

**DIMERCO EXPRESS CORPORATION
AND SUBSIDIARIES**

Consolidated Financial Statements

**With Independent Auditors' Review Report
For the Three Months Ended March 31, 2022 and 2021**

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

Table of contents

Contents	Page
1. Cover Page	1
2. Table of Contents	2
3. Independent Auditors' Review Report	3
4. Consolidated Balance Sheets	4
5. Consolidated Statements of Comprehensive Income	5
6. Consolidated Statements of Changes in Equity	6
7. Consolidated Statements of Cash Flows	7
8. Notes to the Consolidated Financial Statements	
(1) Company history	8
(2) Approval date and procedures of the consolidated financial statements	8
(3) New standards, amendments and interpretations adopted	8~9
(4) Summary of significant accounting policies	9~13
(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty	14
(6) Explanation of significant accounts	14~31
(7) Related-party transactions	31~33
(8) Assets pledged as security	33
(9) Commitments and contingencies	34
(10) Losses Due to Major Disasters	34
(11) Subsequent Events	34
(12) Other	35
(13) Other disclosures	
(a) Information on significant transactions	36~38
(b) Information on investees	38~39
(c) Information on investment in mainland China	39~40
(d) Major shareholders	40
(14) Segment information	41



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Independent Auditors' Review Report

To the Board of Directors of
Dimerco Express Corporation:

Introduction

We have reviewed the accompanying consolidated balance sheets of Dimerco Express Corporation and its subsidiaries (the Group) as of March 31, 2022 and 2021, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2022 and 2021, and notes to the consolidated financial statements, including a summary of significant accounting policies. The management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standards ("IASs") 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with Statement of Auditing Standard 65, "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the generally accepted auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As stated in Note 4(b), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflected the total assets amounting to \$2,088,011 thousand and \$1,602,982 thousand, constituting 20% and 23% of consolidated total assets; and the total liabilities amounting to \$648,929 thousand and \$661,887 thousand, constituting 10% and 18% of the consolidated total liabilities at March 31, 2022 and 2021, respectively; as well as the total comprehensive income (loss) amounting to \$95,436 thousand and \$99,911 thousand, constituting 11% and 27% of the consolidated total comprehensive income (loss) for the three months ended March 31, 2022 and 2021, respectively.

Furthermore, as stated in Note 6(c), the other equity accounted investments of the Group in its investee companies of \$247,674 thousand and \$221,236 thousand at March 31, 2022 and 2021, respectively, and its equity in net earnings on these investee companies of \$9,893 thousand and \$6,141 thousand for the three months ended March 31, 2022 and 2021, respectively, were recognized solely on the financial statements prepared by these investee companies, but not reviewed by independent auditors.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews and the review report of other auditors (please refer to Other Matter paragraph), nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Dimerco Express Corporation and its subsidiaries as of March 31, 2022 and 2021, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2022 and 2021 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Other Matter

We did not review the financial statements of Dimerco Air Forwarders (HK) Ltd., subsidiaries of the Group. Those financial statements were reviewed by another auditor, whose review report has been furnished to us, and our conclusion, insofar as it relates to the amounts included for Dimerco Air Forwarders (HK) Ltd., is based solely on the review report of another auditor. The financial statements of Dimerco Air Forwarders (HK) Ltd. reflect total assets amounting to \$590,670 thousand and \$542,322 thousand, constituting 6% and 8% of consolidated total assets at March 31, 2022 and 2021, respectively, and total revenues amounting to \$423,940 thousand and \$319,592 thousand, constituting 4% and 5% of consolidated total revenues for the three months ended March 31, 2022 and 2021.

The engagement partners on the review resulting in this independent auditors’ report are Chun-I Chang and Chun-Hsiu Kuang.

KPMG

Taipei, Taiwan (Republic of China)

May 10, 2022

Notes to Readers

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

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with the generally accepted auditing standards as of March 31, 2022 and 2021

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

March 31, 2022, December 31, and March 31, 2021

(Expressed in Thousands of New Taiwan Dollars)

	March 31, 2022		December 31, 2021		March 31, 2021			March 31, 2022		December 31, 2021		March 31, 2021	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
Assets													
Current assets:													
1100	Cash and cash equivalents (note 6(a) and (d))	\$ 4,776,397	45	3,438,978	35	2,836,756	40	2100					
1150	Notes receivable, net (note 6(b))	24,487	-	25,919	-	8,493	-	2150					
1170	Accounts receivable, net (notes 6(b), (d) and 7)	4,052,315	38	4,587,395	47	2,622,891	38	2170					
1470	Other current assets (note 6(d), 8 and 9)	361,850	4	446,950	5	244,763	3	2216					
	Total current assets	<u>9,215,049</u>	<u>87</u>	<u>8,499,242</u>	<u>87</u>	<u>5,712,903</u>	<u>81</u>	2219					
Non-current assets:													
1517	Financial assets at fair value through other comprehensive income — non-current	444	-	442	-	444	-	2399					
1551	Investments accounted for using the equity method (note 6(c))	247,674	3	236,889	3	221,236	3						
1600	Property, plant and equipment (notes 6(d), (e), 8 and 9)	549,522	5	544,456	6	558,116	9						
1755	Right-of-use assets (note 6(f))	340,901	3	298,555	3	377,642	6	2570					
1822	Intangible assets (note 6(d) and (g))	72,867	1	33,068	-	33,713	-	2580					
1840	Deferred income tax assets	29,656	-	27,820	-	28,046	-	2640					
1920	Refundable deposits	94,820	1	76,437	1	75,937	1	2670					
1990	Other non-current assets (notes 6(b), 8 and 9)	11,445	-	29,658	-	12,460	-						
	Total non-current assets	<u>1,347,329</u>	<u>13</u>	<u>1,247,325</u>	<u>13</u>	<u>1,307,594</u>	<u>19</u>						
Liabilities and Equity													
Current liabilities:													
	Short-term borrowings (notes 6(e), (h) and 8)	\$ 658,592	6	676,592	7	696,592	10						
	Notes payable	25,453	-	42,310	-	30,270	-						
	Accounts payable (note 6(d) and 7)	3,393,500	32	3,500,904	37	2,182,452	31						
	Dividends payable	1,393,711	13	5,695	-	3,067	-						
	Other payables (note 6(o))	311,626	3	298,355	3	219,874	3						
	Income tax payable	315,259	3	309,422	3	121,649	3						
	Current lease liabilities (note 6(i))	167,577	2	136,893	2	165,740	2						
	Other current liabilities (note 6(d))	161,856	2	137,816	1	138,986	2						
	Total current liabilities	<u>6,427,574</u>	<u>61</u>	<u>5,107,987</u>	<u>53</u>	<u>3,558,630</u>	<u>51</u>						
Non-Current liabilities:													
	Deferred income tax liabilities	184	-	184	-	198	-						
	Non-current lease liabilities (note 6(i))	142,049	1	133,127	1	184,167	3						
	Net defined benefit liabilities	18,940	-	18,904	-	16,176	-						
	Other non-current liabilities	52,529	1	51,391	1	17,182	-						
	Total non-current liabilities	<u>213,702</u>	<u>2</u>	<u>203,606</u>	<u>2</u>	<u>217,723</u>	<u>3</u>						
	Total liabilities	<u>6,641,276</u>	<u>63</u>	<u>5,311,593</u>	<u>55</u>	<u>3,776,353</u>	<u>54</u>						
Equity attributable to owners of the Company (note 6(c), (d) and (l)):													
	Common stock	1,360,800	13	1,360,800	14	1,260,000	18						
	Capital surplus	19,362	-	19,362	-	19,362	-						
	Retained earnings:												
	Legal reserve	502,575	5	502,575	5	394,064	5						
	Special reserve	441,086	4	441,086	5	182,174	3						
	Unappropriated retained earnings	1,771,411	17	2,541,962	26	1,658,279	23						
		<u>2,715,072</u>	<u>26</u>	<u>3,485,623</u>	<u>36</u>	<u>2,234,517</u>	<u>31</u>						
	Other equity:												
	Foreign currency translation differences for foreign operations	(331,215)	(3)	(557,281)	(6)	(381,532)	(5)						
	Total equity attributable to owners of the Company	<u>3,764,019</u>	<u>36</u>	<u>4,308,504</u>	<u>44</u>	<u>3,132,347</u>	<u>44</u>						
	Non-controlling interests	<u>157,083</u>	<u>1</u>	<u>126,470</u>	<u>1</u>	<u>111,797</u>	<u>2</u>						
	Total equity	<u>3,921,102</u>	<u>37</u>	<u>4,434,974</u>	<u>45</u>	<u>3,244,144</u>	<u>46</u>						
	Total liabilities and equity	<u>\$ 10,562,378</u>	<u>100</u>	<u>9,746,567</u>	<u>100</u>	<u>7,020,497</u>	<u>100</u>						

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with generally accepted auditing standards

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the three months ended March 31, 2022 and 2021

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

		For the three months ended March 31			
		2022		2021	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4000	Operating revenue (notes 6(n) and 7)	\$ 11,380,929	100	6,981,067	100
5000	Operating costs (notes 6(e) and (j))	<u>9,808,841</u>	<u>86</u>	<u>6,024,208</u>	<u>86</u>
5900	Gross profit from operations	<u>1,572,088</u>	<u>14</u>	<u>956,859</u>	<u>14</u>
6000	Operating expenses (notes 6(b), (e), (f), (i), (j), (o) and 7):				
6100	Selling expenses	202,645	2	179,113	3
6200	Administrative expenses	571,766	5	396,365	6
6450	Expected credit loss for bad debt expense	<u>41,067</u>	<u>-</u>	<u>21,565</u>	<u>-</u>
	Total operating expenses	<u>815,478</u>	<u>7</u>	<u>597,043</u>	<u>9</u>
6900	Net operating income	<u>756,610</u>	<u>7</u>	<u>359,816</u>	<u>5</u>
7000	Non-operating income and expenses (notes 6(c), (e), (i) and (p)):				
7100	Interest income	2,009	-	1,863	-
7010	Other income	4,868	-	5,770	-
7020	Other gains and losses	18,629	-	2,475	-
7050	Finance costs	(4,676)	-	(5,053)	-
7060	Share of profit of associates accounted for using the equity method	<u>9,893</u>	<u>-</u>	<u>6,141</u>	<u>-</u>
	Total non-operating income and expenses	<u>30,723</u>	<u>-</u>	<u>11,196</u>	<u>-</u>
7900	Profit from continuing operations before tax	787,333	7	371,012	5
7950	Less: Income tax expenses (note 6(k))	<u>145,872</u>	<u>1</u>	<u>64,251</u>	<u>1</u>
	Net income	<u>641,461</u>	<u>6</u>	<u>306,761</u>	<u>4</u>
8300	Other comprehensive income:				
8360	Components of other comprehensive income that will be reclassified to profit or loss(note 6(c))				
8361	Exchange differences on translation of foreign financial statements	229,848	2	58,306	1
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Components of other comprehensive income that will be reclassified to profit or loss	<u>229,848</u>	<u>2</u>	<u>58,306</u>	<u>1</u>
8300	Other comprehensive income	<u>229,848</u>	<u>2</u>	<u>58,306</u>	<u>1</u>
8500	Total comprehensive income	<u>\$ 871,309</u>	<u>8</u>	<u>365,067</u>	<u>5</u>
	Profit attributable to:				
8610	Owners of the Company	\$ 617,465	6	300,047	4
8620	Non-controlling interests	<u>23,996</u>	<u>-</u>	<u>6,714</u>	<u>-</u>
		<u>\$ 641,461</u>	<u>6</u>	<u>306,761</u>	<u>4</u>
	Total comprehensive income attributable to:				
8710	Owners of the Company	\$ 843,531	8	359,602	5
8720	Non-controlling interests	<u>27,778</u>	<u>-</u>	<u>5,465</u>	<u>-</u>
		<u>\$ 871,309</u>	<u>8</u>	<u>365,067</u>	<u>5</u>
	Earnings per share (NT dollars) (note 6(m))				
9750	Basic earnings per share	<u>\$ 4.54</u>		<u>2.20</u>	
9850	Diluted earnings per share	<u>\$ 4.49</u>		<u>2.18</u>	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
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DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the three months ended March 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

Equity attributable to owners of the Company

	<u>Retained earnings</u>					<u>Total</u>	<u>Other equity Foreign currency translation differences for foreign operations</u>	<u>Total equity attributable to owners of the Company</u>	<u>Non-controlling interests</u>	<u>Total equity</u>
	<u>Common stock</u>	<u>Capital surplus</u>	<u>Legal reserve</u>	<u>Special reserve</u>	<u>Unappropriated retained earnings</u>					
Balance at January 1, 2021	\$ 1,260,000	19,362	394,064	182,174	1,358,232	1,934,470	(441,087)	2,772,745	106,332	2,879,077
Net income	-	-	-	-	300,047	300,047	-	300,047	6,714	306,761
Other comprehensive income	-	-	-	-	-	-	59,555	59,555	(1,249)	58,306
Total comprehensive income	-	-	-	-	300,047	300,047	59,555	359,602	5,465	365,067
Balance at March 31, 2021	\$ 1,260,000	19,362	394,064	182,174	1,658,279	2,234,517	(381,532)	3,132,347	111,797	3,244,144
Balance at January 1, 2022	\$ 1,360,800	19,362	502,575	441,086	2,541,962	3,485,623	(557,281)	4,308,504	126,470	4,434,974
Appropriation and distribution of retained earnings:										
Cash dividends of ordinary share	-	-	-	-	(1,388,016)	(1,388,016)	-	(1,388,016)	-	(1,388,016)
Net income	-	-	-	-	617,465	617,465	-	617,465	23,996	641,461
Other comprehensive income	-	-	-	-	-	-	226,066	226,066	3,782	229,848
Total comprehensive income	-	-	-	-	617,465	617,465	226,066	843,531	27,778	871,309
Changes in non-controlling interests	-	-	-	-	-	-	-	-	2,835	2,835
Balance at March 31, 2022	\$ 1,360,800	19,362	502,575	441,086	1,771,411	2,715,072	(331,215)	3,764,019	157,083	3,921,102

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with generally accepted auditing standards

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the three months ended March 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	For the three months ended March 31	
	2022	2021
Cash flows from (used in) operating activities:		
Net income before tax	\$ 787,333	371,012
Adjustments:		
Adjustments to reconcile profit and loss:		
Depreciation expense	60,796	61,468
Amortization expense	54	83
Expected credit losses	41,067	21,565
Interest expense	4,676	5,053
Interest income	(2,009)	(1,863)
Share of profit of associates accounted for using the equity method	(9,893)	(6,141)
Loss on disposal of property, plant and equipment	16	-
Unrealized foreign exchange gain	-	(6,535)
Gain on lease modification	(12)	(128)
Total adjustments to reconcile profit and loss	<u>94,695</u>	<u>73,502</u>
Changes in operating assets and liabilities:		
Net changes in operating assets:		
Notes receivable	1,432	(1,209)
Accounts receivable (including overdue receivables)	504,821	(362,966)
Other current assets	86,871	(14,836)
Total changes in operating assets, net	<u>593,124</u>	<u>(379,011)</u>
Net changes in operating liabilities:		
Notes payable	(16,857)	(32)
Accounts payable	(114,101)	(51,065)
Other payables	13,271	(2,594)
Other current liabilities	23,620	(2,271)
Net defined benefit liabilities	36	(6,573)
Total changes in operating liabilities, net	<u>(94,031)</u>	<u>(62,535)</u>
Total changes in operating assets and liabilities, net	<u>499,093</u>	<u>(441,546)</u>
Total adjustments	<u>593,788</u>	<u>(368,044)</u>
Cash inflow generated from operations	1,381,121	2,968
Interest received	2,009	1,863
Interest paid	(4,676)	(5,053)
Income taxes paid	(141,871)	(17,938)
Net cash flows from (used in) operating activities	<u>1,236,583</u>	<u>(18,160)</u>
Cash flows from (used in) investing activities:		
Net cash flow from acquisition of subsidiaries (net of cash obtained)	(22,807)	-
Acquisition of property, plant and equipment	(2,886)	(5,796)
Increase in refundable deposits	(18,383)	(96)
Acquisition of intangible assets	(121)	(115)
Increase in other non-current assets	(605)	(3,802)
Net cash used in investing activities	<u>(44,802)</u>	<u>(9,809)</u>
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	732,025	536,025
Decrease in short-term borrowings	(750,025)	(540,025)
Payment of lease liabilities	(43,509)	(43,990)
Increase (decrease) in other non-current liabilities	1,138	(30)
Cash dividends paid	-	(1,751)
Net cash used in financing activities	<u>(60,371)</u>	<u>(49,771)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>206,009</u>	<u>58,306</u>
Net increase (decrease) in cash and cash equivalents	1,337,419	(19,434)
Cash and cash equivalents at beginning of period	3,438,978	2,856,190
Cash and cash equivalents at end of period	<u>\$ 4,776,397</u>	<u>2,836,756</u>

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with generally accepted auditing standards

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

March 31, 2022 and 2021

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

(1) Company history

DIMERCO EXPRESS CORPORATION (DIMITW or the Company) (originally named Dimerco Express (Taiwan) Corporation, changed in June 2012) was incorporated in August 1985 as a company limited by shares under the laws of the Republic of China (ROC). The consolidated financial statements comprise DIMITW and its subsidiaries (together referred to as the "Group"). The Group is primarily engaged in the business of air freight forwarding, ocean freight forwarding, and customs brokerage service, and related investing activities.

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

The consolidated financial statements were reported to the Board of Directors and issued on May 10, 2022.

(3) New standards, amendments and interpretations adopted:

- (a) The impact of adopting the International Financial Reporting Standards ("IFRSs") endorsed by the Financial Supervisory Commission, R.O.C.

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"

(Continued)

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (b) 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”	The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of balance sheet, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity.	January 1, 2023

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 other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements.

(4) Summary of significant accounting policies

Except for the following, the significant accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statements for the year ended December 31, 2021. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2021.

- (a) Statement of compliance

These consolidated 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) and IAS 34 "Interim Financial Reporting" endorsed and issued into effect by the FSC, and do not present all the disclosures required for a complete set of annual consolidated financial statements prepared in accordance with the International Financial Reporting Standards, International Accounting Statements, IFRIC Interpretations, and SIC Interpretations endorsed by the FSC (hereinafter referred to as the IFRSs endorsed by the FSC).

(Continued)

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(b) Basis of consolidation

The principles of preparation of the consolidated financial statements are the same as those of the consolidated financial statements for the year ended December 31, 2021. For the related information, please refer to note 4(c) of the consolidated financial statements for the year ended December 31, 2021.

Subsidiaries included in the consolidated financial statements are as follows:

Name of investor	Name of subsidiary	Primary business	Shareholding			Remarks
			March 31, 2022	December 31, 2021	March 31, 2021	
The Company	Dimerco International Logistic Corp. (DIL)	Holding company	100.00 %	100.00 %	100.00 %	
The Company	Dimerco Express Holding Co., Ltd. (Holding)	Holding company	100.00 %	100.00 %	100.00 %	
The Company	Dimerco Freight System Corporation (DFSTW)	Global logistics service	99.99 %	99.99 %	99.99 %	Note 4
The Company	Dimerco Express (Singapore) Pte Ltd. (DIMSG)	Global logistics service	86.11 %	86.11 %	86.11 %	Note 4
The Company	Foreign Settlement Co., Ltd. (FSC)	Settlement center	20.00 %	20.00 %	20.00 %	
The Company	Foreign Settlement Co., Ltd. (FSC HK)	Settlement center	15.00 %	15.00 %	15.00 %	
The Company	Diversified International Logistics Co., Ltd (DILTW)	Global Logistics service	80.00 %	80.00 %	- %	Note 4
DIMHK	Foreign Settlement Co., Ltd. (FSC HK)	Settlement center	35.00 %	35.00 %	35.00 %	
DIMHK	Foreign Settlement Co., Ltd. (FSC)	Settlement center	60.00 %	60.00 %	60.00 %	
DIMHK	Dimerco International Logistics (Shanghai) Co., Ltd. (DILSHA)	Global logistics service	99.99 %	99.99 %	99.99 %	Note 4
DIMHK	Dimerco International Transportation (Shanghai) Co., Ltd. (DIMCN)	Global logistics service	100.00 %	100.00 %	100.00 %	
DIMHK	Dimerco International Logistics (Shenzhen) Co., Ltd. (DILSZX)	Global logistics service	100.00 %	100.00 %	100.00 %	Note 4
DIMHK	Dimerco Zhonging Int'l Express Co., Ltd. (ZJDCN)	Global logistics service	75.00 %	75.00 %	75.00 %	
DIMHK	Dimerco Vietfracht (JV) Co., Ltd. (DIMVN)	Global logistics service	75.00 %	75.00 %	75.00 %	Note 4
DFSHK	Foreign Settlement Co., Ltd. (FSC HK)	Settlement center	35.00 %	35.00 %	35.00 %	
DFSHK	Diversified International Transportation (Shanghai) Co., Ltd. (DFSCN)	Global logistics service	100.00 %	100.00 %	100.00 %	Note 5
DFSTW	Foreign Settlement Co., Ltd. (FSC HK)	Settlement center	15.00 %	15.00 %	15.00 %	
DFSTW	Diversified International Logistics Co., Ltd (DILTW)	Global Logistics service	20.00 %	20.00 %	- %	Note 4
DIMSG	Dimerco Express (India) Pte Ltd. (DIMIN)	Global logistics service	60.00 %	60.00 %	60.00 %	Note 4

(Continued)

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of investor	Name of subsidiary	Primary business	Shareholding			Remarks
			March 31, 2022	December 31, 2021	March 31, 2021	
DIMSG	Foreign Settlement Co., Ltd. (FSC)	Settlement center	20.00 %	20.00 %	20.00 %	
DIL	Dimerco Air Forwarders (HK) Ltd. (DIMHK)	Global logistics service	99.99 %	99.99 %	99.99 %	
DIL	Dimerco Express (Singapore) Pte Ltd. (DIMSG)	Global logistics service	13.89 %	13.89 %	13.89 %	Note 4
DIL	Dimerco Express (UK) Ltd. (DIMGB)	Global logistics service	37.50 %	37.50 %	37.50 %	Note 4
DIL	Dimerco Express (U.S.A.) Corp. (DIMUS)	Global logistics service	100.00 %	100.00 %	100.00 %	
DIL	Global Marketing System Co., Ltd. (GMS)	Global logistics service	100.00 %	100.00 %	100.00 %	
FSCHK	Dimerco Express (UK) Ltd (DIMGB)	Global logistics services	62.50 %	62.50 %	62.50 %	Note 4
FSCHK	Diversified (Shenzhen) International Logistics Service Co., Ltd. (DILYTN)	Global logistics services	50.00 %	50.00 %	50.00 %	Note 4
GMS	Dimerco Express Phil. Inc (DIMPH)	Global logistics services	60.01 %	60.01 %	60.01 %	Note 4
GMS	Diversified International Logistics Service Company Ltd.	Global logistics services	100.00 %	100.00 %	100.00 %	Note 4
GMS	Diversified Freight System (Singapore) Pte. Ltd. (DFSSG)	Global logistics services	100.00 %	100.00 %	100.00 %	Note 4
GMS	Dimerco International Logistics Company (DILHK)	Global logistics services	100.00 %	100.00 %	100.00 %	Note 4
GMS	Diversified (Shenzhen) International Logistics Service Co., Ltd. (DILYTN)	Global logistics services	50.00 %	50.00 %	50.00 %	Note 4
Holding	Dimerco Logistics Sdn Bhd. (DILMY)	Global logistics service	- %	- %	49.00 %	Note 1
Holding	Dimerco Express (Thailand) Corp. Ltd. (DIMTH)	Global logistics service	48.99 %	48.99 %	48.99 %	Notes 2 and 4
Holding	Dimerco Express Phils. Inc. (DIMPH)	Global logistics service	39.99 %	39.99 %	39.99 %	Note 4
Holding	Dimerco Express (Australia) Pty Ltd. (DIMAU)	Global logistics service	100.00 %	100.00 %	100.00 %	Note 4
Holding	Dimerco Express (Korea) Corp. (DIMKR)	Global logistics service	100.00 %	100.00 %	100.00 %	Note 4
Holding	Dimerco Express (Canada) Corp. (DIMCA)	Global logistics service	100.00 %	100.00 %	100.00 %	Note 4
Holding	Diversified International Service Logistics System Corporation (DSLUS)	Global logistics service	100.00 %	100.00 %	100.00 %	Note 4
Holding	Dimerco Express (Malaysia) Sdn. Bhd. (DIMMY)	Global logistics service	100.00 %	100.00 %	100.00 %	Note 4
Holding	Dimerco Express Netherlands B.V. (DIMNL)	Global logistics service	100.00 %	100.00 %	100.00 %	Note 4
Holding	Diversified Freight System Ltd. (DFSHK)	Global logistics service	99.99 %	99.99 %	99.99 %	Note 4
Holding	Diversified Transportation (HK & China) Co., Ltd. (DTLHK)	Global logistics service	100.00 %	100.00 %	100.00 %	Note 4
DTLHK	Diversified Transportation (China) Co., Ltd. (DTLCN)	Global logistics service	100.00 %	100.00 %	100.00 %	Note 4

(Continued)

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of investor	Name of subsidiary	Primary business	Shareholding			Remarks
			March 31, 2022	December 31, 2021	March 31, 2021	
DIMUS	Dimerco Customs Brokerage Co. Ltd. (DCBUS)	Brokerage service	100.00 %	100.00 %	100.00 %	Note 4
DIMUS	B.C. Logistics, LLC	Global logistics service	85.00 %	- %	- %	Notes 3 and 4
DIMMY	Danau Muhibbah Sdn.Bhd	Real estate investment	- %	- %	100.00 %	Note 1
DIMPH	Peerless Express Forwarders Corp.	Global logistics service	39.99 %	39.99 %	39.99 %	Notes 2 and 4
DILHK	Diversified International Logistics Pte Ltd (DILSG)	Global logistics service	100.00 %	100.00 %	100.00 %	Note 4

Note 1: The subsidiary has been liquidated in 2021.

Note 2: The Group owns less than 50% of the subsidiaries' voting stock, but the Group has control over the subsidiaries' financial and operating policies through agreement with other investors. Therefore, the Group includes the subsidiaries in the consolidated financial statements.

Note 3: The subsidiary has been acquired in 2022; Please refer to note 6(d).

Note 4: It is a non-significant subsidiary, and its financial statements have not been reviewed.

Note 5: It is a non-significant subsidiary, and its financial statements as of March 31, 2022 have been reviewed. Its financial statements as of March 31, 2021 have not been reviewed.

(c) Business combination

The Group accounts for business combinations using the acquisition method. The goodwill arising from an acquisition is measured as the excess of (i) the consideration transferred (which is generally measured at fair value) and (ii) the amount of non-controlling interest in the acquiree, both over the identifiable net assets acquired at the acquisition date. If the amount calculated above is a deficit balance, the Company recognized that amount as a gain on a bargain purchase in profit or loss immediately after reassessing whether it has correctly identified all of the assets acquired and all of 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 non-controlling interests in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets, if the non-controlling interests are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation.

(d) Intangible assets

(i) Recognition and measurement

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

Other intangible assets, including customer relationships and trademarks, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

(Continued)

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other 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 useful lives for current and comparative periods are as follows:

1) Trademarks	10 years
2) Customer relationships	5 years
3) Software	2~3 years

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

(e) Employee benefits

The pension cost in the interim period was calculated and disclosed on a year to date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-time event.

(f) Income tax

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

Income tax expense for the period is best estimated by multiplying pretax income for the interim reporting period by the effective annual tax rate as forecasted by the management. This should be recognized fully as current tax expense.

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the effective tax rate at the time of realization or liquidation, and recognized directly in equity or other comprehensive income as tax expense.

(Continued)

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

The preparation of the interim consolidated financial statements is in conformity with IAS 34 “Interim Financial Reporting” endorsed by FSC. The standard requires management to make judgments, estimations 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 preparation of the consolidated interim financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with note 5 of the consolidated financial statement for the year ended December 31, 2021.

(6) Explanation of significant accounts

Except for the following disclosures, there is no significant difference as compared with those disclosed in the consolidated financial statements for the year ended December 31, 2021. Please refer to Note 6 of the 2021 annual consolidated financial statements.

(a) Cash and cash equivalents

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Cash on hand	\$ 4,317	4,260	4,212
Checking accounts and savings deposits	4,117,475	3,113,565	2,300,069
Time deposits	<u>654,605</u>	<u>321,153</u>	<u>532,475</u>
Cash and cash equivalents in consolidated statement of cash flows	<u>\$ 4,776,397</u>	<u>3,438,978</u>	<u>2,836,756</u>

Please refer to note 6(q) for the exchange rate risk, interest rate risk, and sensitivity analysis of the financial assets and liabilities of the Group.

(b) Notes and accounts receivable

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Notes receivable	\$ 24,487	25,919	8,493
Accounts receivable	4,195,239	4,692,243	2,714,421
Overdue receivable	7,669	4,678	2,373
Less: Loss allowance—accounts receivable	142,924	104,848	91,530
Loss allowance—overdue receivable	<u>7,669</u>	<u>4,678</u>	<u>2,373</u>
	<u>\$ 4,076,802</u>	<u>4,613,314</u>	<u>2,631,384</u>

(Continued)

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

	March 31, 2022		
	Gross carrying amount	Weighted- average expected credit loss rate	Loss allowance provision
Current	\$ 3,775,658	0%	-
1 to 30 days past due	385,560	24%	94,047
31 to 60 days past due	50,690	81%	41,059
61 to 90 days past due	10,333	100%	10,333
91 to 365 days past due	1,815	100%	1,815
More than 365 days	3,339	100%	3,339
	<u>\$ 4,227,395</u>		<u>150,593</u>
	December 31, 2021		
	Gross carrying amount	Weighted- average expected credit loss rate	Loss allowance provision
Current	\$ 4,247,744	0%	-
1 to 30 days past due	403,687	12%	49,552
31 to 60 days past due	60,184	81%	48,749
61 to 90 days past due	6,633	100%	6,633
91 to 365 days past due	1,607	100%	1,607
More than 365 days	2,985	100%	2,985
	<u>\$ 4,722,840</u>		<u>109,526</u>
	March 31, 2021		
	Gross carrying amount	Weighted- average expected credit loss rate	Loss allowance provision
Current	\$ 2,343,841	0%	-
1 to 30 days past due	345,002	18%	60,466
31 to 60 days past due	15,824	81%	12,817
61 to 90 days past due	2,862	100%	2,862
91 to 365 days past due	3,094	100%	3,094
More than 365 days	14,664	100%	14,664
	<u>\$ 2,725,287</u>		<u>93,903</u>

(Continued)

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

	For the three months ended	
	March 31	
	2022	2021
Balance at January 1	\$ 109,526	72,338
Impairment losses recognized	41,067	21,565
Balance at March 31	<u>\$ 150,593</u>	<u>93,903</u>

(c) Investments accounted for using the equity method

A summary of the Group's investments accounted for using the equity method at the reporting date was as follows:

	March 31, 2022	December 31, 2021	March 31, 2021
Associates	<u>\$ 247,674</u>	<u>236,889</u>	<u>221,236</u>

(i) Associates

1) The details of significant associate were as follows:

Name of associate	Relationship with the Group	Main operating location / country of registration	Proportion of equity and voting rights		
			March 31, 2022	December 31, 2021	March 31, 2021
ITG Air & Sea GmbH	Global air and ocean freight forwarder	Germany	25.00 %	25.00 %	25.00 %

A summary of the financial information of the significant associate was as follows:

Summary of financial information of ITG Air & Sea GmbH

	March 31, 2022	December 31, 2021	March 31, 2021
Current assets	\$ 1,152,871	1,065,828	853,516
Non-current assets	86,738	88,923	90,055
Current liabilities	(825,826)	(778,586)	(626,193)
Non-current liabilities	(36,245)	(39,569)	(32,500)
Net assets	<u>\$ 377,538</u>	<u>336,596</u>	<u>284,878</u>
The Group's share of net assets	<u>\$ 94,385</u>	<u>84,149</u>	<u>71,220</u>

(Continued)

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	For the three months ended	
	March 31	
	2022	2021
Revenue	\$ <u>1,087,414</u>	<u>342,690</u>
Profit from continuing operations	\$ 34,786	20,804
Other comprehensive income	-	-
Profit and total comprehensive income	\$ <u>34,786</u>	<u>20,804</u>
The Group's share of profit and total comprehensive income	\$ <u>8,697</u>	<u>5,201</u>
	For the three months ended	
	March 31	
	2022	2021
Beginning balance of the equity of the associate attributable to the Group	\$ 84,149	68,321
Total comprehensive income (loss) of the associate attributable to the Group	8,697	5,201
Exchange difference	1,539	(2,303)
Share of net assets of associates as of December 31	94,385	71,219
Add : Goodwill	129,692	129,692
Ending balance of the equity of the associate attributable to the Group	\$ <u>224,077</u>	<u>200,911</u>

- 2) The Group's financial information for investments accounted for using the equity method that are individually insignificant was as follows:

	March 31, 2022	December 31, 2021	March 31, 2021
	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Carrying amount of individually insignificant associates' equity	\$ <u>23,597</u>	<u>23,048</u>	<u>20,325</u>
	For the three months ended		
	March 31		
	2022	2021	
Attributable to the Group:			
Profit from continuing operations	\$ 1,196	940	
Other comprehensive income	-	-	
Total comprehensive income	\$ <u>1,196</u>	<u>940</u>	

- (ii) Collateral

As of March 31, 2022, December 31 and March 31, 2021, the Group did not provide any investment accounted for using the equity method as collaterals for its loans.

(Continued)

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

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

- (d) Acquisition of subsidiary and non-controlling interests

On January 1, 2022, the Group acquired 85% shares and voting interests of B.C. Logistic, LLC (a logistic service company located in United States), resulting in the Group to obtain control over it.

The fair value of each major class of consideration transferred, amounts of assets acquired, liabilities assumed and the goodwill recognized at the acquisition date were as follows:

- (i) The following table summarized the fair value of each major class of consideration transferred at acquisition date .

Cash	\$ <u><u>54,103</u></u>
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- (ii) The following table summarized the recognized amounts of assets acquired and liabilities assumed at the acquisition date.

Cash and cash equivalents	\$ 12,478
Accounts receivable	10,808
Property, plant and equipment (note 6(e))	963
Other current assets	1,771
Trademarks (note 6(g))	2,767
Customer relationships (note 6(g))	13,837
Account payables	(6,697)
Other current liabilities	<u>(420)</u>
Total identifiable net assets acquired	<u><u>\$ 35,507</u></u>

The fair value of intangible assets (include trademarks and customer relationships) of \$16,604 thousand has been determined provisionally pending completion of an independent valuation. If there is information discovered within one year from the acquisition date about facts and circumstances that existed at the acquisition date which leads to an adjustment to the above provisional values, or any additional provisions as at the acquisition date, then the acquisition accounting will be revised.

- (iii) Goodwill

Goodwill arising from the acquisition has been recognized as follows:

Consideration transferred	\$ 54,103
Non-controlling interest in the acquiree (proportionate share of the fair value of the identifiable net assets)	2,835
Less: Fair value of identifiable net assets	<u>35,507</u>
Goodwill	<u><u>\$ 21,431</u></u>

(Continued)

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The goodwill is attributable mainly to B.C. Logistic, LLC's relationship in specific local city work force and the synergies expected to be achieved from integrating the company into the Group's existing logistic business.

(e) Property, plant and equipment

The cost and depreciation of the property, plant and equipment of the Group were as follows:

	<u>Land</u>	<u>Buildings</u>	<u>Transportation equipment</u>	<u>Office equipment</u>	<u>Leasehold improvements</u>	<u>Other equipment</u>	<u>Total</u>
Cost or deemed cost:							
Balance at January 1, 2022	\$ 182,377	512,510	35,226	140,175	58,123	51,628	980,039
Acquisition of subsidiary	-	-	-	-	-	15,959	15,959
Additions	-	-	-	2,497	84	305	2,886
Disposals	-	-	-	(172)	-	-	(172)
Effect of changes in exchange rates	837	14,679	1,017	2,731	1,571	2,150	22,985
Balance at March 31, 2022	<u>\$ 183,214</u>	<u>527,189</u>	<u>36,243</u>	<u>145,231</u>	<u>59,778</u>	<u>70,042</u>	<u>1,021,697</u>
Balance at January 1, 2021	\$ 182,787	520,506	31,619	141,310	56,139	53,171	985,532
Additions	-	-	-	2,552	1,715	544	4,811
Effect of changes in exchange rates	392	3,629	196	456	(1,945)	(403)	2,325
Balance at March 31, 2021	<u>\$ 183,179</u>	<u>524,135</u>	<u>31,815</u>	<u>144,318</u>	<u>55,909</u>	<u>53,312</u>	<u>992,668</u>
Depreciation and impairment loss:							
Balance at January 1, 2022	\$ -	200,636	25,648	117,063	45,993	46,243	435,583
Acquisition of subsidiary	-	-	-	-	-	14,996	14,996
Depreciation	-	4,259	843	2,689	1,880	746	10,417
Disposal	-	-	-	(156)	-	-	(156)
Effect of changes in exchange rates	-	5,838	754	2,676	1,548	519	11,335
Balance at March 31, 2022	<u>\$ -</u>	<u>210,733</u>	<u>27,245</u>	<u>122,272</u>	<u>49,421</u>	<u>62,504</u>	<u>472,175</u>
Balance at January 1, 2021	\$ -	188,659	22,949	120,819	44,670	46,664	423,761
Depreciation	-	3,557	759	2,517	1,665	857	9,355
Effect of changes in exchange rates	-	1,614	137	429	(669)	(75)	1,436
Balance at March 31, 2021	<u>\$ -</u>	<u>193,830</u>	<u>23,845</u>	<u>123,765</u>	<u>45,666</u>	<u>47,446</u>	<u>434,552</u>
Carrying value:							
January 1, 2022	<u>\$ 182,377</u>	<u>311,874</u>	<u>9,578</u>	<u>23,112</u>	<u>12,130</u>	<u>5,385</u>	<u>544,456</u>
March 31, 2022	<u>\$ 183,214</u>	<u>316,456</u>	<u>8,998</u>	<u>22,959</u>	<u>10,357</u>	<u>7,538</u>	<u>549,522</u>
March 31, 2021	<u>\$ 183,179</u>	<u>330,305</u>	<u>7,970</u>	<u>20,553</u>	<u>10,243</u>	<u>5,866</u>	<u>558,116</u>

As of March 31, 2022, December 31 and March 31, 2021, the property, plant and equipment of the Group had been pledged as collateral for short-term borrowings; please refer to note 8.

(Continued)

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(f) Right-of-use assets

The Group leases its assets including land-use right, offices, warehouse, transportation equipment and other equipment. Information about leases for which the Group as a lessee was presented below:

	<u>Land</u>	<u>Building</u>	<u>Transportation equipment</u>	<u>Other equipment</u>	<u>Total</u>
Cost:					
Balance at January 1, 2022	\$ 43,270	487,307	40,860	103,782	675,219
Additions	-	46,900	14,491	24,249	85,640
Decreases (early termination)	-	(22,068)	(909)	(4,045)	(27,022)
Effect of changes in exchange rates	1,377	14,510	1,357	3,284	20,528
Balance at March 31, 2022	<u>\$ 44,647</u>	<u>526,649</u>	<u>55,799</u>	<u>127,270</u>	<u>754,365</u>
Balance at January 1, 2021	\$ 43,947	509,221	34,728	77,113	665,009
Additions	-	21,869	4,356	8,173	34,398
Decreases (early termination)	-	(14,049)	(2,916)	(7,445)	(24,410)
Effect of changes in exchange rates	646	4,026	11	(6)	4,677
Balance at March 31, 2021	<u>\$ 44,593</u>	<u>521,067</u>	<u>36,179</u>	<u>77,835</u>	<u>679,674</u>
Accumulated depreciation and impairment losses:					
Balance at January 1, 2022	\$ 7,222	289,674	21,582	58,186	376,664
Depreciation	(3,347)	38,652	7,369	7,705	50,379
Decreases (early termination)	-	(20,044)	(909)	(4,045)	(24,998)
Effect of changes in exchange rates	162	8,840	718	1,699	11,419
Balance at March 31, 2022	<u>\$ 4,037</u>	<u>317,122</u>	<u>28,760</u>	<u>63,545</u>	<u>413,464</u>
Balance at January 1, 2021	\$ 3,667	198,531	21,318	52,083	275,599
Depreciation (early termination)	328	41,356	2,888	7,541	52,113
Decreases	-	(11,940)	(2,916)	(7,445)	(22,301)
Effect of changes in exchange rates	2,517	1,682	16	(7,594)	(3,379)
Balance at March 31, 2021	<u>\$ 6,512</u>	<u>229,629</u>	<u>21,306</u>	<u>44,585</u>	<u>302,032</u>
Carrying amounts:					
January 1, 2022	<u>\$ 36,048</u>	<u>197,633</u>	<u>19,278</u>	<u>45,596</u>	<u>298,555</u>
March 31, 2022	<u>\$ 40,610</u>	<u>209,527</u>	<u>27,039</u>	<u>63,725</u>	<u>340,901</u>
March 31, 2021	<u>\$ 38,081</u>	<u>291,438</u>	<u>14,873</u>	<u>33,250</u>	<u>377,642</u>

(g) Intangible assets

	<u>Goodwill</u>	<u>Trademarks</u>	<u>Customer relationships</u>	<u>Software</u>	<u>Total</u>
Cost:					
Balance at January 1, 2022	\$ 32,780	-	-	2,742	35,522
Acquisition of subsidiary	21,431	2,767	13,837	-	38,035
Additions	-	-	-	121	121
Effect of changes in exchange rates	1,164	89	441	7	1,701
Balance at March 31, 2022	<u>\$ 55,375</u>	<u>2,856</u>	<u>14,278</u>	<u>2,870</u>	<u>75,379</u>
Balance at January 1, 2021	\$ 32,921	-	-	2,753	35,674
Depreciation	-	-	-	115	115
Effect of changes in exchange rates	220	-	-	3	223
Balance at March 31, 2021	<u>\$ 33,141</u>	<u>-</u>	<u>-</u>	<u>2,871</u>	<u>36,012</u>

(Continued)

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Accumulated amortization and impairment losses :

Balance at January 1, 2022	\$	-	-	-	2,454	2,454
Additions		-	-	-	54	54
Effect of changes in exchange rates		-	-	-	4	4
Balance at March 31, 2022	\$	-	-	-	<u>2,512</u>	<u>2,512</u>
Balance at January 1, 2021	\$	-	-	-	2,215	2,215
Depreciation		-	-	-	83	83
Effect of changes in exchange rates		-	-	-	1	1
Balance at March 31, 2021	\$	-	-	-	<u>2,299</u>	<u>2,299</u>
Carrying amounts:						
January 1, 2022	\$	<u>32,780</u>	-	-	<u>288</u>	<u>33,068</u>
March 31, 2022	\$	<u>55,375</u>	<u>2,856</u>	<u>14,278</u>	<u>358</u>	<u>72,867</u>
March 31, 2021	\$	<u>33,141</u>	-	-	<u>572</u>	<u>33,713</u>

(h) Borrowings

The details, terms and clauses of the Group's short-term and long-term borrowings were as follows:

(i) Short-term borrowings

	<u>March 31, 2022</u>		
	<u>Interest rate</u>	<u>Maturity</u>	<u>Amount</u>
	(%)	year	
Unsecured bank loans	0.55~0.97	2022	\$ <u><u>658,592</u></u>
	<u>December 31, 2021</u>		
	<u>Interest rate</u>	<u>Maturity</u>	<u>Amount</u>
	(%)	year	
Unsecured bank loans	0.55~0.88	2022	\$ <u><u>676,592</u></u>
	<u>March 31, 2021</u>		
	<u>Interest rate</u>	<u>Maturity</u>	<u>Amount</u>
	(%)	year	
Unsecured bank loans	0.65~0.94	2021	\$ <u><u>696,592</u></u>

As of March 31, 2022, December 31 and March 31, 2021, the unused credit facilities of the Group's short-term borrowings amounted to \$825,158 thousand, \$722,925 thousand and \$815,060 thousand, respectively.

Please refer to note 6(q) for the information on the interest rate, foreign currency, and liquidity risk.

The Group has pledged certain assets against the loans; please refer to note 8 for additional information.

(ii) Long-term borrowings

As of March 31, 2022, December 31 and March 31, 2021, the unused credit facilities of the Group's long-term borrowings all amounted to \$150,000 thousand.

(Continued)

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(i) Lease liabilities

The Group's lease liabilities were as follow:

	March 31, 2022	December 31, 2021	March 31, 2021
Current	\$ 167,577	136,893	165,740
Non-current	142,049	133,127	184,167
	<u>\$ 309,626</u>	<u>270,020</u>	<u>349,907</u>

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

The amounts recognized in profit or loss were as follows:

	For the three months ended March 31	
	2022	2021
Interest on lease liabilities	\$ 3,244	3,418
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	\$ 8,098	7,423

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

	For the three months ended March 31	
	2022	2021
Total cash outflow for leases	\$ 54,851	54,831

(j) Employee benefits

(i) Defined benefit plans

Since there were no significant market fluctuations, curtailments, reimbursement and settlement, or other material one-time events since prior fiscal year, the pension cost for the interim periods was measured according to the actuarial report as of December 31, 2021 and 2020.

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

	For the three months ended March 31	
	2022	2021
Operating expenses	\$ 747	841

(ii) Defined contribution plans

For the three months ended March 31, 2022 and 2021, the pension costs under the defined contribution method were \$9,356 thousand and \$9,140 thousand, respectively.

(Continued)

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(k) Income tax

Income tax expense in the interim consolidated report was measured and disclosed in accordance with the estimated average annual effective income tax rate applied to the profit before tax.

The components of income tax expense were as follows:

	For the three months ended March 31	
	2022	2021
Current income tax expense		
Current period	\$ 117,261	64,251
Undistributed earnings additional tax	28,611	-
Income tax expense from continuing operations	\$ 145,872	64,251

The tax returns of DIMTW have been examined by the tax authorities through 2018.

(l) Capital and other equity

Except as explained in the following paragraphs, there were no significant changes in capital and other equity during the three months ended March 31, 2022 and 2021. Please refer to note 6(k) of the consolidated financial statements for the year ended December 31, 2021, for related information.

On March 17, 2022, the Company's Board of Directors resolved to appropriate cash dividends of the 2021 earnings. The amount of cash dividends of appropriations of earnings for 2020 had been approved in the meeting of the board of directors on March 16, 2021. And the amount of shares dividends and other items of appropriations of earnings for 2020 had been proposed in the shareholders' meeting on July 8, 2021. These earnings were appropriated as follows:

	2021		2020	
	Amount per share (NTD)	Total Amount	Amount per share (NTD)	Total Amount
Dividends distributed to ordinary stockholders:				
Cash	\$ 10.20	1,388,016	5.20	655,200
Stock	-	-	0.80	100,800
Total		\$ 1,388,016		756,000

The related information can be obtained from the Market Observation Post System.

(Continued)

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(m) Earnings per share

The calculation of DIMTW's basic earnings per share and diluted earnings per share for the three months ended March 31, 2022 and 2021, was as follows:

(i) Basic earnings per share

	Unit: thousand shares	
	For the three months ended	
	March 31	
	<u>2022</u>	<u>2021</u>
Net income attributable to ordinary shareholders of the Company	\$ <u>617,465</u>	<u>300,047</u>
Weighted-average number of ordinary shares	<u>136,080</u>	<u>136,080</u>
Basic earnings per share (in NT dollars)	\$ <u>4.54</u>	<u>2.20</u>

(ii) Diluted earnings per share

	For the three months ended	
	March 31	
	<u>2022</u>	<u>2021</u>
Net income attributable to ordinary shareholders of the Company	\$ <u>617,465</u>	<u>300,047</u>
Weighted-average number of ordinary shares (basic)	136,080	136,080
Impact of potential common shares		
Effect of employee stock bonus	1,573	1,505
Weighted-average number of ordinary shares (diluted)	<u>137,653</u>	<u>137,585</u>
Diluted earnings per share (in NT dollars)	\$ <u>4.49</u>	<u>2.18</u>

(n) Revenue from contracts with customers

	For the three months ended			
	March 31, 2022			
	<u>Asia</u>	<u>Americas</u>	<u>Europe</u>	<u>Total</u>
Major products/services lines:				
Air freight forwarding	\$ 4,596,942	1,121,886	59,160	5,777,988
Ocean freight forwarding	3,309,497	1,306,280	337,284	4,953,061
Others	<u>536,653</u>	<u>76,975</u>	<u>36,252</u>	<u>649,880</u>
	<u>\$ 8,443,092</u>	<u>2,505,141</u>	<u>432,696</u>	<u>11,380,929</u>

(Continued)

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	For the three months ended			
	March 31, 2021			
	<u>Asia</u>	<u>Americas</u>	<u>Europe</u>	<u>Total</u>
Major products/services lines:				
Air freight forwarding	\$ 2,995,670	534,710	38,876	3,569,256
Ocean freight forwarding	1,997,959	852,847	222,582	3,073,388
Others	<u>271,142</u>	<u>33,749</u>	<u>33,532</u>	<u>338,423</u>
	<u>\$ 5,264,771</u>	<u>1,421,306</u>	<u>294,990</u>	<u>6,981,067</u>

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

In accordance with the Company's articles, DIMTW should contribute no less than 5% of the profit as employee compensation and less than 5% as directors' and supervisors' remuneration when it has realized profit for the year. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions. The payment for director and supervisors' remuneration is must be in the form of cash.

For the three months ended March 31, 2022 and 2021, DIMTW recognized its employees' compensation of \$38,900 thousand and \$27,004 thousand, respectively, and directors' and supervisors' remuneration of \$11,114 thousand and \$8,101 thousand, respectively. The employees' compensation, and directors' and supervisors' remuneration were recognized as operating expenses on a specific percentage of the net income. These amounts are calculated by using the Company's net income before tax (excluding the employees' compensation, and directors' and supervisors' remuneration), multiplied by the percentage specified in the company's article for each period. If there are any subsequent adjustments to the actual remuneration amounts after the annual shareholder' meeting, the adjustment will be regarded as changes in accounting estimates and will be reflected in profit or loss in the following year. Shares distributed to employees as employees' remuneration are calculated based on the closing price of the Company's shares on the day before the approval by the Board of Directors.

In its financial statements for the years ended December 31, 2021 and 2020, DIMTW accrued employees' compensation amounting to \$145,689 thousand and \$97,726 thousand, respectively, and directors' and supervisors' remuneration amounting to \$41,625 thousand and \$29,318 thousand, respectively, which was identical to the actual distribution. The information mentioned above can be accessed on the Market Observation Post System.

(p) Non-operating income and expenses

(i) Interest income

The details of the Group's interest income were as follows:

	For the three months ended	
	March 31	
	<u>2022</u>	<u>2021</u>
Interest income from bank deposits	<u>\$ 2,009</u>	<u>1,863</u>

(Continued)

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Other income

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

	For the three months ended	
	March 31	
	2022	2021
Government grants	2,851	3,147
Other	2,017	2,623
Total other income	\$ 4,868	5,770

(iii) Other gains and losses

The details of the Group's other gain and losses were as follows:

	For the three months ended	
	March 31	
	2022	2021
Losses on disposal of property, plant and equipment	\$ (16)	-
Gains on foreign exchange	20,933	2,996
Others gains and losses	(2,288)	(521)
Other gains and losses, net	\$ 18,629	2,475

(iv) Finance costs

The details of the Group's finance costs were as follows:

	For the three months ended	
	March 31	
	2022	2021
Interest expense		
Bank loan	\$ 1,432	1,635
Lease liabilities	3,244	3,418
Net finance cost	\$ 4,676	5,053

(q) Financial instruments

Except for the contention mentioned below, there were no significant changes in the fair value of the the Group's financial instruments and degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. For the related information, please refer to note 6(q) of the consolidated financial statements for the year ended December 31, 2021.

(i) Credit risk

As of March 31, 2022, December 31 and March 31, 2021, there was no concentration of credit risk in accounts receivable.

(Continued)

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Liquidity risk

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

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 6 months</u>	<u>6-12 months</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>Over 5 years</u>
March 31, 2022							
Non-derivative financial liabilities							
Short-term borrowings	\$ 658,592	659,907	659,907	-	-	-	-
Notes payable	25,453	25,453	25,453	-	-	-	-
Accounts payable	3,393,500	3,393,500	3,393,500	-	-	-	-
Lease liabilities	309,626	318,296	86,135	86,135	103,979	42,047	-
Dividend payable	1,393,711	1,393,711	1,393,711	-	-	-	-
Other payables	311,626	311,626	311,626	-	-	-	-
	<u>\$ 6,092,508</u>	<u>6,102,493</u>	<u>5,870,332</u>	<u>86,135</u>	<u>103,979</u>	<u>42,047</u>	<u>-</u>
December 31, 2021							
Non-derivative financial liabilities							
Short-term loans	\$ 676,592	677,464	677,464	-	-	-	-
Notes payable	42,310	42,310	42,310	-	-	-	-
Accounts payable	3,500,904	3,500,904	3,500,904	-	-	-	-
Lease liabilities	270,020	277,581	70,363	70,363	89,855	47,000	-
Dividend payable	5,695	5,695	5,695	-	-	-	-
Other payables	298,355	298,355	298,355	-	-	-	-
	<u>\$ 4,793,876</u>	<u>4,802,309</u>	<u>4,595,091</u>	<u>70,363</u>	<u>89,855</u>	<u>47,000</u>	<u>-</u>
March 31, 2021							
Non-derivative financial liabilities							
Short-term borrowings	\$ 696,592	706,774	706,774	-	-	-	-
Notes payable	30,270	30,270	30,270	-	-	-	-
Accounts payable	2,182,452	2,182,452	2,182,452	-	-	-	-
Lease liabilities	349,907	359,704	92,412	92,412	99,282	75,598	-
Dividend payable	3,067	3,067	3,067	-	-	-	-
Other payables	219,874	219,874	219,874	-	-	-	-
	<u>\$ 3,482,162</u>	<u>3,502,141</u>	<u>3,234,849</u>	<u>92,412</u>	<u>99,282</u>	<u>75,598</u>	<u>-</u>

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

(Continued)

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) Market risk

1) Currency risk

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

	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>NTD</u>
March 31, 2022			
Financial assets:			
Monetary items:			
USD	\$ 37,904	28.555	1,082,339
HKD	\$ 6,418	3.648	23,413
GBP	\$ 386	37.544	14,484
Financial liabilities:			
Monetary items:			
USD	\$ 9,295	28.555	265,410
December 31, 2021			
Financial assets:			
Monetary items:			
USD	\$ 22,413	27.764	620,244
HKD	\$ 5,650	3.548	20,047
EUR	\$ 780	31.357	24,460
Financial liabilities:			
Monetary items:			
USD	\$ 11,838	27.674	327,608
March 31, 2021			
Financial assets:			
Monetary items:			
USD	\$ 16,251	28.520	463,489
HKD	\$ 4,875	3.668	17,882
EUR	\$ 2,643	33.434	88,381
Financial liabilities:			
Monetary items:			
USD	\$ 7,802	28.520	222,513

(Continued)

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group's exposure to foreign currency risk arises from the translation of foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable and accounts and other payables that are denominated in foreign currency. A weakening (strengthening) of 3% of the NTD against USD, HKD and EUR of March 31, 2022 and 2021, would have increased or decreased the net income before tax by \$25,645 thousand and \$10,417 thousand, respectively. The analysis is performed on the same basis for both periods.

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For the three months ended March 31, 2022 and 2021, foreign exchange gain (loss) (including realized and unrealized portions) amounted to \$20,933 thousand and \$2,996 thousand, respectively.

2) Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Group's financial assets and liabilities.

The following sensitivity analysis is based on the exposure to the interest rate risk of derivative and non-derivative financial instruments on the reporting date. Regarding assets with variable interest rates, the analysis is based on the assumption that the amount of assets outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 1% when reporting to management internally, which also represents the Group management's assessment of the reasonably possible interest rate change.

If the interest rate had increased or decreased by 1%, the Group's net income before tax would have decreased or increased by \$1,646 thousand and \$1,741 thousand for the three months ended March 31, 2022 and 2021, respectively, with all other variable factors remaining constant. This was mainly due to the Group's borrowing at variable rates.

(iv) Fair value

1) Categories and fair value of financial instruments

Except for the followings, carrying amount of the Group's financial assets and liabilities are valued approximately to their fair value, and are not based on observable market date and the value measurements which are not reliable. No additional fair value disclosure is required in accordance to the regulations.

	March 31, 2022				
	Carrying amount	Fair value			Total
	Level 1	Level 2	Level 3		
Financial assets at fair value through other comprehensive income					
Unlisted stocks (domestic and overseas)	\$ 444	-	-	444	444

(Continued)

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	December 31, 2021				
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through other comprehensive income					
Unlisted stocks (domestic and overseas)	\$ 442	-	-	442	442
	March 31, 2021				
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through other comprehensive income					
Unlisted stocks (domestic and overseas)	\$ 444	-	-	444	444

- 2) Valuation techniques and assumptions used in fair value determination – non-derivative financial instruments

If the instruments have no quoted market price in active markets, the Group uses the net equity or book value to evaluate the fair value.

- 3) Fair value hierarchy

The Group used the fair value that can be observed in the market to measure the value of assets and liabilities. Fair value levels are based on the degree in which the fair value can be observed and grouped in to Levels 1 to 3 as follows:

- a) Level 1: quoted prices (unadjusted) in active markets for identified assets or liabilities.
- b) Level 2: inputs, other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- c) Level 3: inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

There was no such situation that the Group reclassified the financial instruments from one level to another during the reporting periods.

(Continued)

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

4) Reconciliation of Level 3 fair values

	Unquoted equity instruments
Balance at January 1, 2022	\$ 442
Effect of changes in exchange rates	2
Balance at March 31, 2022	\$ 444
Balance at March 31, 2021 (balance at January 1, 2021)	\$ 444

(r) Financial risk management

The disclosures of objectives and policies of the Group's financial risk management are the same as those in the note 6(r) to the consolidated financial statements for the year ended December 31, 2021.

(s) Capital management

The disclosures of objectives, policies and procedures of the Group's capital management are the same as those of the consolidated financial statements for the year ended December 31, 2021. For related information, please refer to note 6(s) of the consolidated financial statements for the year ended December 31, 2021.

(t) Financing activities not affecting current cash flow

The Group's reconciliation of liabilities arising from financing activities for the three months ended March 31, 2022 and 2021 were as follows:

For right-of-use assets under leases, please refer to note 6 (f).

Reconciliation of liabilities arising from financing activities were as follows:

	Non-cash changes						March 31, 2022
	January 1, 2022	Cash flows	Foreign exchange movement	Additions	Decreases	Lease modification	
Short term borrowings	\$ 676,592	(18,000)	-	-	-	-	658,592
Lease liabilities	270,020	(43,509)	(489)	85,640	(2,024)	(12)	309,626
Total liabilities from financing activities	\$ 946,612	(61,509)	(489)	85,640	(2,024)	(12)	968,218

	Non-cash changes						March 31, 2021
	January 1, 2021	Cash flows	Foreign exchange movement	Additions	Decreases	Lease modification	
Short term borrowings	\$ 700,592	(4,000)	-	-	-	-	696,592
Lease liabilities	361,736	(43,990)	-	34,398	(2,109)	(128)	349,907
Total liabilities from financing activities	\$ 1,062,328	(47,990)	-	34,398	(2,109)	(128)	1,046,499

(7) Related-party transactions

(a) Parent company and ultimate controlling party

The Company is the ultimate controlling party of the Group.

(Continued)

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(b) Names and relationship with related parties

In this consolidated financial report, the related parties having transactions with the Group are listed as below:

<u>Name of related party</u>	<u>Relationship with the Group</u>
ITG Air & Sea GmbH	An associate

(c) Significant transactions with related parties

(i) Operating revenue

The amounts of significant sales by the Group to related parties were as follows:

	For the three months ended	
	March 31	
	<u>2022</u>	<u>2021</u>
Associates	<u>\$ 99,832</u>	<u>80,500</u>

The Group recorded the above revenue deriving from providing air and ocean freight services to the associates.

The conditions and terms to related parties are the same as those offered to other customers.

(ii) Collection and payment on behalf of other parties (recognized as deduction of operation income)

	For the three months ended	
	March 31	
	<u>2022</u>	<u>2021</u>
Associates	<u>49,015</u>	<u>30,479</u>

The associates collect the above income deriving from imported freight and shipment on behalf of the Group.

The conditions and terms on business transactions to related parties are the same as those offered to other vendors.

(iii) Receivables from related parties

The details of the Group's receivables from related parties were as follows:

<u>Accounts</u>	<u>Type of related parties</u>	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Accounts receivable	Associates	<u>\$ 10,991</u>	<u>9,599</u>	<u>15,269</u>

(Continued)

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iv) Payables to related parties

The details of the Group's payables to related parties were as follows:

<u>Accounts</u>	<u>Type of related parties</u>	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Accounts payable	Associates	\$ <u>4,073</u>	<u>8,193</u>	<u>3,919</u>

(d) Key management personnel compensation

Key management personnel compensation comprised:

	<u>For the three months ended March 31</u>	
	<u>2022</u>	<u>2021</u>
Short-term employee benefits	\$ 16,121	19,109
Post-employment benefits	202	207
	<u>\$ 16,323</u>	<u>19,316</u>

(8) Assets pledged as security

The carrying amount of assets pledged as security were as follows:

<u>Assets pledged as security</u>	<u>Liabilities secured by pledged</u>	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Restricted certificates of deposit (recorded under other current assets)	Guarantee for the Group's logistics operations	\$ 979	949	2,037
Restricted certificates of deposit (recorded under other non-current assets)	Guarantee for customs	3,000	3,000	3,000
Restricted certificates of deposit (recorded under other non-current assets)	Guarantee for the Group's logistics operations	660	660	660
Property, plant and equipment:				
Land	Guarantee for long-term and short-term borrowings and the Group's logistics operations	-	-	41,792
Buildings	"	-	-	16,370
		<u>\$ 4,639</u>	<u>4,609</u>	<u>63,859</u>

(Continued)

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(9) Commitments and contingencies

- (a) The Group provided certificates of deposit, land, and buildings as collateral to the banks for the performance of freight forwarding contracts in 2022 and 2021. As of March 31, 2022, December 31 and March 31, 2021, the guarantees from the banks were \$202,764 thousand, \$176,232 thousand and \$142,613 thousand, respectively, and the used amounts were \$167,930 thousand, \$161,812 thousand and \$131,267 thousand, respectively.
- (b) As of March 31, 2022, December 31 and March 31, 2021, the Group had outstanding guaranteed notes deposited totaling \$65,364 thousand, \$56,232 thousand and \$42,613 thousand, respectively. As of March 31, 2022, December 31 and March 31, 2021, the guarantees recorded for customs duty were \$5,649 thousand, \$5,032 thousand and \$9,383 thousand, respectively.
- (c) In 2014, a customer of the consolidated subsidiary had an unclaimed shipment. After notifying the customer and failing to obtain any response from it, resulting in the consolidated subsidiary unable to collect the storage fee from the customer in April 2014, the consolidated subsidiary held an auction and sold the shipment in June 2014. However, the customer filed a lawsuit against the consolidated subsidiary in June 2016 for selling the shipment without the customer's consent and demanded the compensation of USD1,414 thousand. Shenzhen Qianhai Cooperation Zone People's Court held the first hearing in October 2016. On June 4, 2019, the Court ruled that the consolidated subsidiary should compensate the customer the amount of CNY5,615 thousand. However, the consolidated subsidiary disagreed with the ruling and filed an appeal to the court on June 19, 2019. The court, on the other hand, rescinded the original judgement, and handed the case over to the Guangzhou maritime court of PRC on March 15, 2021. The Guangzhou Maritime Court held a hearing on November 10, 2021, and the final result has not yet been determined. The Group assessed that the consolidated subsidiary is likely being liable for compensation, thus recognized the possible loss in 2021.
- (d) The Group is defending a lawsuit filed by its former employees for her alleged wrongful treatment during her tenure and the termination of employment. To protect the rights and interests of the Group, the Group has appointed a lawyer to handle the legal matter. As of March 31, 2022, the cases are still in progress.

(10) Losses Due to Major Disasters: None

(11) Subsequent Events: None

(Continued)

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(12) Other

- (a) The following is a summary statement of employee benefits, depreciation and amortization expenses by function:

By item	By function			Three months ended March 31, 2022			Three months ended March 31, 2021		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total			
Employee benefits									
Salary	10,522	490,611	501,133	21,896	323,593	345,489			
Labor and health insurance	376	51,006	51,382	220	37,600	37,820			
Pension	304	9,799	10,103	285	9,696	9,981			
Directors' remuneration	-	11,114	11,114	-	8,731	8,731			
Others	431	33,236	33,667	586	28,542	29,128			
Depreciation	1,456	59,340	60,796	592	60,876	61,468			
Amortization	-	54	54	-	83	83			

- (b) Seasonality or cyclically of interim operations

The Group's operations were not affected by seasonality or cyclically factors.

(Continued)

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(13) Other disclosures

(a) Information on significant transactions

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

(i) Loans extended to other parties

Unit: thousand dollars

No.	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 (Note 3)	Range of interest rates during the period	Purposes of fund financing for the borrower (Note 1)	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral Name	Value	Individual funding loan limits (Note 2)	Maximum limit of fund financing (Note 2)
1	HOLDING	The Company	Accounts receivable from related parties	Yes	26,067	26,067	26,067	-	(2)	-	Operating capital	-	-	-	203,617	814,470
2	FSC	The Company	Accounts receivable from related parties	Yes	119,551	119,551	119,551	-	(2)	-	Operating capital	-	-	-	127,600	510,399

Note 1: Purpose of fund financing for the borrower:

- (1) Business between the two parties.
- (2) Funds required for operations.

Note 2: Based on the Company's guidelines, the allowable aggregate amount of financing provided to others cannot exceed 40% of the Company's stockholders' equity, and the maximum financing provided to an individual counterparty cannot exceed 10% of the Company's stockholders' equity.

Note 3: The amounts were eliminated in the consolidated interim financial statements.

(ii) Guarantees and endorsements for other parties

No.	Name of Guarantees	Counter-party of guarantee or endorsement Name	Relationship with the Company (Note 1)	Limitation on amount of guarantees and endorsements for a specific enterprise (Note 2)	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 on 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 (Note 2)	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
0	The Company	DIMVN	2	272,160	4,997	4,997	4,997	4,997	0.13 %	544,320	Y	N	N
0	The Company	DIMN & DIMTH	2	272,160	290	290	290	290	0.01 %	544,320	Y	N	N
0	The Company	DIMKR	2	272,160	24,129	24,129	24,129	24,129	0.64 %	544,320	Y	N	N
0	The Company	DILTW	2	272,160	250	250	250	250	0.01 %	544,320	Y	N	N

Note 1: Relationship with the Company are listed as below:

- (1) A company with which it does business.
- (2) A company in which the public company directly and indirectly holds more than 50 percent of the voting shares.
- (3) A company that directly and indirectly holds more than 50 percent of the voting shares in the public company.
- (4) A company in which the public company holds, directly or indirectly, 90% or more of the voting shares.
- (5) A company that fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.
- (6) A company that all capital contributing shareholders make endorsements/ guarantees for their jointly invested company in proportion to their shareholding percentages.
- (7) Companies in the same industry provide among themselves joint and several securities for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note 2: Based on the Company's guidelines, the allowable aggregate amount of guarantee and endorsement provided to others cannot exceed 40% of the Company's issued capital, while the guarantee and endorsement for an individual counterparty cannot exceed 20% of the Company's issued capital.

(iii) Information regarding securities held as of March 31, 2022 (excluding investment in subsidiaries, associates and joint ventures)

Name of holder	Category and name of security	Relationship with the security issuer	Recorded account	Ending balance				Note
				Number of shares	Carrying amount	Percentage of ownership	Fair value	
The Company	Global Sky Express Taiwan Ltd.	-	Financial assets at fair value through other comprehensive income – non-current	10,000	100	1.00 %	100	
The Company	Evergreen Air Cargo Service Corporation	-	Financial assets at fair value through other comprehensive income – non-current	29,000	290	0.02 %	290	
DIMSG	Burwill Holdings Ltd.	-	Financial assets at fair value through other comprehensive income – non-current	22,000	18	-	18	
DIMSG	Stamford Land	-	Financial assets at fair value through other comprehensive income – non-current	5,000	36	-	36	

(iv) Accumulated holding amount of a single security in excess of NT\$300 million or 20% of the paid-in capital: None.

(v) Acquisition of real estate in excess of NT\$300 million or 20% of the paid-in capital: None.

(vi) Disposal of real estate in excess of NT\$300 million or 20% of the paid-in capital: None.

(Continued)

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

- (vii) Sales to or purchases from related parties in excess of NT\$100 million or 20% of DIMTW's issued share capital:

Name of company	Counter-party	Relationship	Transaction details				Arm's-length transaction		Account / note receivable (payable)		Remarks
			Purchase (Sale)	Amount	Percentage of total purchases (sales)	Credit period	Unit price	Credit period	Balance	Percentage of total accounts / notes receivable (payable)	
DIMTW	DIMUS	Sub-Subsidiary	Freight revenue	(106,501)	16.55 %	Note 1	-		77,802	12 %	
DIMUS	DIMTW	Sub-Subsidiary	Freight expense	106,501	5.22 %	Note 1	-		(77,802)	(13) %	

Note 1: The freight was charged according to market price. No significant difference in terms and conditions from third-party vendors.

Note 2: The freight costs were paid by DIMTW on behalf of its affiliates. Because the sales cost was unrealized, there was no calculation of the percentage of the total purchases (sales).

- (viii) Receivables from related parties in excess of NT\$100 million or 20% of the paid-in capital

Name of Company	Counter-party	Nature of Relationship	Balance of receivables from related party (note 3)	Turnover rate	Past-due receivables from related party		Subsequently received amount of receivable from related party	Allowance for bad debts
					Amount	Action taken		
FSC	The Company	Subsidiary	165,239 (Note 1)	- %	-		-	-
FSC	DIL	Subsidiary	216,717 (Note 2)	- %	-		-	-

Note 1: Loan from the subsidiary of \$119,551 thousand and other receivables of \$45,688 thousand.

Note 2: Paid on behalf of DIMTW.

Note 3: The amount was eliminated in the consolidated financial statements.

- (ix) Financial derivative instrument transactions: None.
- (x) Business relationships and significant intercompany transactions

No. (Note 1)	Name of company	Name of counter-party	Existing relationship with counter-party (Note 2)	Transaction details			Percentage of total consolidated revenue or total assets
				Account name	Amount (Notes 3 and 4)	Terms of trading	
0	The Company	DIMCN	1	Accounts receivable—related parties	22,841	Negotiated	0.22 %
0	The Company	DIMSG	1	Accounts receivable—related parties	10,382	Negotiated	0.10 %
0	The Company	DIMHK	1	Accounts receivable—related parties	7,050	Negotiated	0.07 %
0	The Company	ZJDCN	1	Accounts receivable—related parties	9,644	Negotiated	0.09 %
0	The Company	DIMUS	1	Accounts receivable—related parties	77,802	Negotiated	0.74 %
0	The Company	DFSCN	1	Accounts payable—related parties	15,320	Negotiated	0.15 %
0	The Company	DIMCN	1	Accounts payable—related parties	29,678	Negotiated	0.28 %
0	The Company	DIMSG	1	Accounts payable—related parties	18,659	Negotiated	0.18 %
0	The Company	ZJDCN	1	Accounts payable—related parties	20,794	Negotiated	0.20 %
0	The Company	DIMUS	1	Accounts payable—related parties	14,452	Negotiated	0.14 %
0	The Company	DIMKR	1	Accounts payable—related parties	11,050	Negotiated	0.10 %
0	The Company	DIMMY	1	Accounts payable—related parties	7,273	Negotiated	0.07 %
0	The Company	DIMCN	1	Accounts payable—related parties	32,853	Negotiated	0.29 %
0	The Company	DIMGB	1	Freight revenue—received on behalf	9,297	Negotiated	0.08 %
0	The Company	DIMSG	1	Freight revenue—received on behalf	14,695	Negotiated	0.13 %
0	The Company	DIMHK	1	Freight revenue—received on behalf	10,024	Negotiated	0.09 %
0	The Company	ZJDCN	1	Freight revenue—received on behalf	15,256	Negotiated	0.13 %
0	The Company	DIMUS	1	Freight revenue—received on behalf	106,501	Negotiated	0.94 %
0	The Company	DIMMY	1	Freight revenue—received on behalf	11,171	Negotiated	0.10 %
0	The Company	DIMPH	1	Freight revenue—received on behalf	11,253	Negotiated	0.10 %
0	The Company	DIMTH	1	Freight revenue—received on behalf	12,952	Negotiated	0.11 %
0	The Company	DFSCN	1	Freight revenue—received on behalf	21,524	Negotiated	0.19 %
0	The Company	DIMCN	1	Freight revenue—received on behalf	54,988	Negotiated	0.48 %
0	The Company	DIMSG	1	Freight revenue—received on behalf	31,282	Negotiated	0.28 %
0	The Company	DIMHK	1	Freight expense—deduction of freight revenue	14,498	Negotiated	0.13 %
0	The Company	ZJDCN	1	Freight expense—deduction of freight revenue	32,389	Negotiated	0.29 %
0	The Company	DIMUS	1	Freight expense—deduction of freight revenue	32,961	Negotiated	0.29 %

(Continued)

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

No. (Note 1)	Name of company	Name of counter-party	Existing relationship with counter-party (Note 2)	Transaction details			Percentage of total consolidated revenue or total assets
				Account name	Amount (Notes 3 and 4)	Terms of trading	
0	The Company	DIMKR	1	Freight expense—deduction of freight revenue	17,714	Negotiated	0.16 %
0	The Company	DIMMY	1	Freight expense—deduction of freight revenue	12,918	Negotiated	0.11 %
1	FSC	The Company	2	Accounts receivable—related parties	165,239	Negotiated	1.55 %
1	FSC	DIL	3	Accounts receivable—related parties	216,717	Negotiated	2.05 %
2	HOLDING	The Company	2	Accounts receivable—related parties	26,067	Negotiated	0.25 %
3	FSCHK	DFSTW	3	Sales revenue	10,020	Negotiated	0.09 %
3	FSCHK	DIMCN	3	Sales revenue	48,046	Negotiated	0.42 %
3	FSCHK	DIMSG	3	Sales revenue	17,771	Negotiated	0.16 %
3	FSCHK	DIMHK	3	Sales revenue	21,868	Negotiated	0.19 %
3	FSCHK	ZJDCN	3	Sales revenue	69,118	Negotiated	0.61 %
3	FSCHK	DIMVN	3	Sales revenue	15,194	Negotiated	0.13 %
3	FSCHK	DIMUS	3	Sales revenue	11,461	Negotiated	0.10 %
3	FSCHK	DFSHK	3	Sales revenue	14,958	Negotiated	0.13 %
3	FSCHK	DFSCN	3	Sales revenue	69,281	Negotiated	0.61 %

Note 1: Company numbering is as follows:

- (1) Parent company is 0.
- (2) Subsidiary starts from 1.

Note 2: The number of the relationship with the transaction counterparty represents the following:

- (1) 1 represents downstream transactions.
- (2) 2 represents upstream transactions.
- (3) 3 represents lateral transactions.

Note 3: Only an amount over \$7,000 thousand shall be disclosed.

Note 4: The amount was eliminated in the consolidated financial statements.

(b) Information on investees

The following is the information on investees for the three months ended March 31, 2022 (excluding information on investees in Mainland China):

Name of the investor	Name of investee	Location	Main businesses	Initial investment (Amount)		Ending balance			Net income (losses) of investee	Investment income (losses) (Notes 2 and 3)	Notes
				March 31, 2022	December 31, 2021	Shares	Ratio of shares	Carrying amount (Note 2)			
The Company	DFSTW	Taiwan	Ocean freight forwarding	15,444	15,444	1,200,000	99 %	563,989	44,603	44,603 (2)	
The Company	HOLDING	Bermuda	Holding company	164,845	164,845	3,089,000	100 %	2,036,174	152,949	152,949 (1)	
The Company	DIMSG	Singapore	Global air and ocean freight forwarder and logistics & warehousing	108,362	108,362	4,650,000	86 %	461,732	26,921	23,182 (2)	
The Company	DIL	British Virgin Is.	4650000	472,313	472,313	(Note 1)	100 %	3,687,473	305,947	305,947 (1)	
The Company	FSC	British Virgin Is.	Settlement center	315	315	10,000	20 %	255,198	(35)	(7) (1)	
The Company	FSCHK	Hong Kong	Settlement center	236	236	7,500	15 %	415,046	147,747	22,162 (1)	
The Company	ITG Air & Sea GmbH	Germany	Global air and ocean freight forwarder	183,547	183,547	6,275	25 %	224,077	34,786	8,697 (2)	
The Company	DILTW	Taiwan	Logistics & warehousing	8,000	8,000	800,000	80 %	9,322	2,776	2,221 (2)	
DFSTW	FSCHK	Hong Kong	Settlement center	235	235	7,500	15 %	436,526	147,747	22,162 (1)	
DFSTW	DILTW	Taiwan	Logistics & warehousing	2,000	2,000	200,000	20 %	2,331	2,776	555 (2)	
DIL	DIMUS	U.S.A.	Global air and ocean freight forwarder	238,686	238,686	4,961,000	100 %	847,953	139,999	139,999 (1)	
DIL	DIMGB	U.K	Global air and ocean freight forwarder	(5,624)	(5,624)	300,000	37 %	(10,135)	101	(2) 38	
DIL	DIMSG	Singapore	Global air and ocean freight forwarder and logistics & warehousing	23,904	23,904	750,000	14 %	57,000	26,921	3,739 (2)	
DIL	DIMHK	Hong Kong	Global air and ocean freight forwarder and logistics & warehousing	427,348	427,348	300,000	99 %	2,759,453	152,213	152,213 (1)	
DIL	GMS	Hong Kong	Logistics & warehousing	-	-	(Note 1)	100 %	33,202	9,958	9,958 (1)	

(Continued)

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Name of the investor	Name of investee	Location	Main businesses	Initial investment (Amount)		Ending balance			Net income (losses) of investee	Investment income (losses) (Notes 2 and 3)	Notes
				March 31, 2022	December 31, 2021	Shares	Ratio of shares	Carrying amount (Note 2)			
GMS	DFSSG	Singapore	Logistics & warehousing	13,482	13,482	600,000	100 %	29,031	2,936	2,936 (2)	
GMS	DIMPH	Philippines	Global air and ocean freight forwarder	38,399	38,399	180,000	60 %	66,714	9,623	5,672 (2)	
GMS	DILHK	Hong Kong	Logistics & warehousing	-	-	(Note 1)	100 %	46,661	2,565	2,565 (2)	
DILHK	DILSG	Singapore	Logistics & warehousing	4,215	-	-	100 %	3,193	(914)	(914) (2)	
FSCCHK	DIMGB	U.K.	Global air and ocean freight forwarder	20,126	20,126	500,000	63 %	(1,031)	101	63 (2)	
DIMUS	DIMUS	U.S.A.	Brokerage service	13,532	13,532	1,000	100 %	39,645	824	824 (2)	
DIMUS	B.C. Logistic, LLC	U.S.A.	Trucking service	54,103	-	-	85 %	18,577	2,304	1,958 (2)	
DIMHK	FSC	British Virgin Is.	Settlement center	954	954	30,000	60 %	897	(35)	(21) (1)	
DIMHK	DIMVN	Vietnam	Trucking service	2,090	2,090	-	75 %	31,301	10,976	8,232 (2)	
DIMHK	FSCCHK	Hong Kong	Settlement center	550	550	17,500	35 %	1,010,549	147,747	51,711 (1)	
DIMSG	FSC	British Virgin Is.	Settlement center	318	318	10,000	20 %	299	(35)	(7) (1)	
DIMSG	DIMIN	India	Trucking service	5,303	5,303	960,000	60 %	9,885	864	518 (2)	
HOLDING	DIMMY	Malaysia	Global air and ocean freight forwarder	65,516	65,516	250,000	100 %	143,475	5,642	5,642 (2)	
HOLDING	DIMTH	Thailand	Global air and ocean freight forwarder	7,642	7,642	735,000	49 %	56,369	17,326	8,488 (2)	
HOLDING	DIMPH	Philippines	Global air and ocean freight forwarder	4,026	4,026	120,000	40 %	44,944	9,623	3,848 (2)	
HOLDING	DIMAU	Australia	Global air and ocean freight forwarder	16,460	16,460	60,000	100 %	(32,799)	4,609	4,609 (2)	
HOLDING	DIMKR	Korea	Global air and ocean freight forwarder	19,386	19,386	120,000	100 %	78,052	5,083	5,083 (2)	
HOLDING	DIMCA	Canada	Air freight forwarder	15,646	15,646	-	100 %	145,527	12,305	12,305 (2)	
HOLDING	DIMNL	Netherlands	Global air and ocean freight forwarder	11,644	11,644	1,000	100 %	22,823	1,052	1,052 (2)	
HOLDING	DFSHK	Hong Kong	Ocean freight forwarding	25,393	25,393	71,000	99 %	1,443,195	116,018	116,006 (2)	
HOLDING	DTLHK	Hong Kong	Trucking service	41,076	41,076	89,000	100 %	46,634	(1,161)	(1,161) (2)	
HOLDING	DSLUS	U.S.A.	Logistics & warehousing	15,840	15,840	50,000	100 %	31,249	(386)	(386) (2)	
DFSHK	FSCCHK	Hong Kong	Settlement center	566	566	17,500	35 %	1,010,549	147,747	51,711 (1)	
DIMPH	Peerless Express Forwarders Corp.	Philippines	Trucking service	954	954	1,600,000	40 %	-	225	90 (2)	

Note 1: The company was established as a limited company.

Note 2: The amount was eliminated in the consolidated interim financial statements, except for ITG Air & Sea GmbH.

Note 3: The recognition basic of financial statement of the investment column was as follows:

- (1) The financial statements were reviewed by an international accounting firm in cooperation with the ROC accounting firm.
- (2) The financial statements have not been reviewed by an international accounting firm in cooperation with the ROC accounting firm.

(c) Information on investment in mainland China

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

Name of investee in Mainland China	Main businesses	Issued capital	Method of investment (Note 1)	Beginning remittance balance-accumulative investment (amount) from Taiwan	Current remittance / recoverable investment (amount)		Ending remittance balance-accumulative investment (amount) from Taiwan	Net income (losses) of investee	Direct / indirect shareholdings or investments (%) in the Company	Current investment income and losses (Notes 2 and 3)	Carrying amount (Note 2)	Accumulated remittance of earnings in current period
					Invested amount	Returned amount						
ZJDCN	Global air and ocean freight forwarder	54,928	(2)	25,757 (USD902)	-	-	25,757 (USD902)	46,811	75 %	35,108 (1)	281,532	-
DILSHA	Logistics & warehousing	5,970	(2)	5,711 (USD200)	-	-	5,711 (USD200)	372	99 %	372 (2)	(59,375)	-
DIMCN	Global air and ocean freight forwarder	163,377	(2)	-	-	-	-	44,468	100 %	44,468 (1)	380,686	-
DILSZX	Logistics & warehousing	10,958	(2)	-	-	-	-	(544)	100 %	(544) (2)	(17,969)	-
DFSCN	Global air and ocean freight forwarder	59,777	(2)	-	-	-	-	64,004	100 %	64,004 (1)	352,522	-
Diversified Transportation (China) Co., Ltd.	Trucking service	29,802	(2)	-	-	-	-	132	100 %	132 (2)	22,109	-

Unit: thousand dollars

(Continued)

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of investee in Mainland China	Main businesses	Issued capital	Method of investment (Note 1)	Beginning remittance balance-accumulative investment (amount) from Taiwan	Current remittance / recoverable investment (amount)		Ending remittance balance-accumulative investment (amount) from Taiwan	Net income (losses) of investee	Direct / indirect shareholdings or investments (%) in the Company	Current investment income and losses (Notes 2 and 3)	Carrying amount (Note 2)	Accumulated remittance of earnings in current period
					Invested amount	Returned amount						
Yuhang Int'l Logistics (Dalian) Co. Ltd.	Global air and ocean freight forwarder	38,666	(2)	-	-	-	-	4,789	25 %	1,197 (2)	23,944	-
Diversified (Shanghai) International Logistics Service Company Ltd	Global air and ocean freight forwarder	13,684	(2)	-	-	-	-	(224)	100 %	(224) (2)	188	-
Diversified (Shenzhen) International Logistics Service Company Ltd	Global air and ocean freight forwarder	1,293	(2)	-	-	-	-	(454)	100 %	(454) (2)	3,904	-

Note 1: The method of investment is divided into the following three methods:

- (1) Investing directly in Mainland China.
- (2) Through transferring the investment to third-region existing companies then investing in Mainland China. (through Bermuda and British Virgin Islands.).
- (3) Other methods.

Note 2: Expect for Yuhang Int'l Logistics (Dalian) Co., Ltd. the amount was eliminated in the consolidated financial statements

Note 3: The recognition basic of financial statement of the investment column ws as follows:

- (1) The financial statements were reviewed by an international accounting firm in cooperation with the ROC accounting firm.
- (2) The financial statements have not been reviewed by an international accounting firm in cooperation with the ROC accounting firm.

(ii) Limitation on investment in Mainland China

Unit: thousand dollars

Company name	Aggregate investment amount remitted from Taiwan to Mainland China at end of period (Note2)	Approved investment (amount) by Ministry of Economic Affairs Investment Commission (Note2)	Limitation on investment in Mainland China in accordance with regulations of Ministry of Economic Affairs Investment Commission (Note 1)
DIMTW	31,468 (USD1,102)	68,532 (USD2,400)	2,258,411

Note 1: It represents 60% of the Company's net equity.

Note 2: USD:NT\$=1:28.555.

(iii) Significant transactions

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

(d) Major shareholders:

Shareholder's Name	Shareholding	Shares	Percentage
MEC ELECTRONICS CORPORATION		7,279,243	5.34 %

(Continued)

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(14) Segment information

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

	<u>Asia</u>	<u>American</u>	<u>Europe</u>	<u>Adjustments and eliminations</u>	<u>Total</u>
Three months ended March 31, 2022					
Revenue:					
From customers other than the parent company and subsidiaries	\$ 8,443,092	2,505,141	432,696	-	11,380,929
From the parent company and subsidiaries	<u>216,425</u>	<u>-</u>	<u>-</u>	<u>(216,425)</u>	<u>-</u>
Total revenue	<u>\$ 8,659,517</u>	<u>2,505,141</u>	<u>432,696</u>	<u>(216,425)</u>	<u>11,380,929</u>
Segment income	<u>\$ 621,870</u>	<u>159,840</u>	<u>5,623</u>	<u>-</u>	<u>787,333</u>
Three months ended March 31, 2021					
Revenue:					
From customers other than the parent company and subsidiaries	\$ 5,264,771	1,421,305	294,991	-	6,981,067
From the parent company and subsidiaries	<u>197,464</u>	<u>-</u>	<u>-</u>	<u>(197,464)</u>	<u>-</u>
Total revenue	<u>\$ 5,462,235</u>	<u>1,421,305</u>	<u>294,991</u>	<u>(197,464)</u>	<u>6,981,067</u>
Segment income	<u>\$ 224,734</u>	<u>134,269</u>	<u>12,009</u>	<u>-</u>	<u>371,012</u>

The inter-company revenue of \$216,425 thousand and \$197,464 thousand for the three months ended March 31, 2022 and 2021, respectively, was eliminated.