

**DIMERCO EXPRESS CORPORATION
AND SUBSIDIARIES**

Consolidated Financial Statements

**With Independent Auditors' Review Report
For the Three Months Ended March 31, 2024 and 2023**

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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 March 31, 2024 and 2023, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2024 and 2023, 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 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 the Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. 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 Standards on Auditing of the Republic of China 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 \$2,460,407 thousand and \$2,461,324 thousand, constituting 27% and 25% of consolidated total assets; and the total liabilities amounting to \$289,532 thousand and \$341,583 thousand, constituting 8% and 7% of the consolidated total liabilities at March 31, 2024 and 2023, respectively; as well as the total comprehensive income (loss) amounting to \$32,813 thousand and \$5,213 thousand, constituting 5% and 3% of the consolidated total comprehensive income (loss) for the three months ended March 31, 2024 and 2023, respectively.



Furthermore, as stated in Note 6(d), the equity accounted investments of the Group in its investee companies of \$257,004 thousand and \$273,369 thousand at March 31, 2024 and 2023, respectively, and its equity in net earnings on these investee companies of \$1,740 thousand and \$2,411 thousand for the three months ended March 31, 2024 and 2023, respectively, were recognized solely on the financial statements prepared by these investee companies, but not reviewed by independent auditors.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews and the review report of other auditors (please refer to Other Matter paragraph), nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Dimerco Express Corporation and its subsidiaries as of March 31, 2024 and 2023, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2024 and 2023 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 \$746,494 thousand and \$666,475 thousand, constituting 8% and 7% of consolidated total assets at March 31, 2024 and 2023, and total revenues amounting to \$342,122 thousand and \$284,425 thousand, constituting 6% and 5% of consolidated total revenues for the three months ended March 31, 2024 and 2023, respectively.

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

KPMG

Taipei, Taiwan (Republic of China)

May 13, 2024

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)

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES**Consolidated Balance Sheets****March 31, 2024, December 31, and March 31, 2023****(Expressed in Thousands of New Taiwan Dollars)**

Assets	March 31, 2024		December 31, 2023		March 31, 2023			Liabilities and Equity	March 31, 2024		December 31, 2023		March 31, 2023	
	Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
Current assets:								Current liabilities:						
1100 Cash and cash equivalents (note 6(a))	\$ 4,783,886	53	4,780,626	54	5,997,833	61	2100	Short-term borrowings (notes 6(e), (h) and 8)	\$ 180,000	2	180,000	2	417,000	4
1137 Financial assets at amortised cost — current (note 6(b))	51,746	1	3,794	-	3,686	-	2150	Notes payable	23,474	-	50,380	1	15,280	-
1150 Notes receivable, net (notes 6(c) and (n))	6,070	-	8,307	-	7,543	-	2170	Accounts payable (note 7)	1,591,908	18	1,690,530	19	2,037,620	21
1170 Accounts receivable, net (notes 6(c), (n) and 7)	2,419,688	27	2,482,298	28	1,950,093	20	2216	Dividends payable (note 6(l))	857,417	10	12,953	-	1,476,487	15
1470 Other current assets (notes 8 and 9)	265,180	3	189,349	2	407,116	4	2219	Other payables (notes 6(o) and 9)	149,766	2	168,140	2	346,325	4
Total current assets	7,526,570	84	7,464,374	84	8,366,271	85	2230	Income tax payable	141,132	2	124,767	1	143,981	2
Non-current assets:							2280	Current lease liabilities (note 6(i))	186,074	2	174,817	2	196,740	2
1517 Financial assets at fair value through other comprehensive income — non-current	451	-	449	-	449	-	2399	Other current liabilities	130,123	1	364,992	4	144,868	1
1551 Investments accounted for using the equity method (note 6(d))	257,004	3	246,955	3	273,369	3		Total current liabilities	3,259,894	37	2,766,579	31	4,778,301	49
1600 Property, plant and equipment (notes (e), (h), 8 and 9)	554,024	6	544,726	6	554,721	6	2570	Non-Current liabilities:						
1755 Right-of-use assets (notes 6(f) and (i))	379,183	4	331,165	4	387,562	4	2580	Deferred income tax liabilities	10,784	-	10,640	-	6,633	-
1822 Intangible assets (note 6(g))	71,441	1	69,817	1	72,413	1	2640	Non-current lease liabilities (note 6(i))	159,778	2	125,528	2	159,594	2
1840 Deferred income tax assets	126,232	1	123,354	1	68,020	-	2670	Net defined benefit liabilities	4,707	-	4,636	-	7,925	-
1920 Refundable deposits	96,972	1	89,445	1	95,045	1		Other non-current liabilities	31,913	-	34,865	-	36,956	-
1990 Other non-current assets (notes 6(c), 8 and 9)	10,834	-	11,342	-	10,798	-		Total non-current liabilities	207,182	2	175,669	2	211,108	2
Total non-current assets	1,496,141	16	1,417,253	16	1,462,377	15		Total liabilities	3,467,076	39	2,942,248	33	4,989,409	51
								Equity attributable to owners of the Company (notes 6(d) and (l)):						
							3110	Common stock	1,428,840	16	1,428,840	16	1,360,800	14
							3200	Capital surplus	62,234	1	62,234	1	16,012	-
							33xx	Retained earnings:						
							3310	Legal reserve	987,965	11	987,965	11	733,290	7
							3320	Special reserve	-	-	-	-	557,281	6
							3350	Unappropriated retained earnings	2,535,559	28	3,156,471	36	2,163,752	22
									3,523,524	39	4,144,436	47	3,454,323	35
							34xx	Other equity:						
							3410	Foreign currency translation differences for foreign operations	610,021	6	209,907	2	101,270	1
							3500	Treasury shares	(181,852)	(2)	(9,380)	-	(201,000)	(2)
								Total equity attributable to owners of the Company	5,442,767	60	5,836,037	66	4,731,405	48
							36xx	Non-controlling interests	112,868	1	103,342	1	107,834	1
								Total equity	5,555,635	61	5,939,379	67	4,839,239	49
Total assets	\$ 9,022,711	100	8,881,627	100	9,828,648	100	2-3xxx	Total liabilities and equity	\$ 9,022,711	100	8,881,627	100	9,828,648	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 three months ended March 31, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)**

		For the three months ended March 31			
		2024		2023	
		Amount	%	Amount	%
4000	Operating revenue (notes 6(n) and 7)	\$ 5,631,568	100	5,416,155	100
5000	Operating costs (notes 6(e), (f) and (j))	4,761,743	85	4,495,463	83
5900	Gross profit from operations	<u>869,825</u>	<u>15</u>	<u>920,692</u>	<u>17</u>
6000	Operating expenses (notes 6(c), (e), (f), (g), (i), (j), (o) and 7):				
6100	Selling expenses	180,664	3	178,413	3
6200	Administrative expenses	459,781	8	453,112	8
6450	Expected credit loss for bad debt provision	16,385	-	15,778	-
	Total operating expenses	<u>656,830</u>	<u>11</u>	<u>647,303</u>	<u>11</u>
6900	Net operating income	<u>212,995</u>	<u>4</u>	<u>273,389</u>	<u>6</u>
7000	Non-operating income and expenses (notes 6(d), (e), (i) and (p)):				
7100	Interest income	22,158	-	19,984	-
7010	Other income	4,259	-	17,992	-
7020	Other gains and losses	37,985	1	1,566	-
7050	Finance costs	(3,411)	-	(4,593)	-
7060	Share of profit of associates accounted for using the equity method	1,740	-	2,411	-
	Total non-operating income and expenses	<u>62,731</u>	<u>1</u>	<u>37,360</u>	<u>-</u>
7900	Profit from continuing operations before tax	275,726	5	310,749	6
7950	Less: Income tax expenses (note 6(k))	43,785	1	50,940	1
	Net income	<u>231,941</u>	<u>4</u>	<u>259,809</u>	<u>5</u>
8300	Other comprehensive income:				
8360	Components of other comprehensive income that will be reclassified to profit or loss (notes 6(d) and (l))				
8361	Exchange differences on translation of foreign financial statements	401,251	7	(76,963)	(1)
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
8300	Other comprehensive income	<u>401,251</u>	<u>7</u>	<u>(76,963)</u>	<u>(1)</u>
8500	Total comprehensive income	<u>\$ 633,192</u>	<u>11</u>	<u>182,846</u>	<u>4</u>
	Profit attributable to:				
8610	Owners of the Company	\$ 223,552	4	266,026	5
8620	Non-controlling interests	8,389	-	(6,217)	-
		<u>\$ 231,941</u>	<u>4</u>	<u>259,809</u>	<u>5</u>
	Total comprehensive income attributable to:				
8710	Owners of the Company	\$ 623,666	11	189,707	4
8720	Non-controlling interests	9,526	-	(6,861)	-
		<u>\$ 633,192</u>	<u>11</u>	<u>182,846</u>	<u>4</u>
	Earnings per share (NT dollars) (note 6(m))				
9750	Basic earnings per share		<u>1.58</u>		<u>1.90</u>
9850	Diluted earnings per share		<u>1.58</u>		<u>1.88</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 three months ended March 31, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollars)**

Equity attributable to owners of the Company

	Equity attributable to owners of the Company						Other equity Foreign currency translation differences for foreign operations	Treasury shares	Total equity attributable to owners of the Company	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, 2023	\$ 1,360,800	19,362	733,290	557,281	3,353,782	4,644,353	177,589	(201,000)	6,001,104	123,637	6,124,741
Appropriation and distribution of retained earnings:											
Cash dividends of ordinary share	-	-	-	-	(1,456,056)	(1,456,056)	-	-	(1,456,056)	-	(1,456,056)
Net income	-	-	-	-	266,026	266,026	-	-	266,026	(6,217)	259,809
Other comprehensive income	-	-	-	-	-	-	(76,319)	-	(76,319)	(644)	(76,963)
Total comprehensive income	-	-	-	-	266,026	266,026	(76,319)	-	189,707	(6,861)	182,846
Changes in non-controlling interests	-	(3,350)	-	-	-	-	-	-	(3,350)	(8,942)	(12,292)
Balance at March 31, 2023	\$ 1,360,800	16,012	733,290	557,281	2,163,752	3,454,323	101,270	(201,000)	4,731,405	107,834	4,839,239
Balance at January 1, 2024	\$ 1,428,840	62,234	987,965	-	3,156,471	4,144,436	209,907	(9,380)	5,836,037	103,342	5,939,379
Appropriation and distribution of retained earnings:											
Cash dividends of ordinary share	-	-	-	-	(844,464)	(844,464)	-	-	(844,464)	-	(844,464)
Net income	-	-	-	-	223,552	223,552	-	-	223,552	8,389	231,941
Other comprehensive income	-	-	-	-	-	-	400,114	-	400,114	1,137	401,251
Total comprehensive income	-	-	-	-	223,552	223,552	400,114	-	623,666	9,526	633,192
Acquisition of treasury share	-	-	-	-	-	-	-	(172,472)	(172,472)	-	(172,472)
Balance at March 31, 2024	\$ 1,428,840	62,234	987,965	-	2,535,559	3,523,524	610,021	(181,852)	5,442,767	112,868	5,555,635

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 three months ended March 31, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollars)**

	For the three months ended March 31	
	2024	2023
Cash flows from (used in) operating activities:		
Net income before tax	\$ 275,726	310,749
Adjustments:		
Adjustments to reconcile profit and loss:		
Depreciation expense	71,004	70,098
Amortization expense	780	826
Expected credit losses for bad debt provision	16,385	15,778
Interest expense	3,411	4,593
Interest income	(22,158)	(19,984)
Share of profit of associates accounted for using the equity method	(1,740)	(2,411)
Loss (gain) on disposal of property, plant and equipment	(49)	90
Total adjustments to reconcile profit and loss	<u>67,633</u>	<u>68,990</u>
Changes in operating assets and liabilities:		
Net changes in operating assets:		
Notes receivable	2,237	9,183
Accounts receivable (including overdue receivables)	46,225	862,151
Other current assets	(75,831)	(24,483)
Total changes in operating assets, net	<u>(27,369)</u>	<u>846,851</u>
Net changes in operating liabilities:		
Notes payable	(26,906)	(11,500)
Accounts payable	(98,622)	(777,516)
Other payables	(18,374)	(84,687)
Other current liabilities	(234,869)	22,435
Net defined benefit liabilities	71	(567)
Total changes in operating liabilities, net	<u>(378,700)</u>	<u>(851,835)</u>
Total changes in operating assets and liabilities, net	<u>(406,069)</u>	<u>(4,984)</u>
Total adjustments	<u>(338,436)</u>	<u>64,006</u>
Cash inflow generated (used in) from operations	(62,710)	374,755
Interest received	22,158	19,984
Interest paid	(3,411)	(4,593)
Income taxes paid	(27,420)	(40,037)
Net cash flows (used in) from operating activities	<u>(71,383)</u>	<u>350,109</u>
Cash flows from (used in) investing activities:		
Disposal (acquisition) of financial assets at amortised cost	(47,952)	6,089
Acquisition of property, plant and equipment	(6,710)	(6,662)
Proceeds from disposal of property, plant and equipment	49	5
Decrease (increase) in refundable deposits	(7,527)	9,536
Decrease (increase) in other non-current assets	508	(3,057)
Acquisition on non-controlling interests	-	(8,942)
Net cash used in investing activities	<u>(61,632)</u>	<u>(3,031)</u>
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	-	457,218
Decrease in short-term borrowings	-	(470,218)
Payment of lease liabilities	(62,857)	(54,544)
Decrease in other non-current liabilities	(2,952)	(96)
Cash dividends paid	-	(234)
Payments to acquire treasury shares	(172,472)	-
Net cash flows used in financing activities	<u>(238,281)</u>	<u>(67,874)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>374,556</u>	<u>(90,846)</u>
Net increase in cash and cash equivalents	3,260	188,358
Cash and cash equivalents at beginning of period	4,780,626	5,809,475
Cash and cash equivalents at end of period	<u>\$ 4,783,886</u>	<u>5,997,833</u>

See accompanying notes to consolidated financial statements.

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

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

March 31, 2024 and 2023

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

(1) Company history

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

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

The consolidated financial statements were authorized for issuance by the Board of Directors on May 13, 2024.

(3) New standards, amendments and interpretations adopted:

- (a) The impact of adopting the IFRS Accounting Standards endorsed by the Financial Supervisory Commission, R.O.C. ("FSC")

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2024:

- Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"
- Amendments to IAS 1 "Non-current Liabilities with Covenants"
- Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"
- Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"

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

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

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 "Presentation and Disclosure in Financial Statements"	The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.	January 1, 2027

(Continued)

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Standards or Interpretations	Content of amendment	Effective date per IASB
	<ul style="list-style-type: none"> ● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. ● Management performance measures (MPM): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. ● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes. 	

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

(Continued)

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “ Insurance Contracts” and amendments to IFRS 17 “ Insurance Contracts”
- Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”
- Amendments to IAS21 “Lack of Exchangeability”

(4) Summary of material accounting policies

Except for the following, the material accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statements for the year ended December 31, 2023. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2023.

(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).

(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, 2023. For the related information, please refer to note 4(c) of the consolidated financial statements for the year ended December 31, 2023.

Subsidiaries included in the consolidated financial statements are as follows:

Name of investor	Name of subsidiary	Primary business	Shareholding			Remarks
			March 31, 2024	December 31, 2023	March 31, 2023	
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 3
The Company	Dimerco Express (Singapore) Pte Ltd. (DIMSG)	Global logistics service	100.00 %	100.00 %	100.00 %	Note 3
The Company	Foreign Settlement Co., Ltd. (FSC)	Settlement center	20.00 %	20.00 %	20.00 %	

(Continued)

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of investor	Name of subsidiary	Primary business	Shareholding			Remarks
			March 31, 2024	December 31, 2023	March 31, 2023	
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 3
The Company	Diversified Transportation (HK & China) Co., Ltd. (DTLHK)	Global Logistics service	100.00 %	100.00 %	100.00 %	Note 3
The Company	Dimerco International Logistics Company (DILHK)	Global Logistics service	100.00 %	100.00 %	100.00 %	Note 3
The Company	Diversified Freight System (Singapore) Pte. Ltd. (DFSSG)	Global Logistics service	100.00 %	100.00 %	100.00 %	Note 3
The Company	Diversified International Logistics Pte. Ltd. (DILSG)	Global Logistics service	100.00 %	100.00 %	100.00 %	Note 3
The Company	Dimerco Express (Malaysia) Sdn. Bhd. (DIMMY)	Global Logistics service	100.00 %	100.00 %	100.00 %	Note 3
DMCHK	Dimerco Air Forwarders (HK) Ltd. (DIMHK)	Global Logistics service	99.99 %	99.99 %	99.99 %	
DMCHK	Diversified Freight System Ltd. (DFSHK)	Global Logistics service	99.99 %	99.99 %	99.99 %	Note 3
DIMPH	Diversified Merchandise Company Limited (DMCHK)	Global Logistics service	100.00 %	100.00 %	100.00 %	
DMCHK	Global SCM Company Limited (GSCHK)	Global Logistics service	100.00 %	100.00 %	100.00 %	
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 3
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 3
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 3
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 %	
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 3
DIMSG	Dimerco Express (India) Pte Ltd. (DIMIN)	Global logistics service	100.00 %	100.00 %	100.00 %	Note 2 and 3
DIMSG	Foreign Settlement Co., Ltd. (FSC)	Settlement center	20.00 %	20.00 %	20.00 %	

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DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of investor	Name of subsidiary	Primary business	Shareholding			Remarks
			March 31, 2024	December 31, 2023	March 31, 2023	
DIL	Dimerco Express (UK) Ltd. (DIMGB)	Global logistics service	37.50 %	37.50 %	37.50 %	Note 3
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 3
FSCHK	Diversified (Shenzhen) International Logistics Service Co., Ltd. (DILYTN)	Global logistics services	50.00 %	50.00 %	50.00 %	Note 3
GMS	Dimerco Express Phil. Inc (DIMPH)	Global logistics services	60.01 %	60.01 %	60.01 %	Note 3
GMS	Diversified International Logistics Service Company Ltd.	Global logistics services	100.00 %	100.00 %	100.00 %	Note 3
GMS	Diversified (Shenzhen) International Logistics Service Co., Ltd. (DILYTN)	Global logistics services	50.00 %	50.00 %	50.00 %	Note 3
Holding	Dimerco Express (Thailand) Corp. Ltd. (DIMTH)	Global logistics service	48.99 %	48.99 %	48.99 %	Notes 1 and 3
Holding	Dimerco Express Phils. Inc. (DIMPH)	Global logistics service	39.99 %	39.99 %	39.99 %	Note 3
Holding	Dimerco Express (Australia) Pty Ltd. (DIMAU)	Global logistics service	100.00 %	100.00 %	100.00 %	Note 3
Holding	Dimerco Express (Korea) Corp. (DIMKR)	Global logistics service	100.00 %	100.00 %	100.00 %	Note 3
Holding	Dimerco Express (Canada) Corp. (DIMCA)	Global logistics service	100.00 %	100.00 %	100.00 %	Note 3
Holding	Diversified International Service Logistics System Corporation (DSLUS)	Global logistics service	100.00 %	100.00 %	100.00 %	Note 3
Holding	Dimerco Express Netherlands B.V. (DIMNL)	Global logistics service	100.00 %	100.00 %	100.00 %	Note 3
DTLHK	Diversified Transportation (China) Co., Ltd. (DTLCN)	Global logistics service	100.00 %	100.00 %	100.00 %	Note 3
DIMUS	Dimerco Customs Brokerage Co. Ltd. (DCBUS)	Brokerage service	100.00 %	100.00 %	100.00 %	Note 3
DIMUS	B.C. Logistics, LLC	Global logistics service	85.00 %	85.00 %	85.00 %	Note 3
DIMPH	Peerless Express Forwarders Corp.	Global logistics service	39.99 %	39.99 %	39.99 %	Note 1 and 3
DIMPH	Diversified Freight System Philippines Corporation (DFSPH)	Global logistics service	90.63 %	90.63 %	90.63 %	Note 3
DFSSG	Diversified Freight System Philippines Corporation (DFSPH)	Global logistics service	9.37 %	9.37 %	9.37 %	Note 3

Note 1: 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 2: DIMSG purchased all the shares of DIMIN from non-controlling interests in January 2023 resulting in an increase in DIMSG's shareholding from 60% to 100%.

Note 3: It is a non-significant subsidiary, and its financial statements have not been reviewed.

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DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(c) 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.

(d) 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 measured by multiplying together the pretax income for the interim reporting period and the management's best estimate of effective annual tax rate. This should be recognized fully as tax expense for the current period.

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, 2023.

(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, 2023. Please refer to Note 6 of the 2023 annual consolidated financial statements.

(a) Cash and cash equivalents

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Cash on hand	\$ 3,505	3,500	3,766
Checking accounts and savings deposits	3,503,107	3,092,757	4,452,023
Time deposits	1,277,274	1,684,369	1,542,044
Cash and cash equivalents per consolidated statements of cash flows	<u>\$ 4,783,886</u>	<u>4,780,626</u>	<u>5,997,833</u>

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DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

(b) Financial assets at amortized cost—current

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Bank's time deposits	\$ 51,746	3,794	3,686
Interest rate	<u>0.2~2.05%</u>	<u>0.2%</u>	<u>0.2%</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>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Notes receivable	\$ 6,070	8,307	7,543
Accounts receivable	2,502,705	2,550,200	2,082,841
Overdue receivable	6,491	5,221	6,138
Less: Loss allowance—accounts receivable	83,017	67,902	132,748
Loss allowance—overdue receivable	<u>6,491</u>	<u>5,221</u>	<u>6,138</u>
	<u>\$ 2,425,758</u>	<u>2,490,605</u>	<u>1,957,636</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>March 31, 2024</u>		
	<u>Gross carrying amount (Including related parties)</u>	<u>Weighted-average loss rate</u>	<u>Loss allowance provision</u>
Current	\$ 2,272,064	-	-
1 to 30 days past due	197,739	24%	47,044
31 to 60 days past due	15,780	81%	12,781
61 to 90 days past due	4,466	100%	4,466
91 to 365 days past due	8,711	100%	8,711
More than 365 days	<u>16,506</u>	100%	<u>16,506</u>
	<u>\$ 2,515,266</u>		<u>89,508</u>

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DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	December 31, 2023		
	Gross carrying amount (Including related parties)	Weighted- average loss rate	Loss allowance provision
Current	\$ 2,305,572	-	-
1 to 30 days past due	207,977	13%	27,340
31 to 60 days past due	23,139	81%	18,743
61 to 90 days past due	9,104	100%	9,104
91 to 365 days past due	7,582	100%	7,582
More than 365 days	10,354	100%	10,354
	\$ 2,563,728		73,123
	March 31, 2023		
	Gross carrying amount (Including related parties)	Weighted- average loss rate	Loss allowance provision
Current	\$ 1,714,653	0%	-
1 to 30 days past due	305,685	22%	67,546
31 to 60 days past due	25,494	81%	20,650
61 to 90 days past due	3,780	100%	3,780
91 to 365 days past due	1,748	100%	1,748
More than 365 days	15,077	100%	15,077
	\$ 2,066,437		108,801

The amounts of receivables mentioned above have excluded receivables from specific customers amounting \$30,085 thousand dollars, for which the Group has assessed the possibility of collection as uncertain and recognized the whole amount as impairment loss.

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

	For the three months ended March 31	
	2024	2023
Balance at beginning of the period	\$ 73,123	123,108
Impairment losses recognized	16,385	15,778
Balance at end of the period	\$ 89,508	138,886

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DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(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:

	March 31, 2024	December 31, 2023	March 31, 2023
Associates	<u>\$ 257,004</u>	<u>246,955</u>	<u>273,369</u>

(i) Associates

1) The details of significant associate were as follows:

Name of associate	Relationship with the Group	Main operating location / country of registration	Ownership and voting right percentage		
			March 31, 2024	December 31, 2023	March 31, 2023
ITG Air & Sea GmbH	Global air and ocean freight forwarder	Germany	25.00 %	25.00 %	25.00 %

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

Summary of financial information of ITG Air & Sea GmbH

	March 31, 2024	December 31, 2023	March 31, 2023
Current assets	\$ 1,060,062	933,267	1,249,615
Non-current assets	176,075	134,928	122,705
Current liabilities	(755,856)	(631,105)	(844,664)
Non-current liabilities	(111,336)	(79,818)	(69,868)
Net assets	<u>\$ 368,945</u>	<u>357,272</u>	<u>457,788</u>
The Group's share of net assets	<u>\$ 92,236</u>	<u>89,342</u>	<u>114,447</u>
		For the three months ended March 31	
		2024	2023
Revenue		<u>\$ 560,680</u>	<u>714,021</u>
Profit from continuing operations		\$ 3,555	4,692
Other comprehensive income		-	-
Profit and total comprehensive income		<u>\$ 3,555</u>	<u>4,692</u>
The Group's share of profit and total comprehensive income		<u>\$ 889</u>	<u>1,173</u>

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DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	For the three months ended March 31	
	2024	2023
Beginning balance of the equity of the associate attributable to the Group	\$ 89,342	111,979
Total comprehensive income (loss) of the associate attributable to the Group	889	1,173
Exchange difference	2,005	1,295
Share of net assets of associates as of March 31	92,236	114,447
Add : Goodwill	129,692	129,692
Ending balance of the equity of the associate attributable to the Group	\$ 221,928	244,139

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

	March 31, 2024	December 31, 2023	March 31, 2023
Carrying amount of individually insignificant associates' equity	\$ 35,076	27,921	29,230

	For the three months ended March 31	
	2024	2023
Attributable to the Group:		
Profit from continuing operations	\$ 851	1,238
Other comprehensive income	-	-
Total comprehensive income	\$ 851	1,238

- (ii) Collateral

As of March 31, 2024, December 31 and March 31, 2023, 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 by auditors.

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DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(e) Property, plant and equipment

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

	Land	Buildings	Transportation equipment	Office equipment	Leasehold improvements	Other equipment	Total
Cost:							
Balance as of January 1, 2024	\$ 185,136	550,542	37,792	164,739	68,254	42,609	1,049,072
Additions	-	-	-	2,793	3,230	687	6,710
Disposals	-	-	-	(22)	-	-	(22)
Effect of changes in exchange rates	9,446	12,323	1,276	(5,130)	2,079	6,760	26,754
Balance as of March 31, 2024	<u>\$ 194,582</u>	<u>562,865</u>	<u>39,068</u>	<u>162,380</u>	<u>73,563</u>	<u>50,056</u>	<u>1,082,514</u>
Balance as of January 1, 2023	\$ 185,280	555,067	36,315	152,830	64,622	57,002	1,051,116
Additions	-	-	2,403	3,232	293	733	6,661
Disposals	-	-	-	(360)	-	(744)	(1,104)
Effect of changes in exchange rates	(262)	(4,096)	(391)	4,021	2,897	(7,922)	(5,753)
Balance as of March 31, 2023	<u>\$ 185,018</u>	<u>550,971</u>	<u>38,327</u>	<u>159,723</u>	<u>67,812</u>	<u>49,069</u>	<u>1,050,920</u>
Depreciation:							
Balance as of January 1, 2024	\$ -	243,058	28,098	141,319	58,858	33,013	504,346
Depreciation	-	4,429	1,033	2,899	1,079	971	10,411
Disposals	-	-	-	(22)	-	-	(22)
Effect of changes in exchange rates	-	9,708	1,014	(6,006)	5,508	3,531	13,755
Balance as of March 31, 2024	<u>\$ -</u>	<u>257,195</u>	<u>30,145</u>	<u>138,190</u>	<u>65,445</u>	<u>37,515</u>	<u>528,490</u>
Balance as of January 1, 2023	\$ -	231,006	26,472	130,599	52,308	50,405	490,790
Depreciation	-	3,286	1,003	2,956	1,823	488	9,556
Disposals	-	-	-	(741)	-	(268)	(1,009)
Reclassification	-	-	-	1,263	-	(1,263)	-
Effect of changes in exchange rates	-	(2,537)	(281)	2,285	3,173	(5,778)	(3,138)
Balance as of March 31, 2023	<u>\$ -</u>	<u>231,755</u>	<u>27,194</u>	<u>136,362</u>	<u>57,304</u>	<u>43,584</u>	<u>496,199</u>
Carrying amounts:							
January 1, 2024	<u>\$ 185,136</u>	<u>307,484</u>	<u>9,694</u>	<u>23,420</u>	<u>9,396</u>	<u>9,596</u>	<u>544,726</u>
March 31, 2024	<u>\$ 194,582</u>	<u>305,670</u>	<u>8,923</u>	<u>24,190</u>	<u>8,118</u>	<u>12,541</u>	<u>554,024</u>
January 1, 2023	<u>\$ 185,280</u>	<u>324,061</u>	<u>9,843</u>	<u>22,231</u>	<u>12,314</u>	<u>6,597</u>	<u>560,326</u>
March 31, 2023	<u>\$ 185,018</u>	<u>319,216</u>	<u>11,133</u>	<u>23,361</u>	<u>10,508</u>	<u>5,485</u>	<u>554,721</u>

As of March 31, 2024, December 31 and March 31, 2023, the property, plant and equipment of the Group had been pledged as collateral for short-term borrowings; please refer to note 8.

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DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(f) 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:

	<u>Land</u>	<u>Building</u>	<u>Transportation equipment</u>	<u>Other equipment</u>	<u>Total</u>
Cost:					
Balance at January 1, 2024	\$ 47,812	639,012	61,421	206,706	954,951
Additions	-	88,314	1,657	9,471	99,442
Decreases	-	(23,064)	(2,567)	-	(25,631)
Effect of changes in exchange rates	2,195	23,805	805	4,863	31,668
Balance at March 31, 2024	<u>\$ 50,007</u>	<u>728,067</u>	<u>61,316</u>	<u>221,040</u>	<u>1,060,430</u>
Balance at January 1, 2023	\$ 48,048	650,186	51,786	143,048	893,068
Additions	-	41,916	4,366	19,754	66,036
Decreases	-	(33,202)	(866)	(1,259)	(35,327)
Effect of changes in exchange rates	(430)	(5,844)	(549)	(782)	(7,605)
Balance at March 31, 2023	<u>\$ 47,618</u>	<u>653,056</u>	<u>54,737</u>	<u>160,761</u>	<u>916,172</u>
Depreciation:					
Balance at January 1, 2024	\$ 4,123	478,010	42,432	99,221	623,786
Depreciation	342	47,243	3,708	9,300	60,593
Decreases	-	(23,064)	(2,567)	-	(25,631)
Effect of changes in exchange rates	195	17,675	865	3,764	22,499
Balance at March 31, 2024	<u>\$ 4,660</u>	<u>519,864</u>	<u>44,438</u>	<u>112,285</u>	<u>681,247</u>
Balance at January 1, 2023	\$ 5,346	371,919	32,799	92,734	502,798
Depreciation	331	48,133	3,621	8,457	60,542
Decreases	-	(27,367)	(866)	(1,259)	(29,492)
Effect of changes in exchange rates	(48)	(4,171)	(379)	(640)	(5,238)
Balance at March 31, 2023	<u>\$ 5,629</u>	<u>388,514</u>	<u>35,175</u>	<u>99,292</u>	<u>528,610</u>
Carrying value:					
January 1, 2024	<u>\$ 43,689</u>	<u>161,002</u>	<u>18,989</u>	<u>107,485</u>	<u>331,165</u>
March 31, 2024	<u>\$ 45,347</u>	<u>208,203</u>	<u>16,878</u>	<u>108,755</u>	<u>379,183</u>
January 1, 2023	<u>\$ 42,702</u>	<u>278,267</u>	<u>18,987</u>	<u>50,314</u>	<u>390,270</u>
March 31, 2023	<u>\$ 41,989</u>	<u>264,542</u>	<u>19,562</u>	<u>61,469</u>	<u>387,562</u>

(g) Intangible assets

	<u>Goodwill</u>	<u>Trademarks</u>	<u>Customer relationships</u>	<u>Software</u>	<u>Total</u>
Cost:					
Balance at January 1, 2024	\$ 58,053	3,057	15,289	3,245	79,644
Effect of changes in exchange rates	1,885	141	703	(11)	2,718
Balance at March 31, 2024	<u>\$ 59,938</u>	<u>3,198</u>	<u>15,992</u>	<u>3,234</u>	<u>82,362</u>
Balance at January 1, 2023	\$ 58,253	3,073	15,365	3,064	79,755
Effect of changes in exchange rates	(363)	(27)	(137)	1	(526)
Balance at March 31, 2023	<u>\$ 57,890</u>	<u>3,046</u>	<u>15,228</u>	<u>3,065</u>	<u>79,229</u>
Accumulated amortization:					
Balance at January 1, 2024	\$ -	612	6,116	3,099	9,827
Amortization	-	79	786	(85)	780
Effect of changes in exchange rates	-	29	294	(9)	314
Balance at March 31, 2024	<u>\$ -</u>	<u>720</u>	<u>7,196</u>	<u>3,005</u>	<u>10,921</u>
Balance at January 1, 2023	\$ -	307	3,073	2,635	6,015
Amortization	-	76	760	(10)	826
Effect of changes in exchange rates	-	(2)	(26)	3	(25)
Balance at March 31, 2023	<u>\$ -</u>	<u>381</u>	<u>3,807</u>	<u>2,628</u>	<u>6,816</u>

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Notes to the Consolidated Financial Statements

	<u>Goodwill</u>	<u>Trademarks</u>	<u>Customer relationships</u>	<u>Software</u>	<u>Total</u>
Carrying amount:					
January 1, 2024	\$ <u>58,053</u>	<u>2,445</u>	<u>9,173</u>	<u>146</u>	<u>69,817</u>
March 31, 2024	\$ <u>59,938</u>	<u>2,478</u>	<u>8,796</u>	<u>229</u>	<u>71,441</u>
January 1, 2023	\$ <u>58,253</u>	<u>2,766</u>	<u>12,292</u>	<u>429</u>	<u>73,740</u>
March 31, 2023	\$ <u>57,890</u>	<u>2,665</u>	<u>11,421</u>	<u>437</u>	<u>72,413</u>

(h) Borrowings

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

(i) Short-term borrowings

	<u>March 31, 2024</u>			
	<u>Currency</u>	<u>Interest rate (%)</u>	<u>Maturity year</u>	<u>Amount</u>
Unsecured loans	NTD	1.55	2024	\$ <u><u>180,000</u></u>
	<u>December 31, 2023</u>			
	<u>Currency</u>	<u>Interest rate (%)</u>	<u>Maturity year</u>	<u>Amount</u>
Unsecured loans	NTD	1.4	2024	\$ <u><u>180,000</u></u>
	<u>March 31, 2023</u>			
	<u>Currency</u>	<u>Interest rate (%)</u>	<u>Maturity year</u>	<u>Amount</u>
Unsecured loans	NTD	1.35~1.45	2023	\$ <u><u>417,000</u></u>

As of March 31, 2024, December 31 and March 31, 2023, the unused credit facilities of the Group's short-term borrowings amounted to \$1,468,795 thousand, \$1,573,277 thousand and \$1,324,604 thousand, respectively.

(ii) Long-term borrowings

As of March 31, 2024, December 31 and March 31, 2023, the unused credit facilities of the Group's long-term borrowings all amounted to \$150,000 thousand.

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

(i) Lease liabilities

The Group's lease liabilities were as follow:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Current	\$ 186,074	174,817	196,740
Non-current	159,778	125,528	159,594
	<u>\$ 345,852</u>	<u>300,345</u>	<u>356,334</u>

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DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
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For the maturity analysis, please refer to note 6(q).

The amounts recognized in profit or loss were as follows:

	For the three months ended March 31	
	2024	2023
Interests on lease liabilities	\$ 2,760	2,771
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	\$ 11,643	13,519

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

	For the three months ended March 31	
	2024	2023
Total cash outflow for leases	\$ 77,260	70,834

(j) Employee benefits

(i) Defined benefit plans

Since there were no significant market fluctuations, curtailments, reimbursement and settlement, or other material one-time events since prior fiscal year, the pension cost for the interim periods was measured according to the actuarial report as of December 31, 2023 and 2022.

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

	For the three months ended March 31	
	2024	2023
Operating expenses	\$ 855	716

(ii) Defined contribution plans

For the three months ended March 31, 2024 and 2023, the pension costs under the defined contribution method were \$11,613 thousand and \$11,710 thousand, respectively.

(k) Income tax

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

(Continued)

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
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The components of income tax expense were as follows:

	For the three months ended March 31	
	2024	2023
Current income tax expense		
Current period	\$ 43,785	50,940
Income tax expenses from continuing operations	\$ 43,785	50,940

The tax returns of DIMTW have been examined by the tax authorities through 2021.

(l) Capital and other equity

Except as explained in the following paragraphs, there were no significant changes in capital and other equity during the three months ended March 31, 2024 and 2023. Please refer to note 6(m) of the consolidated financial statements for the year ended December 31, 2023, for related information.

(i) Retained earnings

The amount of cash dividends of appropriations of earnings for 2023 had been approved in the meeting of the board of directors on March 12, 2024. And the amount of cash dividends of appropriations of earnings for 2022 had been approved in the meeting of the board of directors on March 15, 2023. The amount of stock dividends and other items of appropriations of earnings for 2022 had been approved in the shareholders' meeting on June 6, 2023. These earnings were appropriated as follows:

	2023		2022	
	Amount per share (NTD)	Total Amount	Amount per share (NTD)	Total Amount
Dividends distributed to ordinary stockholders:				
Cash	\$ 6.00	844,464	10.70	1,456,056
Stock	-	-	0.50	68,040
Total		\$ 844,464		1,524,096

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

(ii) Treasury stock

In order to motivate the employees and improve the operating performance, as well as to maintain the Company's credit and shareholders' right, the Company's board of directors approved a resolution to purchase its own common stock as treasury shares in accordance with the requirements under section 28(2) of the Securities and Exchange Act on December 21, 2023 and October 12, 2022. The Company had purchased 2,000,000 shares and 3,000,000 shares from January 18, 2023 to February 2, 2023 and October 17, 2022 to December 8, 2022, respectively, and total cost amounted to \$172,472 thousand and \$201,000 thousand.

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DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
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The movement in treasury stocks is as follows:

	Unit: thousand shares	
	<u>2024</u>	<u>2023</u>
Balance at January 1	140	3,000
Purchase of stock	<u>2,000</u>	<u>-</u>
Balance at March 31	<u><u>2,140</u></u>	<u><u>3,000</u></u>

Pursuant to the Securities and Exchange Act, the number of treasury shares purchased cannot exceed 10% of the number of shares issued. The total purchase cost cannot exceed the sum of retained earnings, paid-in capital in excess of par value, and realized capital surplus. The maximum shares and the maximum total cost of the treasury stock hold by the Company from January 1 to March 31, 2024 has complied with the foregoing regulations. Furthermore, treasury shares cannot be pledged for debts, and treasury shares dose not carry any shareholder rights until it is transferred.

(iii) Other equities (net of income tax)

	Foreign exchange differences arising from foreign operations	
	<u>2024</u>	<u>2023</u>
Balance at January 1	\$ 209,907	177,589
Foreign exchange differences arising from foreign operations	<u>400,114</u>	<u>(76,319)</u>
Balance at March 31	<u><u>\$ 610,021</u></u>	<u><u>101,270</u></u>

(m) Earnings per share

The calculation of the Company's basic earnings per share and diluted earnings per share for the three months ended March 31, 2024 and 2023, was as follows:

(i) Basic earnings per share

	Share unit: thousand shares For the three months ended March 31	
	<u>2024</u>	<u>2023</u>
Net income attributable to ordinary shareholders of the Company	<u>\$ 223,552</u>	<u>266,026</u>
Weighted-average number of ordinary shares	<u>141,104</u>	<u>139,884</u>
Basic earnings per share (in NT dollars)	<u><u>\$ 1.58</u></u>	<u><u>1.90</u></u>

(Continued)

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
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(ii) Diluted earnings per share

	For the three months ended	
	March 31	
	2024	2023
Net income attributable to ordinary shareholders of the Company	\$ 223,552	266,026
Weighted-average number of ordinary shares (basic)	141,104	139,884
Impact of dilutive potential common shares		
Effect of employee stock bonus	696	1,711
Weighted-average number of ordinary shares (diluted)	141,800	141,595
Diluted earnings per share (in NT dollars)	\$ 1.58	1.88

The Calculation of the Company's earnings per share for the three months ended March 31, 2023 has been adjusted for the effects of retrospective application from stock dividends, the reference date of the stock dividends is July 9, 2023.

(n) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the three months ended			
	March 31, 2024			
	Asia	Americas	Europe	Total
Major products / services lines:				
Air freight forwarding	\$ 2,684,700	485,115	53,561	3,223,376
Ocean freight forwarding	1,399,880	462,662	62,704	1,925,246
Others	358,274	85,871	38,801	482,946
	\$ 4,442,854	1,033,648	155,066	5,631,568
	For the three months ended			
	March 31, 2023			
	Asia	Americas	Europe	Total
Major products / services lines:				
Air freight forwarding	\$ 2,373,049	694,623	42,283	3,109,955
Ocean freight forwarding	1,296,892	504,789	16,072	1,817,753
Others	376,299	75,736	36,412	488,447
	\$ 4,046,240	1,275,148	94,767	5,416,155

(Continued)

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Contract balance

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Notes receivable	\$ 6,070	8,307	7,543
Accounts receivable	2,502,705	2,550,200	2,082,841
Overdue receivable	6,491	5,221	6,138
Less: Loss allowance — accounts receivable	83,017	67,902	132,748
Loss allowance — overdue receivable	<u>6,491</u>	<u>5,221</u>	<u>6,138</u>
Total	<u>\$ 2,425,758</u>	<u>2,490,605</u>	<u>1,957,636</u>

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

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

In accordance with the Company's articles, it should contribute no less than 5% of the profit as employee compensation and higher 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 ended March 31, 2024 and 2023, the Company recognized its employees' compensation of \$14,084 thousand and \$16,780 thousand, respectively, and directors' and supervisors' remuneration of \$4,024 thousand and \$4,788 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, 2023 and 2022, the Company accrued employees' compensation amounting to \$60,984 thousand and \$147,501 thousand, respectively, and directors' and supervisors' remuneration amounting to \$15,942 thousand and \$42,071 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

(p) Non-operating income and expenses

(i) Interest income

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

	For the three months ended	
	March 31	
	2024	2023
Interest income from bank deposits	<u>\$ 22,158</u>	<u>19,984</u>

(ii) Other income

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

	For the three months ended	
	March 31	
	2024	2023
Government grants	2,022	3,109
Other	2,237	14,883
Total other income	<u>\$ 4,259</u>	<u>17,992</u>

(iii) Other gains and losses

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

	For the three months ended	
	March 31	
	2024	2023
Gains (losses) on disposal of property, plant and equipment	\$ 49	(90)
Gains on foreign exchange	38,030	1,910
Others losses	(94)	(254)
Other gains and losses, net	<u>\$ 37,985</u>	<u>1,566</u>

(iv) Finance costs

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

	For the three months ended	
	March 31	
	2024	2023
Interest expense		
Bank loan	\$ 651	1,822
Lease liabilities	2,760	2,771
Net finance cost	<u>\$ 3,411</u>	<u>4,593</u>

(Continued)

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(q) Financial instruments

(i) Credit risk

As of March 31, 2024, December 31 and March 31, 2023, 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 amount</u>	<u>Contractual cash flows</u>	<u>Within 6 months</u>	<u>6-12 months</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>Over 5 years</u>
March 31, 2024							
Non-derivative financial liabilities							
Short-term borrowings	\$ 180,000	182,790	182,790	-	-	-	-
Notes payable	23,474	23,474	23,474	-	-	-	-
Accounts payable	1,591,908	1,591,908	1,591,908	-	-	-	-
Lease liabilities	345,852	355,536	95,645	95,645	101,517	62,648	81
Dividends payable	857,417	857,417	857,417	-	-	-	-
Other payables	149,766	149,766	149,766	-	-	-	-
	<u>\$ 3,148,417</u>	<u>3,160,891</u>	<u>2,901,000</u>	<u>95,645</u>	<u>101,517</u>	<u>62,648</u>	<u>81</u>
December 31, 2023							
Short-term borrowings	\$ 180,000	182,250	182,250	-	-	-	-
Notes payable	50,380	50,380	50,380	-	-	-	-
Accounts payable	1,694,405	1,694,405	1,694,405	-	-	-	-
Lease liabilities	300,345	307,881	89,856	89,856	102,294	25,875	-
Dividends payable	12,963	12,963	12,963	-	-	-	-
Other payables	168,140	168,140	168,140	-	-	-	-
	<u>\$ 2,406,233</u>	<u>2,416,019</u>	<u>2,197,994</u>	<u>89,856</u>	<u>102,294</u>	<u>25,875</u>	<u>-</u>
March 31, 2023							
Short-term borrowings	\$ 417,000	417,880	417,880	-	-	-	-
Notes payable	15,280	15,280	15,280	-	-	-	-
Accounts payable	2,037,620	2,037,620	2,037,620	-	-	-	-
Lease liabilities	356,334	366,312	101,129	101,129	112,073	51,981	-
Dividends payable	1,476,487	1,476,487	1,476,487	-	-	-	-
Other payables	346,325	346,325	346,325	-	-	-	-
	<u>\$ 4,649,046</u>	<u>4,659,904</u>	<u>4,394,721</u>	<u>101,129</u>	<u>112,073</u>	<u>51,981</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.

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DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
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(iii) Market risk

1) Currency risk

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

	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>NTD</u>
March 31, 2024			
Financial assets:			
Monetary items:			
USD	\$ 17,861	31.983	571,248
HKD	5,632	4.087	23,020
EUR	1,883	34.510	64,982
CNY	1,217	4.428	5,389
Financial liabilities:			
Monetary items:			
USD	\$ 7,075	31.983	226,268
EUR	22	34.510	747
December 31, 2023			
Financial assets:			
Monetary items:			
USD	\$ 19,138	30.579	585,221
HKD	5,153	3.915	20,172
EUR	1,827	33.756	61,673
CNY	1,365	38.930	53,140
Financial liabilities:			
Monetary items:			
USD	\$ 6,624	30.579	202,549
EUR	83	33.756	2,813
March 31, 2023			
Financial assets:			
Monetary items:			
USD	\$ 18,111	30.455	551,569
HKD	5,816	3.880	22,566
EUR	3,915	33.187	129,938
CNY	21,810	4.432	96,664
Financial liabilities:			
Monetary items:			
USD	\$ 2,633	30.455	80,181
EUR	20,547	33.187	681,905

(Continued)

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
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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, EUR, CNY and GBP of March 31, 2024 and 2023, would have increased or decreased the net income before tax by \$13,129 thousand and \$1,160 thousand, respectively. The analysis is performed on the same basis for both periods.

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For the three months ended March 31, 2024 and 2023, foreign exchange gain (including realized and unrealized portions) amounted to \$38,030 thousand and \$1,910 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 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 \$450 thousand and \$1,043 thousand for the three months ended March 31, 2024 and 2023, 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:

	March 31, 2024				
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through other comprehensive income					
Unlisted stocks (domestic and overseas)	\$ 451	-	-	451	451
Financial assets measured at amortized cost					
Cash and cash equivalents	4,783,886	-	-	-	-
Notes and accounts receivables	2,425,758	-	-	-	-
Financial assets at amortised cost – current	51,746	-	-	-	-
Refundable deposits	96,972	-	-	-	-
Restricted certificate of deposit	10,093	-	-	-	-
Subtotal	<u>7,368,455</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 7,368,906</u>	<u>-</u>	<u>-</u>	<u>451</u>	<u>451</u>
Financial liabilities measured at amortized cost					
Short-term borrowings	\$ 180,000	-	-	-	-
Notes and accounts payable	1,525,017	-	-	-	-
Other payables	149,766	-	-	-	-
Lease liabilities	345,852	-	-	-	-
Dividends payable	947,782	-	-	-	-
Total	<u>\$ 3,148,417</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(Continued)

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
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	March 31, 2023				
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial liabilities measured at amortized cost					
Short-term borrowings	\$ 417,000	-	-	-	-
Notes and accounts payable	2,052,900	-	-	-	-
Other payables	346,325	-	-	-	-
Lease liabilities	356,334	-	-	-	-
Dividends payable	1,476,487	-	-	-	-
Total	<u>\$ 4,649,046</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
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4) Reconciliation of Level 3 fair values

	Fair value through other comprehensive income Unquoted equity instruments
Balance at January 1, 2024	\$ 449
Effect of changes in exchange rates	<u>2</u>
Balance at March 31, 2024	\$ 451
Balance at March 31, 2023 (Balance at January 1, 2023)	\$ 449

(r) Financial risk management

The disclosures of objectives and policies of the Group's financial risk management are the same as those in the note 6(u) to the consolidated financial statements for the year ended December 31, 2023.

(s) Capital management

The disclosures of objectives, policies and procedures of the Group's capital management are the same as those of the consolidated financial statements for the year ended December 31, 2023. For related information, please refer to note 6(v) of the consolidated financial statements for the year ended December 31, 2023.

(t) Financing activities not affecting current cash flow

The Group's reconciliation of liabilities arising from financing activities for the three months ended March 31, 2024 and 2023 were as follows:

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

Reconciliation of liabilities arising from financing activities were as follows:

	January 1, 2024	Cash flows	Non-cash changes			March 31, 2024
			Foreign exchange movement	Additions	Decreases	
Short term borrowings	\$ 180,000	-	-	-	-	180,000
Lease liabilities	<u>300,345</u>	<u>(62,857)</u>	<u>8,922</u>	<u>99,442</u>	<u>-</u>	<u>345,852</u>
Total liabilities from financing activities	\$ 480,345	(62,857)	8,922	99,442	-	525,852

	January 1, 2023	Cash flows	Non-cash changes			March 31, 2023
			Foreign exchange movement	Additions	Decreases	
Short term borrowings	\$ 430,000	(13,000)	-	-	-	417,000
Lease liabilities	<u>358,134</u>	<u>(54,544)</u>	<u>(7,457)</u>	<u>66,036</u>	<u>(5,835)</u>	<u>356,334</u>
Total liabilities from financing activities	\$ 788,134	(67,544)	(7,457)	66,036	(5,835)	773,334

(Continued)

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:

	For the three months ended	
	March 31	
	2024	2023
Associates	\$ 57,597	62,662

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

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

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

	For the three months ended	
	March 31	
	2024	2023
Associates	\$ 21,340	16,339

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
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(iii) Receivables from related parties

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

<u>Account</u>	<u>Type of related parties</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Accounts receivable	Associates	\$ <u>6,844</u>	<u>9,218</u>	<u>4,070</u>

As of March 31, 2024, December 31, 2023 and March 31, 2023, 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>Account</u>	<u>Type of related parties</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Accounts payable	Associates	\$ <u>932</u>	<u>2,304</u>	<u>920</u>

(d) Key management personnel compensation

Key management personnel compensation comprised:

	For the three months ended	
	March 31	
	<u>2024</u>	<u>2023</u>
Short-term employee benefits	\$ 11,852	18,068
Post-employment benefits	240	194
	<u>\$ 12,092</u>	<u>18,262</u>

(Continued)

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
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(8) Assets pledged as security

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

<u>Assets pledged as security</u>	<u>Liabilities secured by pledged</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Restricted certificates of deposit (recorded under other current assets)	Guarantee for the Group's logistics operations	\$ 1,279	2,229	2,031
Restricted certificates of deposit (recorded under other non-current assets)	Guarantee for customs	3,000	3,000	3,000
Restricted certificates of deposit (recorded under other non-current assets)	Guarantee for the Group's logistics operations	660	660	660
Property, plant and equipment:				
Land	Guarantee for long-term and short-term borrowings and the Group's logistics operations	-	-	41,792
Buildings	"	-	-	15,280
		<u>\$ 4,939</u>	<u>5,889</u>	<u>62,763</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 2024 and 2023. As of March 31, 2024, December 31 and March 31, 2023, the guarantees from the banks were \$4,939 thousand, \$5,889 thousand and \$338,671 thousand, respectively, and the used amounts were \$0 thousand, \$0 thousand and \$213,522 thousand, respectively.
- (b) As of March 31, 2024, December 31 and March 31, 2023, the Group had outstanding guaranteed notes deposited totaling \$76,097 thousand, \$128,758 thousand and \$131,271 thousand, respectively. As of March 31, 2024, December 31 and March 31, 2023, the guarantees recorded for customs duty were \$5,771 thousand, \$9,280 thousand and \$5,759 thousand, respectively.

(Continued)

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) The Group was defending a lawsuit filed by an job applicant due to disagreement in hiring process. The local court ruled in the first instance in October 2023 that the Group should pay USD3,390 thousand. The Group recognized the expense and has appointed a lawyer for appeal.

(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 nature	By function			Three months ended March 31, 2024			Three months ended March 31, 2023		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total			
Employee benefits									
Salary	19,248	449,087	468,335	9,316	436,599	445,915			
Labor and health insurance	481	60,734	61,215	467	59,988	60,455			
Pension	428	12,040	12,468	244	12,182	12,426			
Others	1,710	34,843	36,553	150	33,010	33,160			
Depreciation	575	70,429	71,004	1,272	68,826	70,098			
Amortization	-	780	780	-	826	826			

- (b) Seasonality or cyclically of interim operations

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

(Continued)

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(13) Other disclosures

(a) Information on significant transactions

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

(i) Loans extended to other parties

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		Individual funding loan limits (Note 2)	Maximum limit of fund financing (Note 2)
													Name	Value		
1	HOLDING	The Company	Accounts receivable from related parties	Yes	26,067	26,067	26,067	-	(2)	-	Operating capital	-		-	312,649	1,250,596
2	FSC	The Company	Accounts receivable from related parties	Yes	119,550	119,550	119,550	-	(2)	-	Operating capital	-		-	142,508	570,030

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 aggregate amount of financing provided to others cannot exceed 40% of the lender company's stockholders' equity, and the maximum financing provided to an individual counterparty cannot exceed 10% of the lender 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		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
		Name	Relationship with the Company (Note 1)										
0	The Company	DIMVN	2	285,768	5,597	5,597	5,597	5,597	0.10 %	571,536	Y	N	N
0	The Company	DIMIN & DIMTH	2	285,768	325	325	325	325	0.01 %	571,536	Y	N	N
0	The Company	DILTW	2	285,768	250	250	250	250	0.01 %	571,536	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 aggregate amount of guarantee and endorsement provided to others cannot exceed 40% of the Company's issued capital, while the guarantee and endorsement for an individual counterparty cannot exceed 20% of the Company's issued capital.

(iii) Information regarding securities held as of March 31, 2024 (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	20	-	20	
DIMSG	Stamford Land	—	Financial assets at fair value through other comprehensive income – non-current	5,000	41	-	41	

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

Name of company	Counter-party	Relationship	Transaction details				Arm's-length transaction		Account / note receivable (payable)		Remarks
			Purchase (Sale)	Amount	Percentage of total purchases (sales)	Credit period	Unit price	Credit period	Balance	Percentage of total accounts / notes receivable (payable)	
DIMKR	DIMUS	Subsidiary and Sub-Subsidiary	Freight revenue	322,051	178.31 %	Note 1	-		40,153	54 %	
DIMUS	DIMKR	Subsidiary and Sub-Subsidiary	Freight expense	(322,051)	45.82 %	Note 1	-		(40,153)	(11) %	
ZJDCN	DIMCN	Subsidiary and Sub-Subsidiary	Freight revenue	158,681	12.17 %	Note 1	-		46,631	6 %	
DIMCN	ZJDCN	Subsidiary and Sub-Subsidiary	Freight expense	(158,681)	25.28 %	Note 1	-		(46,631)	(22) %	

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 on behalf of other 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 5)	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	170,724 (Note 1)	-	-		-	-
FSC	DIL	Subsidiary	216,717 (Note 2)	-	-		-	-
GSCHK	DIMCN	Subsidiary	153,734 (Note 3)	3.08	-		17,877	-
The Company	ZJDCN	Subsidiary	153,629 (Note 4)	-	-		-	-

Note 1: Loan from the subsidiary of \$119,550 thousand and other receivables of \$51,174 thousand.

Note 2: Receivables from paid on behalf of other offiliates.

Note 3: Accounts receivable of \$25,423 thousand and other receivables of \$128,311 thousand.

Note 4: Receivables from receive on behalf of other offiliates.

Note 5: The amount was eliminated in the consolidated financial statements.

(ix) Financial derivative instrument transactions: None.

(x) Business relationships and significant intercompany transactions

No. (Note 1)	Name of company	Name of counter-party	Existing relationship with counter-party (Note 2)	Transaction details			Percentage of total consolidated revenue or total assets
				Account name	Amount (Notes 3 and 4)	Terms of trading	
0	The Company	FSCHK	1	Received in advance—related parties	104,896	Negotiated	1.16 %
0	The Company	FSCHK	1	Long-term received in advance—related parties	4,107,207	Negotiated	45.52 %
0	The Company	ZJDCN	1	Accounts receivable—related parties	153,629	Negotiated	1.70 %
1	FSC	The Company	2	Accounts receivable—related parties	170,724	Negotiated	1.89 %
1	FSC	The Company	2	Prepayments—related parties	704,933	Negotiated	7.81 %
1	FSC	DIL	3	Accounts receivable—related parties	216,717	Negotiated	2.40 %
2	GSCHK	DIMCN	3	Accounts receivable—related parties	153,734	Negotiated	2.77 %
3	ZJDCN	DIMCN	3	Sales revenue	158,681	Negotiated	2.82 %
5	DIMKR	DIMUS	3	Sales revenue	322,051	Negotiated	5.72 %

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 transaction amount over \$100,000 thousand and a balance amount over total consolidated assets 1% shall be disclosed.

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

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DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(b) Information on investees

The following is the information on investees for the three months ended March 31, 2024 (excluding information on investees in Mainland China):

Name of the investor	Name of investee	Location	Main businesses	Initial investment (Amount)		Ending balance			Net income (losses) of investee	Investment income (losses) (Note 2 and 3)	Notes (Note 3)
				March 31, 2024	December 31, 2023	Shares	Ratio of shares	Carrying amount (Note 2 and 3)			
The Company	DFSTW	Taiwan	Ocean freight forwarding	15,444	15,444	1,200,000	99 %	787,219	1,515	1,515	(2)
The Company	HOLDING	Bermuda	Holding company	164,845	164,845	3,089,000	100 %	3,126,494	65,135	65,135	(1)
The Company	DIMSG	Singapore	Global air and ocean freight forwarder and logistics & warehousing	132,266	132,266	5,400,000	100 %	556,340	(12,124)	(12,124)	(2)
The Company	DIL	British Virgin Is.	Holding company	472,313	472,313	(Note 1)	100 %	5,090,549	130,496	130,496	(1)
The Company	FSC	British Virgin Is.	Settlement center	315	315	10,000	20 %	285,015	(673)	(135)	(1)
The Company	FSCHK	Hong Kong	Settlement center	236	236	7,500	15 %	768,552	(27,774)	(4,166)	(1)
The Company	ITG GmbH	Germany	Global air and ocean freight forwarder	183,547	183,547	6,275	25 %	221,928	3,555	889	(2)
The Company	DILTW	Taiwan	Logistics & warehousing	8,000	8,000	800,000	80 %	14,133	3,232	2,586	(2)
The Company	DFSSG	Singapore	Logistics & warehousing	13,482	13,482	600,000	100 %	43,316	(1,229)	(1,229)	(2)
The Company	DILHK	Hong Kong	Logistics & warehousing	-	-	-	100 %	42,172	(5,464)	(5,464)	(2)
The Company	DILSG	Singapore	Logistics & warehousing	8,956	4,215	-	100 %	3,481	(1,537)	(1,537)	(2)
The Company	DIMMY	Malaysia	Global air and ocean freight forwarder	65,516	65,516	250,000	100 %	194,190	1,741	1,741	(2)
The Company	DTLHK	Hong Kong	Trucking service	41,076	41,076	89,000	100 %	54,370	462	462	(2)
DFSTW	FSCHK	Hong Kong	Settlement center	235	235	7,500	15 %	703,098	(27,774)	(4,166)	(1)
DFSTW	DILTW	Taiwan	Logistics & warehousing	2,000	2,000	200,000	20 %	3,533	3,232	646	(2)
DIL	DIMUS	U.S.A.	Global air and ocean freight forwarder	238,686	238,686	4,961,000	100 %	1,171,112	58,224	58,224	(1)
DIL	DIMGB	U.K	Global air and ocean freight forwarder	12,589	12,589	300,000	37 %	(17,125)	1,066	400	(2)
DIL	GMS	Hong Kong	Logistics & warehousing	-	-	-	100 %	3,936,563	71,872	71,872	(1)
DMCHK	DIMHK	Hong Kong	Global air and ocean freight forwarder and logistics & warehousing	427,348	427,348	300,000	99 %	3,603,039	(23,963)	(23,961)	(1)
DMCHK	DFSHK	Hong Kong	Ocean freight forwarding	25,393	25,393	71,000	99 %	2,092,722	(91)	(91)	(2)
GMS	DIMPH	Philippines	Global air and ocean freight forwarder	38,399	38,399	180,000	60 %	4,043,864	118,415	71,049	(2)
DIMUS	DIMUS	U.S.A.	Brokerage service	13,532	13,532	1,000	100 %	51,715	4,943	4,943	(2)
DIMUS	B.C. Logistic, LLC	U.S.A.		54,103	54,103	-	85 %	20,616	1,055	897	(2)
DIMHK	FSC	British Virgin Is.	Settlement center	954	954	30,000	60 %	855,045	(673)	(404)	(1)
DIMHK	DIMVN	Vietnam	Trucking service	2,090	2,090	-	75 %	36,479	2,872	2,154	(2)
DIMHK	FSCHK	Hong Kong	Settlement center	550	550	17,500	35 %	1,640,467	(27,774)	(9,721)	(1)
DIMPH	GSCHK	Hong Kong	Settlement center	-	-	-	100 %	913,000	139,829	-	(1)
DIMSG	FSC	British Virgin Is.	Settlement center	318	318	10,000	20 %	285,015	(673)	(135)	(1)
DIMSG	DIMIN	India	Trucking service	17,595	17,595	960,000	100 %	38,683	4,405	4,405	(2)
HOLDING	DIMTH	Thailand	Global air and ocean freight forwarder	7,642	7,642	735,000	49 %	68,098	11,739	5,751	(2)
HOLDING	DIMPH	Philippines	Global air and ocean freight forwarder	4,026	4,026	120,000	40 %	2,695,415	118,415	47,366	(2)
HOLDING	DIMAU	Australia	Global air and ocean freight forwarder	16,460	16,460	60,000	100 %	(28,571)	(173)	(173)	(2)
HOLDING	DIMKR	Korea	Global air and ocean freight forwarder	19,386	19,386	120,000	100 %	124,011	5,868	5,868	(2)
HOLDING	DIMCA	Canada	Air freight forwarder	15,646	15,646	-	100 %	221,991	2,417	2,417	(2)
HOLDING	DIMNL	Netherlands	Global air and ocean freight forwarder	11,644	11,644	1,000	100 %	42,239	1,104	1,104	(2)
HOLDING	DSLUS	U.S.A.	Logistics & warehousing	15,840	15,840	50,000	100 %	27,395	2,365	2,365	(2)
DIMPH	Peerless Express Forwarders Corp.	Philippines	Trucking service	954	954	1,600,000	40 %	-	135	54	(2)
DIMPH	DFSPH	Philippines	Trucking service	5,231	5,231	96,700	91 %	-	-	-	(2)
DIMPH	DMCHK	Hong Kong	Settlement center	5,382,655	5,382,655	-	100 %	6,608,761	115,774	115,774	(1)
DFSSG	DFSPH	Philippines	Trucking service	541	541	10,000	9 %	-	-	-	(2)
DFSHK	FSCHK	Hong Kong	Settlement center	566	566	17,500	35 %	1,640,467	(27,774)	(9,721)	(1)
FSCHK	DIMGB	U.K	Global air and ocean freight forwarder	20,126	20,126	500,000	63 %	(10,352)	1,066	666	(2)

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

Note 2: Except for ITG Air & Sea GmbH 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 auditors.
- (2) The financial statements have not been reviewed by auditors.

(Continued)

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(c) Information on investment in mainland China

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

Unit: thousand dollars

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 (Note 2)	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)	28,849 (USD902)	-	-	28,849 (USD902)	5,992	75 %	4,494 (Note 3(1))	145,320 (Note 3(1))	-
DILSHA	Logistics & warehousing	5,970	(2)	6,397 (USD200)	-	-	6,397 (USD200)	282	99 %	282 (Note 3(2))	(57,286) (Note 3(2))	-
DIMCN	Global air and ocean freight forwarder	163,377	(2)	-	-	-	-	11,582	100 %	11,582 (Note 3(1))	469,117 (Note 3(1))	-
DILSZX	Logistics & warehousing	10,958	(2)	-	-	-	-	(371)	100 %	(371) (Note 3(2))	(19,823) (Note 3(2))	-
DFSCN	Global air and ocean freight forwarder	59,777	(2)	-	-	-	-	8,691	100 %	8,691 (Note 3(1))	380,474 (Note 3(1))	-
Diversified Transportation (China) Co., Ltd.	Trucking service	29,802	(2)	-	-	-	-	359	100 %	359 (Note 3(2))	21,881 (Note 3(2))	-
Yuhang Int'l Logistics (Dalian) Co. Ltd.	Global air and ocean freight forwarder	38,666	(2)	-	-	-	-	3,183	25 %	851 (Note 3(2))	35,076 (Note 3(2))	-
Diversified (Shanghai) International Logistics Service Company Ltd	Global air and ocean freight forwarder	13,684	(2)	-	-	-	-	757	100 %	757 (Note 3(2))	8,536 (Note 3(2))	-
Diversified (Shenzhen) International Logistics Service Company Ltd	Global air and ocean freight forwarder	1,293	(2)	-	-	-	-	-	100 %	- (Note 3(2))	(1,462) (Note 3(2))	-

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: Except 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 auditors.

(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	35,245 (USD1,102)	76,759 (USD2,400)	3,265,660

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

Note 2: USD:NT\$=1:31.983.

(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 "(a) Information on significant transactions".

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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 and eliminations</u>	<u>Total</u>
Three months ended March 31, 2024					
Revenue:					
From external customers	\$ 4,442,854	1,033,648	155,066	-	5,631,568
From companies within the Group	<u>265,408</u>	<u>-</u>	<u>-</u>	<u>(265,408)</u>	<u>-</u>
Total revenue	<u>\$ 4,708,262</u>	<u>1,033,648</u>	<u>155,066</u>	<u>(265,408)</u>	<u>5,631,568</u>
Segment income	<u>\$ 199,969</u>	<u>73,909</u>	<u>1,848</u>	<u>-</u>	<u>275,726</u>
Three months ended March 31, 2023					
Revenue:					
From external customers	\$ 4,046,240	1,275,148	94,767	-	5,416,155
From companies within the Group	<u>108,988</u>	<u>-</u>	<u>-</u>	<u>(108,988)</u>	<u>-</u>
Total revenue	<u>\$ 4,155,228</u>	<u>1,275,148</u>	<u>94,767</u>	<u>(108,988)</u>	<u>5,416,155</u>
Segment income	<u>\$ 312,118</u>	<u>815</u>	<u>(2,184)</u>	<u>-</u>	<u>310,749</u>

The inter-company revenue of \$265,408 thousand and \$108,988 thousand for the three months ended March 31, 2024 and 2023, respectively, was eliminated.