



Stock Code: 5609

DIMERCO EXPRESS CORPORATION

**2022 Annual Shareholders' Meeting
Meeting Agenda**

Time : June 8th, 2022, Wednesday 09:00 am

Venue : Grand Mayfull Hotel (No.55, Lequn 2nd Rd., Zhongshan Dist., Taipei 10462, Taiwan.)

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I. MEETING PROCEDURE

1. Call the Meeting to Order
2. Chairman's Address
3. Matters to Report
4. Matters for Acknowledgement
5. Matters for Discussion
6. Extraordinary Motions
7. Adjournment

II. MEETING AGENDA

Time : June 8th, 2022, Wednesday 09:00 am

Venue : Grand Mayfull Hotel (No.55, Lequn 2nd Rd., Zhongshan Dist., Taipei 10462, Taiwan.)

Procedure:

1. Call the Meeting to Order
2. Chairman's Address
3. Report Items:
 - (1) Annual Business Report for 2021
 - (2) Audit Committee's Audited Report
 - (3) Report of dividends for 2021
 - (4) Report of Compensation of Directors, Supervisors and Employees for 2021
4. Matters for Acknowledgement:
 - (1) Acknowledgement of Business Report and Financial Statements for the year of 2021
 - (2) Acknowledgement of the proposal for distribution of 2021 profits
5. Matters for Discussion:
 - (1) Amendment to the "Articles of Incorporation".
 - (2) Amendment to the "Operational procedures for Acquisition and Disposal of Assets".
6. Extraordinary Motions
7. Adjournment

III. MANAGEMENT PRESENTATIONS:

Reports to Shareholders / Business Report

To All Shareholders:

First of all, on behalf of the company's Board of Directors, the Chairman and the entire management team, we would like to extend our thanks to every one of our shareholders for your long-term support towards Dimerco Express Group amidst our promising developments and sparing your precious time to participate in the shareholders' meeting for the year of 2022.

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

Amidst the great changes in Artificial Intelligence Technology as well as the application of Big Data and semi-automated technologies in the Digital Internet of Things (IoT) era, we at Dimerco Express Group have fully committed to create a "Mobile Intelligence Logistics Service Partner" for our esteemed customers on the self-developed Cloud Networking Digital SCM Platform - Dimerco Value Plus System for its developments and application. Coupled with the professionalism and industry know-how of our BIT division, we have successfully introduced and applied the relevant technologies in our system developments, enhancement and its application with cyber security assurance to develop for product diversification, operation optimization, management efficiency and service excellency. Dimerco Express Group has successfully entered the era of Digitalization, and with added emphasis on Cyber Security, we have proudly secured Information Security Certification (notably including ISO27001:2013 - IS 743553, NIST CSF - Cybersecurity Framework NIST 759307) , focusing on 3 major directions - Cloud Enabler, Mobility and Intelligence. We virtually integrated the process of Marketing & Sales, Customers Service, Operation, Finance Management and

Service to Customer in digitalization to optimize management efficiency for the entire Group of companies. Most importantly, we provide customers with a digital data where all information required in the Supply Chain Management becomes readily available in real time basis, so as to help customers improve their performance in Supply Chain Management.

In 2021, Dimerco Express Group continually carried out the organizational restructure 2.0 starting from March of that time with use of intelligence application as the spirit and key focus by means to dedicate by profession with flat organization to address the importance of communication, coordination and collaboration to dilute the regional function to organize a Central Service Center in order to achieve effective business management and to enhance Digital Marketing for fast response to the market changes and to provide solution to our customers with mobility in any of the locations where the internet is connected.

Concerning Digital Marketing, as customers' expectation change rapidly with the swift development of diversification of the digital technologies during and after the COVID-19 pandemic, contents is the key to Digital Marketing in the internet+ era. In 2021, Dimerco Express Group has launched an upgraded external website that explicitly conveys Dimerco's value proposition, its strength and management capabilities across Asia Pacific and China in Supply Chain Management, hence to enhance its digital marketing efforts. By perceiving customers' needs, Dimerco Express Group has leveraged its data base, automation and analysis to utilize digital marketing efforts and its global sales and customer service team to fast response to each customer's needs to provide best solution and produced respectable results.

As we step into 2022, we notice that international transportation and logistics market is facing multiple variables, both positively and negatively. The positive side includes notably successful integration of RCEP (Regional Comprehensive Economic Partnership) markets where the ten association of South East Asian nations (ASEAN) along with China, Japan, South Korea, Australia and New Zealand are integrated into the largest and most stable single market of the entire world coupled with the successful integration of the regional supply chain, which would bring positive impact on regional trade and transportation activities. Meanwhile, Biden administration is believed to exempt 352 import tariffs on non-strategic goods and/or materials import from China which will help reduce inflation rate by 1.3% in the U.S.A. The interest rate hike launched by Federal Reserve of the U.S.A. tends to turn US Dollar into a strong currency against all global currencies including EUR, GBP, RMB, JPY, SGD, NTD and all other Asian currencies, etc., which will most probably help boost the purchasing power. But will those facts boost import into the U.S.A.? The answer may remain in question as the current interruption in the supply chain resulted from multiple factors including but not limited to port congestion, short of chassis, short of truck drivers, supply of seamen mainly due to COVID-19 pandemic, which remain unalleviated, But in many countries, it's now being classified as semi-flu even though it still remains as a threat such as the lock down in Shanghai, which led to tremendous adverse impact on global transportation and supply chain management. ILWU labor negotiation in Long Beach is also remained in question. The Russian-Ukraine war is believed not to come to an end within a short-run, which already produced harmful impact to global economy and pushed oil price to upper high level and increased significantly the cost of international transportation. The war and sanction made many of the ports, especially in Europe even more congested, which has worsened the supply chain disruption in the global market. In summary, according to WTO estimate, global inflation

and economic growth slow-down are inevitable. Global trade, regional supply chain and global transportation and logistics will be subject to change by multiple variables.

Looking forward to the future amidst facing the severe challenges in global transportation and logistics market, we at Dimerco Express Group will leverage our strong management team and cyber security certified Cloud Networking Digital SCM Platform - Dimerco Value Plus System to fast response to the changes in the global market and to provide solution to our customers from time to time in order to achieve customer's satisfaction and our business management objective in compliance with ESG standard with appreciation to our employees who contributed to the growth of the company and fair return to all our shareholders in line with Dimerco culture.

Thank you for your continuous support!

Dimerco Express Corporation

Dimerco Express Group

Executive Management Board

June 8th, 2022

Other Business information:

(1) Results of Business plan implementation

Unit: NTD'000

| Item | IFRS 2020 | IFRS 2021 | Growth % |
|----------------------|--------------|--------------|----------|
| Sales Revenue | 22,948,845 | 38,986,916 | 69.9% |
| Net Profit After Tax | 1,085,845 | 2,310,477 | 112.8% |

(2) Status of Budget Accomplishment

The company was not obligated to prepare financial forecast for year 2021 in accordance to the "Standards on treatment guidelines for disclosure of financial forecast information on public companies".

(3) Analysis on financial balances and profitability

Unit: NTD'000

| Item | | Year | IFRS | IFRS |
|--------------------|--|------|------------|------------|
| | | | 2020 | 2021 |
| Financial Balances | Sales Revenue | | 22,948,845 | 38,986,916 |
| | Net Operating Profit | | 1,219,878 | 2,690,971 |
| | Net Profit After Tax | | 1,085,845 | 2,310,477 |
| Profitability | Return on Equity | % | 39% | 54% |
| | Ratio of net profit after tax on paid-in capital | % | 86% | 170% |
| | Retroactive adjusted earnings per share | | 7.98 | 16.98 |

(4) Status of Research and Development:

The Company developed the Dimerco Value Plus System © version 2.0 (based on Web 2.0) formally implemented on August 1, 2009. It is not only to construct a unified platform of sales, operations and accounting management but also build timely information ability to further integrate with strategic partners and our

customers. Meanwhile, Dimerco Value Plus System © used CYM (Consolidation Yield Management) and Data Synchronization Method were awarded certification of patents in both United States and Taiwan during Y2014. This self-developed technology is tightly integrated data flow / information flow combined with strategic partners to provide further customer service, enhance service quality and create added value and also effectively help customers improve synergy of supply chain management. The ability of integration architecture of this system about the can be summarized as follows:

- 4-1. Vertically integrated sales management system, international logistics operating system and financial management system
- 4-2. Horizontal integration: Use International Logistics operating system as the core to cover
 - (1) The International Air Freight
 - (2) The International Ocean Freight
 - (3) Logistics & Warehouse Management
 - Service Logistics, SL
 - Reverse Logistics, RL
 - Distribution Center, DC
 - Vender Managed Inventory, VMI
 - (4) Trucking Management & Cross-Border Road Freight
 - (5) Cross Border Train Freight
 - (6) Cross Broder eCommerce
 - (7) Multi-Modal Transport
 - (8) China Domestic Transport

2. Audit Committee's Audit Report

Dimerco Express Corporation

Audit Committee's Audited Report

Board of Directors made up of year 2021 company's annual business report financial statements (includes consolidated financial reports) had been audited by KPMG. The audit report that provided by KPMG, annual business report, and the motion of profit distribution had been audited by the Audit Committee without inconsistent. This report is prepared according to Securities and Exchange Act and Company Act.

DIMERCO EXPRESS CORPORATION
2022 ANNUAL SHAREHOLDERS' MEETING

Audit Committee Chairman: Bill Chien

March 17, 2022

3. Report of dividends for 2021

- (1) According to Articles of Incorporation 23-1, the Board of Directors is authorized to approve the proposal for distribution of profits and report on the shareholder's meeting if it is distributed by cash dividends.
- (2) 17th Mar 2022, the Board of Directors approved to allocate NTD 1,388,016,000 from accumulated unappropriated retained earnings of 2021, NTD 10.2 per share, and the dividends will be distributed by cash.

4. Report of Compensation of Directors, Supervisors and Employees for 2021

According to Company Law and Articles of Incorporation, employee remuneration is NTD 145,689,165, remuneration to directors and supervisors is NTD 41,625,476. The above proposal will be distributed by cash.

IV. Matters for Acknowledgement:

First proposal: Proposed by Board of Directors

Topic : Acknowledgement of Business Report and Financial Statements for the year of 2021

Explanatory notes : (1) The financial report and consolidated financial report for the year of 2021, including balance sheets, statements of comprehensive income, statements of changes in shareholders' equity, statements of cash flows, consolidated balance sheets, consolidated statements of comprehensive income, consolidated statements of changes in shareholders' equity and consolidated statements of cash flows, were audited by independent auditors, Ms. Huang, Bo Shu and Chang, Chun-I of KPMG, whereby an unqualified audit report was issued, and together with business report were submitted to supervisors for inspection, for your kind acknowledgement.

(2) Please refer to page 5 to page 7 Annual Business Report of year 2021, APPENDIX I Independent Auditors' Report, and 2020 Financial Statements

Resolution :

Second proposal: Proposed by Board of Directors

Topic : Acknowledgement of proposal for distribution for 2021 profits

Explanatory notes : (1) Profit distribution of year 2021 was intended to be derived from year 2021 profit after deducting provision for legal reserve to allocate for shareholder dividends.

(2) According to the year 2021 profit, each common shareholder would be entitled to receive a cash dividend of NTD 10.2 per share. Calculating based on the current outstanding shares, Dimerco would allocate total NTD1,388,016,000 cash dividends.

(3) The Board of directors for determining an ex-right and ex-dividend date and to proceed with the distribution. The cash dividend distribution ratio would be rounded up to 1 NTD dollars for the allocation fund, however, the amounts that rounded below 1 NTD dollar will be included in the shareholders' equity.

(4) In the event that, the company outstanding shares or the profit distributions are affected by a buyback of shares, issuance of new shares for transferring treasury shares to employees, an equity conversion in connection with domestic convertible corporate bonds or other convertible securities, employee stock options, or any transfer, transformation, or termination of stocks, it is proposed that the Board of Directors be authorized to adjust the cash to be distributed to each share based on the number of actual shares outstanding on the record date for distribution.

(5) Please refer to the Statement of Profit Distribution as follows:

Dimerco Express Corporation

Statement of Profit Distribution of Year 2021

Unit : NTD

| Item | Amount | Remark |
|---|---------------|--------|
| | Subtotal | |
| Beginning Balance of Unappropriated Retained earnings | 234,808,813 | |
| Add: | | |
| Share of Profit of Associates Accounted for Using Equity Method | (546,357) | |
| Changes in Actuarial gains and losses | (2,778,056) | |
| Beginning Balance of Unappropriated Retained earnings after Adjustments | 231,484,400 | |
| Add: | | |
| 2021 Net profit after tax | 2,310,477,427 | |
| Deduct: | | |
| 10% Legal reserve | (230,715,301) | |
| Special reserve | (116,193,991) | |
| Available Retained Earnings for Distribution | 2,195,052,535 | |
| Items for distribution: | | |
| Shareholder dividends - Stocks | | |
| Shareholder dividends - Cash | 1,388,016,000 | |
| | | |
| Ending Balance of unappropriated earnings: | 807,036,535 | |

Remark: The Board of directors to determine the base date for allocation of cash dividends. In the event that, the company outstanding shares or the profit distributions are affected by a buyback of shares, issuance of new shares for transferring treasury shares to employees, an equity conversion in connection with domestic convertible corporate bonds or other convertible securities, employee stock options, or any transfer, transformation, or termination of stocks, it is proposed that the Board of Directors be authorized to adjust the cash and stock to be distributed to each share based on the number of actual shares outstanding on the record date for distribution.

V. Matters for Discussion:

1. First Proposal: Proposed by Board of Directors

Topic: Amendment to the “Articles of Incorporation”.

Explanatory notes:

- (1) To conform to the regulation for revision on part of “Articles of Incorporation” from “Company Act 267”.
- (2) Please refer to Chinese Version of 2022 Meeting Agenda for the Comparison Table of Before and After Revision of articles.

Resolution:

2. Second Proposal: Proposed by Board of Directors

Topic: Amendment to the “Operational procedures for Acquisition and Disposal of Assets”.

Explanatory notes:

- (1) According to Financial Supervision Commission letter no. 1110380465 modified Regulations Governing the Acquisition and Disposal of Assets by Public Companies Article 31 for relax the rule of public disclosure of information. To conform to the regulation for revision on part of “Operational procedures for Acquisition and Disposal of Assets”.
- (2) Please refer to Chinese Version of 2022 Meeting Agenda for the Comparison Table of Before and After Revision of articles.

Resolution:

VI. Extraordinary Motions

VII. Closure of the Meeting



安侯建業聯合會計師事務所
KPMG

台北市110615信義路5段7號68樓(台北101大樓)
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,
Xinyi Road, Taipei City 110615, Taiwan (R.O.C.)

電話 Tel + 886 2 8101 6666
傳真 Fax + 886 2 8101 6667
網址 Web home.kpmg/tw

Independent Auditor's Report

To the Board of Directors of Dimerco Express Corporation:

Opinion

We have audited the consolidated financial statements of Dimerco Express Corporation and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as of December 31, 2021 and 2020, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2021 and 2020, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the report of other auditors (please refer to Other Matter paragraph), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years ended December 31, 2021 and 2020 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Other Matter

We did not audit the financial statements of certain subsidiaries. The financial statements of these subsidiaries were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts for these companies, is based solely on the reports of the other auditors. The consolidated total assets for these subsidiaries amounted to \$1,883,650 thousand and \$1,509,293 thousand as of December 31, 2021 and 2020, respectively, constituted 19% and 23% of consolidated total assets, of each financial reporting date. Their net revenues for the years ended December 31, 2021 and 2020, amounted to \$8,401,764 thousand and \$5,482,217 thousand, respectively, constituted 22% and 24% of consolidated net revenues for the years then ended.

We did not audit the financial statements of ITG Air & Sea GmbH, whose investments were recognized using the equity method. The financial statements of ITG Air & Sea GmbH were audited by an other auditor, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts for ITG Air & Sea GmbH, was based solely on the report of the an other auditor. The financial statements of ITG Air & Sea GmbH reflect total assets constituting both 2% of consolidated total assets at December 31, 2021 and 2020, and the share of profit of associates accounted for using the equity method constituting both 1% of consolidated total income before tax, for the years then ended, respectively.

Dimerco Express Corporation has prepared its parent-company-only financial statements as of and for the years ended December 31, 2021 and 2020, on which we have issued an unqualified opinion with other matter section.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on our judgment, the key audit matters that should be disclosed in this auditor's report are as follows:

1. Revenue recognition

Please refer to note 4(m) "revenue from contracts with customers" for accounting policy related to revenue recognition, and note 6(m) for the disclosure related to revenue of the consolidated financial statements.

Description of key audit matter:

The Group mainly generates revenue from providing service of air freight and ocean freight forwarding. Revenue is recognized when the goods are consigned for transportation based on each shipping term and the transportation fee can be reasonably determined. Wherein the timing of delivery is different for each shipping term; therefore, the management of the Group needs to determine the accuracy of the timing for revenue recognition. Therefore, revenue recognition is considered as one of our key audit matters in our audit.

How the matter was addressed in our audit:

The key audit procedures performed by us and procedures noted in the audit instructions sent to the international accounting firm in cooperation with the R.O.C. accounting firm and other firms are as follows:

- Testing the effectiveness of the internal control over sales.
- Selecting a period of sales data from the system, and determining the completeness of the revenue recognition.
- Obtaining the list of top ten sales customers and sales data of the year, then performing test-of-detail by selecting samples from each month to evaluate the existence of the sales and the accuracy of the amount recognized, as well as the appropriateness of sales recognition.
- Obtaining the master bill of lading provided by the airline and the summarize documents prepared by the Group, as well as selecting sample from the summarized documents to determine whether the related house bill of lading have been recognized appropriately.
- Performing sales cut-off test of a period before and after the financial position date by vouching relevant documents of sales transactions to determine whether the timing of revenue recognition is appropriate.

2. Cost accrual

Please refer to note 4(m) "revenue from contracts with customers" for accounting policy related to cost accrual and note 6(n) for the disclosure related to cost of the consolidated financial statements.

Description of key audit matter:

The cost of the Group consists of local and international transportation cost. There is a risk in identifying the completeness of the accrual cost and the accuracy of the amount accrued. Therefore, the cost accrual is considered as one of our key audit matters in our audit.

How the matter was addressed in our audit:

The key audit procedures performed by us and procedures noted in the audit instructions sent to the international accounting firm in cooperation with the R.O.C. accounting firm and other firm are as follow:

- Testing the effectiveness of the internal control over purchase.
- Performing test-of-detail by selecting the same samples in connection with the audit of top ten sales customers and the sales data of year from each month, and evaluate whether the related cost have been matched with the recognition of revenue and accrued appropriately.
- Sending confirmation letter for the ending balance of accounts payable. Selecting samples with significant amount from the reconciled documents between the Group and the vendors and vouching the subsequent payment to determine whether the costs accrued at the financial position date were reasonable.
- Performing purchase cut-off test of a period before and after the financial position date by vouching relevant documents of cost transactions to determine whether the timing of cost accrual is appropriate.

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

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

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

Those charged with governance (including the supervisors) are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Po-Shu Huang and Chun-I Chang.

KPMG

Taipei, Taiwan (Republic of China)
March 17, 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 audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

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

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

Consolidated Balance Sheets

December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

| | December 31, 2021 | | December 31, 2020 | | | December 31, 2021 | | December 31, 2020 | |
|--|-------------------|-----|-------------------|-----|--|---|-----|-------------------|-----|
| | Amount | % | Amount | % | | Amount | % | Amount | % |
| Assets | | | | | | Liabilities and Equity | | | |
| Current assets: | | | | | | Current liabilities: | | | |
| 1100 Cash and cash equivalents (note 6(a)) | \$ 3,438,978 | 35 | 2,856,190 | 43 | 2100 Short-term borrowings (notes 6(d), (g) and 8) | \$ 676,592 | 7 | 700,592 | 11 |
| 1150 Notes receivable, net (note 6(b)) | 25,919 | - | 7,284 | - | 2150 Notes payable | 42,310 | - | 30,302 | - |
| 1170 Accounts receivable, net (notes 6(b) and 7) | 4,587,395 | 47 | 2,281,490 | 34 | 2170 Accounts payable (note 7) | 3,500,904 | 37 | 2,233,517 | 33 |
| 1470 Other current assets (note 8) | 446,950 | 5 | 229,927 | 3 | 2216 Dividends payable (note 6(k)) | 5,695 | - | 4,818 | - |
| Total current assets | 8,499,242 | 87 | 5,374,891 | 80 | 2230 Income tax payable | 309,422 | 3 | 79,289 | 1 |
| Non-current assets: | | | | | 2280 Current lease liabilities (note 6(h)) | 136,893 | 1 | 161,481 | 2 |
| 1517 Financial assets at fair value through other comprehensive income – non-current | 442 | - | 444 | - | 2399 Other current liabilities (note 6(n)) | 436,171 | 5 | 364,710 | 6 |
| 1551 Investments accounted for using the equity method (note 6(c)) | 236,889 | 3 | 217,725 | 3 | Total current liabilities | 5,107,987 | 53 | 3,574,709 | 53 |
| 1600 Property, plant and equipment (notes 6(d), 8 and 9) | 544,456 | 6 | 561,771 | 9 | Non-Current liabilities: | | | | |
| 1755 Right-of-use assets (note 6(e)) | 298,555 | 3 | 389,410 | 7 | 2570 Deferred income tax liabilities (note 6(j)) | 184 | - | 198 | - |
| 1805 Goodwill (note 6(f)) | 32,780 | - | 32,921 | - | 2580 Non-current lease liabilities (note 6(h)) | 133,127 | 1 | 200,255 | 3 |
| 1840 Deferred income tax assets (note 6(j)) | 27,820 | - | 31,999 | - | 2640 Net defined benefit liabilities (note 6(i)) | 18,904 | - | 22,749 | - |
| 1920 Refundable deposits | 76,437 | 1 | 75,841 | 1 | 2670 Other non-current liabilities | 51,391 | 1 | 17,212 | - |
| 1990 Other non-current assets (notes 6(b), 8 and 9) | 29,946 | - | 9,198 | - | Total non-current liabilities | 203,606 | 2 | 240,414 | 3 |
| Total non-current assets | 1,247,325 | 13 | 1,319,309 | 20 | Total liabilities | 5,311,593 | 55 | 3,815,123 | 56 |
| | | | | | | Equity attributable to owners of parent (note 6(c) and (k)): | | | |
| | | | | | 3100 Common stock | 1,360,800 | 14 | 1,260,000 | 19 |
| | | | | | 3200 Capital surplus | 19,362 | - | 19,362 | - |
| | | | | | 33xx Retained earnings: | | | | |
| | | | | | 3310 Legal reserve | 502,575 | 5 | 394,064 | 6 |
| | | | | | 3320 Special reserve | 441,086 | 5 | 182,174 | 3 |
| | | | | | 3350 Unappropriated retained earnings | 2,541,962 | 26 | 1,358,232 | 20 |
| | | | | | | 3,485,623 | 36 | 1,934,470 | 29 |
| | | | | | 34xx Other equity: | | | | |
| | | | | | 3410 Foreign currency translation differences for foreign operations | (557,281) | (6) | (441,087) | (6) |
| | | | | | Total equity attributable to owners of parent | 4,308,504 | 44 | 2,772,745 | 42 |
| | | | | | 36xx Non-controlling interests | 126,470 | 1 | 106,332 | 2 |
| | | | | | Total equity | 4,434,974 | 45 | 2,879,077 | 44 |
| 1xxx Total assets | \$ 9,746,567 | 100 | 6,694,200 | 100 | 2-3xxx Total liabilities and equity | \$ 9,746,567 | 100 | 6,694,200 | 100 |

See accompanying notes to consolidated financial statements.

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

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2021 and 2020

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

| | 2021 | | 2020 | |
|---|-------------------|-----------|-------------------|------------|
| | Amount | % | Amount | % |
| 4000 Operating revenue (notes 6(m) and 7) | 38,986,916 | 100 | 22,948,845 | 100 |
| 5000 Operating costs (notes 6(n)) | <u>33,164,591</u> | <u>85</u> | <u>19,211,898</u> | <u>84</u> |
| 5900 Gross profit from operations | <u>5,822,325</u> | <u>15</u> | <u>3,736,947</u> | <u>16</u> |
| 6000 Operating expenses (notes 6(b), (d), (e), (h), (i), (o) and 7): | | | | |
| 6100 Selling expenses | 978,574 | 2 | 749,681 | 2 |
| 6200 Administrative expenses | 2,115,592 | 6 | 1,754,468 | 8 |
| 6450 Expected credit loss for bad debt expense | <u>37,188</u> | <u>-</u> | <u>12,920</u> | <u>-</u> |
| Total operating expenses | <u>3,131,354</u> | <u>8</u> | <u>2,517,069</u> | <u>10</u> |
| 6900 Net operating income | <u>2,690,971</u> | <u>7</u> | <u>1,219,878</u> | <u>6</u> |
| 7000 Non-operating income and expenses (notes 6(c), (h) and (p)): | | | | |
| 7100 Interest income | 8,885 | - | 6,271 | - |
| 7010 Other income | 20,973 | - | 49,347 | - |
| 7020 Other gains and losses | (14,796) | - | (27,887) | - |
| 7050 Finance costs | (15,545) | - | (18,585) | - |
| 7060 Share of profit of associates accounted for using the equity method | <u>35,548</u> | <u>-</u> | <u>16,710</u> | <u>-</u> |
| Total non-operating income and expenses | <u>35,065</u> | <u>-</u> | <u>25,856</u> | <u>-</u> |
| 7900 Profit from continuing operations before tax | 2,726,036 | 7 | 1,245,734 | 6 |
| 7950 Less: Income tax expenses (note 6(j)) | <u>368,405</u> | <u>1</u> | <u>144,429</u> | <u>1</u> |
| Net income | <u>2,357,631</u> | <u>6</u> | <u>1,101,305</u> | <u>5</u> |
| 8300 Other comprehensive income: | | | | |
| 8310 Components of other comprehensive income that will not be reclassified to profit or loss | | | | |
| 8311 Gains (losses) on remeasurements of defined benefit plans | (3,324) | - | (730) | - |
| 8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Components of other comprehensive income that will not be reclassified to profit or loss | <u>(3,324)</u> | <u>-</u> | <u>(730)</u> | <u>-</u> |
| 8360 Components of other comprehensive income that will be reclassified to profit or loss | | | | |
| 8361 Exchange differences on translation of foreign financial statements | (121,554) | - | (272,778) | (1) |
| 8399 Income tax related to components of other comprehensive income that will be reclassified to profit or loss | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Components of other comprehensive income that will be reclassified to profit or loss | <u>(121,554)</u> | <u>-</u> | <u>(272,778)</u> | <u>(1)</u> |
| 8300 Other comprehensive income | <u>(124,878)</u> | <u>-</u> | <u>(273,508)</u> | <u>(1)</u> |
| 8500 Total comprehensive income (loss) | <u>2,232,753</u> | <u>6</u> | <u>827,797</u> | <u>4</u> |
| Profit attributable to: | | | | |
| 8610 Owners of parent | 2,310,477 | 6 | 1,085,845 | 5 |
| 8620 Non-controlling interests | <u>47,154</u> | <u>-</u> | <u>15,460</u> | <u>-</u> |
| Total comprehensive income (loss) attributable to: | <u>2,357,631</u> | <u>6</u> | <u>1,101,305</u> | <u>5</u> |
| 8710 Owners of parent | 2,190,959 | 6 | 811,343 | 4 |
| 8720 Non-controlling interests | <u>41,794</u> | <u>-</u> | <u>16,454</u> | <u>-</u> |
| Earnings per share (NT dollars) (note 6(l)) | | | | |
| 9750 Basic earnings per share | <u>16.98</u> | | <u>7.98</u> | |
| 9850 Diluted earnings per share | <u>16.77</u> | | <u>7.87</u> | |

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Consolidated Statements of Changes in Equity
For the years ended December 31, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

| | Equity attributable to owners of parent | | | | | | Total other equity interest Exchange differences on translation of foreign financial statements | Total equity attributable to owners of parent | Non-controlling interests | Total equity |
|---|---|-----------------|-------------------|-----------------|----------------------------------|-----------|--|---|---------------------------|--------------|
| | Share capital | | Retained earnings | | | | | | | |
| | Common stock | Capital surplus | Legal reserve | Special reserve | Unappropriated retained earnings | Total | | | | |
| Balance at January 1, 2020 | \$ 1,260,000 | 19,362 | 353,700 | 182,174 | 484,841 | 1,020,715 | (167,315) | 2,132,762 | 93,714 | 2,226,476 |
| Appropriation and distribution of retained earnings: | | | | | | | | | | |
| Legal reserve appropriated | - | - | 40,364 | - | (40,364) | - | - | - | - | - |
| Cash dividends of ordinary share | - | - | - | - | (171,360) | (171,360) | - | (171,360) | (3,836) | (175,196) |
| Net income | - | - | - | - | 1,085,845 | 1,085,845 | - | 1,085,845 | 15,460 | 1,101,305 |
| Other comprehensive income | - | - | - | - | (730) | (730) | (273,772) | (274,502) | 994 | (273,508) |
| Total comprehensive income | - | - | - | - | 1,085,115 | 1,085,115 | (273,772) | 811,343 | 16,454 | 827,797 |
| Balance at December 31, 2020 | 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 | - | - | - | - | 2,310,477 | 2,310,477 | - | 2,310,477 | 47,154 | 2,357,631 |
| Other comprehensive income | - | - | - | - | (3,324) | (3,324) | (116,194) | (119,518) | (5,360) | (124,878) |
| Total comprehensive income | - | - | - | - | 2,307,153 | 2,307,153 | (116,194) | 2,190,959 | 41,794 | 2,232,753 |
| Subsidiary distribute cash dividends to non-controlling interests | - | - | - | - | - | - | - | - | (21,656) | (21,656) |
| Balance at December 31, 2021 | \$ 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 |

See accompanying notes to consolidated financial statements.

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

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

| | 2021 | 2020 |
|--|---------------------|------------------|
| Cash flows from operating activities: | | |
| Net income before tax | \$ 2,726,036 | 1,245,734 |
| Adjustments: | | |
| Adjustments to reconcile profit and loss: | | |
| Depreciation expense | 227,124 | 225,235 |
| Amortization expense | 277 | 260 |
| Expected credit losses | 37,188 | 12,920 |
| Net gain on financial assets or liabilities at fair value through profit or loss | (610) | - |
| Interest expense | 15,545 | 18,585 |
| Interest income | (8,885) | (6,271) |
| Dividend income | (130) | (168) |
| Share of profit of associates accounted for using the equity method | (35,548) | (16,710) |
| Gain on disposal of property, plant and equipment | (1,160) | (26) |
| Loss on disposal of investments accounted for using equity method | 21 | - |
| Unrealized foreign exchange loss | 22,266 | 36,626 |
| Loss on lease modification | (2,232) | - |
| Total adjustments to reconcile profit and loss | <u>253,856</u> | <u>270,451</u> |
| Changes in operating assets and liabilities: | | |
| Net changes in operating assets: | | |
| Notes receivable | (18,635) | (2,058) |
| Accounts receivable | (2,343,093) | (35,430) |
| Other current assets | (217,023) | (131,948) |
| Total changes in operating assets, net | <u>(2,578,751)</u> | <u>(169,436)</u> |
| Net changes in operating liabilities: | | |
| Notes payable | 12,008 | 3,165 |
| Accounts payable | 1,267,387 | 602,432 |
| Other current liabilities | 71,461 | 127,228 |
| Net defined benefit liabilities | (7,169) | (1,997) |
| Total changes in operating liabilities, net | <u>1,343,687</u> | <u>730,828</u> |
| Total changes in operating assets and liabilities, net | <u>(1,235,064)</u> | <u>561,392</u> |
| Total adjustments | <u>(981,208)</u> | <u>831,843</u> |
| Cash inflow generated from operations | 1,744,828 | 2,077,577 |
| Interest received | 8,885 | 6,271 |
| Dividends received | 130 | 168 |
| Interest paid | (15,545) | (18,585) |
| Income taxes paid | (134,107) | (93,336) |
| Net cash provided by operating activities | <u>1,604,191</u> | <u>1,972,095</u> |
| Cash flows from investing activities: | | |
| Acquisition of financial assets designated at fair value through profit or loss | (167,603) | - |
| Proceeds from disposal of financial assets designated at fair value through profit or loss | 168,216 | - |
| Acquisition of investments accounted for using the equity method | (2,148) | (183,547) |
| Proceeds from disposal of investments accounted for using the equity method | 375 | - |
| Acquisition of property, plant and equipment | (27,243) | (8,413) |
| Proceeds from disposal of property, plant and equipment | 1,375 | 1,413 |
| Decrease in refundable deposits | (596) | 8,364 |
| Increase in other non-current assets | (21,025) | (1,522) |
| Dividends received from associates accounted for using equity method | 10,365 | 2,985 |
| Net cash used in investing activities | <u>(38,284)</u> | <u>(180,720)</u> |
| Cash flows from financing activities: | | |
| Increase in short-term borrowings | 2,626,125 | 429,050 |
| Decrease in short-term borrowings | (2,650,125) | (438,050) |
| Payment of lease liabilities | (190,402) | (199,572) |
| Increase in other non-current liabilities | 34,179 | 2,715 |
| Cash dividends paid | (654,323) | (172,665) |
| Subsidiary distribute cash dividends to non-controlling interests | (21,656) | - |
| Net cash used in financing activities | <u>(856,202)</u> | <u>(378,522)</u> |
| Effect of exchange rate changes on cash and cash equivalents | <u>(126,917)</u> | <u>(271,438)</u> |
| Net increase in cash and cash equivalents | 582,788 | 1,141,415 |
| Cash and cash equivalents at beginning of period | <u>2,856,190</u> | <u>1,714,775</u> |
| Cash and cash equivalents at end of period | <u>\$ 3,438,978</u> | <u>2,856,190</u> |

See accompanying notes to consolidated financial statements.

APPENDIX II

DIMERCO EXPRESS CORPORATION

SHAREHOLDINGS OF DIRECTORS AND SUPERVISORS

Based on the date of stop transferred company shares held by the registered shareholders, directors and supervisors holdings shares have reached statutory required shares of Article II " Public Company Directors, Supervisors Equity into the Rules and Review Procedures ". All directors should hold a statutory minimum of 8,164,800 shares.

Date of data source: April 9, 2022

| Title | Name | Shareholding |
|----------------------|----------------|--------------|
| Chairman | Paul Chien | 5,042,085 |
| Director | Wendy Chien | 1,756,821 |
| Director | Robert Yang | 7,279,243 |
| Director | Chester Chuan | 450,352 |
| Independent Director | Bill Chien | 0 |
| Independent Director | Patrick Yeung | 0 |
| Independent Director | Chou Kuo Hsing | 0 |
| Total | | 14,528,501 |