

**DIMERCO EXPRESS CORPORATION  
AND SUBSIDIARIES**

**Consolidated Financial Statements**

**With Independent Auditors' Review Report  
For the Nine Months Ended September 30, 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.

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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 September 30, 2022 and 2021, and the related consolidated statements of comprehensive income for the three months and nine months ended September 30, 2022 and 2021, as well as the changes in equity and cash flows for the nine months ended September 30, 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 \$2,715,591 thousand and \$2,318,664 thousand, constituting 25% and 28% of consolidated total assets; and the total liabilities amounting to \$702,354 thousand and \$787,978 thousand, constituting 15% and 17% of the consolidated total liabilities at September 30, 2022 and 2021, respectively; as well as the total comprehensive income (loss) amounting to \$265,215 thousand, \$308,175 thousand, \$832,841 thousand and \$554,261 thousand, constituting 25%, 56%, 26% and 40% of the consolidated total comprehensive income (loss) for the three months and nine months ended September 30, 2022 and 2021, respectively.



Furthermore, as stated in Note 6(d), the other equity accounted investments of the Group in its investee companies of \$282,832 thousand and \$232,963 thousand at September 30, 2022 and 2021, respectively, and its equity in net earnings on these investee companies of \$20,781 thousand, \$8,790 thousand, \$48,871 thousand and \$21,293 thousand for the three months and nine months ended September 30, 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 September 30, 2022 and 2021, and of its consolidated financial performance for the three months and nine months ended September 30, 2022 and 2021, as well as its consolidated cash flows for the nine months ended September 30, 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., a subsidiary 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. reflected total assets amounting to \$713,591 thousand and \$572,271 thousand, both constituting 7% of consolidated total assets at September 30, 2022 and 2021, and total revenues amounting to \$451,110 thousand, \$553,727 thousand, \$1,434,044 thousand and \$1,269,782 thousand, constituting 4%, 6%, 4% and 5% of consolidated total revenues for the three months and nine months ended September 30, 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)  
November 9, 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 September 30, 2022 and 2021

**DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES**

**Consolidated Balance Sheets**

**September 30, 2022, December 31, and September 30, 2021**

**(Expressed in Thousands of New Taiwan Dollars)**

|   | <u>September 30, 2022</u> |            | <u>December 31, 2021</u> |            | <u>September 30, 2021</u> |            |        |  | <u>September 30, 2022</u>  |                      | <u>December 31, 2021</u> |                  | <u>September 30, 2021</u> |                  |            |
|---|---------------------------|------------|--------------------------|------------|---------------------------|------------|--------|--|--|----------------------|--------------------------|------------------|---------------------------|------------------|------------|
|   | <u>Amount</u>             | <u>%</u>   | <u>Amount</u>            | <u>%</u>   | <u>Amount</u>             | <u>%</u>   |        |  | <u>Amount</u>  | <u>%</u>             | <u>Amount</u>            | <u>%</u>         | <u>Amount</u>             | <u>%</u>         |            |
| <b>Assets</b>   |                           |            |                          |            |                           |            |        |  |  |                      |                          |                  |                           |                  |            |
| <b>Current assets:</b>  |                           |            |                          |            |                           |            |        |  |  |                      |                          |                  |                           |                  |            |
| 1100 Cash and cash equivalents (note 6(a))  | \$ 5,057,665              | 46         | 3,438,978                | 35         | 2,789,326                 | 34         | 2100   |  | \$ 480,000   | 5                    | 676,592                  | 7                | 685,592                   | 8                |            |
| 1110 Financial assets at fair value through profit or loss – current<br>(note 6(b))     | -                         | -          | -                        | -          | 17,177                    | -          | 2150   |  | 28,357   | -                    | 42,310                   | -                | 25,668                    | -                |            |
| 1137 Financial assets measured at amortised cost – current (note<br>6(b))               | 237,584                   | 2          | -                        | -          | -                         | -          | 2216   |  | 2,925,796  | 27                   | 3,500,904                | 37               | 3,009,838                 | 37               |            |
| 1150 Notes receivable, net (note 6(c))  | 17,673                    | -          | 25,919                   | -          | 20,011                    | -          | 2230   |  | 26,623   | -                    | 5,695                    | -                | 12,592                    | -                |            |
| 1170 Accounts receivable, net (notes 6(c) and 7)  | 3,597,696                 | 33         | 4,587,395                | 47         | 3,807,455                 | 47         | 2280   |  | 365,975  | 3                    | 298,355                  | 3                | 257,688                   | 3                |            |
| 1470 Other current assets (notes 8 and 9)   | 474,112                   | 5          | 446,950                  | 5          | 323,155                   | 4          | 2399   |  | 292,089  | 3                    | 309,422                  | 3                | 213,027                   | 3                |            |
| <b>Total current assets</b>   | <u>9,384,730</u>          | <u>86</u>  | <u>8,499,242</u>         | <u>87</u>  | <u>6,957,124</u>          | <u>85</u>  |        |  | <u>96,768</u>  | <u>1</u>             | <u>137,816</u>           | <u>1</u>         | <u>90,933</u>             | <u>1</u>         |            |
| <b>Non-current assets:</b>  |                           |            |                          |            |                           |            |        |  |  |                      |                          |                  |                           |                  |            |
| 1517 Financial assets at fair value through other comprehensive<br>income – non-current | 447                       | -          | 442                      | -          | 442                       | -          | 2570   |  | 4,422,931  | 41                   | 5,107,987                | 53               | 4,432,896                 | 54               |            |
| 1551 Investments accounted for using the equity method (note 6(d))                      | 282,832                   | 3          | 236,889                  | 3          | 232,963                   | 3          | 2640   |  | 184  | -                    | 184                      | -                | 198                       | -                |            |
| 1600 Property, plant and equipment (notes 6(e), (f), (i), 8 and 9)                      | 568,687                   | 5          | 544,456                  | 6          | 544,076                   | 7          | 2670   |  | 227,437  | 2                    | 133,127                  | 1                | 149,068                   | 2                |            |
| 1755 Right-of-use assets (note 6(g))  | 468,780                   | 4          | 298,555                  | 3          | 303,609                   | 4          |        |  | 15,817   | -                    | 18,904                   | -                | 16,174                    | -                |            |
| 1822 Intangible assets (notes 6(e) and (h))   | 76,419                    | 1          | 33,068                   | -          | 33,191                    | -          |        |  | 47,598   | -                    | 51,391                   | 1                | 14,908                    | -                |            |
| 1840 Deferred income tax assets   | 30,246                    | -          | 27,820                   | -          | 30,598                    | -          |        |  | <b>Total non-current liabilities</b>   | <u>291,036</u>       | <u>2</u>                 | <u>203,606</u>   | <u>2</u>                  | <u>180,348</u>   | <u>2</u>   |
| 1920 Refundable deposits  | 101,225                   | 1          | 76,437                   | 1          | 72,504                    | 1          |        |  | <b>Total liabilities</b>   | <u>4,713,967</u>     | <u>43</u>                | <u>5,311,593</u> | <u>55</u>                 | <u>4,613,244</u> | <u>56</u>  |
| 1990 Other non-current assets (notes 6(c), 8 and 9)                                     | 10,742                    | -          | 29,658                   | -          | 13,129                    | -          | 3110   |  | <b>Equity attributable to owners of the Company (notes 6(d), (e)<br/>and (m)):</b> | <u>1,360,800</u>     | <u>13</u>                | <u>1,360,800</u> | <u>14</u>                 | <u>1,360,800</u> | <u>17</u>  |
| <b>Total non-current assets</b>   | <u>1,539,378</u>          | <u>14</u>  | <u>1,247,325</u>         | <u>13</u>  | <u>1,230,512</u>          | <u>15</u>  | 3200   |  | Capital surplus  | <u>19,362</u>        | <u>-</u>                 | <u>19,362</u>    | <u>-</u>                  | <u>19,362</u>    | <u>-</u>   |
|   |                           |            |                          |            |                           |            | 33xx   |  | Retained earnings:   |                      |                          |                  |                           |                  |            |
|   |                           |            |                          |            |                           |            | 3310   |  | Legal reserve  | 733,290              | 7                        | 502,575          | 5                         | 502,575          | 6          |
|   |                           |            |                          |            |                           |            | 3320   |  | Special reserve  | 557,281              | 5                        | 441,086          | 5                         | 441,086          | 5          |
|   |                           |            |                          |            |                           |            | 3350   |  | Unappropriated retained earnings   | 2,989,009            | 27                       | 2,541,962        | 26                        | 1,671,811        | 20         |
|   |                           |            |                          |            |                           |            | 34xx   |  |  | <u>4,279,580</u>     | <u>39</u>                | <u>3,485,623</u> | <u>36</u>                 | <u>2,615,472</u> | <u>31</u>  |
|   |                           |            |                          |            |                           |            | 3410   |  | Other equity:  |                      |                          |                  |                           |                  |            |
|   |                           |            |                          |            |                           |            |        |  | Foreign currency translation differences for foreign<br>operations                 | 406,274              | 4                        | (557,281)        | (6)                       | (531,483)        | (6)        |
|   |                           |            |                          |            |                           |            |        |  | <b>Total equity attributable to owners of the Company</b>                          | <u>6,066,016</u>     | <u>56</u>                | <u>4,308,504</u> | <u>44</u>                 | <u>3,464,151</u> | <u>42</u>  |
|   |                           |            |                          |            |                           |            | 36xx   |  | <b>Non-controlling interests</b>   | <u>144,125</u>       | <u>1</u>                 | <u>126,470</u>   | <u>1</u>                  | <u>110,241</u>   | <u>2</u>   |
|   |                           |            |                          |            |                           |            |        |  | <b>Total equity</b>  | <u>6,210,141</u>     | <u>57</u>                | <u>4,434,974</u> | <u>45</u>                 | <u>3,574,392</u> | <u>44</u>  |
| <b>Total assets</b>   | <u>\$ 10,924,108</u>      | <u>100</u> | <u>9,746,567</u>         | <u>100</u> | <u>8,187,636</u>          | <u>100</u> | 2-3xxx |  | <b>Total liabilities and equity</b>  | <u>\$ 10,924,108</u> | <u>100</u>               | <u>9,746,567</u> | <u>100</u>                | <u>8,187,636</u> | <u>100</u> |

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 Comprehensive Income**

**For the three months and nine months ended September 30, 2022 and 2021**

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

|      | For the three months ended September   |                     |           |                  | For the nine months ended September |                   |           |                   |           |
|------|--|---------------------|-----------|------------------|-------------------------------------|-------------------|-----------|-------------------|-----------|
|      | 30   |                     | 30        |                  | 30                                  |                   | 30        |                   |           |
|      | 2022   | 2021                | 2022      | 2021             | 2022                                | 2021              | 2022      | 2021              |           |
|      | Amount   | %                   | Amount    | %                | Amount                              | %                 | Amount    | %                 |           |
| 4000 | <b>Operating revenue (notes 6(o) and 7)</b>  | \$ 10,368,976       | 100       | 10,011,673       | 100                                 | 33,305,844        | 100       | 25,574,486        | 100       |
| 5000 | <b>Operating costs (notes 6(f) and (k))</b>  | <u>8,993,577</u>    | <u>87</u> | <u>8,643,112</u> | <u>86</u>                           | <u>28,722,139</u> | <u>86</u> | <u>22,055,978</u> | <u>86</u> |
| 5900 | <b>Gross profit from operations</b>  | <u>1,375,399</u>    | <u>13</u> | <u>1,368,561</u> | <u>14</u>                           | <u>4,583,705</u>  | <u>14</u> | <u>3,518,508</u>  | <u>14</u> |
| 6000 | <b>Operating expenses (notes 6(c), (f), (g), (h), (j), (k), (p) and 7):</b>                                |                     |           |                  |                                     |                   |           |                   |           |
| 6100 | Selling expenses   | 318,200             | 3         | 187,038          | 2                                   | 692,275           | 2         | 518,044           | 2         |
| 6200 | Administrative expenses  | 627,138             | 6         | 496,928          | 5                                   | 1,677,075         | 5         | 1,316,134         | 5         |
| 6450 | Expected credit loss for bad debt expense  | <u>(13,119)</u>     | <u>-</u>  | <u>25,931</u>    | <u>-</u>                            | <u>26,471</u>     | <u>-</u>  | <u>46,013</u>     | <u>-</u>  |
|      | <b>Total operating expenses</b>  | <u>932,219</u>      | <u>9</u>  | <u>709,897</u>   | <u>7</u>                            | <u>2,395,821</u>  | <u>7</u>  | <u>1,880,191</u>  | <u>7</u>  |
| 6900 | <b>Net operating income</b>  | <u>443,180</u>      | <u>4</u>  | <u>658,664</u>   | <u>7</u>                            | <u>2,187,884</u>  | <u>7</u>  | <u>1,638,317</u>  | <u>7</u>  |
| 7000 | <b>Non-operating income and expenses (notes 6(d), (f), (g), (j) and (q)):</b>                              |                     |           |                  |                                     |                   |           |                   |           |
| 7100 | Interest income  | 5,552               | -         | 3,336            | -                                   | 11,615            | -         | 7,013             | -         |
| 7010 | Other income   | 13,593              | -         | 8,550            | -                                   | 25,987            | -         | 19,255            | -         |
| 7020 | Other gains and losses   | 131,838             | 1         | 13,396           | -                                   | 264,363           | 1         | 14,277            | -         |
| 7050 | Finance costs  | (4,690)             | -         | (4,542)          | -                                   | (13,010)          | -         | (13,549)          | -         |
| 7060 | Share of profit of associates accounted for using the equity method  | <u>20,781</u>       | <u>-</u>  | <u>8,790</u>     | <u>-</u>                            | <u>48,871</u>     | <u>-</u>  | <u>21,293</u>     | <u>-</u>  |
|      | <b>Total non-operating income and expenses</b>   | <u>167,074</u>      | <u>1</u>  | <u>29,530</u>    | <u>-</u>                            | <u>337,826</u>    | <u>1</u>  | <u>48,289</u>     | <u>-</u>  |
| 7900 | <b>Profit from continuing operations before tax</b>  | 610,254             | 5         | 688,194          | 7                                   | 2,525,710         | 8         | 1,686,606         | 7         |
| 7950 | <b>Less: Income tax expenses (note 6(l))</b>   | <u>67,002</u>       | <u>-</u>  | <u>89,679</u>    | <u>1</u>                            | <u>324,481</u>    | <u>1</u>  | <u>214,326</u>    | <u>1</u>  |
|      | <b>Net income</b>  | <u>543,252</u>      | <u>5</u>  | <u>598,515</u>   | <u>6</u>                            | <u>2,201,229</u>  | <u>7</u>  | <u>1,472,280</u>  | <u>6</u>  |
| 8300 | <b>Other comprehensive income:</b>   |                     |           |                  |                                     |                   |           |                   |           |
| 8360 | <b>Components of other comprehensive income that will be reclassified to profit or loss (note 6(d))</b>    |                     |           |                  |                                     |                   |           |                   |           |
| 8361 | Exchange differences on translation of foreign financial statements  | 505,824             | 5         | (51,579)         | (1)                                 | 963,868           | 3         | (100,109)         | -         |
| 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>                            | <u>-</u>          | <u>-</u>  | <u>-</u>          | <u>-</u>  |
|      | <b>Components of other comprehensive income that will be reclassified to profit or loss</b>                | <u>505,824</u>      | <u>5</u>  | <u>(51,579)</u>  | <u>(1)</u>                          | <u>963,868</u>    | <u>3</u>  | <u>(100,109)</u>  | <u>-</u>  |
| 8300 | <b>Other comprehensive income</b>  | <u>505,824</u>      | <u>5</u>  | <u>(51,579)</u>  | <u>(1)</u>                          | <u>963,868</u>    | <u>3</u>  | <u>(100,109)</u>  | <u>-</u>  |
| 8500 | <b>Total comprehensive income</b>  | <u>\$ 1,049,076</u> | <u>10</u> | <u>546,936</u>   | <u>5</u>                            | <u>3,165,097</u>  | <u>10</u> | <u>1,372,171</u>  | <u>6</u>  |
|      | <b>Profit attributable to:</b>   |                     |           |                  |                                     |                   |           |                   |           |
| 8610 | Owners of the Company  | \$ 558,496          | 5         | 575,789          | 6                                   | 2,181,973         | 7         | 1,437,002         | 6         |
| 8620 | Non-controlling interests  | <u>(15,244)</u>     | <u>-</u>  | <u>22,726</u>    | <u>-</u>                            | <u>19,256</u>     | <u>-</u>  | <u>35,278</u>     | <u>-</u>  |
|      |  | <u>\$ 543,252</u>   | <u>5</u>  | <u>598,515</u>   | <u>6</u>                            | <u>2,201,229</u>  | <u>7</u>  | <u>1,472,280</u>  | <u>6</u>  |
|      | <b>Total comprehensive income attributable to:</b>   |                     |           |                  |                                     |                   |           |                   |           |
| 8710 | Owners of the Company  | \$ 1,063,842        | 10        | 530,253          | 5                                   | 3,145,528         | 10        | 1,346,606         | 6         |
| 8720 | Non-controlling interests  | <u>(14,766)</u>     | <u>-</u>  | <u>16,683</u>    | <u>-</u>                            | <u>19,569</u>     | <u>-</u>  | <u>25,565</u>     | <u>-</u>  |
|      |  | <u>\$ 1,049,076</u> | <u>10</u> | <u>546,936</u>   | <u>5</u>                            | <u>3,165,097</u>  | <u>10</u> | <u>1,372,171</u>  | <u>6</u>  |
|      | <b>Earnings per share (NT dollars) (note 6(n))</b>   |                     |           |                  |                                     |                   |           |                   |           |
| 9750 | Basic earnings per share   | <u>\$ 4.10</u>      |           | <u>4.23</u>      |                                     | <u>16.03</u>      |           | <u>10.56</u>      |           |
| 9850 | Diluted earnings per share   | <u>\$ 4.04</u>      |           | <u>4.20</u>      |                                     | <u>15.73</u>      |           | <u>10.45</u>      |           |

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 Changes in Equity**

**For the nine months ended September 30, 2022 and 2021**

**(Expressed in Thousands of New Taiwan Dollars)**

|   | Equity attributable to owners of the Company |                 |                |                   |  |                  |  |   |                              |                  |
|---|--|-----------------|----------------|-------------------|--|------------------|--|---|------------------------------|------------------|
|   | Common stock                                 | Capital surplus | Legal reserve  | Retained earnings |  |                  | Other equity<br>Foreign<br>currency<br>translation<br>differences for<br>foreign<br>operations | Total equity<br>attributable to<br>owners of the<br>Company | Non-controlling<br>interests | Total equity     |
|   |  |                 |                | Special reserve   | Unappropriated<br>retained<br>earnings | Total            |  |   |                              |                  |
| <b>Balance at January 1, 2021</b>                                   | \$ 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        |
| Appropriation and distribution of retained earnings:                |  |                 |                |                   |  |                  |  |   |                              |                  |
| Legal reserve appropriated  | -  | -               | 108,511        | -                 | (108,511)                              | -                | -  | -   | -                            | -                |
| Special reserve appropriated  | -  | -               | -              | 258,912           | (258,912)                              | -                | -  | -   | -                            | -                |
| Cash dividends of ordinary share                                    | -  | -               | -              | -                 | (655,200)                              | (655,200)        | -  | (655,200)   | -                            | (655,200)        |
| Stock dividends of ordinary share                                   | 100,800                                      | -               | -              | -                 | (100,800)                              | (100,800)        | -  | -   | -                            | -                |
| Net income  | -  | -               | -              | -                 | 1,437,002                              | 1,437,002        | -  | 1,437,002   | 35,278                       | 1,472,280        |
| Other comprehensive income  | -  | -               | -              | -                 | -                                      | -                | (90,396)   | (90,396)  | (9,713)                      | (100,109)        |
| Total comprehensive income  | -  | -               | -              | -                 | 1,437,002                              | 1,437,002        | (90,396)   | 1,346,606   | 25,565                       | 1,372,171        |
| Subsidiaries distribute cash dividends to non-controlling interests | -  | -               | -              | -                 | -                                      | -                | -  | -   | (21,656)                     | (21,656)         |
| <b>Balance at September 30, 2021</b>                                | <b>\$ 1,360,800</b>                          | <b>19,362</b>   | <b>502,575</b> | <b>441,086</b>    | <b>1,671,811</b>                       | <b>2,615,472</b> | <b>(531,483)</b>   | <b>3,464,151</b>  | <b>110,241</b>               | <b>3,574,392</b> |
| <b>Balance at January 1, 2022</b>                                   | \$ 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:                |  |                 |                |                   |  |                  |  |   |                              |                  |
| Legal reserve appropriated  | -  | -               | 230,715        | -                 | (230,715)                              | -                | -  | -   | -                            | -                |
| Special reserve appropriated  | -  | -               | -              | 116,195           | (116,195)                              | -                | -  | -   | -                            | -                |
| Cash dividends of ordinary share                                    | -  | -               | -              | -                 | (1,388,016)                            | (1,388,016)      | -  | (1,388,016)   | -                            | (1,388,016)      |
| Net income  | -  | -               | -              | -                 | 2,181,973                              | 2,181,973        | -  | 2,181,973   | 19,256                       | 2,201,229        |
| Other comprehensive income  | -  | -               | -              | -                 | -                                      | -                | 963,555  | 963,555   | 313                          | 963,868          |
| Total comprehensive income  | -  | -               | -              | -                 | 2,181,973                              | 2,181,973        | 963,555  | 3,145,528   | 19,569                       | 3,165,097        |
| Changes in non-controlling interests                                | -  | -               | -              | -                 | -                                      | -                | -  | -   | 2,835                        | 2,835            |
| Subsidiaries distribute cash dividends to non-controlling interests | -  | -               | -              | -                 | -                                      | -                | -  | -   | (4,749)                      | (4,749)          |
| <b>Balance at September 30, 2022</b>                                | <b>\$ 1,360,800</b>                          | <b>19,362</b>   | <b>733,290</b> | <b>557,281</b>    | <b>2,989,009</b>                       | <b>4,279,580</b> | <b>406,274</b>   | <b>6,066,016</b>  | <b>144,125</b>               | <b>6,210,141</b> |

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 nine months ended September 30, 2022 and 2021**

(Expressed in Thousands of New Taiwan Dollars)

|  | <b>For the nine months ended September 30</b> |                    |
|--|---|--------------------|
|  | <b>2022</b>                                   | <b>2021</b>        |
| <b>Cash flows from (used in) operating activities:</b>                           |   |                    |
| Net income before tax  | \$ 2,525,710                                  | 1,686,606          |
| <b>Adjustments:</b>  |   |                    |
| <b>Adjustments to reconcile profit and loss:</b>                                 |   |                    |
| Depreciation expense   | 182,927                                       | 177,497            |
| Amortization expense   | 2,561   | 212                |
| Expected credit losses   | 26,471  | 46,013             |
| Net gain on financial assets or liabilities at fair value through profit or loss | -   | (610)              |
| Interest expense   | 13,010  | 13,549             |
| Interest income  | (11,615)                                      | (7,013)            |
| Dividend income  | (148)   | (130)              |
| Share of profit of associates accounted for using the equity method              | (48,871)                                      | (21,293)           |
| Loss (gain) on disposal of property, plant and equipment                         | 53  | (851)              |
| Loss on disposal of investments accounted for using equity method                | -   | 21                 |
| Unrealized foreign exchange loss   | -   | 20,223             |
| Gain on lease modification   | (29)  | 925                |
| Total adjustments to reconcile profit and loss                                   | <u>164,359</u>                                | <u>228,543</u>     |
| Changes in operating assets and liabilities:                                     |   |                    |
| Net changes in operating assets:   |   |                    |
| Notes receivable   | 8,246   | (12,727)           |
| Accounts receivable (including overdue receivables)                              | 974,036                                       | (1,571,978)        |
| Other current assets   | (25,391)                                      | (93,228)           |
| Total changes in operating assets, net   | <u>956,891</u>                                | <u>(1,677,933)</u> |
| Net changes in operating liabilities:  |   |                    |
| Notes payable  | (13,953)                                      | (4,634)            |
| Accounts payable   | (581,805)                                     | 776,321            |
| Other payables   | 67,620  | -                  |
| Other current liabilities  | (41,468)                                      | (16,089)           |
| Net defined benefit liabilities  | (3,087)                                       | (6,575)            |
| Total changes in operating liabilities, net                                      | <u>(572,693)</u>                              | <u>749,023</u>     |
| Total changes in operating assets and liabilities, net                           | <u>384,198</u>                                | <u>(928,910)</u>   |
| Total adjustments  | <u>548,557</u>                                | <u>(700,367)</u>   |
| Cash inflow generated from operations  | 3,074,267                                     | 986,239            |
| Interest received  | 11,615  | 7,013              |
| Dividends received   | -   | 130                |
| Interest paid  | (13,010)                                      | (13,549)           |
| Income taxes paid  | (344,240)                                     | (80,588)           |
| <b>Net cash flows from operating activities</b>                                  | <u>2,728,632</u>                              | <u>899,245</u>     |
| <b>Cash flows from (used in) investing activities:</b>                           |   |                    |
| Acquisition of financial assets at amortised cost                                | (237,584)                                     | -                  |
| Acquisition of financial assets at fair value through profit or loss             | -   | (165,755)          |
| Proceeds from disposal of financial assets at fair value through profit or loss  | -   | 149,184            |
| Acquisition of investments accounted for using the equity method                 | -   | (2,148)            |
| Proceeds from disposal of investments accounted for using the equity method      | -   | 375                |
| Net cash flow from acquisition of subsidiaries (net of cash obtained)            | (22,807)                                      | -                  |
| Acquisition of property, plant and equipment                                     | (16,218)                                      | (18,795)           |
| Proceeds from disposal of property, plant and equipment                          | 136   | 882                |
| Decrease (increase) in refundable deposits                                       | (24,788)                                      | 3,337              |
| Acquisition of intangible assets   | (121)   | -                  |
| Decrease (increase) in other non-current assets                                  | 98  | (4,488)            |
| Dividends received   | 2,757   | 2,597              |
| <b>Net cash used in investing activities</b>                                     | <u>(298,527)</u>                              | <u>(34,811)</u>    |
| <b>Cash flows from (used in) financing activities:</b>                           |   |                    |
| Increase in short-term borrowings  | 1,219,025                                     | 1,969,075          |
| Decrease in short-term borrowings  | (1,415,617)                                   | (1,984,075)        |
| Payment of lease liabilities   | (140,882)                                     | (141,542)          |
| Decrease in other non-current liabilities  | (3,793)                                       | (2,304)            |
| Cash dividends paid  | (1,367,088)                                   | (647,426)          |
| Subsidiaries distribute cash dividends to non-controlling interests              | (4,749)                                       | (21,656)           |
| <b>Net cash used in financing activities</b>                                     | <u>(1,713,104)</u>                            | <u>(827,928)</u>   |
| <b>Effect of exchange rate changes on cash and cash equivalents</b>              | <u>901,686</u>                                | <u>(103,370)</u>   |
| <b>Net increase (decrease) in cash and cash equivalents</b>                      | 1,618,687                                     | (66,864)           |
| <b>Cash and cash equivalents at beginning of period</b>                          | 3,438,978                                     | 2,856,190          |
| <b>Cash and cash equivalents at end of period</b>                                | <u>\$ 5,057,665</u>                           | <u>2,789,326</u>   |

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

### Notes to the Consolidated Financial Statements

September 30, 2022 and 2021

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

#### (1) Company history

DIMERCO EXPRESS CORPORATION (DIMTW 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 DIMTW and its subsidiaries (together referred to as the "Group"). The Group is primarily engaged in the business of air freight forwarding, ocean freight forwarding, 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 November 9, 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"

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

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

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

(Continued)

**DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

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

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

| <b>Standards or Interpretations</b>  | <b>Content of amendment</b>   | <b>Effective date per IASB</b> |
|--|---|--------------------------------|
| Amendments to IAS 1<br>“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 |
|------------------|---|--------------------------|--------------------|-------------------|--------------------|---------|
|                  |   |                          | September 30, 2022 | December 31, 2021 | September 30, 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 %           | 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 %           | 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       |
|------------------|---|---------------------------|--------------------|-------------------|--------------------|---------------|
|                  |   |                           | September 30, 2022 | December 31, 2021 | September 30, 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       |
|------------------|--|--------------------------|--------------------|-------------------|--------------------|---------------|
|                  |  |                          | September 30, 2022 | December 31, 2021 | September 30, 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 |
| DIMPH            | Diversified Freight System Philippines Corporation (DFSPH) | Global logistics service | 90.63 %            | - %               | - %                | Note 4 and 6  |
| DILHK            | Diversified International Logistics Pte Ltd (DILSG)        | Global logistics service | 100.00 %           | 100.00 %          | 100.00 %           | Note 4        |
| DFSSG            | Diversified Freight System Philippines Corporation (DFSPH) | Global logistics service | 9.37 %             | - %               | - %                | Note 4 and 6  |

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(e).

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 September 30, 2022 have been reviewed. Its financial statements as of September 30, 2021 have not been reviewed.

Note 6: DIMPH and DFSSG invested and established DFSPH in June 2022 and own 100% of DFSPH's shares, the capital amount PHP 10,670 thousand had been paid in in August 2022 (DIMPH and DFSSG own DFSPH's shares 90.63% and 9.37%, respectively), and DFSPH has become a subsidiary of the Group.

(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.

(Continued)

**DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(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.

(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.

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**DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES**  
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Tax expense which recognizes directly in equity or other comprehensive income comes from the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases, which is measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled.

**(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

|   | <b>September 30,<br/>2022</b> | <b>December 31,<br/>2021</b> | <b>September 30,<br/>2021</b> |
|---|-------------------------------|------------------------------|-------------------------------|
| Cash on hand  | \$ 3,871                      | 4,260                        | 4,040                         |
| Checking accounts and savings deposits                            | 4,588,535                     | 3,113,565                    | 2,631,100                     |
| Time deposits   | <u>465,259</u>                | <u>321,153</u>               | <u>154,186</u>                |
| Cash and cash equivalents in consolidated statement of cash flows | <u><u>\$ 5,057,665</u></u>    | <u><u>3,438,978</u></u>      | <u><u>2,789,326</u></u>       |

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

(b) Financial assets

(i) Financial assets at fair value through profit or loss

|  | <b>September 30,<br/>2022</b> | <b>December 31,<br/>2021</b> | <b>September 30,<br/>2021</b> |
|--|-------------------------------|------------------------------|-------------------------------|
| Mandatorily measured at fair value through profit or loss: |                               |                              |                               |
| Non-derivative financial assets – financial products       | <u>\$ -</u>                   | <u>-</u>                     | <u>17,177</u>                 |

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**DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES**  
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(ii) Financial assets measured at amortized cost

|                      | <u>September 30,</u><br><u>2022</u> | <u>December 31,</u><br><u>2021</u> | <u>September 30,</u><br><u>2021</u> |
|----------------------|-------------------------------------|------------------------------------|-------------------------------------|
| Current:             |                                     |                                    |                                     |
| Bank's time deposits | \$ <u>237,584</u>                   | <u>-</u>                           | <u>-</u>                            |
| Interest rate        | <u>0.2~3.7%</u>                     | <u>-</u>                           | <u>-</u>                            |

The Group has assessed that these financial assets are held to maturity to collect contractual cash flows, which consist solely of payments of principal and interest on principal amount outstanding. Therefore, these investments were classified as financial assets measured at amortized cost.

(c) Notes and accounts receivable

|  | <u>September 30,</u><br><u>2022</u> | <u>December 31,</u><br><u>2021</u> | <u>September 30,</u><br><u>2021</u> |
|--|-------------------------------------|------------------------------------|-------------------------------------|
| Notes receivable                         | \$ 17,673                           | 25,919                             | 20,011                              |
| Accounts receivable                      | 3,726,161                           | 4,692,243                          | 3,922,092                           |
| Overdue receivable                       | 7,532                               | 4,678                              | 3,714                               |
| Less: Loss allowance—accounts receivable | 128,465                             | 104,848                            | 114,637                             |
| Loss allowance—overdue receivable        | <u>7,532</u>                        | <u>4,678</u>                       | <u>3,714</u>                        |
|  | <u>\$ 3,615,369</u>                 | <u>4,613,314</u>                   | <u>3,827,466</u>                    |

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:

|                         | <u>September 30, 2022</u>    |   |                                 |
|-------------------------|------------------------------|---|---------------------------------|
|                         | <u>Gross carrying amount</u> | <u>Weighted-average expected credit loss rate</u> | <u>Loss allowance provision</u> |
| Current                 | \$ 3,331,645                 | 0%  | -                               |
| 1 to 30 days past due   | 340,143                      | 18%   | 65,118                          |
| 31 to 60 days past due  | 45,782                       | 81%   | 37,083                          |
| 61 to 90 days past due  | 16,178                       | 100%  | 16,178                          |
| 91 to 365 days past due | 11,043                       | 100%  | 11,043                          |
| More than 365 days      | <u>6,575</u>                 | 100%  | <u>6,575</u>                    |
|                         | <u>\$ 3,751,366</u>          |   | <u>135,997</u>                  |

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**DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES**  
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|                         | <b>December 31, 2021</b>         |  |                                     |
|-------------------------|----------------------------------|--|-------------------------------------|
|                         | <b>Gross carrying<br/>amount</b> | <b>Weighted-<br/>average<br/>expected credit<br/>loss rate</b> | <b>Loss allowance<br/>provision</b> |
| 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                               |
|                         | <b>\$ 4,722,840</b>              |  | <b>109,526</b>                      |
|                         | <b>September 30, 2021</b>        |  |                                     |
|                         | <b>Gross carrying<br/>amount</b> | <b>Weighted-<br/>average<br/>expected credit<br/>loss rate</b> | <b>Loss allowance<br/>provision</b> |
| Current                 | \$ 3,643,018                     | 0%   | -                                   |
| 1 to 30 days past due   | 264,296                          | 32%  | 84,093                              |
| 31 to 60 days past due  | 22,343                           | 81%  | 18,098                              |
| 61 to 90 days past due  | 5,562                            | 100%   | 5,562                               |
| 91 to 365 days past due | 438                              | 100%   | 438                                 |
| More than 365 days      | 10,160                           | 100%   | 10,160                              |
|                         | <b>\$ 3,945,817</b>              |  | <b>118,351</b>                      |

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

|                              | <b>For the nine months ended<br/>September 30</b> |                |
|------------------------------|---|----------------|
|                              | <b>2022</b>                                       | <b>2021</b>    |
| Balance at January 1         | \$ 109,526  | 72,338         |
| Impairment losses recognized | 26,471  | 46,013         |
| Balance at September 30      | <b>\$ 135,997</b>                                 | <b>118,351</b> |

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**DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES**  
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(d) 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:

|            | <b>September 30,<br/>2022</b> | <b>December 31,<br/>2021</b> | <b>September 30,<br/>2021</b> |
|------------|-------------------------------|------------------------------|-------------------------------|
| Associates | <u>\$ 282,832</u>             | <u>236,889</u>               | <u>232,963</u>                |

(i) Associates

1) The details of significant associate were as follows:

| <b>Name of<br/>associate</b> | <b>Relationship<br/>with the Group</b> | <b>Main<br/>operating<br/>location /<br/>country of<br/>registration</b> | <b>Proportion of equity and voting<br/>rights</b> |                              |                               |
|------------------------------|--|--|---|------------------------------|-------------------------------|
|                              |  |  | <b>September<br/>30, 2022</b>                     | <b>December<br/>31, 2021</b> | <b>September<br/>30, 2021</b> |
| 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

|                                 | <b>September 30,<br/>2022</b> | <b>December 31,<br/>2021</b> | <b>September 30,<br/>2021</b> |
|---------------------------------|-------------------------------|------------------------------|-------------------------------|
| Current assets                  | \$ 1,464,186                  | 1,065,828                    | 1,014,153                     |
| Non-current assets              | 79,602                        | 88,923                       | 96,553                        |
| Current liabilities             | (1,004,469)                   | (778,586)                    | (745,957)                     |
| Non-current liabilities         | (28,177)                      | (39,569)                     | (40,452)                      |
| Net assets                      | <u>\$ 511,142</u>             | <u>336,596</u>               | <u>324,297</u>                |
| The Group's share of net assets | <u>\$ 127,785</u>             | <u>84,149</u>                | <u>81,074</u>                 |

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|  | <b>For the three months<br/>ended September 30</b> |                  | <b>For the nine months<br/>ended September 30</b> |                  |
|--|--|------------------|---|------------------|
|  | <b>2022</b>  | <b>2021</b>      | <b>2022</b>                                       | <b>2021</b>      |
| Revenue  | <u>\$ 1,262,746</u>                                | <u>1,130,475</u> | <u>3,518,226</u>                                  | <u>3,015,684</u> |
| Profit from continuing operations                          | \$ 77,259  | 30,677           | 177,597   | 71,608           |
| Other comprehensive income                                 | -  | -                | -   | -                |
| Profit and total comprehensive income                      | <u>\$ 77,259</u>                                   | <u>30,677</u>    | <u>177,597</u>                                    | <u>71,608</u>    |
| The Group's share of profit and total comprehensive income | <u>\$ 19,314</u>                                   | <u>7,669</u>     | <u>44,399</u>                                     | <u>17,902</u>    |

|  | <b>For the nine months ended<br/>September 30</b> |                |
|--|---|----------------|
|  | <b>2022</b>                                       | <b>2021</b>    |
| 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 | 44,399  | 17,902         |
| Exchange difference  | (763)   | (5,149)        |
| Share of net assets of associates as of September 30                         | 127,785   | 81,074         |
| Add : Goodwill   | 129,692   | 129,692        |
| Ending balance of the equity of the associate attributable to the Group      | <u>\$ 257,477</u>                                 | <u>210,766</u> |

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

|  | <b>September 30,<br/>2022</b> | <b>December 31,<br/>2021</b> | <b>September 30,<br/>2021</b> |
|--|-------------------------------|------------------------------|-------------------------------|
| Carrying amount of individually insignificant associates' equity | <u>\$ 25,355</u>              | <u>23,048</u>                | <u>22,197</u>                 |

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|                                   | <b>For the three months<br/>ended September 30</b> |              | <b>For the nine months<br/>ended September 30</b> |              |
|-----------------------------------|--|--------------|---|--------------|
|                                   | <b>2022</b>  | <b>2021</b>  | <b>2022</b>                                       | <b>2021</b>  |
| Attributable to the Group:        |  |              |   |              |
| Profit from continuing operations | \$ 1,467   | 1,121        | 4,472   | 3,391        |
| Other comprehensive income        | -  | -            | -   | -            |
| Total comprehensive income        | <u>\$ 1,467</u>                                    | <u>1,121</u> | <u>4,472</u>                                      | <u>3,391</u> |

## (ii) Collateral

As of September 30, 2022, December 31 and September 30, 2021, the Group did not provide any investment accounted for using the equity method as collaterals for its loans.

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

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

## (e) 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 summarizes the acquisition-date fair value of each major class of consideration transferred.

|      |                  |
|------|------------------|
| Cash | <u>\$ 54,103</u> |
|------|------------------|

## (ii) The following table summarizes 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(f)) | 963              |
| Other current assets                      | 1,771            |
| Trademarks (note 6(h))                    | 2,767            |
| Customer relationships (note 6(h))        | 13,837           |
| Account payables                          | (6,697)          |
| Other current liabilities                 | (420)            |
| Total identifiable net assets acquired    | <u>\$ 35,507</u> |

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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  | <b>\$</b> | <b><u>21,431</u></b> |

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.

(f) 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           | -                 | -                | 1,986                           | 1,193                   | -                             | 12,780                 | 15,959           |
| Additions                           | -                 | -                | 2,125                           | 9,816                   | 529                           | 3,748                  | 16,218           |
| Disposals                           | -                 | -                | (766)                           | (1,362)                 | -                             | (9,785)                | (11,913)         |
| Effect of changes in exchange rates | 3,934             | 47,972           | 3,571                           | 4,889                   | 4,726                         | 5,707                  | 70,799           |
| Balance at September 30, 2022       | <u>\$ 186,311</u> | <u>560,482</u>   | <u>42,142</u>                   | <u>154,711</u>          | <u>63,378</u>                 | <u>64,078</u>          | <u>1,071,102</u> |
| Balance at January 1, 2021          | \$ 182,787        | 520,506          | 31,619                          | 141,310                 | 56,139                        | 53,171                 | 985,532          |
| Additions                           | -                 | -                | 2,716                           | 7,510                   | 7,450                         | 1,119                  | 18,795           |
| Disposals                           | -                 | -                | (476)                           | (645)                   | -                             | -                      | (1,121)          |
| Effect of changes in exchange rates | (297)             | (7,919)          | (794)                           | (2,058)                 | (3,575)                       | (1,880)                | (16,523)         |
| Balance at September 30, 2021       | <u>\$ 182,490</u> | <u>512,587</u>   | <u>33,065</u>                   | <u>146,117</u>          | <u>60,014</u>                 | <u>52,410</u>          | <u>986,683</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           | -                 | -                | 1,441                           | 947                     | -                             | 12,608                 | 14,996           |
| Depreciation                        | -                 | 10,923           | 3,138                           | 7,327                   | 5,694                         | 2,884                  | 29,966           |
| Disposals                           | -                 | -                | (690)                           | (1,249)                 | -                             | (9,785)                | (11,724)         |
| Reclassification                    | -                 | -                | -                               | 401                     | 266                           | (667)                  | -                |
| Effect of changes in exchange rates | -                 | 18,752           | 2,755                           | 4,056                   | 3,566                         | 4,465                  | 33,594           |
| Balance at September 30, 2022       | <u>\$ -</u>       | <u>230,311</u>   | <u>32,292</u>                   | <u>128,545</u>          | <u>55,519</u>                 | <u>55,748</u>          | <u>502,415</u>   |
| Balance at January 1, 2021          | \$ -              | 188,659          | 22,949                          | 120,819                 | 44,670                        | 46,664                 | 423,761          |
| Depreciation                        | -                 | 10,632           | 2,337                           | 7,847                   | 5,078                         | 2,305                  | 28,199           |
| Disposals                           | -                 | -                | (476)                           | (614)                   | -                             | -                      | (1,090)          |
| Effect of changes in exchange rates | -                 | (2,246)          | (616)                           | (1,846)                 | (2,045)                       | (1,510)                | (8,263)          |
| Balance at September 30, 2021       | <u>\$ -</u>       | <u>197,045</u>   | <u>24,194</u>                   | <u>126,206</u>          | <u>47,703</u>                 | <u>47,459</u>          | <u>442,607</u>   |

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|                    | Land       | Buildings | Transportation<br>equipment | Office<br>equipment | Leasehold<br>improvements | Other<br>equipment | Total   |
|--------------------|------------|-----------|-----------------------------|---------------------|---------------------------|--------------------|---------|
| Carrying value:    |            |           |                             |                     |                           |                    |         |
| January 1, 2022    | \$ 182,377 | 311,874   | 9,578                       | 23,112              | 12,130                    | 5,385              | 544,456 |
| September 30, 2022 | \$ 186,311 | 330,171   | 9,850                       | 26,166              | 7,859                     | 8,330              | 568,687 |
| September 30, 2021 | \$ 182,490 | 315,542   | 8,871                       | 19,911              | 12,311                    | 4,951              | 544,076 |

As of September 30, 2022, December 31 and September 30, 2021, the property, plant and equipment of the Group had been pledged as collateral for short-term borrowings; please refer to note 8.

(g) Right-of-use assets

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

|   | Land      | Building | Transportation<br>equipment | Other<br>equipment | Total    |
|---|-----------|----------|-----------------------------|--------------------|----------|
| Cost:   |           |          |                             |                    |          |
| Balance at January 1, 2022                      | \$ 43,270 | 487,307  | 40,860                      | 103,782            | 675,219  |
| Additions                                       | -         | 246,645  | 8,045                       | 30,664             | 285,354  |
| Decreases (early termination)                   | -         | (42,934) | (2,724)                     | (4,014)            | (49,672) |
| Effect of changes in exchange rates             | 6,476     | 58,180   | 2,052                       | 11,785             | 78,493   |
| Balance at September 30, 2022                   | \$ 49,746 | 749,198  | 48,233                      | 142,217            | 989,394  |
| Balance at January 1, 2021                      | \$ 43,947 | 509,221  | 34,728                      | 77,113             | 665,009  |
| Additions                                       | -         | 52,960   | 7,300                       | 13,066             | 73,326   |
| Decreases (early termination)                   | -         | (28,415) | (7,359)                     | (13,671)           | (49,445) |
| Effect of changes in exchange rates             | (490)     | (9,573)  | (1,112)                     | (3,159)            | (14,334) |
| Balance at September 30, 2021                   | \$ 43,457 | 524,193  | 33,557                      | 73,349             | 674,556  |
| Accumulated depreciation and impairment losses: |           |          |                             |                    |          |
| Balance at January 1, 2022                      | \$ 7,222  | 289,674  | 21,582                      | 58,186             | 376,664  |
| Depreciation                                    | (3,121)   | 122,874  | 9,372                       | 23,836             | 152,961  |
| Decreases (early termination)                   | -         | (42,453) | (2,724)                     | (4,014)            | (49,191) |
| Effect of changes in exchange rates             | 1,088     | 30,439   | 1,343                       | 7,310              | 40,180   |
| Balance at September 30, 2022                   | \$ 5,189  | 400,534  | 29,573                      | 85,318             | 520,614  |
| Balance at January 1, 2021                      | \$ 3,667  | 198,531  | 21,318                      | 52,083             | 275,599  |
| Depreciation                                    | 3,346     | 112,854  | 8,543                       | 24,555             | 149,298  |
| Decreases (early termination)                   | -         | (26,418) | (7,359)                     | (12,511)           | (46,288) |
| Effect of changes in exchange rates             | (63)      | (4,987)  | (784)                       | (1,828)            | (7,662)  |
| Balance at September 30, 2021                   | \$ 6,950  | 279,980  | 21,718                      | 62,299             | 370,947  |
| Carrying amounts:                               |           |          |                             |                    |          |
| January 1, 2022                                 | \$ 36,048 | 197,633  | 19,278                      | 45,596             | 298,555  |
| September 30, 2022                              | \$ 44,557 | 348,664  | 18,660                      | 56,899             | 468,780  |
| September 30, 2021                              | \$ 36,507 | 244,213  | 11,839                      | 11,050             | 303,609  |

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## (h) Intangible assets

|  | Goodwill         | Trademarks   | Customer relationships | Software     | Total         |
|--|------------------|--------------|------------------------|--------------|---------------|
| 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              | 5,479            | 415          | 2,071                  | 1            | 7,966         |
| Balance at September 30, 2022                    | <u>\$ 59,690</u> | <u>3,182</u> | <u>15,908</u>          | <u>2,864</u> | <u>81,644</u> |
| Balance at January 1, 2021                       | \$ 32,921        | -            | -                      | 2,753        | 35,674        |
| Depreciation                                     | -                | -            | -                      | 131          | 131           |
| Disposal   | -                | -            | -                      | (102)        | (102)         |
| Effect of changes in exchange rates              | (75)             | -            | -                      | (30)         | (105)         |
| Balance at September 30, 2021                    | <u>\$ 32,846</u> | <u>-</u>     | <u>-</u>               | <u>2,752</u> | <u>35,598</u> |
| Accumulated amortization and impairment losses : |                  |              |                        |              |               |
| Balance at January 1, 2022                       | \$ -             | -            | -                      | 2,454        | 2,454         |
| Additions  | -                | 219          | 2,195                  | 147          | 2,561         |
| Effect of changes in exchange rates              | -                | 20           | 191                    | (1)          | 210           |
| Balance at September 30, 2022                    | <u>\$ -</u>      | <u>239</u>   | <u>2,386</u>           | <u>2,600</u> | <u>5,225</u>  |
| Balance at January 1, 2021                       | \$ -             | -            | -                      | 2,215        | 2,215         |
| Depreciation                                     | -                | -            | -                      | 212          | 212           |
| Effect of changes in exchange rates              | -                | -            | -                      | (20)         | (20)          |
| Balance at September 30, 2021                    | <u>\$ -</u>      | <u>-</u>     | <u>-</u>               | <u>2,407</u> | <u>2,407</u>  |
| Carrying amounts:                                |                  |              |                        |              |               |
| January 1, 2022                                  | <u>\$ 32,780</u> | <u>-</u>     | <u>-</u>               | <u>288</u>   | <u>33,068</u> |
| September 30, 2022                               | <u>\$ 59,690</u> | <u>2,943</u> | <u>13,522</u>          | <u>264</u>   | <u>76,419</u> |
| September 30, 2021                               | <u>\$ 32,846</u> | <u>-</u>     | <u>-</u>               | <u>345</u>   | <u>33,191</u> |

The amortization recognized in profit or loss were as follows:

|                    | For the nine months ended<br>September 30 |            |
|--------------------|---|------------|
|                    | 2022                                      | 2021       |
| Operating expenses | <u>\$ 2,561</u>                           | <u>212</u> |

## (i) Borrowings

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

## (i) Short-term borrowings

|                      | September 30, 2022   |                  |                   |
|----------------------|----------------------|------------------|-------------------|
|                      | Interest rate<br>(%) | Maturity<br>year | Amount            |
| Unsecured bank loans | 0.85~1.65            | 2022~2023        | <u>\$ 480,000</u> |
|                      | December 31, 2021    |                  |                   |
|                      | Interest rate<br>(%) | Maturity<br>year | Amount            |
| Unsecured bank loans | 0.55~0.88            | 2022             | <u>\$ 676,592</u> |

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**DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

|                      | <b>September 30, 2021</b> |                 |                   |
|----------------------|---------------------------|-----------------|-------------------|
|                      | <b>Interest rate</b>      | <b>Maturity</b> | <b>Amount</b>     |
|                      | <b>(%)</b>                | <b>year</b>     |                   |
| Unsecured bank loans | 0.55~0.88                 | 2021            | \$ <b>685,592</b> |

As of September 30, 2022, December 31 and September 30, 2021, the unused credit facilities of the Group's short-term borrowings amounted to \$1,233,503 thousand, \$959,514 thousand and \$938,910 thousand, respectively.

Please refer to note 6(r) 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 September 30, 2022, December 31 and September 30, 2021, the unused credit facilities of the Group's long-term borrowings all amounted to \$150,000 thousand.

(j) Lease liabilities

The Group's lease liabilities were as follow:

|             | <b>September 30,<br/>2022</b> | <b>December 31,<br/>2021</b> | <b>September 30,<br/>2021</b> |
|-------------|-------------------------------|------------------------------|-------------------------------|
| Current     | \$ 207,323                    | 136,893                      | 137,558                       |
| Non-current | 227,437                       | 133,127                      | 149,068                       |
|             | <b>\$ 434,760</b>             | <b>270,020</b>               | <b>286,626</b>                |

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

The amounts recognized in profit or loss were as follows:

|  | <b>For the three months<br/>ended September 30</b> |               | <b>For the nine months<br/>ended September 30</b> |               |
|--|--|---------------|---|---------------|
|  | <b>2022</b>  | <b>2021</b>   | <b>2022</b>                                       | <b>2021</b>   |
| Interests on lease liabilities   | \$ <b>3,581</b>                                    | <b>3,030</b>  | <b>9,033</b>                                      | <b>8,913</b>  |
| Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets | <b>\$ 8,556</b>                                    | <b>10,016</b> | <b>30,645</b>                                     | <b>32,961</b> |

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

|                               | <b>For the nine months ended<br/>September 30</b> |                |
|-------------------------------|---|----------------|
|                               | <b>2022</b>                                       | <b>2021</b>    |
| Total cash outflow for leases | \$ <b>180,560</b>                                 | <b>183,416</b> |

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**DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(k) 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:

|                    | <b>For the three months<br/>ended September 30</b> |             | <b>For the nine months<br/>ended September 30</b> |              |
|--------------------|--|-------------|---|--------------|
|                    | <b>2022</b>  | <b>2021</b> | <b>2022</b>                                       | <b>2021</b>  |
| Operating expenses | <u>\$ 768</u>                                      | <u>819</u>  | <u>2,252</u>                                      | <u>2,466</u> |

(ii) Defined contribution plans

For the three months and nine months ended September 30, 2022 and 2021, the pension costs under the defined contribution method were \$10,834 thousand, \$7,936 thousand, \$29,361 thousand and \$25,348 thousand, respectively.

(l) 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:

|   | <b>For the three months<br/>ended September 30</b> |               | <b>For the nine months<br/>ended September 30</b> |                |
|---|--|---------------|---|----------------|
|   | <b>2022</b>  | <b>2021</b>   | <b>2022</b>                                       | <b>2021</b>    |
| Current income tax expense                    |  |               |   |                |
| Current period                                | \$ 67,002  | 89,679        | 295,870   | 214,326        |
| Undistributed earnings additional tax         | <u>-</u>   | <u>-</u>      | <u>28,611</u>                                     | <u>-</u>       |
| Income tax expense from continuing operations | <u>\$ 67,002</u>                                   | <u>89,679</u> | <u>324,481</u>                                    | <u>214,326</u> |

The tax returns of DIMTW have been examined by the tax authorities through 2020.

(m) Capital and other equity

Except as explained in the following paragraphs, there were no significant changes in capital and other equity during the nine months ended September 30, 2022 and 2021. Please refer to note 6(k) of the consolidated financial statements for the year ended December 31, 2021, for related information.

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**DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES**  
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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 approved in the shareholders' meeting on July 8, 2021. These earnings were appropriated as follows:

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

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

(n) Earnings per share

The calculation of DIMTW's basic earnings per share and diluted earnings per share for the nine months ended September 30, 2022 and 2021, was as follows:

(i) Basic earnings per share

|   | Share unit: thousand shares                        |                |   |                  |
|---|--|----------------|---|------------------|
|   | <u>For the three months<br/>ended September 30</u> |                | <u>For the nine months<br/>ended September 30</u> |                  |
|   | <u>2022</u>  | <u>2021</u>    | <u>2022</u>                                       | <u>2021</u>      |
| Net income attributable to ordinary shareholders of the Company | <u>\$ 558,496</u>                                  | <u>575,789</u> | <u>2,181,973</u>                                  | <u>1,437,002</u> |
| Weighted-average number of ordinary shares                      | <u>136,080</u>                                     | <u>136,080</u> | <u>136,080</u>                                    | <u>136,080</u>   |
| Basic earnings per share (in NT dollars)                        | <u>\$ 4.10</u>                                     | <u>4.23</u>    | <u>16.03</u>                                      | <u>10.56</u>     |

(Continued)

**DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

## (ii) Diluted earnings per share

|   | <b>For the three months<br/>ended September 30</b> |                | <b>For the nine months<br/>ended September 30</b> |                  |
|---|--|----------------|---|------------------|
|   | <b>2022</b>  | <b>2021</b>    | <b>2022</b>                                       | <b>2021</b>      |
| Net income attributable to ordinary shareholders of the Company | <u>\$ 558,496</u>                                  | <u>575,789</u> | <u>2,181,973</u>                                  | <u>1,437,002</u> |
| Weighted-average number of ordinary shares                      | 136,080  | 136,080        | 136,080   | 136,080          |
| Impact of dilutive potential common shares                      |  |                |   |                  |
| Effect of employee stock bonus                                  | <u>2,232</u>                                       | <u>1,047</u>   | <u>2,628</u>                                      | <u>1,435</u>     |
| Weighted-average number of ordinary shares (diluted)            | <u>138,312</u>                                     | <u>137,127</u> | <u>138,708</u>                                    | <u>137,515</u>   |
| Diluted earnings per share (in NT dollars)                      | <u>\$ 4.04</u>                                     | <u>4.20</u>    | <u>15.73</u>                                      | <u>10.45</u>     |

## (o) Revenue from contracts with customers

## (i) Disaggregation of revenue

|                                | <b>For the three months ended September 30, 2022</b> |                  |                |                   |
|--------------------------------|--|------------------|----------------|-------------------|
|                                | <b>Asia</b>  | <b>Americas</b>  | <b>Europe</b>  | <b>Total</b>      |
| Major products/services lines: |  |                  |                |                   |
| Air freight forwarding         | \$ 4,217,739   | 1,359,663        | 56,079         | 5,633,481         |
| Ocean freight forwarding       | 2,617,164  | 1,283,455        | 173,843        | 4,074,462         |
| Others                         | <u>580,643</u>                                       | <u>80,488</u>    | <u>(98)</u>    | <u>661,033</u>    |
|                                | <u>\$ 7,415,546</u>                                  | <u>2,723,606</u> | <u>229,824</u> | <u>10,368,976</u> |
|                                |  |                  |                |                   |
|                                | <b>For the three months ended September 30, 2021</b> |                  |                |                   |
|                                | <b>Asia</b>  | <b>Americas</b>  | <b>Europe</b>  | <b>Total</b>      |
| Major products/services lines: |  |                  |                |                   |
| Air freight forwarding         | \$ 3,846,344   | 809,078          | 43,810         | 4,699,232         |
| Ocean freight forwarding       | 2,928,750  | 1,467,934        | 238,479        | 4,635,163         |
| Others                         | <u>588,556</u>                                       | <u>88,646</u>    | <u>76</u>      | <u>677,278</u>    |
|                                | <u>\$ 7,363,650</u>                                  | <u>2,365,658</u> | <u>282,365</u> | <u>10,011,673</u> |
|                                |  |                  |                |                   |
|                                | <b>For the nine months ended September 30, 2022</b>  |                  |                |                   |
|                                | <b>Asia</b>  | <b>Americas</b>  | <b>Europe</b>  | <b>Total</b>      |
| Major products/services lines: |  |                  |                |                   |
| Air freight forwarding         | \$ 13,668,468  | 3,857,062        | 155,721        | 17,681,251        |
| Ocean freight forwarding       | 8,817,231  | 3,936,036        | 764,064        | 13,517,331        |
| Others                         | <u>1,842,018</u>                                     | <u>229,389</u>   | <u>35,855</u>  | <u>2,107,262</u>  |
|                                | <u>\$ 24,327,717</u>                                 | <u>8,022,487</u> | <u>955,640</u> | <u>33,305,844</u> |

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**DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

|                                | <b>For the nine months ended September 30, 2021</b> |                         |                         |                          |
|--------------------------------|---|-------------------------|-------------------------|--------------------------|
|                                | <u>Asia</u>   | <u>Americas</u>         | <u>Europe</u>           | <u>Total</u>             |
| Major products/services lines: |   |                         |                         |                          |
| Air freight forwarding         | \$ 10,815,366                                       | 1,824,176               | 170,560                 | 12,810,102               |
| Ocean freight forwarding       | 7,446,744   | 3,024,518               | 848,560                 | 11,319,822               |
| Others                         | 988,821   | 411,310                 | 44,431                  | 1,444,562                |
|                                | <u><b>\$ 19,250,931</b></u>                         | <u><b>5,260,004</b></u> | <u><b>1,063,551</b></u> | <u><b>25,574,486</b></u> |

(ii) Contract balance

|                                | <u>September 30,</u><br><u>2022</u> | <u>December 31,</u><br><u>2021</u> | <u>September 30,</u><br><u>2021</u> |
|--------------------------------|-------------------------------------|------------------------------------|-------------------------------------|
| Notes receivable               | \$ 17,673                           | 25,919                             | 20,011                              |
| Accounts receivable, net       | 3,726,161                           | 4,692,243                          | 3,922,092                           |
| Less: allowance for impairment | 128,465                             | 104,848                            | 114,637                             |
| Total                          | <u><b>\$ 3,615,369</b></u>          | <u><b>4,613,314</b></u>            | <u><b>3,827,466</b></u>             |

Please refer to note 6(c) for the disclosure of accounts receivable and its impairment.

(p) 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 must be in the form of cash.

For the three months and nine months ended September 30, 2022 and 2021, DIMTW recognized its employees' compensation of \$35,185 thousand, \$41,457 thousand, \$137,464 thousand and \$103,464 thousand, respectively, and directors' and supervisors' remuneration of \$10,053 thousand, \$10,365 thousand, \$39,276 thousand and \$25,866 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.

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**DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(q) Non-operating income and expenses

(i) Interest income

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

|                                    | <b>For the three months<br/>ended September 30</b> |              | <b>For the nine months<br/>ended September 30</b> |              |
|------------------------------------|--|--------------|---|--------------|
|                                    | <b>2022</b>  | <b>2021</b>  | <b>2022</b>                                       | <b>2021</b>  |
| Interest income from bank deposits | \$ <u>5,552</u>                                    | <u>3,336</u> | <u>11,615</u>                                     | <u>7,013</u> |

(ii) Other income

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

|                    | <b>For the three months<br/>ended September 30</b> |              | <b>For the nine months<br/>ended September 30</b> |               |
|--------------------|--|--------------|---|---------------|
|                    | <b>2022</b>  | <b>2021</b>  | <b>2022</b>                                       | <b>2021</b>   |
| Dividend income    | \$ 70  | 130          | 148   | 130           |
| Government grants  | 6,735  | 1,902        | 19,000  | 8,913         |
| Other              | <u>6,788</u>                                       | <u>6,518</u> | <u>6,839</u>                                      | <u>10,212</u> |
| Total other income | \$ <u>13,593</u>                                   | <u>8,550</u> | <u>25,987</u>                                     | <u>19,255</u> |

(iii) Other gains and losses

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

|   | <b>For the three months<br/>ended September 30</b> |               | <b>For the nine months<br/>ended September 30</b> |               |
|---|--|---------------|---|---------------|
|   | <b>2022</b>  | <b>2021</b>   | <b>2022</b>                                       | <b>2021</b>   |
| Gains (losses) on disposal of property, plant and equipment                             | \$ (37)  | 287           | (53)  | 851           |
| Losses on disposal of investments   | -  | -             | -   | (21)          |
| Gains on foreign exchange   | 131,781  | 12,635        | 267,462   | 13,430        |
| Net gains on disposal of financial assets measured at fair value through profit or loss | -  | 161           | -   | 610           |
| Others gains and losses   | <u>94</u>  | <u>313</u>    | <u>(3,046)</u>                                    | <u>(593)</u>  |
| Other gains and losses, net   | \$ <u>131,838</u>                                  | <u>13,396</u> | <u>264,363</u>                                    | <u>14,277</u> |

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**DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

## (iv) Finance costs

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

|                   | <b>For the three months<br/>ended September 30</b> |                     | <b>For the nine months<br/>ended September 30</b> |                      |
|-------------------|--|---------------------|---|----------------------|
|                   | <b>2022</b>  | <b>2021</b>         | <b>2022</b>                                       | <b>2021</b>          |
| Interest expense  |  |                     |   |                      |
| Bank loan         | \$ 1,109   | 1,512               | 3,977   | 4,636                |
| Lease liabilities | <u>3,581</u>                                       | <u>3,030</u>        | <u>9,033</u>                                      | <u>8,913</u>         |
| Net finance cost  | <u><u>\$ 4,690</u></u>                             | <u><u>4,542</u></u> | <u><u>13,010</u></u>                              | <u><u>13,549</u></u> |

## (r) Financial instruments

## (i) Credit risk

As of September 30, 2022, December 31 and September 30, 2021, there was no concentration of credit risk in accounts receivable.

## (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<br/>amount</u> | <u>Contractual<br/>cash flows</u> | <u>Within 6<br/>months</u> | <u>6-12 months</u>    | <u>1-2 years</u>      | <u>2-5 years</u>     | <u>Over 5 years</u> |
|--------------------------------------|----------------------------|-----------------------------------|----------------------------|-----------------------|-----------------------|----------------------|---------------------|
| <b>September 30, 2022</b>            |                            |                                   |                            |                       |                       |                      |                     |
| Non-derivative financial liabilities |                            |                                   |                            |                       |                       |                      |                     |
| Short-term borrowings                | \$ 480,000                 | 482,885                           | 482,885                    | -                     | -                     | -                    | -                   |
| Notes payable                        | 28,357                     | 28,357                            | 28,357                     | -                     | -                     | -                    | -                   |
| Accounts payable                     | 2,925,796                  | 2,925,796                         | 2,925,796                  | -                     | -                     | -                    | -                   |
| Lease liabilities                    | 434,760                    | 446,933                           | 106,564                    | 106,564               | 147,259               | 86,546               | -                   |
| Dividend payable                     | 26,623                     | 26,623                            | 26,623                     | -                     | -                     | -                    | -                   |
| Other payables                       | 365,975                    | 365,975                           | 365,975                    | -                     | -                     | -                    | -                   |
|                                      | <u><u>\$ 4,261,511</u></u> | <u><u>4,276,569</u></u>           | <u><u>3,936,200</u></u>    | <u><u>106,564</u></u> | <u><u>147,259</u></u> | <u><u>86,546</u></u> | <u><u>-</u></u>     |
| <b>December 31, 2021</b>             |                            |                                   |                            |                       |                       |                      |                     |
| 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><u>\$ 4,793,876</u></u> | <u><u>4,802,309</u></u>           | <u><u>4,595,091</u></u>    | <u><u>70,363</u></u>  | <u><u>89,855</u></u>  | <u><u>47,000</u></u> | <u><u>-</u></u>     |

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**DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES**  
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|                                      | <u>Carrying<br/>amount</u> | <u>Contractual<br/>cash flows</u> | <u>Within 6<br/>months</u> | <u>6-12 months</u> | <u>1-2 years</u> | <u>2-5 years</u> | <u>Over 5 years</u> |
|--------------------------------------|----------------------------|-----------------------------------|----------------------------|--------------------|------------------|------------------|---------------------|
| <b>September 30, 2021</b>            |                            |                                   |                            |                    |                  |                  |                     |
| Non-derivative financial liabilities |                            |                                   |                            |                    |                  |                  |                     |
| Short-term borrowings                | \$ 685,592                 | 691,122                           | 691,122                    | -                  | -                | -                | -                   |
| Notes payable                        | 25,668                     | 25,668                            | 25,668                     | -                  | -                | -                | -                   |
| Accounts payable                     | 3,009,838                  | 3,009,838                         | 3,009,838                  | -                  | -                | -                | -                   |
| Lease liabilities                    | 286,626                    | 294,652                           | 70,675                     | 70,675             | 83,953           | 69,349           | -                   |
| Dividend payable                     | 12,592                     | 12,592                            | 12,592                     | -                  | -                | -                | -                   |
| Other payables                       | 257,688                    | 28,943                            | 28,943                     | -                  | -                | -                | -                   |
|                                      | <u>\$ 4,278,004</u>        | <u>4,062,815</u>                  | <u>3,838,838</u>           | <u>70,675</u>      | <u>83,953</u>    | <u>69,349</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.

(iii) Market risk

1) Currency risk

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

|                           | <u>Foreign<br/>currency</u> | <u>Exchange<br/>rate</u> | <u>NTD</u> |
|---------------------------|-----------------------------|--------------------------|------------|
| <b>September 30, 2022</b> |                             |                          |            |
| Financial assets:         |                             |                          |            |
| Monetary items:           |                             |                          |            |
| USD                       | \$                          | 38,258                   | 31.816     |
| HKD                       | \$                          | 11,520                   | 4.053      |
| GBP                       | \$                          | 362                      | 35.154     |
| Financial liabilities:    |                             |                          |            |
| Monetary items:           |                             |                          |            |
| USD                       | \$                          | 8,652                    | 31.816     |
| EUR                       | \$                          | 1,439                    | 31.087     |
| <b>December 31, 2021</b>  |                             |                          |            |
| Financial assets:         |                             |                          |            |
| Monetary items:           |                             |                          |            |
| USD                       | \$                          | 22,413                   | 27.764     |
| HKD                       | \$                          | 5,650                    | 3.548      |
| EUR                       | \$                          | 780                      | 31.357     |
| Financial liabilities:    |                             |                          |            |
| Monetary items:           |                             |                          |            |
| USD                       | \$                          | 11,838                   | 27.674     |

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**DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

|                           | <u>Foreign<br/>currency</u> | <u>Exchange<br/>rate</u> | <u>NTD</u> |
|---------------------------|-----------------------------|--------------------------|------------|
| <b>September 30, 2021</b> |                             |                          |            |
| Financial assets:         |                             |                          |            |
| Monetary items:           |                             |                          |            |
| USD                       | \$ 19,407                   | 27.794                   | 539,389    |
| HKD                       | \$ 5,369                    | 3.570                    | 19,170     |
| EUR                       | \$ 523                      | 32.283                   | 16,872     |
| Financial liabilities:    |                             |                          |            |
| Monetary items:           |                             |                          |            |
| USD                       | \$ 7,860                    | 27.794                   | 218,461    |

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 other payables that are denominated in foreign currency. A weakening (strengthening) of 3% of the NTD against USD, HKD and EUR of September 30, 2022 and 2021, would have increased or decreased the net income before tax by \$28,699 thousand and \$10,709 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 and nine months ended September 30, 2022 and 2021, foreign exchange gain (including realized and unrealized portions) amounted to \$131,781 thousand, \$12,635 thousand, \$267,462 thousand and \$13,430 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 \$3,600 thousand and \$5,142 thousand for the nine months ended September 30, 2022 and 2021, respectively, with all other variable factors remaining constant. This was mainly due to the Group's borrowing at variable rates.

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**DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

## (iv) Fair value

## 1) Categories and fair value of financial instruments

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

|   | September 30, 2022  |            |          |            |            |
|---|---------------------|------------|----------|------------|------------|
|   | Carrying<br>amount  | Fair value |          |            | Total      |
|   |                     | Level 1    | Level 2  | Level 3    |            |
| Financial assets at fair value through other comprehensive income |                     |            |          |            |            |
| Unlisted stocks (domestic and overseas)                           | \$ 447              | -          | -        | 447        | 447        |
| Financial assets measured at amortized cost                       |                     |            |          |            |            |
| Cash and cash equivalents   | 5,057,665           | -          | -        | -          | -          |
| Notes and accounts receivables                                    | 3,615,369           | -          | -        | -          | -          |
| Financial assets measured at amortised cost - current             | 237,584             | -          | -        | -          | -          |
| Refundable deposits   | 101,225             | -          | -        | -          | -          |
| Subtotal  | <u>9,011,843</u>    | <u>-</u>   | <u>-</u> | <u>-</u>   | <u>-</u>   |
| Total   | <u>\$ 9,012,290</u> | <u>-</u>   | <u>-</u> | <u>447</u> | <u>447</u> |
| Financial liabilities measured at amortized cost                  |                     |            |          |            |            |
| Short-term borrowings   | \$ 480,000          | -          | -        | -          | -          |
| Notes and accounts payable  | 2,954,153           | -          | -        | -          | -          |
| Other payables  | 365,975             | -          | -        | -          | -          |
| Lease liabilities   | 434,760             | -          | -        | -          | -          |
| Dividend payable  | 26,623              | -          | -        | -          | -          |
| Total   | <u>\$ 4,261,511</u> | <u>-</u>   | <u>-</u> | <u>-</u>   | <u>-</u>   |

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**DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

|   | September 30, 2021  |            |          |          |          |
|---|---------------------|------------|----------|----------|----------|
|   | Carrying<br>amount  | Fair value |          |          | Total    |
|   |                     | Level 1    | Level 2  | Level 3  |          |
| Financial liabilities measured at<br>amortized cost |                     |            |          |          |          |
| Short-term borrowings                               | \$ 685,592          | -          | -        | -        | -        |
| Notes and accounts payable                          | 3,035,506           | -          | -        | -        | -        |
| Other payables                                      | 257,688             | -          | -        | -        | -        |
| Lease liabilities                                   | 286,626             | -          | -        | -        | -        |
| Dividend payable                                    | 12,592              | -          | -        | -        | -        |
| Total   | <u>\$ 4,278,004</u> | <u>-</u>   | <u>-</u> | <u>-</u> | <u>-</u> |

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

Financial instruments held by the Group constitute equity instruments that are not publicly quoted in an active market. The fair value of those financial instruments is estimated using the market comparables approach. The main assumptions of the market comparables approach are based on the after-tax net profit or equity net worth of the investee and the earnings or book value multipliers derived from market quotations of comparable listed companies. This estimate has been adjusted for the discounting effect of the lack of market liquidity of the equity securities. The amount of equity investment estimated by the Group using the market comparable company method to estimate the fair value is not significant, and thus there is no intention to disclose quantitative information.

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.

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**DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

4) Reconciliation of Level 3 fair values

|                                     | <b>Unquoted equity instruments</b> |
|-------------------------------------|------------------------------------|
| Balance at January 1, 2022          | \$ 442                             |
| Effect of changes in exchange rates | 5                                  |
| Balance at September 30, 2022       | <b>\$ 447</b>                      |
| Balance at January 1, 2021          | \$ 444                             |
| Effect of changes in exchange rates | (2)                                |
| Balance at September 30, 2021       | <b>\$ 442</b>                      |

(s) 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.

(t) 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.

(u) Financing activities not affecting current cash flow

The Group's reconciliation of liabilities arising from financing activities for the nine months ended September 30, 2022 and 2021 were as follows:

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

Reconciliation of liabilities arising from financing activities were as follows:

|   | <u>January 1, 2022</u> | <u>Cash flows</u> | Non-cash changes                 |                  |                  |                           | <u>September 30, 2022</u> |
|---|------------------------|-------------------|----------------------------------|------------------|------------------|---------------------------|---------------------------|
|   |                        |                   | <u>Foreign exchange movement</u> | <u>Additions</u> | <u>Decreases</u> | <u>Lease modification</u> |                           |
| Short term borrowings                       | \$ 676,592             | (196,592)         | -                                | -                | -                | -                         | 480,000                   |
| Lease liabilities                           | 270,020                | (140,882)         | 20,778                           | 285,354          | (481)            | (29)                      | 434,760                   |
| Total liabilities from financing activities | <b>\$ 946,612</b>      | <b>(337,474)</b>  | <b>20,778</b>                    | <b>285,354</b>   | <b>(481)</b>     | <b>(29)</b>               | <b>914,760</b>            |
|   |                        |                   | Non-cash changes                 |                  |                  |                           |                           |
|   | <u>January 1, 2021</u> | <u>Cash flows</u> | <u>Foreign exchange movement</u> | <u>Additions</u> | <u>Decreases</u> | <u>Lease modification</u> | <u>September 30, 2021</u> |
| Short term borrowings                       | \$ 700,592             | (15,000)          | -                                | -                | -                | -                         | 685,592                   |
| Lease liabilities                           | 361,736                | (141,542)         | (4,662)                          | 73,326           | (3,157)          | 925                       | 286,626                   |
| Total liabilities from financing activities | <b>\$ 1,062,328</b>    | <b>(156,542)</b>  | <b>(4,662)</b>                   | <b>73,326</b>    | <b>(3,157)</b>   | <b>925</b>                | <b>972,218</b>            |

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**DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

**(7) Related-party transactions**

(a) Parent company and ultimate controlling party

The Company is the ultimate controlling party of the Group.

(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:

|            | <u>For the three months<br/>ended September 30</u> |                | <u>For the nine months<br/>ended September 30</u> |                |
|------------|--|----------------|---|----------------|
|            | <u>2022</u>  | <u>2021</u>    | <u>2022</u>                                       | <u>2021</u>    |
| Associates | <u>\$ 100,804</u>                                  | <u>122,193</u> | <u>280,672</u>                                    | <u>299,811</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)

|            | <u>For the three months<br/>ended September 30</u> |               | <u>For the nine months<br/>ended September 30</u> |               |
|------------|--|---------------|---|---------------|
|            | <u>2022</u>  | <u>2021</u>   | <u>2022</u>                                       | <u>2021</u>   |
| Associates | <u>\$ 31,418</u>                                   | <u>38,721</u> | <u>102,345</u>                                    | <u>88,530</u> |

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

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

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**DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(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>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
|---------------------|--------------------------------|---------------------------|--------------------------|---------------------------|
| Accounts receivable | Associates                     | \$ <u>18,322</u>          | <u>9,599</u>             | <u>7,849</u>              |

As of September 30, 2022, December 31, 2021 and September 30, 2021, no allowance for loss is required for the above-mentioned related parties.

(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>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
|------------------|--------------------------------|---------------------------|--------------------------|---------------------------|
| Accounts payable | Associates                     | \$ <u>15,102</u>          | <u>8,193</u>             | <u>5,132</u>              |

(d) Key management personnel compensation

Key management personnel compensation comprised:

|                              | <u>For the three months ended September 30</u> |               | <u>For the nine months ended September 30</u> |               |
|------------------------------|--|---------------|---|---------------|
|                              | <u>2022</u>                                    | <u>2021</u>   | <u>2022</u>                                   | <u>2021</u>   |
| Short-term employee benefits | \$ 15,572                                      | 15,014        | 51,158  | 50,853        |
| Post-employment benefits     | 194  | 182           | 593   | 593           |
|                              | <u>\$ 15,766</u>                               | <u>15,196</u> | <u>51,751</u>                                 | <u>51,446</u> |

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**DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

**(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>September 30, 2022</u> | <u>December 31, 2021</u> | <u>September 30, 2021</u> |
|--|--|---------------------------|--------------------------|---------------------------|
| Restricted certificates of deposit (recorded under other current assets)     | Guarantee for the Group's logistics operations   | \$ 1,029                  | 949                      | 948                       |
| 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                    | 41,792                   | 41,792                    |
| Buildings  | "  | 15,553                    | 15,961                   | 16,098                    |
|  |  | <u>\$ 62,034</u>          | <u>62,362</u>            | <u>62,498</u>             |

**(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 September 30, 2022, December 31 and September 30, 2021, the guarantees from the banks were \$318,411 thousand, \$176,232 thousand and \$158,939 thousand, respectively, and the used amounts were \$195,751 thousand, \$161,812 thousand and \$134,639 thousand, respectively.
- (b) As of September 30, 2022, December 31 and September 30, 2021, the Group had outstanding guaranteed notes deposited totaling \$111,011 thousand, \$56,232 thousand and \$58,939 thousand, respectively. As of September 30, 2022, December 31 and September 30, 2021, the guarantees recorded for customs duty were \$5,786 thousand, \$5,032 thousand and \$5,666 thousand, respectively.

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**DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES**  
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- (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) In 2021, 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 September 30, 2022, the cases are still in progress.

**(10) Losses Due to Major Disasters: None**

**(11) Subsequent Events: None**

**(12) Other**

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

| By function                | Three months ended September 30, 2022 |                    |         | Three months ended September 30, 2021 |                    |         |
|----------------------------|---------------------------------------|--------------------|---------|---------------------------------------|--------------------|---------|
|                            | Operating costs                       | Operating expenses | Total   | Operating costs                       | Operating expenses | Total   |
| Employee benefits          |                                       |                    |         |                                       |                    |         |
| Salary                     | 11,407                                | 882,069            | 893,476 | 10,841                                | 566,340            | 577,181 |
| Labor and health insurance | 628                                   | 55,354             | 55,982  | 344                                   | 44,037             | 44,381  |
| Pension                    | 288                                   | 11,314             | 11,602  | 408                                   | 8,347              | 8,755   |
| Others                     | 433                                   | 46,235             | 46,668  | 326                                   | 30,598             | 30,924  |
| Depreciation               | 126                                   | 69,059             | 69,185  | 1,348                                 | 57,174             | 58,522  |
| Amortization               | -                                     | 882                | 882     | -                                     | 65                 | 65      |

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**DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

| By function                | Nine months ended September 30,<br>2022 |                       |           | Nine months ended September 30,<br>2021 |                       |           |
|----------------------------|---|-----------------------|-----------|---|-----------------------|-----------|
|                            | Operating<br>costs                      | Operating<br>expenses | Total     | Operating<br>costs                      | Operating<br>expenses | Total     |
| Employee benefits          |   |                       |           |   |                       |           |
| Salary                     | 31,728                                  | 1,898,525             | 1,930,253 | 28,508                                  | 1,342,941             | 1,371,449 |
| Labor and health insurance | 1,218                                   | 155,597               | 156,815   | 792                                     | 122,943               | 123,735   |
| Pension                    | 874                                     | 30,739                | 31,613    | 848                                     | 26,966                | 27,814    |
| Others                     | 1,082                                   | 112,939               | 114,021   | 1,145                                   | 84,137                | 85,282    |
| Depreciation               | 3,114                                   | 179,813               | 182,927   | 4,061                                   | 173,436               | 177,497   |
| Amortization               | -                                       | 2,561                 | 2,561     | -                                       | 212                   | 212       |

(b) Seasonality or cyclically of interim operations

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

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## 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                | -                      | -               | -     | 252,808                                 | 1,011,233                                |
| 2   | FSC            | The Company      | Accounts receivable from related parties | Yes           | 119,551   | 119,551        | 119,551  | -   | (2)  | -   | Operating capital                | -                      | -               | -     | 141,594                                 | 566,376                                  |

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  | 6,678   | 5,568   | 5,568                                 | 5,568  | 0.09 %  | 544,320   | Y  | N  | N  |
| 0   | The Company        | DIMN & DIMTH                                   | 2                                      | 272,160  | 322   | 322   | 322                                   | 322  | 0.01 %  | 544,320   | Y  | N  | N  |
| 0   | The Company        | DIMKR  | 2                                      | 272,160  | 24,129  | -   | -                                     | -  | - %   | 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 September 30, 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           | 19              | -                       | 19         |      |
| DIMSG          | Stamford Land                           | -                                     | Financial assets at fair value through other comprehensive income – non-current | 5,000            | 38              | -                       | 38         |      |

(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 DIMITW'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) |         |
| DIMITW          | DIMUS         | Sub-Subsidiary                | Freight revenue     | (334,046) | 16.77 %                               | Note 1        | -                        |               | 45,452                              | 10 %  |         |
| DIMUS           | DIMITW        | Sub-Subsidiary                | Freight expense     | 334,046   | 5.39 %                                | Note 1        | -                        |               | (45,452)                            | (5) %   |         |
| DIMITW          | DIMCN         | Sub-Subsidiary                | Freight revenue     | (126,235) | 6 %                                   | Note 1        | -                        |               | 28,451                              | 6 %   |         |
| DIMCN           | DIMITW        | Sub-Subsidiary                | Freight expense     | 126,235   | 3 %                                   | Note 1        | -                        |               | (28,451)                            | (7) %   |         |
| DIMCN           | DIMITW        | Sub-Subsidiary                | Freight revenue     | (150,249) | Note 2                                | Note 1        | -                        |               | 15,605                              | 2 %   |         |
| DIMITW          | DIMCN         | Sub-Subsidiary                | Freight expense     | 150,249   | Note 2                                | Note 1        | -                        |               | (15,605)                            | (8) %   |         |
| DIMKR           | DIMITW        | Sub-Subsidiary                | Freight revenue     | (147,694) | Note 2                                | Note 1        | -                        |               | 9,360                               | 6 %   |         |
| DIMITW          | DIMKR         | Sub-Subsidiary                | Freight expense     | 147,694   | Note 2                                | Note 1        | -                        |               | (9,360)                             | (5) %   |         |
| DIMUS           | DIMITW        | Sub-Subsidiary                | Freight revenue     | (123,760) | Note 2                                | Note 1        | -                        |               | 13,246                              | 1 %   |         |
| DIMITW          | DIMUS         | Sub-Subsidiary                | Freight expense     | 123,760   | Note 2                                | Note 1        | -                        |               | (13,246)                            | (7) %   |         |
| FSCHK           | DIMITW        | Subsidiary                    | Freight revenue     | (103,884) | Note 2                                | Note 1        | -                        |               | 29,406                              | 10 %  |         |
| DIMITW          | FSCHK         | Subsidiary                    | Freight expense     | 103,884   | Note 2                                | Note 1        | -                        |               | (29,406)                            | (16) %  |         |
| FSCHK           | ZJDCN         | Subsidiary and Sub-Subsidiary | Freight revenue     | (131,055) | 12.40 %                               | Note 1        | -                        |               | 68,938                              | 24 %  |         |
| ZJDCN           | FSCHK         | Subsidiary and Sub-Subsidiary | Freight expense     | 131,055   | 2.52 %                                | Note 1        | -                        |               | (68,938)                            | (22) %  |         |
| FSCHK           | DFSCN         | Subsidiary and Sub-Subsidiary | Freight revenue     | (160,590) | 15.19 %                               | Note 1        | -                        |               | 26,598                              | 9 %   |         |
| DFSCN           | FSCHK         | Subsidiary and Sub-Subsidiary | Freight expense     | 160,590   | 4.06 %                                | Note 1        | -                        |               | (26,598)                            | (14) %  |         |
| FSCHK           | DIMCN         | Subsidiary and Sub-Subsidiary | Freight revenue     | (166,444) | 15.75 %                               | Note 1        | -                        |               | 29,609                              | 10 %  |         |
| DIMCN           | FSCHK         | Subsidiary and Sub-Subsidiary | Freight expense     | 166,444   | 4.36 %                                | Note 1        | -                        |               | (29,609)                            | (7) %   |         |
| FSCHK           | DIMUS         | Subsidiary and Sub-Subsidiary | Freight revenue     | (131,770) | 12.47 %                               | Note 1        | -                        |               | 77,138                              | 27 %  |         |
| DIMUS           | FSCHK         | Subsidiary and Sub-Subsidiary | Freight expense     | 131,770   | 2.13 %                                | Note 1        | -                        |               | (77,138)                            | (9) %   |         |

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 expenses were paid by DIMITW on behalf of its affiliates. Because the freight expenses were not recognized as revenue nor cost, 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             | 170,457 (Note 1)                                   | - %           | -                                       |              | -   | -                       |
| FSC             | DIL           | Subsidiary             | 216,717 (Note 2)                                   | - %           | -                                       |              | -   | -                       |

Note 1: Loan from the subsidiary of \$119,551 thousand and other receivables of \$50,906 thousand.

Note 2: Paid on behalf of DIMITW.

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

(ix) Financial derivative instrument transactions: None.

(Continued)

**DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(x) Business relationships and significant intercompany transactions

| No.<br>(Note 1) | Name of<br>company | Name of<br>counter-party | Existing<br>relationship with<br>counter-party<br>(Note 2) | Transaction details                            |                           |                     |  |
|-----------------|--------------------|--------------------------|--|--|---------------------------|---------------------|--|
|                 |                    |                          |  | Account name                                   | Amount<br>(Notes 3 and 4) | Terms of<br>trading | Percentage of total<br>consolidated revenue<br>or total assets |
| 0               | The Company        | DIMCN                    | 1  | Accounts receivable – related parties          | 28,451                    | Negotiated          | 0.26 %   |
| 0               | The Company        | DIMSG                    | 1  | Accounts receivable – related parties          | 11,840                    | Negotiated          | 0.11 %   |
| 0               | The Company        | DIMHK                    | 1  | Accounts receivable – related parties          | 8,307                     | Negotiated          | 0.08 %   |
| 0               | The Company        | ZJDCN                    | 1  | Accounts receivable – related parties          | 13,057                    | Negotiated          | 0.12 %   |
| 0               | The Company        | DIMUS                    | 1  | Accounts receivable – related parties          | 45,452                    | Negotiated          | 0.42 %   |
| 0               | The Company        | DIMMY                    | 1  | Accounts receivable – related parties          | 13,671                    | Negotiated          | 0.13 %   |
| 0               | The Company        | DIMPH                    | 1  | Accounts receivable – related parties          | 8,488                     | Negotiated          | 0.08 %   |
| 0               | The Company        | DFSCN                    | 1  | Accounts receivable – related parties          | 11,513                    | Negotiated          | 0.11 %   |
| 0               | The Company        | FSCHK                    | 1  | Accounts payable – related parties             | 29,406                    | Negotiated          | 0.27 %   |
| 0               | The Company        | DIMCN                    | 1  | Accounts payable – related parties             | 15,605                    | Negotiated          | 0.14 %   |
| 0               | The Company        | ZJDCN                    | 1  | Accounts payable – related parties             | 7,868                     | Negotiated          | 0.07 %   |
| 0               | The Company        | DIMUS                    | 1  | Accounts payable – related parties             | 13,246                    | Negotiated          | 0.12 %   |
| 0               | The Company        | DIMKR                    | 1  | Accounts payable – related parties             | 9,360                     | Negotiated          | 0.09 %   |
| 0               | The Company        | DIMCN                    | 1  | Freight revenue – received on behalf           | 126,235                   | Negotiated          | 0.38 %   |
| 0               | The Company        | DIMGB                    | 1  | Freight revenue – received on behalf           | 15,235                    | Negotiated          | 0.05 %   |
| 0               | The Company        | DIMSG                    | 1  | Freight revenue – received on behalf           | 43,537                    | Negotiated          | 0.13 %   |
| 0               | The Company        | DIMHK                    | 1  | Freight revenue – received on behalf           | 39,750                    | Negotiated          | 0.12 %   |
| 0               | The Company        | ZJDCN                    | 1  | Freight revenue – received on behalf           | 61,035                    | Negotiated          | 0.18 %   |
| 0               | The Company        | DIMUS                    | 1  | Freight revenue – received on behalf           | 334,046                   | Negotiated          | 1.00 %   |
| 0               | The Company        | DIMKR                    | 1  | Freight revenue – received on behalf           | 18,888                    | Negotiated          | 0.06 %   |
| 0               | The Company        | DIMMY                    | 1  | Freight revenue – received on behalf           | 35,006                    | Negotiated          | 0.11 %   |
| 0               | The Company        | DIMPH                    | 1  | Freight revenue – received on behalf           | 39,355                    | Negotiated          | 0.12 %   |
| 0               | The Company        | DIMTH                    | 1  | Freight revenue – received on behalf           | 23,650                    | Negotiated          | 0.07 %   |
| 0               | The Company        | DTLHK                    | 1  | Freight revenue – received on behalf           | 53,482                    | Negotiated          | 0.16 %   |
| 0               | The Company        | FSCHK                    | 1  | Freight expense – deduction of freight revenue | 103,884                   | Negotiated          | 0.31 %   |
| 0               | The Company        | DFSTW                    | 1  | Freight expense – deduction of freight revenue | 13,946                    | Negotiated          | 0.04 %   |
| 0               | The Company        | DIMCN                    | 1  | Freight expense – deduction of freight revenue | 150,249                   | Negotiated          | 0.45 %   |
| 0               | The Company        | DIMSG                    | 1  | Freight expense – deduction of freight revenue | 72,994                    | Negotiated          | 0.22 %   |
| 0               | The Company        | DIMHK                    | 1  | Freight expense – deduction of freight revenue | 54,959                    | Negotiated          | 0.17 %   |
| 0               | The Company        | ZJDCN                    | 1  | Freight expense – deduction of freight revenue | 84,833                    | Negotiated          | 0.26 %   |
| 0               | The Company        | DIMUS                    | 1  | Freight expense – deduction of freight revenue | 123,760                   | Negotiated          | 0.37 %   |
| 0               | The Company        | DIMKR                    | 1  | Freight expense – deduction of freight revenue | 147,694                   | Negotiated          | 0.44 %   |
| 0               | The Company        | DIMMY                    | 1  | Freight expense – deduction of freight revenue | 60,407                    | Negotiated          | 0.18 %   |
| 0               | The Company        | DIMPH                    | 1  | Freight expense – deduction of freight revenue | 7,019                     | Negotiated          | 0.02 %   |
| 0               | The Company        | DIMTH                    | 1  | Freight expense – deduction of freight revenue | 13,657                    | Negotiated          | 0.04 %   |
| 1               | FSC                | The Company              | 2  | Accounts receivable – related parties          | 170,457                   | Negotiated          | 1.56 %   |
| 1               | FSC                | The Company              | 2  | Prepayments – related parties                  | 717,786                   | Negotiated          | 6.57 %   |
| 1               | FSC                | DIL                      | 3  | Accounts receivable – related parties          | 216,717                   | Negotiated          | 1.98 %   |
| 2               | HOLDING            | The Company              | 2  | Accounts receivable – related parties          | 26,067                    | Negotiated          | 0.24 %   |
| 3               | FSCHK              | The Company              | 2  | Prepayments – related parties                  | 2,668,081                 | Negotiated          | 24.42 %  |
| 3               | FSCHK              | DFSTW                    | 3  | Sales revenue                                  | 46,287                    | Negotiated          | 0.14 %   |
| 3               | FSCHK              | DIMCN                    | 3  | Sales revenue                                  | 166,444                   | Negotiated          | 0.50 %   |
| 3               | FSCHK              | DIMSG                    | 3  | Sales revenue                                  | 52,294                    | Negotiated          | 0.16 %   |
| 3               | FSCHK              | DIMHK                    | 3  | Sales revenue                                  | 72,174                    | Negotiated          | 0.22 %   |
| 3               | FSCHK              | ZJDCN                    | 3  | Sales revenue                                  | 131,055                   | Negotiated          | 0.39 %   |
| 3               | FSCHK              | DIMVN                    | 3  | Sales revenue                                  | 24,862                    | Negotiated          | 0.08 %   |
| 3               | FSCHK              | DIMUS                    | 3  | Sales revenue                                  | 131,770                   | Negotiated          | 0.40 %   |
| 3               | FSCHK              | DIMKR                    | 3  | Sales revenue                                  | 10,077                    | Negotiated          | 0.03 %   |
| 3               | FSCHK              | DIMMY                    | 3  | Sales revenue                                  | 27,980                    | Negotiated          | 0.08 %   |
| 3               | FSCHK              | DIMPH                    | 3  | Sales revenue                                  | 25,984                    | Negotiated          | 0.08 %   |
| 3               | FSCHK              | DIMTH                    | 3  | Sales revenue                                  | 32,066                    | Negotiated          | 0.10 %   |
| 3               | FSCHK              | DFSHK                    | 3  | Sales revenue                                  | 36,987                    | Negotiated          | 0.11 %   |

(Continued)

## DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

| No.<br>(Note 1) | Name of company | Name of counter-party | Existing relationship with counter-party<br>(Note 2) | Transaction details                 |                           |                  |  |
|-----------------|-----------------|-----------------------|--|-------------------------------------|---------------------------|------------------|--|
|                 |                 |                       |  | Account name                        | Amount<br>(Notes 3 and 4) | Terms of trading | Percentage of total consolidated revenue or total assets |
| 3               | FSCHK           | DFSCN                 | 3  | Sales revenue                       | 160,590                   | Negotiated       | 0.48 %   |
| 3               | FSCHK           | DFSSG                 | 3  | Sales revenue                       | 8,892                     | Negotiated       | 0.03 %   |
| 3               | FSCHK           | DIMTW                 | 3  | Accounts receivable—related parties | 29,538                    | Negotiated       | 0.27 %   |
| 3               | FSCHK           | DIMCN                 | 3  | Accounts receivable—related parties | 29,609                    | Negotiated       | 0.27 %   |
| 3               | FSCHK           | DIMGB                 | 3  | Accounts receivable—related parties | 12,982                    | Negotiated       | 0.12 %   |
| 3               | FSCHK           | ZJDCN                 | 3  | Accounts receivable—related parties | 68,938                    | Negotiated       | 0.63 %   |
| 3               | FSCHK           | DIMVN                 | 3  | Accounts receivable—related parties | 7,449                     | Negotiated       | 0.07 %   |
| 3               | FSCHK           | DIMUS                 | 3  | Accounts receivable—related parties | 77,138                    | Negotiated       | 0.71 %   |
| 3               | FSCHK           | DFSCN                 | 3  | Accounts receivable—related parties | 26,598                    | Negotiated       | 0.24 %   |

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 nine months ended September 30, 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<br>(losses) of investee | Investment<br>income (losses)<br>(Notes 2 and 3) | Notes |
|----------------------|--------------------|--------------------|--|-----------------------------|-------------------|----------------|-----------------|--------------------------|------------------------------------|--|-------|
|                      |                    |                    |  | September 30, 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 %            | 745,692                  | 168,734                            | 168,734<br>(2)                                   |       |
| The Company          | HOLDING            | Bermuda            | Holding company  | 164,845                     | 164,845           | 3,089,000      | 100 %           | 2,528,083                | 630,646                            | 630,646<br>(1)                                   |       |
| The Company          | DIMSG              | Singapore          | Global air and ocean freight forwarder and logistics & warehousing | 108,362                     | 108,362           | 4,650,000      | 86 %            | 555,814                  | 92,067                             | 79,279<br>(2)                                    |       |
| The Company          | DIL                | British Virgin Is. | Holding company  | 472,313                     | 472,313           | (Note 1)       | 100 %           | 4,626,557                | 837,892                            | 837,892<br>(1)                                   |       |
| The Company          | FSC                | British Virgin Is. | Settlement center  | 315                         | 315               | 10,000         | 20 %            | 283,188                  | (5,350)                            | (1,070)<br>(1)                                   |       |
| The Company          | FSCHK              | Hong Kong          | Settlement center  | 236                         | 236               | 7,500          | 15 %            | 712,288                  | 850,418                            | 127,563<br>(1)                                   |       |
| The Company          | ITG Air & Sea GmbH | Germany            | Global air and ocean freight forwarder                             | 183,547                     | 183,547           | 6,275          | 25 %            | 257,477                  | 177,597                            | 44,399<br>(2)                                    |       |
| The Company          | DILTW              | Taiwan             | Logistics & warehousing  | 8,000                       | 8,000             | 800,000        | 80 %            | 20,286                   | 16,480                             | 13,184<br>(2)                                    |       |
| DFSTW                | FSCHK              | Hong Kong          | Settlement center  | 235                         | 235               | 7,500          | 15 %            | 599,873                  | 850,418                            | 127,563<br>(1)                                   |       |
| DFSTW                | DILTW              | Taiwan             | Logistics & warehousing  | 2,000                       | 2,000             | 200,000        | 20 %            | 5,072                    | 16,480                             | 3,296<br>(2)                                     |       |
| DIL                  | DIMUS              | U.S.A.             | Global air and ocean freight forwarder                             | 238,686                     | 238,686           | 4,961,000      | 100 %           | 1,196,386                | 373,071                            | 373,071<br>(1)                                   |       |
| DIL                  | DIMGB              | U.K.               | Global air and ocean freight forwarder                             | (5,624)                     | (5,624)           | 300,000        | 37 %            | (12,052)                 | (5,298)                            | (1,987)<br>(2)                                   |       |
| DIL                  | DIMSG              | Singapore          | Global air and ocean freight forwarder and logistics & warehousing | 23,904                      | 23,904            | 750,000        | 14 %            | 72,176                   | 92,067                             | 12,788<br>(2)                                    |       |
| DIL                  | DIMHK              | Hong Kong          | Global air and ocean freight forwarder and logistics & warehousing | 427,348                     | 427,348           | 300,000        | 99 %            | 3,309,018                | 412,083                            | 412,083<br>(1)                                   |       |
| DIL                  | GMS                | Hong Kong          | Logistics & warehousing  | -                           | -                 | (Note 1)       | 100 %           | 61,028                   | 41,936                             | 41,936<br>(1)                                    |       |
| GMS                  | DFSSG              | Singapore          | Logistics & warehousing  | 13,482                      | 13,482            | 600,000        | 100 %           | 37,348                   | 9,605                              | 9,605<br>(2)                                     |       |
| GMS                  | DIMPH              | Philippines        | Global air and ocean freight forwarder                             | 38,399                      | 38,399            | 180,000        | 60 %            | 82,304                   | 36,449                             | 21,873<br>(2)                                    |       |
| GMS                  | DILHK              | Hong Kong          | Logistics & warehousing  | -                           | -                 | (Note 1)       | 100 %           | 60,698                   | 10,852                             | 10,852<br>(2)                                    |       |

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## 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 |
|----------------------|-----------------------------------|--------------------|--|-----------------------------|-------------------|----------------|-----------------|--------------------------|---------------------------------|--|-------|
|                      |                                   |                    |  | September 30, 2022          | December 31, 2021 | Shares         | Ratio of shares | Carrying amount (Note 2) |                                 |  |       |
| DILHK                | DILSG                             | Singapore          | Logistics & warehousing                | 4,215                       | -                 | -              | 100 %           | 2,329                    | (1,924)                         | (1,924)<br>(2)                             |       |
| FSCHK                | DIMGB                             | U.K                | Global air and ocean freight forwarder | 20,126                      | 20,126            | 500,000        | 63 %            | (4,227)                  | (5,298)                         | (3,311)<br>(2)                             |       |
| DIMUS                | DCBUS                             | U.S.A.             | Brokerage service                      | 13,532                      | 13,532            | 1,000          | 100 %           | 40,034                   | 1,213                           | 1,213<br>(2)                               |       |
| DIMUS                | B.C. Logistic, LLC                | U.S.A.             | Trucking service                       | 54,103                      | -                 | -              | 85 %            | 21,644                   | 3,432                           | 2,917<br>(2)                               |       |
| DIMHK                | FSC                               | British Virgin Is. | Settlement center                      | 954                         | 954               | 30,000         | 60 %            | 897                      | (5,350)                         | (3,210)<br>(1)                             |       |
| DIMHK                | DIMVN                             | Vietnam            | Trucking service                       | 2,090                       | 2,090             | -              | 75 %            | 36,107                   | 17,492                          | 13,119<br>(2)                              |       |
| DIMHK                | FSCHK                             | Hong Kong          | Settlement center                      | 550                         | 550               | 17,500         | 35 %            | 1,390,817                | 850,418                         | 297,646<br>(1)                             |       |
| DIMSG                | FSC                               | British Virgin Is. | Settlement center                      | 318                         | 318               | 10,000         | 20 %            | 299                      | (5,350)                         | (1,070)<br>(1)                             |       |
| DIMSG                | DIMIN                             | India              | Trucking service                       | 5,303                       | 5,303             | 960,000        | 60 %            | 14,493                   | 7,840                           | 4,704<br>(2)                               |       |
| HOLDING              | DIMMY                             | Malaysia           | Global air and ocean freight forwarder | 65,516                      | 65,516            | 250,000        | 100 %           | 199,514                  | 59,469                          | 59,469<br>(2)                              |       |
| HOLDING              | DIMTH                             | Thailand           | Global air and ocean freight forwarder | 7,642                       | 7,642             | 735,000        | 49 %            | 74,464                   | 56,887                          | 27,869<br>(2)                              |       |
| HOLDING              | DIMPH                             | Philippines        | Global air and ocean freight forwarder | 4,026                       | 4,026             | 120,000        | 40 %            | 54,916                   | 36,449                          | 14,576<br>(2)                              |       |
| HOLDING              | DIMAU                             | Australia          | Global air and ocean freight forwarder | 16,460                      | 16,460            | 60,000         | 100 %           | (30,139)                 | 6,108                           | 6,108<br>(2)                               |       |
| HOLDING              | DIMKR                             | Korea              | Global air and ocean freight forwarder | 19,386                      | 19,386            | 120,000        | 100 %           | 123,110                  | 54,682                          | 54,682<br>(2)                              |       |
| HOLDING              | DIMCA                             | Canada             | Air freight forwarder                  | 15,646                      | 15,646            | -              | 100 %           | 216,781                  | 80,385                          | 80,385<br>(2)                              |       |
| HOLDING              | DIMNL                             | Netherlands        | Global air and ocean freight forwarder | 11,644                      | 11,644            | 1,000          | 100 %           | 29,799                   | 8,876                           | 8,876<br>(2)                               |       |
| HOLDING              | DFSHK                             | Hong Kong          | Ocean freight forwarding               | 25,393                      | 25,393            | 71,000         | 99 %            | 1,852,912                | 385,878                         | 385,839<br>(2)                             |       |
| HOLDING              | DTLHK                             | Hong Kong          | Trucking service                       | 41,076                      | 41,076            | 89,000         | 100 %           | 48,531                   | (1,842)                         | (1,842)<br>(2)                             |       |
| HOLDING              | DSLUS                             | U.S.A.             | Logistics & warehousing                | 15,840                      | 15,840            | 50,000         | 100 %           | 33,103                   | (1,981)                         | (1,981)<br>(2)                             |       |
| DFSHK                | FSCHK                             | Hong Kong          | Settlement center                      | 566                         | 566               | 17,500         | 35 %            | 1,390,817                | 850,418                         | 297,646<br>(1)                             |       |
| DIMPH                | Peerless Express Forwarders Corp. | Philippines        | Trucking service                       | 954                         | 954               | 1,600,000      | 40 %            | -                        | 225                             | (2) 90                                     |       |
| DIMPH                | DFSPH                             | Philippines        | Trucking service                       | 5,231                       | -                 | 96,700         | 91 %            | -                        | 541                             | (2) 490                                    |       |
| DFSSG                | DFSPH                             | Philippines        | Trucking service                       | 541                         | -                 | 10,000         | 9 %             | -                        | 541                             | (2) 51                                     |       |

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 (% 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)                           | 28,698 (USD902)   | -  | -               | 28,698 (USD902)  | (71,389)                        | 75 %  | (53,542) (1)   | 190,034                  | -  |
| DILSHA                                       | Logistics & warehousing                | 5,970          | (2)                           | 6,363 (USD200)  | -  | -               | 6,363 (USD200)   | 577                             | 99 %  | 577 (2)  | (58,769)                 | -  |
| DIMCN  | Global air and ocean freight forwarder | 163,377        | (2)                           | -   | -  | -               | -  | 117,858                         | 100 %   | 117,858 (1)  | 451,644                  | -  |
| DILSZX                                       | Logistics & warehousing                | 10,958         | (2)                           | -   | -  | -               | -  | (2,155)                         | 100 %   | (2,155) (2)  | (19,464)                 | -  |
| DFSCN  | Global air and ocean freight forwarder | 59,777         | (2)                           | -   | -  | -               | -  | 91,460                          | 100 %   | 91,460 (1)   | 376,959                  | -  |
| Diversified Transportation (China) Co., Ltd. | Trucking service                       | 29,802         | (2)                           | -   | -  | -               | -  | (138)                           | 100 %   | (138) (2)  | 21,669                   | -  |

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)                           | -   | -  | -               | -  | 17,862                          | 25 %  | 4,472 (2)  | 25,355                   | -  |
| Diversified (Shanghai) International Logistics Service Company Ltd | Global air and ocean freight forwarder | 13,684         | (2)                           | -   | -  | -               | -  | 923                             | 100 %   | 923 (2)  | 1,343                    | -  |
| Diversified (Shenzhen) International Logistics Service Company Ltd | Global air and ocean freight forwarder | 1,293          | (2)                           | -   | -  | -               | -  | (2,055)                         | 100 %   | (2,055) (2)  | 2,260                    | -  |

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        | 35,061<br>(USD1,102)  | 76,358<br>(USD2,400)   | 3,639,610  |

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

Note 2: USD:NT\$=1:31.816.

(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".

(Continued)

**DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES**  
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(d) Major shareholders:

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

**(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<br/>and<br/>eliminations</u> | <u>Total</u>      |
|--|----------------------|------------------|------------------|---|-------------------|
| <b>Three months ended September 30, 2022</b>                     |                      |                  |                  |   |                   |
| Revenue:   |                      |                  |                  |   |                   |
| From customers other than the parent<br>company and subsidiaries | \$ 7,415,546         | 2,723,606        | 229,824          | -   | 10,368,976        |
| From the parent company and subsidiaries                         | 247,498              | -                | -                | (247,498)                                   | -                 |
| <b>Total revenue</b>   | <u>\$ 7,663,044</u>  | <u>2,723,606</u> | <u>229,824</u>   | <u>(247,498)</u>                            | <u>10,368,976</u> |
| <b>Segment income</b>  | <u>\$ 488,010</u>    | <u>120,363</u>   | <u>1,881</u>     | <u>-</u>                                    | <u>610,254</u>    |
| <b>Three months ended September 30, 2021</b>                     |                      |                  |                  |   |                   |
| Revenue:   |                      |                  |                  |   |                   |
| From customers other than the parent<br>company and subsidiaries | \$ 7,363,650         | 2,365,658        | 282,365          | -   | 10,011,673        |
| From the parent company and subsidiaries                         | 101,236              | -                | -                | (101,236)                                   | -                 |
| <b>Total revenue</b>   | <u>\$ 7,464,886</u>  | <u>2,365,658</u> | <u>282,365</u>   | <u>(101,236)</u>                            | <u>10,011,673</u> |
| <b>Segment income</b>  | <u>\$ 537,508</u>    | <u>147,660</u>   | <u>3,026</u>     | <u>-</u>                                    | <u>688,194</u>    |
| <b>Nine months ended September 30, 2022</b>                      |                      |                  |                  |   |                   |
| Revenue:   |                      |                  |                  |   |                   |
| From customers other than the parent<br>company and subsidiaries | \$ 24,327,717        | 8,022,487        | 955,640          | -   | 33,305,844        |
| From the parent company and subsidiaries                         | 764,885              | -                | -                | (764,885)                                   | -                 |
| <b>Total revenue</b>   | <u>\$ 25,092,602</u> | <u>8,022,487</u> | <u>955,640</u>   | <u>(764,885)</u>                            | <u>33,305,844</u> |
| <b>Segment income</b>  | <u>\$ 1,994,228</u>  | <u>524,583</u>   | <u>6,899</u>     | <u>-</u>                                    | <u>2,525,710</u>  |
| <b>Nine months ended September 30, 2021</b>                      |                      |                  |                  |   |                   |
| Revenue:   |                      |                  |                  |   |                   |
| From customers other than the parent<br>company and subsidiaries | \$ 19,250,931        | 5,260,004        | 1,063,551        | -   | 25,574,486        |
| From the parent company and subsidiaries                         | 437,083              | -                | -                | (437,083)                                   | -                 |
| <b>Total revenue</b>   | <u>\$ 19,688,014</u> | <u>5,260,004</u> | <u>1,063,551</u> | <u>(437,083)</u>                            | <u>25,574,486</u> |
| <b>Segment income</b>  | <u>\$ 1,335,239</u>  | <u>330,539</u>   | <u>20,828</u>    | <u>-</u>                                    | <u>1,686,606</u>  |

The inter-company revenue of \$247,498 thousand, \$101,236 thousand, \$764,885 thousand and \$437,083 thousand for the three months and nine months ended September 30, 2022 and 2021, respectively, was eliminated.