



Letter to Our Shareholders

Dear Shareholders,

On behalf of the company's Board of Directors, the Chairman and the entire management team, we would like to express our gratitude to every one of our shareholders for your long-term support of Dimerco Express Group during our promising developments and for sparing your time to participate in the 2022 shareholders meeting.

As per the KPMG audited Dimerco Express Group 2021 Financial Statement, the consolidated sales revenue in 2021 was NTD38,986 billion, an increase of 69.9% compared with the previous year. The net profit after tax reached NTD2.31 billion, an increase of 112.8% compared with the previous year. The earnings per share (EPS) after tax is NTD16.98, an increase of 112.8% compared with the previous year.

With the great changes in Artificial Intelligence Technology, as well as the application of Big Data and semi-automated technologies in the Digital Internet of Things (IoT) era, we at Dimerco Express Group have fully committed to create a "Mobile Intelligence Logistics Service Provider" for our customers on our self-developed Cloud Networking Digital SCM Platform – Dimerco Value Plus System[®]. Coupled with the professionalism and industry know-how of our Business Intelligence Technology (BIT) division, we have successfully introduced and applied the relevant technologies to our system developments, enhancement, and its application with cyber security assurance, to support product diversification, operational optimization, management efficiency and service excellence.

Dimerco Express Group has successfully entered the era of digitization, and with added emphasis on Cyber Security, we have proudly secured an Information Security Certification (including ISO 27001:2013 - IS 743553, NIST CSF - Cybersecurity Framework NIST 759307). This focuses on 3 major directions: Cloud Enablement, Mobility, and Intelligence.

We virtually integrated the processes of Marketing & Sales, Customer Service, Operations and Finance Management to digitalize and optimize management efficiency for the entire Group of companies. Most importantly, we provide customers with the real-time data they need to optimize their supply chains.



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In March 2021, Dimerco Express Group carried out the planned organizational restructure 2.0. The goal is to create a flatter organization that replaces the regional functions with a Central Service Center (CSC) to achieve improved communication, coordination, and collaboration. Today we provide a faster response to market changes and solutions to our customers with mobility in any locations where the internet is connected.

Concerning Digital Marketing, as customers' requirements change rapidly with the swift development of digital technologies during and after the COVID-19 pandemic, content is the key to Digital Marketing in the internet+ era. In 2021, Dimerco Express Group launched an upgraded external website that clearly conveys Dimerco's value proposition and supply chain management capabilities across Asia Pacific and China. Dimerco has leveraged its database, automation, and analysis capabilities to improve digital marketing efforts and the ability of our global sales and customer service team to respond quickly to customers' needs.

As we step into 2022, the international transportation and logistics market is faced with great opportunities, but also great challenges.

On the positive side, the ratification of the RCEP (Regional Comprehensive Economic Partnership) should positively impact regional trade and transportation activities. The RCEP brings together ten Association of Southeast Asian Nations (ASEAN), along with China, Japan, South Korea, Australia, and New Zealand, to create the world's largest trading block.

Meanwhile, it is believed that the Biden administration will exempt 352 import tariffs on non-strategic goods and/or materials imported from China, which will help reduce the USA inflation rate by 1.3%. The recent interest rate hike announced by the U.S. Federal Reserve will strengthen the US Dollar against all global currencies, including EUR, GBP, RMB, JPY, SGD, NTD and all other Asian currencies. This will likely boost purchasing power, but will it boost imports into the USA? Well, that will depend on successful navigation of some of the challenges we face.

Supply chain disruptions continue due to many factors, including port congestion, a shortage of chassis, truck drivers, and other essential logistics workers – mainly due to the COVID-19 pandemic. The global pandemic remains as a threat. For instance,



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the recent lock down in Shanghai crippled transportation out of China causing major supply chain delays.

Other concerns include the ILWU labor negotiation in Long Beach, California, which could lead to a port strike or slowdown. And, of course, the Russia-Ukraine war is expected to continue for some time, harming the global economy and pushing oil prices higher, which will significantly increase the cost of international transportation. The war and sanctions have made many ports, especially in Europe, even more congested, further slowing and disrupting global supply chains.

According to the WTO, global inflation and an economic growth slowdown are inevitable. Global trade volumes and the transportation & logistics operations that support global trade will be subject to change based on multiple variables.

Looking to the future, Dimerco Express Group is well prepared to face the coming challenges in the global transportation and logistics market. We will leverage our strong management team and our Cloud Networking Digital SCM Platform – Dimerco Value Plus System® – to adapt quickly to market changes. Our goals, as always, are to satisfy our customers, to achieve our business management objectives in compliance with our ESG standard, to support our valued employees who contribute to the growth of the company, and to deliver a fair return to all our shareholders.

Thank you for your continued support!

Dimerco Express Corporation

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Executive Management Board

June 8, 2022