land freight transport services for raw materials used in the production process to the packaging, sorting, storage, transit, distribution of semi-finished products and finished products as well as the final document production and management services for customers, the establishment of marketing channels and information feedback.

5.2.3 Supply of Major Material: It not apply.

5.2.4 M Major Suppliers in the Last Two Calendar Years: It not apply.

5.2.4.1 Major Clients in the Last Two Calendar Years: It not apply.

5.2.5 Production in the Last Two Years (Group)

Unit: NT$ thousands

Year	2021					2022				
Quantity/ Amount	Quantity				Amount	Quantity				Amount
Major Products	TEU	CBM	TON	Shipment		TEU	CBM	TON	Shipment	
Sea Freight	407,561	454,919	-	-	18,952,328	263,587	428,773	-	-	15,383,225
Air Freight	-	-	71,722	-	5,713,238	-	-	55,581	-	4,009,707
Railway	10,091	38,303	-	-	1,747,352	7,781	24,130	-	-	1,179,761
Logistics	-	-	-	184,596	1,504,927	-	-	-	159,855	2,047,220
Total	417,651	493,222	71,722	184,596	27,917,845	271,368	452,903	55,581	159,855	22,619,913

Variation: The volume and freight rate of ocean, rail, and air business increased.

5.2.6 Shipments and Sales in the Last Two Years (Group)

Unit: NT$ thousands

Year	2021					2022				
Quantity/ Amount	Quantity				Amount	Quantity				Amount
Major Products	TEU	CBM	TON	Shipment		TEU	CBM	TON	Shipment	
Sea Freight	407,561	454,919	-	-	27,300,539	263,587	428,773	-	-	19,400,993
Air Freight	-	-	71,722	-	6,574,886	-	-	55,581	-	4,932,499
Railway	10,091	38,303	-	-	1,050,975	7,781	24,130	-	-	1,322,075
Logistics	-	-	-	184,596	1,117,204	-	-	-	159,855	2,562,461
Total	417,651	493,222	71,722	184,596	36,043,604	271,368	452,902	55,581	159,855	28,218,028

Variation：The volume and freight rate of ocean, rail, and air business increased.

5.3 Human Resources

I. T3EX Global Holdings Corp.

Year		2022	2022	Data as of ending data in the current year
Number of Employees	Sales	0	0	0
	Administrative Person	33	34	35
	Total	33	34	35
Average Age		41.7	41	41
Average Years of Service		7.36	7.07	7.10
Education	Ph.D.	0.00%	0.00%	0.00%
	Masters	21.21%	17.65%	17.14%
	Bachelor's Degree	78.79%	82.35%	82.86%
	Senior High School	0.00%	0.00%	0.00%
	Below Senior High School	0.00%	0.00%	0.00%

II. T3EX Group

Year		2021	2022	Data as of ending data in the current year
Number of Employees	Sales	1,349	1398	1380
	Administrative Person	484	455	461
	Total	1,833	1,853	1841
Average Age		36.69	37.89	37.51
Average Years of Service		8.18	7.06	7.16
Education	Ph.D.	0.11%	0.11%	0.11%
	Masters	2.62%	2.64%	2.77%
	Bachelor's Degree	75.61%	77.39%	76.10%
	Senior High School	15.33%	14.95%	14.83%
	Below Senior High School	6.33%	4.91%	6.19%

5.4 Environmental Protection Expenditure

In 2021 and as of the date of this annual report, the Company did not incur any loss or receive any penalty for major environmental pollution. There are designated personnel within the company who are in charge of environmental protection in compliance with the legal requirements. Waste clearance and disposal, emission discharge and environmental measurement have been conducted and controlled by management procedures.

5.5 Employee Relations

5.5.1 Employee's Welfare and Benefit

a. Employee welfare and benefit

Employee welfare and benefit are provided by both the Company and the Company's Employee Welfare Committee. Corporate benefit program offered to employees include group insurance, travel insurance on business trips, meal subsidies, year-end bonus, performance bonus, etc. The details of welfare as bellows:

1) Bonus: overtime pay, perfect attendance bonus, birthday bonus.

2) Off-day: weekend, paternity leave.

3) Insurance: Labor insurance, health insurance, health examination, maternity leave.

4) Entertainment: Domestic travel, overseas travel.

5) Compensation: wedding compensation, maternity compensation, on-job training, domestic and overseas continuous education, retirement plan (pension and benefits after retirement), funeral compensation for employees and family members.

b. Professional training program

We place great emphasis on career planning and talent development for employees by encouraging employees to attend internal and external training programs. Internal training programs include courses for core competence and professional development to enhance employees' capabilities, while external training programs include seminars or conferences organized by external parties that provide excellent training opportunities for employees.

Internal Program：

Internal Training	Times	Training Expense
2500 classes	5000 hours	NT$ 400,000

Program			
AEO Compliance and Supply Chain Security Training	U.S. Line Export-Yang Ming (YML) Contract FAK & Premium Contract Interpretation	Department of Transportation Driving Phase V Environmental Protection New Vehicle Maintenance Specification	U.S. Line Export - Hanshin Ocean (HMM) contract FAK & Premium contract explanation
Information Security Education Training	U.S. Line Export - Evergreen (EMC) Contract FAK & Premium Contract Interpretation	Hazardous Materials Education and Training Course	Earthquake/ Disaster Drill Program Training
Suspicious Cargo and Person Identification Training	Mail Package Inspection and Burst Identification Training	Audit focus and cross-cycle and operational integration of operation system	Masterpiece EDI Education and Training
EBS System 2FA Login Verification Operation Tutorial	OA system application for data change and export data application training	Analysis of typical labor disputes and notes on termination of employment	Occupational safety and health education and training
Maintenance of cargo security	Ethical management	Marine Import and	HR training on the

Program			
training		Export Customs Clearance	sampling process of entry information
Marketing Department Contract Interpretation 2022 ver	Routine Handling of Lost Bills of Lading	The secret behind the championship	The future of the shipping market under the global supply chain

External Program：

External Training	Times	Training Expense
475 classes	2,850 hours	NT$ 750,000

IATA Air Cargo Foundation Course	Exploring the ways to strengthen the compliance of internal control law from penalty cases	How to Use Excel Functions to Improve Audit and Financial Efficiency Workshop	Manufacturing Material System Audit Practice
AEO Risk Assessment Guided Training	A Occupational Safety and Health Business Manager	JavaScript Development Practice: Core Concepts (New ES6 Revision)	Audit Focus and Cross-Cycle Integration of Operation System
Legal Acts of Overdue Debt Collection and Analysis of the New Tax CFC System	Subsidiary Audit Practice	Analysis and application of international trade regulations (Incoterms)	2022 Annual Trade Management Seminar
Introduction to front-end web design class	Pre-employment Training Course for Internal Auditors	Air Transport Professional Knowledge	ALPHV(BlackCat), the latest ransomware you can't afford not to know
Training on labor conditions for members of the Chamber of Commerce and Industry	Safe Handling of Dangerous Goods Class (IATA) Initial Training	Trend, Opportunities and Challenges of Supply Chain Restructuring in Taiwan under Geopolitical Risks	Trade and Customs Application Course
The third and fourth modules of the 19th FIATA Education Training	Counseling Course for Customs Specialists	Specialized Customs Officer Certification Course	Transportation Department Newcomer Forklift Beginner Course
2022 Lawyer takes you through a complete explanation of APC security, information security incidents, and legal compliance	How HR gets employees to love learning	HR Labor Bureau Labor Standards Law Overview	General Safety and Health" Course for Transportation Department Staff

c. The retirement policy:

(1) Monthly Contribution to Retirement Pension:

For employees in Taiwan who choose the old pension plan and those who choose the new pension plan, the Company contributes 2% of monthly wages to the retirement reserve in accordance with the Labor Standards Law, which is supervised by the Labor Retirement Reserve Supervisory Committee and deposited in the name of the Committee in the Bank of Taiwan, which is responsible for the receipt, custody and utilization of the funds. For employees who are assigned by the organization to transfer to affiliated companies, their seniority is renewed to provide them with more protection to achieve the purpose of talent circulation of the Group.

(2) Individual Labor Pension Account:

In accordance with the Labor Pension Act, new employees in Taiwan and existing employees who choose to apply the new pension system shall be required to pay a monthly contribution rate of not less than 6% to the Labor Pension Fund, which shall be deposited in the employee's personal pension account with the Bureau of Labor Insurance in accordance with the monthly contribution scale approved by the Executive Yuan.

(3) Overseas Regional Retirement System:

The pensions of overseas subsidiaries are based on a defined contribution system, and monthly contributions are made in accordance with the local government's regulations for various types of social security benefits, such as pension and medical benefits.

d. The Company's employees have not established a labor union, and their rights and benefits are governed by the Labor Standards Law.

e. Work environment and employee protection measures for employees:

We have established quality management procedures for work environment and equipment maintenance in Taiwan, and have obtained ISO9001 international quality management system certification after annual verification by external experts. In other overseas regions, we also focus on office safety through regular maintenance of the environment and equipment to ensure a safe working environment for our employees, and through public safety awareness programs such as new employee education and training, and related safety awareness programs to strengthen employees' concepts and abilities of safety management.

They are summarized as follows:

Workplace safety projects:	**Company's action:**
Environmental inspection and maintenance management	• From time to time, we conduct public environmental inspections to ensure environmental safety. • Perform regular environmental cleaning, maintenance and inspection (carpet cleaning / air conditioning maintenance / water dispenser maintenance, etc.). • Regular fire safety inspections. • Centralized management of equipment, such as electrical equipment, IT equipment, etc. • The machine room and office lobby are equipped with surveillance system, and staffs wear identification cards when entering and leaving to ensure the safety of employees and assets.

Regular public security advocacy	• All new employees will first participate in employee education and training to learn about the work environment and promote employee safety at work. • 1 staff fire safety and labor safety briefing per year • Annual regular fire equipment safety inspection declaration • Two-year periodic building facilities and equipment security inspection declaration
Warehouse environmental safety maintenance	The subsidiary's warehouse is equipped with fire safety measures and CCTV system, and has obtained ISO9001 and ISO14001 and Green Credit certification, and regularly inspects the warehouse environment for safety.

f. Employees code of conduct

The Company and its subsidiaries attach great importance to the ethics of employee conduct and serve as a model for the ethical regulation of employee conduct, and have taken the following measures.

(1)Promote and implement the management philosophy of T3EX Global Holdings Corp.

With the vision of “becoming the most competitive and complete logistics group in Asia” and the mission to provide “services beyond customer’s imagination”, the management philosophy of “Carry on the trust & Pass on the future” is implemented comprehensively, which not only can build a team consensus and set the code of conduct for employees, but also serves as a standard for all employees to follow. Employees can experience the true meaning of the management philosophy in their daily life and work through continuous promotion and annual activities.

(2) Strictly enforce the auditing system:

The Company has established an audit office under the Board of Directors to conduct comprehensive audits of each department, subsidiary and region based on the Company's policies and regulations. This allows the Company to understand the compliance and implementation status of each unit's policies and regulations, and also to prevent and stop possible employee misconduct.

(3) Establishment of Employee Code of Conduct or Ethics Principle:

The Company has established Ethics Principles for employees to regulate the ethical behavior of all employees. Please refer to the Company’s website at www.t3ex-group.com.tw for the important company Code of Ethical Behavior in the Corporate Governance section.

5.5.2 Any current or potential loss resulting from labor disputes and prevention actions for the past two years and as of the date of this annual report.

There have not been any material losses resulting from major labor disputes for the past two years and as of the date of this annual report.

5.6 Important Contracts

A. Transportation:

Item	Counterparty	Period	Major Contents	Restrictions
1	Yang Ming Marine Transport Corp.	2023.05.01~2024.04.30	Sea Transportation	None
2	Evergreen Marine Corp.	2023.05.01~2024.04.30	Sea Transportation	None
3	China Airline	2021.10.23~2026.10.22	Air Transportation	None
4	Zhengzhou JU TONG International Forwarder Corp.	2023.04.01-2024.03.31	International Forwarder	None
5	COSCO SHIPPING LINES Co., LTD	2023.01.01~2023.12.31	International Forwarder	None

B. Agency:

Item	Counterparty	Period	Major Contents	Restrictions
1	A Company	2010.10.25~2011.10.24 (Automatically Renew One Year)	Agency Agreement	Privacy
2	B Company	2014.12.15~2015.12.14 (Automatically Renew One Year)	Agency Agreement	Privacy
3	C Company	2020.09.25~2022.09.24 (Automatically Renew One Year)	Agency Agreement	Privacy
4	D Company	2020.06.05~2022.06.04 (Automatically Renew One Year)	Agency Agreement	Privacy
5	E Company	2014.11.18~2015.11.17 (Automatically Renew One Year)	Agency Agreement	Privacy
6	F Company	2015.01.05~2016.01.04 (Automatically Renew One Year)	Agency Agreement	Privacy

C. Sales:

Item	Counterparty	Period	Major Contents	Restrictions
1	A Company	Warehouse：2022.05.16 -2023.05.15 Transpiration：2022.07.01-2023.06.30	Warehouse and transportation	Privacy
2	B Company	2019.10.01-2023.09.30	Airfreight forwarding import & export, local deliveries and export customs declaration for all FCA shipments.	Privacy
3	C Company	2019.06.27~2023.12.31	Forwarder Agreement	Privacy
4	D Company	2022.01.01~2023.12.31	Space Booking Agreement	Privacy
5	E Company	2022.04.01~2024.03.31	Delivery Service	Privacy

D. Others:

Item	Counterparty	Period	Major Contents	Restrictions
1	Cathay Century Insurance	2021.09.11~2022.09.11	Directors and Officers Liability Insurance	The Coverage Limit is US$4,000,000
2	CTBC Bank	2021.09.30-2022.09.30	Financial loan	None

VI. Financial Information

6.1 Five-Year Financial Summary

6.1.1 Condensed Balance Sheet

Consolidated Condensed Balance Sheet – Based on IFRS

Unit: NT$ thousands

Item \ Year		Financial Summary for The Last Five Years					1Q2023
		2018	2019	2020	2021	2022	
Current assets		4,188,887	4,347,950	5,887,390	13,887,316	15,564,114	NA
Property, Plant and Equipment		282,104	277,603	285,706	312,223	844,772	
Intangible assets		655,851	638,771	611,897	557,346	551,343	
Other assets		461,364	784,796	929,369	1,847,231	741,337	
Total assets		5,588,206	6,049,120	7,714,362	16,604,116	17,701,566	
Current liabilities	Before distribution	2,654,564	2,957,688	3,691,675	6,039,490	8,092,219	
	After distribution	2,909,316	3,108,223	4,089,244	7,883,348	-	
Non-current liabilities		284,780	538,645	719,697	351,508	601,453	
Total liabilities	Before distribution	2,939,344	3,496,333	4,411,372	6,390,998	8,693,672	
	After distribution	3,194,096	3,646,868	4,808,941	8,234,856	-	
Equity attributable to shareholders of the parent		2,483,219	2,410,074	3,138,727	10,024,258	8,723,244	
Capital stock		1,183,455	1,171,575	1,257,683	1,447,522	1,433,912	
Capital surplus		808,958	798,811	830,563	2,546,036	2,530,860	
Retained earnings	Before distribution	676,879	653,539	1,066,722	4,612,097	4,668,663	
	After distribution	422,127	503,004	669,153	2,768,239	-	
Other equity interest		(125,430)	(186,054)	44,319	1,479,163	487,339	
Treasury stock		(60,643)	(27,797)	(60,560)	(60,560)	(397,530)	
Non-controlling interest		165,643	142,713	164,263	188,860	284,650	
Total equity	Before distribution	2,648,862	2,552,787	3,302,990	10,213,118	9,007,894	
	After distribution	2,394,110	2,402,252	2,905,421	8,369,260	-	

6.1.2 Condensed Individual Balance Sheet

Condensed Individual Balance Sheet- Based on IFRS

Unit: NT$ thousands

Item \ Year		Financial Summary for The Last Five Years				
		2018	2019	2020	2021	2022
Current assets		321,174	447,411	660,475	2,270,615	2,560,844
Property, Plant and Equipment		183,946	184,965	180,214	183,151	675,392
Intangible assets		21,776	24,508	20,002	21,451	17,530
Other assets		3,385,842	3,532,596	4,123,999	8,268,454	9,629,087
Total assets		3,912,738	4,189,480	4,984,690	10,743,671	12,882,853
Current liabilities	Before distribution	1,216,902	1,464,482	1,343,927	503,039	3,810,583
	After distribution	1,471,654	1,615,017	1,741,496	2,346,897	-
Non-current liabilities		212,617	314,924	502,036	216,374	349,026
Total liabilities	Before distribution	1,429,519	1,779,406	1,845,963	719,413	4,159,609
	After distribution	1,684,271	1,929,941	2,243,532	2,563,271	-
Capital stock		1,183,455	1,171,575	1,257,683	1,447,522	1,433,912
Capital surplus		808,958	798,811	830,563	2,546,036	2,530,860
Retained earnings	Before distribution	676,879	653,539	1,066,722	4,612,097	4,668,663
	After distribution	422,127	503,004	669,153	2,768,239	-
Other equity interest		(125,430)	(186,054)	44,319	1,479,163	487,339
Treasury stock		(60,643)	(27,797)	(60,560)	(60,560)	(397,530)
Total equity	Before distribution	2,483,219	2,410,074	3,138,727	10,024,258	8,723,244
	After distribution	2,228,467	2,259,539	2,741,158	8,180,400	-

6.1.3 Condensed Statement of Comprehensive Income/Condensed Statement of Income

Consolidated Condensed Statement of Comprehensive Income – Based on IFRS

Unit: NT$ thousands

Item \ Year	Financial Summary for The Last Five Years					1Q2023
	2018	2019	2020	2021	2022	
Operating revenue	11,536,269	11,258,071	15,160,243	36,043,604	28,218,028	**NA**
Gross profit	1,963,236	2,014,229	2,467,887	8,125,759	5,598,115	
Income from operations	376,198	296,660	695,906	4,325,454	2,537,553	
Non-operating income and expenses	30,827	14,155	5,104	672,395	871,594	
Income before tax	407,025	310,815	701,010	4,997,849	3,409,147	
Net income (Loss)	366,598	241,363	570,727	4,016,661	2,642,427	
Other comprehensive income (income after tax)	(30,703)	(82,686)	245,575	1,427,732	(928,861)	
Total comprehensive income	335,895	158,677	816,302	5,444,393	1,713,566	
Net income attributable to shareholders of the parent	354,930	249,047	541,992	3,934,872	2,548,386	
Net income attributable to non-controlling interest	11,668	(7,684)	28,735	81,789	94,041	
Comprehensive income attributable to Shareholders of the parent	325,147	181,607	794,091	5,377,788	1,617,776	
Comprehensive income attributable to non-controlling interest	10,748	(22,930)	22,211	66,605	95,790	
Earnings per share	3.07	2.15	4.72	30.03	18.03	

6.1.3 Condensed Individual Statement of Income

Condensed Individual Statement of Income- Based on IFRS

Unit: NT$ thousands

Item \ Year	Financial Summary for The Last Five Years				
	2017	2018	2019	2020	2021
Operating revenue	435,491	334,862	593,438	3,346,647	2,340,194
Gross profit	358,744	259,282	506,248	3,205,353	2,183,675
Income from operations	358,744	259,282	506,248	3,205,353	2,183,675
Non-operating income and expenses	(3,103)	(5,715)	33,790	744,873	530,508
Income before tax	355,641	253, 567	540,038	3,950,226	2,714,183
Net income (Loss)	354,930	249,047	541,992	3,934,872	2,548,386
Other comprehensive income (income after tax)	(29,783)	(67,440)	252,099	1,442,916	(930,610)
Total comprehensive income	325,147	181,607	794,091	5,377,788	1,617,776
Net income attributable to shareholders of the parent	354,930	249,047	541,992	3,934,872	2,548,386
Net income attributable to non-controlling interest	-	-	-	-	-
Comprehensive income attributable to Shareholders of the parent	325,147	181,607	794,091	5,377,788	1,617,776
Comprehensive income attributable to non-controlling interest	-	-	-	-	-
Earnings per share	3.07	2.15	4.72	30.03	18.03

6.1.4 Auditors' Opinions from 2016 to 2020

Year	CPA's Name	CPA Firm	Auditing Opinion
2018	CHI-LUNG YU&MEI-PIN WU	KPMG	Unqualified
2019	CHI-LUNG YU&MEI-PIN WU	KPMG	Unqualified
2020	CHI-LUNG YU&MEI-PIN WU	KPMG	Unqualified
2021	CHI-LUNG YU&MEI-PIN WU	KPMG	Unqualified
2022	Peggy Chen & CHI-LUNG YU	KPMG	Unqualified

6.2 Five-Year Financial Analysis
6.2.1 Consolidated Financial Analysis
Consolidated Financial Analysis – Based on IFRS

Item	Year	Financial Analysis for the Last Five Years 2018	2019	2020	2021	2022	1Q2023
Financial structure (%)	Debt Ratio	52.60	57.80	57.18	38.49	49.11	不適用
	Ratio of long-term capital to property, plant and equipment	1,039.92	1,113.62	1,407.98	3,383.68	1,137.51	
Solvency (%)	Current ratio	157.8	147.01	159.48	229.94	192.33	
	Quick ratio	156.16	145.45	157.46	227.42	191.05	
	Interest earned ratio (times)	19.14	9.11	18.15	145.93	71.53	
Operating performance	Accounts receivable turnover (times)	6.18	6.03	6.68	9.32	7.66	
	Average collection period	59.06	60.53	54.64	39.16	47.65	
	Inventory turnover (times)	-	-	-	-	-	
	Accounts payable turnover (times)	11.30	11.06	12.35	15.84	13.62	
	Average days in sales	-	-	-	-	-	
	Property, plant and equipment turnover (times)	39.56	40.23	53.83	120.56	48.78	
	Total assets turnover (times)	2.14	1.93	2.20	2.96	1.65	
Profitability	Return on total assets (%)	6.94	4.79	8.36	32.59	15.08	
	Return on stockholders' equity (%)	14.90	10.18	19.54	59.79	27.19	
	Pre-tax income to paid-in capital (%)	34.39	26.53	59.83	345.27	237.75	
	Profit ratio (%)	3.18	2.14	3.76	11.14	9.36	
	Earnings per share (NT$)	3.07	2.15	4.72	30.03	18.03	
Cash flow	Cash flow ratio (%)	12.02	27.13	9.12	72.36	27.84	
	Cash flow adequacy ratio (%)	100.26	126.79	121.46	433.49	222.00	
	Cash reinvestment ratio (%)	7.10	24.53	6.16	45.66	4.62	
Leverage	Operating leverage	2.41	2.90	1.57	1.13	1.26	
	Financial leverage	1.06	1.15	1.06	1.01	1.02	

Analysis of financial ratio differences for the last two years.

1. The increase in debt to assets ratio was mainly due to the increase in total liabilities.
2. The decrease in the ratio of long-term capital to property, plant and equipment was mainly due to the increase in net property, plant and equipment.
3. The decrease in interest coverage multiple was mainly due to the decrease in net income before

tax.

4. The increase in average collection days was mainly due to the decrease in accounts receivable turnover rate.
5. The decrease in turnover of property, plant and equipment was mainly due to the decrease in net sales and the increase in property and equipment.
6. The decreases in turnover, return on assets, return on equity, net income before tax to paid-in capital, net income ratio and earnings per share were mainly due to the decrease in net income before and after tax for the year compared to the previous year.
7. The decrease in cash flow ratio compared to last year was mainly due to the decrease in net cash flow from operating activities and the increase in current liabilities.
8. The decrease in cash flow fair ratio was mainly due to the increase in capital expenditures compared to last year.
9. The decrease in cash reinvestment ratio compared to last year was mainly due to the decrease in net cash flow from operating activities and the increase in cash dividends paid.

Note 1: Equations:

1. Capital Structure

(1) Debt ratio = Total liability / Total assets

(2) Ratio of long-term capital to property, plant and equipment = (Net shareholders' equity + Long-term liability) / Net property, plant and equipment

2. Solvency

(1) Current ratio: Current assets / current liability

(2) Quick ratio = (Current assets – Inventory – Prepaid expense) / current liability

(3) Times interest earned = Net income before tax and interest expense / Interest expense of the year

3. Operating ability

(1) Account receivable turnover (including accounts receivable and notes receivable derived from business operations) = Net sales / Average accounts receivable (including accounts receivable and notes receivable derived from business operation)

(2) Days sales in accounts receivable = 365 / Account receivable turnover

(3) Inventory turnover = Cost of goods sold / Average inventory amount

(4)Account payable turnover (including accounts payable and notes payable derived from business operation) = Cost of goods sold / Average accounts payable (including accounts payable and notes payable derived from business operation)

(5) Average days in sales = 365 / Inventory turnover

(6) Fixed assets turnover = Net sales / Net fixed assets

(7) Total assets turnover = Net sales / Total assets

4. Profitability

(1) Return on assets = (Net income (loss) + interest expense x (1-tax rate)) / Average total assets

(2) Return on shareholders' equity = Net income (loss) / Net average shareholders' equity

(3) Return to issued capital stock = Net income before tax / Issued capital stock

(4) Profit ratio = Net income (loss) / Net sales

(5) Basic earnings per share = (Net income – preferred stock dividend) / Weighted average stock shares issued

5. Cash flow

(1) Cash flow ratio = Bet cash flow from operating activity / Current liability

(2) Cash flow adequacy ratio = Net cash flow from operating activity in the past 5 years / (Capital expenditure + Inventory

interest + Cash dividend) in the past 5 years

(3) Cash + reinvestment ratio = (Net cash flow from operating activity – Cash dividend) / (Fixed assets + Long term investment + Other assets + Working capital)

6. Balance

(1) Degree of operating leverage = (Net operating income – Variable operating cost and expense) / Operating income)

(2) Degree of financial leverage = Operating income / (Operating income – interest expense)

Note 2: The net cash flow in operating activity is negative, it not apply.

6.2.2 Individual Financial Analysis

Individual Financial Analysis- Based on IFRS

Item	Year	Financial Analysis for the Last Five Years				
		2018	2019	2020	2021	2022
Financial structure (%)	Debt Ratio	36.54	42.47	37.03	6.70	32.29
	Ratio of long-term capital to property, plant and equipment	1,465.56	1,473.25	2,020.24	5,591.36	1,343.26
Solvency (%)	Current ratio	26.39	30.55	49.15	451.38	67.20
	Quick ratio	25.77	30.50	49.13	451.08	67.20
	Interest earned ratio (times)	25.24	17.79	33.54	298.55	119.90
Operating performance	Accounts receivable turnover (times)	10.03	7.94	13.36	66.64	36.82
	Average collection period	36	45.97	27.32	5.48	9.91
	Inventory turnover (times)	-	-	-	-	-
	Accounts payable turnover (times)	77.21	150.11	-	-	-
	Average days in sales	-	-	-	-	-
	Property, plant and equipment turnover (times)	2.34	1.82	3.25	18.42	5.45
	Total assets turnover (times)	0.12	0.08	0.13	0.43	0.20
Profitability	Return on total assets (%)	9.75	6.51	12.17	50.20	21.75
	Return on stockholders' equity (%)	14.90	10.18	19.54	59.79	27.19
	Pre-tax income to paid-in capital (%)	30.05	21.64	46.10	272.90	189.29
	Profit ratio (%)	81.50	74.37	91.33	117.58	108.90
	Earnings per share (NT$)	3.07	2.15	4.72	30.03	18.03
Cash flow	Cash flow ratio (%)	Note1	Note1	Note1	Note1	Note1
	Cash flow adequacy ratio (%)	-	-	-	-	-
	Cash reinvestment ratio (%)	Note1	Note1	Note1	Note1	Note1
Leverage	Operating leverage	1.00	1.00	1.00	1.00	1.00
	Financial leverage	1.04	1.06	1.03	1.00	1.01

Analysis of financial ratio differences for the last two years.

1. The increase in debt to assets ratio was mainly due to the increase in total liabilities.
2. The decrease in the ratio of long-term capital to property, plant and equipment was mainly due to the increase in net fixed assets.
3. The decrease in current ratio and quick ratio was mainly due to the increase in current liabilities.
4. The decrease in interest coverage multiple was mainly due to the decrease in net income before tax.
5. The increase in average collection days was mainly due to the decrease in accounts receivable turnover rate.
6. The decrease in turnover of property, plant and equipment was mainly due to the decrease in net sales and the increase in property and equipment.
7. The decreases in turnover, return on assets, return on equity, net income before tax to paid-in capital, net income ratio and earnings per share were mainly due to the decrease in net income before and after tax for the year compared to the previous year.

Note1: it was negative.

Note2:

1. Capital Structure

(1) Debt ratio = Total liability / Total assets

(2) Ratio of long-term capital to property, plant and equipment = (Net shareholders' equity + Long-term liability) / Net property, plant and equipment

2. Solvency

(1) Current ratio: Current assets / current liability

(2) Quick ratio = (Current assets – Inventory – Prepaid expense) / current liability

(3) Times interest earned = Net income before tax and interest expense / Interest expense of the year

3. Operating ability

(1) Account receivable turnover (including accounts receivable and notes receivable derived from business operations) =

Net sales / Average accounts receivable (including accounts receivable and notes receivable derived from business operation)

(2) Days sales in accounts receivable = 365 / Account receivable turnover

(3) Inventory turnover = Cost of goods sold / Average inventory amount

(4)Account payable turnover (including accounts payable and notes payable derived from business operation) =

Cost of goods sold / Average accounts payable (including accounts payable and notes payable derived from business operation)

(5) Average days in sales = 365 / Inventory turnover

(6) Fixed assets turnover = Net sales / Net fixed assets

(7) Total assets turnover = Net sales / Total assets

4. Profitability

(1) Return on assets = (Net income (loss) + interest expense x (1-tax rate)) / Average total assets

(2) Return on shareholders' equity = Net income (loss) / Net average shareholders' equity

(3) Return to issued capital stock = Net income before tax / Issued capital stock

(4) Profit ratio = Net income (loss) / Net sales

(5) Basic earnings per share = (Net income – preferred stock dividend) / Weighted average stock shares

issued

5. Cash flow

(1) Cash flow ratio = Bet cash flow from operating activity / Current liability

(2) Cash flow adequacy ratio = Net cash flow from operating activity in the past 5 years / (Capital expenditure + Inventory interest + Cash dividend) in the past 5 years

(3) Cash + reinvestment ratio = (Net cash flow from operating activity – Cash dividend) / (Fixed assets + Long term investment + Other assets + Working capital)

6. Balance

(1) Degree of operating leverage = (Net operating income – Variable operating cost and expense) / Operating income)

(2) Degree of financial leverage = Operating income / (Operating income – interest expense)

6.3 Audit Committee's Review Report in the Most Recent Year

T3EX Global Holdings Corp.

Audit Committee's Review Report

Date: March 9, 2023

The Board reports the financial statement, business report, and earnings distribution proposal of 2021, and financial statement have been audited by KPMG Taiwan. The financial statements, business report and earnings distribution proposal have been reviewed and determined to correct and accurate by the Audit Committee members of T3EX Global Holdings Corp. According to relevant requirements of the Securities and Exchange Act and the Company Law, we hereby submit this report.

Submitted to:

2023 Regular Shareholders' Meeting of the Company

Chairman of the Audit Committee
Li-Chiu Chang

6.4 Consolidated Financial Statements of the Parent Company and Subsidiary in the Most Recent Year: Please refer page 126-209

6.5 Non-Consolidated Financial Statements of the Most Recent Year:

Please refer page 209-285

6.6 Financial Difficulties Encountered By the Company and the Related Party in the Most Recent Year and Up to the Date of the Annual Report: None.

VII. Review of Financial Position, Management Performance and Risk Management.

7.1 Analysis of Financial Status

Unit: NT$ thousands

Item \ Year	2021	2022	Difference	
			Amount	%
Current Assets	13,887,316	15,564,114	1,676,798	12.07%
Fixed Assets	312,223	844,772	532,549	170.57%
Intangible Assets	557,346	551,343	-6,003	-1.08%
Other Assets	1,847,231	741,337	-1,105,894	-59.87%
Total Assets	16,604,116	17,701,566	1,097,450	6.61%
Current Liabilities	6,039,490	8,092,219	2,052,729	33.99%
Long-term Liabilities	351,508	601,453	249,945	71.11%
Total Liabilities	6,390,998	8,693,672	2,302,674	36.03%
Capital stock	1,447,522	1,433,912	-13,610	-0.94%
Capital surplus	2,546,036	2,530,860	-15,176	-0.60%
Retained Earnings	4,612,097	4,668,663	56,566	1.23%
Other Equity	1,479,163	487,339	-991,824	-67.05%
Treasury Stock	(60,560)	(397,530)	-336,970	556.42%
Non-controlling interests	188,860	284,650	95,790	50.72%
Total Stockholders' Equity	10,213,118	9,007,894	-1,205,224	-11.80%

Analysis of changes in financial ratios:
Fixed Assets : Property, plant and equipment are mainly purchases of real estate.
Other Assets : The decrease was mainly due to the decrease in financial assets measured at fair value through other comprehensive income.
Current Liabilities: The increase in short-term liabilities was mainly due to operating demand.
Long-term Liabilities: The increase was mainly due to the increase in long-term debt and lease liabilities.
Other Equity: The fluctuation of unrealized gain or loss on financial assets measured at fair value through other comprehensive income is mainly due to the fluctuation of unrealized gain or loss on financial assets measured at fair value.
Treasury Stock: This is mainly due to the buyback of treasury stock.
Non-controlling interests: The increase in equity was mainly due to the good operating conditions of the subsidiaries during the year.

- **Effect of changes on the company’s future business and Future response action:**
  The unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income was an unrealized

gain or loss, so it doesn't have big effect on the Company.

7.2 Analysis of Financial Performance

Unit: NT$ thousands

Item \ Year	2021	2022	Difference	
			Amount	%
Sales	36,043,604	28,218,028	-7,825,576	-22%
Cost of Sales	27,917,845	22,619,913	-5,297,932	-19%
Gross Profit	8,125,759	5,598,115	-2,527,644	-31%
Operating Expenses	3,800,305	3,060,562	-739,743	-19%
Operating Income	4,325,454	2,537,553	-1,787,901	-41%
Non-operating Income and Expenses	672,395	871,594	199,199	30%
Income Before Tax	4,997,849	3,409,147	-1,588,702	-32%
Tax Expense	981,188	766,720	-214,468	-22%
Net Income	4,016,661	2,642,427	-1,374,234	-34%

Analysis of changes in financial ratios:
Sales: The operating activities increasing caused the sales grew.
Gross profit: The decrease in operating profit was mainly due to the decrease in freight rates and the decrease in cargo volume during the period.
Operating income & income before tax: The decrease in operating income was mainly due to the decrease in freight rates and the decrease in shipment volume during the period.
Tax expense: The decrease in income tax expense was mainly due to the decrease in net income before tax.
Net income: The decrease in net income was mainly due to the decrease in freight rates and the decrease in cargo volume during the period.

- **Effect of changes on the company's future business and Future response action:** The Company will continue to develop international logistics business with oversea, expand new locations, and deeply develop warehousing, customs declaration, and inland transport to become a total solution logistics company.

7.3 Analysis of Cash Flow

7.3.1 Cash Flow Analysis for the Current Year

Unit: NT$ thousands

Item \ Year	2021	2022	Variance	
			Amount	(%)
Cash flows from operating actives	4,370,463	2,252,742	(2,117,721)	-48%
Cash flows from investing actives	(254,953)	(329,417)	(74,464)	29%
Cash flows from financing actives	249,155	565,712	316,557	127%
Net cash flows	4,364,665	2,489,037	(1,875,628)	-43%

Analysis of financial ratio change: Cash inflows from operating actives: The decrease was mainly due to the decrease in freight rates and the decrease in cargo volume during the year. Cash outflows from investing actives: This is mainly due to the acquisition of real estate during the year. Cash inflows from financing actives: Mainly due to the increase in short-term borrowings.

7.3.2 Remedy for Cash Deficit and Liquidity Analysis:

In light of positive cash flows, remedial actions are not required.

7.3.3 Cash Flow Analysis for the Coming Year

Unit: NT$ thousands

Estimated Cash and Cash Equivalents, Beginning of Year (1)	Estimated Net Cash Flow from Operating Activities (2)	Estimated Net Cash Flow from Investing Activities (3)	Estimated Net Cash Flow from Financing Activities (4)	Cash Surplus (Deficit) (1)+(2)+(3)+(4)
9,569,948	1,500,000	(300,000)	300,000	11,069,948
Analysis of 2022 cash flow: Cash flows from operating actives: The Company will continue to develop business to bring more cash flows. Cash flows from investing actives: The Company is planning to purchase IT equipment for integrating logistics and financial information system. Cash flows from financing actives: The Company will continue to do some financial plans for developing business.				

7.4 Major Capital Expenditure Items: None.

7.5 Investment Policy in the Last Year, Main Causes for Profits or Losses, Improvement Plans and Investment Plans for the Coming Year

7.5.1 Investment policy:

The policy is pursuant on the “Procedures of Acquisition and Disposal of Assets” and Internal Control System.

7.5.2 The reason of profits or Losses:

The Company and its subsidiaries’ investment profit in 2022 were mainly due to the profits of THI Logistics, THI Group (Shanghai) Ltd, and THI Group (HK) Ltd., and Taiwan Express. Due to the business volume and freight rate increasing, as well as expense well-controlled, the subsidiaries created great operating performance.

7.5.3 Investment plans for the coming year:

The Company will continue to invest locations in China and Southern Asia.

7.6 Analysis of Risk Management

7.6.1 Effects of Changes in Interest Rates, Foreign Exchange Rates and Inflation on Corporate Finance, and Future Response Measures

(1)Interest rate

Unit: NT$ thousands

Item\Year	2022
Interest Expenses (A)	48,333
Revenue(B)	28,218,028
Operating Profit(C)	2,537,553
(A)/(B)	0.17%
(A)/(C)	1.90%

Going forward, the Company will continue to carefully monitor interest rate movements, adopt proper hedging strategies, and make use of capital markets financing instruments to ensure that our financing costs are at a comparatively low level.

(2) Foreign exchange rates

Unit: NT$ thousands

Item\Year	2022
Foreign Exchange (A)	233,557
Revenue (B)	28,218,028
(A) / (B)	0.83%

The Company has a clear operating strategy and risk control procedure to respond to changes in the spot exchange rate, stays in close contact with financial institutions, and adjusts its foreign exchange strategy to minimize the risk of exchange rate accordingly.

(3) Inflation

The impact of inflation does not currently have a significant impact on the Company's profits and business operations. The Company will continue to maintain a good relations with shipping companies, airline companies, and overseas agencies to decrease the risk of inflation or deflation.

7.6.2 Policies, Main Causes of Gain or Loss and Future Response Measures with Respect to High-risk, High-leveraged Investments, Lending or Endorsement Guarantees, and Derivatives Transactions

(1) High-Risk, High-Leverage Investment:

In 2020 and as of the date of this annual report, the Company has not conducted any high-risk and/or high-leverage investment.

(2) Loaning or Endorsement Guarantees:

The Company and its subsidiaries conduct loaning or endorsement guarantees according to the internal policy "Operational Procedures for Endorsements and Guarantees" and the "Procedures for Loaning of Funds.". Procedures and risk evaluation are conducted in accordance with this policy. As of the date of this annual report, the Company has conducted loaning and endorsement guarantees as bellows:

(2-1) Loans to other parties: Unit: NTD thousands

Name of lender	Name of borrower	Ending balance	Actual usage amount during the period
The Company	Taiwan Express Logistic Co., Ltd	350,000	0
The Company	THI Logistics Co., Ltd.	80,000	0
THI Logistics Co., Ltd.	Taiwan Express Logistic Co., Ltd	50,000	50,000
THI Group Limited (H.K.)	Taiwan Express (HK) Co.,	18,252	18,252
T.H.I. Group (Shanghai) Ltd.	Shanghai Moorluk International Shipping Co., Ltd.	17,708	0
T.H.I. Group (Shanghai) Ltd.	T-SC Factoring Co., Ltd.	380,713	0
T.H.I. Group (Shanghai) Ltd.	T-Cube Logistics Co.,Ltd	66,404	44,269
Shanghai Yaohwa International Forwarder Co., Ltd.	Shanghai Moorluk International Shipping Co., Ltd.	13,281	0

(2-2) Guarantees and endorsements for other parties: Unit: NTD thousands

Name of guarantor	Counter-party of guarantee and endorsement	Ending balance	Actual usage amount during the period
The Company	Shanghai Yaohwa International Forwarder Co., Ltd.	13,281	0
The Company	T.H.I. Group (Shanghai) Ltd.	468,115	0
The Company	T-Cube Logistics Co.,Ltd	72,058	32,431
The Company	Taiwan Express (HK) Co.,	100,065	0
The Company	THI Group Limited (H.K.)	85,770	5,280
Shanghai Yaohwa International Forwarder Co., Ltd.	T.H.I. Group (Shanghai) Ltd.	3,099	862
THI Group Limited (H.K.)	The Company	669,240	580,000

Name of guarantor	Counter-party of guarantee and endorsement	Ending balance	Actual usage amount during the period
T.H.I. Group (Shanghai) Ltd.	T-SC Factoring Co., Ltd.	221,345	0
Taiwan Express Logistic Co., Ltd.	AIRTROPOLIS EXPRESS(S) PTE LTD	45,865	38,916

(3) Derivatives Transactions:None.

7.6.3 Future Research & Development Projects and Corresponding Budget

The Company did not conduct any research & development projects.

7.6.4 Effects of and Response to Changes in Policies and Regulations Relating to Corporate Finance and Sales

The Company consistently pays close attention to any changes in local and foreign policies and makes appropriate amendments to our systems when necessary. During 2020 and as of the date of publication of this annual report, changes in related laws have not had a significant impact on our operations.

7.6.5 Effects of and Response to Changes in Technology and the Industry Relating to Corporate Finance and Sales

The Company attaches great importance to improvements in technology and carefully monitors market trends and assesses the impact they may have on the company’s operations.

7.6.6 The Impact of Changes in Corporate Image on Corporate Risk Management, and the Company’s Response Measures

Since its inception, the Company has consistently maintained an ethical business philosophy and fulfilled its social responsibilities. Aside from working to strengthen internal management and conforming to all relevant corporate governance requirements, the Company has also organized numerous public welfare activities.

7.6.7 Expected Benefits from, Risks Relating to and Response to Merger and Acquisition Plans

The Company has no ongoing merger and acquisition activities. In considering future M&A activities, the Company will evaluate their efficiency, risks, vertical integration and other factors in accordance with its internal control system.

7.6.8 Expected Benefits from, Risks Relating to and Response to Factory Expansion Plans

The Company has no factory expansion plans.

7.6.9 Risks Relating to and Response to Excessive Concentration of Purchasing Sources and Excessive Customer Concentration

The Company has consistently focused on identifying alternative sources for purchasing, and has worked to diversify its customer base in order to reduce the concentration of sales.

7.6.10 Effects of, Risks Relating to and Response to Large Share Transfers or Changes in Shareholdings by Directors, Supervisors, or Shareholders with Shareholdings of over 10%

The shareholdings of the Company's directors and shareholders with shareholdings of over 10% have been stable during the last few years.

7.6.11 Effects of, Risks Relating to and Response to the Changes in Management Rights

The structure of our principal shareholders is solid. A strong professional management team is in place to maximize both shareholders and the Company's best interest. Accordingly, we believe that the risk of changing in management rights that would cause damage to the Company is mitigated. In addition, our risk management department is responsible to monitor any related risks and report to the Board. Our policy is to maintain a steady ownership and management structure. As of the date of this Annual Report, such risks were not identified by the Company.

7.6.12 Litigation or Non-litigation Matters

(1) Major ongoing lawsuits, non-lawsuits or administrative lawsuit: None.

(2) Major ongoing lawsuits, non-lawsuits or administrative lawsuits caused by directors, supervisors or shareholders with over 10% shareholdings: None.

7.6.13 Other Major Risks: None.

(1) IT security risks: The Company has listed IT security risks as annual important audit plan, as of date of this Annual Report, such risks were not identified by the Company.

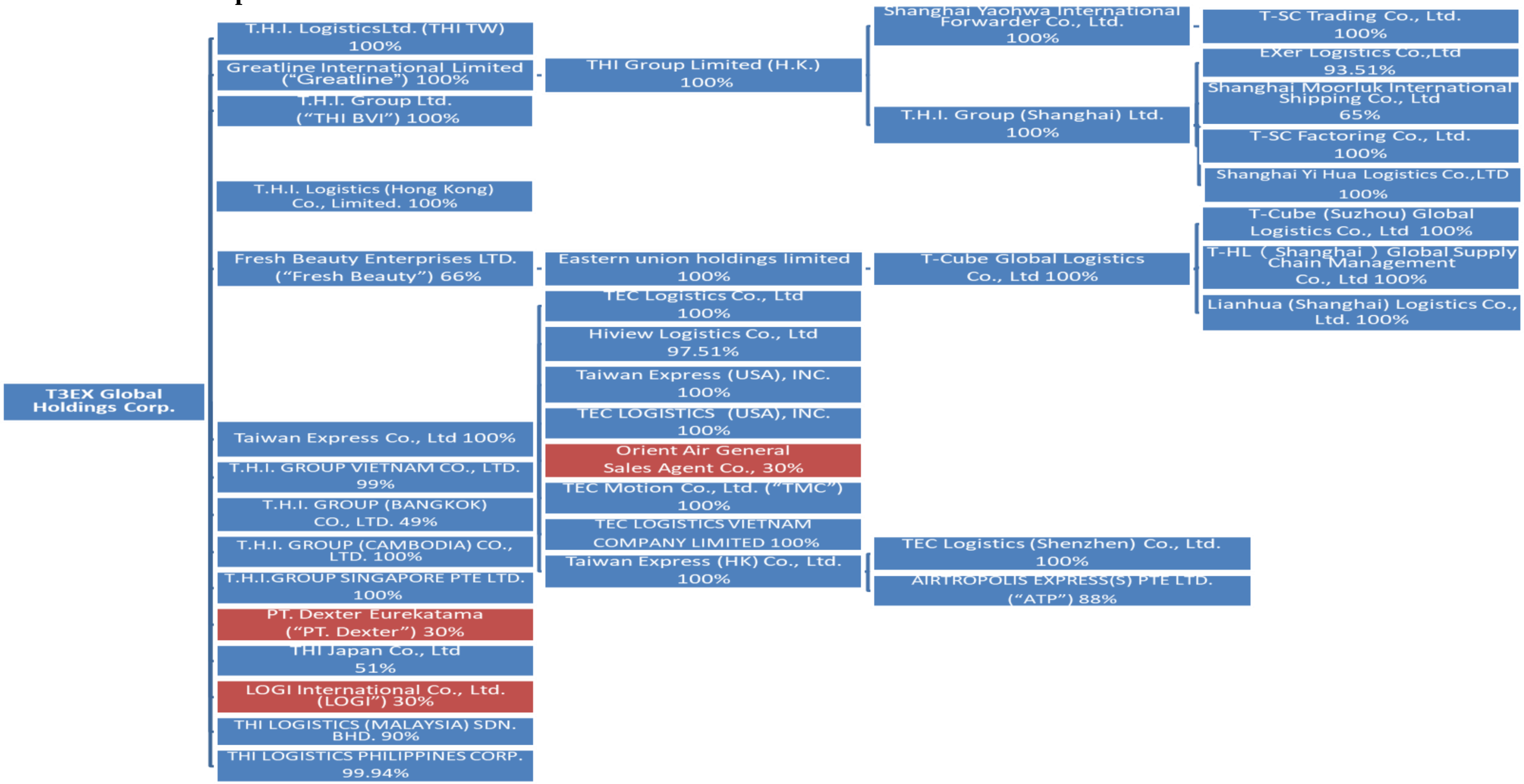
(2) The Covid-19 virus risks: The Company has held the project team for the impact of covid-19 virus at the beginning of pandemic. As of date of this Annual Report, such risks were not identified by the Company.

VIII. Special Disclosure

March 31, 2022

8.1 Summary of Affiliated Companies:

8.1.1 Affiliated Companies Cha



8.1.2 The Detail Information of Affiliated Companies

Unit: thousands

Name of Subisidary	Foundation Date	Address	Share Capital	Major Business
Greatline International Limited	2001.06.08	P.O.Box 438, Road Town, Tortola, British Virgin islands.	USD4,050	Offshore holdings company
T.H.I. Group Ltd (BVI)	2001.03.22	P.O.Box 3444, Road Town, Tortola, British Virgin Islands.	USD1,000	Offshore settlement company
T.H.I. Group Limited (HK)	1988.04.29	Rm601-7,Prosperity Millennia Plaza, 663 King's Rd.,Quarry Bay,HK.	HKD12,480	Air & sea freight forwarding
T.H.I. Group (Shanghai) Ltd.	2001.03.05	10F, Kaikai Plaza, No 888 Wanhangdu Road, Jinan District, Shanghai, 200042	USD3,060	Air & sea freight forwarding and customs clearance
Shanghai Yi Hua Logistics Co.,LTD	2023.03.29	Room 1125, No. 35 Rijing Road, China (Shanghai) Pilot Free Trade Zone	CNY500,000	Air & sea freight forwarding and customs clearance
Shanghai Yaohwa International Forwarder Co., Ltd	2004.07.28	Room 5F/Room F2, No.61 YangShuPu Road, Shanghai, P.R. China	USD1,700	Air & sea freight forwarding and customs clearance
T.H.I. Logistics Ltd	2012.06.21	12F. , No. 563 , Sec . 4, Zhongxiao E. Rd . Xinyi District , Taipei City 11072 , Taiwan	NTD130,000	Air & sea freight forwarding
T.H.I. Group Vietnam Co., Ltd	2007.12.24	Floor 7, No 09 Dinh Tien Hoang, Dakao, Ward,Dist 1, , Hochiminh city	VND5,000,000	Air & sea freight forwarding and packaging
T.H.I. GROUP (BANGKOK) COMPANY LIMITED	2009.04.07	2/22 Iyara Tower, 6th Fl., Unit 603,Chan Rd., Thungwatdon, Sathorn, Bangkok	THB5,000	Air & sea freight forwarding and packaging
T.H.I. GROUP (CAMBODIA) Co., Ltd.	2012.03.19	5th Floor, #66 SSN Building, Norodom Bvld, Phnom Penh, Cambodia	USD150	Air & sea freight forwarding
T.H.I.GROUP SINGAPORE PTE LTD	2014.11.06	115 AIRPORT CARGO ROAD#06-19 CARGO AGENTS BUILDING C SINGAPORE (819466)	SGD930,000	Air & sea freight forwarding
T H I LOGISTICS PHILIPPINES	108.07.23	Unit 1605 AYALA Triangle, Tower 1 Plaza, AYALA Avenue, BEL-AIR MAKATI CITY.	PHP27,801,750	Air & sea freight forwarding

Name of Subisidary	Foundation Date	Address	Share Capital	Major Business
CORP.				
T.H.I. Japan Co., Ltd	2010.07.14	7F, Shinsendo BLDG 2-15-15, Nihonbashi Ningyocho, Chuo-ku, Tokyo Japan 103-0013	JPY60,000,000	Air & sea freight forwarding
Taiwan Express Logistic Co., Ltd.	1992.09.04	3F, No. 16, Section 1, Nánjīng East Rd, Jhongshan District Taipei City, Taiwan	NTD359,584	Air & sea freight forwarding and customs clearance
Taiwan Express (HK) Co., Ltd.	1997.11.17	13005E-13006E,13/F., ATL Logistics Centre B, Berth 3, Kwai Chung Container Terminal, Kwai Chung, N.T.	HKD70,550	Freight forwarding, customs clearance, and distribution
TEC Logistics Co., Ltd	2003.10.13	3F, No. 16, Section 1, Nánjīng East Rd, Jhongshan District Taipei City, Taiwan	NTD10,000	Freight forwarding, customs clearance, and distribution
Taiwan Express (USA) INC.	2010.02.18	409 N. OAK STREET, INGLEWOOD, CA 90302	USD1,000	Freight forwarding, customs clearance, and distribution
Hiview Logistics Co., Ltd	1970.01.20	802, 8F, No. 6, Lìxíng 6th Rd, Dong District Hsinchu City, Taiwan	NTD68,000	Freight forwarding, customs clearance, and distribution
TEC Logistics (Shenzhen) Co., Ltd.	2005.02.06	Room28B-C, Office Building, Wan Chen Square, Wong-Kwong Port Shenzhen, China	HKD48,550	Freight forwarding, customs clearance, and distribution
TEC LOGISTICS(USA), INC	2010.08.04	167-16 146th Ave. Jamaica, NY11434, USA	USD290	Freight forwarding, customs clearance, and distribution
AIRTROPOLIS EXPRESS(S) PTE LTD.(ATP)	1991.01.02	119 Airport Cargo Road#01-01/02 changi Cargo Agents Megaplex 1 Singapore	SGD 851	Air Freight forwarding
Fresh Beauty enterprises LTD.	2014.08.21	Level 5,Development Bank of Samoa Building, Beach Road,Apia,Samoa	USD1,751	Offshore holdings company
Eastern union holdings limited	2014.08.15	Room 7C WORLD TRUST TOWER 50 STANLEY STREET CENTRAL, HK.	USD1,751	Offshore holdings company
T-Cube Global Logistics Co., Ltd	2015.08.07	Rm.803,8F, Changhui building.,No.799,yin xiang road,Shanghai,P.R.China 201802	RMB11,000	Warehousing and Transportation
T-Cube (Suzhou) Global Logistics	2019.07.03	No.122, Yongan Roas, Gaosin District, Suzhou.	RMB10	Warehousing and

Name of Subisidary	Foundation Date	Address	Share Capital	Major Business
Co., Ltd				Transportation
EXer Logistics Co.,Ltd.	2015.08.12	No.536, Shenglong Road, Songjiang District, Shanghai	RMB12,438	Express
THI LOGISTICS (MALAYSIA) SDN.BHD	2016.01.26	13-2, Jalan Mahogani 5/KS7,Bandar Botanic, 41200 Selangor Darul Ehsan Malaysia	HYR200	Air & sea freight forwarding and packaging
Shanghai Moorluk International Shipping Co., Ltd	2012.02.14	203 Room, 4F, No.37, 685 Alley, Chang Jhong Road, Hongkou District, Shanghai, China	RMB5,000	Freight forwarding
T-SC Factoring Co., Ltd.	2018.03.01	No.106, Fung Ze East Road, Nansha District, Guangzhou	RMB50,000	Supply chain finance.
T-SC Trading Co., Ltd.	2019.07.17	C Room, 9F, No.8, East Road, Free trade zone, Shanghai.	RMB 50	Supply chain finance, trade
TEC LOGISTICS VIETNAM COMPANY LIMITED	109.02.06	9th Floor, Detech Tower II, No 107 Nguyen Phong Sac Street, Dich Vong Hau Ward, Cau Giay District, Ha Noi City, Viet Nam	USD350	Air & sea freight forwarding
T-HL（Shanghai）Global Supply Chain Management Co., Ltd	110.08.25	Room 1207B, No.28 Maji Road, China (Shanghai) Pilot Free Trade Zone	RMB1,000	Supply chain management
TEC Motion Co., Ltd.	92.10.13	4F-2, No. 43, Yi 1st Rd., Zhongzheng Dist., Keelung City 202001, Taiwan (R.O.C.)	NTD75,000	Automobile container freight industry

8.1.3: Shareholding of Directors, Supervisors, Managers of Affiliated Companies

Affiliated Companies	Position	Name	Current shareholding	
			Shares	Shareholding ratio
GREATLINE INTERNATIONAL LIMITED	Investor	T3EX Global Holdings Corp.	4,050,000	100%
	Representative	David Yen	-	-
THI GROUP LIMITED(H.K)	Investor	GREATLINE INTERNATIONAL LIMITED	12,480,000	100%
	Director	Jack Lai	-	-
	Director & GM	Billy Yuen	-	-
T.H.I Group Ltd(BVI)	Investor	T3EX Global Holdings Corp.	1,000,000	100%
	Representative	David Yen		
T.H.I. Group (Shanghai) Ltd.	Investor	THI GROUP LIMITED(H.K)	-	100%
	Chairman	David Yen	-	-
	Representative Director & GM	Jack Lai	-	-
	Director	May Lo	-	-
	Supervisor	Melonie Lin	-	-
Shanghai Yaohwa International Forwarder Co., Ltd	Investor	THI GROUP LIMITED(H.K)	-	100%
	Chairman	May Lo	-	-
	Representative Director & GM	Shen Yun	-	-
	Director	Jack Lai	-	-
	Supervisor	Melonie Lin	-	-
Shanghai Moorluk International Shipping Co., Ltd	Investor	T.H.I. Group (Shanghai) Ltd.	-	65%
	Investor	Vivian Chang	-	5%
	Chairman	Jack Lai		
	Director & GM	Vivian Chang	-	30%
	Director	David Yen	-	-
	Director	Carl Wei	-	-
	Supervisor	Melonie Lin	-	-
T-Cube Global Logistics Co., Ltd	Investor	Eastern union holdings limited	-	100%
	Chairman	Jack Lai	-	-
	Representative Director & GM	Peter Liu	-	-
	Director	David Yen	-	-
	Director	Helen Zheng	-	-
	Director	HUI- CHAO HU	-	-
	Supervisor	Melonie Lin	-	-
T-Cube (Suzhou)	Investor	T-Cube Global Logistics Co., Ltd	-	100%

Global Logistics Co., Ltd	Chairman	Jack Lai	-	-
	Representative Director & GM	Peter Liu	-	-
	Supervisor	Melonie Lin	-	-
EXer Logistics Co.,Ltd.	Investor	T.H.I. Group (Shanghai) Ltd.	-	93.5069%
	Investor	CHUN-TSANG Investment		2.3734%
	Investor	LE-HUA LIU	-	4.1197%
	Chairman Representative Director & GM	Yi-Ying	-	-
	Director	Jack Lai	-	-
	Director	Melonie Lin	-	-
	Supervisor	Hong-Ji Ruan	-	-
T-SC Factoring Co., Ltd.	Investor	T.H.I. Group (Shanghai) Ltd.	-	100%
	Chairmen	Jack Lai	-	-
	Director	David Yen	-	-
	Representative General Manager	Ryan Chen	-	-
	Supervisor	Helen Zheng	-	-
T-SC Trading Co., Ltd.	Investor	Shanghai Yaohwa International Forwarder Co., Ltd	-	100%
	Executive Director	Ryan Chen	-	-
	Supervisor	Melonie Lin	-	-
Eastern union holdings limited	Investor	Fresh Beauty enterprises LTD.	-	100%
	Representative Director	Jack Lai	-	-
Fresh Beauty enterprises LTD.	Investor	T3EX Global Holdings Corp.	66	66%
		NEW CONCEPT INVESTMENT LIMITED	34	34%
	Director	Jack Lai	-	-
	Director	David Yen	-	-
	Director	Peter Liu		
T.H.I. Group Vietnam Co., Ltd	Investor	T3EX Global Holdings Corp.	4,950,000,000	99%
		Dai Hoa International Transportation Co., Ltd.	50,000,000	1%
	Representative General Manager	Jeff Chen	-	-
T.H.I. GROUP (BANGKOK) COMPANY LIMITED	Investor	T3EX Global Holdings Corp.	-	49%
		Boonpen Chuparkpien	-	30%
		Parnurut Punputtapong	-	20%
	Representative	Jack Lai	-	1%

T.H.I. GROUP (CAMBODIA) Co., Ltd.	Investor	T3EX Global Holdings Corp.	-	100%
	Director	Jeff Chen	-	-
	Representative			
	General Manager			
T.H.I.GROUP SINGAPORE PTE LTD	Investor	T3EX Global Holdings Corp.	930,000	100%
	Director	David Yen	-	-
	Director	Jack Lai	-	-
	Director	Chng Loo Seng	-	-
THI LOGISTICS (MALAYSIA) SDN.BHD	Investor	T3EX Global Holdings Corp.	1,350,000	90%
		Cindy Thong LAI YOONG	75,000	5%
		Chang KOK KEONG	75,000	5%
	Director	Jack Lai	-	-
	Director	Cindy Thong LAI YOONG	-	-
	Director	Chang KOK KEONG	-	-
THI LOGISTICS PHILIPPINES CORP.	Investor	T3EX Global Holdings Corp.	419,750	99.94%
	Director	David Yen	110	0.026%
	Director	Jack Lai	110	0.026%
	Director	Geraldine O. Morales	10	0.0023%
	Director	Marie Salcedo	10	0.0023%
	Director	Marcibelle Chen Manahan	10	0.0023%
THI Japan Co., Ltd	Investor	T3EX Global Holdings Corp.	3,060	51%
		Satoshi Ikeda	2,000	33.33%
		SENKO	940	15.67%
	Representative	Satoshi Ikeda	-	-
	Director			
	Director	David Yen	-	-
	Director	Jack Lai		
	Director	Allen Hou	-	-
	Director	Yuji Ishii	-	-
Taiwan Express Logistic Co., Ltd.	Investor	T3EX Global Holdings Corp.	35,958,400	100%
	Chairman/GM	Benison Hsu	-	-
	Director	Andy Wan	-	-
	Director	Allen Hou	-	-
	Director	David Yen	-	-
	Director	Jack Lai	-	-
	Supervisor	Melonie Lin	-	-
T.H.I. Logistics Ltd	Investor	T3EX Global Holdings Corp.	13,000,000	100%
	Chairman &GM	David Yen	-	-
	Director	Jack Lai	-	-
	Director	Benison Hsu	-	-
	Director	Allen Hou	-	-
	Supervisor	Echo Wan	-	-
Taiwan Express (USA) INC.	Investor	Taiwan Express Logistic Co., Ltd.	100,000	100%
	Director	Benison Hsu	-	-
	Director	TSAI- CHUAN Liu	-	-
TEC Logistics	Investor	Taiwan Express Logistic Co., Ltd.	200	100%

(USA) INC.	Director	Benison Hsu	-	-
	Director	TSAI- CHUAN Liu	-	-
TEC Logistics Co., Ltd	Investor	Taiwan Express Logistic Co., Ltd.	1,000,000	100%
	Chairman	Benison Hsu	-	-
	Director	Andy Wan	-	-
	Director	Julie Chen	-	-
	Supervisor	Melonie Lin	-	-
Hiview Logistics Co., Ltd	Investor	Taiwan Express Logistic Co., Ltd.	5,000,000	97.51%
	Chairman	Julie Chen	-	-
	Director	Benison Hsu	-	-
	Supervisor	Melonie Lin	-	-
Taiwan Express (HK) Co., Ltd.	Investor	Taiwan Express Logistic Co., Ltd.	-	100%
	Director	Benison Hsu	-	-
TEC Logistics (Shenzhen) Co., Ltd.	Investor	Taiwan Express (HK) Co., Ltd.	-	100%
	Director	Benison Hsu	-	-
	Director	Allen Chiu	-	-
	Director	MING-SHIN JOU	-	-
AIRTROPOLIS EXPRESS(S) PTE LTD. (ATP)	Investor	Taiwan Express (HK) Co., Ltd.	553	65%
	Director	Allen Hou	-	-
	Director	CHNG LOO SENG	102	12%
	Director	Benison Hsu	-	-
	Director	Andy Wan	-	-
	Director	Jack Lai	-	-
TEC LOGISTICS VIETNAM COMPANY LIMITED	Investor	Taiwan Express Logistic Co., Ltd.	-	100%
	Representative	Benison Hsu	-	-

8.1.4 The Operating Condition of Affiliated Companies：

Unit: NT$ thousands

Affiliated Companies	Share Capital	Total Assets	Total liabilities	Total equity	Revenue	Operating Income	Net Income	EPS
		Amount	Amount					
T.H.I. Group Ltd	35,000	141,109	0	141,109	0	(93)	13,503	0
GREATLINE INTERNATIONAL LIMITED	134,428	6,518,249	0	6,518,249	0	(89)	1,555,282	0
T.H.I. Logistics Ltd	130,000	544,851	201,597	343,254	2,921,770	166,100	168,485	0
THI GROUP LIMITED(H.K)	48,448	7,420,311	906,805	6,513,506	2,061,257	413,516	1,555,313	0
T.H.I. Group (Shanghai) Ltd.	92,883	6,523,619	1,990,583	4,533,036	15,613,311	1,231,126	1,143,722	0
Shanghai Yaohwa International Forwarder Co., Ltd	55,031	160,798	11,180	149,602	86,932	1,634	7,624	0
T.H.I. Group Vietnam Co.,LTD	9,534	768,865	218,384	550,481	1,320,247	188,665	154,692	0
T.H.I. GROUP (BANGKOK) CO., LTD.	4,841	240,559	47,946	192,613	546,501	99,297	77,785	0
T.H.I. GROUP (CAMBODIA) Co., Ltd.	4,462	86,951	18,232	68,719	129,741	18,680	4,283	0
T.H.I. Group Singapore PTE. LTD.	20,939	5,744	(31)	5,775	0	(2)	(108)	0
T.H.I. Logistics (Malaysia) SDN. BHD	11,535	69,924	13,505	56,419	366,247	24,841	17,315	0
T.H.I. LOGISTICS PHILIPPINES CORP.	16,444	71,579	8,874	62,705	143,946	21,263	23,578	0
T.H.I. Logistics (Hong Kong) Co., Ltd.	197,239	197,010	0	197,010	0	0	0	0
T.H.I. Japan Co., Ltd.	15,660	174,983	85,461	89,522	492,459	56,532	32,083	0
Fresh Beauty Enterprises Ltd.	57,411	219,770	1	219,769	0	0	73,447	0
Eastern union holdings limited	57,411	219,526	1	219,525	0	0	73,504	0
T-Cube Global Logistics Co., Ltd	54,610	579,859	360,700	219,159	976,642	158,301	73,523	0
T-HL（Shanghai）Global Supply Chain Management Co., Ltd	0	0	0	0	0	0	0	0
T-Cube (Suzhou) Global Logistics Co., Ltd	43	472	369	103	2,296	(1)	13	0
EXer Logistics Co.,Ltd.	58,023	117,973	1,524	116,449	99,622	4,500	11,556	0
Shanghai Moorluk International	22,460	77,307	31,125	46,182	617,026	8,105	12,075	0
T-SC Factoring Co., Ltd.	215,680	261,541	34,293	227,248	18,128	5,858	4,599	0
T-SC Trading Co., Ltd.	4,273	4,279	(4)	4,283	0	0	(16)	0
Lianhua (Shanghai) Logistics Co., Ltd.	0	0	0	0	0	0	0	0
Taiwan Express Logistic Co., Ltd.	359,584	2,268,171	1,356,222	911,949	3,236,574	94,477	211,366	0
Taiwan Express (USA) INC.	31,629	79,141	17,533	61,608	114,328	36,343	26,094	0
TEC Logistics Co., Ltd	10,000	32	195	(163)	0	0	0	0
Hiview Logistics Co., Ltd	68,000	149,304	49,285	100,019	246,167	21,475	18,053	0

Affiliated Companies	Share Capital	Total Assets	Total liabilities	Total equity	Revenue	Operating Income	Net Income	EPS
		Amount	Amount					
Taiwan Express (HK) Co., Ltd.	266,807	712,263	131,541	580,722	552,781	(12,320)	72,553	0
TEC Logistics (Shenzhen) Co., Ltd.	183,901	428,003	124,287	303,716	1,045,180	38,901	32,326	0
TEC LOGISTICS(USA), INC	8,549	31,439	7,838	23,601	73,030	15,242	9,906	0
TEC LOGISTICS VIETNAM COMPANY LIMITED	25,332	33,516	6,002	27,514	67,256	3,571	2,802	0
TEC Motion Co., Ltd.	75,000	53,167	2,357	50,810	15,364	994	810	0
Air Tropolis Express (S) Pte Ltd.	19,026	275,633	101,714	173,919	825,511	69,333	58,489	0

8.2 Private Placement Securities in the Most Recent Years: None.

8.3 Any Events in 2022 and as of the Date of this Annual Report that had Significant Impacts on Shareholders' Right or Security Prices as Stated in Item 2 Paragraph 2 of Article 36 of Securities and Exchange Law of Taiwan: None.

Independent Auditors' Report

To the Board of Directors of T3EX Global Holdings Corp.

Opinion

We have audited the consolidated financial statements of T3EX Global Holdings Corp. ("the Company"), and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effects by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Account of Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a seperate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Revenue recognition

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

   Description of key audit matter:

   The Group mainly engages in sea and air freight forwarding, and total logistics solution. Therefore, the revenue is a matter to the users of the consolidated financial statements. Consequently, this is one of the key assessment areas in our audit.

How the matter was addressed in our audit:

Understanding the internal control on revenue recognition applied by the management and assessing whether appropriate accounting policy is applied; performing the analysis on revenue from the top ten customers to verify whether or not any unusual transaction has incurred; performing the sampling procedures to verify records and supporting document of the transactions; selecting a period before and after the reporting date to assess whether revenue recognized in the correct period.

2. Goodwill and other intangible assets impairment assessment

Please refer to Notes 4(l) "Impairment of non-financial assets" of the consolidated financial statements, Note 5 for assumptions on the accounting estimates and assumptions on the impairment of goodwill and other intangible assets of consolidated financial statements, and Note 6(j) for the details of the intangible assets in consolidated financial statements.

Description of key audit matter:

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 our audit focus on.

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; obtaining impairment assessment reports issued by an external expert 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.

3. Accounts receivable evaluation

Please refer to Note 4(g) "impairment of financial assets" of consolidated financial statements, Note 5 "Estimation uncertainty of the impairment of the receivable" of consolidated financial statements and Note 6(d) "impairment of the receivables" of consolidated financial statements.

Description of key audit matter:

The Group deal with its main customers on credit, so Group's receivables are exposed to the credit risk. When the customer defaults, the receivables may be impaired. Since the collectability assessment of receivables depends on management's judgment. Consequently, this is one of the key assessment areas in our audit.

How the matter was addressed in our audit:

Understanding impairment policy applied to the receivables by the management; assessing whether it is based on appropriate accounting policies. Inquiring the management whether there was any receivable with difficulty to collect; performing a sampling procedure to check the correctness of the aging of receivables and to review the collection of receivables in the subsequent period to understand if there were any significant overdue receivables to evaluated the provisions for impairment of receivables are adequate.

Other Matter

T3EX Global Holdings Corp. has prepared its parent-company-only financial statements as of and for the years then ended December 31, 2022 and 2021, on which we have expressed an unqualified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, IFRC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’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 Group 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 Group’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 Standards on Auditing of 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 consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated 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 Group’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 Group’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 consolidated 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 auditors’ report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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 entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group 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 consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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' audit report are
Pei-Chi Chen and Chi-Lung Yu.

KPMG

Taipei, Taiwan (Republic of China)
March 9, 2023

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

T3EX GLOBAL HOLDINGS CORP. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	Assets		December 31, 2022 Amount	%	December 31, 2021 Amount	%
	Current assets:					
1100	Cash and cash equivalents (notes 6(a) & (z))	$	9,569,948	54	6,781,308	41
1110	Current financial assets at fair value through profit or loss (notes 6(b) & (z))		116,179	1	969,446	6
1120	Current financial assets at fair value through other comprehensive income (notes 6(c) & (z))		1,796,323	10	717,193	4
1150	Notes receivable, net (note 6(d) & (u))		62,152	-	80,211	1
1170	Accounts receivable, net (note 6(d) & (u))		2,327,507	13	4,886,840	29
1180	Accounts receivable due from related parties, net (notes 6(d) & (u) & 7)		467	-	7,218	-
1470	Other current assets (notes 6(a) & 8)		1,691,538	10	445,100	3
	Current assets		15,564,114	88	13,887,316	84
	Non-current assets:					
1517	Non-current financial assets at fair value through other comprehensive income (notes 6(c) & (z))		118,844	1	1,283,094	8
1550	Investments accounted for using equity method (note 6(e))		49,303	-	48,690	-
1600	Property, plant and equipment (notes 6(h) & 8)		844,772	5	312,223	2
1755	Right-of-use assets (note 6(i))		366,617	2	282,314	2
1805	Goodwill (note 6(j))		497,851	3	494,667	3
1821	Other intangible assets, net (note 6(j))		53,492	-	62,679	-
1840	Deferred tax assets (note 6(p))		55,095	-	51,055	-
1920	Refundable deposits (note 8)		117,744	1	119,570	1
1995	Other non-current assets, others (note 8)		33,734	-	62,508	-
	Non-current assets		2,137,452	12	2,716,800	16
	Total assets	$	17,701,566	100	16,604,116	100

	Liabilities and Equity		December 31, 2022 Amount	%	December 31, 2021 Amount	%
	Current liabilities:					
2100	Short-term borrowings (notes 6(k), (z), (ac) & 8)	$	3,450,585	20	790,715	5
2150	Notes payable		16,521	-	21,439	-
2170	Accounts payable		1,025,752	6	2,257,743	14
2180	Accounts payable to related parties (note 7)		747	-	54	-
2216	Dividends payable		709,176	4	-	-
2219	Other payables		2,001,400	11	2,140,636	13
2230	Current tax liabilities		430,065	2	583,436	3
2280	Current lease liabilities (notes 6(n), (y), (z) & (ac) and 7)		184,473	1	207,618	1
2322	Current portion of long-term borrowings (notes 6(l), (z) & (ac))		210,463	1	1,445	-
2399	Other current liabilities, others (note 6(o))		63,037	-	36,404	-
	Current liabilities		8,092,219	45	6,039,490	36
	Non-Current liabilities:					
2540	Long-term borrowings (notes 6(l), (z) & (ac) & 8)		337,500	2	200,481	1
2570	Total deferred tax liabilities (note 6(p))		205	-	184	-
2580	Non-current lease liabilities (notes 6(n), (y), (z) & (ac) and 7)		190,118	1	82,478	1
2640	Net defined benefit liability, non-current (note 6(o))		50,642	-	68,365	-
2645	Guarantee deposits received		2,950	-	-	-
2670	Other non-current liabilities, others(note)		20,038	-	-	-
	Non-current liabilities		601,453	3	351,508	2
	Total liabilities		8,693,672	48	6,390,998	38
	Equity attributable to owners of parent (notes 6(c), (g), (m) &(q)):					
3110	Ordinary shares		1,433,912	8	1,447,522	9
3200	Capital surplus		2,530,860	15	2,546,036	15
3300	Retained earnings		4,668,663	26	4,612,097	28
3400	Other equity		487,339	3	1,479,163	9
3500	Treasury shares		(397,530)	(2)	(60,560)	-
	Equity attributable to owners of the Company		8,723,244	50	10,024,258	61
36xx	Non-controlling interests		284,650	2	188,860	1
	Total equity		9,007,894	52	10,213,118	62
	Total liabilities and equity	$	17,701,566	100	16,604,116	100

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

T3EX GLOBAL HOLDINGS CORP. AND SUBSIDIARIES

Consolidated Statement of Comprehensive Income

For the years ended December 31, 2022 and 2021

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

		2022		2021	
		Amount	%	Amount	%
4000	**Operating revenue (notes 6(u) & 7)**	$ 28,218,028	100	36,043,604	100
5000	**Operating costs (notes 6(n), (o), 7 & 12)**	22,619,913	80	27,917,845	78
	Gross profit from operations	5,598,115	20	8,125,759	22
	Operating expenses (notes 6(n), (o), (t), 7 & 12)				
6100	Selling expenses	2,236,590	8	2,582,221	7
6200	Administrative expenses	832,806	3	1,160,378	3
6450	Impairment losses (gain on reversal of impairment) (note 6(d))	(8,834)	-	57,706	-
	Total operating expenses	3,060,562	11	3,800,305	10
	Net operating income	2,537,553	9	4,325,454	12
	Non-operating income and expenses:				
7010	Other income (note 6(v))	514,629	2	20,270	-
7020	Other gains and losses (notes 6(b), (j), (w)& 7)	304,173	1	655,122	2
7060	Shares of profit of associates and joint ventures accounted for using equity method, net(note 6(e))	10,409	-	8,219	-
7100	Total interest income (note 6(x))	90,716	-	23,268	-
7510	Financial costs (notes 6(n), (y) & 7)	(48,333)	-	(34,484)	-
	Total non-operating income and expenses	871,594	3	672,395	2
	Profit before tax	3,409,147	12	4,997,849	14
7950	Less: Income tax expenses (note 6(p))	766,720	3	981,188	3
	Profit	2,642,427	9	4,016,661	11
8300	**Other comprehensive income:**				
8310	**Item that may not be subsequently reclassified to profit or loss**				
8311	Remeasurements of defined benefit plans	6,877	-	(8,516)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(1,238,666)	(4)	1,464,851	4
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	1,375	-	-	-
		(1,233,164)	(4)	1,456,335	4
8360	**Item that may not be reclassified to profit or loss**				
8361	Exchange differences on translation of foreign financial statements	304,303	1	(28,603)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Components of other comprehensive income that will be reclassified to profit or loss	304,303	1	(28,603)	-
8300	**Other comprehensive income**	(928,861)	(3)	1,427,732	4
	Total comprehensive income	**$ 1,713,566**	**6**	**5,444,393**	**15**
	Profit attributable to:				
8610	Owners of parent company	$ 2,548,386	9	3,934,872	11
8620	Non-controlling interests	94,041	-	81,789	-
		$ 2,642,427	**9**	**4,016,661**	**11**
	Comprehensive income attributable to:				
8710	Owners of parent company	$ 1,617,776	6	5,377,788	15
8720	Non-controlling interests	95,790	-	66,605	-
		$ 1,713,566	**6**	**5,444,393**	**15**
	Earnings per share (note 6(s))				
9750	**Basic earnings per share (NT dollars)**	**$ 18.03**		**30.03**	
9850	**Diluted earnings per share (NT dollars)**	**$ 18.01**		**30.00**	

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

T3EX GLOBAL HOLDINGS CORP. AND SUBSIDIARIES

Consolidated Statement of Changes in Equity

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent company: Ordinary shares	Capital collected in advance	Capital surplus	Retained earnings: Legal reserve	Retained earnings: Special reserve	Retained earnings: Unappropriated retained earnings	Retained earnings: Total retained earnings	Total other equity interest: Exchange differences on translation of foreign financial statements	Total other equity interest: Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total other equity interest	Treasury shares	Total equity attributable to owners of parent company	Non-controlling interests	Total equity
Balance at January 1, 2021	$ 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	164,263	3,302,990
Profit	-	-	-	-	-	3,934,872	3,934,872	-	-	-	-	3,934,872	81,789	4,016,661
Other comprehensive income	-	-	-	-	-	(8,516)	(8,516)	(13,419)	1,464,851	1,451,432	-	1,442,916	(15,184)	1,427,732
Total comprehensive income	-	-	-	-	-	3,926,356	3,926,356	(13,419)	1,464,851	1,451,432	-	5,377,788	66,605	5,444,393
Appropriation and distribution of retained earnings:														
Legal reserve appropriated	-	-	-	56,372	-	(56,372)	-	-	-	-	-	-	-	-
Special reserve appropriated	-	-	-	-	(178,938)	178,938	-	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	(397,569)	(397,569)	-	-	-	-	(397,569)	-	(397,569)
Capital increase by cash	200,000	(86,108)	1,494,499	-	-	-	-	-	-	-	-	1,608,391	-	1,608,391
Conversion of convertible bonds	75,947	-	212,616	-	-	-	-	-	-	-	-	288,563	-	288,563
Changes in ownership interests in subsidiaries	-	-	1,307	-	-	-	-	-	-	-	-	1,307	(42,008)	(40,701)
Share-based payment transactions	-	-	7,051	-	-	-	-	-	-	-	-	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 on 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	188,860	10,213,118
Profit	-	-	-	-	-	2,548,386	2,548,386	-	-	-	-	2,548,386	94,041	2,642,427
Other comprehensive income	-	-	-	-	-	5,502	5,502	302,554	(1,238,666)	(936,112)	-	(930,610)	1,749	(928,861)
Total comprehensive income	-	-	-	-	-	2,553,888	2,553,888	302,554	(1,238,666)	(936,112)	-	1,617,776	95,790	1,713,566
Appropriation and distribution of retained earnings:														
Legal reserve appropriated	-	-	-	599,834	-	(599,834)	-	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	(2,553,034)	(2,553,034)	-	-	-	-	(2,553,034)	-	(2,553,034)
Purchase of treasury share	-	-	-	-	-	-	-	-	-	-	(365,756)	(365,756)	-	(365,756)
Retirement of treasury share	(13,610)	-	(15,176)	-	-	-	-	-	-	-	28,786	-	-	-
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	55,712	55,712	-	(55,712)	(55,712)	-	-	-	-
Balance at December 31, 2022	$ 1,433,912	-	2,530,860	890,475	7,116	3,771,072	4,668,663	24,091	463,248	487,339	(397,530)	8,723,244	284,650	9,007,894

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

T3EX GLOBAL HOLDINGS CORP. AND SUBSIDIARIES

Consolidated Statement of Cash Flows

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	2022	2021
Cash flows from operating activities:		
Profit before tax	$ 3,409,147	4,997,849
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expenses	287,528	248,599
Amortization expenses	16,469	25,712
Expected credit profit or loss	(8,834)	57,706
Net losses (gains) on financial assets or liabilities at fair value through profit or loss	(17,690)	(459,563)
Interest expenses	48,333	34,484
Interest income	(90,716)	(23,268)
Dividend income	(507,095)	(20,270)
Share-based payment transactions	-	7,051
Gains of profit of associates and joint ventures accounted for using equity method	(10,409)	(8,219)
Gains from disposal of property, plant and equipment	(1,494)	(3,742)
Gains on disposal of investments	-	(289,521)
Impairment losses on non-financial assets	-	40,814
(Gains) losses from lease modification	(22)	826
Total adjustments to reconcile profit (loss)	(283,930)	(389,391)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes receivable	18,059	(37,503)
Accounts receivable	2,564,760	(2,230,444)
Accounts receivable due from related parties	6,751	101
Other current assets	(1,265,512)	15,694
Other operating assets	28,774	9,057
Total changes in operating assets	1,352,832	(2,243,095)
Changes in operating liabilities:		
Notes payable	(4,918)	9,615
Accounts payable	(1,231,991)	1,023,490
Accounts payable to related parties	693	(385)
Other payables	(532,519)	1,484,263
Other current liabilities	29,569	13,793
Net defined benefit liability	(10,846)	(25,078)
Increase (decrease) in other operating liabilities	20,038	-
Total changes in operating liabilities	(1,729,974)	2,505,698
Total changes in operating assets and liabilities	(377,142)	262,603
Total adjustments	(661,072)	(126,788)
Cash inflow generated from operations	2,748,075	4,871,061
Interest received	89,246	23,268
Interest paid	(48,086)	(32,530)
Income taxes paid	(536,493)	(491,336)
Net cash flows from operating activities	2,252,742	4,370,463
Cash flows used in investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(1,295,957)	(19,658)
Proceeds from disposal of financial assets at fair value through other comprehensive income	119,519	25,402
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	24,000	-
Acquisition of financial assets at fair value through profit or loss	(240,817)	(597,938)
Proceeds from disposal of financial assets at fair value through profit or loss	1,162,530	403,186
Net cash flows used in acquisition of subsidiaries (less cash acquired)	-	(3,500)
Acquisition of property, plant and equipment	(594,467)	(69,355)
Proceeds from disposal of property, plant and equipment	12,376	6,687
Increase (decrease) in refundable deposits	1,826	(15,842)
Acquisition of intangible asset	(4,565)	(8,340)
Increase in other prepayments	(30,356)	-
Dividends received	516,494	24,405
Net cash flows used in investing activities	(329,417)	(254,953)
Cash flows from (used in) financing activities:		
Increase (decrease) in short-term loans	2,660,195	(696,180)
Proceeds from long-term loans	350,000	200,000
Repayments of long-term borrowings	(3,866)	(201,534)
Increase in guarantee deposits received	2,950	-
Payment of lease liabilities	(233,953)	(223,252)
Cash dividends paid	(1,843,858)	(397,569)
Capital increase by cash	-	1,608,391

Cost of increase in treasury stock	(365,756)	-
Contribution by non-controlling interests	-	(40,701)
Net cash flows from financing activities	565,712	249,155
Effect of exchange rate changes on cash and cash equivalents	299,603	(12,700)
Net increase in cash and cash equivalents	2,788,640	4,351,965
Cash and cash equivalents at beginning of period	6,781,308	2,429,343
Cash and cash equivalents at end of period	**$ 9,569,948**	**6,781,308**

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T3EX GLOBAL HOLDINGS CORP.

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

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

1. Company history

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

2. Approval date and procedures of the consolidated financial statements:

The consolidated financial statements for the year ended December 31,2022 and 2021 were authorized for issuance by the board of directors on March 9, 2023.

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 Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2022:

- 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"

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

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2023, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS 1 "Disclosure of Accounting Policies"
- Amendments to IAS 8 "Definition of Accounting Estimates"
- Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"

T3EX GLOBAL HOLDINGS CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

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

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

Standards or Interpretations	Content of amendment	Effective date per IASB
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement for at least 12 months after the reporting date. The amendments has removed the requirement for a right to be unconditional and instead now requires that a right to defer settlement must exist at the reporting date and have substance. The amendments clarify how a company classifies a liability that can be settled in its own shares – e.g. convertible debt.	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	After reconsidering certain aspects of the 2020 amendments1, new IAS 1 amendments clarify that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date.	January 1, 2024

T3EX GLOBAL HOLDINGS CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

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

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

- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"
- IFRS 17 "Insurance Contracts" and amendments to IFRS 17 "Insurance Contracts"

T3EX GLOBAL HOLDINGS CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

● IFRS16 "Requirements for Sale and Leaseback Transactions"

4. Summary of significant accounting policies:

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

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Goverming the Preparation of Financial Report by Securities Issuers ("the Regulation") and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretaions endorsed and issued into effect by the Financial Supervisory Commission R.O.C..

(b) Basis of preparation

(i) Basis of measurement

Except for the following significant accounts, the consolidated financial statements have been prepared on a historical cost basis:

1) Financial instruments 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 liability (asset) 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 consolidated financial statements are presented in New Taiwan dollars, which is the Company's functional currency. All financial information presented in New Taiwan dollars has been rounded to the nearest thousand.

(c) Basis of consolidation

(i) Principles of preparation of the consolidated financial statements

The consolidated financial statements comprise the Company and subsidiaries. Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

T3EX GLOBAL HOLDINGS CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intragroup balances and transactions, and any unrealized income and expenses arising from Intragroup transactions are eliminated in preparing the consolidated financial statements. The Group attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

The Group prepares consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances. Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received will be recognized directly in equity, and the Group will attribute it to the owners of the parent.

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

			Percentage of shares held		
Name of investor	**Name of subsidiary**	**Principal activity**	**December 31, 2022**	**December 31, 2021**	**Remark**
The Company	T.H.I. Group Ltd. (in B.V.I.)	Offshore settlement center	100%	100%	
The Company	GREATLINE INTERNATIONAL LIMITED (GREATLINE)	Offshore holding company	100%	100%	
The Company	T.H.I. GROUP VIETNAM CO., LTD.	Air & sea freight forwarding and packaging	99%	99%	
The Company	T.H.I. GROUP (BANGKOK) COMPANY LIMITED	Air & sea freight forwarding and packaging	49%	49%	
The Company	Taiwan Express Logistics Co., Ltd. (TEC)	Air & sea freight forwarding and customs clearance	100%	100%	
The Company	T.H.I. Logistics Ltd.	Air & sea freight forwarding	100%	100%	
The Company	T.H.I. GROUP (CAMBODIA) Co., Ltd.	Air & sea freight forwarding	100%	100%	
The Company	T.H.I. GROUP SINGAPORE PTE. LTD.	Air & sea freight forwarding	91.4%	91.4%	
The Company	T.H.I. Japan Co., Ltd.	Air & sea freight forwarding	51%	51%	Note (c)
The Company	T.H.I. Logistics (Malaysia) SDN.BHD	Air & sea freight forwarding	90%	90%	
The Company	Fresh Beauty Enterprises Ltd. (Fresh Beauty)	Offshore holding company	66%	66%	
The Company	T.H.I. LOGISTICS PHILIPPINES CORP.	Air & Sea freight forwarding	99.94%	99.94%	
The Company	T.H.I. Logistics (Hong Kong) Co., Limited	Air & Sea freight forwarding	100%	- %	Note (f)
Fresh Beauty	Eastern Union Holding Limited (Eastern Union)	Offshore holding Company	100%	100%	
Eastern Union	T-Cube Global Logistics Co., Ltd.	Warehousing and distribution	100%	100%	
T-Cube Global Logistics Co., Ltd.	T-Cube (suzhou) Global Logistic Co., Ltd.	Warehousing and distribution	100%	100%	
T-Cube Global Logistics Co., Ltd.	T-HL (Shanghai) Global Supply Chain Management Co., Ltd	Warehousing and distribution	100%	100%	Note (a)
T-Cube Global Logistics Co., Ltd.	Lianhua (Shanghai) Logistics Co., Ltd.	Warehousing and distribution	100%	- %	Note (e)
GREATLINE	T.H.I. GROUP LIMITED (in HK)	Air & sea freight forwarding	100%	100%	

T3EX GLOBAL HOLDINGS CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Name of investor	Name of subsidiary	Principal activity	Percentage of shares held December 31, 2022	Percentage of shares held December 31, 2021	Remark
T.H.I. GROUP LIMITED (in HK)	T.H.I. Group (Shanghai) Ltd. (T.H.I. Shanghai)	Air & sea freight forwarding and customs clearance	100%	100%	
T.H.I. GROUP LIMITED (in HK)	Shanghai Yaohwa International Forwarder Co., Ltd. (Shanghai Yaohwa)	Air & sea freight forwarding and customs clearance	100%	100%	
T.H.I. Shanghai	EXer Logistics Co., Ltd.	Express logistics company	93.51%	93.51%	
T.H.I. Shanghai	Shanghai Moorluk International Shipping Co., Ltd.	Freight forwarding, customs clearance, and distribution	65%	65%	
T.H.I. Shanghai	T-SC Factoring Co., Ltd.	Commercial service	100%	100%	
Shanghai Yaohwa	T-SC Trading Co., Ltd.	Supply Chain management, import export Trade	100%	100%	
Taiwan Express	Taiwan Express (HK) Co., Ltd.	Freight forwarding, customs clearance, and distribution	100%	100%	
Taiwan Express	Taiwan Express (USA) INC.	Freight forwarding, customs clearance, and distribution	100%	100%	
Taiwan Express	TEC Logistic Co., Ltd.	Freight forwarding, customs clearance, and distribution	100%	100%	
Taiwan Express	TEC LOGISTICS (USA), INC	Freight forwarding, customs clearance, and distribution	100%	100%	
Taiwan Express	Hiview Logistics Co., Ltd.	Freight forwarding, customs clearance, and distribution	97.51%	97.51%	
Taiwan Express	TEC LOGISTICS VIETNAM COMPANY LIMITED	Freight forwarding and Warehousing	100%	100%	
Taiwan Express	TEC Motion Co., Ltd.	Freight forwarding, customs clearance, and distribution	100%	100%	Note (b)
Taiwan Express (HK)	TEC Logistics (Shenzhen) Co., Ltd.	Freight forwarding, customs clearance, and distribution	100%	100%	
Taiwan Express (HK)	Air Tropolis Express (S) Pte Ltd.	Freight forwarding	88%	88%	Note (d)

Note (a) In order to develop its warehousing service in China, the Group established T-HL (Shanghai) Global Supply Chain Management Co., Ltd in September, 2021. As of December 31, 2022, the relerant requistration procedures had been completed, whereas the capital has yet to be remitted.

Note (b) In order to develop its transportation business in Taiwan, the Group acquired 100% ownership of TEC Motion Co., Ltd. on August 4, 2021.

Note (c) T.H.I. & Maruzen Co., Ltd. was renamed as T.H.I. Japan Co., Ltd. in the third quarter of 2021.

Note (d) The Group acquired shares of non-controlling interest in subsidiary, Air Tropolis Express (S) Pte Ltd. on December 6, 2021, and the percentage of shares held increased from 65% to 88%.

Note (e) In order to develop its warehouse business in China, the Group established Lianhua (Shanghai) Logistics Co., Ltd. on May 16, 2022. As of December 31, 2022, the relevant registration procedures had been completed, whereas the capital has yet to be remitted.

Note (f) In order to develop its transportation business in Hong Kong, the Group established T.H.I. Logistics (Hong Kong) Co., Limited in November, 2022. As of December 31, 2022, the relerant registration preocedures and capital injection had been completed.

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

(d) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group entities 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:

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 curency 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 Group disposes of only 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 interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence 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, foreign exchange gains and losses 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.

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Notes to the Consolidated Financial Statements

(e) 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 date;

(iv) The assets 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 reportong 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 normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is due to be settled within twelve months after the reporting period; or

(iv) The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reportong 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.

(f) 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.

(g) 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 Group 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 Group 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.

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 Group 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 Group's right to receive payment is established.

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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. Trade receivables that the Group intends to sell immediately or in the near term are measured at FVTPL; however, they are included in the 'trade receivables' line item. On initial recognition, the Group 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 Group 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 receivables, other receivable, leases receivable, guarantee deposit paid and other financial assets), debt investments measured at FVOCI and contract assets.

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

・debt securities that are determined to have low credit risk at the reporting date; 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 since initial recognition and when estimating ECL, the Group 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 Group'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 Group 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 Group in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial assets is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

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 charge 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 Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is 180 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Group 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 Group 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 Group’s procedures for recovery of amounts due.

5) Derecognition of financial assets

The Group 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 Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

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The Group enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of 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 Group are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements 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 of 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 suplus is not sufficient to be written down).

4) Compound financial instruments

Compound financial instruments issued by the Group 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.

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 Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group 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 Group 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.

(h) Investment in as sociates

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

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

The consolidated financial statements include the Group’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 Group, from the date on which significant influence commences until the date on which significant influence ceases. The Group recognizes any 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 proportionate share.

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

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When the Group's share of losses of an associate equals or exceeds its interests 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 a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

(i) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost with 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 if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(iii) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straightline 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)	plant and equipment	5～7 years
3)	fixtures and fittings	2～6 years

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

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Notes to the Consolidated Financial Statements

(j) Leases

At inception of a contract, the Group 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 leasee

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 Group’s incremental borrowing rate. Generally, the Group 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 Group’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

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

(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 Group 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 Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

(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 expenditure, including expenditure on internally generated goodwill and brands, is 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 usefal lives for the current and comparative periods are 3~10 years.

The residual value, useful lives, and amortization method are reviewed at each reporting date and adjusted if appraise.

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(l) Impairment of non financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than contract assets, deferred tax assets and assets that provide benefits to employees) 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.

(m) Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring services to customers. The Group recognizes revenue when it satisfies a performance obligation by transferring control of services to customers. The accounting policies for the Group's main types of revenue are explained below.

(i) Sea & air freight forwarding service, customs clearance and delivery service

The Group provides Sea & air freight forwarding service, customs clearance and delivery service. Revenue of the Group is mainly generated from providing logistic services. Revenue is recognized when service is rendered. Cost are recognized with revenue when they occur. Expenses are recognized as incurred on an accrual basis.

(ii) Financing components

The Group 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.

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(iii) Incremental costs of obtaining a contract

The Group recognizes as an asset the incremental costs of obtaining a contract with a customer if the Group expects to recover those costs. The incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained shall be recognized as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained.

The Group applies the practical expedient to recognize the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset that the entity otherwise would have recognized is one year or less.

(iv) Costs to fulfil a contract

If the costs incurred in fulfilling a contract with a customer are not within the scope of another Standard (for example, IAS 2 Inventories, IAS 16 Property, Plant and Equipment or IAS 38 Intangible Assets), the Group recognizes an asset from the costs incurred to fulfil a contract only if those costs meet all the following criteria:

General and administrative costs, costs of wasted materials, labor or other resources to fulfil the contract that were not reflected in the price of the contract, costs that relate to satisfied performance obligations (or partially satisfied performance obligations), and costs for which the Group cannot distinguish whether the costs relate to unsatisfied performance obligations or to satisfied performance obligations(or partially satisfied performance obligations), the Group recognizes these costs as expenses when incurred.

(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 Group’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 of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential assets for the Group, 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 Group 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 Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group 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.

(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 board of directors authorized the price and number of a new award.

(p) Income tax

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

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The Group 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.

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 differences 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 Group has a legally enforceable right to set off current tax assets against current tax liabilities; and

(ii) the deferred tax assets and the 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.

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(q) Business combination

The Group accounts for business combinations using the acquisition method. The goodwill arising from an acquisition is measured as the excess of the consideration transferred (which is generally measured at fair value) and the amount of non-controlling interest in the acquire, both over the identifiable net assets acquired at the acquisition date. If the amount calculated above is a deficit balance, the Group recognized that amount as a gain on a bargain purchase in profit or loss immediately after reassessing whether it has correctly identified all the assets acquired and all the liabilities assumed.

All acquisition-related transaction costs are expensed as incurred, except for the issuance of debt or equity instruments.

For each business combination, the Group measures any noncontrolling interests in the acquiree either at fair value or at the noncontrolling interest's proportionate share of the acquiree's identifiable net assets, if the noncontrolling interests are present ownership interests and entitle their holders to a proportionate share of the acquire's net assets in the event of liquidation. Other components of noncontrolling interests are measured at their acquisition-date fair values, unless another measurement basis is required by the IFRSs endorsed by the FSC.

(r) Earnings per share

The Group discloses the Group's basic and diluted earnings per share attributable to ordinary shareholders of the Group. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Group 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 Group 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 and employee compensation.

(s) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance. Each operating segment consists of standalone financial information.

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

In preparing these consolidated financial statements, management has made 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.

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(d) Note and accounts receivables (including amount due from related parties) and note 6 (j) Intangible assets.

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

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

The Group 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 Group 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 Group has significant influence on PT. Dexter Eurekatama.

6. Explanation of significant accounts:

(a) Cash and cash equivalents

		December 31, 2022	December 31, 2021
Cash on hand	$	5,308	20,616
Demand deposits		5,272,898	6,007,288
Time deposits		4,291,742	753,404
	$	**9,569,948**	**6,781,308**

The Group's time deposit, maturing over three months, amounting to $1,228,952 thousand and $96,146 thousand as of December 31, 2022 and 2021, respectively, were recognized as other current assets.

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

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

		December 31, 2022	December 31, 2021
Mandatorily measured at fair value through profit or loss:			
Non-derivative financial assets			
Forward exchange contracts	$	-	1,850
Non-derivative financial assets			
Fund		-	7,234
Stock listed on domestic market		116,179	960,362
Total	**$**	**116,179**	**969,446**

(i) For the years ended December 31, 2022 and 2021, the net gain from financial assets at fair value were recorded as other gains and losses.

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(ii) Derivative financial instruments not designated as hedging instruments:

The Group uses derivative financial instruments to hedge the certain foreign exchange and interest risk the Group is exposed to, arising from its operating activities. The following derivative instruments on December 31, 2021, without the application of hedge accounting, were classified as mandatorily measured at fair value through profit or loss financial assets :

	December 31, 2021			
	Amount (thousands)		Currency	Maturity dates
Forward exchange	$	19,500	USD to CNY	2022.1.12~2022.4.14

For the net gain or loss on fair value on financial instrument as FVTPL for the years ended December 31, 2021, please refer to note 6(w).

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

		December 31, 2022	December 31, 2021
Equity investments at fair value through other comprehensive income :			
Current			
Domestic Company-Soonest express Co., Ltd.	$	67,930	51,624
Domestic Company-Yang Ming Marine Transport Corp.		1,329,688	665,569
Domestic Company-Evergreen Aviation Technologies Corp.		116,850	-
Domestic Company-Evergreen Marine Corporation(Taiwan) Ltd.		260,800	-
Domestic Company-EVA Airways Corporation.		14,075	-
Domestic Company-Dimerco Express Corp.		6,980	-
Total	$	1,796,323	717,193
Non-current			
Domestic Company Private placement stocks-Yang Ming Marine Transport Corp.	$	-	1,166,500
Domestic Non-public stocks-Central Taiwan Science Park Logistics Co., Ltd.		118,844	116,594
Total	$	118,844	1,283,094

The Group held private placement stocks-Yang Ming Marine of $1,166,500 thousand on December 31, 2021, which had been reclassified to current account after the evaluation adjustment at the end of the current period.

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

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In 2022 and 2021, the Group has sold its partial shares in order to adjust its investment strategy. The shares sold had a fair value of $119,519 thousand and $25,402 thousand, respectively. The Group realized a gain of $55,712 thousand and $16,588 thousand, which was reclassified from other comprehensive income to retained earnings.

The financial assets above had not been pledged as collateral for borrowing.

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

	December 31, 2022	December 31, 2021
Notes receivable from operating activities	$ 62,152	80,211
Accounts receivable (including balance due from related parties) －measured as amortized cost	2,379,799	4,953,567
Less: Loss allowance	(51,825)	(59,509)
	$ 2,390,126	4,974,269

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

	December 31, 2022		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$ 1,850,763	0.1%	1,848
Less than 60 day past due	523,447	0.1%	523
61~90 days past due	26,112	1%-50%	9,661
More than 90 days past due	41,629	90%-100%	39,793
	$ 2,441,951		51,825

	December 31, 2021		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$ 3,836,244	0.1%	3,836
Less than 60 days past due	1,096,283	0.1%	1,096
61~90 days past due	41,766	0.1%	42
More than 90 days past due	59,485	90%~100%	54,535
	$ 5,033,778		59,509

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The movement in the allowance for notes and accounts receivable were as follows:

		2022	2021
Balance at January 1 2022 and 2021	$	59,509	10,732
Impairment losses recognized (reversed)		(8,834)	57,706
Amounts written off		(2,492)	(8,742)
Exchange rate effects and others		3,642	(187)
Balance at December 31, 2022 and 2021	$	51,825	59,509

The aforementioned financial assets of the Group were not pledged as collateral.

(e) Investments accounted for using equity method

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

		December 31, 2022	December 31, 2021
Associates	$	49,303	48,690

No publicly quoted prices available for the above associates.

The Group's share of profit of associaes in 2022 and 2021 is summarized as follows:

		2022	2021
The Group's share of profit of associates	$	10,409	8,219

		December 31, 2022	December 31, 2021
The equity of the non-significant associates	$	156,719	141,475

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

There are no significant restictions on the ability of associates to transfer funds to the Group.

(ii) Guarantees

As of December 31, 2022 and 2021, there was no equity-accounted investment had been pledged as collateral.

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Notes to the Consolidated Financial Statements

(f) Acquisition of subsidiaries

In August 2021, the Group acquired 100% ownership of TEC Motion Co., Ltd. whose main business is road transportation in order to develop its transportation business in Taiwan.

(i) The acquisition-date fair value of consideration transferred is $8,500 thousand.

(ii) The following table summarizes the recognized amounts of assets acquired and liabilities assumed at the acquisition date:

Cash and cash equivalents	$	5,000
Intangible assets		3,047
Total identifiable net assets acquired	**$**	**8,047**

(iii) Goodwill

Goodwill arising from the acquisition has been recognized as follows:

Consideration transferred	$	8,500
Less: Fair value of identifiable net assets		(8,047)
Goodwill	**$**	**453**

(g) Changes in a parent's ownership interest in a subsidiary

On December 6, 2021, the Group acquired an additional 23% interest in Air Tropolis Express(s) Pte. Ltd. in cash, increasing its ownership from 65% to 88%,. The capital surplus of the Group increased $1,307 thousand after this transaction.

(h) Property, plant and equipment

The costs, amortization, and impairment loss of the property, plant and equipment of the Group for the years ended December 31, 2022 and 2021, were as follows:

		Land	Buildings	Transportation Equipment	Office and Other Equipment	Total
Cost or deemed cost：						
Balance on January 1, 2022	$	132,594	54,925	168,582	216,168	572,269
Additions		447,420	48,415	68,625	30,007	594,467
Disposals		-	-	(19,924)	(35,214)	(55,138)
Effect of movement in exchange rates and others		-	-	3,189	8,806	11,995
Balance on December 31, 2022	**$**	**580,014**	**103,340**	**220,472**	**219,767**	**1,123,593**
Balance on January 1, 2021	$	132,594	54,925	163,725	197,629	548,873
Additions		-	-	16,877	52,478	69,355
Disposals		-	-	(11,753)	(32,700)	(44,453)
Effect of movement in exchange rates and others		-	-	(267)	(1,239)	(1,506)
Balance on December 31, 2021	**$**	**132,594**	**54,925**	**168,582**	**216,168**	**572,269**

T3EX GLOBAL HOLDINGS CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

	Land	Buildings	Transportation Equipment	Office and Other Equipment	Total
Depreciation and impairment loss：					
Balance on January 1, 2022	$ -	15,770	115,838	128,438	260,046
Depreciation	-	1,921	14,817	38,070	54,808
Disposals	-	-	(10,111)	(34,145)	(44,256)
Effect of movement in exchange rates and others	-	-	2,532	5,691	8,223
Balance on December 31, 2022	$ -	17,691	123,076	138,054	278,821
Balance on January 1, 2021	$ -	14,569	117,045	131,553	263,167
Depreciation	-	1,201	9,008	29,794	40,003
Disposals	-	-	(10,594)	(30,914)	(41,508)
Effect of movement in exchange rates and others	-	-	379	(1,995)	(1,616)
Balance on December 31, 2021	$ -	15,770	115,838	128,438	260,046
Net book value:：					
At December 31, 2022	$ 580,014	85,649	97,396	81,713	844,772
At December 31, 2021	$ 132,594	39,155	52,744	87,730	312,223
At January 1, 2021	$ 132,594	40,356	46,680	66,076	285,706

A summary of pledged assets of December 31, 2022 and 2021, please refer to note 8.

On March 8, 2022, the Group’s Board of Directors passed a resolution of purchasing property, which will purchase land and buildings in Xinyi District, Taipei City. The total costs of the contract was $498,000 thousand and the Group had registered for transfer on May 26, 2022.

The Group rented out part of its office to others and had no intention to obtain long-term capital appreciation or earn any rent, so the Group did not classify this asset as investment property. The book value on December 31, 2022 was $494,883 thousand. For the information of rents, please refer to note 6(v).

(i) Right-of-use assets

Information about leases of buildings and vehicles for which the Group as a lessee were as follows:

	Buildings	Vehicles	Total
Cost:			
Balance at January 1, 2022	$ 592,694	21,435	614,129
Additions	306,075	1,956	308,031
Deductions	(289,648)	(3,598)	(293,246)
Effect of changes in foreign exchange rates	19,579	2,945	22,524
Balance at December 31, 2022	$ 628,700	22,738	651,438
Balance at January 1, 2021	$ 748,944	15,580	764,524
Additions	165,713	11,210	176,923
Deductions	(320,794)	(5,284)	(326,078)
Effect of changes in foreign exchange rates	(1,169)	(71)	(1,240)
Balance at December 31, 2021	$ 592,694	21,435	614,129

T3EX GLOBAL HOLDINGS CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

		Buildings	Vehicles	Total
Accumulated deprecitaion:				
Balance at January 1, 2022	$	322,863	8,952	331,815
Depreciation		224,776	7,944	232,720
Deductions		(287,385)	(3,598)	(290,983)
Effect of changes in foreign exchange rates		10,208	1,061	11,269
Balance at December 31, 2022	$	270,462	14,359	284,821
Balance at January 1, 2021	$	441,458	7,997	449,455
Depreciation		202,153	6,443	208,596
Deductions		(319,325)	(5,284)	(324,609)
Effect of changes in foreign exchange rates		(1,423)	(204)	(1,627)
Balance at December 31, 2021	$	322,863	8,952	331,815
Carrying amount:				
Balance at December 31, 2022	$	358,238	8,379	366,617
Balance at January 1, 2021	$	307,486	7,583	315,069
Balance at December 31, 2021	$	269,831	12,483	282,314

(j) Intangible assets

The costs,amortization,and impairment of the intangible assets of the Group were as follows:

		Goodwill	Other intangible assets	Total
Cost:				
Balance at January 1, 2022	$	590,473	257,299	847,772
Additions		-	4,565	4,565
Effect of movement in exchange rates		4,678	5,203	9,881
Balance at December 31, 2022	$	595,151	267,067	862,218
Balance at January 1, 2021	$	589,815	246,543	836,358
Additions		-	8,340	8,340
Addition through acquisition		453	3,047	3,500
Effect of movement in exchange rates		205	(631)	(426)
Balance at December 31, 2021	$	590,473	257,299	847,772
Amortization and impairment loss:				
Balance at January 1, 2022	$	95,806	194,620	290,426
Amortization		-	16,469	16,469
Effect of movement in exchange rates		1,494	2,486	3,980
Balance at December 31, 2022	$	97,300	213,575	310,875

T3EX GLOBAL HOLDINGS CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

	Goodwill	Other intangible assets	Total
Balance at January 1, 2021	$ 62,020	162,441	224,461
Amortization	-	24,620	24,620
Impairment	32,981	7,833	40,814
Effect of movement in exchange rates	805	(274)	531
Balance at December 31, 2021	$ 95,806	194,620	290,426
Carrying value:			
Balance at December 31, 2022	$ 497,851	53,492	551,343
Balance at January 1, 2021	$ 527,795	84,102	611,897
Balance at December 31, 2021	$ 494,667	62,679	557,346

Amortization expenses for the years ended December 31, 2022 and 2021 are recorded as operating expenses of the consolidated statements of comprehensive income.

For the year ended December 31, 2021, the operation scale of Exer Logistics Co., Ltd. was expected to decrease due to intense market competition, resulting in the Group recognized the impairment losses of goodwill and intangible assets amounting to $32,981 thousand and $7,833 thousand, respectively, based on the valuation report issued by the external expert.

(k) Short-term borrowing

	December 31, 2022	December 31, 2021
Unsecured bank loans	$ 3,450,585	790,715
Unused credit facilities	$ 2,670,626	3,821,798
Interest rate	0.8%~2.50%	0.80%~1.27%

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

(l) Long-term borrowing

Long-term borrowings were as follows:

	December 31, 2022	December 31, 2021
Unsecured bank loans	$ 307,963	201,926
Secured bank loans	240,000	-
Less: Current portion	(210,463)	(1,445)
Total	$ 337,500	200,481
Unused credit facilities	$ -	-
Interest rate	0.25%~1.67%	0.80%~1.05%

T3EX GLOBAL HOLDINGS CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(i) Issue and repayment of borrowings

For the year ended December 31, 2022, the Company’s proceeds from long-term borrowings amounted to $350,000 thousand with an interest rate of 1.67%. The long-term borrowings are due in July 2027.

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.

For the years ended December 31, 2022 and 2021, the repayment amounted to $3,866 thousand and $201,534 thousand, respectively.

(ii) Collaterals of bank loans

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

(m) Bonds payable

(i) The information of the Group issued the 4th domestic unsecured convertible bonds was as follows:

		December 31, 2021
Total convertible corporate bonds issued	$	300,000
Less: cumulative converted amount		300,000
Bonds payable on ending balance	$	-

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

		The fourth time unsecured convertible bonds
The present value of the conversion 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 bonds at the time of issuance	$	312,269

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:

1) Issuance price: 105.09% of the par value

2) Corupon rate: 0%.

T3EX GLOBAL HOLDINGS CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

3) Issue period: 3 years (December 2, 2020 to December 3, 2023)

4) The Group’s right 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.

(ii) Bondholders’ put option

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

(iii) 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 number 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.

(n) Lease liabilities

The Group’s lease liabilities were as follow:

	December 31, 2022	December 31, 2021
Current	$ 184,473	207,618
Non-current	$ 190,118	82,478

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

The amounts recognized in profit or loss were as follows:

	For the years ended December 31,	
	2021	2021
Interest on lease liabilities	$ 14,858	15,001
Expenses relating to short-term leases	$ 30,752	22,948
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	$ 7,690	4,771

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

	For the years ended December 31, 2022	For the years ended December 31, 2021
Total cash outflow for leases	$ 287,253	265,972

(i) Real estate leases

The Group leases land and buildings for its office and warehouse as of December 31, 2021. The leases of office and warehouse typically run for a period of one to three years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

(ii) Other leases

The Group leases office equipments with lease terms of one to three years. The leases are short-term and leases of low-value items. The Group has elected not to recongnized right-of-use assets and leasing liabilities for these leases.

(o) Employee benefits

(i) Defined benefit plan

	December 31, 2022	December 31, 2021
Total present value of defined benefit obligations	$ (136,214)	(144,181)
Fair value of plan assets	85,572	75,816
Net defined benefit liability	$ (50,642)	(68,365)

The Group employee benefits liabilities:

	December 31, 2022	December 31, 2021
Paid vacation liabilities-current (recognized in other current liabilities-others)	$ 2,936	2,936

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

T3EX GLOBAL HOLDINGS CORP. AND SUBSIDIARIES
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1) Composition of plan assets

The Group 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 Labor Pension Fund Supervisory Committee. 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, 2022, the pension fund account balance at Bank of Taiwan and the manager pension fund balance amounted to $34,488 thousand and $51,084 thousand, 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 Labor Fund, Ministy of Labor.

2) Movements in the present value of defined benefit obligation

The movements in the present value of the defined benefit obligation Group were as follows:

		2022	2021
Defined benefit obligation at January 1	$	144,181	133,039
Current service costs and interest		3,271	2,893
Remeasurements loss (gain)		(4,936)	8,831
Plan benefits paids		(6,302)	(582)
Defined benefit obligation at December 31	$	**136,214**	**144,181**

3) Movements in the fair value of plan assets

The movements in the fair value of the plan assets for the years ended December 31, 2022 and 2021 were as follows:

		2022	2021
Fair value of plan assets at January 1	$	75,816	48,112
Net remeasurements of defined benefit liabilities			
—Return on plan assets (excluding the amounts included in net interest expense)		436	140
Contributions to the plan		13,681	27,831
Remeasurements loss (gain)		1,941	315
Benefits paid		(6,302)	(582)
Fair value of plan assets at December 31	$	**85,572**	**75,816**

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Notes to the Consolidated Financial Statements

4) Expenses recognized in profit or loss

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

		2022	2021
Current service cost	$	2,519	2,312
Net interest on the net defined benefit liabilities		316	241
Others		-	200
	$	2,835	2,753

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

The Group’s Remeasurement of net defined benefit liability recognized in other comprehensive income for the years ended December 31, 2022 and 2021 were as follows:

		2022	2021
Cumulative amount, January 1	$	(31,749)	(23,233)
Recognized during the year		6,877	(8,516)
Cumulative amount, December 31	$	(24,872)	(31,749)

6) Actuarial assumptions

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

	December 31, 2022	December 31, 2021
Discount rate	1.125%~1.750%	0.625%
Future salary increasing rate	2.75%~3%	2.5%-3%

The expected allocation payment to be made by the Group to the defined benefit plans for the one-year period after the reporting date is $2,829 thousand.

The weighted average lifetime of the defined benefit plans is 6.4~15.6 years.

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Notes to the Consolidated Financial Statements

7) Sensitivity analysis

If the actuarial assumptions had changed, the impact on the present value of the defined benefit obligation shall be as follows:

	Effects to the defined benefit obligation	
	Increase by 0.25%	**Decrease by0.25%**
December 31, 2022		
Discount rate	$ (2,353)	2,424
Future salary increasing rate	2,350	(2,289)
December 31, 2021		
Discount rate	(2,774)	2,768
Future salary increasing rate	2,768	(2,687)

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 2022 and 2021.

(ii) Defined contribution plan

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

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 $92,567 and $81,934 for the years ended December 31, 2022 and 2021, respectively.

T3EX GLOBAL HOLDINGS CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(p) Income tax

(i) Income tax expense

The components of income tax for 2022 and 2021 were as follows:

	For the years ended December 31	
	2022	**2021**
Current income tas expense	772,114	979,582
Deferred income tax benefit	(5,394)	1,606
	766,720	**981,188**

Reconciliation of income tax expense and profit before tax for the years ended December 31, 2022 and 2021 were as follows:

	2022	**2021**
Profit before income tax	$ 3,409,147	4,997,849
Income tax using the Company's tax rate	681,829	999,570
Effect of domestic tax rate in foreign jurisdiction	14,598	107,440
Changes in unrecognized temporary differences	7,060	6,904
Gains that does not affect income tax expense	(82,655)	(138,590)
The income basic tax	60,325	-
Additional tax on undistributed earnings	82,436	-
Tax free income tax impact and others	3,127	5,864
	$ 766,720	**981,188**

(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax assets and liabilities

The consolidated entity is able to control the timing of the reversal of the temporary differences associated with investments in subsidiaries as of December 31, 2022 and 2021. Also, management considers it probable that the temporary differences will not reverse in the foreseeable future. Hence, such temporary differences are not recognized under deferred tax liabilities. Details are as follows:

	December 31, 2022	**December 31, 2021**
Unrecognized deferred tax assets	**$ 3,022**	**4,666**

	December 31, 2022	**December 31, 2021**

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Unrecognized deferred tax liabilities	$ 1,523,981	1,135,877

T3EX GLOBAL HOLDINGS CORP. AND SUBSIDIARIES

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2) Recognized deferred tax assets and liabilities

The movements in deferred tax assets and liabilities for the years ended December 31, 2022 and 2021 were as follows:

	Defined benefit plans	Accrued expense	Others	Total
Deferred tax assets:				
Balance, January 1, 2021	$ 6,915	39,883	4,257	51,055
Debited (credited) to profit or loss	9,139	(5,327)	1,603	5,415
Credited to other comprensive income	(1,375)	-	-	(1,375)
Balance, December 31, 2021	**$ 14,679**	**34,556**	**5,860**	**55,095**
Balance, January 1, 2022	$ 6,915	41,428	4,257	52,600
Debited to profit or loss	-	(1,545)	-	(1,545)
Balance, December 31, 2022	**$ 6,915**	**39,883**	**4,257**	**51,055**

	Defined benefit plans
Deferred tax liabilities:	
Balance at January 1, 2022	$ 184
Debited to profit or loss	21
Balance at December 31, 2022	**$ 205**
Balance at January 1, 2021	$ 123
Debited to profit or loss	61
Balance at December 31, 2021	**$ 184**

(iii) Examination and approval

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

(q) Share capital and other equity

(i) Ordinary shares

As of December 31, 2022 and 2021, 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, with 120,000 thousand shares. As of December 31, 2022 and 2021, the issued capital were 143,391 thousand shares and 144,752 thousand shares, respectively. All issued ordinary shares were paid up upon issuance.

T3EX GLOBAL HOLDINGS CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

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 related legal registration procedures have 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. The related legal registration procedures have been completed.

Reconciliation of shares outstanding for the years ended December 31, 2022 and 2021 were as follows:

	2022	2021
Beginning balance, January 1	144,752	117,158
Capital increase by cash	-	20,000
Convertible bond conversion	-	7,594
Retirement of treasury stock	(1,361)	-
Ending balance, December 31	**143,391**	**144,752**

(ii) Capital surplus

The components of capital surplus were as follows:

		December 31, 2022	December 31, 2021
Paid-in capital derived from premium on issuance of common shares	$	1,986,579	2,005,494
Surplus arising from bond conversion option		483,419	483,419
Surplus arising from long-term equity investments－donated surplus and others		13,699	13,699
Surplus arising from premium from merger		2,912	2,912
Surplus arising from stock options		40,512	40,512
Treasury stock trading		3,739	-
	$	**2,530,860**	**2,546,036**

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Notes to the Consolidated Financial Statements

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 amended on May 24, 2022, if the Company incurred profit during the semi-annual period, the profit shall be first utilized for paying taxes and offsetting losses of the previous years. Thereafter, 10% of the annual net earnings (net of incomes taxes) must be set aside as legal reserve until the accumulated legal reserve equals the Company's total capital. In addition, a special reserve shall be set aside in accordance with the Company's operational needs, as well as applicable laws and regulations.

Any remainder, together with any undistributed retained earnings, shall be distributed according to the distribution plan proposed and approved by the Board of Directors. The proposal of earnings distribution, through issuance of new shares, shall be executed according to Article 240 of the Company Act; while the proposal of earnings distribution, by cash, shall be resolved during the stockholders' meeting.

If the Company incurred profit in the fiscal year, the profit shall be first utilized for paying taxes and offsetting losses of the previous years; and the remainder, if any, shall be distributed as follows:

A. 10% of the annual net earnings (net of incomes taxes) must be set aside as legal reserve until the accumulated legal reserve equals the Company's total capital.

B. If necessary, a special reserve shall be set aside in accordance with the applicable laws and regulations.

C. Any remainder, together with any undistributed retained earnings, shall be distributed according to the distribution plan proposed by the Board of Directors. The proposal of earnings distribution, through issuance of new shares, shall be during the stockholders' meeting; while the proposal of earnings distribution, by cash, shall be resolved during the board meeting, approved by more than half of the directors, with two thirds of directors in attendance; thereafter, to be submitted in the shareholders' meeting of the Company.

T3EX GLOBAL HOLDINGS CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

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.

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, 2022 and 2021.

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.

T3EX GLOBAL HOLDINGS CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

3) Earnings distribution

Earnings distribution for 2021 and 2020 was resolved in the general meeting of shareholders held on May 24, 2022 and August 17, 2021, respectively. The relevant dividend distributions to shareholders were as follows:

	January 1, 2022		2020	
	Amount per share (NT dollars)	Total amount	Amount per share (NT dollars)	Total amount
Dividends distributed to common shareholders:				
Cash	$ 13.00	1,843,858	3.20	397,569

On November 3, 2022, the Company's Board of Directors resolved to appropriate the earnings for the first half of 2022 as follows:

	The first half of 2022	
	Amount per share (NT dollars)	Total amount
Dividends distributed to common shareholders:		
Cash	$ 5.18	709,176

On March 9, 2023, the Company’s Board of Directors proposed to appropriate the earnings for the second half of 2022 as follows:

	The second half of 2022	
	Amount per share (NT dollars)	Total amount
Dividends distributed to common shareholders:		
Cash	$ 5.00	684,806

(iv) Treasury stock

For the years ended December 31, 2022 and 2021 the movements of the treasury stock were as below.

Item	January 1, 2022	Increase	Decrease	December 31, 2022
Treasury stock acquired－shares (in thousands)	2,917	4,874	(1,361)	6,430
Treasury stock acquired－amount	$ 60,560	365,756	(28,786)	397,530

Item	January 1, 2021	Increase	Decrease	December 31, 2021
Treasury stock acquired－shares (in thousands)	2,917	-	-	2,917
Treasury stock acquired－amount	$ 60,560	-	-	60,560

T3EX GLOBAL HOLDINGS CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

As of December 31, 2022 and 2021, a total of 6,430 thousand and 2,917 thousand shares, respectively have not yet to be cancelled.

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, 2022, the balance of treasury stock was in compliance with the requirement.

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

(r) Share-based payment

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

	Cash capital incresse reserved for employee subscription
Grant date	September 8, 2021
Number of shares granted	501 thousand shares
Recipients	Employees of the Group
Vesting conditions	Vested immediately

For the year ended December 31, 2021, the number of shares granted for employees of the Group was 501 thousand shares. The cost of the above share-based payments transactions amounting to $7,051 thousand was recorded as operating expenses.

(s) Earnings per share

(i) Basic earnings per share

Earnings per share for the years ended December 31, 2022 and 2021, were calculated on the basis of profit attributable to common shareholders and the weighted-average number of outstanding common shares. Calculations were as follows:

1) Profit attributable to ordinary shareholders of the Company

	2022	**2021**
Profit attributable to ordinary sharholders of the Company	$ 2,548,386	3,934,872

T3EX GLOBAL HOLDINGS CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

2) Weighted-average number of outstanding common shares

	2022	2021
Common shares as of January 1	$ 144,752	117,158
Effect of treasury stock	(3,446)	(2,917)
Effect of conversion of convertible bonds	-	4,397
Effect of capital increase by cash	-	12,383
Weighted-average number of outstanding common shares on December 31	**$ 141,306**	**131,021**

(ii) Diluted earnings per share

The diluted earnings per share for the years ended December 31, 2022 and 2021 were calculated on the basis of profit attributable to common shareholders and the weighted-average number of outstanding common shares, with all potential common shares retroactively adjusted. Calculations were as follows:

1) Profit attributable to common shareholders (diluted)

	2022	2021
Profit attributable to common shareholders (basic)	$ 2,548,386	3,934,872
Interest on convertible bonds	-	1,955
Gains on revaluation of put and call options of convertible bonds measured at fair value	-	(674)
	$ 2,548,386	**3,936,153**

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

	2022	2021
Weighted-average number of outstanding common shares (basic)	$ 141,306	131,021
Effect of conversion of convertible bonds	-	15
Effect of employee stock dividends	222	158
Weighted-average number of outstanding common shares on December 31 (diluted)	**$ 141,528**	**131,194**

T3EX GLOBAL HOLDINGS CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(t) Employees compensation and director’ s 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, 2022 and 2021, the Company estimated its employee remuneration at $15,000 thousand and $19,951 thousand, and directors' and supervisors' remuneration at $13,750 thousand and $19,352 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 Articles. These remunerations were expensed under operating costs or operating expenses. 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.

For the years ended December 31, 2022 and 2021, the difference between the actual compensation and the recognized amount in the financial report of the employees’ bonus and the board of directors remuneration are as follow:

	2021		
	Board of Directors resolution on actual compensation	**Recognized amount in financial report**	**Difference**
Employees’ remuneration	$ 19,951	19,951	-
Directors’ remuneration	19,352	19,352	-

	2020		
	Board of Directors resolution on actual compensation	**Recognized amount in financial report**	**Difference**
Employees’ remuneration	$ 2,796	2,796	-
Directors’ remuneration	11,080	11,080	-

The information can be assessed on the “Martet Observation Post System” website.

T3EX GLOBAL HOLDINGS CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(u) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the years ended December 31, 2022			
	Sea forwarding	Air forwarding	Freight and other segments	Total
Primary geographical markets				
Hong Kong and China	$ 13,835,349	3,292,954	1,710,708	18,839,011
Taiwan	4,207,140	1,001,463	520,266	5,728,869
Eastern Asia and others	2,558,480	609,018	316,388	3,483,886
U.S.A.	122,099	29,064	15,099	166,262
	$ 20,723,068	4,932,499	2,562,461	28,218,028
Primary service:				
Export forwarding	$ 19,646,948	3,689,796	-	23,336,744
Import forwarding	1,076,120	1,242,703	-	2,318,823
Warehouse and declaration	-	-	2,562,461	2,562,461
	$ 20,723,068	4,932,499	2,562,461	28,218,028

	For the years ended December 31, 2021			
	Sea forwarding	Air forwarding	Freight and other segments	Total
Primary geographical markets				
Hong Kong and China	$ 19,979,091	4,811,483	1,586,667	26,377,241
Taiwan	4,193,486	1,010,020	333,071	5,536,577
Eastern Asia and others	3,127,962	753,383	248,441	4,129,786
	$ 27,300,539	6,574,886	2,168,179	36,043,604
Primary service:				
Export forwarding	$ 26,247,044	5,350,819	-	31,597,863
Import forwarding	1,053,495	1,224,067	-	2,277,562
Warehouse and declaration	-	-	2,168,179	2,168,179
	$ 27,300,539	6,574,886	2,168,179	36,043,604

T3EX GLOBAL HOLDINGS CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(ii) Contract balances

		December 31 2022	December 31, 2021	January 1, 2021
Contract liabilities	$	43,184	3,246	13,228

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

(v) Other income

The detail of the Group's other income were as follows:

		2022	2021
Rent income	$	7,534	-
Dividend income		507,095	20,270
	$	514,629	20,270

(w) Other gains and losses

The detail of the Group's other gains or losses were as follows:

	For the years ended December 31		
		2022	2021
Foreign exchange gain (loss)	$	233,557	(76,110)
Net gain (losses) of financial instrument at fair value through profit or loss	$	17,690	749,084
Gains on disposals of property, plant and equipment		1,494	3,742
Impairment loss on goodwill		-	(32,981)
Impairment loss on intangible assets		-	(7,833)
Other		51,432	19,220
	$	304,173	655,122

(x) Interest income

	For the years ended December 31		
		2022	2021
Interest income from bank deposits	$	90,716	23,268

(y) Finance costs

The detail of the Group' s finance costs of 2022 and 2021 were as follows:

		2022	2021
Interest expense			
Bank borrowings	$	33,475	17,529
Amortization of the convertible bonds discount		-	1,954
Amortization of lease liabilities		14,858	15,001
	$	48,333	34,484

(z) Financial instruments

(i) Credit risk

1) Exposure to credit risk

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

2) Concentration of credit risk

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

For the year ended December 31, 2022 and 2021, there was no significant concentration of credit risk from the sales of the Group.

(ii) Liquidity risk

Except for notes payable, accounts payable (including related party) and other payable,the following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the import of netting agreements.

		Carrying amount	Contractual cash flow	Within 6 months	6~12 months	1~2 years	2~5 years	Over 5 years
December 31, 2022								
Non-derivative financial liabilities								
Bank borrowings (including long-term loans and long-term loans due within one year)	$	3,998,548	(4,042,353)	(3,347,459)	(328,975)	(5,236)	(360,683)	-
Lease liabilities		374,591	(396,218)	(115,180)	(82,379)	(149,277)	(49,065)	(317)
	$	4,373,139	(4,438,571)	(3,462,639)	(411,354)	(154,513)	(409,748)	(317)
December 31, 2021								
Non-derivative financial liabilities								
Bank borrowings (including long-term loans and long-term loans due within one year)	$	992,641	(1,006,506)	(796,602)	(5,947)	(203,957)	-	-
Lease liabilities		290,096	(301,084)	(114,298)	(82,554)	(79,830)	(24,368)	(34)
	$	1,282,737	(1,307,590)	(910,900)	(88,501)	(283,787)	(24,368)	(34)

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

(iii) Currency risk

1) Exposure to foreign currency risk

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

Unit: thousand

	December 31, 2022			
		Foreign currency	Exchange rate	TWD
Financial assets				
Monetary items				
USD	$	8,035	USD：TWD 30.72	246,835
		911	USD：VND 23,570	27,986
		11,341	USD：HKD 7.7965	348,396
		55,561	USD：CNY 6.9646	1,709,599
		2,549	USD：SGD 1.3400	78,305
		1,028	USD：MYR 4.4135	31,580
HKD		2,221	HKD：TWD 3.9402	8,751
		50	HKD：USD 0.1282	197
		1,915	HKD：CNY 0.8933	7,545
CNY		13,708	CNY：TWD 4.4109	60,465
		8,446	CNY：USD 0.1436	37,254
		65	CNY：HKD 1.1057	287
TWD		1,606	TWD：CNY 0.2267	1,606
Non-Monetary items				
IDR	$	18,620,913	TWD：IDR 0.00198	36,869
Financial liabilities				
Monetary items				
USD		539	USD：TWD 30.72	16,558
		32	USD：HKD 7.7965	983
		17,148	USD：CNY 6.9646	526,787
HKD		1,504	HKD：CNY 0.8933	5,926
CNY		86	CNY：TWD 4.4109	379

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TWD	586	TWD：HKD 0.2267	2,309

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Notes to the Consolidated Financial Statements

	December 31, 2021		
	Foreign currency	**Exchange rate**	**TWD**
Financial assets			
Monetary items			
USD	$ 3,627	USD：TWD 27.69	100,432
	6,505	USD：VND 22,760	180,123
	18,468	USD：HKD 7.7981	511,379
	155,843	USD：CNY 6.3757	4,315,293
HKD	1,789	CNY：HKD 3.5509	6,553
	50	CNY：HKD 0.1282	6,253
	1,462	CNY：HKD 0.8176	178
CNY	9,847	CNY：HKD 4.3431	5,191
	490	CNY：HKD 1.2231	42,767
	8,260	CNY：USD 0.1568	2,128
TWD	18,563	TWD：HKD 0.2816	18,563
	681	TWD：HKD 0.2303	681
Non-Monetary items			
IDR	18,505,681	IDR：TWD 0.00198	36,641
Financial liabilities			
Monetary items			
USD	$ 2,539	USD：TWD 27.69	70,305
	118	USD：VND 22,760	3,267
	100	USD：HKD 7.7981	2,769
	46,859	USD：CNY 6.3757	1,297,526
HKD	1,809	HKD：CNY 0.8176	6,424
CNY	1,028	CNY：HKD 1.2231	4,465
	117	CNY：TWD 4.3431	508
TWD	332	TWD：CNY 0.2303	332
	542	TWD：HKD 0.2816	542

T3EX GLOBAL HOLDINGS CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the foreign currency exchange gains and losses on the translation of cash and cash equivalents, accounts receivable, other receivables, loans, accounts payable, and other payables that are denominated in foreign currency. A 1% depreciation or appreciation of the functional currency against the foreign currency as of December 31, 2022 and 2021 would increase or decrease the net income before tax by $20,166 thousand and $38,034 thousand, respectively. The analysis assumes that all other variables remain constant. The analysis is performed on the same basis for both periods.

Due to the variety of the Group's functional currency, the Group discloses its exchange gains and losses of monetary items collectively. For the year ended December 31, 2022 and 2021, the Group's foreign exchange gains (losses), net (including realized and unrealized of monetary items) amounted to $233,557 thousand $(76,110) thousand, respectively.

(iv) Interest rate analysis

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

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

If the interest rate had increased/decreased by 1%, the Group's net income before tax would have decreased/increased by $39,985 thousand and $9,926 thousand for the years ended December 31, 2022 and 2021, respectively, assuming all other variable factors had remained constant. This is mainly due to the Group's variable-rate borrowing.

(v) Fair value of financial instruments

1) Categories and fair value of financial instruments

The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as 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:

T3EX GLOBAL HOLDINGS CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

	December 31, 2022				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss:					
Financial assets designated at fair value through profit or loss	$ 116,179	116,179	-	-	116,179
Financial assets at fair value through other comprehensive income:					
Stock of listed companies	$ 1,796,323	1,796,323	-	-	1,796,323
Stock of private companies	118,844	-	-	118,844	118,844

	December 31, 2021				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss:					
Financial assets designated as fair value through profit or loss	$ 969,446	967,597	1,849	-	969,446
Financial assets at fair value through other comprehensive income:					
Stock of listed companies	$ 1,883,693	717,193	1,166,500	-	1,883,693
Stock of private companies	116,594	-	-	116,594	116,594

2) Valuation techniques for financial instruments not measured at fair value

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

T3EX GLOBAL HOLDINGS CORP. AND SUBSIDIARIES

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2) 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.

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. Fair value of forward currency is usually determined by the forward currency exchange rate.

The group’s convertible bonds adopted the binomial three model to evaluate the fair value.

3) Movement between Level l and Level 2

Expect for the private placement stocks-Yang Ming Marine held by the Company transferred in 2022, there were no movements between Level 1 and Level 2 for the years ended December 31, 2022 and 2021.

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Notes to the Consolidated Financial Statements

4) Changes in Level 3

	Financial assets designed as fair value through other comprehensive income
Balance on January 1, 2022	$ 116,594
Recognized in other comprehensive income	2,250
Balance on December 31, 2022	$ 118,844
Balance on January 1, 2021	$ 108,407
Recognized in other comprehensive income	8,187
Balance on December 31, 2021	$ 116,594

(aa) Financial risk management

(i) Overview

The Group have exposure to the following risks from its financial instruments.

1) Credit risk

2) Liquidity risk

3) Market risk

The following likewise discusses the Group’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 Group’s risk management policies are established to identify and analyze the risks faced by the Group, 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 Group’s activities. The Group, 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.

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The board of directors oversees how management monitors the risks, which should be in compliance with the Group' s risk management policies and procedures, and reviews the adequacy of the risk management framework in relation of the risks faced by the Group. 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 Group if the client or the counterparty involved in a financial instrument transaction defaults. The primary potential credit risk is from the accounts receivable and investments of the Group.

1) Accounts receivable and other receivables

The Group has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Group' s standard payment and delivery terms and conditions are offered. The Group' s review includes external ratings, when available, and in some cases bank references. These limits are reviewed periodically.

To monitor credit risk, clients are grouped by their credit characteristics, including the amounts of accounts receivable, the period of aging, and the margin contribution for the Group. The major customers of the Group are concentrated in overseas agencies and large clients. Clients with high credit risk after evaluation would be placed on the restricted client list and be monitored by the board. Transactions with such clients would only be in cash in the future.

The Group 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 Group' s finance department. As the Group 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 Group does not have any compliance issues, and therefore, there is no significant credit risk.

T3EX GLOBAL HOLDINGS CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

3) Guarantees

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

a) Companies with a transaction relationship with the Group.

b) Companies in which the Group 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.

4) Liquidity risk

Liquidity risk is a risk that the Group is unable to meet the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group’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 Group’s reputation.

The Group 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 Group keeps good relationships with banks to obtain a sufficient credit limit for necessary cash demands in the operating cycle. Generally, the Group 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, 2022 and 2021, were $2,670,626 thousand and $3,821,798 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 Group’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 Group are open-end funds and convertible bonds which are measured at fair value. Therefore, the Group is exposed to the risk of price changes in the beneficiary certificate market. The Group 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 Group maintains its foreign currency net position within a certain limit. The convertible bonds held and issued by the Group are measured at fair value. This results in exposure to the risk of price changes in the equity and bond markets.

T3EX GLOBAL HOLDINGS CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

a) Currency risk

The Group is exposed to currency risk on sales, purchases, and borrowings that are denominated in a currency other than the respective functional currencies of the Group’s entities, primarily the New Taiwan Dollar (TWD), Chinese Yuan (CNY), US Dollar (USD), Hong Kong Dollar (HKD), Vietnam Dong (VND), and Thai Baht (THB).

The Group designates the spot element of forward foreign exchange contracts to hedge its currency risk and applies a hedge ratio of 1:1. Most of these contracts have a maturity of less than one year from the reporting date. The forward elements of forward exchange contracts are excluded from designation as the hedging instrument and are separately accounted for as a cost of hedging, which is recognized in equity in a cost of hedging reserve. The Group’s policy is for the critical terms of the forward exchange contracts to align with the hedged item.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. The Group assesses whether the derivative designated in each hedging relationship is expected to be and has been effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method.

In these hedge relationships, the main sources of ineffectiveness are:

- the effect of the counterparty and the Group’s own credit risk on the fair value of the forward foreign exchange contracts, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in exchange rates; and
- changes in the timing of the hedged transactions.

b) Interest rate risk

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

c) Other market risk

The Group signs contracts with large customers and vendors to keep sales and sources of supply stable. To maintain stable sales prices, the contents of contracts are reviewed every year in light of international economic conditions and market change.

T3EX GLOBAL HOLDINGS CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(ab) 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 Group. The board of directors monitors the level of dividends to common shareholders.

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

	December 31, 2022	December 31, 2021
Total liabilities	$ 8,693,672	6,390,998
Less: cash and cash equivalents	(9,569,948)	(6,781,308)
Net debt	**$ (876,276)**	**(390,310)**
Total equity	$ 9,007,894	10,213,118
Less: amounts accumulated in equity relating to cash flow hedges	-	-
Adjusted capital	**$ 9,007,894**	**10,213,118**
Debt-to-equity ratio	**- %**	**- %**

From time to time, the Group 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 Group's share option scheme for employees. The purchase of treasury stock did not impact the Group's capital management.

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

(ac) Investing and financing activities not affecting the current cash flow

The Group's investing and financing activities which did not affect the current cash flow in the years ended December 31, 2022 and 2021, were as follows:

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

(ii) For conversion of convertible bonds to ordinary shares, please refer to note 6(m) &(q).

T3EX GLOBAL HOLDINGS CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

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

	January 1, 2022	Cash flows		Non-cash changes	December 31, 2022
Long-term borrowings (including current portion)	$ 201,926	346,134		(97)	547,963
Short-term borrowings	790,715	2,660,195		(325)	3,450,585
Lease liabilities	290,096	(233,953)	Note	318,448	374,591
Total liabilities from financing activities	$ 1,282,737	2,772,376		318,026	4,373,139

	January 1, 2021	Cash flows		Non-cash changes	December 31, 2021
Long-term borrowings (including current portion)	$ 203,815	(1,534)		(335)	201,946
Short-term borrowings	1,488,400	(696,180)		(1,505)	790,715
Lease liabilities	322,952	(223,252)	Note	190,396	290,096
Total liabilities from financing activities	$ 2,015,167	(920,966)		188,556	1,282,757

Note: Interest expense were accounted as operating activities.

7. Related-party transactions:

(a) Name and relationships with related parties:

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

Names of related-party	Relationships with the Group
PT. Dexter Eurekatama	Investment under equity method
LOGI International Co., Ltd.	Investment under equity method
Orient Air General Sales Agent Co., LTD.	Investment under equity method
Fu Ju Co., Ltd.	The same representative of the subsidiary

T3EX GLOBAL HOLDINGS CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(b) Other related-party transactions

(i) Revenue

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

	Revenue		Accounts receivable	
	2022	2021	2022	2021
Associates	$ 41,234	42,372	467	7,218

Trading terms of the above transactions require payments within 30 to 60 days or depending on the funding needs, while the credit term for routine sales transactions was within 30 to 60 days.

(ii) Cost

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

	Cost		Accounts payable	
	2022	2021	2022	2021
Associates	$ 13,261	10,968	747	54

Trading terms of the above transactions require payment within 30 to 60 days or depending on funding needs, while the payment terms for routine transactions was within 30 to 60 days.

(iii) Lease

The Group rented buildings and land from its related parties since 2021. A three-years lease contract was signed in which the rental fee is determined based on nearby office rental rates. The total value of the contract was $10,688 thousands, wherein the Group paid the rent of $5,400 thousands and $900 thousand, and recognized $74 thousands and $17 thousands as interest expense, respectively in 2022 and 2021.

The balance of lease liabilities amounted to $4,479 thousands and $9,806 thousands as of December 31, 2022 and 2021, respectively.

T3EX GLOBAL HOLDINGS CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(c) Transactions with key management personnel

Key management personnel compensation comprised:

	For the years ended December 31	
	2022	**2021**
Short-term employee benefits	$ 69,351	67,549
Post-employment benefits	2,095	2,067
	$ 71,446	69,616

8. Pledged assets:

The carrying amounts of pledged assets were as follows:

Pledged assets	Object	December 31, 2022	December 31, 2021
Property, plant, and equipment	Credit facility	$ 665,663	171,749
Other financial assets－current (account as other current assets)	Forward exchange guarantees and credit facility/logistics-related guarantees	75,237	19,469
Refundable deposits	Logistics-related guarantees	117,744	119,570
Other financial assets－non-current (account as other non-current assets)	Logistics-related guarantees	4,852	29,168
		$ 863,496	339,956

9. Commitments and contingencies:

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

	December 31, 2022	December 31, 2021
Unused guarantees	$ 203,383	74,650

T3EX GLOBAL HOLDINGS CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

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

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

	December 31, 2022	December 31, 2021
Promissory notes	$ 3,795,522	427,880

10. Losses Due to Major Disasters: None.

11. Subsequent Events: None.

12. Others:

A summary of employee benefits, depreciation and amortization expenses, by function, is as follows.

	2022			2021		
	Operating costs	**Operating expenses**	**Total**	**Operating costs**	**Operating expenses**	**Total**
Personnel cost						
Salaries	199,847	2,111,072	2,310,919	153,595	2,967,157	3,120,752
Labor and health insurance	6,824	108,660	115,484	21,845	77,167	99,012
Pension	5,598	89,804	95,402	9,015	75,672	84,687
Others	3,711	89,673	93,384	7,981	130,957	138,938
Depreciation expenses	124,309	163,219	287,528	106,734	141,865	248,599
Amortization expenses	-	16,469	16,469	371	25,341	25,712

T3EX GLOBAL HOLDINGS CORP. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

13. Other disclosures:

(a) Information on significant transactions:

The following were the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Group for the years ended December 31, 2022:

(i) Loans to other parties:

(In Thousands of New Taiwan Dollars)

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
0	The Company	Taiwan Express Logistic Co., Ltd	Other receivables- related parties	Yes	350,000	350,000	-	Monthly changing interest rates	2	-	Trading turnover	-		-	1,744,648	3,489,297
0	The Company	T.H.I. Group Limited (HK)	Other receivables- related parties	Yes	84,120	-	-	Monthly changing interest rates	2	-	Trading turnover	-		-	1,744,648	3,489,297
0	The Company	T.H.I. Logistics Co. Ltd.	Other receivables- related parties	Yes	80,000	80,000	-	Monthly changing interest rates	2	-	Trading turnover	-		-	1,744,648	3,489,297
1	T.H.I. Logistics Co. Ltd.	Taiwan Express Logistic Co., Ltd	Other receivables- related parties	Yes	50,000	50,000	50,000	Seasonally changing interest rate	2	-	Trading turnover	-		-	68,650	137,301
2	T.H.I. Group Limited (HK)	Taiwan Express (HK) Co.,	Other receivables- related parties	Yes	64,400	36,864	36,864	Seasonally changing interest rate	2	-	Trading turnover	-		-	1,302,701	2,605,402
2	T.H.I. GroupLimited (HK)	T3EX GLOBAL HOLDINGS CORP.	Other receivables- related parties	Yes	636,200	-	-	Seasonally changing interest rate	2	-	Trading turnover	-		-	1,302,701	2,605,402
3	T.H.I. Group (Shanghai) Ltd.	T-SC Factoring Co., Ltd.	Other receivables- related parties	Yes	327,069	277,887	30,876	4.35%	2	-	Trading turnover	-		-	901,027	1,802,054
3	T.H.I. Group (Shanghai) Ltd.	Shanghai Moorluk International Shipping Co.,Ltd.	Other receivables- related parties	Yes	22,402	13,233	-	4.35%	2	-	Trading turnover	-		-	901,027	1,802,054
3	T.H.I. Group (Shanghai) Ltd.	T Cube Global Logistics Co., Ltd.	Other receivables- related parties	Yes	44,804	22,055	-	4.35%	2	-	Trading turnover	-		-	901,027	1,802,054
4	Shanghai Yaohwa InternationalForwarder Co., Ltd.	Shanghai Moorluk International Shipping Co.,Ltd.	Other receivables- related patties	Yes	22,518	13,233	-	4.35%	2	-	Trading turnover	-		-	29,921	59,843

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

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

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

Note 4: Ending facility balance approved by BOD.

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

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

(ii) Guarantees and endorsements for other parties:

(In Thousands of New Taiwan Dollars)

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
0	The Company	Taiwan Express (HK) Co.,	2	1,744,648	182,940	122,880	-	-	1.41%	3,489,297	Y	N	N
0	The Company	T.H.I. Group Limited (H.K.)	2	1,744,648	149,700	61,440	-	-	0.70%	3,489,297	Y	N	N
0	The Company	Shanghai Yaohwa International Forwarder Co., Ltd.	2	1,744,648	26,579	13,233	-	-	0.15%	3,489,297	Y	N	Y
0	The Company	T.H.I. Group (Shanghai) Ltd.	2	1,744,648	1,048,818	555,461	-	-	6.37%	3,489,297	Y	N	Y
0	The Company	T Cube Global Logistics Co., Ltd.	2	1,744,648	116,654	70,574	19,006	-	0.81%	3,489,297	Y	N	Y
1	T.H.I. Group Limited(HK)	T3EX GLOBAL HOLDINGS CORP.	3	1,302,701	708,400	675,840	-	-	10.38%	2,605,402	N	Y	N
2	Shanghai Yaohwa International Forwarder Co., Ltd.	T.H.I. Group (Shanghai) Ltd.	4	14,960	3,153	3,088	1,297	-	2.06%	59,843	N	N	Y
3	Taiwan Express Logistic Co.,Ltd	AIR TROPOLIS EXPRESS (S)PTE LTD.	2	182,389	45,596	45,704	45,704	-	5.01%	364,779	N	N	N

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 10% of the Company's net assets

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

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

(iii) Securities held as of December 31, 2022 (excluding investment in subsidiaries, associates and joint ventures):

(In Thousands of New Taiwan Dollars/shares)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Highest	Note
				Shares/Units	Carrying value	Percentage of ownership (%)	Fair value	Percentage of ownership	
The Company	Stock WPG Holdings Limited	-	Financial assets at fair value through profit or loss－current	1,000,000	48,100	0.05%	48,100	-	
The Company	Stock Soonest Express Co., Ltd.	-	Financial assets at fair value through other comprehensive income-current	998,972	67,930	3.33%	67,930	-	
The Company	Stock Yang Ming Marine Transport Corp.	-	Financial assets at fair value through other comprehensive income-current	20,300,577	1,329,688	0.58%	1,329,688	-	

T3EX GLOBAL HOLDINGS CORP. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Highest	Note
				Shares/Units	Carrying value	Percentage of ownership (%)	Fair value	Percentage of ownership	
The Company	Stock Evergreen Aviation Technologies Corp.	-	Financial assets at fair value through other comprehensive income-current	1,500,000	116,850	0.43%	116,850	-	
The Company	Stock Evergreen Marine Corporation	-	Financial assets at fair value through other comprehensive income-current	1,600,000	260,800	0.08%	260,800	-	
The Company	Stock Dimerco Express Corporation	-	Financial assets at fair value through other comprehensive income-current	100,000	6,980	0.07%	6,980	-	
The Company	Stock EVA AIRWAYS CORPORATION	-	Financial assets at fair value through other comprehensive income-current	500,000	14,075	0.01%	14,075	-	
Taiwan Express Logistic Co., Ltd	Stock Central Taiwan Science Park Logistics Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	3,880,000	118,844	12.93	118,844	-	
T.H.I. Group (Shanghai) Ltd	Stock COSCO Shipping Holdings Co., Ltd.	-	Financial assets at fair value through profit or loss-current	1,500,014	68,079	0.01%	68,079	-	

(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		Note
					Shares	Amount	Shares	Amount	Shares	Price	Cost	Gain (loss) on disposal	Shares	Amount	
The Company	Stock Evergreen Marine Corporation	Financial assets at fair value through profit or loss －current	-	-	3,405	485,212	300	41,400	3,705	574,530	526,612	47,918	-	-	Note 3
The Company	Stock Yang Ming Marine Corporation	Financial assets at fair value through profit or loss －current	-	-	3,000	363,000	300	34,350	3,300	420,149	397,350	22,799	-	-	Note 3
The Company	Stock Yang Ming Marine Corporation	Financial assets at fair value through other comprehensive income current			5,501	665,570	5,300	581,619	500	65,359	5,506	59,853	10,301	674,688	Note 1、3
The Company	Stock Evergreen Marine Corporation	Financial assets at fair value through other comprehensive income current			-	-	4,000	519,422	-	-	-	-	1,600	260,800	Note 2

Note 1: Private placement stock is not included. The amount at the end of the period includes evaluation adjustment for the current period.

Note 2: The amount at the end of the period includes the repayment of capital reduction and evaluation adjustments for the current period.

Note 3: Gain (loss) on disposal included evaulation adjustments for the current period.

T3EX GLOBAL HOLDINGS CORP. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

(v) Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Name of property	Transaction date	Transaction amount	Status of payment	Counter-party	Relationship with the Company	If the counter-party is a related party, disclose the previous transfer information				References for determining price	Purpose of acquisition and current condition	Others
							Owner	Relationship with the Company	Date of transfer	Amount			
T3EX Global Holdings Corp.	Buildings	2022/3/18	498,000	Paid	FIDELITAS INTERNATIONAL CORPORATION	-	-	-	-	-	Parity and bargain	Operating use	-

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

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

(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.	Affiliates	Sales	(132,486)	(10.03)%	Not significantly different from those of the third parties.	-	-	2,254	6.24%	
T.H.I Group (Shanghai) Ltd.	T.H.I. Logistics Ltd..	Affiliates	Sales	(186,802)	(1.20)%	Not significantly different from those of the third parties.	-	-	6,326	0.71%	
T.H.I Group (Shanghai) Ltd.	T.H.I. GROUP Limited (in HK)	Subsidiary	Sales	(176,395)	(1.13)%	Not significantly different from those of the third parties.	-	-	13,300	1.50%	
TEC Logistics (Shenzhen) Co., Ltd.	Taiwan Express Logistics Co., Ltd.	Subsidiary	Sales	(332,579)	(31.88)%	Not significantly different from those of the third parties.	-	-	22,094	14.02%	
Taiwan Express (HK) Co.,	Taiwan Express Logistics Co., Ltd.	Subsidiary	Sales	(113,223)	(10.85)%	Not significantly different from those of the third parties.	-	-	7,191	4.56%	
TEC Logistics(USA) Inc.	Taiwan Express Logistic Co., Ltd.	Subsidiary	Sales	(107,723)	(10.33)%	Not significantlydifferent fromthose of thethird parties.	-	-	12,400	7.87%	

Note: The amounts of the transaction and the ending balance had been eliminated in the consolidated financial statements.

T3EX GLOBAL HOLDINGS CORP. AND SUBSIDIARIES
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(viii) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Counter-party	Nature of relationship	Ending balance (Note 1)	Turnover rate	Overdue		Amounts received in subsequent period (Note 2)	Allowance for bad debts
					Amount	Action taken		
T.H.I. Group (Shanghai) Ltd.	T.H.I. Group Limited (in HK)	Subsidiary	Other receivables 370,875	-	-		370,875	-
T.H.I. Group Limited (in HK)	T.H.I. Group (Shanghai) Ltd.	Subsidiary	Other receivables 232,971	-	-		232,971	-

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

Note 2: As of Feburary 20, 2023 the amount of account receivables has been recovered.

(ix) Trading in derivative instruments:

Please refer to Note 6(2).

(x) Business relationships and significant intercompany transactions:

(In Thousands of New Taiwan Dollars)

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
1	The Company	T.H.I. Group (Shanghai) Ltd.	3	Other receivables	132,486	Loans to others	-%
2	T.H.I. Group (Shanghai) Ltd.	T.H.I. Logistics Co., Ltd.	3	Other receivables	186,802	The sales prices and payment terms of intercompany sales are not significantly different from those of the third parties.	0.01%
2	T.H.I. Group (Shanghai) Ltd.	T.H.I GROUP Limited (in HK)	2	Other receivables	370,875	The sales prices and payment terms of intercompany sales are not significantly different from those of the third parties.	0.01%
2	T.H.I. Group (Shanghai) Ltd.	T.H.I GROUP Limited (in HK)	2	Operating income	176,395	The sales prices and payment terms of intercompany sales are not significantly different from those of the third parties.	0.01%
3	T.H.I GROUP Limited (in HK)	T.H.I. Group (Shanghai) Ltd.	1	Other receivables	232,971	The sales prices and payment terms of intercompany sales are not significantly different from those of the third parties.	0.02%
4	TEC Logistics (Shenzhen) Co., Ltd.	Taiwan Express Logistic Co., Ltd.	2	Operating income	332,579	The sales prices and payment terms of intercompany sales are not significantly different from those of the third parties.	0.01%

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

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions: Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
5	Taiwan Express (HK) Co.,	Taiwan Express Logistic Co., Ltd.	2	Operating income	113,223	The sales prices and payment terms of intercompany sales are not significantly different from those of the third parties.	-%
6	TEC Logistics(USA) Inc.	Taiwan Express Logistic Co., Ltd.	2	Operating income	107,723	The sales prices and payment terms of intercompany sales are not significantly different from those of the third parties.	-%

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

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

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

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

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

(b) Information on investees:

The following is the information on investees for the years ended December 31, 2022 (excluding information on investees in Mainland China):

(In Thousands of New Taiwan Dollars/shares)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount: December 31, 2022	Original investment amount: December 31, 2021	Balance as of December 31, 2022: Shares (thousands)	Highest percentage of ownership	Carrying value	Percentage of ownership	Net income (losses) of investee	Share of profits/losses of investee	Note
The Company	T.H.I. Group Ltd.(in B.V.I.)	British Virgin Islands	Offshore settlement center	35,000 (1,000USD)	35,000 (1,000USD)	1,000,000	100.00%	141,109	100.00%	13,503	13,503	Subsidiaries
The Company	GREATLINE INTERNATIONAL LIMITED(GREATLINE)	British Virgin Islands	Offshore holding company	134,428 (4,050USD)	134,428 (4,050USD)	4,050,000	100.00%	6,518,249	100.00%	1,555,282	1,555,282	Subsidiaries
The Company	T.H.I GROUP VIETNAM CO., LTD.	Vietnam	Air & sea freight forwarding and packaging	8,362 (275USD)	8,362 (275USD)	4,950,000,000	99.00%	544,977	99.00%	154,692	153,145	Subsidiaries
The Company	T.H.I GROUP (BANGKOK) COMPANY LIMITED	Thailand	Air & sea freight forwarding and packaging	2,372 (72USD)	2,372 (72USD)	-	49.00%	94,380	49.00%	77,785	38,115	Subsidiaries
The Company	T.H.I. Japan Co., Ltd	Japan	Air & sea freight forwarding	10,365 (31,130JPY)	10,365 (31,130JPY)	3,060	51.00%	45,656	51.00%	32,083	16,361	Subsidiaries
The Company	Taiwan Express Logistic Co., Ltd. (TEC)	Taiwan	Air & sea freight forwarding	704,200	704,200	35,958,400	100.00%	1,139,932	100.00%	211,365	211,365	Subsidiaries
The Company	T.H.I. Logistics Co. Ltd.	Taiwan	Air & sea freight forwarding	130,000	130,000	13,000,000	100.00%	343,254	100.00%	168,485	168,485	Subsidiaries
The Company	T.H.I. GROUP (CAMBODIA) Co., Ltd.	Cambodia	Air & sea freight forwarding	4,462 (150USD)	4,462 (150USD)	-	100.00%	68,719	100.00%	4,283	4,283	Subsidiaries
The Company	PT. Dexter Eurekatama	Indonesia	Air & sea freight forwarding	47,381 (1,598USD)	47,381 (1,598USD)	12,000	30.00%	36,870	30.00%	13,824	1,023	Investment under equity method
The Company	T.H.I. GROUP SINGAPORE PTE. LTD	Singapore	Air & sea freight forwarding	19,032 (850SGD)	19,032 (850SGD)	850,000	91.40%	5,279	91.40%	(108)	(99)	Subsidiaries
The Company	LOGI International Co., Ltd.	Korea	Air & sea freight forwarding	9,666 (300USD)	9,666 (300USD)	16,285	30.00%	8,405	30.00%	24,126	7,238	Investment under equity method
The Company	Fresh Beauty Enterprises Ltd. (Fresh Beauty)	Samoa	Offshore holding company	307,353 (60,979CNY)	307,353 (60,979CNY)	66	66.00%	368,600	66.00%	73,447	46,168	Subsidiaries
The Company	T.H.I. Logistics (Malaysia) SDN. BHD	Malaysia	Air & sea freight forwarding	10,381 (315USD)	10,381 (315USD)	180,000	90.00%	50,777	90.00%	17,315	15,584	Subsidiaries
The Company	T.H.I. LOGISTICS PHILIPPINES CORP.	Philippines	Air & sea freight forwarding	38,860 (1,322USD)	16,467 (551USD)	419,750	99.94%	62,667	99.94%	23,578	23,564	Subsidiaries
The Company	T.H.I. Logistics (Hong Kong) Co., Limited	Hong Kong	Air & sea freight forwarding	197,239 (50,000HKD)	0	50,000,000	100.00%	197,010	100.00%	-	-	Subsidiaries
GREATLINE INTERNATIONAL LIMITED	T.H.I. GROUPLIMITED (in HK)	Hong Kong	Offshore holding Company	139,948 (4,314USD)	139,948 (4,314USD)	12,480,000	100.00%	6,517,297	100.00%	1,555,313	1,555,313	Subsidiaries

T3EX GLOBAL HOLDINGS CORP. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount: December 31, 2022	Original investment amount: December 31, 2021	Balance as of December 31, 2022: Shares (thousands)	Balance as of December 31, 2022: Highest percentage of ownership	Balance as of December 31, 2022: Carrying value	Balance as of December 31, 2022: Percentage of ownership	Net income (losses) of investee	Share of profits/losses of investee	Note
Fresh BeautyEnterprises Ltd.	Eastern Union Holdings Limited	Hong Kong	Freight forwarding, customs clearance, and distribution	57,411 (70,550HKD)	57,411 (70,550HKD)	-	100.00%	219,525	100.00%	73,504	73,504	Subsidiaries
TEC	Taiwan Express (HK) Co.,	Hong Kong	Freight forwarding, customs clearance, and delivery services	266,807 (70,550HKD)	266,807 (70,550HKD)	-	100.00%	580,722	100.00%	72,553	72,553	Subsidiaries
TEC	T-TRANS INTERNATIONAL CO., LTD.	Taiwan	Freight forwarding, customs clearance, and delivery services	6,000	6,000	1,000,000	100.00%	-	100.00%	-	-	Investee of indirect holding for 30% equity
TEC	Ori Air General Sales Agent Co., Ltd.	Taiwan	Freight forwarding, customs clearance, and distribution	600	600	60,000	30.00%	4,028	30.00%	7,161	2,148	Subsidiaries
TEC	Hiview Logisties Co., Ltd.	Taiwan	Freight forwarding, customs clearance, and distribution	76,590	76,590	5,000,000	97.51%	109,729	97.51%	18,053	17,603	Subsidiaries
TEC	Taiwan Express (USA) INC.	United States	Freight forwarding, customs clearance, and distribution	31,629 (1,000USD)	31,629 (1,000USD)	1,000,000	100.00%	61,608	100.00%	26,094	26,094	Subsidiaries
TEC	TEC LOGISTICS (USA) INC.	United States	Freight forwarding, customs clearance, and distribution	8,549 (290USD)	8,549 (290USD)	200	100.00%	23,601	100.00	9,906	9,906	Subsidiaries
TEC	TEC LOGISTICSVIETNAM COMPANYLIMITED	Vietnam	Freight forwarding, and Air freight forwarding	25,271 (850SGD)	10,577 (350SGD)	-	100.00%	27,514	100.00	2,802	2,802	Subsidiaries
TEC	TEC Motion Co., Ltd.	Taiwan	Freight forwarding and distribution	53,500	8,500	7,500	100.00%	53,878	100.00	810	505	Subsidiaries
TECHK	Airtropolis Express(s) Pte. Ltd.	Singapore	Air freight forwarding	117,341 (5,421SGD)	117,341 (5,421SGD)	748	88.00%	170,601	88.00	58,489	48,538	Subsidiaries

Note: The amount had been eliminated in the consolidated financial statements.

(c) Information on overseas branches and representative offices:

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

(In Thousands of New Taiwan Dollars)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment (Note 1)	Accumulated outflow of investment from Taiwan as of January 1, 2022	Investment flows: Outflow	Investment flows: Inflow	Accumulated outflow of investment from Taiwan as of December 31, 2022	Net income (losses) of the investee	Percentage of ownership	Highest Percentage of ownership	Investment income (losses)	book value	Accumulated remittance of earnings in current period
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)	7,624	100.00%	100%	7,624	149,602	-
T.H.I. Group (Shanghai) Ltd.	Air & sea freight forwarding and customs clearance	92,883 (3,060USD)	Note 1(2)	89,165 (3,060USD)	-	-	89,165 (3,060USD)	1,143,722	100.00%	100%	1,143,722	4,533,036	-
T-SC Factoring Co., Ltd.	Commercial service	215,680 (50,000CNY)	Note 2	-	-	-	-	4,599	100.00%	100%	4,599	227,248	-
Shanghai Moorluk International Shipping Co., Ltd.	Air & sea freight forwarding and customs clearance	22,460 (5,000CNY)	Note 2	-	-	-	-	12,075	65.00%	65%	7,640	31,148	-
T-Cube Global Logistics Co., Ltd.	Warehousing	54,610 (11,000CNY)	Note 1(2)	274,589 (8,391USD)	-	-	274,589 (8,391USD)	73,523	66.00%	66.00%	48,525	144,646	21,140
T-HL (Shanghai) Global Supply Chain Management Co., Ltd	Warehousing	-	Note 6	-	-	-	-	-	66.00%	- %	-	-	-
EXer Logistics Co., Ltd.	Express logistics company	58,023 (12,438HKD)	Note 2		-	-	-	11,556	93.51%	93.51%	10,806	108,892	-
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)	32,326	100.00%	100%	32,326	303,716	-
T-Cube (Suzhou) Global Logistic Co., Ltd.	Warehousing	43 (10CNY)	Note 4	-	-	-	-	13	66.00%	66%	8	69	-

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

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment (Note 1)	Accumulated outflow of investment from Taiwan as of January 1, 2022	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2022	Net income (losses) of the investee	Percentage of ownership	Highest Percentage of ownership	Investment income (losses)	book value	Accumulated remittance of earnings in current period
					Outflow	Inflow							
T-SC Trading Co., Ltd.	Supply chain management and import and export trade	4,273 (1,000CNY)	Note 5	-	-	-	-	(16)	100.00%	100%	(16)	4,283	-
Lianhua (Shanghai) Logistics Co., Ltd	Supply chain management, import and export trading	-	Note 7	-	-	-	-	-	66.00%	-	-	-	-

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

Note 1: The method of investment in Mainland China is as follows:
(1) Invested directly in Mainland China.
(2) Invested in Mainland China Via remittance through a third region.
(3) Others

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

Note 3: TEC Logistics Co., Ltd is invested by the Company's subsidiary, Taiwan Express Logistic Co., Ltd., that invested in Mainland China via remittance through a third region. The upper limit of the investments is 60% of Taiwan Express Logistic Co., Ltd.'s net assets in the financial statements based on the "REGULATIONS GOVERNING THE APPROVAL OFINVESTMENT OR TECHNICAL COOPERATION INMAINLAND CHINA" and have been approved by the Investment Commission Ministry of Economic Affairs amounting to $183,901 thousand (HKD48,550 thousand).

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

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

Note 6: As of Decenber 31, 2022, T-HL (Shanghai) Global Supply Chain Management Co., Ltd has completed the process of subscription, capital has yet to be remitted.

Note 7: As of Decenber 31, 2022, Lianhua (Shanghai) Logistics Co., Ltd has completed the process of subscription, capital has yet to be remitted.

(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of December 31, 2022 (Note 1)	Investment Amounts Authorized by Investment Commission, MOEA (Note 2)	Upper Limit on Investment
421,417 (13,718USD thousand)	483,195 (15,729USD thousand)	5,233,946

Note 1: Calculated by accumulated investment in Main land China as of December 31, 2022, including $6,530 thousand (USD $200 thousand) remitted to THI Group (Shanghai) Logistic Ltd. and USD$367 thousand remitted to Shanghai Huiyou Yuanhua Trade Co., Ltd.

Note 2: As the reporting date, the exchange between USD and TWD was 1:30.72.

(iii) Significant transactions:

The significant inter-company transactions with the subsidiary in Mainland China for the year ended 2022, which were eliminated in the preparation of consolidated financial statements, are disclosed in "Information on significant transactions".

(4) Major shareholders:

Shareholding / Shareholder's Name	Shares	Percentage
WPG HOLDINGS LIMITED	11,588,907	8.08%
GOLDEN HORSE INVESTMENT CORP	10,299,013	7.18%
PIN GUAN INVESTMENT LIMITED	8,900,000	6.20%

14. General information:

(a) General information

The Group’s reportable operating segments are the sea export and air export segments.

(b) Information on reportable segments’ income or loss, assets, liabilities, and measurement base and reconciliation

The Group has two reportable segments, as described below. These two segments are strategic business units of the Group. Each strategic business unit provides different services and is managed separately on account of different professional knowledge and marketing tactics. The Group’s chief operating decision makers review the internal management report on a monthly basis. The Group’s operating segment information and reconciliation were as follows:

The Group’s operating segment information and reconciliation were as follows:

	2022				
	Sea export	**Air export**	**Others**	**Adjustment/ elimination**	**Total**
Segment revenue	$ 20,723,068	4,932,499	2,562,461	-	28,218,028
Segment gross profit	4,160,081	922,792	515,242	-	5,598,115

	2021				
	Sea export	**Air export**	**Others**	**Adjustment/ elimination**	**Total**
Segment revenue	27,300,539	6,574,886	2,168,179	-	36,043,604
Segment gross profit	6,843,284	861,648	420,827	-	8,125,759

(c) Geographic information

In presenting information on the basis of geography, segment assets are based on the geographical location of the assets. Please refer to note 6(u).

Non-current assets:

	2022	**2021**
Taiwan	$ 1,060,293	768,427
China and Hong Kong	631,910	336,123
Others	71,515	47,333
	$ 1,763,718	**1,151,883**

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, 2022 and 2021, 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, 2022 and 2021, 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 audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of 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 Norm of Professional Ethics for Certified Public Accountants of Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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.

   <u>Description of key audit matter:</u>

   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 Standards on Auditing of 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 the Standards on Auditing of the Republic of China, we exercise professional judgment and 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 Pei-Chi Chen and Chi-Lung Yu.

KPMG

Taipei, Taiwan (Republic of China)
March 9, 2023

(English Translation of Financial Statements Originally Issued in Chinese)

T3EX GLOBAL HOLDINGS CORP.

Balance Sheets

December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2022		December 31, 2021	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (notes 6(a)&(s))	$ 609,317	5	277,986	3
1110	Current financial assets at fair value through profit or loss (notes 6(b)&(s))	48,100	-	967,596	9
1120	Current financial assets at fair value through other comprehensive income (notes 6 (c)&(s))	1,796,323	14	717,193	7
1180	Accounts receivable due from related parties, net (notes 6(d),(q),&7)	72,259	1	54,845	-
1210	Other receivables due from related parties, net (note7)	-	-	200,000	2
1470	Other current assets	34,845	-	52,995	-
	Current assets	2,560,844	20	2,270,615	21
	Non-current assets:				
1517	Non-current financial assets at fair value through other comprehensive income (notes 6(c)&(s))	-	-	1,166,500	11
1550	Investments accounted for using equity method, net (note 6(e)&(n))	9,625,884	75	7,092,228	66
1600	Property, plant and equipment (notes 6(f)&8)	675,392	5	183,151	2
1780	Intangible assets (note 6(g))	17,530	-	21,451	-
1840	Deferred tax assets (note 6(l))	2,817	-	9,390	-
1920	Refundable deposits (note 8)	386	-	336	-
	Non-current assets	10,322,009	80	8,473,056	79
	Total assets	**$ 12,882,853**	**100**	**10,743,671**	**100**

		December 31, 2022		December 31, 2021	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2100	Short-term borrowings (notes 6(h)(s)(v)&8)	$ 2,630,000	20	400,000	4
2216	Dividends payable	709,176	5	-	-
2219	Other payables, others (notes 6(k))	116,341	1	89,289	1
2230	Current tax liabilities	144,905	1	13,663	-
2322	Long-term borrowings, current portion (notes 6(i)(s)(v))	210,000	2	-	-
2399	Other current liabilities, others	161	-	87	-
	Current liabilities	3,810,583	29	503,039	5
	Non-Current liabilities:				
2540	Long-term borrowings (notes 6(i)(s)(v)&8)	337,500	3	200,000	2
2640	Net defined benefit liability, non-current (note 6(k))	8,686	-	16,374	-
2645	Guarantee deposits received	2,840	-	-	-
	Non-current liabilities	349,026	3	216,374	2
	Total liabilities	4,159,609	32	719,413	7
	Equity attributable to owners of parent (notes 6(c)(j)(m)&(n)):				
3110	Ordinary share	1,433,912	11	1,447,522	13
3200	Capital surplus	2,530,860	20	2,546,036	24
3300	Retained earnings	4,668,663	36	4,612,097	43
3400	Other equity	487,339	4	1,479,163	14
3500	Treasury shares	(397,530)	(3)	(60,560)	(1)
	Total equity	8,723,244	68	10,024,258	93
	Total liabilities and equity	**$ 12,882,853**	**100**	**10,743,671**	**100**

(English Translation of Financial Statements Originally Issued in Chinese)

T3EX GLOBAL HOLDINGS CORP.

Statements of Comprehensive Income

For the years ended December 31, 2022 and 2021

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

		2022		2021	
		Amount	**%**	**Amount**	**%**
4000	**Operating revenue (notes 6(q)&7)**	$ 2,340,194	100	3,346,647	100
5000	**Operating costs (notes 6(k)(n)(p)&12)**	156,519	7	141,294	4
	Gross profit from operations	2,183,675	93	3,205,353	96
	Net operating income	2,183,675	93	3,205,353	96
	Non-operating income and expenses:				
7010	Other income (notes 6(r)&7)	485,791	21	18,014	-
7020	Other gains and losses, net (notes 6(b)&(r))	63,630	3	738,083	22
7100	Interest income (notes 6(r)&7)	3,915	-	2,052	-
7510	Interest expense (note 6(r))	(22,828)	(1)	(13,276)	-
	Profit before income tax	2,714,183	116	3,950,226	118
7950	Less: Income tax expenses(note 6(l))	165,797	7	15,354	-
	Profit	2,548,386	109	3,934,872	118
8300	**Other comprehensive income (loss):**				
8310	**Items that may not be reclassified subsequently to profit or loss**				
8311	Remeasurements of defined benefit plans	657	-	(1,737)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(1,240,917)	(53)	1,464,851	43
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	8,471	-	(6,779)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	1,375	-	-	-
		(1,233,164)	(53)	1,456,335	43
8360	**Items that may be reclassified subsequently to profit or loss**				
8361	Exchange differences on translation of foreign financial statements	302,554	13	(13,419)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Components of other comprehensive income that will be reclassified to profit or loss	302,554	13	(13,419)	-
8300	**Other comprehensive income**	(930,610)	(40)	1,442,916	43
	Comprehensive income	**$ 1,617,776**	**69**	**5,377,788**	**161**
	Earnings per share (note 6(o))(NT Dollars)				
	Basic earnings per share	**$ 18.03**		**30.03**	
	Diluted earnings per share	**$ 18.01**		**30.00**	

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T3EX GLOBAL HOLDINGS CORP.

Statements of Changes in Equity

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	Share capital			Retained earnings				Total other equity				
	Ordinary shares	Capital collected in advance	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total other equity interest	Treasury shares	Total equity
Balance on January 1, 2021	$ 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 reserve appropriated	-	-	-	56,372	-	(56,372)	-	-	-	-	-	-
Special reserve appropriated	-	-	-	-	(178,938)	178,938	-	-	-	-	-	-
Cash dividends on ordinary share	-	-	-	-	-	(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 payments 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)	-	-
Total increase (decrease) in equity	275,947	(86,108)	1,715,473	56,372	(178,938)	(258,415)	(380,981)	-	(16,588)	(16,588)	-	1,507,743
Balance on 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
Profit	-	-	-	-	-	2,548,386	2,548,386	-	-	-	-	2,548,386
Other comprehensive income	-	-	-	-	-	5,502	5,502	302,554	(1,238,666)	(936,112)	-	(930,610)
Total comprehensive income	-	-	-	-	-	2,553,888	2,553,888	302,554	(1,238,666)	(936,112)	-	1,617,776
Appropriation and distribution of retained earnings:												
Legal reserved appropriated	-	-	-	599,834	-	(599,834)	-	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	-	(2,553,034)	(2,553,034)	-	-	-	-	(2,553,034)
Purchase of treasury share	-	-	-	-	-	-	-	-	-	-	(365,756)	(365,756)
Retirement of treasury share	(13,610)	-	(15,176)	-	-	-	-	-	-	-	28,786	-
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	55,712	55,712	-	(55,712)	(55,712)	-	-
Balance at December 31, 2022	**$ 1,433,912**	**-**	**2,530,860**	**890,475**	**7,116**	**3,771,072**	**4,668,663**	**24,091**	**463,248**	**487,339**	**(397,530)**	**8,723,244**

(English Translation of Financial Statements Originally Issued in Chinese)

T3EX GLOBAL HOLDINGS CORP.

Statements of Cash Flows

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

		2022	2021
Cash flows from operating activities:			
Profit before tax	$	2,714,183	3,950,226
Adjustments:			
Adjustments to reconcile profit (loss):			
Depreciation expenses		6,690	4,334
Amortization expenses		8,479	6,744
Net gain on financial assets or liabilities at fair value through profit		(56,337)	(460,202)
Interest expenses		22,828	13,276
Interest income		(3,915)	(2,052)
Dividend income		(474,506)	(14,450)
Share-based payment transactions		-	2,634
Share of profit of associates accounted for using equity method		(2,254,017)	(3,278,886)
Gain on disposal of investments		-	(278,670)
Total adjustments to reconcile loss		(2,750,778)	(4,007,272)
Changes in operating assets and liabilities:			
Changes in operating assets:			
Increase in accounts receivable due from related parties		(17,414)	(9,252)
Decrease in other current assets		(2,248)	967
Increase in other payables		27,052	45,736
Increase (decrease) in other current liabilities		74	(12)
Increase in net defined benefit liability		(7,031)	212
Total adjustments		(2,750,345)	(3,969,621)
Cash outflow generated from operations		(36,162)	(19,395)
Interest received		3,769	2,052
Interest paid		(22,828)	(11,322)
Income taxes paid		(29,222)	(672)
Net cash flows used in operating activities		(84,443)	(29,337)
Cash flows from (used in) investing activities:			
Acquisition of financial assets at fair value through other comprehensive income		(1,295,957)	(19,658)
Proceeds from disposal of financial assets at fair value through other comprehensive income		119,519	25,402
Proceeds from capital reduction of financial assets at fair value through other comprehensive income		24,000	-
Acquisition of financial assets at fair value through profit or loss		(75,750)	(596,089)
Proceeds from disposal of financial assets at fair value through profit or loss		1,102,483	392,408
Acquisition of investments accounted for using equity method		(219,632)	-
Acquisition of property, plant and equipment		(498,931)	(7,271)
Increase in refundable deposits		(50)	-
Decrease in other receivables due from related parties		200,000	-
Acquisition of intangible assets		(4,558)	(8,193)
Dividends received		724,280	78,800
Increase in other prepayments		(30,356)	-
Net cash flows from (used in) investing activities		45,048	(134,601)
Cash flows from (used in) financing activities:			
Increase in short-term loans		2,230,000	-
Decrease in short-term loans		-	(900,000)
Proceeds from issuance of long-term borrowings		350,000	200,000
Repayments of long-term borrowings		(2,500)	(200,000)
Increase in guarantee deposits received		2,840	-
Cash dividends paid		(1,843,858)	(397,569)
Capital increase by cash		-	1,608,391
Cost of increase in treasury stock		(365,756)	-
Net cash flows from financing activities		370,726	310,822
Net increase in cash and cash equivalents		331,331	146,884
Cash and cash equivalents at beginning of period		277,986	131,102
Cash and cash equivalents at end of period	$	609,317	277,986

(English Translation of Financial Statements Originally Issued in Chinese)

T3EX GLOBAL HOLDINGS CORP.

Notes to the Financial Statements

For the years ended December 31, 2022 and 2021

(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 9, 2023.

(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, 2022:

- 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"

(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, 2023, would not have a significant impact on its financial statements:

- Amendments to IAS 1 "Disclosure of Accounting Policies"
- Amendments to IAS 8 "Definition of Accounting Estimates"
- Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"

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"	Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement for at least 12 months after the reporting date. The amendments has removed the requirement for a right to be unconditional and instead now requires that a right to defer settlement must exist at the reporting date and have substance. The amendments clarify how a company classifies a liability that can be settled in its own shares – e.g. convertible debt.	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	After reconsidering certain aspects of the 2020 amendments1, new IAS 1 amendments clarify that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting	January 1, 2024

T3EX GLOBAL HOLDINGS CORP.

Notes to the Financial Statements

date.

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”

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Notes to the Financial Statements

- IFRS 17 "Insurance Contracts" and amendments to IFRS 17 "Insurance Contracts"
- IFRS16 "Requirements for Sale and Leaseback Transactions"

(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.

T3EX GLOBAL HOLDINGS CORP.

Notes to the Financial Statements

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.

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 of 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

T3EX GLOBAL HOLDINGS CORP.

Notes to the Financial Statements

(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;

(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.

T3EX GLOBAL HOLDINGS CORP.

Notes to the Financial Statements

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.

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

T3EX GLOBAL HOLDINGS CORP.

Notes to the Financial Statements

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 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 entirely 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.

T3EX GLOBAL HOLDINGS CORP.

Notes to the Financial Statements

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.

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.

T3EX GLOBAL HOLDINGS CORP.

Notes to the Financial Statements

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.

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.

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Notes to the Financial Statements

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.

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.

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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.

(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

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.

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Notes to the Financial Statements

(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.

(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.

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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.

(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.

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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.

(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.

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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.

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.

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Notes to the Financial Statements

(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.

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.

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Notes to the Financial Statements

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

		December 31, 2022	December 31, 2021
Checking accounts	$	8	34
Demand deposits-foreign currency		1,922	19,658
Demand deposits		207,387	258,294
Time deposits		400,000	-
	$	609,317	277,986

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, 2022	December 31, 2021
Non-derivative financial assets			
Funds	$	-	7,234
Stocks listed on domestic markets		48,100	960,362
Total	$	48,100	967,596

For the years ended December 31, 2021, the net income from financial assets at fair value through profit or loss is recorded as other gains and losses.

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

		December 31, 2022	December 31 2021
Equity investments at fair value through other comprehensive income			
Current			
Domestic Company-Soonest express Co., Ltd.	$	67,930	51,624
Domestic Company-Yang Ming Marine Transport Corp.		1,329,688	665,569
Evergreen Aviation Technologies Corp.		116,850	-
Evergreen Marine Corporation(Taiwan) Ltd.		260,800	-
Dimerco Express Corporation.		6,980	-
EVA Airways Corporation.		14,075	-
Total	$	1,796,323	717,193
Non-current			
Domestic Company Private placement stocks-Yang Ming	$	-	1,166,500

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Marine Transport Corp.

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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.

The Company held private placement stocks-Yang Ming Marine of $1,166,500 thousand on December 31, 2021, which had been reclassified to current account after the evaluation adjustment at the end of the current period.

In 2022 and 2021, the Company has sold its partial shares in order to adjust its investment strategy. The shares sold had a fair value of $119,519 thousand and $25,402 thousand, respectively. The Company realized a gain of $55,712 thousand and $16,588 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, 2022	December 31, 2021
Accounts receivable due from related parties -measured at amortized cost	$	72,259	54,845

As of December 31, 2021, 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 2022 and 2021.

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

(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, 2022	December 31, 2021
Subsidiary	$	9,580,609	7,054,816
Associates		45,275	37,412
	$	9,625,884	7,092,228

(i) Subsidiary

Please refer to the consolidated financial statements for the years ended December 31, 2022.

(ii) Associates

No publicly quoted prices were available for the above associates.

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

	December 31, 2022	December 31, 2021
Carrying amount of individual insignificant associates equity	$ 143,463	104,051

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, the Company did not provide any investments accounted for using the equity method as collateral for its loans.

(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 were as follows:

	Land	Buildings	Office and Other Equipment	Total
Cost or deemed cost:				
Balance on January 1, 2022	$ 132,594	54,925	19,083	206,602
Additions	447,420	48,415	3,096	498,931
Disposal	-	-	(1,217)	(1,217)
Balance on December 31, 2022	$ 580,014	103,340	20,962	704,316
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	$ 132,594	54,925	19,083	206,602
Depreciation and impairment loss:				
Balance on January 1, 2022	$ -	15,770	7,681	23,451
Depreciation	-	1,921	4,769	6,690
Disposal	-	-	(1,217)	(1,217)
Balance on December 31, 2022	$ -	17,691	11,233	28,924
Balance on January 1, 2021	$ -	14,569	25,588	40,157
Depreciation	-	1,201	3,133	4,334
Disposal	-	-	(21,040)	(21,040)

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Balance on December 31, 2021	**$ -**	**15,770**	**7,681**	**23,451**

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		Land	Buildings	Office and Other Equipment	Total
Carrying amounts:					
Balance on December 31, 2022	$	580,014	85,649	9,729	675,392
Balance on January 1, 2021	$	132,594	40,356	7,264	180,214
Balance on December 31, 2021	$	132,594	39,155	11,402	183,151

A summary of pledged assets as of December 31, 2022 and 2021 is found in note 8.

On March 8, 2022, the Company' s Board of Directors passed a resolution of purchasing property,which will purchase land and buildings in Xinyi District, Taipei City. The total costs of the contract was $498,000 thousand and the Company had registered for transfer on May 26, 2022.

The Company rented out part of its office to others and had no intention to obtain long-term capital appreciation or earn any rent, so the Company did not classify this asset as investment property. The book value on December 31, 2022 were $494,883 thousand. For the information of rents, please refer to note 6(r).

(g) Intangible assets

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

		Intangible Assets
Cost:		
Balance on January 1, 2022	$	70,234
Additions		4,558
Balance on December 31, 2022	$	74,792
Balance on January 1, 2021	$	62,041
Additions		8,193
Balance on December 31, 2021	$	70,234
Amortization and impairment loss:		
Balance on January 1, 2022	$	48,783
Amortization		8,479
Balance on December 31, 2022	$	57,262
Balance on January 1, 2021	$	42,039
Amortization		6,744
Balance on December 31, 2021	$	48,783
Carrying value:		
Balance on December 31, 2022	$	17,530
Balance on January 1, 2021	$	20,002
Balance on December 31, 2021	$	21,451

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

(h) Short-term borrowing

	December 31, 2022	December 31, 2021
Unsecured bank loans	$ 2,630,000	400,000
Unused short-term credit lines	$ 1,500,000	2,550,000
Interest rate	1.26%~2.50%	0.85%~0.90%

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

(i) Long-term borrowing

Long-term borrowings were as follows:

	December 31, 2022	December 31, 2021
Secured bank loans	$ 240,000	-
Unsecured bank loans	307,500	200,000
Less: current portion	(210,000)	-
Total	$ 337,500	200,000
Unused long-term credit lines	$ -	-
Interest rate	1.44%~1.67%	1.05%

For the year ended December 31, 2022, the Company’s proceeds from long-term borrowings amounted to $350,000 thousand with an interest rate of 1.67%. The long-term borrowings are due in July 2027.

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.

For the year ended December 31, 2021, the repayment amounted to $2,500 thousand and $200,000 thousand, respectively.

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

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Notes to the Financial Statements

(j) Bonds payable

The details of unsecured convertible bonds were as follows:

	December 31, 2021
Total convertible corporate bonds issued	$ 300,000
Less: Cumulative converted amount	(300,000)
Corporate bonds issued balance at year-end	$ -
Embedded derivative－call and put options, included in financial liabilities at fair value through profit or loss	$ -
Equity components－conversion options, included in capital surplus－stock options	$ -

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	$ 312,269

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)

(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, 2022	**December 31, 2021**
Total present value of defined benefit obligations	$ (35,213)	(34,407)
Fair value of plan assets	26,527	18,033
Net defined benefit liability	**$ (8,686)**	**(16,374)**

The Company's employee benefit liabilities were as follows:

	December 31, 2022	**December 31, 2021**
Paid vacation liability-current (recorded in other payables)	**$ 229**	**229**

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.

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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, 2022, the pension fund account balance at Bank of Taiwan and the manager pension fund balance amounted to $2,287 thousands and $24,240 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:

		2022	2021
Defined benefit obligations on January 1	$	34,407	31,454
Current service costs and interest cost		1,204	1,139
Remeasurements loss (gain)		(398)	1,814
Defined benefit obligations on December 31	**$**	**35,213**	**34,407**

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, 2022 and 2021 were as follows:

		2022	2021
Fair value of plan assets on January 1	$	18,033	17,029
Expected return on plan assets		62	6
Contribution to the plan		8,173	921
Remeasurements gain		259	77
Fair value of plan assets on December 31	**$**	**26,527**	**18,033**

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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:

	2022	2021
Current service costs	$ 1,111	1,058
Net interest of net liabilities for defined benefit obligations	31	75
	$ 1,142	1,133

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, 2022 and 2021 was as follows:

	2022	2021
Accumulated amount at January 1	$ (890)	(2,627)
Recognized during the period	(657)	1,737
Accumulated amount at December 31	$ (1,547)	(890)

6) Actuarial assumptions

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

	December 31, 2022	December 31, 2021
Discount rate	1.750%	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 $925 thousand dollar.

The weighted-average lifetime of the defined benefit plans is 15.60 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.

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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 by0.25%**
December 31, 2022			
Discount rate	$	(80)	82
Future salary increasing rate		80	(77)
December 31, 2021			
Discount rate		(87)	92
Future salary increasing rate		89	(85)

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 2022 and 2021.

(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 $1,855 thousand and $1,675 thousand for the years ended December 31, 2021, respectively.

(l) Income tax

(i) The components of income tax for 2022 and 2021 were as follows:

		2022	2021
Current income tax expense	$	160,599	14,060
Deferred income tax expense		5,198	1,294
Income tax expense	$	165,797	15,354

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Reconciliation of income tax expense and profit before tax for the years ended December 31, 2022 and 2021 were as follows:

	2022	2021
Profit before income tax	$ 2,714,183	3,950,226
Income tax using the Company's domestic tax rate	542,837	790,045
Domestic investment income using equity method	(75,970)	(67,244)
Changes in unrecognized temporary differences	(374,833)	(588,533)
Gains that does not affect income tax expense	(82,655)	(138,590)
The income basic tax	60,325	-
Prior year income tax underestimation (overestimation)	13,795	10
Undistributed earnings additional tax	82,436	13,663
Others	(138)	6,003
	$ 165,797	**15,354**

(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, 2022 and 2021. 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, 2022	December 31, 2021
Unrecognized deferred tax assets	**$ 3,022**	**4,450**
Unrecognized deferred tax liabilities	**$ 1,461,265**	**1,087,857**

2) Recognized deferred tax assets and liabilities

The movements in deferred tax assets and liabilities for the years ended December 31, 2022 and 2021 were as follows:

	Defined benefit plans	Others	Total
Deferred tax assets:			
Balance at January 1, 2022	$ 4,094	5,296	9,390
Debited (credited) in profit or loss	(1,406)	(5,036)	(6,442)
Dedited (crebited) to OCI	(131)	-	(131)
Balance at December 31, 2022	**$ 2,557**	**260**	**2,817**
Balance at January 1, 2021	$ 4,094	6,590	10,684
Dedited (crebited) to profit or loss	-	(1,294)	(1,294)

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Balance at December 31, 2021	**$**	**4,094**	**5,296**	**9,390**

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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, 2022 and 2021, 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, 2022 and 2021, the issued capital were 143,391 and 144,752 thousand shares, respectively. All issued ordinary shares were paid up upon issuance.

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, 2022 and 2021 were as follows:

Unit: thousand share

		2022	2021
Beginning balance, January 1	$	144,752	117,158
Capital increase by cash		-	20,000
Conversion of convertible bonds		-	7,594
Treasury stock retirement		(1,361)	-
Ending balance, December 31	**$**	**143,391**	**144,752**

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(ii) Capital surplus

The components of capital surplus were as follows:

	December 31, 2022	December 31, 2021
Paid-in capital derived from premium on issuance of common shares	$ 1,986,579	2,005,494
Surplus arising from bond conversion option	483,419	483,419
Surplus arising from treasury share transactions	3,739	-
Surplus arising from long-term equity investments－donated surplus and others	13,699	13,699
Surplus arising from premium from merger	2,912	2,912
Surplus arising from stock options	40,512	40,512
	$ 2,530,860	2,546,036

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 amended on May 24, 2022, if the Company incurred profit during the semi-annual period, the profit shall be first utilized for paying taxes and offsetting losses of the previous years. Thereafter, 10% of the annual net earnings (net of incomes taxes) must be set aside as legal reserve until the accumulated legal reserve equals the Company's total capital. In addition, a special reserve shall be set aside in accordance with the Company's operational needs, as well as applicable laws and regulations.

Any remainder, together with any undistributed retained earnings, shall be distributed according to the distribution plan proposed and approved by the Board of Directors. The proposal of earnings distribution, through issuance of new shares, shall be executed according to Article 240 of the Company Act; while the proposal of earnings distribution, by cash, shall be resolved during the stockholders' meeting.

If the Company incurred profit in the fiscal year, the profit shall be first utilized for paying taxes and offsetting losses of the previous years; and the remainder, if any, shall be distributed as follows:

A. 10% of the annual net earnings (net of incomes taxes) must be set aside as legal reserve until the accumulated legal reserve equals the Company's total capital.

B. If necessary, a special reserve shall be set aside in accordance with the applicable laws and regulations.

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C. Any remainder, together with any undistributed retained earnings, shall be distributed according to the distribution plan proposed by the Board of Directors. The proposal of earnings distribution, through issuance of new shares, shall be during the stockholders' meeting; while the proposal of earnings distribution, by cash, shall be resolved during the board meeting, approved by more than half of the directors, with two thirds of directors in attendance; thereafter, to be submitted in the shareholders' meeting of the Company.

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.

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, 2022 and 2021.

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.

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3) Earnings distribution

Earnings distribution for 2021 and 2020 was resolved in the general meeting of shareholders held on May 24, 2022 and August 17, 2021, respectively. The relevant dividend distributions to shareholders were as follows:

	2021		2020	
	Amount per share (dollars)	**Total amount**	**Amount per share (dollars)**	**Total amount**
Dividends distributed to ordinary shareholders:				
Cash	$ 13.00	1,843,858	3.20	397,569

On November 3, 2022, the Company's Board of Directors resolved to appropriate the earnings for the first half of 2022 as follows:

	The first half of 2022	
	Amount per share (NT dollars)	**Total amount**
Dividends distributed to ordinary shareholders:		
Cash	$ 5.18	709,176

On March 9, 2023, the Company's Board of Directors proposed to appropriate the earnings for the second half of 2022 as follows:

	The second half of 2022	
	Amount per share (NT dollars)	**Total amount**
Dividends distributed to ordinary shareholders:		
Cash	$ 5.00	684,806

(iv) Treasury stock

For the years ended December 31, 2022 and 2021 the movements of the treasury stock were as below.

Item	**January 1, 2022**	**Increase**	**Decrease**	**December 31, 2022**
Treasury stock acquired —shares (in thousand shares)	$ 2,917	4,874	1,361	6,430
Treasury stock acquired —amount	$ 60,560	365,756	28,786	397,530

Item	**January 1, 2021**	**Increase**	**Decrease**	**December 31, 2021**
Treasury stock acquired —shares (in thousand shares)	$ 2,917	-	-	2,917

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Treasury stock acquired －amount	**$**	**60,560**	**-**	**-**	**60,560**

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A total of 6,430 thousand and 2,917 thousand shares were yet to be cancelled as of December 31, 2022 and 2021, respectively.

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, 2022, 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.

(n) Share-based payment

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

	Cash capital increse reserved for employee subscription
Grant date	September 8, 2021
Number of shares granted	501 thousand shares
Recipients	Employees of the Group
Vesting conditions	Vested immediately

For the year ended December 31, 2021 the number of shares granted for employees of the Group were 501 thousand shares. The cost of the above share-based payments transactions amounting to $7,051 thousand was recorded as operating expenses.

(o) Earnings per share (EPS)

(i) Basic earnings per share

The calculation of basic earnings per share as of December 31, 2021 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

	2022	2021
Profit attributable to ordinary shareholders of the Company	$ 2,548,386	3,934,872

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

		2022	2021
Issued ordinary shares at January 1	$	144,752	117,158
Effect of treasury stock		(3,446)	(2,917)
Effect of conversion of convertible bonds		-	4,397
Effect of capital increase by cash		-	12,383
Weighted-average number of outstanding ordinary shares at December 31	**$**	**141,306**	**131,021**

(ii) Diluted earnings per share

The calculation of diluted earnings per share as of December 31, 2022 and 2021 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)

		2022	2021
Profit attributable to ordinary shareholders of the Company (basic)	$	2,548,386	3,934,872
Interest on convertible bonds		-	1,955
Gains on revaluation of put and call options of convertible bonds measured at fair value		-	(674)
Profit attributable to common shareholders (diluted)	**$**	**2,548,386**	**3,936,153**

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

		2022	2021
Weighted-average number of outstanding ordinary shares (basic)	$	141,306	131,021
Effect of conversion of convertible bonds		-	15
Effect of employee stock dividends		222	158
Weighted-average number of outstanding ordinary shares at December 31 (diluted)	**$**	**141,528**	**131,194**

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Notes to the Financial Statements

(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, 2022 and 2021, the Company estimated its employee remuneration at $15,000 thousand and $19,951 thousand, and directors' and supervisors' remuneration at $13,750 thousand and $19,352 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. 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.

The information of compensation of relevant distribution and recognition on 2021 and 2020 were as below:

	2021		
	Actual Distribution	**Recognized on financial statements**	**Difference**
Employee compensation	$ 19,951	19,951	-
Directors compensation	19,352	19,352	-

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

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.

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(q) Revenue from contracts with customers

(i) Disaggregation of revenue

		2022	2021
Primary geographical markets:			
Hong Kong and China	$	1,663,153	2,573,403
Taiwan		404,323	353,751
Eastern Asia and others		272,718	419,493
	$	2,340,194	3,346,647
Primary service:			
Profits of investing subsidiaries	$	2,254,017	3,278,886
Management income		86,177	67,761
	$	2,340,194	3,346,647

(ii) Contract balances

		December 31, 2022	December 31, 2021	January 1, 2021
Accounts receivable (including related-parties)-measured at amortized cost	$	72,259	45,593	45,593

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

(r) Non-operation income and expenses

(i) Other income

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

		2022	2021
Rental income	$	11,285	3,564
Dividend income		474,506	14,450
	$	485,791	18,014

(ii) Other gains and losses

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

		2022	2021
Foreign exchange gains (losses)	$	6,908	(859)
Gains on fair value of financial assets and liabilities through profit or loss		56,337	738,872
Other		385	70
	$	63,630	738,083

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(iii) Interest income

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

		2022	2021
Interest income from bank desposits	$	3,915	2,052

(iv) Finance costs

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

		2022	2021
Interest costs			
Bank borrowings	$	22,828	11,321
Amortization of convertible bonds discount		-	1,955
	$	22,828	13,276

(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.

		Carrying amount	Contractual cash flow	Within 6 months	6~12 months	1~2 years	2~5 years	Over 5 years
December 31, 2022								
Non-derivative financial liabilities								
Bank borrowings	$	3,177,500	(3,214,601)	(2,564,990)	(283,692)	(5,236)	(360,683)	-
	$	**3,177,500**	**(3,214,601)**	**(2,564,990)**	**(283,692)**	**(5,236)**	**(360,683)**	**-**
December 31, 2021								
Non-derivative financial liabilities								
Bank borrowings	$	600,000	(604,482)	(400,282)	-	(204,200)	-	-
	$	**600,000**	**(604,482)**	**(400,282)**	**-**	**(204,200)**	**-**	**-**

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

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(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, 2022			December 31, 2021		
	Foreign currency	**Exchange rate**	**TWD**	**Foreign currency**	**Exchange rate**	**TWD**
Financial assets						
Monetary item						
USD	$ 1,749	30.72	53,729	667	27.69	18,469
Non-monetary item						
IDR	18,620,913	0.00198	36,869	18,505,681	0.00198	36,641

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, 2022 and 2021 would have increased/decreased the net income before tax by $537 thousand and $185 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, 2021foreign exchange gains and losses (including realized and unrealized) are 6,908 thousand and (859) 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.

If the interest rate had increased/decreased by 1%, the Company’s net income before tax would have decreased/increased by $31,775 thousand and $6,000 thousand for the years ended December 31, 2022 and 2021, respectively, assuming all other variable factors had remained constant. This is mainly due to the Company’s variable-rate borrowing.

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Notes to the Financial Statements

(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, 2022				
		Fair value			
	Book value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss:					
Financial assets designated as fair value through profit or loss	$ 48,100	48,100	-	-	48,100
Financial assets as fair value through other comprehensive income:					
Stock of listed companies	1,796,323	1,796,323	-	-	1,796,323

	December 31, 2021				
		Fair value			
	Book value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss:					
Financial assets designated as fair value through profit or loss	$ 967,596	967,596	-	-	967,596
Available-for-sale financial assets:					
Stock of listed companies	$ 1,883,693	717,193	1,166,500	-	1,883,693

2) Valuation techniques for 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.

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

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

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

b) Derivative financial instruments

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

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

4) Movement between Level l and Level 2

Expect for the private placement stocks-Yang Ming Marine held by the Company, there were no movement between Level 1 and Level 2 for the years ended December 31, 2022 and 2021.

(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

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Notes to the 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.

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, 2021there 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.

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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.

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, 2021were $1,500,000 thousand and $2,550,000 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.

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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.

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, 2022	December 31, 2021
Total liabilities	$	4,159,609	719,413
Less: cash and cash equivalents		609,317	277,986
Net debt	**$**	**3,550,292**	**441,427**
Total equity	$	8,723,244	10,024,258
Less: amounts accumulated in equity relating to cash flow hedges		-	-
Adjusted capital	**$**	**8,723,244**	**10,024,258**
Debt-to-equity ratio		**40.70%**	**4.40%**

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.

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As of December 31, 2022, the debt-to-equity ratio has been increased due to the issuance of short-term and long-term borrowings which resulted in a increase in net liabilities.

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

(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, 2021were as follows:

Reconciliation of liabilities arising from financing activities were as follows:

	January 1, 2022	Cash flows	Foreign exchange movement	December 31, 2022
Long-term borrowings (including current portion)	$ 200,000	347,500	-	547,500
Short-term borrowings	400,000	2,230,000	-	2,630,000
Total liabilities from financing activities	**$ 600,000**	**2,577,500**	**-**	**3,177,500**

	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	**$ 1,500,000**	**(900,000)**	**-**	**600,000**

(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

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T.H.I Logistics Co., Ltd.	Subsidiary company

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Name of subsidiary	Relationship to the Group
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
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 Logisties 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
T.H.I. LOGISTICS (Hong Kong) Co., Limited	Subsidiary company

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Name of subsidiary	Relationship to the Group

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(c) Transactions with key management personnel

Key management personnel compensation comprised:

	2022	2021
Short-term employee benefits	$ 25,127	29,645
Post-employment benefits	1,241	1,216
	$ 26,368	30,861

(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	
	2022	2021	December 31, 2022	December 31, 2021
T.H.I. Group (Shanghai) Ltd. (T.H.I. Shanghai)	$ 51,720	41,674	53,535	41,373
Taiwan Express Logistics Co., Ltd. (TEC)	16,514	11,615	9,554	5,850
Other subsidiaries	17,943	14,472	9,170	7,622
	$ 86,177	67,761	72,259	54,845

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, 2022	December 31, 2021
Taiwan Express Logistics Co., Ltd. (TEC)	$ -	200,000

	2022	2021
Interest income	$ 2,918	2,013

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.

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(iii) Leases (recorded in other income)

	2022	2021
T.H.I. Logistics Co., Ltd.	$ 3,780	3,564

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, 2022	December 31, 2021
Property, plant, and equipment	Credit facility	$ 665,663	171,749
Refundable deposits	Office car deposit	386	336
		$ 666,049	172,085

(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, 2022	December 31, 2021
Promissory notes	$ 3,680,000	400,000

(10) Losses Due to Major Disasters: None.

(11) Subsequent Events:

On March 9, 2023, the Company’ s Board of Directors resolved to establish a wholly owned subsidiary by T.H.I. Group (Shanghai) Ltd. in China (Shanghai) Pilot Free Trade Zone for the expansion of international market and the effective management of overseas business, with an investment amounting to CNY $500,000 thousand.

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(12) Other:

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

By function / By item	2022 Operating costs	2022 Operating expenses	2022 Total	2021 Operating costs	2021 Operating expenses	2021 Total
Employee benefit						
Salaries	85,622	-	85,622	78,762	-	78,762
Labor and health insurance	4,214	-	4,214	3,358	-	3,358
Pension	2,997	-	2,997	2,808	-	2,808
Remuneration of directors	14,997	-	14,997	19,352	-	19,352
Others	1,550	-	1,550	1,450	-	1,450
Depreciation	6,690	-	6,690	4,334	-	4,334
Amortization	8,479	-	8,479	6,744	-	6,744

The Company's headcount and employees benefit expenses for the years 2022 and 2021 were as follows:

	2022	2021
Number of employees	44	43
Number of non-employee directors	8	9
The average employee benefits	$ 2,622	2,541
The average salary	$ 2,378	2,317
Change in the average salary	2.63%	77.28%
Compensation to the supervisor	$ -	-

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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(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 patties	Yes	350,000	350,000	-	Monthly changes in interest rates	2	-	Trading turnover	-		-	1,744,648	3,489,297
0	The Company	T.H.I. Group Limited (in HK)	Other receivables-related patties	Yes	84,120	-	-	Monthly changes in interest rates	2	-	Trading turnover	-		-	1,744,648	3,489,297
0	The Company	T.H.I Logistics Co., Ltd.	Other receivables-related patties	Yes	80,000	80,000	-	Monthly changes in interest rates	2	-	Trading turnover	-		-	1,744,648	3,489,297
1	T.H.I Logistics Co., Ltd.	Taiwan Express Logistic Co., Ltd.	Other receivables-related patties	Yes	50,000	50,000	50,000	Monthly changes in interest rates	2	-	Trading turnover	-		-	68,650	137,301
2	T.H.I. Group Limited (in HK)	Taiwan Express (HK) Co., Ltd.	Other receivables-related patties	Yes	64,400	36,864	36,864	Subsidiary company	2	-	Trading turnover	-		-	1,302,701	2,605,402
2	T.H.I. Group Limited (in HK)	T3EX GLOBAL HOLDINGS CORP.	Other receivables-related parties	Yes	636,200	-	-	Monthly changes in interest rates	2	-	Trading turnover	-		-	1,302,701	2,605,402
3	T.H.I. Group (Shanghai) Ltd.	T-SC Factoring Co., Ltd.	Other receivables-related patties	Yes	327,069	277,887	30,876	Subsidiary company	2	-	Trading turnover	-		-	901,027	1,802,054
3	T.H.I. Group (Shanghai) Ltd.	Shanghai Moorluk International Shipping Co.,Ltd.	Other receivables-related patties	Yes	22,402	13,233	-	4.35%	2	-	Trading turnover	-		-	901,027	1,802,054
3	T.H.I. Group (Shanghai) Ltd.	T-Cube Global Logistics Co., Ltd.	Other receivables-related patties	Yes	44,804	22,055	-	4.35%	2	-	Trading turnover	-		-	901,027	1,802,054
4	T.H.I. Group (Shanghai) Ltd.	Shanghai Moorluk International Shipping Co.,Ltd.	Other receivables-related patties	Yes	22,518	13,233	-	4.35%	2	-	Trading turnover	-		-	29,921	59,843

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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(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	Taiwan Express (HK) Co., Ltd.	2	1,744,648	182,940	122,880	-	-	1.41%	3,489,297	Y	N	N
0	The Company	T.H.I. Group Limited (H.K.)	2	1,744,648	149,700	61,440	-	-	0.70%	3,489,297	Y	N	N
0	The Company	Shanghai Yaohwa International Forwarder Co., Ltd.	2	1,744,648	26,579	13,233	-	-	0.15%	3,489,297	Y	N	Y
0	The Company	T.H.I. Group (Shanghai) Ltd.(T.H.I. Shanghai)	2	1,744,648	1,048,818	555,461	-	-	6.37%	3,489,297	Y	N	Y
0	The Company	T-Cube Global Logistics Co., Ltd.	2	1,744,648	116,654	70,574	19,006	-	0.81%	3,489,297	Y	N	Y
1	T.H.I. Group Limited (H.K.)	T3EX GLOBAL HOLDINGS CORP.	3	1,302,701	708,400	675,840	-	-	10.38%	2,605,402	N	Y	N
2	Shanghai Yaohwa International Forwarder Co., Ltd.	T.H.I. Group (Shanghai) Ltd.(T.H.I. Shanghai)	4	14,960	3,153	3,088	1,297	-	2.06%	59,843	N	N	Y
3	Taiwan Express Logistic Co., Ltd.	AIRTROPOLIS EXPRESS (S)PTE LTD	2	182,389	45,596	45,704	45,704	-	5.01%	364,779	N	N	N

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, 2022 (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	Stock WPG HOLDINGS LIMITED	-	Financial assets at fair value through profit or loss－current	1,000,000	48,100	0.050	48,100	
The Company	Stock Soonest Express Co., Ltd.	-	Financial assets at fair value through other comprehensive income-current	998,972	67,930	3.33%	67,930	
The Company	Stock Yang Ming Marine Transport Corp.	-	Financial assets at fair value through other comprehensive income-current	20,300,577	1,329,688	0.580%	1,329,688	
The Company	Stock Evergreen Aviation Technologies Corp.	-	Financial assets at fair value through other comprehensive income-current	1,500,000	116,850	0.43%	116,850	
The Company	Stock Evergreen Marine Corporation	-	Financial assets at fair value through other comprehensive income-current	1,600,000	260,800	0.08%	260,800	
The Company	Stock Dimerco Express Corporation	-	Financial assets at fair value through other comprehensive income-current	100,000	6,980	0.07%	6,980	
The Company	Stock EVA AIRWAYSCORPORATION	-	Financial assets at fair value through other comprehensive income-current	500,000	14,075	0.01%	14,075	
Taiwan Express Logistic Co., Ltd.	Stock CentralTaiwanScienceParkLogistics Co.,Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	3,880,000	118,844	12.93%	118,844	Note(1)
T.H.I. Group (Shanghai) Ltd.(T.H.I. Shanghai)	Stock COSCO ShippingHoldings Co., Ltd.	-	Financial assets at fair value through profit or loss-current	1,500,014	68,079	0.01	68,079	

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		Note
					Shares	Amount	Shares	Amount	Shares	Price	Cost	Gain (loss) on disposal	Shares	Amount	
The Company	Stock Evergreen Marine Corporation	Financial assets at fair value through profit or loss－current	-	-	3,405	485,212	300	41,400	3,705	574,530	526,612	47,918	-	-	Note 3
The Company	Stock Yang Ming Marine Corporation	Financial assets at fair value through profit or loss－current	-	-	3,000	363,000	300	34,350	3,300	420,149	397,350	22,799	-	-	Note 3
The Company	Stock Yang Ming Marine Corporation	Financial assets at fair value through other comprehensive income current			5,501	665,570	5,300	581,619	500	65,359	5,506	59,853	10,301	674,688	Note 1、3
The Company	Stock Evergreen Marine Corporation	Financial assets at fair value through other comprehensive income current			-	-	4,000	519,422	-	-	-	-	1,600	260,800	Note 2

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(v) Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Name of property	Transaction date	Transaction amount	Status of payment	Counter-party	Relationship with the Company	If the counter-party is a related party, disclose the previous transfer information: Owner	Relationship with the Company	Date of transfer	Amount	References for determining price	Purpose of acquisition and current condition	Others
T3EX GlobalHoldingsCorp.	Buildings	2022/3/18	498,000	Paid	FIDELITAS INTERNATIONAL CORPORATION					-	Parity andbargain	Operating use	

(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: Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Transactions with terms different from others: Unit price	Payment terms	Notes/Accounts receivable (payable): Ending balance	Percentage of total notes/accounts receivable (payable)	Note
T.H.I Group Vietnam Co., Ltd.	T.H.I Group(Shanghai) Ltd.	Affiliates	Sales	(132,486)	(10.03)%	Not significantly different from those of the third parties	-	-	2,254	6.24%	
T.H.I Group(Shanghai) Ltd.	T.H.I. LogisticsLtd..	Affiliates	Sales	(186,802)	(1.20)%	Not significantly different from those of the third parties	-	-	6,326	0.71%	
T.H.I Group(Shanghai) Ltd.	T.H.I. GROUPLimited (in HK)	Subsidiary	Sales	(176,395)	(1.13)%	Not significantly different from those of the third parties	-	-	13,300	1.50%	
TEC Logistics(Shenzhen) Co.,Ltd.	Taiwan ExpressLogistics Co.,Ltd.	Subsidiary	Sales	(332,579)	(31.88)%	Not significantly different from those of the third parties	-	-	22,094	14.02%	
Taiwan Express(HK) Co.,	Taiwan ExpressLogistics Co.,Ltd.	Subsidiary	Sales	(113,223)	(10.85)%	Not significantly different from those of the third parties	-		7,191	4.56%	
TECLogistics(USA)Inc.	Taiwan ExpressLogistic Co.,Ltd.	Subsidiary	Sales	(107,723)	(10.33)%	Not significantly different from those of the third parties	-	-	12,400	7.87%	

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: Amount	Overdue: Action taken	Amounts received in subsequent period (Note 1)	Allowance for bad debts
T.H.I. Group(Shanghai) Ltd.	T.H.I. Group Limited (inHK)	Subsidiary	Other receivables 370,875	-	-		370,875	-
T.H.I. Group Limited(in HK)	T.H.I. Group (Shanghai)Ltd.	Subsidiary	Other receivables 232,971	-	-		232,971	-

Note 1: Amounts collected as of February 20, 2023.

(ix) Trading in derivative instruments: None.

(b) Information on investees:

The following is the information on investees for the years ended December 31, 2022 (excluding information on investees in Mainland China):

(In Thousands of New Taiwan Dollars/thousand shares)

Investor	Investee	Location	Main Businesses and Products	Investment Amount: December 31, 2022	December 31, 2021	Balance as of December 31, 2022: Shares	Percentage of Ownership	Carrying value	Net income (loss) of the Investee	Share of profit loss of invest	Note
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%	141,109	13,503	13,503	Subsidiaries

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Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2022			Net income (loss) of the Investee	Share of profit loss of invest	Note
				December 31, 2022	December 31, 2021	Shares	Percentage of Ownership	Carrying value			
The Company	GREATLINE INTERNATIONAL LIMITED	British Virgin Islands	Offshore holding company	134,428 (USD4,050)	134,428 (USD4,050)	4,050,000	100.00%	6,518,249	1,555,282	1,555,282	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%	544,977	154,692	153,145	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%	94,380	77,785	38,115	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%	45,656	32,083	16,361	Subsidiaries
The Company	Taiwan Express Logistic Co., Ltd.	Taiwan	Air & sea freight forwarding	704,200	704,200	35,958,400	100.00%	1,139,932	211,365	211,365	Subsidiaries
The Company	T.H.I. Logistics Co. Ltd.	Taiwan	Air & sea freight forwarding	130,000	130,000	13,000,000	100.00%	343,254	168,485	168,485	Subsidiaries
The Company	T.H.I. GROUP (CAMBODIA) Co., Ltd.	Cambodia	Air & sea freight forwarding	4,462 (USD150)	4,462 (USD150)	-	100.00%	68,719	4,283	4,283	Subsidiaries
The Company	PT. Dexter Eurekatama	Indonesia	Air & sea freight forwarding	47,381 (USD1,598)	47,381 (USD1,598)	12,000	30.00%	36,870	13,824	1,023	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%	5,279	(108)	(99)	Subsidiaries
The Company	LOGI International Co., Ltd.	Korea	Air & sea freight forwarding	9,666 (USD300)	9,666 (USD300)	16,285	30.00%	8,405	24,126	7,238	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%	368,600	73,447	46,168	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%	50,777	17,315	15,584	Subsidiaries
The Company	T.H.I. LOGISTICS PHILIPPINES CORP.	Philippines	Air & sea freight forwarding	38,860 (USD1,322)	16,467 (USD551)	419,750	99.94%	62,667	23,578	23,564	Subsidiaries
The Company	T.H.I. Logistics (Hong Kong) Co., Limited	Hong Kong	Air & sea freight forwarding	197,239 (USD50,000)	0	50,000,000	100.00%	197,010	-	-	Subsidiaries
GREATLINE INTERNATIONAL LIMITED	T.H.I.GROUP L IMITED (inHK)	Hong Kong	Offshore holding company	139,948 (USD4,314)	139,948 (USD4,314)	12,480,000	100.00%	6,517,297	1,555,313	1,555,313	Subsidiaries
FreshBeauty EnterprisesLtd.	Eastern Union HoldingsLimited	Hong Kong	Freight forwarding, customs clearance, and distribution	57,411 (USD1,751)	57,411 (USD1,751)	-	100.00%	219,525	73,504	73,504	Subsidiaries
TEC	Taiwan Express (HK) Co.,Ltd.	Hong Kong	Freight forwarding, customs clearance, and delivery services	266,807 (HKD70,550)	266,807 (HKD70,550)	-	100.00%	580,722	72,553	72,553	Subsidiaries
TEC	T-TRANSINTERNATION ALCO., LTD.	Taiwan	Freight forwarding, customs clearance, and delivery services	6,000	6,000	1,000,000	100.00%	-	-	-	The Group invested in which the subsidiary holds 30% of the shares
TEC	Ori Air General SalesAgent Co., Ltd.	Taiwan	Freight forwarding, customs clearance, and distribution	600	600	60,000	30.00%	4,028	7,161	2,148	Subsidiaries
TEC	Hiview Logisties Co.,Ltd.	Taiwan	Freight forwarding, customs clearance, and distribution	76,590	76,590	5,000,000	97.51%	109,729	18,053	17,603	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%	61,608	26,094	26,094	Subsidiaries
TEC	TEC LOGISTICS (USA), INC.	United States	Air & Sea freight forwarding	8,549 (USD290)	8,549 (USD290)	-	100.00%	23,601	9,906	9,906	Subsidiaries
TEC	TECLOGISTICS V IETNAM C OMPANY L IMITED	Taiwan	Freight forwarding, customs clearance, and distribution	25,271	10,577	-	100.00%	27,514	2,802	2,802	Subsidiaries
TEC	TEC Motion Co., Ltd.	Taiwan	Freight forwarding, customs clearance, and distribution	53,500	8,500	7,500	100.00%	53,878	810	505	
TEC HK	Airtropolis Express(s) Pte. Ltd.	Singapore	Air freight forwarding	117,341 (SGD5,421)	117,341 (SGD5,421)	748	88.00%	170,601	58,489	48,538	Subsidiaries

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(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, 2022	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2022	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)	7,624	100.00%	7,624	149,602	-
T.H.I. Group(Shanghai) Ltd.	Air & sea freight forwarding and customs clearance	92,883 (3,060USD)	Note 1(2)	89,165 (3,060USD)	-	-	89,165 (3,060USD)	1,143,722	100.00%	1,143,722	4,533,036	-
T-SC Factoring Co., Ltd.	Commercial service industry	215,680 (50,000CNY)	Note 2	-	-	-	-	4,599	100.00%	4,599	227,248	-
Shanghai Moorluk International Shipping Co., Ltd.	Air & sea freight forwarding and customs clearance	22,460 (5,000CNY)	Note 2	-	-	-	-	12,075	65.00%	7,640	31,148	-
T-Cube Global Logistics Co., Ltd.	Warehousing	54,610 (11,000CNY)	Note1(2)	274,589 (8,391USD)	-	-	274,589 (8,391USD)	73,523	66.00%	48,525	144,646	21,140
T HL (Shanghai) Global Supply Chain Management Co., Ltd	Warehousing	-	Note 6	-	-	-	-	-	66.00%	-	-	-
EXer Logistics Co., Ltd.	Express logistics company	58,023 (12,438CNY)	Note2	-	-	-	-	11,556	93.51%	10,806	108,892	-
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)	32,326	100.00%	32,326	303,716	-
T-Cube (Suzhou) Global Logistic Co., Ltd.	Warehousing	43 (10CNY)	Note 4	-	-	-	-	13	66.00%	8	69	-
T-SC Trading Co., Ltd.	Supply chain management and import and export trade	4,273 (1,000CNY)	Note 5	-	-	-	-	(16)	100.00%	(16)	4,283	-
Lianhua (Shanghai)Logistics Co., Ltd	Supply chainmanagement, importand export trading	-	Note 7)	-	-	-	-	-	66.00%	-	-	-

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

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

(1) Invested directly in Mainland China.

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

(3) Others

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

Note 3: TEC Logistics Co., Ltd is invested by the Company’s subsidiary, Taiwan Express Logistic Co., Ltd., that invested in Mainland China via remittance through a third region. The upper limit of the investments is 60% of Taiwan Express Logistic Co., Ltd.’s net assets in the financial statements based on the “REGULATIONS GOVERNING THE APPROVAL OFINVESTMENT OR TECHNICAL COOPERATION INMAINLAND CHINA” and have been approved by the Investment Commission Ministry of Economic Affairs amounting to $183,901 thousand (HKD48,550 thousand).

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

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

Note 6: As of Decenber 31, 2022, T-HL (Shanghai) Global Supply Chain Management Co., Ltd has completed the process of subscription, capital has yet to be remitted.

Note 7: As of Decenber 31, 2022, Lianhua (Shanghai) Logistics Co., Ltd has completed the process of subscription, capital has yet to be remitted."

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Notes to the Financial Statements

(ii) Limitation on investment in Mainland China:

Company Name	Accumulated Investment in Mainland China as of December 31, 2022 (Note 1)	Investment Amounts Authorized by Investment Commission, MOEA (Note 2)	Upper Limit on Investment
The Company	421,417 (13,718USD thousand)	483,195 (15,729USD thousand)	5,233,946

Note 1: Calculated by accumulated investment in Main land China as of December 31, 2022, including $6,530 thousand (USD $200 thousand) remitted to THI Group (Shanghai) Logistic Ltd. and 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 1:30.72.

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	8.08%
OLDEN HORSE INVESTMENTS CORP.	10,299,013	7.18%
PIN GUAN INVESTMENT LIMITED	8,900,000	6.20%

(14) Segment information:

Please refer to the consolidated financial statements for the years ended December 31, 2022.

T3EX GLOBAL HOLDINGS CORP.

STATEMENT OF FINANCIAL ASSETS AT FAIR V

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Unit: thousand shares / thousand units

Items	Number of units	Valuation	Fair value Unit price	Fair value Total
Stock：				
WPG HOLDINGS LIMITED	1,000	$ (4,500)	48.10	48,100
		$ (4,500)		**48,100**

T3EX GLOBAL HOLDINGS CORP.

STATEMENT OF FINANCIAL ASSETS AT FAIR V

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Unit: thousand shares

Name	Valuation	Number of shares	Fair value	Collateral
Soonest Express Co., Ltd	$ (5,964)	999	67,930	None
Yang Ming Marine Transport Group	(1,078,495)	20,301	1,329,688	None
Evergreen Aviation Technologies Corp.	22,350	1,500	116,850	None
Evergreen Marine Corporation(Taiwan) Ltd.	(234,622)	1,600	260,800	None
Dimerco Express Corporation.	194	100	6,980	None
EVA Airways Corporation.	(92)	500	14,075	None
	$ (1,296,629)		**1,796,323**	

T3EX GLOBAL HOLDINGS CORP.

STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED INVESTEES

For the year ended December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Unit: thousand shares

	Beginning balance (Restated)			Additions (Note 2)		Decrease (Note 3)		Gains/loss from		Ending balance			Fair value (Note1)				
Name	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		Evaluation basis	Collateral
T.H.I. Group Ltd.(in B.V.I)	1,000	100	$ 114,580	-	-	-	-	13,503	13,026	1,000	100	141,109	-	141,109		Equity method	None
GREATLINE INTERNATIONAL LIMITED	4,050	100	4,755,177	-	-	-	-	1,555,282	207,790	4,050	100	6,518,249	-	6,518,249		Equity method	None
T.H.I. GROUP VIETNAM CO., LTD.	4,950,000	99	361,893	-	-	-	-	153,145	29,939	4,950,000	99	544,977	-	544,977		Equity method	None
T.H.I. GROUP (BANGKOK) COMPANY LIMITED	-	49	50,894	-	-	-	-	38,115	5,371	-	49	94,380	-	94,380		Equity method	None
T.H.I. Japan Co., Ltd	3	51	30,814	-	-	-	(625)	16,361	(894)	3	51	45,656	-	45,656		Equity method	None
Taiwan Express Logistics Co., Ltd.	35,958	100	975,056	-	1,737	-	84,898	211,365	36,672	35,958	100	1,139,932	-	1,139,932	(Note 4)	Equity method	None
T.H.I. Logistics Co. Ltd	13,000	100	333,530	-	6,734	-	165,495	168,485	-	13,000	100	343,254	-	343,254		Equity method	None
T.H.I. GROUP (CAMBODIA)　Co., Ltd.	-	100	57,941	-	-	-	-	4,283	6,495	-	100	68,719	-	68,719		Equity method	None
PT DEXTER EUREKATAMA	12	30	36,641	-	-	-	-	1,023	(794)	12	30	36,870	-	36,870	(Note 4)	Equity method	None
T.H.I. GROUP SINGAPORE PTE. LTD .	850	91	4,825	-	-	-	-	(99)	553	850	91.4	5,279	-	5,279		Equity method	None
LOGI International Co., Ltd.	16	30	771	-	-	-	-	7,238	396	16	30	8,405	-	8,405	(Note 4)	Equity method	None
Fresh Beauty Entorprises LTD	66	66	321,042	-	-	-	-	46,168	1,390	66	66	368,600	-	368,600	(Note 4)	Equity method	None
T.H.I. Logistics (Malaysia) SDN. BHD	180	90	33,100	-	-	-	-	15,584	2,093	180	90	50,777	-	50,777		Equity method	None
T.H.I. LOGISTICS PHILIPPINES CORP.	420	99.94	15,964	-	22,393	-	-	23,564	746	420	99.94	62,667	-	62,667		Equity method	None
減：備抵投資損失			-		228,103		(251,018)	2,254,017	302,554	5,055,555	-	9,625,884	-	-			
Total			$ 7,092,228		228,103		(251,018)	2,254,017	302,554			9,625,884		-			

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 subsidaries, 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, 2022

(Expressed in thousands of New Taiwan Dollars)

Account	Descriptions	Amount	
Operating Costs	Salary Expense	$	103,616
	Labor Expense		7,735
	Postage and phone Expense		8,097
	Others (Less than 5%)		37,071
Total		$	156,519

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).

T3EX GLOBAL HOLDINGS CORP.

Chairman: David Yen