

中菲行國際物流股份有限公司
DIMERCO EXPRESS CORPORATION

Stock Code: 5609



DIMERCO

Connecting Asia with the world

**2023
Annual Report**

Taiwan Stock Exchange Market Observation Post System: <http://mops.twse.com.tw>

Dimerco Annual report is available at: <https://dimerco.com/investor-information>

Printed on May 16, 2024

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5. Name of exchange location for overseas securities listing and trading; and method of query on information of overseas securities

Not applicable

6. Company website:

Website: <http://www.dimerco.com>

Contents

I. Reports to Shareholders.....	1
1.1 Y2023 Business Report.....	1
1.2 Other Business information for year 2023.....	3
II. Company Profile.....	8
2.1 Date of Incorporation	11
2.2 Company History.....	11
III. Corporate Governance Report	25
3.1 Organization	25
3.2 Directors and Management Team.....	29
3.3 Remuneration of Directors (including independent Director), President, and Vice President.....	37
3.4 Implementation of Corporate Governance	43
3.5 Information Regarding the Company's Audit Fee and Independence	77
3.6 Replacement of CPA	77
3.7 Information Disclosing the company's chairperson, general manager, or any managerial officer in charge of finance or accounting matters has held a position at the accounting firm	79
3.8 Ownership of Shares in Affiliated Enterprises	79
3.9 Information Disclosing the Relationship between any of the Company's Top Ten Shareholders.....	80
3.10 Ownership of Shares in Affiliated Enterprises	81
IV. Capital Overview	82
4.1 Capital and Shares	82
4.2 Bonds: Not application	88
4.3 Preferred Stock: Not application	88
4.4 Global Depository Receipts: Not application	88
4.5 Employee Stock Options: Not application.....	88
4.6 Restricted Stock: Not application	88
4.7 Status of New Shares Issuance in Connection with Mergers and Acquisitions: Not application.....	88
4.8 Financing Plans and Implementation: Not application	88
V. Operational Highlights.....	89
5.1 Business Activities.....	89
5.2 Market and Sales Overview	99
5.3 Human Resources	104
5.4 Environmental Protection Expenditure.....	104
5.5 Labor Relations	104
5.6 Information Security Management.....	108
5.7 Important Contracts	110
VI. Financial Information.....	111
6.1 Five-Year Financial Summary	111
6.2 Five-Year Financial Analysis.....	119
6.3 Audit Committee's Audit Report for Current Year	124
6.4 Financial Statements for the Years Ended December 31, 2023 and 2022, and Independent Auditors' Report.....	124
6.5 Consolidated Financial Statements for the Years Ended December 31, 2023 and 2022, and Independent Auditors' Report	124
6.6 The effects of the company's financial position resulted from affiliates that encounters financial difficulties as of the publication of the annual report.....	124
VII. Review of Financial Conditions, Operating Results, and Risk Management	256
7.1 Analysis of Financial Status	256
7.2 Analysis of Operating Results.....	256
7.3 Analysis of Cash Flow.....	257
7.4 Major Capital Expenditure Items	257
7.5 Investment Policy in Last Year, Main Causes for Profits or Losses, Improvement Plans and the Investment Plans for the Coming Year	257
7.6 Analysis of Risk Management	258

7.7 Other Critical Matters	263
VIII. Special Disclosure	263
8.1 Summary of Affiliated Companies.....	263
8.2 Status of handling private equity portfolio and utilization of private funds and its progress on implementation of the project	271
8.3 Status of stock holdings or disposition of the Company stocks by subsidiaries for the most recent year and as at publication date of year book	271
8.4 Other Supplementary Explanations:.....	271
VIII. Issues of significant impacts on shareholders equity or securities prices stipulated under 2nd paragraph of 2nd item of Securities Exchange Act article no. 36.	271

I. Reports to Shareholders:

Dear Shareholders,

On behalf of the company's Board of Directors, the Chairman and the entire management team, we would like to express our gratitude to every one of our shareholders for your long-term support of Dimerco Express Group during our promising developments and for sparing your time to participate in the 2024 shareholders meeting.

As per the KPMG audited Financial Statement, the consolidated financial report of Y2023 Consolidated sales revenue of Y2023 is NTD 22,042 million and consolidated net income after tax is NTD 1,023 million. Earnings per share is NTD 7.24. Compared to the previous fiscal year, which saw particularly unusual market conditions due to the pandemic, there were reductions of 46.5%, 59.7%, and 61.3% in various aspects. However, compared to the pre-pandemic fiscal year of 2019, there were increases of 23.8%, 153.6%, and 126.3% in revenue, net income after tax, and earnings per share, respectively.

After the end of the pandemic in the fiscal year of 2023, the international economic outlook remained challenging, posing significant challenges to the international transportation market. However, due to Dimerco's global network of forwarding and logistics locations and our cloud-based SCM international logistics service platform with clear market positioning and effective digital marketing to attract customers, Dimerco has been able to deliver solid results. In anticipation of market changes, Dimerco has leveraged digital marketing to create value, further enhancing its operational profitability. The fiscal year of 2023 saw significant improvements in revenue, net income after tax, and earnings per share compared to the pre-pandemic fiscal year of 2019, increasing by 23.8%, 153.6%, and 126.3%, respectively.

In addition to strengthening operational profitability, Dimerco has emphasized customer quality, been carefully selecting high-quality customers and effectively controlling accounts receivable. With excellent financial management capabilities, the company is committed to maintaining a sound financial structure. By the end of the fiscal year of 2023, the current ratio stood at 2.7, significantly higher than the industry average. With cash reserves of NTD 4.78 billion at year-end, compared to net worth of NTD 5.94 billion, the company demonstrates exceptional liquidity and debt repayment capabilities. Furthermore, fixed assets accounted for only 9.2% of net worth, demonstrating the flexibility and elasticity of a low-asset logistics service provider.

The total liabilities amounted to only 33.1% of total assets, indicating a very healthy and robust financial structure.

After the ISO 14064-1:2018 verification at the end of 2022 and declaration of commitment to green supply chain and carbon reduction goals to reduce the carbon footprint, Dimerco has taken further steps in 2023. Implemented the EcoTransIT World system certified by the international organization Smart Freight Centre (SFC), Dimerco utilizes this system to calculate carbon emissions for air, sea, and land transportation, aligning with the Global Logistics Emissions Council (GLEC) framework and meeting the requirements of the GHG Protocol (corporate standards). Besides, in this January, Dimerco has aligned ESG goals with Cathay's vision on its Corporate Sustainable Aviation Fuel (SAF) Program, to support the earth with practical action on reduction of greenhouse gas emissions associated with aviation.

Dimerco is dedicated to technological and digital transformation, elevating the level of Information Security Management (ISM). The implementation of the latest ISM and protection framework ensures that information security measures align with the development of digital transformation. Continuous improvement of management and operational processes is undertaken to address the ever-changing external environmental threats. With the development on Digital Platform and Cloud Networking SCM Platform of Dimerco Value Plus System®, flatter organization and ISO 27001:2022 Cyber Security Certification (BSI Certification N0. IS 743553) by BSI, Dimerco internally upgrades digital capability to strengthen operation & management efficiency and cost-effective solutions for our customers with mobility via application of Robotic Process Automation (RPA).

Externally, Dimerco upgrades online services and integrates off-line & online services via its upgraded MyDimerco platform and POMS (Purchase Order Management System) to further enhance customer services. The services include not only the coordination of purchase orders between customers and their suppliers, supplier performance management, product management, and logistics cost analysis but also online booking of cargo space and online customer support, providing professional services that integrate both virtual and real aspects, reaching unprecedented heights.

Looking to the future, the international transportation and logistics market still faces challenges.

Amidst the changing global landscape and volatile markets, challenges multiply and operational risks increase. However, Dimerco's established competitiveness of the physical channels and virtual digital platforms continue to be effective. With a clear market positioning, Dimerco will leverage digital marketing to promote its value-added services in customer supply chain management, strengthen its business expansion capabilities, and enhance service quality through digital transformation and semi-automation to increase efficiency and productivity, thereby generating profits. We hope to continue contributing to society and providing reasonable returns for shareholders and contributing colleagues.

Thank you for your continued support!

Dimerco Express Corporation

Dimerco Express Group

June 6, 2024

Other Business information for year 2023:

(1) Results of Business plan implementation

Unit: NTD'000

Item	IFRS 2022	IFRS 2023	Growth rate %
Operating Revenue	41,174,810	22,042,684	-46.5%
Income after Tax	2,538,625	1,023,630	-59.7%

(2) Status of Budget Accomplishment

The Company was not obligated to prepare financial forecast for year 2023 in accordance with the “Standards on Treatment Guidelines for Disclosure of Financial Forecast Information on Public Companies”.

(3) Analysis on financial balances and profitability

Unit: NTD'000

Item		Year	IFRS	IFRS
			2022	2023
Financial Balances	Operating Revenue		41,174,810	22,042,684
	Net operating income		2,574,757	1,081,336
	Income after tax		2,538,625	1,023,630
Profitability	Return on stockholders' equity %		42%	18%
	Income after tax to paid-in capital %		187%	72%
	Earnings per shares (NT\$)		17.82	7.24

(4) Status of Research and Development:

Dimerco's digital marketing starts with understanding customer needs and insights into the market to drive all marketing activities. It leverages technology support through data, automation, and analysis, and accelerates decision-making through the agility of a flattened organization structure. Digital marketing works closely with our global sales and marketing team, investing significant and optimal resources to attract, convert, and engage customers through a seamless integration of online and offline services.

Customer expectations for service quality continue to evolve with the rapid development of digital technology and diversified shipping options. The importance of digital strategy will continue to increase during and after the COVID-19 period. Our company has increased its efforts in digital marketing and launched a brand new global website in 2021. The website clearly communicates our value proposition and reflects the company's strengths and management capabilities across the Asia-Pacific region's supply chain.

In terms of digitalization, our company introduced the Dimerco Value Plus System® (Web 2.0), a self-developed value-added messaging system, on August 1, 2009. The system created a unified platform for sales, operations, and financial management, and enabled effective management through a real-time information system. The CYM (Consolidation Yield Management) and Data Synchronization Method used in the Dimerco Value Plus System® were respectively awarded patent certifications in the United States and Taiwan in 2014, marking the official transition of our company from the digitization stage to the digitalization stage of technology in 2009.

During the stage of digitalization, our company focused on three main directions - cloudification, mobilization, and intelligence - to optimize our internal and external processes through digital technology.

In the area of cloudification, our company incorporated cloud technology in 2017 by migrating the Dimerco Value Plus System® to a public cloud and establishing a hybrid cloud architecture in conjunction with the construction of a private cloud. This approach provided a balance between stability, flexibility, and cost-effectiveness.

In 2018, we established a mobile technology team to develop mobile applications and complemented this with RPA robot technology to extend our service coverage. In the latter half of 2021, we completed the renovation of our external digital portal, offering a one-stop information service that includes online inquiries, booking, cargo tracking, and goods receipt and delivery. This development enables us to offer comprehensive digital services to our customers.

In terms of intelligentization, our company accumulates data in a private cloud-based big data database and utilizes business intelligence technology for analysis, providing real-time and flexible information support. Since 2018, we have also begun to introduce artificial intelligence and machine learning, developing real-time recommendations to give operational processes more intelligence and improve accuracy and efficiency.

Regarding information security issues, given the increasing frequency of security incidents, our company started investing in information security management system in 2017 to ensure the security of our customers' valuable data assets. We approached it from three aspects: People, Process, and Technology, to enhance the overall security resilience. In early 2021, we successfully passed the BSI audit and obtained the ISO 27001:2013 (IS 743553) certification. Later that same year, we also passed the NIST CSF (Cybersecurity Framework) NIST 759307 verification.

Through our self-developed technology, we tightly integrate data/information flows with our information security management system, and further combine with our strategic partners to serve our customers, strengthen service quality, create added value, and effectively help our customers enhance the overall efficiency of supply chain management.

Feature Highlights

- Supply Chain Orientation:

Integrate sales activity, operations, accounting, and financial management across the Supply Chain in the transportation and logistics industry for management efficiency and customer service excellence.

- Web 3.0 based collaboration on Cloud Networking with Applications:

Eases deployment, connectivity, accessibility, ensures high performance and service reliability, as well as reduces carbon footprint by taking advantage of energy efficient technology.

- Resilience in information security:

Equipped with a complete information security management system

mechanism, ensuring the high availability of system services.

- Business intelligence:

Centralizes the data control mechanism to improve data quality, with dynamic and flexible analysis reporting tool for customizable reports.

- Automation:

Preserves natural resources by reducing paperwork through the automation of integrated work flow and processes across the Supply Chain.

- Customer Focused:

Collaboration Service Platform as well as Data Integration capabilities for seamless connectivity with our esteemed customers.

Dimerco's integrated e-commerce service platform and global real-time information system (Dimerco Value Plus System® -15861), currently (1) Integrated System consists of (5) Platforms, (8) Operation Modules, (6) Supplementary Functions and (1) Big Data Bank. Such systems may not only upgrade the Company's operating performance but also help customers manage supply chains so as to cut customers' operating cost and enhance their efficiency.

1 System

Dimerco Value Plus System® - One Integrated Transportation & Logistics Service Management System

5 Platforms

Operating platform, service form, cloud networking platform, network safety platform and information development platform

8 Operation Modules

- eSAM - Sales Activities Management System
- eCall Freight System® - Trucking Management System
- eAMS - Air Freight Management System
- eOMS - Ocean Freight Management System
- eWMS - Logistics Warehouse Management System
- eDAS - Domestic Air Freight Management System
- eRMS - Railway Freight Management System for Cross-Border Train Freight (CBTF)
- eFMS - Finance & Accounting Management System

6 Supplementary Functions

- eRate - Rate Query System
- CYM® - Consolidation Yield Management System® (Patent No. I 505230 (TW) & Patent No. US 8,694,440 B2)

- DYM - De-Consolidation Yield Management System
- 3PS - Triangle Trade & 3rd Party Billing Management System
- CBS - Customs Brokerage Management System
- ACS - Automated Centralized Settlement

1 Big Data Bank

Enabled By Data Synchronization Method (Patent No. I 439873 (TW) & Patent No. US 8,850,074 B2)

II. Company Profile

Dimerco, the first domestically established international logistics company approved for listing in Taiwan, has been pursuing excellence for over 50 years since its establishment in 1971. Built on the ethical values and corporate culture of Dimerco, the company is dedicated to creating the most competitive international transportation and logistics service provider. Dimerco's growth strategy revolves around global channelization, product diversification, operational optimization, digitalization of systems, and localization of operations, with a focus on network-based services. By seamlessly integrating physical and virtual channels, Dimerco aims to achieve a globally accessible international logistics service.

Since October 1, 2019, the group has implemented an organizational transformation centered around "organizational change, specialized division of labor, team leadership, and intelligent utilization." It has established the Executive Management Board (EMB) to drive innovation and leverage the expertise of its Business Intelligence Technology (BIT) department, which has enhanced its commercial intelligence technology through information technology. Through the self-developed Web 3.0 cloud logistics platform and its mobile intelligent logistics system, Dimerco supports the group's three business units, namely air freight, ocean freight, and contract logistics, to provide comprehensive services to customers as their "Mobile Intelligent Logistics Service Partner."

Following the organizational transformation, Dimerco faced the global COVID-19 crisis in 2020. Leveraging its mobile intelligent platform, fostering team collaboration, and responding rapidly to market changes, Dimerco employed crisis management measures such as multimodal transport and charter flights to provide individualized international transport and logistics solutions to customers. Despite challenges, Dimerco achieved better revenue and profitability in 2020 than in previous years, demonstrating the effectiveness of its organizational transformation.

Entering 2021, Dimerco continues to drive organizational transformation 2.0, with a focus on intelligent utilization starting from March. By emphasizing specialized division of labor, attention to detail, and horizontal connections, the company is implementing a flatter organizational structure. The regional management centers for North America, mainland China and Hong Kong, Southeast Asia, Europe, and Northeast Asia are being integrated into the Central Service Center. This transformation aims to enhance internal management efficiency and strengthen marketing, rapid response, and intelligent adaptation capabilities externally. Looking ahead, with the commitment to efficiently connect markets and production hubs in Asia with the rest of the world, Dimerco newly appointed Mr. Jeffrey Shih as CEO in December, 2023 while continues its global expansion efforts, particularly in the U.S. market and to be a major logistics service provider in supply chain digitalization through the use of robotic process automation (RPA) and artificial

intelligence (AI).

Currently, the group's global marketing service network spans near 160 locations, strategically covering key markets such as Taiwan, China, Hong Kong in Greater China; South Korea, Japan in Northeast Asia; Singapore, Malaysia, Thailand, Philippines, Indonesia, Vietnam in Southeast Asia; India in South Asia; Australia in Oceania; the United States, Canada in North America; and the United Kingdom, the Netherlands, Germany in Western Europe. In addition to expanding its network of owned marketing service points, Dimerco also establishes strategic alliances through joint ventures in North America, Southeast Asia, China, and Europe to increase service channels and cater to important markets worldwide.

With a focus on diversification, Dimerco offers a range of service products, including air freight contracting, ocean freight contracting, and an emphasis on the development of contract logistics. The company integrates multimodal transport, comprehensive logistics warehousing and distribution services, cargo insurance services, import/export customs clearance, domestic transportation in China, cross-border land transportation, and other auxiliary and customized services to enhance its overall service capabilities and value proposition.

Since entering the mainland China market in 1991, Dimerco has deeply cultivated the market and currently operates nearly 80 marketing service points. It has also been awarded the "China Famous Trademark" by the State Administration for Industry and Commerce Trademark Office. With over 50 years of experience in the international logistics industry, Dimerco has maintained close partnerships with top international airlines. It recognizes the environmental burden caused by the emissions of greenhouse gases from traditional transportation tools using fossil fuels. In 2022, Dimerco achieved ISO 14001 and ISO 45001 certifications in China. Its Taiwan-based parent company, Dimerco International Logistics Co., Ltd., completed an internal greenhouse gas inventory and successfully obtained the highest level of certification, "reasonable assurance level," in greenhouse gas verification according to ISO 14064-1:2018 through DNV GL, an accredited verification body recognized by the Environmental Protection Administration.

Dimerco has taken further steps in 2023. Implemented the EcoTransIT World system certified by the international organization Smart Freight Centre (SFC), Dimerco utilizes this system to calculate carbon emissions for air, sea, and land transportation, aligning with the Global Logistics Emissions Council (GLEC) framework and meeting the requirements of the GHG Protocol (corporate standards). Besides, Dimerco's environmental initiatives in 2023 have been recognized with a B- score by the Carbon Disclosure Project (CDP), indicating an above-average performance in the intermodal transport and logistics sector, both in Asia and globally. And since the end of 2023, Dimerco starts planning to align ESG goals with Cathay's vision on its Corporate

Sustainable Aviation Fuel (SAF) Programme, to support the earth with practical action on reduction of greenhouse gas emissions associated with aviation.

Moreover, Dimerco has received numerous recognitions, including being named "Airfreight Forwarder of the Year" by Air Cargo Week (ACW), nominations for annual logistics awards hosted by the British International Freight Association (BIFA) and Lloyd's Loading List, and being listed in the Inbound Logistics (IL) Top 3PL List and G75: Green Supply Chain Partners by the US logistics media in 2021-2023. It was also awarded the list of 100 Great Supply Chain Partners by Supply Chain Brain in 2022-2023. Last but not the least, Dimerco has been highly recognized by the Great Place to Work® Institute in the United States, Singapore, Vietnam, China, Hong Kong, Taiwan, and Thailand, demonstrating the company's commitment to its extensive human resources as a best practice.

In the era of mobile communications and the Internet of Things, with the rapid evolution of artificial intelligence technology, the trend of big data and the application of semi-automation technology, Dimerco has repositioned itself and strives to become a "Mobile Smart-Logistics Service Partner" for its customers. It promises to leverage its self-developed Web 3.0 cloud logistics platform (Cloud Networking) and the Dimerco Value Plus System®, a digital logistics real-time information system, to enhance business intelligence technology (BIT) and application development, making use of its Information Technology-enhanced BIT department's expertise. By incorporating relevant mobile technologies into the system, the aim is to make automation systems mobile, and to achieve product diversification, service optimization, operational excellence, and management efficiency. This not only strengthens internal information integration to improve the group's operational management performance but also provides customers with real-time information required for supply chain management through diversified website interactive features and integrated databases, thereby assisting customers in enhancing their competitive capabilities in the market.

Dimerco's self-developed Dimerco Value Plus System® continues to innovate and currently holds two patents in Taiwan and the United States:

- (1) Consolidation Yield Management System and Method® (CYM): This system saves manpower and time, optimizing operations, improving efficiency, and reducing learning curves. It integrates and strengthens the ability for consolidation and shipping across multiple sites (hubs and satellite cities). It also enables pre-planning of consolidation and enhances the efficiency of consolidation before shipment.
- (2) Data Synchronization Method®: This method effectively combines data uploaded from subsidiary servers worldwide and stores it in a central database. With the use of business intelligence analytics tools, it provides accurate data reporting, enabling global customers to

obtain the required data in real-time.

The MyDimerco online system of this platform connects upstream and downstream vendors and customers. Through the concept and capabilities of a virtual office and intelligent mobile technology, it provides customers with efficient services anytime, anywhere. Systems such as the eSAM (Sales Management System) and eCall Freight System® (Delivery Truck Management System) offer seamless and efficient services. The Purchase Order Management System (POMS) helps customers reduce operating costs and improve efficiency, successfully establishing an integrated mobile smart logistics capability that combines the virtual and the real, and is boundless in its reach.

2.1 Date of Incorporation:

August 2, 1985

2.2 Company History

Jul 1971	Dimerco (formerly known as Dimerco Air Freight Forwarder Co. Ltd) has been officially established with a registered capital of NTD 5 million .
Aug 1985	The company restructured its departments to independently set up the Air Freights Forwarder Department as Dimerco Air Freight Forwarder Co. Ltd.
Aug 1994	Cash replenishment for NTD 15 millions, shareholder's capital be NTD 25 millions.
Feb 1995	Awarded as the "Outstanding Vendor for year 1994" by China Airlines and EVA Airways.
Mar 1995	Awarded as the "Outstanding Vendor for year 1994" by American Northwest Airlines.
Apr 1995	Acquired the ISO 9002 Certification.
Feb 1996	Awarded as the "Outstanding Vendor for year 1995" by Singapore Airlines and EVA Airways.
Feb 1997	Awarded as the "Outstanding Vendor for year 1996" by EVA Airways.
Mar 1997	Awarded as the "Outstanding Vendor for year 1996" by Singapore Airlines.
Aug 1997	Awarded as the "Outstanding Customer Broker" by Taipei Customs Bureau of the Ministry of Finance.
Aug 1997	Cash and earnings surplus replenishment for NTD 50 millions, shareholder's capital be NTD 75 millions.
Oct 1997	Reinvested in subsidiaries at Hong Kong, Singapore, US and UK.

Nov 1997	Cash replenishment for NTD 115 millions, shareholder's capital be NTD 190 millions.
Feb 1998	Awarded as the "Outstanding Vendor for year 1997" by Singapore Airlines and EVA Airways.
Mar 1998	Prepared for public offering.
Jun 1998	Cash and earnings surplus replenishment for NTD 70.5 millions, shareholder's capital be NTD 260.5 millions.
Aug 1998	Awarded as the "Outstanding Customer Broker" by Taipei Customs Bureau of the Ministry of Finance.
Feb 1999	Awarded as the "Outstanding Vendor for year 1998" by Hong Kong Cathay Pacific Airways.
Mar 1999	Awarded as the "Outstanding Vendor for year 1998" by American Northwest Airlines, United Parcel Service of America, Inc. (UPS), China Airlines and EVA Airways.
Aug 1999	Earnings surplus and capital surplus replenishment for NTD 56.5 millions.
Oct 1999	Established a central billing center.
Dec 1999	Reinvested in Dimerco Express Holding Company Limited, Diversified Freight System Corp.
Jan 2000	Cash replenishment for NTD 56 millions, paid-in capital reached to NTD 373 millions.
Feb 2000	Awarded as the "Outstanding Vendor for year 1999" by Hong Kong Cathay Pacific Airways, China Airlines and EVA Airways.
Aug 2000	Earnings Surplus and Capital Surplus replenishment for NTD 52 millions, paid-in capital reached NTD 425 millions.
Feb 2001	Awarded as the "Outstanding Vendor for year 2000" by Hong Kong Cathay Pacific Airways, China Airlines and Dragonair.
May 2001	Awarded as the "Outstanding Vendor for year 2000" by American Northwest Airlines, EVA Airways.
Jun 2001	Approved for public listing over-the-counter, became the first Taiwan Internal Forwarding Company to be granted for stock listing.
Sep 2001	Dimerco Thailand branch to obtain customer brokerage license.
Oct 2001	Dimerco Express (Taiwan) Company was officially public listed over-the-counter.
Nov 2001	Dimerco obtained the first grade freight forwarding license in Mainland China.
Nov 2001	Earnings surplus and capital surplus for NTD 65 millions, paid-in capital reached NTD 490 millions.

Dec 2001	Dimerco extended its territories in Europe and founded the joint ventures companies in Ireland and UK.
Mar 2002	Signed with Nortel Network on a service level agreement for logistics and distribution warehouse services.
Mar 2002	Established office at Zhu Hai City.
Apr 2002	Marketing service network in Mainland China of Dimerco extended to Southwest (Cheng Du, Chong Qing).
Jun 2002	Five branches of Dimerco obtained NVOCC licenses in Mainland China.
Aug 2002	Earnings surplus and capital surplus replenishment for NTD 70 millions, paid-in capital reached NTD 560 millions.
Sep 2002	Logistic centre at Tao Yuan officially established and opened its bonded warehouse.
Nov 2002	Dimerco Mainland China branches Beijing, Tianjin, Shanghai, Fuzhou, Xiamen were granted for customer brokers licenses.
Jan 2003	Awarded as the "Outstanding Vendor for year 2002" by American Northwest Airlines.
Feb 2003	Awarded as the "Outstanding Vendor for year 2002" by Hong Kong Cathay Pacific Airways, China Airlines.
Feb 2003	Approved by Ministry of Finance of the Securities and Futures Commission to collect and issue convertible bonds for USD 10 millions.
Mar 2003	Established Chengdu office.
Apr 2003	Established Nanjing and Ningbo offices.
Jun 2003	Established Dallas office.
Jul 2003	Established Dalian and Yenta offices.
Aug 2003	Dimerco and Uni-Group Worldwide UTS formed strategic alliances – Type goods transportation.
Aug 2003	Earnings surplus and capital surplus replenishment for NTD 100 millions, paid-in capital reached NTD 660 millions.
Feb 2004	Dimerco Beijing Subsidiary was awarded second in year 2003 International Sales Agent.
Mar 2004	Dimerco Mainland China Subsidiary was awarded by Beijing Finance Bureau for "Excellent Enterprise Award for Foreign Investment Enterprise Financial Reporting in year 2002".
Jul 2004	Earnings surplus and capital surplus replenishment for NTD 65 millions, paid-in capital reached NTD 725 millions.

Nov 2004	Established Wuhan, Kunshan, Wuxi, Hangzhou and Xi'an offices.
Jan 2005	Established Yiwu and Chongqing offices.
Feb 2005	Dimerco Mainland China Subsidiary was awarded "Excellent Enterprise Award for Foreign Investment Enterprise Financial Reporting in year 2003".
Feb 2005	Established San Francisco (Logistics) office.
Apr 2005	Established Huizhou office.
Jun 2005	Subsidiary of Dimerco awarded top 30th in ranking for "China Hundred Companies in year 2004".
Jun 2005	Established Shijiazhuang office.
Jul 2005	Dimerco acquired the approval on Domestic Air Transport Sales Agency Businesses etc on Mainland China.
Jul 2005	Awarded 667th ranking for Public Listing among Mainland China, Hong Kong and Taiwan in year 2004.
Aug 2005	Earnings surplus and capital surplus replenishment for NTD 85 millions, paid-in capital reached NTD 810 millions, capital raised to be used for expansion of worldwide sales network.
Sep 2005	Creditors of convertible bonds requested to convert USD 500 thousands of convertible bonds, and use its own funds and other related intermediation of funds from the open market to repurchase USD 950 thousands of convertible bonds. Paid-in capital amounted to NTD 122,384 thousands (Including 2,000 thousands shares of treasury stocks).
Oct 2005	Established US Hartford office.
Dec 2005	To align with the future strategic development of the company, the company transferred its long-term investments including Dimerco Express Corp., Dimerco Express (U.K.) Ltd., Dimerco Express (Singapore) Pte. Ltd and Dimerco Air Forwarders (H.K.) Ltd and other subsidiaries through equity swap to its 100% holding subsidiary Dimerco International Logistics Corporation.
Dec 2005	Established Shunde office.
Jan 2006	Established Nantong office.
Mar 2006	Dimerco Beijing Company was awarded as the Best Freight Forwarding Agent by Cathay Pacific Airways and Dragonair.
May 2006	Awarded the top 586th in ranking for Best 1000 services in year 2005.
Jun 2006	Established Chuan Zhou Office.

Jun 2006	Dimerco acquired the Insurance Agency qualification in Mainland China.
Jun 2006	Distribution of inland transportation service network in China – Beijing, Shanghai, Guangzhou, Shenzhen, Fuzhou, Xiamen, Tianjin and Qingdao
Jun 2006	Established Jinan and Songjiang offices.
Jun 2006	Dimerco joint venture capital with Vietnamese company commenced its operation.
Jun 2006	Dimerco International Transportation Co. Ltd was elected as “China Logistics Enterprise with Integrity”.
Jun 2006	Diversified Transportation (China) Co. Ltd was officially opened in mid-July.
Aug 2006	Established Fuqing office.
Sep 2006	Established Shenzhen (Logistics) and Shenyang offices.
Dec 2006	Established Harbin and Langfang offices.
Jan 2007	Established Japan (Tokyo) representative office.
Feb 2007	Established Rizhao office.
Mar 2007	Established India (Guinea) representative office.
Mar 2007	Awarded as the “Best Freight Forwarder” by Cathay Pacific Airways and Dragonair.
Apr 2007	Established Taicang office.
Apr 2007	Dimerco's operation sites were officially over than 100 offices.
May 2007	Established Lianyungang, Qingpu, Jiading and Hsiangan offices.
May 2007	Dimerco Group was elected by the Commonwealth Magazine as the top 79th in ranking for “Taiwan Best 500 Services” in year 2006
May 2007	Dimerco Group was elected by Business Week as top 662th in ranking for public listing among Mainland China, Hong Kong and Taiwan, top 27th in ranking for its transportation business.
Aug 2007	Dimerco Group sponsored Mr. Cheng Wenchang on participation in France 1,200 km bike challenge.
Apr 2008	Dimerco Group established its 126th service site at Australia Lisbon.

May 2008	Dimerco donated to relief earthquake disaster at Sichuan.
May 2008	Dimerco was elected by Commonwealth Magazine as top 71th in ranking for “Taiwan Best 500 Services” in year 2007.
May 2008	Dimerco International Transportation (Shanghai) Co., Ltd., and Dimerco International Transportation Co. Ltd were awarded for AAA grade credit rating enterprise recognition; Dimerco International Transportation (Shanghai) Co., Ltd., which was mainly responsible for Maritime business was also be awarded for AA grade credit rating enterprise recognition.
May 2008	China International Freight Forwarders Associations conducted the best 100 ranking surveys of Year 2007 Annual China International Freight Forwarders Logistics Services which were revealed on 21st May 2008; of which the best 100 ranking for Year 2007 Annual China International Freight Forwarding Logistics : Dimerco International Transportation Co., Ltd., was ranked at top 29th; the best 50 ranking for Year 2007 Annual China Air Freight Forwarding Logistics : Dimerco International Transportation Co., Ltd., was ranked at top 12th; the best 50 ranking for Year 2007 Annual China Air Freight Forwarding Logistics : Dimerco International Transportation (Shanghai) Co.,Ltd., was ranked at top 24th; the top 50 ranking with cutting-edge services within the best 100 ranking for Year 2007 Annual China International Freight Forwarding Logistics : Dimerco International Transportation (Shanghai) Co.,Ltd., was ranked at top 5th; the top 50 ranking with cutting-edge services within the best 100 ranking for Year 2007 Annual China International Freight Forwarding Logistics : Diversified International Transportation (Shanghai) Co., Ltd., was ranked at top 11th; for more specific details, please visit the website of China International Freight Forwarders.
Jul 2008	Business site at China Henan, Zhengzhou was officially in operation on 1st Aug 2008.
Jul 2008	Business site at Jiangsu Province, Changshu was officially in operation on 1st Aug 2008.
Aug 2008	Hsinchu business site was officially in operation on 26th Jul 2008, providing maritime services.
Aug 2008	Dimerco Express (USA)Corp – Charlotte business site was officially in operation on 15th Aug 2008.
Aug 2008	On 1st Sep 2008 commenced the business site at China Tianjin to provide Maritime transportation services.
Sep 2008	Dimerco Express (USA)Corp –Milwaukee business site was officially in operation on 15th Sep 2008.
Oct 2008	Hanoi business site of Dimerco Vietfracht (JV) Co., Ltd was officially in operation on 1st Oct 2008.
Oct 2008	We are very honored to announce that the Dimerco International Logistics Group was awarded by the Department of Commerce for Excellent recognition on “Year 2008 Best Business Services Award” (http://www.tier.org.tw/). With this award, Dimerco so achieved the eligibility to participate in FL Asia (Franchising & Licensing Asia), this exhibition will be held from 16th to 18th of October 2008 in Singapore.
Oct 2008	Dimerco Express (USA)Corp –Huston business site was officially in operation on 15th Oct 2008.
Nov 2008	Taiwan Yilan business site of Dimerco Air Freight Forwarder Co., Ltd., was officially in operation on 1st Nov 2008.

Nov 2008	Dimerco Express (USA)Corp –San Diego business site was officially in operation on 15th Nov 2008.
Dec 2008	China Jiangsi Province, Nanchang office; this office was Dimerco International Logistic Group 139th office.
Feb 2009	Dimerco International Logistic Group established its new site at Taiwan Changhua office; this office be 140th office of the Group.
Feb 2009	Year 2009 Annual Conference Meeting of Dimerco International Logistic Group was held from 9th to 10th Feb at Taipei Regent Hotel; in this two-day conference, other than the participation of the company top management, we also invited major overseas agents to participate in this meeting, in hope to create and provide better services to our customers through mutual discussions. Agents cooperated with Dimerco for sales revenues of USD 1 million and above.
Mar 2009	Dimerco International Logistic Group established its new site at Thailand Chiang Mai; this office be 141th office of the Group.
Jul 2009	Dimerco International Logistic Group established its new site at China Guangdong province, Shantou city; this office be 142nd office of the Group.
Jul 2009	China International Freight Forwarders Association (CIFA) surveyed the list of top 100 China International Freight Forwarders of year 2008, and the result was released on 1st July 2009. Dimerco International Freight Forwarder was awarded the top 100 China International Freight Forwarders of year 2008.
Aug 2009	Dimerco successfully developed Web2.0 as its platform for global timely information system, and deployed at various global sites, to effectively integrated customer management, customer services, logistics operations, financial accounting control and other modules.
Aug 2009	Dimerco value-added information system was officially launched on 1st Aug 2009.
Sep 2009	Dimerco International Logistic Group established its new site at China Beijing Economic and Technological Development District; this office be 143rd office of the Group.
Sep 2009	Dimerco International Logistic Group established its new site at China Beijing Haidian; this office be 144th office of the Group.
Oct 2009	Dimerco International Logistic Group established its new site at US Raleigh New Kaliduoni; this office be 145th office of the Group.
Nov 2009	Dimerco International Logistic Group established its new site at US Indianapolis, the capital of Indiana; this office be 146th office of the Group.
Nov 2009	Dimerco International Logistic Group established its new site at US Pittsburgh, Pennsylvania; this office be 147th office of the Group.
Nov 2009	In response to environmental protection, energy saving and carbon reduction, Dimerco International Logistic Group Taiwan branch – Dimerco Air Freight Forwarder Co., Ltd., actively cooperated with domestic major airline companies such as EVA Airways, China Airlines, Cathay Pacific Airways and Dragonair, and participated in the “International Electronic Air Cargo (e-freight)” program promoted by the International Air Transportation Association (IATA).
Nov 2009	Dimerco International Logistic Group established its new site at Mainland China, Longgang, Shenzhen; this office be 148th office of the Group.

Nov 2009	Dimerco International Logistic Group established its new site at Vietnam, Haiphong; this office be 149th office of the Group.
Jan 2010	The warehouse management operation module of the Dimerco value-added information system was officially launched.
Jan 2010	Dimerco International Logistic Group established its new site at China, Guangdong province, Panyu; this office be 150th office of the Group.
Jan 2010	Year 2009 Annual China Cargo Account Settlement System (CASS) Agent ranking was officially announced. The ranking was ranged from highest to lowest amount based on the settlement amount of each agent company with CASS during year 2009. Dimerco International Transportation Agency Co., Ltd., under Dimerco International Logistic Group was awarded top 20th in ranking.
Apr 2010	Dimerco Shanghai branch was awarded A class regulatory warehouse.
May 2010	Dimerco International Logistic Group established its new site at Southern Thailand, Hat Yai; this office be 151th office of the Group.
May 2010	Dimerco International Logistic Group established its new site at China Hebei Province, Tangshan City; this office be 152nd office of the Group.
May 2010	Dimerco International Logistic Group established its new site at US Utah, Salt Lake City; this office be 153rd office of the Group.
Aug. 2010	Dimerco International Logistic Group established its new site in Luoyang, Henan Province, China; this office be 154rd office of the Group.
Sep. 2010	Dimerco International Logistic Group established its new site in Yinchuan, Ningxia, China; this office be 155rd office of the Group.
Oct. 2010	Dimerco International Logistic Group established its new site in Taizhou, Zhejiang, China; this office be 156rd office of the Group.
Nov. 2010	Dimerco International Logistic Group established its new site in Danang City, Vietnam; this office be 157rd office of the Group.
Dec. 2010	Dimerco International Logistic Group established its new site in Fenggang, Guangdong, China; this office be 158rd office of the Group.
Feb. 2011	Dimerco International Logistic Group established its new site in Springfield Massachusetts, U.S.A; this office be 159rd office of the Group.
Mar 2011	Dimerco International Logistic Group established its new site in Changping, Guangdong Province, China; this office be 160rd office of the Group.
Mar 2011	Dimerco International Logistic Group established its new site in Yangzhou, Jiangsu Province, China; this office be 163rd office of the Group.
Apr 2011	Dimerco named "2010 China Advanced Logistics Providers Award".
May 2011	Dimerco International Logistic Group established its new site in San Jose, CA, U.S.A.; this office be 164rd office of the Group.

Jun 2011	Dimerco Express (Taiwan) Corporation Determined to Apply for Double Certification of AEO and ISO 28000.
July 2011	Dimerco International Logistic Group established its new site in Huangpu, Guangzhou, China; this office be 165rd office of the Group.
July 2011	Dimerco awarded as Y2010 Top 500 companies in Service Industry in Taiwan and Top 1000 Enterprises of China, Hong Kong, and Taiwan by Common Wealth.
Aug. 2011	Dimerco Named "Top 20 Global Airfreight Forwarders " in A&A Report.
Sep. 2011	Dimerco Named CIFA honors and Beijing Office Celebrates 15th Anniversary.
Oct. 2011	Dimerco International Logistic Group established its new site in Ho Chi Minh City, Vietnam; this office be 165rd office of the Group.
Jan. 2012	Dimerco Receives AEO Certification in Taiwan.
Jan. 2012	Dimerco acquires a US based customs brokerage service company, MYK Global Services Inc.
Feb. 2012	Dimerco International Logistic Group established its new site in Taoyuan, Taiwan; this office be 165rd office of the Group.
Mar 2012	Dimerco Customs Brokerage Services Co. Ltd. provides customs brokerage service in U.S.A.
July 2012	Dimerco becomes first UKAS ISO28000 Certified Company in Taiwan.
Aug. 2012	Dimerco Customs Brokerage Services in Los Angeles starts operation on Aug.15.
Oct. 2012	Dimerco's India JV starts operation & Company renamed as Dimerco Express Corporation on Oct 1.
Feb. 2013	Dimerco Receives Green Sustainability Award and Dimerco Netherlands is officially AEO Certified.
Mar 2013	Dimerco Malaysia receives TAPA Class-A FSR Certification.
Apr 2013	Dimerco launches new Less-Than-Truckload (LTL) services in early May.
Aug. 2013	Dimerco International Logistic Group established its new site in Wuhu, Anhui Province ; The operation day was Aug.1 .
Sep. 2013	Dimerco Receives "Best ACSC SCM Achievement" Award.
Mar 2014	Dimerco founder & Chairman Mr. Paul Chien names Mr. Edward Lin as CEO to represent inheritance by generation.
Apr 2014	Dimerco Ranked Top by Taipei Customs Administration with Customs Declaration Submission thru Electronic XML.

May 2014	Dimerco Consolidation Yield Management System© (CYM) and successfully filed for a US patent.
May 2014	Dimerco International Logistic Group established its new site in Hefei, Anhui Province, China; The operation day was May 30.
July 2014	Dimerco Announces Cambodia JV Operation and Full ownership of Australia offices.
Oct. 2014	Dimerco Launches its "China Plus - China Integrated Value+ Services" and Image Video globally.
Nov. 2014	Dimerco Receives 2014 China Advanced Logistics Company Award.
Dec. 2014	Dimerco Accredited with China Well-Known Trademark.
Dec. 2014	Dimerco International Logistic Group established its new site in Changsha, Hunan Province, China; The operation day was Jan. 1 .
Jan. 2015	Dimerco Received "NETGEAR Best Logistics Partner Runner-Up " .
Apr 2015	Dimerco Singapore Receives TAPA Class-A FSR Certification
Jun 2015	Dimerco ranked on 2014's Largest Forwarders by Air Freight Metric Tonnes
Jun 2015	Dimerco Received the 2015 AFLAS Award
Aug 2015	New 3rd tier office set up in Yancheng, Jiangsu Province, China
Aug 2015	One and Only Taiwanese Company: Dimerco's Subsidiaries Both Honorably Named in CIFA 2014 Top 100 and Air Cargo Top 50 Logistics Listings
Sept 2015	New office set up in Changzhou Jiangsu Province, China
Sept 2015	New office set up in Rotterdam, Netherlands
Sept 2015	Dimerco Opens New Rotterdam Office in September
Sept 2015	New office set up in Jia Xing, Zhejiang Province, China
Oct 2015	Dimerco New Office Set Up in Walnut Creek, CA, U.S.A.
Nov 2015	New office set up in Yinchuan, Ningxia, China
Nov 2015	New office set up in Zhuhai, Guangdong, China

Feb 2016	Dimerco named Top 5 freight forwarders of Chennai Air Cargo Complex
Apr 2016	Dimerco sponsored the Mid-Peninsula Boys & Girls Club (MPBGC) Invitational Golf Tournament
Apr 2016	From vision to reality - Dimerco is recognized as one of the most competitive global transportation & logistics service providers, integrators & consultants
May 2016	Dimerco celebrates the success of its debut on Air Cargo News' latest Top 25 Global Freight Forwarders List, as well as being ranked by Transport Topics' 2016 as a Top Ocean Freight Forwarder among leading competitors.
Jun 2016	Diversified Freight System (DFS) Corporation, was granted the Authorized Economic Operator (AEO) certification by Taiwan's Keelung Customs Office
Jun 2016	New office set up in Ahmedabad, India
Jun 2016	Dimerco is Awarded as "Airfreight Forwarder of the Year 2016" by Air Cargo Week
July 2016	Dimerco Zhongjing International Express Co., Ltd. and Dimerco International Transportation (Shanghai) Co., Ltd. are both ranked in the Top 100 International Freight Forwarders and Top 50 Air International Freight Forwarders lists by China International Freight Forwarders Association (CIFA) at the Y2015 Top Lists annual award ceremony held in Dalian, China on July 28, 2016.
Aug 2016	New office set up in Hyderabad, India
Aug 2016	Dimerco impresses in India with another industry award
Sep 2016	HJN operating vessel tracking information - HJN / YML / EMC website
Sep 2016	Dimerco celebrates success in China.
Oct 2016	New office set up in Shunde, Guangdong, China
Oct 2016	New office set up in Guangzhou, Guangdong, China
Nov 2016	New office set up in Guangzhou, Guangdong, China and Mumbai, India.
Dec 2016	New office set up in Qingdao, Shandong, China
Dec 2016	New office set up in Xiamen, Fujian, China
Feb 2017	Dimerco was ranked as the best employee welfare among the forwarding industry by Wealth Magazine in Taiwan. [February 2017- 522 edition]
Apr 2017	Dimerco new office set up in Portland, OR, U.S.A

May 2017	Dimerco celebrates Its Strong Growth in Ocean Freight with Recognition by Transport Topic.
May 2017	Dimerco approved Tax Credit by Taiwan Government first time for the IT innovation on its R&D Investment.
May 2017	Dimerco wins Air freight Forward of the Year 2017.
Apr 2018	New office set up in Wuhan, Hubei, China.
Apr 2018	Dimerco Express Group rolls out latest technology to keep ahead of the curve.
Apr 2018	New office set up in Linyi, Shandong, China.
May 2018	Dimerco New Office Set Up in Irvine, CA, U.S.A. on May 08,2018
May 2018	Dimerco crowned Airfreight Forwarder of the Year for third time.
Jul 2018	MTO accreditation opens growth opportunity for Dimerco in India
Aug 2018	New office set up in Shanghai, China
Aug 2018	Strengthening owned customs brokerage service, Dimerco's new India JV starts operation on August 1st
Sep 2018	Dimerco named as awards finalist for second year by Lloyd's Loading List
Oct 2018	New office set up in Suzhou, China (Ocean Freight)
Oct 2018	New office set up in Hefei, China (Ocean Freight)
Nov 2018	Dimerco Highlighted China and ASEAN Inbound Logistics Capability at China International Import Expo
Dec 2018	Supporting developmentally disabled children in Taiwan, Dimerco provides 100 lunch boxes with love at its Annual Friendship Golf Tournament
Jan 2019	New office set up in Singapore (Ocean Freight)
Jan 2019	Dimerco carries out dual-brand strategy with dedicated ocean freight service team in Singapore
Feb 2019	Dimerco highlights its historical milestone with corporate value and strength at Annual Management Meeting
Mar 2019	Dimerco delivers urgent Aerospace cargo from US to China in 5 days

Apr 2019	New office set up in Seattle, U.S.A.
Apr 2019	Dimerco expands North American network with new Seattle office
Jun 2019	New office set up in Nanjing, China
Jun 2019	New office set up in Chongqing, China
Sep 2019	New office set up in Mianyang, China
Sep 2019	New office set up in Nansha, China
Oct 2019	Dimerco Express Group has restructured to set up an Executive Management Board (EMB)
Dec 2019	Dimerco collaborates with strategic Mexico partner to facilitate logistics for Villanueva
Jan 2020	Dimerco and Elanders enter joint venture for air and sea freight forwarding business
Apr 2020	Dimerco achieves recognition of AEO accreditation across China
Sep 2020	New office set up in Shenzhen, China
Apr 2021	Dimerco achieved the internationally recognized ISO 27001 certification for Dimerco Value Plus System® by BSI (British Standards Institute)
Jul 2021	Dimerco Hosts 2021 Annual Shareholders' Meeting
Jul 2021	Dimerco celebrates 50-year milestone and has marked the milestone with the unveiling of a dynamic new website, which is linked to the company's market leading Dimerco Value Plus System® via a range of new features, and a commemorative video that reflects Dimerco's impressive growth and many accolades over the years.
Oct 2021	New Sales Office Set Up in New Jersey
Dec 2021	Dimerco Locks in Cyber Security with NIST CSF Certification
Mar 2022	Dimerco Expands to Phoenix, AZ USA – Joint Venture with BC Logistics
Mar 2022	New office set up in Savannah, U.S.A.
May 2022	Dimerco become the first in China to obtain ISO 14001 and ISO 45001 certifications.
Jun 2022	Dimerco holds 111th annual shareholders' meeting.

Jul 2022	Dimerco is once again listed in the Top 3PL List by Inbound Logistics, a US logistics authority, and was recognized as a Green Supply Chain Partner G75: Green Supply Chain Partners 2022.
Aug 2022	Set up a new maritime subsidiary, Diversified Freight System Philippines Corporation, in the Philippines on August 1.
Aug 2022	Dimerco was honored as one of the "2022 list of 100 Great Supply Chain Partners" by the well-known American media, Supply Chain Brain, for the first time.
Oct 2022	Dimerco was certified in Thailand by the Great Place to Work® Institute after being recognized in the US, Singapore, Vietnam, China, Hong Kong, and Taiwan in 2021.
Nov 2022	Dimerco became the first in Taiwan to obtain the ISO 14064-1:2018 certification and declared its goal to strengthen its green supply chain.
Feb 2023	Dimerco recently held its "2023 Global Managers Conference" in Singapore to celebrate its record-breaking revenue for the year.
Feb 2023	Dimerco continues to strengthen supply chain cargo security and customs clearance efficiency. Its Singapore subsidiary has been awarded the international certifications of "Good Distribution Practice for Medical Devices (GDPMDS)" and "Secure Trade Partnership (STP) - STP-Plus" for its excellent distribution practices and commitment to trade security.
May 2023	Dimerco San Francisco starts Flexible Devanning Services in Certified Bonded Warehouse
Jun 2023	Dimerco's New Office in Xuzhou, China – Brings Vital Freight Management Services to this important Manufacturing Hub
Jun 2023	Dimerco Taiwan's Eco-Champion Event: Get Hands Dirty for Biodiversity
Jul 2023	Dimerco is once again listed in the Top 3PL List by Inbound Logistics, a US logistics authority, and was recognized as a Green Supply Chain Partner G75: Green Supply Chain Partners 2023.
Aug 2023	Singapore to Dongguan Air-Sea Pilot with Cathay Cargo
Aug 2023	Dimerco was honored as one of the "2023 list of 100 Great Supply Chain Partners" by the well-known American media, Supply Chain Brain, for the second time.
Sep 2023	Dimerco Unveils a New Bonded Warehouse to Cater High-Tech Supply Chains
Sep 2023	Leading the way to support fashion supply chain on complex projects
Oct 2023	Dimerco Recognized as a Top 25 Global Air Freight Forwarder in 2023
Dec 2023	Jeffrey Shih Appointed CEO of Dimerco Express Group Amidst Global Expansion Efforts
Jan 2024	Dimerco successfully obtained the transition certification for ISO 27001:2022
Feb 2024	Dimerco Makes Significant Strides in Sustainability and Global Connectivity

III. Corporate Governance Report

3.1 Organization

Our company is engaged in international transportation and logistics services, possessing dense global marketing serves network, its business-invested enterprises cover Sea and Air Freight Forwarders, Sea/Air, Air/Sea Joint Transportation, Customers Declaration/Inspections, Truck Transportation, China Inland Transportation, Warehousing, Real Estate Investment and Supply Chain Management services and consulting businesses.

In 2023, the company assigned Mr Jeffrey Shih as CEO of the group, leading the EMB, business units and administrative departments. Mr Jeffrey Shih has 35 years of experience in the logistics industry and possesses the profound industrial knowledge and forward-looking ability. Mr Shih shall lead the company to continue its steady expansion and provide level logistics management services through supply chain digitization and artificial intelligence, becoming the best third-party logistics partner for customers.

1. Company Organizational Chart: please refer to page 28
2. Group Organizational Chart: please refer to page 27
3. The business operations of each major department are as follows:

(1) Executive Management Board(EMB)&Group Headquarters:

Responsible for formulating the overall business strategy and plans for the group, overseeing operations, research and development, as well as managing legal and public relations affairs.

Department	Job Functions and Descriptions
Business Intelligence Technology Department(BIT)	Responsible for the maintenance and execution of the information system development, technology information applications and cyber security protection of the group's subsidiaries
Digital Division (DIG)	Responsible for the group's digital technology development and digital marketing planning and execution.
Business Development & Coordination	Responsible for operation planning and integration of internal coordination and communication, expansion of the service network and maintenance & development of agent relationship.
Global Sales & Marketing	Responsible for the group's global marketing and business planning and execution.
Investment	In charge of investment and investor relation maintenance
Finance	Responsible for group's finance & accounting related matters.
Human Resources	To develop Human resources planning and implementation.
Legal	To review company contracts, assist on resolving overseas and domestic litigation cases, insurance related matters, and compilation of regulation.
Internal Audit	Assist the staffs of the group subsidiaries to fulfill their responsibilities and determine the accuracy of their work to improve the effectiveness of entire organization.
Stockholders Service	Responsible for shareholder's related services

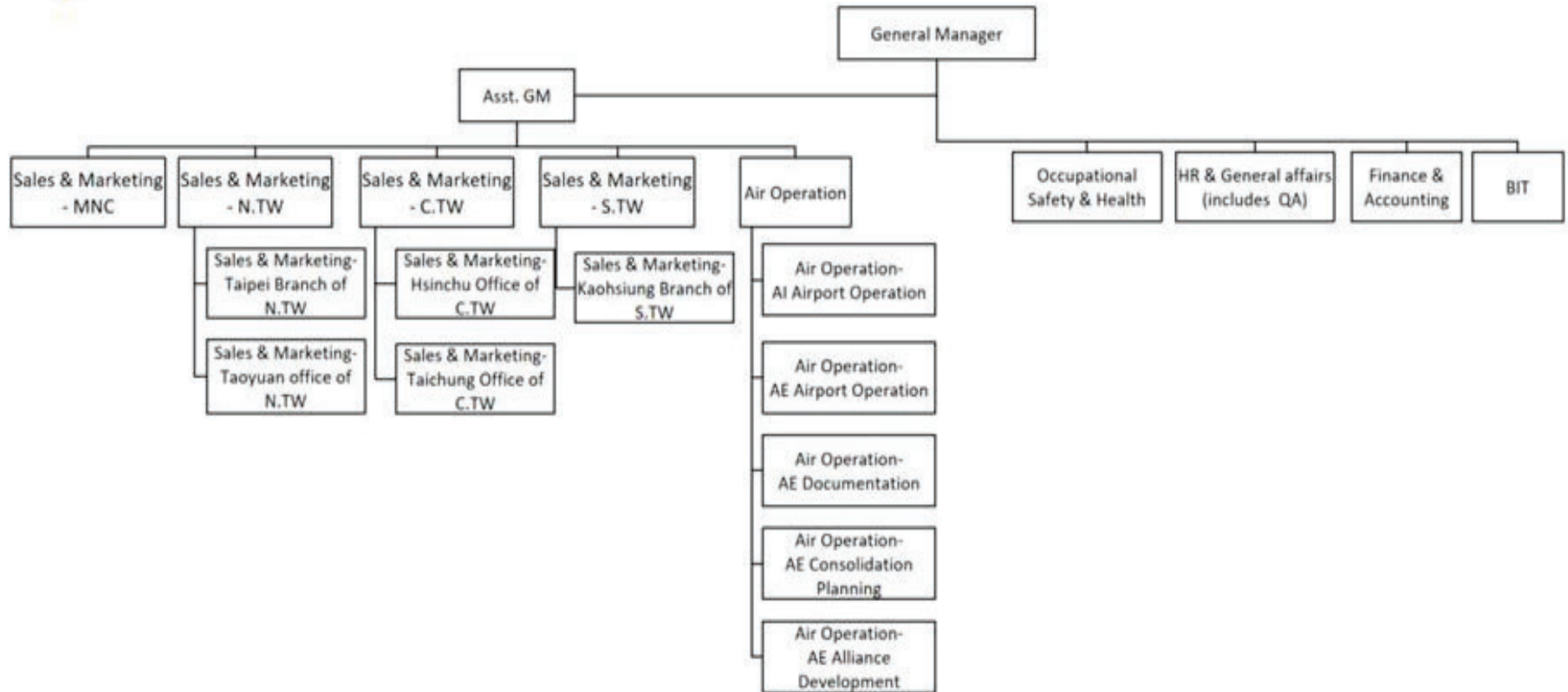
(2) Dimerco Express Corporation Taiwan Branch:

Responsible for the operation, integration, and related business activities in Taiwan region.

Department	Job Functions and Descriptions
General Manager's Office	Responsible for the planning and execution of the network and information connection of the group's subsidiaries
Occupational Safety and Health	Responsible for work environment and employee safety protection matters.
Human Resources Management (including Quality Assurance)	Responsible for human resources planning and execution, as well as handling planning and providing management-level reports.
Business Intelligence Technology	Responsible for computer and network maintenance, system development, and related business activities.
Finance and Accounting	Responsible for finance, treasury, cash budgeting, accounting operations, tax reporting, and cost calculation.
Contract Logistics	Responsible for logistics and warehousing services.
Air Freight Operations	Responsible for airport import and export customer service, operations and freight forwarding services, customs clearance, vehicle dispatch, airport customs declaration, customs clearance, and cargo consolidation.
Northern Taiwan Business Office	Responsible for domestic and international operations, marketing, import and export, and business activities in Northern Taiwan.
Central Taiwan Business Office	Responsible for domestic and international operations, marketing, import and export, and business activities in Hsinchu and Taichung.
Southern Taiwan Business Office	Responsible for domestic and international operations, marketing, import and export, and business activities in Tainan and Kaohsiung.
Sales and Marketing	Responsible for integrated and strategic planning in Taiwan region.

Dimerco Express Corporation Organization Chart of DIMTW

Effective Date : 2023/1/1



3.2 Directors and Management Team

April 7, 2023

3.2.1 Directors

Job title (Note 1)	Nationality or place of registration	Name	Gender, age (Note 2)	Date of election / appointment to current term	Term of office	Commencement date of first term (Note 3)	Shareholding during service		Shareholding at present		Shareholding of Spouse, minor children at present		Shareholding held in the names of others		Principal work experience and academic qualifications (Note 4)	Positions held concurrently in the company and/or in any other company		Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			(Note 5)
							No. of Shares	Shareholding %	No. of Shares	Shareholding %	No. of Shares	Shareholding %	No. of Shares	Shareholding %		Name of Company	Term of service	Job title	Name	Relationship	
Chairman	R.O.C	Chien, Yao-Huai	Male /70-80 year-old	2021.07.08	3 Years	1985.8.2	4,668,598	3.71	5,298,000	3.76	153,965	0.12	0	0	National Chung Hsing University Dimerco Express Group.	Dimerco Express (UK) Limited	Director	Nil	Nil	Nil	
																Dimerco Express (Singapore) Pte. Ltd.	Director				
																Dimerco Air Forwarders (H.K.) Ltd.	Director				
																Diversified Freight System Corporation	Chairman				
																Dimerco Express Holding Company Limited	Director				
																Foreign Settlement Company Ltd.	Director				
																Dimerco Express Phils., Inc.	Director				
																Dimerco Express (Korea) Corp.	Director				
																Dimerco Express Netherlands B. V.	Director				
																Diversified Freight System Ltd.	Director				
																Dimerco Logistics Sdn. Bhd.	Director				
																Danau Muhibbah Sdn. Bhd.	Director				
																Diversified Transportation (HK&China) Co., Ltd.	Director				
																Dimerco International Logistics Corporation	Director				
																Dimerco Express (Thailand) Co., Ltd.	Director				
																Global Marketing & System Co.,Ltd.	Director				
																Foreign Settlement Company Ltd. In HK	Director				
																Dimerco International Transportation (Shanghai) Co., Ltd.	Director				
																Dimerco Express (Malaysia) SDN BHD	Director				
																Dimerco Express (U.S.A.) Corp.	Director				
Dimerco Express (Canda) Corp.	Director																				
Diversified Int'l service logistics system	Director																				
Diversified Transportation (China) Co., Ltd.	Director																				
Dimerco Express(Australia) Pty.Ltd.	Director																				

Job title (Note 1)	Nationality or place of registration	Name	Gender, age (Note 2)	Date of election / appointment to current term	Term of office	Commencement date of first term (Note 3)	Shareholding during service		Shareholding at present		Shareholding of Spouse, minor children at present		Shareholding held in the names of others		Principal work experience and academic qualifications (Note 4)	Positions held concurrently in the company and/or in any other company		Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			(Note 5)
							No. of Shares	Shareholding %	No. of Shares	Shareholding %	No. of Shares	Shareholding %	No. of Shares	Shareholding %		Name of Company	Term of service	Job title	Name	Relationship	
Director	R.O.C	Chien, Wen-Li	Female /40-50 year-old	2021.07.08	3 Years	2021.07.08	1,626,687	1.29	2,170,268	1.54	175,988	0.13	0	0	Saginaw Valley State University Dimerco Express Corporation Corporate Director and Special Assistant to CEO Dimerco Express Corporation Managing Director of Contract Logistics	Foreign Settlement Company Limited	Director	Nil	Nil	Nil	
																Dimerco Express Holding Co., Ltd.	Director				
																Dimerco International Logistics(Shanghai) Co., Ltd.	Director				
																Diversified (Shanghai) International Logistics Service Co., LTD.	Director				
																Diversified Transportation (HK & China) Co. Ltd.	Director				
																Diversified (Shenzhen) International Logistics Service Co., Ltd.	Director				
																Diversified Transportation (CHINA) CO., LTD.	Director				
																Diversified International Logistics Co. Ltd.	Director				
																Diversified International Logistics Pte. Ltd.	Director				
																Dimerco International Logistics Company Limited	Director				
Dimerco Express (India) Pvt. Ltd.	Director																				
Director	R.O.C	MEC Electronics Corporation		2021.07.08	3 Years	1985.8.2	6,740,040	5.35	7,643,579	5.43	0	0	0	0		Nil	Nil	Nil	Nil	Nil	
	Philippine	Representative: Yang, Wei-Yen	Male /70-80 year-old	2021.07.08	3 Years	1985.8.2	0	0	0	0	229,170	0.16	0	0	JOSE RIZAL COLLEGE MEC IMEX INC. President	Dimerco Express Holding Company Ltd	Director	Nil	Nil	Nil	
Dimerco Express Phils. , Inc.	Director																				
Global Marketing & System Co., Ltd.	Director																				
MEC IMEX INC	Chairman																				
Dimerco International Logistics Corporation	Director																				
Foreign Settlement Company Ltd. In HK	Director																				
Director	R.O.C	Chuang, Si-Wei	Male	2021.07.08	3 Years	2003.6.13	416,993	0.33	472,892	0.34	0	0	0	0	Feng Chia University Dimerco Data System Corporation ,Chairman cum General Manager	Dimerco Data System Corporation	Chairman	Nil	Nil	Nil	

Job title(Note 1)	Nationality or place of registration	Name	Gender, age (Note 2)	Date of election / appointment to current term	Term of office	Commencement date of first term (Note 3)	Shareholding during service		Shareholding at present		Shareholding of Spouse, minor children at present		Shareholding held in the names of others		Principal work experience and academic qualifications (Note 4)	Positions held concurrently in the company and/or in any other company		Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			(Note 5)
							No. of Shares	Share holding %	No. of Shares	Share holding %	No. of Shares	Share holding %	No. of Shares	Share holding %		Name of Company	Term of service	Job title	Name	Relationship	
Independent Director	Hong Kong	Yang, Wei-Tian	Male /60-70 year-old	2021.07.08	3 Years	2018.06.8	0	0.00	0	0.00	0	0.00	0	0	The University of Hong Kong, E-Commerce-Msc The Swire Group: Swire Shipping Cathay Pacific	HKUST Committee Member Hong Kong Sinfonietta Hong Kong General Chamber of Commerce	Committee Director President	Nil	Nil	Nil	
Independent Director	R.O.C	Chien, Yin-Fan	Male /70-80 year-old	2021.07.08	3 Years	2015.06.18	0	0.00	0	0.00	0	0.00	0	0	Soochow University Sesoda Corporation, General Manager Sesoda Corporation, Chairman	Nil	Nil	Nil	Nil	Nil	
Independent Director	R.O.C	Chou Kuo Hsing	Male /70-80 year-old	2021.07.08	3 Years	2021.07.08	0	0.00	0	0.00	0	0.00	0	0	Department of Business Administration, NCCU China Airlines Senior Vice President China Pacific Catering Services Ltd. Chairman	Nil	Nil	Nil	Nil	Nil	

Note 1: For a corporate shareholder, the name of the corporate shareholder and its representative shall be listed separately (when listing the representative of a corporate shareholder, the name of the corporate shareholder shall also be noted), and Form 1 below shall also be completed.

Note 2: Please state the actual age, or, alternatively, state the age interval into which the actual age falls, e.g., 41~50 years, 51~60 years.

Note 3: Specify the time the person first began to serve as a director or supervisor of the Company. If there has been any break within a term or between terms, add a note specifying the circumstances.

Note 4: Specify experience and qualifications related to the current position. If during a period specified above the person has served in a position at a CPA firm that serves as external auditor/attestor, specify the position held and the duties for which the person was responsible.

Note 5: Where the chairperson of the board of directors and the general manager or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (e.g., increasing the number of independent directors and ensuring that a majority of directors do not concurrently serve as an employee or managerial officer).

Major shareholders of the corporate shareholders

April 7, 2024

Name of corporate shareholders	Major shareholders of the corporate shareholders
MEC Electronics Corporation	Yang, Wei-Yen, Lin, Yu
AGM INVESTMENT LTD	CHINESE MARITIME TRANSPORT LTD.

Major shareholders of Long Han Industrial Co., Ltd.

April 7, 2024

MEC Electronics Corporation	Major shareholders	Share Holding
1	Yang, Wei-Yen	23.09%
2	Yang, Wei-Chuan	10.56%
3	Lin, Ying	12.57%
4	Lin, Yu	36.00%
5	Yang, Jou-An	8.89%
6	Yang, Jou-Han	8.89%
Total	6 persons	100%

AGM INVESTMENT LTD	Major shareholders	Share Holding
1	CHINESE MARITIME TRANSPORT LTD	100%
Total	1 person	100%

Main Shareholder is a Juridical person

2024/04/07

Juridical Person	Main Shareholder of Juridical Person
CHINESE MARITIME TRANSPORT LTD	AGCMT GROUP LTD.

Professional qualifications and independence analysis of directors

1. Disclosure of Information Regarding the Professional Qualifications and Experience of Directors and Independent Directors:

Apr 7, 2024

Name	Criteria	Meet One of the Following Professional Qualification Requirements, Together with at Least Five Years Work Experience			Independence Criteria(Note)												Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director	
		An Instructor or Higher Position in a Department of Commerce, Law, Finance, Accounting, or Other Academic Department Related to the Business Needs of the Company in a Public or Private Junior College, College or University	A Judge, Public Prosecutor, Attorney, Certified Public Accountant, or Other Professional or Technical Specialist Who has Passed a National Examination and been Awarded a Certificate in a Profession Necessary for the Business of the Company	Have Work Experience in the Areas of Commerce, Law, Finance, or Accounting, or Otherwise Necessary for the Business of the Company	1	2	3	4	5	6	7	8	9	10	11	12		
Chien, Yao-Huai			✓				✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Nil
Chien, Wen-Li			✓				✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Nil
MEC Electronics Corporation Representative: Yang, Wei-Yen			✓		✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Nil
Chuang, Si-Wei			✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Nil
Yang, Wei-Tian			✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Nil
Chien, Yin-Fan			✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Nil
Chou Kuo Hsing			✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Nil

Note: Please tick the corresponding boxes if directors have been any of the following during the two years prior to being elected or during the term of office.

1. Not an employee of the Company or any of its affiliates.
2. Not a director or supervisor of the Company or any of its affiliates. The same does not apply, however, in cases where the person is an independent director of the Company, its parent company, or any subsidiary in which the Company holds, directly or indirectly, more than 50% of the voting shares.
3. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or ranking in the top 10 in holdings.
4. Not a spouse, relative within the second degree of kinship, or lineal relative within the fifth degree of kinship, of any of the persons in the preceding three subparagraphs.
5. Not a director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total number of outstanding shares of the Company or that holds shares ranking in the top five in holdings.
6. More than half of the shares that are not on the board of directors of the company or have voting rights are the directors or employees of other companies controlled by the same person (but if it is the company or its parent company, subsidiary or subsidiary of the same parent company (The independent directors established by the law or local national laws and regulations shall not be limited to this).)
7. Directors or employees of other companies or institutions that are not the same person or spouse with the company's chairman, general manager or equivalent, but if the company and its parent company, subsidiary (If the independent directors established by subsidiaries of the same parent company in accordance with this law or local national laws serve concurrently, they are not limited to this).
8. Not a director, supervisor, officer, or shareholder holding 5% or more of the share, of a specified company or institution that has a financial or business relationship with the Company.
9. Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides commercial, legal, financial, accounting services or consultation to the Company or to any affiliate of the Company, or a spouse thereof.
10. Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company.
11. Not been a person of any conditions defined in Article 30 of the Company Law.
12. Not a governmental, juridical person or its representative as defined in Article 27 of the Company Law.

2. Diversity and Independence of the Board of Directors:

a. Diversity policy:

To strengthen corporate governance and promote the sound development of the board composition and structure, the composition of the board members should consider diversity. Appropriate diversity policies should be formulated based on the company's operations, business model, and development needs. This may include but is not limited to basic conditions and values (gender, age, nationality, culture, ethnicity, etc.) and professional knowledge and skills (such as law, accounting, industry, finance, marketing, or technology).

b. Specific management objectives:

The board of directors of our company guides the company's strategy, oversees management, and is accountable to the company and shareholders. The operational arrangements and arrangements of the corporate governance system ensure that the board of directors exercises its powers in accordance with laws, the company's articles

of incorporation, or shareholder resolutions.

c. The current status of diversity implementation among board members is as follows: The current board of directors of our company consists of 7 members, including 4 non-independent directors and 3 independent directors (including 1 female director). The board as a whole possesses the following capabilities: operational judgment, accounting and financial analysis, management, crisis handling, industry knowledge, international market outlook, leadership, and decision-making. The board members also have industry experience and professional competence.

Implementation of the diversity of the Board of Directors

Totle	Chairman	Director			Independent Director		
Directoe Name	Chien, Yao-Huai	Chien, Wen-Li	MEC Electronics Corporation Representative:Yang, Wei-Yen	Chuang, Si-Wei	Yang, Wei-Tian	Chien, Yin-Fan	Chou, Kuo-Hsing
Gender	Male	Female	Male	Male	Male	Male	Male
Nationality	R.O.C	R.O.C	R.O.C	R.O.C	R.O.C	R.O.C	R.O.C
Age	70-80	40-50	70-80	60-70	60-70	70-80	70-80
Concurrent Position		v					
Professional Competence							
Business	v	v	v	v	v	v	v
Technology	v	v	v	v	v	v	v
Finance/Accounting	v	v	v	v	v	v	v
Legal	v	v	v	v	v	v	v
Marketing	v	v	v	v	v	v	v
Cyber Security	v	v	v	v	v	v	v
Others							
Experience							
Leadership	v	v	v	v	v	v	v
Decision-Making	v	v	v	v	v	v	v
Global perspective	v	v	v	v	v	v	v
Industry Knowledge	v	v	v	v	v	v	v
Finance Management	v	v	v	v	v	v	v
Operations and Manufacturing	v	v	v	v	v	v	v
Business Development	v	v	v	v	v	v	v

Risk Management/ Crisis Management	v	v	v	v	v	v	v
Environmental Sustainability	v	v	v	v	v	v	v
Social Participation	v	v	v	v	v	v	v

List of Top 10 Major Shareholders

As of 2024/04/07

Shareholder's Name	Shareholding	
	Shares	Percentage
MEC Electronics Corporation	7,643,579	5.43%
AGM INVESTMENT LTD	7,431,038	5.28%
Chien, Yao-Huai	5,298,000	3.76%
Universal Consulting Ltd	3,699,289	2.63%
Ruei Cheng Investment Ltd.	3,659,000	2.60%
Mo Hsin Investment Ltd.	3,018,856	2.14%
Su, Yu-Shin	2,392,821	1.70%
Deng Fu Ltd.	2,170,268	1.54%
Chien, Wen-Li	1,847,768	1.31%
Chien, Wen-Yi	1,785,859	1.27%

Note: The shareholding ratio is calculated based on 140,744,000 shares.

3.2.2 Management Team

Title (Remark 1)	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education) (Remark 2)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			Remark 3
				Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	Chien, Yao-Huai	Male	1985.8.2	5,298,000	3.76	166,952	0.11	0	0	National Chung Hsing University, Department of Law Dimerco Air Freight Forwards Co., Ltd., General Manager	Refer to 3.2	Nil	Nil	Nil	Nil
President	Chiou, Jun-Rung	Male	2019.10.28	525,025	0.37	0	0	0	0	Dimerco Express Corporation, President	Nil	Nil	Nil	Nil	Nil
Deputy General Manager	Zhong, Hong-Zhi	Male	2011.2.8	1,134	0.00	0	0	0	0	Aletheia University Exojet Technology Corporation, Assistant General Manager & Vice President of ShangHai Office	Nil	Nil	Nil	Nil	Nil
Vice President for Investment and Investor Relations	Ruan, Yao-Chang	Male	2012.3.26	1,429,042	1.02	0	0	0	0	State University of New York, MBA Ernest & Young CPA Firm	Nil	Nil	Nil	Nil	Nil
Group Financial Controller	Chen, Ching-Chi	Female	2012.3.26	282,439	0.20	0	0	0	0	Master of Financial Management University of Siegen, Germany Taiwan DHL Global Forwarding (shares) the company's financial manager	Nil	Nil	Nil	Nil	Nil

Remark 1: Regardless of title, including the General Manager, Deputy General Managers and associates, head of all departments and branches, as well as any position equivalent to General Manager, Deputy General Managers and associates, should always make the disclosure.

Remark 2: Related experiences on holding current positions, should there be any services with current auditing firm or affiliated companies of the aforementioned periods, titles and job duties should be disclosed.

Remark 3: When the general manager or equivalent (the top manager) and the chairman are the same person, are relatives such as spouse or one parent, they should disclose the reasons, rationality, necessity and corresponding measures (such as increasing the number of independent directors More than half of the directors did not serve as employees or managers, etc.)

3.3 Remuneration of Directors (including independent Director), President, and Vice President Remuneration of Directors

Unit: NT\$ thousands

Title	Name	Remuneration								Ratio of total remuneration (A+B+C+D) to net income (%)		Relevant remuneration received by directors who are also employees								Ratio of total compensation (A+B+C+D+E+F+G) to net income (%)		Compensation paid to directors from an invested company other than the company's subsidiary
		Base Compensation(A)		Severance Pay(B)		Bonus to Directors(C)		Allowances(D)				Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Profit Sharing- Employee Bonus (G)						
		The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company		Companies in the consolidated financial statements				
Director	Chien, Yao-Huai	-	-	-	-	10,518	10,518	1,574	1,574	0.48%	0.48%	1,108	1,108	28	28-	-	-	-	-	0.52%	0.52%	Nil
Director	Chien, Wen-Li	-	-	-	-	10,518	10,518	-	-	0.41%	0.41%	-	-	-	-	-	-	-	-	0.41%	0.41%	Nil
Director	Representative –Yang Wei-Yen of MEC Electronics Corporation	-	-	-	-	10,518	10,518	-	-	0.41%	0.41%	-	-	-	-	-	-	-	-	0.41%	0.41%	Nil
Director	Chuang, Si-Wei	-	-	-	-	10,518	10,518	-	-	0.41%	0.41%	-	-	-	-	-	-	-	-	0.41%	0.41%	Nil
Independent Director	Yang, Wei-Tian	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Nil
Independent Director	Chien, Yin-Fan	960	960	-	-	-	-	-	-	0.04%	0.04%	-	-	-	-	-	-	-	-	0.04%	0.04%	Nil
Independent Director	Chou zKuo Hsing	960	960	-	-	-	-	-	-	0.04%	0.04%	-	-	-	-	-	-	-	-	0.04%	0.04%	Nil
Total	7 persons	1,920	1,920	-	-	42,071	42,071	1,574	1,574	1.79%	1.79%	1,108	1,108	28	28	-	-	-	-	1.84%	1.84	Nil

Remuneration Range

Bracket	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements
Under NT\$ 1,000,000	Chien, Yin-Fan Chou, Kuo-Hsing Yang, Wei-Tian	Chien, Yin-Fan Chou, Kuo-Hsing Yang, Wei-Tian	Chien, Yin-Fan Chou, Kuo-Hsing Yang, Wei-Tian	Chien, Yin-Fan Chou, Kuo-Hsing Yang, Wei-Tian
NT\$ 1,000,000 ~ NT\$ 2,000,000				
NT\$ 2,000,000 ~ NT\$ 3,500,000				
NT\$3,500,000 ~ NT\$ 5,000,000				
NT\$ 5,000,000 ~ NT\$ 10,000,000				
NT\$ 10,000,000 ~ NT\$ 15,000,000	Representative – Yang, Wei-Yen of Long Han Industrial Co.,Ltd., Chien, Wen-Li Chuang, Si-Wei Chien, Yao-Huai	Representative – Yang, Wei-Yen of Long Han Industrial Co.,Ltd., Chien, Wen-Li Chuang, Si-Wei Chien, Yao-Huai	Representative – Yang, Wei-Yen of Long Han Industrial Co.,Ltd., Chien, Wen-Li Chuang, Si-Wei Chien, Yao-Huai	Representative – Yang, Wei-Yen of Long Han Industrial Co.,Ltd., Chien, Wen-Li Chuang, Si-Wei Chien, Yao-Huai
NT\$ 15,000,000 ~ NT\$ 30,000,000				
NT\$ 30,000,000 ~ NT\$ 50,000,000				
NT\$ 50,000,000 ~ NT\$ 100,000,000				
Over NT\$ 100,000,000				
Total	7 persons	7 persons	7 persons	7 persons

Remark 1: Names of the directors should be separately disclosed (Corporate Shareholder should separately disclose the name of the Corporate Shareholder and its representative person), each of the expense items paid are disclosed aggregately. Should the directors also as adjunct General a Manager or Deputy General Manager, this schedule and the one below (3) should also be completed.

Remark 2: Refer to the remunerations of the directors for the most recent year (including salaries of the directors, additional compensation on duties imposed, pension, severance pay, various bonus, incentive payment etc.).

Remark 3: To fill in the amount of proposed allotment of the remunerations of the directors by the board of directors for the most recent year before the resolution at shareholders' annual meeting on earnings surplus distribution proposal.

Remark 4: Refer to the related operating expenses of the directors for the most recent year (including traveling expenses, special expense, all kinds of allowances, dormitories, cars and all forms of tangible assets provided). Such as when providing housing, cars and other personal or proprietary transportation expenses; the nature and cost of assets, actual rental or rental imputed at fair market value, oil resources and other benefits should be disclosed. If drivers are provided, please illustrate the relevant compensations of the company paid to the drivers, but not to be included in the remunerations.

Remark 5: Refer to remunerations received by the directors who are also adjunct employees for the most recent year (including adjunct as General Manager, Deputy General Manager, other managers and employees) on salaries, additional compensations on duties imposed, pension, severance pay, various bonus, incentive payments, traveling expenses, special expenses, all kinds of allowances, dormitories, cars and all forms of tangible assets provided. Such as when providing housing, car and other personal or proprietary transportation expenses; the nature and cost of assets, actual rental or rental imputed at fair market value, oil resources and other benefits should be disclosed. If drivers are provided, please illustrate the relevant compensations of the company paid to the drivers, but not to be included in the remunerations.

Remark 6: Refer to the directors who are also adjunct employees for most recent year (including adjunct as General Manager, Deputy General Manager, other managers and employees) who had received employee bonus (including stock dividends and cash dividends), should disclose the proposed allotment amount of employee bonus by the board of directors before the resolution at shareholder's annual meeting on earnings surplus distribution proposal. If the amount cannot be estimated, then shall compute the proposed allotment amount for this year based on the proportion of actual allotment for last year, and should complete the schedule 1(iii). The stock dividend amount for public listed companies should be computed based on financial fair value (i.e.

closing price as of balance sheet date) required for issuers reporting guidelines; if not public listed companies, the stock dividend amount should be computed based on net asset value as of the ending date of annual accounting period which the respective earning surplus is earned.

Remark 7: Should disclose total amount of all kind of remunerations paid to the directors by all companies (including our company) listed in the consolidated statements.

Remark 8: To disclose the names of the directors in the respective remuneration range for the total amount of remuneration paid to each individual director.

Remark 9: To disclose the names of the directors in the respective remuneration range for the total amount of remunerations paid to each individual director.

Remark 10: Net profit after tax refers to the net profit after tax for the most recent year.

Remark 11: a. Should fill in this column as "yes" or "nil" for company directors who had received remunerations from non-subsiaries on reinvesting purpose.

b. If the column is marked "yes", should voluntarily fill in the amount of remuneration received. The amount of remuneration received in accordance with the position of the company directors acting for non-subsiaries on reinvestment purpose should be consolidated in columns "G" & "H" of the remuneration range schedule and the column should be renamed as "all the reinvestment businesses".

c. Remunerations here refer to all the remunerations, compensations, employee bonus and compensations due to operating expenses of our company directors acting as the directors or managers for non-subsiaries on reinvesting purpose.

* The components of the remunerations disclosed in this schedule have a different concept as the proceeds of income in the income tax law. Therefore, this schedule is for information disclosure purpose of and not for tax purpose.

Compensation of President and Vice President

Unit: NT\$

Title	Name	Salary(A)		Severance Pay (B)		Bonuses and Allowances (C)		Profit Sharing- Employee Bonus (D)				Ratio of total compensation (A+B+C+D) to net income(%)		Compensation paid to the president and vice president from an invested company other than the company's subsidiary
		The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company		Companies in the consolidated financial statements		The company	Companies in the consolidated financial statements	
								Cash	Stock	Cash	Stock			
Chairman	Chien, Yao-Huai													
President	Chiou, Jiun-Rung													
Deputy General Manager	Chung, Hung-Chih	17,548,277	17,548,277	521,739	521,739	4,617,324	4,617,324	32,241,680	0	32,241,680	0	2.16	2.16	Nil
Vice President for Investment and Investor Relations	Ruan, Yao-Chang													

Bracket	Name of President and Vice President	
	The company	Companies in the consolidated financial statements
Under NT\$ 1,000,000	-	-
NT\$ 1,000,000 ~ NT\$ 2,000,000	-	-
NT\$ 2,000,000 ~ NT\$ 3,500,000	-	-
NT\$ 3,500,000 ~ NT\$ 5,000,000	Chung, Hung-Chih, Ruan, Yao-Chang	Chung, Hung-Chih, Ruan, Yao-Chang
NT\$ 5,000,000 ~ NT\$ 10,000,000	-	-
NT\$ 10,000,000 ~ NT\$ 15,000,000	Chien, Yao-Huai	Chien, Yao-Huai
NT\$ 15,000,000 ~ NT \$30,000,000	Chiou, Jiun-Rung	Chiou, Jiun-Rung
NT\$ 30,000,000 ~ NT \$50,000,000	-	-
NT\$ 50,000,000 ~ NT\$ 100,000,000	-	-
Over NT\$100,000,000	-	-
Total	4 Persons	4 Persons

Status of distribution of employee bonus on managers (names) and its allot

Unit: NT\$

	Title	Name	Employee Bonus - in Stock (Fair Market Value)	Employee Bonus - in Cash	Total	Ratio of Total Amount to Net Income (%)
Managers	Chairman	Chien, Yao-Huai	0	32,241,680	32,241,680	1.27%
	President	Chiou, Jiun-Rung				
	Vice President for Investment and Investor Relations	Ruan, Yao-Chang				
	Deputy General Manager	Chung, Hung-Chih				
	Group Financial Controller	Chen, Ching-Chi				

3.3.1 Comparison of Remuneration for Directors, Presidents and Vice Presidents in the Most Recent Two Fiscal Years and Remuneration Policy for Directors, Presidents and Vice Presidents

A. Analysis of proportion of total remunerations paid to our directors, General Manager and Deputy General Managers on net profit after tax for recent two years disclosed in our company and all companies shown in the consolidated statements; and illustrate on the policies, standards, components and computation formula of the remuneration payment; in addition to their correlations with business performance evaluation.

The proportion of total remunerations paid to our Directors and Managers on net profit after tax in year 2023 was listed as below. And the dividend policy states in the Articles of Incorporation: The Articles of Incorporation states should there be any surplus after closing of the annual accounts, the company should first pay off the tax to make up for losses in previous years, sub-put 10% as legal reserve, and if there is still a surplus, then shall be the distribution of employee bonus (no less than 5%), directors compensations (no more than 5%). Policies, standards, components and computation formula of the remuneration payment are in accordance with the profitability and assessment of business performance evaluation.

Year	2023		2022	
	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements
Directors	2.16%	2.16%	1.92%	1.92%
Managers	1.27%	1.27%	1.70%	1.70%

B. The policies, standards, and portfolios for the payment of remuneration, the procedures for determining remuneration, and the correlation with business performance. Remuneration is appropriated according to the business performance of the company in the year and the stipulated percentage in Article 23 of the Articles of Incorporation, which stipulate that: "From the profit earned by the Company as shown through the annual account closing, the sum to pay all taxes and to make good previous loss, if any, shall be first withheld, then 10% for legal reserve and then for special reserve as required by law. The final surplus, if any, shall have at least 5% taken for bonus to employees, and no more than 5% taken as remuneration to the directors." The annual earning distribution status shall be submitted to the board of directors for discussion before being sent to the shareholders' meeting for resolution.

The compensation for presidents and vice presidents shall be released according to the company's performance evaluation system.

The compensation is measured based on the employee's personal achievements, contribution made to the business operation, and the market averages. It has a positive correlation with the performance of the company's business.

3.4 Implementation of Corporate Governance

3.4.1 Board of Directors

A total of 6 meetings of the Board of Directors were held in the previous period. Director and supervisor's attendance was as follows:

Title	Name	Attendance in Person(B)	By Proxy	Attendance rate (%) 【B/A】	Remarks
Chairman	Chien, Yao-Huai	6	0	100%	
Director	Representative of Corporate shareholder, MEC Electronics Corporation: Yang, Wei-Yen	6	0	100%	
Director	Chien, Wen-Li	6	0	100%	
Director	Chuang, Si-Wei	6	0	100%	
Independent Director	Chien, Yin-Fan	6	0	100%	
Independent Director	Yang, Wei-Tian	6	0	100%	
Independent Director	Chou, Kuo-Hsing	6	0	100%	

Other mentionable items:

1. If any of the following situations occur in the operation of the board of directors, the date of the board of directors, the period, the content of the proposal, the opinions of all independent directors and the company's handling of the opinions of independent directors shall be stated: (1) Matters listed in Article 14-3 of the Securities and Exchange Act: Please refer to pages 73-75 of the annual report. (2) In addition to the above matters, other board resolutions that have been opposed or reserved by independent directors and have records or written statements: Please refer to pages 73-75 of the annual report.
2. The implementation of the avoidance of interest-related proposals by directors shall state the name of the director, the content of the proposal, the reason for avoiding interests, and the participation in voting: None."
3. Listed and OTC companies should disclose the evaluation cycle and period, evaluation scope, method and evaluation of the self (or peer) evaluation of the board of directors: Please refer to page 47 of the annual report."

4. Evaluation of the goals and implementation of strengthening the functions of the board of directors in the current and recent years:

- (1) Strengthening the functions of the board of directors: Since 2011, our company has set up a salary and compensation committee, which is responsible for assisting the board of directors in regular evaluations and setting salaries and compensation for directors and managers. For implementation details, please refer to "Remuneration Committee Operation Information" on pages 53-54.
- (2) Enhancing information transparency: The financial information, major resolutions, and director participation in training courses of our company have been disclosed on the Market Observation Post System in accordance with relevant laws and regulations. The financial business information of our company is also disclosed on the company's website to provide real-time information to investors."

Note 1 : Directors who belong to juristic person should disclose the name of corporate shareholder and representative of its name.

Note 2 :

- (1) If there are directors leaving before the end of the year, the leaving date should be remarked. And actual attendant rate (%) should be calculated as the time of attendance /the times of board of director during the service.
- (2) If there is a re-election of directors before the end of years, both original and new ones should be noted. The date of election date and the status of the directors should remarked. The actual attendant rate (%) should be calculated as the time of attendance /the times of board of director during the service.

3.4.2 Audit Committee (Attendance for Board Meeting)

A. Audit Committee

A total of 4 meetings of the board of directors were held in the previous period. Independent Directors' attendance was as follows:

Title	Name	Attendance in Person(B)	Attendance rate (%) 【B/A】	Remarks
Independent Director	Chien, Yin-Fan	4	100%	
Independent Director	Yang, Wei-Tian	4	100%	
Independent Director	Chou, Kuo-Hsing	4	100%	
Other mentionable items:				
<ol style="list-style-type: none"> 1. If any of the following circumstances occur, the dates of meetings, sessions, contents of motion, resolutions of the Audit Committee and the Company's response to the Audit Committee's opinion should be specified: <ol style="list-style-type: none"> (1) Matters referred to in Article 14-5 of the Securities and Exchange Act. (2) Other matters which were not approved by the Audit Committee but were approved by two-thirds or more of all directors. 				

2. If there are independent directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified: None
3. Communications between the independent directors, the Company's chief internal auditor and CPAs (e.g. the material items, methods and results of audits of corporate finance or operations, etc.)
- (1) The internal auditors have communicated the result of the audit reports to the members of the Audit Committee periodically, and have presented the findings of all audit reports in the quarterly meetings of the Audit Committee. Should the urgency of the matter require it, the Company's chief internal auditor will inform the members of the Audit Committee outside of the regular reporting. The communication channel between the Audit Committee and the internal auditor has been functioning well.
- (2) The Company's CPAs have presented the findings or the comments for the quarterly corporate financial reports, as well as those matters communication of which is required by law, in the regular quarterly meetings of the Audit Committee. Under applicable laws and regulations, the CPAs are required to communicate to the Audit Committee any material matters that they have discovered. The communication channel between the Audit Committee and the CPAs has been functioning well.

Other mentionable items:

A.1. Matters mentioned under Article 14-5 of the Securities and Exchange Act

Date	Meeting Category	Significant Resolutions
2023.11.08	2023 4 th	Discuss Consolidated Financial Statements for 2023Q3.
2023.08.10	2023 3 rd	Discuss Consolidated Financial Statements for 2023Q2.
2023.05.10	2023 2 nd	Discuss Consolidated Financial Statements for 2023Q1.
2023.03.15	2023 1 st	1. Discuss Operating Report, Individual Financial Statements, and Consolidated Financial Statements for the Fiscal Year 2022, and Profit Distribution Proposal. 2. Internal Audit Report for the First Quarter of the Fiscal Year 2023.

A.2. Other matters which were not approved by the Audit Committee but were approved by two-thirds or more of all directors: None.

A.3. The Audit Committee's resolutions and the company's response to the Audit Committee's opinions are as follows: All agenda items were unanimously approved by the members of the Audit Committee. The Board of Directors, in accordance with the recommendations of the Audit Committee, also approved all agenda items.

B. If there are independent directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified: None.

C. Communications between the independent directors, the Company's chief internal auditor and CPAs (e.g. the material items, methods and results of audits of corporate finance or operations, etc.)

(1) The internal auditors have communicated the result of the audit reports to the members of the Audit Committee periodically, and have presented the findings of all audit reports in the quarterly meetings of the Audit Committee. Should the urgency of the matter require it, the Company's chief internal auditor will inform the members of the Audit

Committee outside of the regular reporting. None of the above-mentioned item for year 2023..

(2) The Company's CPAs have presented the findings or the comments for the quarterly corporate financial reports, as well as those matters communication of which is required by law, in the regular quarterly meetings of the Audit Committee. Under applicable laws and regulations, the CPAs are required to communicate to the Audit Committee any material matters that they have discovered. None of the above-mentioned item for year 2023. The communication channel between the Audit Committee and the CPAs has been functioning well.

Communications between Independent directors and internal auditor and CPA is listed below:

Audit Committee Meeting date	Significant matters communicated to Internal Auditor	Significant matters communicated to CPA
2023.11.08	Internal Audit Report	1.Regulatory Update report 2.Results for Reviewing Financial Statements for 2023Q3 and any issues or difficulties and response of management.
2023.08.10	Internal Audit Report	1.Regulatory Update report 2.Results for Reviewing Financial Statements for 2023Q2 and any issues or difficulties and response of management.
2023.05.10	Internal Audit Report	1.Regulatory Update report 2.Results for Reviewing Financial Statements for 2023Q1 and any issues or difficulties and response of management.
2023.03.15	Internal Audit Report	1.Regulatory Update report 2.Results for Auditing Financial Statements for 2022Q4 and any issues or difficulties and response of management.
Results: The above-mentioned items has been reviewed or approved by Audit Committee, the independent directors has no objections.		

3.4.3 Implementation of the evaluation of Board of Directors

Frequency	Period	Scope	Method	Description
Annually	2023/1/1 – 2023/12/31	1. Board of Directors 2. Individual directors 3. Audit Committee	1. Internal Evaluation of Board of Directors 2. Self-evaluation of Board Members	<p>The performance evaluation of the board of directors' includes the following five aspects:</p> <ol style="list-style-type: none"> 1. Level of Participation in company operations 2. Improvement of the quality of board decision-making 3. Board Composition and Structure 4. Selection and continuing education of directors 5. Internal Control <p>The measurement items for individual board members' performance evaluation include the following six aspects:</p> <ol style="list-style-type: none"> 1. Mastery of company goals and missions 2. Awareness of Director's responsibilities 3. Level of Participation in company operations 4. Internal perspective on management and communication 5. Selection and continuing education of directors 6. Internal Control <p>The measurement items for the audit committee's performance evaluation include the following five aspects:</p> <ol style="list-style-type: none"> 1. Level of Participation in company operations 2. Awareness of Audit Committee's responsibilities 3. Improvement of the quality of Audit committee's decision-making 4. Composition and selection of members of the Audit Committee 5. Internal Control

The company has completed the self-evaluation of the performance of Board of directors for 2023. The results has been submitted to Board or Directors for 2024 Q1 Board of Directors Meeting as part of the basis for improvement.

Accountant independence and competency assessment

The company's audit committee evaluates the independence and competency of certified public accountants every year based on the following standards, and reports the evaluation results to the board of directors:

- (1) Accountant's statement of independence
- (2) Audit or non-audit services provided by accountants must be reviewed in advance by the audit committee to ensure that non-audit services will not affect the results of the audit
- (3) The same accountant has continuously performed assurance services for more than five years.
- (4) Every year, through the accountants' questionnaire and the Audit Quality Indicators (AQIs) released by the Financial Supervisory Commission, the financial interests, business relationships, employment relationships, etc. are evaluated to summarize the evaluation results of the accountant's independence and competency.

The Audit Quality Indicators (AQIs) report covers the following five dimensions and 13 indicators:

Dimension 1: Professionalism
Indicator 1-1: Audit Experience
Indicator 1-2: Training Hours
Indicator 1-3: Turnover Rate
Indicator 1-4: Professional Support
Dimension 2: Quality Control
Indicator 2-1: Auditor Workload
Indicator 2-2: Audit Engagement
Indicator 2-3: Engagement Quality Control Review (EQCR) Status
Indicator 2-4: Quality Control Support Capability
Dimension 3: Independence
Indicator 3-1: Non-Audit Services
Indicator 3-2: Client Familiarity
Dimension 4: Supervision
Indicator 4-1: External Inspection Deficiencies and Disciplinary Actions
Indicator 4-2: Regulatory Agency Improvement Notices
Dimension 5: Innovation Capability
Indicator 5-1: Innovation Planning or Initiatives

3.4.4 Corporate Governance Execution Status and Deviations from “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”

Item	Implementation Status		Summary Description	Deviations from “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and reasons
	yes	no		
1. Has the Company established and disclosed its Corporate Governance Best-Practice Principles based on the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?	V		The company has established its own principles and operates and implements corporate governance practices based on the spirit of corporate governance. In addition, regulations related to corporate governance, such as board meeting rules, shareholder meeting rules, internal control systems, procedures for acquiring or disposing of assets, procedures for lending funds to others, and endorsement and guarantee operations, have been established. Information can be obtained through the company's website for the benefit of investors.	Follows the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”.
2.Shareholding Structure and Shareholders' Rights (1)Does the Company have Internal Operation Procedures for handling shareholders' suggestions, concerns, disputes and litigation matters. If yes, have these procedures been implemented accordingly? (2)Does the Company know the identity of its major shareholders and the parties with ultimate control of the major shareholders? (3)Has the Company built and implemented a risk management system and a firewall between the Company and its affiliates? (4)Has the Company established internal rules prohibiting insider trading of securities based on undisclosed information?	V V V V		(1) The company has established a spokesperson/proxy spokesperson system to handle shareholder suggestions or disputes. In addition, Yuanta Securities, the share transfer agent, assists in handling shareholder affairs. (2) The company keeps abreast of the actual controlling shareholders of the company and the list of ultimate controllers of major shareholders (3) In addition to the internal control and internal audit systems established by the parent company, there are also monitoring systems in place for subsidiary companies. Adequate risk control mechanisms and firewalls have been established between the parent company and its subsidiaries. (4) The company has established a "Management of Insider Trading Prevention" policy, which regulates all employees, managers, directors of the company, and individuals who have access to the company's information based on their professional or control relationships. Any conduct that may involve insider trading is strictly prohibited.	Follows the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”.
3.Composition and responsibilities of the board of directors (1)Have a diversity policy and specific management objectives been adopted for the board and have they been fully implemented? (2)Has the Company voluntarily established other functional committees in addition to the remuneration committee and the audit committee? (3)Has the Company established rules and	V		(1) The Company has set the “Corporate Governance Best-Practice Principles” and “Procedures for Election of Directors”. The members of Board of Directors need to take diversification under their consideration. Nomination of directors, the company followed rigorous way, not only had professional experience in academic and business but also followed directors' diversification. The company has seven directors includes three independent directors and one of them is female. The members' professional backgrounds encompass management, law, and accounting. Additionally, as professional consultants and executives, the board members bring diverse industry knowledge and expertise. This allows them to provide professional opinions from various perspectives, greatly contributing to the improvement of the company's operational performance	Follows the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”.

<p>methodology for evaluating the performance of its Board of Directors, implemented the performance evaluations on an annual basis, and submitted the results of performance evaluations to the board of directors and used them as reference in determining salary/compensation for individual directors and their nomination and additional office terms?</p> <p>(4) Does the Company regularly evaluate its external auditors' independence?</p>	<p>V</p> <p>V</p> <p>V</p>	<p>(2) All major decisions of the company are made by the board of directors. In 2011, the company established a Compensation Committee, and in 2015, it was restructured to be chaired by independent directors.</p> <p>(3) In line with the company's corporate governance philosophy, the primary responsibilities of the board of directors are to supervise, guide, and evaluate the performance of the management team, as well as to appoint and remove managers. All members of the company's board of directors possess extensive business or industry experience and uphold the highest ethical standards and commitment to the company. Regular quarterly board meetings are held to not only decide on various proposals but also to discuss business strategies and future directions with the management team to maximize shareholder value. A board performance evaluation method has been established, and the performance evaluation results for the board and individual directors for 2023 have been completed and reported.</p> <p>(4) The Company regularly evaluates CPAs' independence. To confirm the CPAs are not interested parties, the company needs to assure whether they are board of directors or shareholders of our company or be paid by our company. The rotation of CPA has to follow the related regulations.</p>	
<p>4. Does the TWSE/TPEX listed company have in place an adequate number of qualified corporate governance officers and has it appointed a chief corporate governance officer with responsibility corporate governance practices (including but not limited to providing information necessary for directors and to perform their duties, aiding directors and in complying with laws and regulations, organizing board meetings and annual general meetings of shareholders as required by law, and compiling minutes of board meetings and annual general meetings)?</p>	<p>V</p>	<p>The company's corporate governance unit is undertaken by the Finance Department, which is responsible for providing real-time information to shareholders through the Public Information Observation System or the company's website. The unit assists in maintaining an up-to-date list of major shareholders with significant ownership in the company. It also provides necessary information to directors and for their business operations, handles matters related to board meetings and shareholders' meetings in accordance with the law, manages company registration and changes, prepares minutes of board and shareholders' meetings, and conducts regular assessments of the independence and suitability of auditors.</p>	<p>Follows the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies".</p>
<p>5. Has the Company established channels for communicating with its stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) and created a stakeholders section on its company website? Does the Company appropriately respond to stakeholders' questions and concerns on important corporate social responsibility issues?</p>	<p>V</p>	<p>The company, depending on the circumstances, instructs relevant departments to communicate with stakeholders. The company's website provides contact information for the spokesperson and various relevant business departments to ensure appropriate responses to stakeholders' concerns, including issues related to corporate social responsibility.</p>	<p>Follows the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies".</p>
<p>6. Has the Company appointed a professional shareholder services agent to handle matters related to its shareholder meetings?</p>	<p>V</p>	<p>The company appointed Yuanta Polaris Securities Co., Ltd. Stock Transfer Agency Department of shareholders to handle the transaction.</p>	<p>Follows the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies".</p>
<p>7. Information Disclosure</p> <p>(1) Has the Company established a corporate website to disclose information regarding its financials, business, and corporate governance status?</p> <p>(2) Does the Company use other information disclosure channels (e.g., maintaining an</p>	<p>V</p> <p>V</p>	<p>(1) The company discloses relevant information through its website (http://www.dimerco.com) in both Chinese and English versions.</p> <p>(2) The company regularly and irregularly discloses relevant information on the Public Information Observation System and its own website, and implements</p>	<p>Follows the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies".</p>

<p>English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investors conference etc.)?</p> <p>(3) Does the company publish and report its annual financial report within two months after the end of the fiscal year, and publish and report its financial reports for the first, second, and third quarters as well as its operating statements for each month before the specified deadlines?</p>	<p>V</p>	<p>a spokesperson system. The company also holds occasional corporate briefings and discloses information in accordance with regulations.</p> <p>(3)The company did not announce and file its annual financial report within two months after the end of the accounting year. However, it announced and filed the first, second, and third quarter financial reports and monthly operating conditions ahead of the prescribed deadlines.</p>	
<p>8. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' continuing education, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing liability insurance for directors and)?</p>	<p>V</p> <p>V</p> <p>V</p> <p>V</p>	<p>(1)The training situation of the directors of the Company: The directors of the Company possess relevant professional knowledge. The Company regularly compiles financial, accounting, and legal information for the reference of the directors. They also participate in relevant professional training as needed, such as the legal responsibilities of directors of publicly listed companies in preventing and detecting corporate fraud, provided by the Chinese Corporate Governance Association.</p> <p>(2)The implementation of risk management policies and risk measurement standards: In addition to establishing a rigorous internal control system and conducting regular internal audits to assess the implementation, the Company has also obtained relevant insurance coverage to mitigate risks.</p> <p>(3)The implementation of policies for consumer or customer protection: Under the policy of prioritizing consumers and customers, internal regulations have been established in accordance with the spirit of consumer protection laws and other relevant laws for employees to follow and execute.</p> <p>(4) The company has purchased liability insurance for its directors and independent directors and has completed the announcement and reporting procedures.</p>	<p>Follows the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies".</p>
<p>9. The company has conducted a self-assessment of corporate governance in accordance with the "Corporate Governance Evaluation System" established by the Corporate Governance Center of the Taiwan Stock Exchange in January 2023. In the future, the company will review the evaluation results and evaluate possible improvements. In addition, the ranking range of the tenth corporate governance evaluation is the top 66% ~ 80%.</p>			

3.4.5 Composition, Responsibilities and Operations of Compensation Committee:

The board of directors approved organizational rules of the Remuneration Committee on December 21, 2011 and the remuneration committee was set up by the end of Y2011.

A. Professional Qualifications and Independence Analysis of Remuneration Committee Members:

Title	Criteria Name	Meets One of the Following Professional Qualification Requirements, Together with at Least Five Years' Work Experience			Independence Criteria (Note 2)										Number of Other Public Companies in Which the Individual is Concurrently Serving as an Remuneration Committee Member	Remarks (Note 3.)
		An instructor or higher position in a department of commerce, law, finance, accounting, or other academic department related to the business needs of the Company in a public or private junior college, college or university	A judge, public prosecutor, attorney, Certified Public Accountant, or other professional or technical specialist who has passed a national examination and been awarded a certificate in a profession necessary for the business of the Company	Has work experience in the areas of commerce, law, finance, or accounting, or otherwise necessary for the business of the Company	1	2	3	4	5	6	7	8	9	10		
Independent Director	Chien, Yin-Fan			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	
Independent Director	Yang, Wei-Tian			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	
Independent Director	Chou, Kuo-Hsing			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	

Note: Please tick the corresponding boxes that apply to a member during the two years prior to being elected or during the term(s) of office.

1. Not an employee of the Company or any of its affiliates.
2. Not a director or supervisor of affiliated companies. Not applicable in cases where the person is an independent director of the parent company, or any subsidiary in which the Company holds, directly or indirectly, more than 50% of the voting shares.
3. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company, or ranking in the top 10 in holdings.
4. Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the persons in the preceding three sub-paragraphs.
5. Not a director, supervisor, or employee of a corporate shareholder who directly holds 5% or more of the total number of outstanding shares of the Company, or who holds shares ranking in the top five holdings.
6. More than half of the shares that are not on the board of directors of the company or have voting rights are the directors or employees of other companies controlled by the same person (but if it is the company or its parent company, subsidiary or subsidiary of the same parent company (The independent directors established by the law or local national laws and regulations shall not be limited to this.)
7. Directors or employees of other companies or institutions that are not the same person or spouse with the company's chairman, general manager or equivalent, but if the company and its parent company, subsidiary (If the independent directors established by subsidiaries of the same parent company in accordance with this law or local national laws serve concurrently, they are not limited to this).
8. Not a director, supervisor, officer, or shareholder holding 5% or more of the shares of a specified company or institution which has a financial or business relationship with the Company.
9. Not a professional individual, who is an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that provides commercial, legal, financial, accounting services or consultation to the Company or to any affiliate of the Company, or a spouse thereof.
10. Not a person of any conditions defined in Article 30 of the Company Law.

B. Attendance of Members at Remuneration Committee Meetings

1. There are 3 members in the Remuneration Committee.
2. Term of the committee: from July 8th, 2021 to July 7th, 2024.
3. A total of 2 Remuneration Committee meetings were held in the previous period. The attendance record of the Remuneration Committee members was as follows:

Title	Name	Attendance in Person(B)	By Proxy	Attendance Rate (%) 【B/A】	Remarks
Convener	Chien, Yin-Fan	2	0	100%	
Member	Yang, Wei-Tian	2	0	100%	
Member	Chou, Kuo Hsing	2	0	100%	
Other mentionable items:					
1. If the board of directors declines to adopt or modifies a recommendation of the remuneration committee, it should specify the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company's response to the remuneration committee's opinion (eg., the remuneration passed by the Board of Directors exceeds the recommendation of the remuneration committee, the circumstances and cause for the difference shall be specified): None.					
2. Resolutions of the remuneration committee objected to by members or subject to a qualified opinion and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified: None.					

Important resolutions of Remuneration Committee :

April 1, 2023

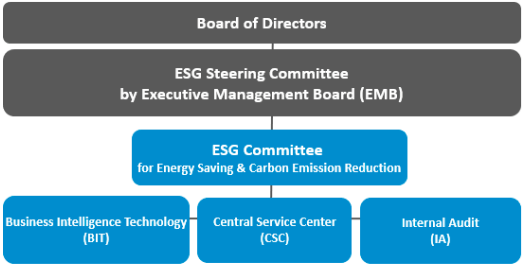
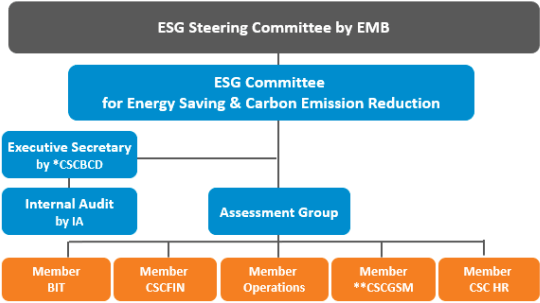
Date	Type of meeting	Important Resolutions
Mar. 12, 2023	Remuneration Committee Meeting	1. Review 2024 management change and principal of salary adjustment 2. Review 2023 proposal for the distribution of directors remuneration and employee bonus
Aug. 10, 2023	Remuneration Committee Meeting	1. Planning of 2024 Remuneration Committee meetings schedule. 2. Review 2022 proposal for the distribution of directors remuneration and employee bonus
Mar. 15, 2023	Remuneration Committee Meeting	1. Review 2023 management change and principal of salary adjustment 2. Review 2022 proposal for the distribution of directors remuneration and employee bonus
Aug. 9, 2022	Remuneration Committee Meeting	1. Planning of 2023 Remuneration Committee meetings schedule. 2. Review 2021 distribution of directors remuneration and employee bonus
Mar. 17, 2022	Remuneration Committee Meeting	1. Review 2022 management change and principal of salary adjustment 2. Review 2021 proposal for the distribution of directors remuneration and employee bonus
Aug. 6, 2021	Remuneration Committee Meeting	1. Planning of 2022 Remuneration Committee meetings schedule. 2. Review 2020 distribution of directors remuneration and employee bonus
Mar. 16, 2021	Remuneration Committee Meeting	1. Review 2021 management change and principal of salary adjustment 2. Review 2020 proposal for the distribution of directors remuneration and employee bonus
Aug. 7, 2020	Remuneration Committee Meeting	1. Planning of 2021 Remuneration Committee meetings schedule. 2. Review 2020 distribution of directors remuneration and employee bonus
Mar. 20, 2020	Remuneration Committee Meeting	1. Review 2020 proposal for the salary Increment of employees 2. Review 2019 proposal for the distribution of directors remuneration and employee bonus

Mar 20, 2019	Remuneration Committee Meeting	1. Review 2019 proposal for the salary Increment of employees 2. Review 2018 proposal for the distribution of directors' remuneration and employee bonus
Mar 14, 2018	Remuneration Committee Meeting	1. Review 2018 management change and principal of salary adjustment 2. Review 2017 proposal for the distribution of directors' remuneration and employee bonus
Jul 25, 2017	Remuneration Committee Meeting	1. Review 2017 proposal for the salary Increment of employees 2. Review 2016 proposal for the distribution of directors' remuneration and employee bonus
Mar 13, 2017	Remuneration Committee Meeting	1. Review 2016 proposal for the distribution of directors' remuneration and employee bonus 2. Review 2017 proposal for the salary Increment of employees
Dec 12, 2016	Remuneration Committee Meeting	Verify business administrators' regulations for salaries and performance evaluation
Mar. 16, 2016	Remuneration Committee Meeting	1. Review 2014 proposal for the distribution of directors' remuneration and employee bonus 2. Review 2015 proposal for the salary Increment of employees
Mar. 25, 2015	Remuneration Committee Meeting	1. Review 2014 plan for the distribution of directors' remuneration and employee bonus 2. Review 2015 plan for the related salary of employees
Aug. 8, 2014	Remuneration Committee Meeting	1. Review 2013 proposal for the distribution of directors' remuneration and employee bonus 2. Review 2014 proposal for the salary Increment of employees
Mar. 17, 2014	Remuneration Committee Meeting	1. Review 2013 plan for the distribution of directors' remuneration and employee bonus 2. Review 2014 plan for the related salary of employees
Aug. 12, 2013	Remuneration Committee Meeting	1. Review 2012 proposal for the distribution of directors' remuneration and employee bonus 2. Review 2013 proposal for the salary Increment of employees
Apr. 1, 2013	Remuneration Committee Meeting	1. Review 2012 plan for the distribution of directors' remuneration and employee bonus 2. Review 2013 plan for the related salary of employees
Aug. 23, 2012	Remuneration Committee Meeting	1. Review 2011 proposal for the distribution of directors' remuneration and employee bonus 2. Review 2012 proposal for the salary Increment of employees
Mar. 15, 2012	Remuneration Committee Meeting	1. Review 2011 plan for the distribution of directors' remuneration and employee bonus 2. Review 2012 plan for the related salary of employees

C. Information about the members of the Nomination Committee and its operation information: Not Applicable

3.4.6 Promotion of Sustainable Development - Implementation Status and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons

As an international company, Dimerco not only pursues business development, but also strives to make the greatest effort for the sustainable development of the Earth, reducing carbon emissions and energy consumption generated by shipping. In addition to minimizing the emissions and energy consumption generated during shipping to reduce our impact on the Earth, Dimerco share and provide feedback to improve our living environment, and hold ourselves to the highest professional and ethical standards, providing feedback to all customers and investors who trust Dimerco.

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
1. Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the board of directors authorized senior management to handle related matters under the supervision of the board? (The TWSE/TPEX listed company shall report the implementation status. This is not a comply- or-explain provision.)	V		<p>1. Sustainability Team established since 2022 -</p> <p>GLOBAL LOGISTICS SUSTAINABILITY (GLS) TEAM</p>  <p>GHG EMISSION ASSESSMENT TEAM</p>  <p>Remark: *CSCBCD: Business Development & Coordination, Central Service Center **CSCGSM: Global Sales & Marketing, Central Service Center</p> <p>2. To promote the organization to implement carbon reduction and</p>	

		<p>sustainable work, the ESG Steering Committee specially established the "Greenhouse Gas Inventory Promotion Organization", the structure of which is as shown above. The ESG Committee for Energy Saving & Carbon Emission Reduction convenes and manages the overall strategic direction, and approves the release of the annual GHG inventory project and report; the Executive Secretary is served by Business Development & Coordination of the Central Service Center (CSC), which is mainly responsible for supervising, providing various resources required for the implementation of GHG inventory, coordinating relevant departments to cooperate with information collection operations, and assigning the establishment of an internal audit team; The inventory team leader of each group is appointed by the relevant departments to assist the Executive Secretary in coordinating the GHG inventory operation, which is an important role in charge of the collection, compilation, filing, and archiving of the inventory records, and the Inventory Committee is responsible for providing the data and corroborating information required by the team leader.</p> <p>3. The ESG Steering Committee authorized by the Board of Directors of Dimerco Group is the top management of climate change-related issues and sustainable management and performs the supervision and management responsibilities of the sustainable development of the Group (including the company). ESG Committee for Energy Saving & Carbon Emission Reduction is established under the ESG Steering Committee, which is jointly established by the Business Intelligence Technology (BIT) Department, Central Service Center (CSC) and Internal Audit (IA) Department of the Dimerco Group. The key work is to focus on sustainable logistics services, supply chain negotiation and carbon reduction operations. The organizational</p>	
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		<p>structure of the Group's sustainable development promotion is shown above.</p> <table border="1"> <thead> <tr> <th>No.</th> <th>Name of Company</th> <th>Name of Site</th> <th>Ownership</th> <th>Address</th> </tr> </thead> <tbody> <tr> <td>1</td> <td rowspan="6">DIMITW</td> <td>Taipei Branch</td> <td>Self-owned</td> <td>11 and 12-1 F., No. 160, Sec. 6, Min Chuan E. Rd., Neihu Dist., Taipei City 114, Taiwan</td> </tr> <tr> <td>2</td> <td>Taoyuan Airport Office</td> <td>Lease</td> <td>Rm. T4005, 4F., No. 101, Hangxiang Rd., Dayuan Dist., Taoyuan City 337, Taiwan</td> </tr> <tr> <td>3</td> <td>TACT Logistics Office</td> <td>Lease</td> <td>3F., No. 10-1, Hangqin N. Rd., Dayuan Dist., Taoyuan City 337, Taiwan</td> </tr> <tr> <td>4</td> <td>Hsinchu Office</td> <td>Lease</td> <td>7F-1, No. 38, Tai-Yuen St., Zhubei City, Hsinchu County 302, Taiwan</td> </tr> <tr> <td>5</td> <td>Taichung Office</td> <td>Lease</td> <td>12F-8, No. 201, Sec. 2, Wenxin Rd., Xitun Dist., Taichung City 407, Taiwan</td> </tr> <tr> <td>6</td> <td>Kaohsiung Branch</td> <td>Lease</td> <td>6F-3, No. 110, Sanduo 4th Rd., Lingya Dist., Kaohsiung City 802, Taiwan</td> </tr> <tr> <td>7</td> <td rowspan="3">DFSTW</td> <td>Taipei Branch</td> <td>Self-owned</td> <td>11F.-1, No. 160, Sec. 6, Minquan E. Rd., Neihu Dist., Taipei City 114, Taiwan</td> </tr> <tr> <td>8</td> <td>Taichung Office</td> <td>Lease</td> <td>12F.-8, No. 201, Sec. 2, Wenxin Rd., Xitun Dist., Taichung City 407, Taiwan</td> </tr> <tr> <td>9</td> <td>Kaohsiung Branch</td> <td>Lease</td> <td>6F-2, No. 110, Sanduo 4th Rd., Lingya Dist., Kaohsiung City 802, Taiwan</td> </tr> </tbody> </table> <p>Note: The address of the Taipei Branch includes 11th floor and 12-1th floor, of which the 11th floor is the main address.</p>	No.	Name of Company	Name of Site	Ownership	Address	1	DIMITW	Taipei Branch	Self-owned	11 and 12-1 F., No. 160, Sec. 6, Min Chuan E. Rd., Neihu Dist., Taipei City 114, Taiwan	2	Taoyuan Airport Office	Lease	Rm. T4005, 4F., No. 101, Hangxiang Rd., Dayuan Dist., Taoyuan City 337, Taiwan	3	TACT Logistics Office	Lease	3F., No. 10-1, Hangqin N. Rd., Dayuan Dist., Taoyuan City 337, Taiwan	4	Hsinchu Office	Lease	7F-1, No. 38, Tai-Yuen St., Zhubei City, Hsinchu County 302, Taiwan	5	Taichung Office	Lease	12F-8, No. 201, Sec. 2, Wenxin Rd., Xitun Dist., Taichung City 407, Taiwan	6	Kaohsiung Branch	Lease	6F-3, No. 110, Sanduo 4th Rd., Lingya Dist., Kaohsiung City 802, Taiwan	7	DFSTW	Taipei Branch	Self-owned	11F.-1, No. 160, Sec. 6, Minquan E. Rd., Neihu Dist., Taipei City 114, Taiwan	8	Taichung Office	Lease	12F.-8, No. 201, Sec. 2, Wenxin Rd., Xitun Dist., Taichung City 407, Taiwan	9	Kaohsiung Branch	Lease	6F-2, No. 110, Sanduo 4th Rd., Lingya Dist., Kaohsiung City 802, Taiwan	
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<p>2. Does the company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies? (Note 2)</p> <p>(The TWSE/TPEX listed company shall report the implementation status. This is not a comply-or-explain provision.)</p>	<p>V</p>	<p>1. Dimerco started since 2023 on GHG emissions calculation including not only Airfreight but also Ocean Freight forwarder services</p> <p>The base year is 2021, with a period from January 1, 2021, to December 31, 2021. The setting of reporting boundaries is mainly based on ISO 14064-1:2018 (Greenhouse gases - Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals). GHG emissions can be aggregated into six categories at the organizational level.</p> <p>Furthermore, the criteria for the significance of indirect emissions will be applied and documented to determine which indirect emissions to include in the GHG inventory, in accordance with the anticipated purpose of use, the availability and integrity of data, and the proportion of emissions.</p> <p>2. For the significant indirect emissions, the emission sources concerned</p>																																												

			by the main intended users (i.e. the company's clients) shall be the essential inventory categories (goods transportation). The identification subcategories mainly include purchased electricity, goods transportation, business travel, purchased electricity upstream indirect emissions, fuel emissions from forklift (excluded from category 1).	
3. Environmental Issues (1)Has the Company set an environmental management system designed to industry characteristics?	V		<p><u>1.</u> Dimerco has achieved international standards ISO 14001 and ISO 45001 in 2022 for its environmental management and occupational health and safety management systems for its subsidiary in China. With the ongoing commitment to carbon reduction and sustainability, in 2023, Dimerco's environmental initiatives have been recognized as well with a B- score by the Carbon Disclosure Project (CDP), indicating an above-average performance in the intermodal transport and logistics sector, both in Asia and globally.</p> <p>Besides, Dimerco not only improves its environmental performance through more efficient use of resources and reduction of waste but also proves ongoing commitment to its loyal workforce with mutual growth between the company and its employees worldwide by receiving Great Place to Work (GPTW) recognition in China, Hong Kong, Singapore, Taiwan, USA and Vietnam in 2021, and also Thailand in 2022.</p>	



Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
(2) Does the Company endeavor to use energy more efficiently and to use renewable materials with low environmental impact?	V		<p>Dimerco has achieved automated workflows through a secure cloud system, reducing unnecessary paperwork between internal departments, agents, operators, and customers. We are a leader in the IATA e-AWB project, committed to end-to-end paperless air cargo transportation processes.</p> <p>Due to significant differences in cost and carbon emissions between transportation modes such as air, sea, rail, and road, Dimerco has promoted green logistics solutions aimed at changing existing freight methods and choosing environmentally friendly transportation. Additionally, the company plans to integrate all transportation systems through its patented CYM® (Consolidated Yield Management) system (Patent No. I 505230) to reduce carbon footprints.</p> <p>In addition, Dimerco has been implementing energy-saving measures in its office environments for many years, including replacing traditional fluorescent lamps with LED energy-saving lamps at its operational units in Taiwan. This measure has now been fully implemented and a temperature control measure of 25°C has been implemented worldwide.</p> <p>Through the implementation of GHG inventory in 2022, the foundation of the pathway for CO2 reduction will be laid. Dimerco sets a goal of reducing the total emissions of Scope 1 and 2 by 18% in 2030, and use 100% renewable energy for the electricity purchased by the office in 2050.</p>	

(3) Has the Company evaluated the potential risks and opportunities posed by climate change for its business now and in the future and adopted relevant measures to address them?

V

Since 2022, Dimerco has started working with consulting companies to evaluate potential risks and opportunities, as well as the corresponding measures that will be taken in the future.

Dimerco implements GHG inventory in accordance with ISO 14064-1:2018 and sets reporting boundaries. Subsequently, through established base year setting, recalculation procedures, and identification principles of significant indirect emission sources, the selection of base year is completed and the scope of indirect emission sources is established. Simultaneously, activity data collection and data management procedures have been followed and emission factors have been selected to calculate emissions. After the inventory is established, the information will be archived and disclosed to intended users while the inventory will be used for subsequent promotion of GHG reduction.

GHG Comparison between Y2021 and Y2022

GHG Protocol Scope	ISO14064-1:2018 Category	Emission Source	Activity /Facility	Dimerco TW, SHA, HKG & SG Air BUs' Emissions (tCO ₂ e)				
				Y2021 Total of Emission Category	Proportion(%)	Y2022 Total of Emission Category	Proportion(%)	Y2022 vs. Y2021 +/-
Scope 1	Category 1	Direct GHG emissions and removals		215.276	0.15%	208.115	0.18%	-3.33%
Scope 2	Category 2	Indirect GHG emissions from imported energy		271.968	0.19%	285.748	0.24%	5.1%
Scope 3	Category 3 Indirect GHG emissions from transportation	Emissions from upstream transport	Purchasing for Packaging Consumables	142,548.59	99.52%	117,795.96	99.40%	-17.364%
			Purchasing for General Consumables					
		Logistics Transportation	Land Transport					
		Business Travel	Aircraft High-Speed Rail Railway					
	Category 4	Indirect GHG emissions from products used by organization		203.582	0.14%	211.801	0.18%	4.037%
Total CO₂e				143,239.41	100%	118,501.62	100%	-11.59%

(4) Did the company collect data for the past two years on greenhouse gas

V

For the calculation on Scope 1, 2 & 3 of GHG Emission, the base year is 2021, with a period from January 1, 2021, to December 31

<p>emissions, volume of water consumption, and the total weight of waste, and establish policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes?</p>			<p>while the latest GHG inventory report are set by both Air & Ocean freight bases of Dimerco in Taiwan in 2023 for annual report disclosure.</p> <p>According to the reports with comparison between 2022 and 2021 air bases emission, the major decrease on scope 3 is because in 2023 Dimerco adopted EcoTransIT World's data replacing of GLEC calculation formular, which is more accurate and certified by the international organization Smart Freight Centre (SFC).</p>	
<p>4. Social Issues (1)Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?</p>		V	<p>Please refer to Labor Relations.</p>	
<p>(2)Has the Company established and implemented reasonable employee welfare measures (include salary/compensation, leave, and other benefits), and are business performance or results appropriately reflected in employee salary/compensation?</p>		V	<p>Please refer to Labor Relations.</p> <p>As of early 2023, the proportion of female employees in the group was 55%.</p>	
<p>(3)Does the Company provide employees with a safe and healthy working environment, and implement regular safety and health education for employees?</p>		V	<p>Please refer to Labor Relations.</p> <p>Workplace environment and employee personal safety protection measures include regular disinfection of carpets and water dispensers, which are maintained by a dedicated company responsible for the overall work environment.</p>	
<p>(4)Has the Company established effective career development training programs</p>		V	<p>Please refer to Labor Relations and the implementation of external and internal training and development for employees in 2022.</p>	

for employees?			The company holds monthly meetings to communicate and coordinate significant operational changes that may have an impact on employees.
(5) Does the company comply with the relevant laws and international standards with regards to customer health and safety, customer privacy, and marketing and labeling of products and services, and implement consumer protection and grievance policies?	V		The company has a dedicated customer service team to promptly address customer complaints and ensure efficient operations for delivering excellent service quality. Through Electronic Data Interchange (EDI) and problem-solving capabilities, Dimerco is able to transmit electronic information of goods to agents, airlines, transportation companies, and customers. This exchange of information enhances data accuracy, improves efficiency for users, and reduces resource waste, such as paper and electricity consumption associated with fax communication.
(6) Has the company formulated supplier management policies requiring suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and what is the status of their implementation?	V		When entering into contracts with suppliers, our company includes compliance with labor laws and avoidance of environmental hazards as necessary declaration items. We require suppliers to commit to relevant corporate social responsibility policies and establish provisions for damages and compensation. In the event of supplier violations that significantly impact the environment and society, we reserve the right to terminate or dissolve the contract at any time.
5. Does the company refer to international reporting standards or guidelines when preparing its sustainability report and other reports disclosing non-financial information? Does the company obtain third party assurance or certification for thereports above?	V		Dimerco received ISO 14064-1 certification in 2022 under rigorous third-party verification by DNV, which gave us the highest possible rating for adherence to the GHG measurement standards. (verified categories as below) Besides, the ESG Committee has started at the end of 2023 on the planning of verified Sustainability Report, which targeted to be released in 2025.

Direct Emissions: 50.194 tons CO2e
 Imported Energy Indirect Emissions: 74.552 tons CO2e
 Quantification of the other indirect emissions:

Category	Subcategory	Tons CO ₂ e
Indirect GHG emissions from transportation	Upstream transportation and distribution- consumables for logistics (packaging materials)	0.450
	Upstream transportation and distribution- office supplies (drinking water and paper)	0.414
	Logistics cargo transportation - truck	208.137
	Logistics cargo transportation - air freight	58,566.246
	Business travel	0.125
Indirect GHG emissions from products used by organization	Purchased goods and services	65.607
	Fuel-and-energy-related activities (not included in Scope 1 or 2)	26.045



Note 1: If “Yes” is ticked in the “Implementation status” column, please concretely describe the major policies, strategies, and measures adopted and the status of their implementation. If “No” is ticked in the “Implementation status” column, please explain the deviations and the reasons in the “Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons” column and explain the Company’s plans for adoption of related policies, strategies, and measures in the future. However, for Items 1 and 2, the TWSE/TPEX listed company shall describe its governance and supervisory framework for sustainable development, including but not limited to management policy, strategy and goal formulation, review measures, etc. It additionally shall describe the company’s risk management policies or strategies for operations-related environmental, social, and corporate governance issues, and their assessment status.

Note 2: The materiality principle refers to focusing on environmental, social and corporate governance issues likely to have a material impact on the Company’s investors and other stakeholders.

Note 3: Regarding the method for disclosure, please refer to the “SAMPLE ANNUAL REPORT” page on the website of the Taiwan Stock Exchange Corporate Governance Center.

Climate-Related Information:

1. Implementation of Climate-Related Information

Item	Implementation status
<ol style="list-style-type: none"> 1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities. 2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term). 3. Describe the financial impact of extreme weather events and transformative actions. 4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system. 5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described. 6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks. 7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated. 8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified. 9. Greenhouse gas inventory and assurance status (separately fill out in point 1-1 and 1-2 below). 	<p>The ESG Steering Committee authorized by the Board of Directors (BOD) of Dimerco Group is the top management of climate change-related issues and sustainable management and performs the supervision and management responsibilities of the sustainable development of the Group (including the company).</p> <p>The committee coordinates with related departments and reports to BOD on annual base.</p> <p>ESG Committee for Energy Saving & Carbon Emission Reduction is established under the ESG Steering Committee, which is jointly established by the Business Intelligence Technology (BIT) Department, Central Service Center (CSC) and Internal Audit (IA) Department of the Dimerco Group. The key work is to focus on sustainable logistics services, supply chain negotiation and carbon reduction operations.</p> <p>Through the implementation of GHG inventory in 2022, the foundation of the pathway for CO2 reduction will be laid. With the base year of 2021, Dimerco sets a goal of reducing the total emissions of Scope 1 and 2 by 18% in 2030, and use 100% renewable energy for the electricity</p>

purchased by the office in 2050. The inventory and verification of 2021 along with the inventory of 2022 are as below in details.

1-1. Greenhouse Gas Inventory and Assurance Status

1-1-1 Information on Greenhouse Gas inventory

[Inventory of 2021]

Organizational Boundaries: Dimerco Express Corporation - Airfreight Bases in Taiwan

Scope 1: 50.194 Ton CO₂e ; Density: 0.011 Ton CO₂e/NTD Million

Scope 2: 74.552 Ton CO₂e ; Density: 0.016 Ton CO₂e/ NTD Million

Scope 3: 58,867.025 Ton CO₂e

[Inventory of 2022]

Organizational Boundaries: Dimerco Express Corporation - Airfreight Bases in Taiwan

Diversified Freight System Corporation - Ocean Freight Bases in Taiwan

Scope 1: 48.498 Ton CO₂e ; Density: 0.02 Ton CO₂e/ NTD Million

Scope 2: 98.496 Ton CO₂e ; Density: 0.04 Ton CO₂e/ NTD Million

Scope 3: 59,004.993 Ton CO₂e

1-1-2 Information on Greenhouse Gas Assurance

Below shown information of Dimerco Express Corporation verified by Det Norske Veritas (DNV) in 2022 for the 2021 Inventory of CO₂ Emission from its Airfreight Bases in Taiwan.

Scope 1: For the Direct GHG emissions, the reliability of the information within the Inventory Report (2021) were verified with reasonable level of assurance.

Scope 2: For the Indirect GHG emissions from imported energy, the reliability of the information within the Inventory Report (2021) were verified with reasonable level of assurance.

1-2 Greenhouse gas reduction targets, strategies and concrete action plans

With the base year of 2021, Dimerco sets a goal of reducing the total emissions of Scope 1 and 2 by 18% in 2030, and use 100% renewable energy for the electricity purchased by the office in 2050.

The concrete initiatives include Dimerco's significant environmental challenge on Jun. 17, 2023 to remove 100+ kgs of the invasive plant species Mikania micrantha, commonly known as "Mile a minute," from the Wugu Wetland Ecological Park, a nationally important area known for its high biodiversity sensitivity.

And started planning in 2023, Dimerco has aligned ESG goals with Cathay's vision on its Corporate Sustainable Aviation Fuel (SAF) Programme in Jan., 2024, to support the earth with practical action on reduction of greenhouse gas emissions associated with aviation, and keep improving towards the reduction goal.

<p>Basic information of the company</p> <p><input type="checkbox"/> Capital of NT\$10 billion or more, iron and steel industry, or cement industry</p> <p><input type="checkbox"/> Capital of NT\$5 billion or more but less than NT\$10 billion</p> <p><input checked="" type="checkbox"/> Capital of less than NT\$5 billion</p>	<p>Minimum required disclosure under the Sustainable Development Roadmap for TWSE/TPEX Listed Companies:</p> <p><input type="checkbox"/> Inventory for parent company only</p> <p><input type="checkbox"/> Inventory for all consolidated entities</p> <p><input type="checkbox"/> Assurance for parent company only</p> <p><input type="checkbox"/> Assurance for all consolidated entities</p>
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Scope 1	Total emissions(Metric tons CO2e)	Intensity (Metric tons CO2e / NT\$ 1 million)(Note 2)	Assurance body	Description of assurance status (Note 3)
Dimerco Express Corporation	50.194	0.011	Det Norske Veritas (DNV)	For the Direct GHG emissions, the reliability of the information within the Inventory Report (2021) were verified with reasonable level of assurance.
Subsidiary(ies)_				
(Note 1)				
Total	50.194	0.011		
Scope 2	Total emissions (Metric tons O2e)	Intensity (Metric tons CO2e / NT\$ 1 million)(Note 2)	Assurance body	Description of assurance status (Note 3)
Dimerco Express Corporation	74.552	0.016	Det Norske Veritas (DNV)	For the Indirect GHG emissions from imported energy, the reliability of the information within the Inventory Report (2021) were verified with reasonable level of assurance.
Subsidiary(ies)_				
(Note 1)				
Total	74.552	0.016		
Scope 3	58,867.025			

3.4.6 Ethical Corporate Management – Implementation Status and Deviations from the Ethical Corporate Management Best Practice

Principles for TWSE/TPEX Listed Companies and the Reasons

Evaluation item	Implementation status (Note))			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
<p>1. Establishment of ethical corporate management policies and programs</p> <p>(1) Does the company have an ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team?</p> <p>(2) Whether the company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates, within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in Article 7, paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPE Listed Companies?</p>	V		<p>(1) To comply with relevant international standards and ensure the safety of employees' working environment, as well as protect and respect their rights and interests, our company has established an "Corporate Social Responsibility Policy" and an "Environmental Policy" that are implemented across all global subsidiaries. The related information disclosure can be found on our external website at www.dimerco.com.</p> <p>Our company is committed to integrating corporate social responsibility into various aspects of operations, including company policies, internal management models, implementation procedures, and educational training plans. We also conduct audits and management of suppliers and outsourcing contractors to maximize the benefits for customers and relevant stakeholders. Regular and ad hoc educational training and awareness initiatives are provided, and a clear system of rewards and punishments is established.</p> <p>(2)The company provides regular and ad hoc educational training and awareness programs to employees, covering various topics.</p>	Compliant with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.
	V		<p>(3)The company's corporate headquarters has a part-time</p>	
	V			

<p>(3) Does the company clearly set out the operating procedures, behavior guidelines, and punishment and appeal system for violations in the unethical conduct prevention program, implement it, and regularly review and revise the plan?</p>			<p>unit dedicated to promoting corporate social responsibility. This unit provides various suggestions and feedback to relevant departments at the end of the year, authorizing them to evaluate and review response strategies. The initiatives are then implemented in the following year in alignment with established goals and projects, and periodic reports are submitted to the board of directors. The company's governance objective is to balance the interests of stakeholders, including "society" as an important stakeholder. Considering corporate governance and operational goals, the company has established a reasonable compensation policy, with corporate social responsibility being one of the indicators.</p>	
<p>2. Ethical Management Practice</p> <p>(1) Does the company assess the ethics records of those it has business relationships with and include ethical conduct related clauses in the business contracts?</p> <p>(2) Has the company set up a dedicated unit to promote ethical corporate management under the board of directors, and does it regularly (at least once a year) report to the board of directors on its ethical corporate management policy and program to prevent unethical conduct and monitor their implementation?</p> <p>(3) Has the company established policies to prevent conflict of interests, provided appropriate communication and complaint channels, and properly implemented such policies?</p>	<p>V</p> <p>v</p> <p>v</p>		<p>(1) Section 5.2 of Chapter 1 in the company's employee handbook provides detailed guidelines that the company's business activities should avoid engaging in any dishonest or unethical behavior.</p> <p>(2) The company emphasizes the importance of ethical business practices and has established a dedicated unit within the group office to promote and oversee the implementation of ethical business management. This unit is responsible for formulating and implementing policies and preventive measures related to ethical business practices and regularly reports to the board of directors.</p> <p>(3) The company has outlined in Section 5.4.7 of the employee handbook the establishment of a policy to prevent conflicts of interest and the provision of appropriate channels for disclosure.</p>	<p>Compliant with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.</p>

<p>(4) Does the company have effective accounting and internal control systems in place to enforce ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit compliance with the systems to prevent unethical conduct or hire outside accountants to perform the audits?</p> <p>(5) Does the company provide internal and external ethical corporate management training programs on a regular basis?</p>		<p>(4) The company carries out an annual internal audit plan to assess and monitor areas for improvement, and submits the annual audit report to the Board of Directors.</p> <p>(5) Please refer to Labor Relations.</p>	<p>Compliant with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.</p>
<p>3. Implementation of Complaint Procedures</p> <p>(1) Has the company established specific whistle-blowing and reward procedures, set up conveniently accessible whistle-blowing channels, and appointed appropriate personnel specifically responsible for handling complaints received from whistle-blowers?</p> <p>(2) Has the company established standard operation procedures for investigating the complaints received, follow-up measures taken after investigation, and mechanisms ensuring such complaints are handled in a confidential manner?</p> <p>(3) Has the company adopted proper measures to protect whistle-blowers from retaliation for filing complaints?</p>		<p>The company has established a reporting channel and a disciplinary and grievance system for violations of integrity and business ethics, as outlined in Chapter 5, Section 4.11 of the employee handbook.</p>	<p>Compliant with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.</p>

<p>4. Strengthening Information Disclosure</p> <p>Does the company disclose its ethical corporate management policies and the results of their implementation on its website and the MarketObservation Post System (MOPS)?</p>			<p>A dedicated person is responsible for regularly and irregularly disclosing information related to the company's integrity and business ethics on the external website: http://www.dimerco.com.</p>	<p>Compliant with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.</p>
<p>5. If the company has adopted its own ethical corporate management best practice principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviations between the principles and their implementation:</p> <p>Although the company has not established the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies," the Board of Directors of Dimerco Express Group has decided to establish an ethical framework called "Dimerco's Commitment to Ethics and Business Conduct" to detect and prevent any violations of the U.S. Foreign Corrupt Practices Act (FCPA) and other applicable anti-bribery laws. In accordance with this, Dimerco has adopted a clear company policy to prevent violations of the FCPA and establish standards and procedures for compliance by all Dimerco employees, consultants, and agents. These rules, included in our FCPA compliance program, serve to reasonably reduce the risk of violating the FCPA or other national anti-bribery laws. The Board of Directors of Dimerco has decided to establish the following policies as the foundation of its FCPA policy and implementation plan.</p>				
<p>6. Other important information to facilitate a better understanding of the status of operation of the company's ethical corporate management policies (e.g., the company's reviewing and amending of its ethical corporate management best practice principles):</p> <p>The company has established the "Code of Conduct for Ethics and Business Practices" policy. For detailed information, please refer to our company website at www.dimerco.com.</p>				

Note: Regardless of whether "Yes" or "No" is ticked regarding the implementation status, an explanation should still be provided in the explanation column for each item.

3.4.7 Other Important Information Regarding Corporate Governance

Please go to our company website or public information observatory.

3.4.8 Internal Control System

Please refer to page 71 of the Chinese annual report.

3.4.9 Any legal penalties imposed on the company and its internal personnel, penalties imposed by the company on its internal personnel for violations of internal control system regulations, and major deficiencies and improvement measures should be disclosed for the most recent fiscal year and up to the printing date of the annual report:

Not Applicable

3.4.10 Major Resolutions of Shareholders' Meeting and Board Meetings

Status of last shareholders' extempore meetings: 6th Jun 2023

1. Acceptance of the proposal on business report and financial accounts of year 2022

Execution status: Approved by resolution.

2. Approval on the proposal of distribution of earnings surplus of year 2022.

Execution status: Set the ex-dividend date as July 9th 2023 and the payable date is July 28th 2023 (Cash dividend and Stock dividend per share is NT\$ 10.7 and 0.5.).

Important resolutions of the board:

2024/5/18

Date	Item	Major resolutions	Matters listed in §14-3 of the Securities and Exchange Act	Opinions of independent directors and the company's handling of opinions	Board of Directors' resolutions
12 th Mar 2024	2024 No 1	1. Recognized year 2023 internal audited report 2. Recognized year 2023 individual and consolidated financial statements and reports 3. Year 2023 retained earning distribution	V	None	Approved by the directors present without any objection.
12 th Dec 2023	2023 No 5	Implement treasury stock repurchase plan		None	Approved by the directors present without any objection.
8 th Nov 2023	2023 No 4	Recognized year 2023 Q3 audited financial statements and reports		None	Approved by the directors present without any objection.
10 th Aug 2023	2023 No 3	Recognized year 2023 Q2 audited financial statements and reports		None	Approved by the directors present without any objection.
10 th May 2023	2023 No 2	1. Recognized year 2023 Q1 audited financial statements and reports 2. Determine the ex-right base date		None	Approved by the directors present without any objection.
15 th Mar 2023	2023 No 1	1. Recognized year 2022 internal audited report 2. Recognized year 2022 individual and consolidated financial statements and reports 3. Year 2022 retained earning distribution	V	None	Approved by the directors present without any objection.
9 th Nov 2022	2022 No 5	Recognized year 2022 Q3 audited financial statements and reports		None	Approved by the directors present without any objection.
12 th Oct 2022	2022 No 4	Implement treasury stock repurchase plan		None	Approved by the directors present without any objection.
9 th Aug 2022	2022 No 3	Recognized year 2022 Q2 audited financial statements and reports		None	Approved by the directors present without any objection.
10 th May 2022	2022 No 2	Recognized year 2022 Q1 audited financial statements and reports		None	Approved by the directors present without any objection.
17 th Mar 2022	2022 No 1	1. Recognized year 2021 internal audited report 2. Recognized year 2021 individual and consolidated financial statements and reports 3. Year 2021 retained earning distribution	V	None	Approved by the directors present without any objection.
9 th Dec 2021	2021 No 9	Recognized year 2022 business plan and budget.		None	Approved by the directors present without any objection.
9 th Nov 2021	2021 No 8	Recognized year 2021 Q3 audited financial statements and reports		None	Approved by the directors present without any objection.
6 th Aug 2021	2021 No 7	1. Recognized year 2021 Q2 audited financial statements and reports		None	Approved by the directors present without any objection.

		2. Determine the ex-right base date			
8 th Jul 2021	2021 No 6	Approved Mr. Chien Yao-Huai continue as Chairman by resolution.		None	Approved by the directors present without any objection.
18 th Jun 2021	2021 No 5	Announced the change of date and location for shareholder's meeting due to COVID-19 pandemic.		None	Approved by the directors present without any objection.
28 th May 2021	2021 No 4	Determine ex-dividend base date		None	Approved by the directors present without any objection.
7 th May 2021	2021 No 3	Recognized year 2021 Q1 audited financial statements and reports		None	Approved by the directors present without any objection.
15 th Apr 2021	2021 No 2	1. Proposed and reviewed the candidates of directors and independent directors. 2. Proposal for a new share issue through capitalization of earnings		None	Approved by the directors present without any objection.
16 th Mar 2021	2021 No 1	1. Recognized year 2020 internal audited report 2. Recognized year 2020 individual and consolidated financial statements and reports 3. Year 2020 retained earing distribution	V	None	Approved by the directors present without any objection.
17 th Dec 2020	2020 No 6	Recognized year 2021 business plan and budget.		None	Approved by the directors present without any objection.
10 th Nov 2020	2020 No 5	Recognized year 2020 Q3 audited financial statements and reports		None	Approved by the directors present without any objection.
10 th Aug 2020	2020 No 4	Recognized year 2020 Q2 audited financial statements and reports		None	Approved by the directors present without any objection.
9 th Jun 2020	2020 No 3	Determine the ex-right and ex-dividend base date		None	Approved by the directors present without any objection.
8th May 2020	2020 No 2	Recognized year 2020 Q1 audited financial statements and reports		None	Approved by the directors present without any objection.
20th Mar 2020	2020 No 1	1. Recognized year 2019 internal audited report 2. Recognized year 2019 individual and consolidated financial statements and reports 3. Year 2019 retained earing distribution	V	None	Approved by the directors present without any objection.
16th Dec 2019	2019 No 6	Recognized year 2020 business plan and budget.		None	Approved by the directors present without any objection.
11th Nov 2019	2019 No 5	Recognized year 2019 Q3 audited financial statements and reports		None	Approved by the directors present without any objection.
8th Aug 2019	2019 No 4	Recognized year 2019 Q2 audited financial statements and reports		None	Approved by the directors present without any objection.
10th June 2019	2019 No 3	To determine the ex-right and ex-dividend base date		None	Approved by the directors present without any objection.
8th May 2019	2019 No 2	Recognized year 2019 Q1 audited financial statements and reports		None	Approved by the directors present without any objection.
20th Mar 2019	2019 No 1	1. Recognized year 2018 internal audited report 2. Recognized year 2018 individual and consolidated financial statements and		None	Approved by the directors present without any objection.

		reports 3. Year 2018 return earing distribution			
11st Dec 2018	2018 No 6	Recognized year 2019 business plan and budget.		None	Approved by the directors present without any objection.
9th Nov 2018	2018 No 5	Recognized year 2018 Q3 audited financial statements and reports		None	Approved by the directors present without any objection.
6th Aug 2018	2018 No 4	Recognized year 2018 Q2 audited financial statements and reports		None	Approved by the directors present without any objection.
23th July 2018	2018 No 3	To determine the ex-right and ex-dividend base date		None	Approved by the directors present without any objection.
9 th May 2018	2018 No 2	Recognized year 2018 Q1 audited financial statements and reports		None	Approved by the directors present without any objection.
15 th Mar 2018	2018 No 1	1. Recognized year 2017 internal audited report 2. Recognized year 2017 individual and consolidated financial statements and reports 3. Year 2017 retained earing distribution	V	None	Approved by the directors present without any objection.
12 th Dec 2017	2017 No 6	Recognized year 2018 business plan and budget.		None	Approved by the directors present without any objection.
8 th Nov 2017	2017 No 5	Recognized year 2017 Q3 audited financial statements and reports		None	Approved by the directors present without any objection.
9 th Aug 2017	2017 No 4	Recognized year 2017 Q2 audited financial statements and reports		None	Approved by the directors present without any objection.
3 th Jul 2017	2017 No 3	To determine the ex-right and ex-dividend base date		None	Approved by the directors present without any objection.
15th May 2017	2017 No 2	Recognized year 2017 Q1 audited financial statements and reports	V	None	Approved by the directors present without any objection.
16th Mar 2017	2017 No 1	1. Recognized year 2016 audited financial statements and reports 2. Proposal for distribution of year 2016 earnings surplus. 3. Resolution for the date and issues of year 2016 annual shareholders meeting 4. Approval of year 2016 Internal Control Declaration Statement.	V	None	Approved by the directors present without any objection.
12nd Dec 2016	2016 No 6	1. Recognized year 2016 business plan and budget. 2. Recognized Treasury stocks transferring 3. Recognized the key audit matters		None	Approved by the directors present without any objection.
10th Nov 2016	2016 No 5	Recognized year 2016 Q3 audited financial statements and reports		None	Approved by the directors present without any objection.
8th Aug 2016	2016 No 4	Recognized year 2016 Q2 audited financial statements and reports		None	Approved by the directors present without any objection.
8th July 2016	2016 No 3	To determine the ex-right and ex-dividend base date		None	Approved by the directors present without any objection.
11st May 2016	2016 No 2	Recognized year 2016 Q1 audited financial statements and reports		None	Approved by the directors present without any objection.
17th Mar 2016	2016 No 1	Recognized year 2015 Q4 audited financial statements and reports	V	None	Approved by the directors present without any objection.

3.4.11 Major Issues of Record or Written Statements Made by Any Director or Supervisor Dissenting to Important Resolutions Passed by the Board of Directors

Not Applicable

3.4.12 Resignation or Dismissal of the Company's Key Individuals, Including the Chairman, CEO, and Heads of Accounting, Finance, Internal Audit and R&D

Not Applicable

Managerial participation in corporate governance-related education and training

Job Title	Name	Course Name	Organizer	Training Hours	Training Expense
Group CFO	Chen, Ching-Chi	Continuous Education Program for Securities Industry Accountants in Listed Companies	Taiwan Accounting Research and Development Foundation	12	8,000
Internal Audit Director	Li ,Chun-Ching	Common omissions in the preparation of corporate financial reports and practical compliance with internal audit and internal control laws and regulations	Taiwan Accounting Research and Development Foundation	6	3,500
Internal Audit Director	Li ,Chun-Ching	Internal audit personnel's audit control practices for 'information security	Taiwan Accounting Research and Development Foundation	6	3,500
Assistant Internal Audit Manager	Chong, Bao-Cheng	Cross-strait tax audit and regulatory analysis practice	Taiwan Institute of Internal Auditors	6	3,000
Assistant Internal Audit Manager	Chong, Bao-Cheng	Common internal audit and control deficiencies and case analysis of Taiwan-funded subsidiaries	Taiwan Institute of Internal Auditors	6	3,300
Group Finance Manager	Chen, Ting-Hsin	Continuous Education Program for Securities Industry Accountants in Listed Companies	Taiwan Accounting Research and Development Foundation	12	8,000

3.5 Information Regarding the Company's Audit Fee

3.5.1 Audit Fee

Unit: NTD thousand

Accounting Firm	Name of CPA		Period Covered by CPA's Audit	Audit Fee	Non-audit Fee	Total	Remarks
KPMG	Ms. Chang, Chun-I	Ms. Guan, Chun-Xiu	2023/1/1-2023/12/31	\$3,110	\$947	\$4,057	1. Tax filing \$480 2. Transfer pricing report/country-by-country report/master file report: \$700 3. Transfer Pricing Report \$150 4. Tax consulting \$197 5. Salary information for full-time employees not holding supervisory positions \$50

Note: If the Company has changed CPA or Accounting Firm during the current fiscal year, the company shall report the information regarding the audit period covered by each CPA and the replacement reason. And disclose information such as audit and non-audit public fees paid in order. It is not an audit public expense and should be accompanied by a note explaining its service content.

3.6 Replacement of CPA

A. Regarding the former CPA

Replacement Date	2022.01.01		
Replacement reasons and explanations	Due to the provisions of the generally accepted auditing standards of the Republic of China, the CPAs were changed from Ms. Huang, Bo Shu and Ms. Chang, Chun-I to Ms. Chang, Chun-I and Kuang, Chun-Hsiu in Y2022.		
Describe whether the Company terminated or the CPA did not accept the appointment	Parties	CPA	The Company
	Status		
	Termination of appointment	N/A	N/A
	No longer accepted (continued) appointment	N/A	N/A
Other issues (except for unqualified issues) in the audit reports within the last two years	None		
Differences with the company	Yes	N/A	Accounting principles or practices
		N/A	Disclosure of Financial Statements
		N/A	Audit scope or steps
		N/A	Others
	None	N/A	
	Remarks/specify details:		
Other Disclosures (Items 1-4 to 1-7 of Paragraph 6 of Article 10 of this Code should be disclosed)	N/A		

B. Regarding the successor CPA

Name of accounting firm	KPMG
Name of CPA	Kuang, Chun-Hsiu
Date of appointment	2022.01.01
Consultation results and opinions on accounting treatments or principles with respect to specified transactions and the company's financial reports that the CPA might issue prior to the engagement.	None
Succeeding CPA's written opinion of disagreement toward the former CPA	None

C. Reply from the former accountant to matters in Item 1 and Item 2 of Article 10 No 6.: N/A

3.7 If the company's chairman, general manager, or manager responsible for financial or accounting affairs has worked for the certified public accountant's firm or its affiliated companies within the past year, his or her name, professional title, and employment position at the certified public accountant's firm or its affiliated company shall be disclosed: Not applicable

The Company's Chairman, Chief Executive Officer, Chief Financial Officer, and managers in charge of its finance and accounting operations did not hold any positions in the Company's independent auditing firm or its affiliates during 2023

3.8 Equity transfers and changes in equity pledges of directors, managers and shareholders holding more than 10% of the shares in the most recent year and as of the publication date of the annual report

Title	Name	Unit: Share			
		2024		As of April 7, 2024	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairman	Chien, Yao-Huai	255,915	0	0	0
Director	Chien, Wen-Li	413,477	0	0	0

Director	Representative of Corporate shareholder, MEC Electronics Corporation Yang, Wei-Yen	364,366	0	0	0
Director	Chuang, Si-Wei	22,540	0	0	0
Independent Director	Yang, Wei-Tian	0	0	0	0
Independent Director	Chien, Yin-Fan	0	0	0	0
Independent Director	Chien, Yin-Fan	0	0	0	0
President	Chiou, Jiun-Rung	368,425	0	0	0
Deputy General Manager	Chung, Hung-Chih	54	0	0	0
Group Financial Controller	Chen, Ching-Chi	143,462	0	0	0

A Shares Trading with Related Parties : N/A

B Shares Pledge with Related Parties: N/A

3.9 Disclosure of the top ten shareholders' shareholding ratio, who are related persons or relatives within a spouse or second-degree relationship.

Name	Shareholding		Spouse & Minor		Shareholding by Nominee Arrangement		The relationship between any of the Company's Top Ten Share holders		Remarks %
	Shares	%	Shares	%	Shares	%	Name	Relation	
MEC Electronics Corporation	7,643,579	5.43%	-	-	-	-	-	-	-
Representative –Yang, Wei-Yen of MEC Electronics Corporation	-	-	229,170	0.16%	-	-	-	-	-
AGM INVESTMENT LTD	7,431,038	5.28%	-	-	-	-	-	-	-
Representative --Peng, Shi-Xiao of AGM INVESTMENT LTD Universal Consulting Ltd.	-	-	-	-	-	-	-	-	-
Chien, Yao-Huai	5,298,000	3.76%	166,952	0.12%	-	-	Chien, Wen-Li Chien, Wen-Yi	Father -daughter	-
.UNIVERSAL CONSULTING LTD.	3,699,289	2.63%	-	-	-	-	-	-	-
Representative –LEE DIONISIO JR of UNIVERSAL CONSULTING LTD.	-	-	1,285,966	0.91%	-	-	Johnny Lee	Brothers	-
Ruei Cheng Investment Ltd.	3,659,000	2.60%	-	-	-	-	-	-	-
Representative –Chien, Wen-Yi of Ruei Cheng Investment Ltd.	1,158,844	0.82%	-	-	-	-	Chien, Yao-Huai	Father -daughter	-

Mo Hsin Investment Ltd..	3,018,856	2.14%	-	-	-	-	-	-	-
Representative –Chou, Mu-Hao of Mo Hsin Investment Ltd.	-	-	-	-	-	-	-	-	-
Su, Yu-Shin	2,392,821	1.70%	-	-	-	-	-	-	-
Chien, Wen-Li	2,170,268	1.54%	175,988	0.13%	-	-	Chien, Yao-Huai	Father-daughter	-
Deng Fu Ltd.	1,847,768	1.31%	-	-	-	-	-	-	-
Representative –Johnny Lee of Deng Fu Ltd.	-	-	-	-	-	-	Lee Dionsion Jr	Brothers	-
Mai, Yu Tian	1,785,859	1.27%	-	-	-	-	-	-	-

Note 1: All the top ten shareholders should be listed. For Juridical person shareholders, the name of the juridical person shareholder and the name of the representative should be listed separately.

Note 2: The calculation of shareholding ratio refers to the calculation of shareholding ratio in one's own name, spouse, minor children or in the name of others.

Note 3: The shareholders listed in the previous disclosure include legal persons and natural persons, and the relationship between them should be disclosed in accordance with the issuer's financial reporting standards.

3.10 The number of shares held by the company, the company's directors, managers, and enterprises directly or indirectly controlled by the company in the same reinvested enterprise, is included in calculating the comprehensive shareholding ratio:

Unit: shares/ %

Affiliated Enterprises	Ownership by the Company		Direct or Indirect Ownership by Directors, Managers		Total Ownership	
	Shares	%	Shares	%	Shares	%
Diversified Freight System Corp.	1,200,000	99.99	0	0	1,200,000	99.99
Dimerco Express Holding Co. Ltd.	3,089,000	100.00	0	0	3,089,000	100.00
Dimerco International Logistics Corporation	1,000	100.00	0	0	1,000	100.00

Long-term investment that the company adopts the equity method.

IV. Capital Overview

4.1 Capital and Shares

4.1.1 Source of Capital

A. Issued Shares

Unit: Share/NT\$

Month/ Year	Par Value (NT\$)	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount (NT\$ thousands)	Shares	Amount (NT\$ thousands)	Sources of Capital	Capital Increased by Assets Other than Cash	Other
Aug 1985	10	1,000,000	10,000,000	1,000,000	10,000,000	Establishment of Company Registration	Nil	---
Aug 1994	10	2,500,000	25,000,000	2,500,000	25,000,000	Capital Replenishment by Cash 15,000,000	Nil	---
Aug 1997	10	20,000,000	200,000,000	7,500,000	75,000,000	Capital Replenishment by Earnings Surplus 5,000,000 Capital Replenishment by Cash 45,000,000	Nil	---
Nov 1997	10	20,000,000	200,000,000	19,000,000	190,000,000	Capital Replenishment by Cash 115,000,000	Nil	---
Jun 1998	10	30,000,000	300,000,000	26,500,000	260,500,000	Capital Replenishment by Earnings Surplus 20,500,000 Capital Replenishment by Cash 50,000,000	Nil	Remark 1
Aug 1999	10	35,000,000	350,000,000	31,700,000	317,000,000	Capital Replenishment by earnings surplus and capital reserves 56,500,000	Nil	Remark 2
Jan 2000	10	44,000,000	440,000,000	37,300,000	373,000,000	Capital Replenishment by Cash 56,000,000	Nil	Remark 3
Aug 2000	10	44,000,000	440,000,000	42,500,000	425,000,000	Capital Replenishment by earnings surplus and capital reserves 52,000,000	Nil	Remark 4
Nov 2001	10	62,000,000	620,000,000	49,000,000	490,000,000	Capital Replenishment by earnings surplus and capital reserves 65,000,000	Nil	Remark 5
Aug 2002	10	110,000,000	1,100,000,000	56,000,000	560,000,000	Capital Replenishment by earnings surplus and capital reserves 70,000,000	Nil	Remark 6
Aug 2003	10	110,000,000	1,100,000,000	66,000,000	660,000,000	Capital Replenishment by earnings surplus and capital reserves 100,000,000	Nil	Remark 7
Jul 2004	10	118,000,000	1,180,000,000	72,500,000	725,000,000	Capital Replenishment by earnings surplus and capital reserves 65,000,000	Nil	Remark 8
Aug 2005	10	120,500,000	1,205,000,000	81,000,000	810,000,000	Capital Replenishment by earnings surplus and capital reserves 85,000,000	Nil	Remark 9
Sep 2005	10	1,238,417	12,384,170	82,238,417	822,384,170	First time conversion of overseas unsecured negotiable convertible bonds into common stock for 1,238,417 shares	Nil	Remark 10
Oct 2006	10	120,500,000	1,205,000,000	91,900,000	919,000,000	Capital Replenishment by earnings surplus and capital reserves 96,615,830	Nil	Remark 11
Oct 2007	10	120,500,000	1,205,000,000	100,200,000	1,002,000,000	Capital Replenishment by Earnings Surplus 83,000,000	Nil	Remark 12
Oct 2008	10	138,000,000	1,380,000,000	116,000,000	1,160,000,000	Capital Replenishment by Earnings Surplus 158,000,000	Nil	Remark 13
Oct 2009	10	138,000,000	1,380,000,000	123,000,000	1,230,000,000	Capital Replenishment by Earnings Surplus 70,000,000	Nil	Remark 14
July 2010	10	138,000,000	1,380,000,000	131,000,000	1,310,000,000	Capital Replenishment by Earnings Surplus 80,000,000	Nil	Remark 15
July 2011	10	138,000,000	1,380,000,000	135,000,000	1,350,000,000	Capital Replenishment by Earnings Surplus 40,000,000	Nil	Remark 16
Mar 2014	10	138,000,000	1,380,000,000	133,000,000	1,330,000,000	Write-off Treasury Stock 20,000,000	Nil	Remark 17
June 2014	10	138,000,000	1,380,000,000	131,000,000	1,310,000,000	Write-off Treasury Stock 20,000,000	Nil	Remark 18
Oct 2014	10	138,000,000	1,380,000,000	129,000,000	1,290,000,000	Write-off Treasury Stock 20,000,000	Nil	Remark 19
Sep 2018	10	138,000,000	1,380,000,000	126,000,000	1,260,000,000	Write-off Treasury Stock 30,000,000	Nil	Remark 20
Sep 2021	10	168,000,000	1,680,000,000	136,080,000	1,360,800,000	Capital Replenishment by Earnings Surplus 10,080,000	Nil	Remark 21
July, 2023	10	168,000,000	1,680,000,000	142,884,000	1,428,840,000	Capital Replenishment by Earnings Surplus 68,040,000	Nil	Remark 22

Remark 1: Approval no.:(1998)Tai Sai Zheng (one)No. 27451
 Remark 2: Approval no.:(1999)Tai Sai Zheng (one)No. 63675
 Remark 3: Approval no.:(1999)Tai Sai Zheng (one)No. 110263
 Remark 4: Approval no.:(2000)Tai Sai Zheng (one)No. 58288
 Remark 5: Approval no.:(2001)Tai Sai Zheng (one)No. 166245
 Remark 6: Approval no.: Tai Sai Zheng (one)No. 0910143800
 Remark 7: Approval no.: Tai Sai Zheng (one)No. 0920131682
 Remark 8: Approval no.: Jing Guan Zheng (one)No. 09301314198
 Remark 9: Approval no.: Jing Guan Zheng (one)No. 0940132104
 Remark 10: Approval no.: Zheng Gui Jian (one)No. 0940201622
 Remark 11: Approval no.: Zheng Gui Jian (one)No. 0950027470
 Remark 12: Approval no.: Zheng Gui Jian (one)No. 0960203341
 Remark 13: Approval no.: Zheng Gui Jian (one)No. 0970202178
 Remark 14: Approval no.: Zheng Gui Jian (one)No. 0980202178
 Remark 15: Approval no.: Zheng Gui Jian (one)No. 0990035003
 Remark 16: Approval no.: Jing Guan Zheng (one)No. 1000032276
 Remark 17: Approval no.: Jing Shou Shang No. 10301040870
 Remark 18: Approval no.: Jing Guan Zheng (one)No. 10301109420
 Remark 19: Approval no.: Jing Guan Zheng (one)No. 10301219720
 Remark 20: Approval no.: Jing Shou Shang No. 10701111150
 Remark 21: Approval no.: Jing Shou Shang No. 11001164720
 Remark 22: Approval no.: Jing Show Shang No. 11230133310

B. Type of Stock

Unit: Thousand Shares

Share Type	Authorized Capital			Remarks
	Issued Shares	Un-issued Shares	Total Shares	
Registered Common Stock	142,884	25,116	168,000	

Overall reporting system and related information: None

C. Information for Shelf Registration: N/A

4.1.2 Status of Shareholders

April 7, 2024

Item	Government Agencies	Financial Institutions	Other Juridical Persons	Domestic Natural Persons	Foreign Institutions & Natural Persons	Total
Number of Shareholders	0	0	229	36,409	184	36,822
Shareholding (shares)	0	0	31,175,278	83,514,222	26,054,500	140,744,000
Percentage	0.00%	0.00%	22.15%	59.34%	18.51%	100.00%

First-listed (overseas) companies and newly listed companies should disclose their mainland capital shareholding ratio; mainland capital refers to people, legal persons, groups, other institutions or other institutions in the mainland area as stipulated in Article 3 of the Measures for Permitting People from the Mainland Area to Invest in Taiwan. Companies investing in third regions.

4.1.3 Shareholding Distribution Status

A. Common Shares

April 7, 2024

Class of Shareholding (Unit: Share)	Number of Shareholders	Shareholding (Shares)	Percentage
1 ~ 999	21,526	1,322,354	0.9%
1,000 ~ 5,000	12,820	23,380,036	16.6%
5,001 ~ 10,000	1,363	9,212,245	6.5%
10,001 ~ 15,000	511	6,045,065	4.3%
15,001 ~ 20,000	164	2,820,021	2.0%
20,001 ~ 30,000	162	3,837,560	2.7%
30,001 ~ 40,000	61	2,090,699	1.5%
40,001 ~ 50,000	36	1,591,950	1.1%
50,001 ~ 100,000	75	5,232,056	3.7%
100,001 ~ 200,000	29	3,874,799	2.8%
200,001 ~ 400,000	25	7,075,046	5.0%
400,001 ~ 600,000	13	6,536,060	4.6%
600,001 ~ 800,000	11	7,390,456	5.3%
800,001 ~ 1,000,000	0	0	0.0%
1,000,001 or over	26	60,335,653	42.9%
Total	36,822	140,744,000	100.0%

B. Preferred Shares: None

4.1.4 List of Major Shareholders(Shareholding percentage over 5%)

Based on the shareholder list as of April 7, 2024. The list of major shareholders is disclosed as below

Shareholder's Name	Shareholding	
	Shares	Percentage
MEC Electronics Corporation	7,643,579	5.43%
AGM INVESTMENT LTD.	7,431,038	5.28%
Chien, Yao-Huai.	5,298,000	3.76%
Universal Consulting Ltd	3,699,289	2.63%
Ruei Cheng Investment Ltd.	3,659,000	2.60%
Mo Hsin Investment Ltd	3,018,856	2.14%
Su, Yu-Shin	2,392,821	1.70%
Chien, Wen-Li.	2,170,268	1.54%
Deng Fu Ltd	1,847,768	1.31%
Mai, Yu Tian	1,785,859	1.27%

4.1.5 Market Price, Net Worth, Earnings, and Dividends per Share

Unit: NT\$/share; thousand share

Items	2022	2023	01/01/2024 - 3/31/2024
Market Price per Share			
Highest Market Price	115.50	93.80	91.00
Lowest Market Price	57.60	69.70	82.90
Average Market Price	85.67	80.11	86.44
Net Worth per Share			
Before Distribution	44.1	40.84	38.09
After Distribution	Note 8	Note 8	Note 8
Earnings per Share			
Weighted Average Shares (thousand shares)	136,080	141,474	141,104
Diluted Earnings Per Share	18.71	7.24	1.58
Dividends per Share			
Cash Dividends	10.7	6.00	-
Stock Dividends			
• Dividends from Retained Earnings	-	-	-
• Dividends from Capital Surplus	-	-	-
Accumulated Undistributed Dividends	20,665	12,953	974,782
Return on Investment			
Price / Earnings Ratio (Note 1)	4.58	11.06	-
Price / Dividend Ratio (Note 2)	8.01	13.35	-
Cash Dividend Yield Rate (Note 3)	12.49	7.49	-

* If there is capital increase by retained earning or capital surplus, company should disclose information about market value adjustment by the issued shares and information about cash dividends.

Note 1 : Show the highest and lowest market value of common stock, in addition, use sales price and sales volume to calculate the annual average market value.

Note 2 : Please use the ending outstanding shares and fill the amount followed by next year's board committee.

Note 3 : Before-and-after distribution of EPS should be disclosed if there is any situation of no charge dividends which should be adjustment to past period.

Note 4 : If the requirement of equity securities rules that the dividend payable should be accumulated and have to pay when the company has profit. The amount of accumulated dividend payable should be disclosed.

Note 5 : Price / Earnings Ratio = Average Market Price / Earnings per Share

Note 6 : Price / Dividend Ratio = Average Market Price / Cash Dividends per Share

Note 7 : Cash Dividend Yield Rate = Cash Dividends per Share / Average Market Price

Note 8 : Net Worth per Share and Earnings per Share amount should be showed by the nearest quarter which audited and certified by CPA.

4.1.6 Dividend Policy and Implementation Status

A. Dividend Policy

If earnings are available for distribution at the end of a fiscal year, 10% of net earnings – that is, after offsetting any loss from prior year(s) and paying all taxes and dues – shall be set aside as legal reserve and appropriated in accordance with the Securities Exchange Law. The remaining net earnings can be distributed along with prior accumulated unappropriated retained earnings. The Board of Directors will consider the above-mentioned factors when making the dividend distribution proposal. Dividends will be distributed in accordance with the resolution approved by the Board of Directors and at the annual shareholders' meeting. The remaining balances will be distributed in the following manner:

- (1) In response to the company's future needs to expand its operational scale.
- (2) Maintain a stable level of earnings per share of the company.
- (3) Consider the company's cash flow and operating surplus status.

The company is currently in a growth stage, and has plans to expand its operating service network and capital needs in the next few years. When distributing earnings, the cash distribution of shareholder dividends should be no less than 10%.

B. Proposed Distribution of Dividend

12th Mar. 2024, after setting aside NTD 102,417,811 as legal reserve according Company Law and the Articles of Incorporation, Board of Directors proposed to distribute NTD 15,942,333 as remuneration for directors, NTD 60,983,424 as remuneration for employees. Cash dividends for shareholders NTD 844,464,000 will be proposed in the annual shareholders' meeting for resolution.

4.1.7 The proposed free stock distribution at this shareholders' meeting and its impact on the company's operating performance and earnings per share:

In the fiscal year 2023, the portion of shareholder dividends from the earnings distribution will be distributed in the form of cash dividends.

4.1.8 Employee and Directors' Remuneration

A. Information Relating to Employee and Directors' Remuneration in the Articles of Incorporation

If earnings are available for distribution at the end of a fiscal year, 10% of net earnings – that is, after offsetting any loss from prior year(s) and paying all taxes and dues – shall be set aside as legal reserve and appropriated in accordance with the Securities Exchange Law. The remaining net earnings can be distributed along with prior accumulated unappropriated retained earnings. The Board of Directors will consider the above-mentioned factors when making the dividend distribution proposal.

The Articles of Incorporation prescribes the following for the employee and compensation for directors:

1. No less than 5% as a remuneration for employees;
2. No more than 5 % as remuneration for directors;

If the above-mentioned remuneration for employees is in the form of a stock bonus, it may also be distributed to employees of subsidiary companies. The Board of Directors is authorized to work out the conditions and procedures of making such distribution.

The estimated remuneration for employees is NTD 60,984 and 147,501 thousand, remuneration for directors is NTD 15,942 and 42,071 thousand as of 2023 and 2022.

B. Profit Distribution for employees and Directors' remuneration:

- (1) Distribution of cash dividends to employees and remuneration for directors:

In 2023, it is proposed to distribute employee remuneration in the amount of NT\$60,984 thousand and remuneration for directors in the amount of NT\$15,942 thousand. The proposed amounts for cash dividends to employees and remuneration for directors are consistent with the estimated amounts in the company's consolidated financial statements for 2023.

(2) Starting from 2008, the implementation of employee profit sharing and the recognition of remuneration for directors as expenses, any differences between the estimated employee remuneration and remuneration for directors in the financial statements for 2023 will be recorded as income or expenses for 2023.

(3) Taking into consideration the proposed employee remuneration and remuneration for directors for 2023 as

expenses attributed to the earnings of the year, the calculated after-tax basic earnings per share would decrease from NTD 7.24 to NTD7.18 , a decrease of NTD 0.06.

C. Distribution of Earnings for Employee Compensation and Director/Supervisor Remuneration in the Previous Year:

The resolution for the distribution of earnings for the fiscal year 2022 was approved by the Board of Directors on March 15, 2023, and the distribution report was presented at the shareholders' meeting on June 6, 2023,

4.1.9 Buyback of Treasury Stock:

- A. On December 11, 2022, a board meeting was held, and it was resolved to repurchase 3,000,000 treasury shares and transfer the shares to employees.
- B. The repurchase of company shares from the Taiwan Stock Exchange centralized market was completed on February 2, 2024. A total of 2,000,000 treasury shares were repurchased, accounting for 1.5% of the total issued shares of the company. The average repurchase price per share was NT\$86.24.

Purchase Time	8th	9th
Purchase Purpose	Transfer Shares to Employees	Transfer Shares to Employees
Purchase Period	2022/10/17 ~ 2022/12/08	2023/12/13~2024/02/02
Buyback Price Range	Lowest : 43.50 Highest : 104.30	Lowest : 56.14 Highest : 120.21
Types and Quantities of Shares Bought Back	Common Share 3,000,000 shares	Common Share 2,000,000 股 shares
Amount of Shares Bought Back	NT\$ 201,000,388	NT\$172,471,641
Percentage of Bought Back Shares to Planned Buyback Quantity (%)	100%	67%
Number of Shares Cancelled and Transferred	2,860,000 shares	-
Cumulative Number of Shares Held in the Company	3,000,000 shares	2,140,000 shares
Percentage of Cumulative Shares Held in the Company to Total Issued Shares (%)	2.20%	1.50%

4.1.10 According to the "Guidelines for the Disclosure of Annual Report Information by Publicly Issued Companies," Appendix 15, the names, acquisitions, and subscription details of the top ten managers who have obtained employee stock options certificates and whose subscription amount exceeds NT\$30 million up to the date of the annual report's printing are as follows: Not applicable

4.2 Bonds: Not applicable

4.3 Preferred Stock: Not applicable

4.4 Global Depository Receipts: Not applicable

4.5 Employee Stock Options: Not applicable

4.6 Restricted Stock: Not applicable

4.7 Status of New Shares Issuance in Connection with Mergers and Acquisitions: Not applicable

4.8 Financing Plans and Implementation: Not applicable

V. Operational Highlights

5.1 Business Activities

Dimerco provides a comprehensive range of logistics services to capture changing market trends and builds stable relationships and matures together with customers and partners. Driven by our customer-oriented culture, we enjoy exploring the supply chain needs of our customers, helping them find the best logistics solution through mutual cooperation, business intelligence technology capability, and a professional and flexible service team.

(I) Business area

Comprehensive logistics services

- International air freight including charter flight services
- International sea freight
- Multimodal transport, including Sea/Air freight, Air/Sea freight, and cross-border road freight (truck, railway)
- Contract logistics

Local logistics in China

- Customs declaration/commodity inspection
- Cargo insurance service
- Global logistics management consulting

Business Intelligence Technology

The Dimerco Value Plus System® was successfully upgraded and the latest Web.3.0 Cloud Networking and intelligent mobile applications were introduced in 2017–2019. With the concept and the capability of a virtual office, the Company provides customers high quality services anytime and anywhere using smart devices.

•MyDimerco cooperative service platform

With a more optimized interactive interface system or mobile version, the Company helps the customer learn the whole transportation management process. It includes the process of sending the raw materials to the factory and the process of sending finished products that are processed and packaged to the market distribution centers around the world. In addition to cargo tracking, the Company also provide customers with understanding of shipment volume and price analysis, real-time online reporting, and other services to quickly and effectively analyze and achieve customer critical performance indicators.

•POMS, Purchase Order Management System

In 2017, Dimerco demonstrated its IT capability by launching an intelligent management platform POMS (Purchase Order Management System), dedicated to enhancing the overall efficiency of our supply chain management focused on our customers' orders. Not only does POMS connect with customers' purchase order management systems, and synchronize with the Dimerco Value Plus System® for online booking, but it also enables customers to keep track of real-time information on sales, shipping, purchasing and warehousing.

•Cross-Border eCommerce EDI Integration

Cross border e-commerce has advanced from a stage of rapid rise to booming development in recent years. Dimerco has reinforced its organizational power to develop new business by forming an action team, integrating sales and customer services around the world, and continued to win over a number of multinational companies and cross border e-commerce companies. Its self-developed Dimerco Value Plus System® allies customers, international logistics providers (referring to Dimerco) and local couriers, performing electronic data interchange (EDI) to help customers synchronize all logistics information with local couriers. Ultimately, the Company successfully achieves the fastest delivery of goods from warehouses to customers within their required timeframe.

•eCallFreight® System – an intelligent logistics front end system

To integrate the door-to-door services of international transportation and mobile logistics system, Dimerco launched the development of a truck dispatch management system called the “eCallFreight® System” at the beginning of 2015, strengthening the connections between truck dispatch, pickup and distribution services in the front-end and back-end of international logistics. By implementing this solution, the Company cooperated with local logistics partners by using IoT (Internet of Things) to unify data streams and information flows to achieve digitalization. Meanwhile, the Company established a substantial database to improve the safety of cargo freight, and maximize operational efficiency and quality of service.

•Value+ Mobile Assistance APP(VMA): Provide field personnel with more convenient, faster, and easier access of import and export goods shipment data at any time and any place. Update

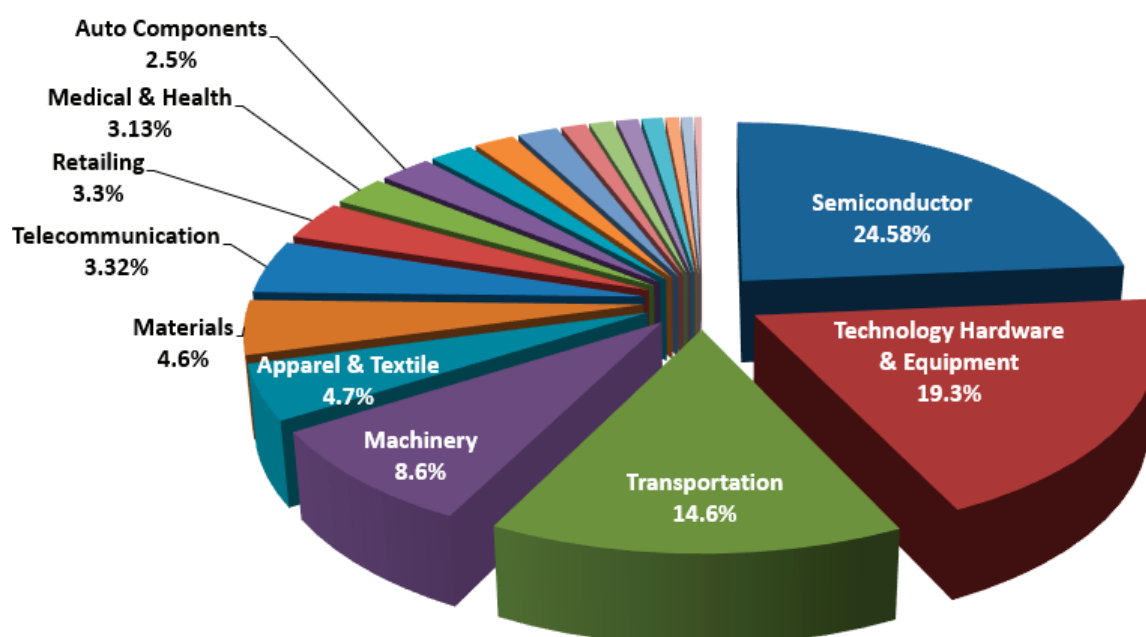
relevant milestones and upload photograph. In addition, it is also equipped with the Vendor Mode, a real-time feedback function for cargo Proof of Delivery information developed specifically for field or outsourced truck drivers by Dimerco, allowing customers to receive more timely cargo information.

- eWMS APP: Through the mobile phone APP coupled with a handheld scanning device, warehouse managers may engage in simpler and more intuitive operations according to customers' different needs. The actual operations and system updates are integrated to accelerate and ensure smoother operating processes and reduce operational errors.
- Miles Do APP: In order to prevent problems with air import and export and enhance operational speed, this APP all-in-one features, including data cross-checking, printing label, and milestone I order to provide service contents with higher quality.
- Dimerco MFA (Multi-Factor Authentication): In order to ensure ERP system login security. The Dimerco MFA has been self-developed. Verification codes can be obtained via the APP or e-mail in order to ensure the identity of the user at login and reduce information security risks.
- DimBot: By integrating Machine Learning and AI, the computer will be able to assist the primary user in completing daily operations, obtain correct flight information from Airline websites, automatically update the ERP system, and automatically send notifications in the event of abnormal situations. In order to reducing users' usual work, the efficiency of information acquisition can also be obtained, thereby providing higher quality and faster services.
- MyHome Plus App:To provide customers with better service, Dimerco has developed the MyHome Plus App for its employees, allowing them to easily and quickly access important company information and communication through their mobile phones. The app includes functions such as important company activity messages, internal news releases, Freight Market Forecast, eAWB Monitor, contact information for major branches, holiday and attendance status inquiries, etc. Through these functions, employees can quickly understand the current market situation, provide customers with a better pricing foundation, and assist customers in making more suitable arrangements for their cargo and services.
- RPA (Robotic Process Automation) Process Automation: With years of cultivating digital capabilities, Dimerco has positioned 2023 as the year of digital transformation and established an RPA seed team to conduct in-depth research on global logistics service processes. By utilizing RPA software, the team has achieved unified and digitalized information, enhancing operational and management efficiency, as well as service levels.
- Carbon Emissions Report for Cargo Transportation: Implemented the EcoTransIT World system certified by the international organization Smart Freight Centre (SFC) since 2023, Dimerco utilizes this system to calculate carbon emissions for air, sea, and land transportation, aligning with the Global Logistics Emissions Council (GLEC) framework and meeting the requirements of the GHG Protocol (corporate standards)

Industries that main customers are in

The Company's revenue distribution 2023 are categorized into Semiconductors 24.6%, High-tech Electronics, Computers & Peripherals 19.3%, Transportation 14.6%, Machinery 8.6%, Apparel & Textiles 4.7%, Materials 4.6%, Telecommunications 3.3%, Retail 3.3%, Medical Equipment 3.1% and Personal Effects 2.5%.

Y2023 Jan-Dec By Revenue (Air + Ocean)



New project development and promoted service

- In view of the increasing importance of the ability to maintain customer information security and protection, an application of the “Plan to improve and upgrade the security of logistics IoT information” at the Department of Commerce, MOEA in 2020. The dual certification of ISO27001:2013 and NIST CSF was completed in 2021. And planning to complete the preparation and requirements related to the new version of ISO27001:2022 by 2023 and expect to obtain the verification of the new version of ISO27001:2022 by January 2024.
- In the era of cellular IoT, with the wide use of smart wearables, augmented reality, big data and cloud computing, the demand for intelligent mobile applications is expected to rise exponentially. Not only has Dimerco continuously advanced its business intelligence technologies to meet the changing environment, but also integrated and utilized mobile technologies, business intelligence, and RPA (Robotic Process Automation) to provide customers management and service solutions with greater efficiency.
- To facilitate the development of contract logistics, Dimerco continues to cultivate and enhance outreach of its integrated logistics services in China, Hong Kong, Singapore, Taiwan, the United States and Germany.
- Strengthening the expansion of cross-border trucking service between Southeast Asia and mainland China. Published an image video to promote the Company’s technology capability in 2020, integrated the door-to-door services of international transportation and mobile logistics system by utilizing its self-developed truck dispatch management system called the “eCallFreight® System,” and published a customized cross-border trucking service video in 2021, hoping to effectively increase the transportation flexibility for customers.
- Moving towards diversified all-rounded logistic services, in addition international transport services, contract logistics, and cross-domain truck products, Dimerco shall continue to strengthen the promotion of cross-domain railway transport between China and Europe. The plan for air transport transfer to truck logistics from China to Mexico with a transit stop in the United States has been developed to effectively solve the problem of direct flights and cabin seat shortages.
- The Company utilizes its business intelligence technology and resources within the Group to strengthen the promotion of logistics services such as long-haul international Sea/Air LCL, and customized charter flights for large precision instruments.
- Dimerco continues to actively carry out business development and investment related activities in North America, Mainland China, Europe, India and Southeast Asia.
- Dimerco continues to cooperate with airlines on the IATA eAWB program.
- The Company performs research and development on its business intelligence technology logistics platform and continuously optimizes its operation. In the era of digitalization, the

Company utilizes the functions of the information system to provide more diversified value-added services to our customers through in-depth internal and external supply chain integration.

- Through the update of Dimerco website (www.dimerco.com) with market trends, real-time tracking of air and sea cargos are provided for global customers, the MyDimerco platform offers value-added services to customers, including customer logistics statistical reports, global logistics distribution solutions, etc. In 2021, the platform was redesigned. Through technological integration, customers' digital experiences in terms of real-time market information, network price inquiry, and logistic knowledge sharing was strengthened. Besides, in response to global warming and the trend towards green logistics, starting from 2023, Dimerco has further enhanced its capabilities by adding carbon emission reporting functionality to its cargo transportation services. This enhancement aims to facilitate more efficient calculation and planning of carbon emissions reduction for global customers involved in trade transportation.
- Dimerco builds a professional services team to expand its services to more customers in other major industries, such as aerospace, apparel & textiles, auto components, consumer electronics, cross border e-commerce, medical equipment, oil & gas, and semiconductors and solar energy equipment.

(II) Industry Overview:

[Change in the logistics industry and the arrangement of the Group]

Although the main business of the Company is air and ocean freight forwarding, under the global logistics operation structure it is closely linked to industries such as road freight, warehousing, import and export customs clearance, distribution, supply chain management, finance, and information services. The Company will strengthen its contract logistics services by the end of 2019. Besides setting up corresponding departments for the above industries to handle the operation and invest in related businesses, Dimerco cooperates with companies around the world to form a complete global logistics and transport network. All processes from the acquisition of raw materials to the delivery to the required end can be provided by Dimerco under the arrangement of the Company. We provide our customers with the most effective and efficient time, cost, human resources and cargo control mechanisms from production to sale.

Relationship with the upstream, mid-stream and downstream industries: As a transport company, Dimerco mainly provides air freight services. The service is largely provided to companies that deal with import/export business. The upstream suppliers, manufacturers and exporters ask the forwarder to book a flight from the airline company. When the supply of empty flight room is greater than the demand, the transportation fee drops. On the contrary, when the demand of empty flight room is greater than the supply, the transportation fee increases. When a flight is arranged, the road transport company will deliver the cargo to be exported to the air freight container yard. The Company that handles the customs declaration business will report the import/export information to customs. After the cargo customs clearance is complete, the cargo will be delivered to the destination through air transportation. Based on different requirements, different distribution and sales methods will be arranged. A local truck transport company will then deliver the cargo to the downstream manufacturers, importers or locations designated by the end customer. This way, the whole air freight transportation process is complete.

From 2017 to 2019, in view of the rapid change of artificial intelligence, the application of big data and semi-automation in the era of cellular IoT, Dimerco has repositioned itself and strived to become a "Mobile Intelligence Logistics Service Provider" of customers. The Company is committed to using its self-developed Dimerco Value Plus System®, an intelligent logistics real-time information platform on Web 3.0 cloud network, to develop more competitive BIT (Business Intelligence Technology) and applications. Through the expertise of its Business Intelligence Technology (BIT) division enhanced by Information Technology, the Company has deployed relevant mobile technologies in its system, and mobilized its automated system, moving towards product diversification, service excellence, operational optimization, and increased management efficiency. Faced with the COVID-19 pandemic in 2020 affecting global trade operations, Dimerco's crisis contingency plan has shown remarkable effectiveness. Diversified and flexible customized charter flights and multimodal logistics related solutions have been launched, which complimented by professional technological strength has led to the ability to achieve virtual-real integration and far-reaching mobile smart logistics integration. And will complete the comprehensive revamp of MyDimerco in 2022, providing customers with a more interactive and user-friendly collaborative service platform.

Dimerco has been established for more than half a century. With smart applications as the basic spirit and focus, and through professional division of labor, attention to detail, and horizontal connection as the basis, in addition to continuously promoting organizational reform 2.0, organizational flattening transformation has also been carried out. In response to changes in post-pandemic global logistics models and consumption habits, the group and supply chain collaborators and customers were disclosed to jointly embrace the trend of digital logistics and moving toward the new milestone hand in hand. Furthermore, in view of the logistics industry faced with the increasingly complex information security risks and rampant hacker events, Dimerco is committed to providing customers with stringent and trustworthy information security management services in line with the industrial practices. In 2022, Dimerco successfully passed the ISO 27001:2013 certification for information security management accredited by the British Standards Institute (BSI), and continues to improve. We are expected to upgrade to the new ISO27001:2022 information security management certification in the re-certification review by 2024.

Stepping into 2022-2023, in response to the trend of green logistics market, Dimerco conducted its first greenhouse gas inventory for the year 2021 and successfully passed the highest level of ISO 14064-1:2018 greenhouse gas verification standard. Based on the year 2021 as a reference, the company has set a target to reduce the total emissions of Category 1 and Category 2 by 18% by 2030. Moreover, the company has set a vision to achieve 100% renewable energy use for its external electricity procurement by 2050. Besides, starting from 2023, Dimerco implemented the EcoTransIT World system certified by the international organization Smart Freight Centre (SFC) and utilizes this system to calculate carbon emissions for air, sea, and land transportation with reporting function via MyDimerco platform. Last but not the least, Dimerco has studied to align ESG goals with Cathay's vision on its Corporate Sustainable Aviation Fuel (SAF) Programme, to support the earth with practical action on reduction of greenhouse gas emissions associated with aviation.

[Global economy and industry development]

Looking back at 2023, the global economic situation could be described as "resilient," as countries faced various challenges both domestically and internationally. These challenges included ongoing conflicts such as the Russia-Ukraine conflict, prolonged tensions in the Middle East, the disruption caused by the Red Sea crisis on supply chains, and the continued turmoil in the Chinese real estate market.

According to IMF reports, the global economic growth rate declined from 3.5% in 2022 to 3.1% in 2023. One of the main reasons for this decline was structural changes on the supply side. The trend towards deglobalization and trade wars led to a reduction in economies of scale previously enjoyed through global specialization, and constraints on the supply of critical products resulted in increased costs along the supply chain. Over the past few decades, the global division of labor had become increasingly specialized, with individual nodes in the global production chain becoming more efficient and increasing in scale, leading to lower prices for end products and mutual benefits for global consumers. However, recent years, driven by the United States, have seen an intentional exaggeration of the vulnerability of global supply chains, coupled with a rise in trade protectionism. Countries like the United States have actively promoted reshoring, nearshoring, and even onshoring of production, disrupting the existing patterns of global industrial chains and increasing costs while decreasing supply capabilities.

There have also been profound changes in global demand, particularly in the high-tech industry. In an effort to maintain its technological advantage, the United States has imposed export controls on technologies to countries like China, forcing China to seek technological self-reliance through research and investment and leading to redundant construction, directly impeding the sales profits and R&D investment of the technology industry. However, globalization has not come to a complete halt, and the flow of goods, services, capital, and technology across borders continues unabated. Nevertheless, the resistance has increased, and global industrial chains have indeed been restructured, resulting in distorted global trade, significant shifts in trade flows, and changes in the allocation of the US dollar. Fragmentation in the global system continues to widen, and industrial protectionist policies have emerged, further disrupting the operation of comparative advantage principles and adding obstacles to economic and consumption growth. For example, to avoid high tariffs on goods exported from China to the United States, many Chinese companies have invested in Vietnam and Mexico, assembling final products using Chinese components and then exporting

them to the United States at higher prices.

Looking ahead to 2024, the US economy will face the challenge of high interest rates amid a debt problem. The Chinese real estate market, lacking confidence, is likely to remain sluggish. With both major economies facing unfavorable factors in consumption and investment, although other major economies like Europe are expected to show signs of recovery, emerging markets and developing economies in Southeast Asia, South Asia, Africa, and Latin America are expected to perform better than in 2023. However, they still face challenges in supporting the weak economies of the US and China, and countries need to further expand cooperation with trading partners to reduce dependence on a single market. Moreover, 2024 will see several important global elections, including those in Taiwan, India, Mexico, Europe, and the United States, which will pose challenges to the global economy.

In terms of industries, Taiwan's economic recovery in 2024 will depend on the prospects of the technology industry. After the fourth quarter of 2023, the negative factor of technology inventory gradually dissipated, driving positive economic development. It is generally believed that inventory adjustments have ended in the fourth quarter of 2023, which will drive a new round of inventory replenishment and promote economic growth. Under the wave of AI technology, it is expected that Taiwan's IT supply chain will reach new heights in the next decade. Intel CEO Pat Gelsinger has emphasized the importance of Taiwan in the AI era, pointing out that Taiwan is an important innovation hub and will play a key role in future AI applications. According to market research firm Canalys, the penetration rate of PC products equipped with AI computing chips in the PC market will significantly increase. The proportion of such products in global PC shipments is expected to grow to 60% by 2027.

In addition to the technology industry, other industries in Taiwan are also expected to gradually improve in 2024. According to the Taiwan Institute of Economic Research (TIER), in the rubber industry, there are signs of improvement in the "rubber tires" products belonging to the automotive, truck, and truck tire projects under the warming of the car market. However, demand for industrial consumption in products such as bicycle tires, motorcycle tires, industrial rubber, and even rubber consumer goods remains weak. With the gradual recovery of the automotive market in mainland China, this good news for the rubber industry is expected to boost overall market demand, and the economic outlook for 2024 is optimistic. The automotive manufacturing industry in mainland China has become the world's largest producer and exporter of automobiles. Despite being affected by the shortage of automotive chips and the Ukraine-Russia war, the market consumption is not ideal. However, the government has actively proposed various preferential subsidies. In addition to stimulating market consumption, it also aims to become a major exporting country in the global automotive manufacturing industry.

[Air freight market]

The International Air Transport Association (IATA) global air cargo market data shows that despite economic uncertainty, air cargo demand was particularly strong in the fourth quarter of 2023. Overall demand for air cargo in 2023 was slightly lower than the levels in 2022 and 2019: for the full year of 2023, global air cargo demand, measured in cargo tonne kilometers, decreased by 1.9% compared to 2022 and by 3.6% compared to 2019. In 2023, air cargo capacity increased by 11.3% compared to 2022 and by 2.5% compared to 2019. Willie Walsh, the Chairman of IATA, stated that although demand in 2023 was 3.6% lower than pre-pandemic levels, the significant strength in the previous quarter indicates that the market is stabilizing, with demand trending towards normalization, laying a solid foundation for the industry in 2024.

In 2023, the electronics industry was inventorying stocks at the end of the year, fulfilling urgent orders, and waiting for post-election geopolitical changes to adjust related production lines and product layouts. Therefore, there has been a recent decline in new orders and production indicators. The manufacturing industry has expectations for markets in the United States, Mexico, the European Union, and India, but remains conservative about the Chinese market. The recent Red Sea crisis mainly impacted the supply side, causing short-term fluctuations but not significantly affecting freight rates and inflation, which are still subject to long-term demand. Although the world's two major canals have encountered natural disasters and human-made disasters, the demand for sea-to-air transport is not significant.

Looking ahead to 2024, IATA predicts that air cargo demand will increase by 4.5% year-on-year,

mainly driven by a strong recovery in trans-Pacific and intra-Asia routes severely affected by the pandemic. Capacity is expected to shrink by 3%. Three major variables, including this year being an election year for various countries, climate change causing food issues, and inflation and when the United States will cut interest rates, will affect global capital flows. Potential industries include artificial intelligence (AI) and information and communication technology (ICT), with the advent of generative AI expected to boost a wave of upgrades for personal computers (PCs) and smartphones. However, whether the machinery and textile industries will improve remains to be seen. The air cargo sector will continue to observe and pursue opportunities in high technology, energy control, semiconductors, consumer electronics, electric vehicles, telecommunications, and cross-border e-commerce markets.

[Sea freight market]

Global maritime transportation in 2023, according to Drewry's fourth-quarter report, showed a slight decrease in global capacity, but the total new capacity added for the year reached a historical high, and it is expected to reach a new peak in 2024. Although shipping companies continue to introduce new vessels, the situation in the Panama Canal and the Suez Canal, along with ongoing capacity management strategies, are all suppressing capacity growth. Delays of up to 20 days in both directions have reduced available capacity. Drewry expects that if the situation remains unchanged, global capacity will decrease by 9% in 2024.

By the end of 2023, the strategy of Blank Sailings adopted by shipping companies reduced cabin capacity on the two main routes of trans-Pacific eastbound and Europe westbound by about 10% to 20% per week. The freight rate hike action in December was successfully implemented due to the significant increase in market demand, which also gave most freight forwarders more confidence to push for freight rate increases before the Lunar New Year. The water level of the Panama Canal has been low due to long-term drought, resulting in tighter capacity for routes to the U.S. East Coast than to the West Coast. Due to the uncertainty caused by the Red Sea terrorist attacks, it directly affected all routes passing through the Strait of Mandeb. Although the three major shipping alliances 2M, Ocean Alliance, and THE immediately took contingency measures and urgently diverted westward routes from Asia to Europe and some North American east coast routes around the Cape of Good Hope instead of using the Suez Canal. The Red Sea terrorist attacks at the end of the year once again caused a crisis in the international supply chain. However, to help all importers and exporters emerge from the crisis smoothly and quickly, the global team of Dimerco has prepared different alternative solutions, such as air transport, combined sea-air transport, and China-Europe railway transport, for customers to choose from.

Looking ahead to 2024, maritime transport faces the possibility of severe disruption. Factors affecting include ongoing wars to affect key routes such as the Panama Canal. The complex ship schedules throughout the year may be disrupted, increasing delays and costs for retailers such as Walmart, IKEA, Amazon, as well as food manufacturers like Nestle, and grocers like Lidl. Although the Red Sea crisis and the drought in the Panama Canal have led to changes in shipping routes and longer voyages, and shipping companies have adjusted capacity to cope with challenges, geopolitical conflicts and climate factors will support freight rates, but they will not have a long-term impact on freight rates. The maritime industry will continue to face new challenges and opportunities in the future, including the trend of ship size increase and the increasingly complex competitive relationship between shipping companies. Maersk and Hapag-Lloyd have announced the formation of a new alliance, Gemini, in February 2025. At that time, the new round of competition in the shipping industry will change, and it will bring new variables to the trend of freight rates. The large increase in capacity in the container shipping market will make the phenomenon of oversupply more apparent. According to BIMCO statistics, the number of ships delivered in 2024 will reach 478, with 3.1 million TEUs, an increase of 41% year-on-year, setting a new record for two consecutive years.

The Suez Canal accounts for about 12%-15% of global maritime trade, and the Panama Canal accounts for about 5%-7% of global maritime trade. Together, they account for about one-fifth of global maritime trade. If the recent issues with these two canals are not resolved, it will lead to delays in ship schedules and capacity constraints, which will continue to push up freight rates. However, it is worth noting that this wave of price increases is not due to increased demand, but rather driven by capacity constraints and high freight rates, which may intensify inflation.

(III) Technology and R&D status:

In order to optimize our management and serve customers around the world, Dimerco successfully

developed an integrated e-commerce service platform and global real-time information system – the ‘Dimerco Value Plus System®’ – on August 1, 2009. We have since upgraded this system in 2017 and introduced the latest Web 3.0 Cloud Networking and mobile technology to streamline our supply chain management by integrating the business processes of sales, operations, accounting and financial management, to build the world’s most competitive international logistics and transportation service company. The features of this system include intelligent mobile applications, the capabilities of global real-time cargo tracking, customized applications and reporting. The global information visibility brought by its patented EDI integration also helps the Company better adopt RPA (Robotic Process Automation), providing customers service excellence. Through this system and the concept of a virtual office, Dimerco utilizes its business intelligence technology to provide customers high quality services anywhere and anytime, using smart devices. Moreover, with our experience in the logistics industry over a decade, the strategic alliance and relationship with our partners, and our professional teamwork, Dimerco is able to help the customer lower its operating cost and improve efficiency. What’s more, Dimerco can ensure that the supply chain management of its customers is highly efficient and stable.

In 2022, facing the impact of the pandemic and market trends, Dimerco optimized and integrated its internal and external processes through cloud, mobile, and intelligent technologies under information security certifications (ISO 27001:2013 - IS 743553, NIST CSF - Cybersecurity Framework NIST 759307). It positioned 2023 as the year of digital transformation, utilizing technology to enhance its internal digital capabilities and upgrade its online services for customers. Internally, Dimerco developed its own DimBot robot, which automates related services such as sales and cost forecasting, flight forecasts, vessel tracking, and exchange rate analysis using technologies like optical image recognition (OCR), artificial intelligence, and machine learning to provide powerful technological support to its employees. Externally, Dimerco's MyDimerco platform integrates offline and online services to provide customers with personalized dashboards, cargo tracking, online transportation document libraries, online quotations, dynamic reports, and virtual customer service, enabling customers to have 24/7 uninterrupted access to timely information and services. By involving all employees and integrating virtual and real elements, Dimerco has achieved good business results.

1. The Company vertically integrates marketing management system, international logistics operation system and financial management system.
2. Horizontal integration: It covers the international logistics operating system.
 - (1) International air freight including charter flight services
 - (2) International ocean freight
 - (3) Multimodal transport, including Sea/Air freight, Air/Sea freight, and cross-border road freight (truck, railway)
 - (4) Contract logistics
 - DC, Distribution Center
 - Reverse Logistics
 - SL, Service Logistics
 - VMI, Vendor Managed Inventory
 - (5) Local logistics in China
 - (6) Customs declaration/commodity inspection
 - (7) Cargo insurance service
 - (8) Global logistics management consulting
3. Dimerco continues to innovate and enhance the efficiency and professionalism of its international logistics network, and has obtained patents in the United States and Taiwan.
 - (1) Development of Consolidation Yield Management System (CYM)
 - (2) Data Synchronization Method®

(IV) Long-term and short-term business development plan:

1. Short-term business development plan:
 Dimerco insists on bringing service value to its customers. By building integral Dimerco Value Plus System®, a mobile intelligence logistics system on Web 3.0 cloud networking to provide target industry customers international logistics management, sales, operation, finance, and services, the Company not only offers diversified high value-added products and high-quality operations to fulfill customers’ needs, but also re-configures and unites with customers with its strong team of regional sales, local sales and customer services to exploit business opportunities. The Company has reinforced its organizational power, its marketing and service

network in Europe, the U.S., Asia Pacific and China, expanded the Indian market, and integrated strategic partners from all over the world.

- (1) Dimerco plans to develop and enhance outreach of its contract logistics services in China, Hong Kong, Singapore, Taiwan, the U.S. and Germany.
 - (2) Dimerco promotes a truck dispatch management system called the “eCallFreight® System.” With the system, the connection between the truck dispatch, pick-up and delivery services at the front end and back end of the international logistics can be improved.
 - (3) We promote multimodal transport, including cross-border truck transport services in the countries of the Association of Southeast Asian Nations and in China, and the cross-border railway transport services in central Europe.
 - (4) Dimerco promotes the charter flight service for customized giant precision instruments and the cross-border eCommerce EDI integration.
 - (5) Dimerco continues to cooperate with airline companies on the IATA eAWB program to improve our marketing skills and international logistics services.
 - (6) Dimerco provides more services for society, participates in environmental events and cooperative education programs and realizes our corporate social responsibility.
 - (7) Subsidiaries in the Group are applying for the AEO (Authorized Economic Operator) certification since Dimerco wants to expand the scope of the safe supply chain and fulfill the commitment of providing professional logistics services. Therefore, the service security will be upgraded.
 - (8) Dimerco continues to advance its edge in business intelligence technology, strengthening the service to meet global customers’ requirements in the supply chain and establish long-term partnerships with them. In addition, in view of the increasing importance of the ability to maintain customer information security and protection, an application of the “Plan to improve and upgrade the security of logistics IoT information” at the Department of Commerce, MOEA in 2020. The ISO27001 and NIST CSF certification was completed in 2021.
 - (9) Dimerco has formed an action team, expanded business in its target industries and target regions with market orientation to serve more customers in major industries, such as aerospace, apparel and textile, auto components, consumer electronics, cross-border e-commerce, medical equipment, fuel and gas, semiconductor and solar energy equipment. The Company aims to provide tailored solutions to a variety of customers, helping them lower transportation costs, and conduct periodic performance reviews.
 - (10) Starting from 2023, to strengthen on green initiatives, Dimerco implemented the EcoTransIT World system certified by the international organization Smart Freight Centre (SFC) and utilizes this system to calculate carbon emissions for air, sea, and land transportation with reporting function via MyDimerco platform. Last but not the least, Dimerco has studied to align ESG goals with Cathay’s vision on its Corporate Sustainable Aviation Fuel (SAF) Programme, to support the earth with practical action on reduction of greenhouse gas emissions associated with aviation.
2. Long-term business development plan:

Dimerco will continue to expand business in the “Greater China Economic Zone” and in the countries of the Association of Southeast Asian Nations. The Group is committed to reinforcing the organizational power of the Company. In addition, Dimerco strengthens the capacity in regional marketing by forming an action team of specialists in regional marketing, and local sales and customer service departments to expand the business and provide services for customers. It is expected that the action team can help the Company acquire more customers and offer diversified logistics services that are “customer-oriented.” Dimerco is hoping that with the plan, business around the globe will grow. With effective alliances or mergers, Dimerco expands the business scope and enriches corporate resources. In addition, the Company reinforces the international network and has become more aware of the market trends. As a result, the overall corporate competitiveness can be improved, and the Company can strive for a win-win situation for our strategic partners. The Group emphasizes ethical values together with corporate culture and sets the direction and strategy for business management with the concept of innovation and revolution. Dimerco makes good use of professional resources for the implementation. We value each strategic partner and local employees regardless of their race or religion. Dimerco performs localization to create a win-win situation. Besides this, we are in pursuit of sustainable operations for the Dimerco Express Group.

In order to optimize our management and serve customers around the world, Dimerco successfully developed an integrated e-commerce service platform and global real-time information system – the ‘Dimerco Value Plus System®’ – in 2009. We have since upgraded

this system in December 2017 and introduced the latest Web 3.0 Cloud Networking. Its (CSP, Collaboration Service Platform) connects upstream and downstream vendors and customers with intelligent mobile technology through the concept and capability of a virtual office, i.e. its “eSAM” for sales management, “eCallFreight® System” for truck dispatch management, providing customers high-efficiency services anytime and anywhere. The Company helps customers reduce operating costs and improve efficiency via (POMS, Purchase Order Management System).

With the aim to “perform organizational change, provide professional service, lead with the team and adopt artificial intelligence,” Dimerco Express Group established the Executive Management Board (EMB) on October 1, 2019. Furthermore, the professional Business Intelligence Technology (BIT) Department improved information technology and created a Web 3.0 Cloud Networking on an intelligent mobile logistics system. The Company made progress both in the virtual and real worlds to provide services for customers anytime and anywhere and became the “mobile and intelligent logistics partner” of customers. Meanwhile, the Business Intelligence Technology (BIT) Department supported the business units of air freight, ocean freight and contract logistics in the Group. With the BIT Department, the Company could provide diverse products and the best service. Moreover, operation in the Company could be optimized and the management could become more efficient.

Dimerco rolled out its organizational restructuring 2.0 in March 2021, focusing on business intelligence applications, aiming to flatten its organizational structure on the basis of professional service, a detail-oriented approach, and horizontal communication. The Company has integrated regional management teams from North America, Greater China, Southeast Asia, Europe and Northeast Asia into a Central Service Center (CSC) to achieve effective internal management, as well as to strengthen marketing, provide a quick response and utilize intelligent applications to accommodate sudden changes. The Company will fulfill its mission by providing professional service, leading with the team, and adopting business intelligence technology. With the commitment to efficiently connect markets and production hubs in Asia with the rest of the world, Dimerco newly appointed Mr. Jeffrey Shih as CEO in December, 2023.

Moreover, Dimerco is committed to keeping our promises for the environmental policies. We will spare no effort in realizing the responsibility as a corporate social citizen to implement sustainable management. Dimerco hopes to become green partners with global customers, alliances and society. We perform environmental protection with actual deeds. For example, we have transparent data connection with our partners and customers. Therefore, less paper will be used, and we can have a green working environment. Since early 2022, the greenhouse gas launch plan was investigated in cooperation with a consulting firm. In addition to gradually setting Science Based Target Initiatives, SBTi, complete electric vehicle (EV) applications and joining the EV100 line by 2030 have been planned. With the year 2021 as the baseline, the company has set a goal to reduce the total emissions of category one and category two by 18% by 2030, and envisions using 100% renewable energy for purchased electricity outside the office by 2050. Internally, the company will implement energy-saving measures, and externally, it will work with partners to achieve carbon reduction. It is Dimerco’s goal to walk down every road in the world with “Global Vision, Local Touch” borne in mind. That is also the blueprint and strategy of corporate sustainable development, demonstrating the global logistics centered on the Asia-Pacific region (Connecting Asia with the world). Dimerco will face every challenge in the future and expand the business globally. We aim to become the leading shipping and logistics company in the world.

5.2 Market and Sales Overview

5.2.1 Market Analysis

A. Main Service Areas

Unit: NT\$,000

Export Destination	2022		2023	
	Amount	%	Amount	%
America	382,285	20.78%	166,141	18.17%
Europe	58,537	3.18%	28,967	3.17%
Asia	1,398,842	76.04%	719,411	78.67%
Net export revenue	1,839,664	100.00%	914,519	100.00%

B. Main Competitions and Market Share

(1) Main Competitors

As the aviation cargo contracting industry in Taiwan has regional competitive advantages and a flexible operation mode close to Taiwanese enterprises, the main competitors are Taiwanese large-scale international companies.

Main Competitions in Taiwan

Logistic Company	Advantage Routes
Expeditors/DHL/UPS/DSV/ Crane/Morrison/Panda	USA
Expeditors/DHL/UPS/Geodis/UTLC ERA/Schenker /CEVA	Europe
Expeditors/Dolphin/Panda/ DSV/Morrison/KWE/ Nippon	Asia
Dolphin/Panda/DSV/Morrison/KWE/TAIWAN EXPRESS/ RACER	China

(2) Market Share

According to the statistics of the Civil Aeronautics Administration (Ministry of Transportation and Communications) and Taipei Airfreight Forwarders and Logistics Association of Taiwan (TAFLA), the market shares of the Company from 2019 to 2023 were 2.83%, 3.20%, 2.73%, 2.94% and 2.98%, respectively, 0.10% higher than the average market share in the industry.

Approximate market share of Dimerco and other businesses in the market

Unit: Ton

Year Item	2022					2023				
	TPE Airfreight Volume	Dimerco Contracted Volume	Dimerco Market Share (%)	Average Contract Volume in the Industry	Average Market Share in the Industry (%)	TPE Airfreight Volume	Dimerco Contracted Volume	Dimerco Market Share (%)	Average Contract Volume in the Industry	Average Market Share in the Industry (%)
Total import and export	1,027,827	30,226	2.94%	1001	0.10%	807,842	24,034	2.98%	769	0.10%

Data Source: Civil Aeronautics Administration (Ministry of Transportation and Communications) and Taipei Airfreight Forwarders and Logistics Association of Taiwan (TAFLA)

Note 1: Dimerco Contracted Volume is supplied by Dimerco

Note 2: Average Contract Volume in the Industry=TPE Airfreight Volume ÷ Number of businesses in the industry (Note 4)

Note 3: Average Market Share in the Industry (%) = Average Contract Volume in the Industry ÷ TIA Airfreight Volume

Note 4: According to the statistics on the register of members of TAFLA, the number of members of the industry from 2018 to 2022 was respectively 977, 996, 990, 1,007 and 1,027.

(3) Key Performance Index

a. Based on the key performance indicators such as the export tonnage and market share, Dimerco was ranked 12th in 2023.

Unit: Ton

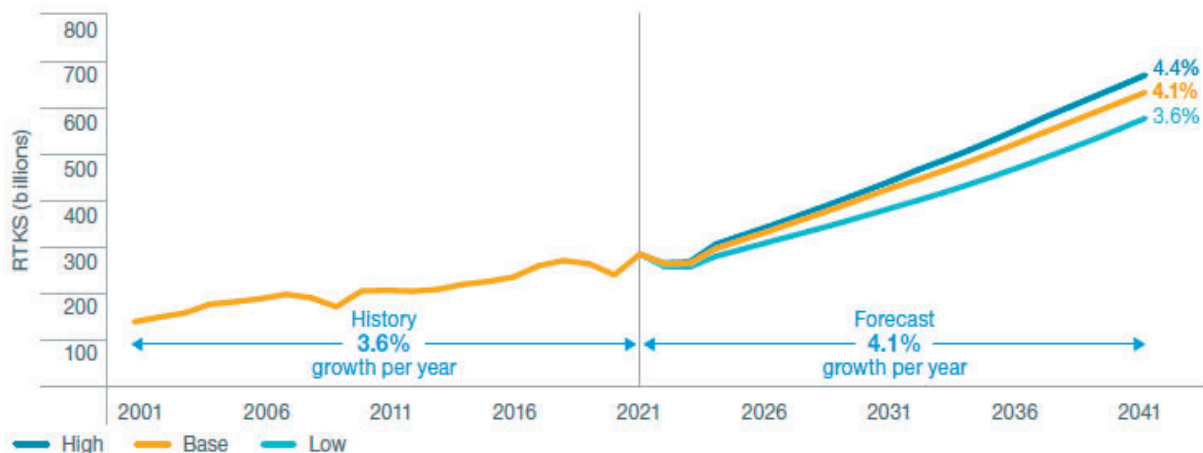
2023			
Ranking	Airfreight Forwarder	Total of Export Tonnage	Export Market Share (%)
1.	ECI TAIWAN CO., LTD.	44,377	10.20%
2.	SCHENKER (H.K.) LTD. TAIWAN BRANCH	24,939	5.73%
3.	MORRISON EXPRESS CORP., LTD.	24,096	5.54%
4.	DSV Air & Sea Co.,Ltd.	21,530	4.95%
5.	DHL Global Forwarding	17,189	3.95%
6.	KINTETSU WORLD EXPRESS (TAIWAN) INC.	12,807	2.94%
7.	WELL COME TRANSPORTATION CO., LTD.	12,562	2.89%
8.	NIPPON EXPRESS (TAIWAN) CO., LTD.	10,330	2.37%
9.	DOLPHIN CO., LTD.	9,405	2.16%
10.	KUEHNE + NAGEL LTD.	9,384	2.16%
11.	YUSEN LOGISTICS (TAIWAN) LTD.	8,925	2.05%
12.	DIMERCO EXPRESS CORPORATION	8,667	1.99%
13.	UPS INT'L INC. TAIWAN BRANCH	7,564	1.74%
14.	PANDA AIR EXPRESS CO., LTD.	7,414	1.70%
15	RACER LOGISTICS CO., LTD.	7,337	1.69%
	Others	208,469	47.92%
	Total	434,994	100.00%

Data Source: Civil Aeronautics Administration, Ministry of Transportation and Communications

C. Projection of the Global Airfreight Market

Air Cargo Traffic to Double Over Next Two Decades

Average Annual Growth, 2022–2041



- (1) Boeing's forecast that air cargo traffic will grow an average of 4.1% annually from 2022 to 2041.
- (2) The intra-Asia and Oceania cargo market outlook is expected to remain robust. Boeing forecast an average annual growth of 5.7% over the next 20 years.

(Data Source: Boeing, Air Cargo World – IATA report)

D. Competitive Advantages

Dimerco was founded in 1971. Taiwan is an island nation; therefore, economic development is mainly export-oriented. Plus the increasing volume of global trade, airfreight services are definitely demanded in the market and have certain market advantages. Therefore, since its founding, Dimerco has set its goal to become a global airfreight service provider, and to achieve this goal, the corporation continues to improve the health of organization and expand its integrated marketing and service network. The following is a summary of Dimerco's competitive advantages.

- (1) Clear market positioning
- (2) Professional logistic services for e-commerce
- (3) Experienced professional teams
- (4) Long-term and stable cooperative relationship with several airlines
- (5) Central accounting system for reduced exchange rate risks

After Dimerco launched AEO validation application, the Taipei and Kaohsiung Customs AEO Validation Team visited the Taipei, Taoyuan, Hsinchu and Taichung offices, as well as the Kaohsiung subsidiary in November 2011 to carry out the AEO validation process. The validation is done based on a set of 14 standards and the self-assessment list. At the end of the year, Dimerco successfully passed the AEO validation conducted by the Customs Administration, Ministry of Finance on December 20th 2011 and received the Safety Certified Quality Enterprise AEO Certificate simultaneously from the Taipei and Kaohsiung Customs. Taipei Customs certified Dimerco for three practices, freight forwarding, customs clearance and warehousing and Kaohsiung Customs certified two practices, freight forwarding and customs clearance. As an international logistics service company, Dimerco's business covers airfreight forwarding, customs clearance and warehousing. AEO validation enabled us to build a complete and safe supply chain management system, which serves as a platform for management and consolidation, reinforced the Company's health and competitiveness and enabled the Company to meet customers' and market demand in safety. In addition, we expect the system to ensure the completeness, accuracy and safety of Dimerco's international cargo transport services and compliance with the supply chain related regulations and international standards and help us gain substantive benefits, such as expedited clearance, when clearing customs for export goods. General Manager, Mr. Chou, expects that Dimerco's contracted cargo will enjoy the benefits and convenience of green pass in other countries through customs agreements.

Dimerco is not only a registered member of the International Air Transport Association (IATA), but also a member of CTPAT certified by the US Customs. Through ISO 9002 certification, Dimerco provides the best quality of services. Dimerco positions itself as ‘the logistic expert in the Greater China Region’ and has been successfully certified for logistics and transport services in China. With complete certification, we are able to offer our customers the most efficient and most complete range of services. The joint venture in Vietnam is also equipped with class 1 forward qualification to provide all-rounded logistic services for your cargo in and out of Vietnam.

In addition, Dimerco merged a renowned customs clearance service, MYK Global Services Inc. on January 16th 2012. This merger sped up Dimerco’s development in the US. Recently, Dimerco has received a confirmation from the US Customs and this customs clearance service has been successfully renamed as Dimerco Customs Brokerage Co., Ltd. Dimerco Express (USA) Corp. will work closely with Dimerco Customs Brokerage Services Co., Ltd. to provide Dimerco’s global customers a seamless one-stop service through its fine reputation and quality customs clearance abilities.

E. Favorable and Unfavorable Factors in Future Development

- (1) Favorable Factors
 - a. Globalization
 - b. World and regional GDP growth
 - c. Just in time concept
 - d. Tariff decreasing which was owing to oil price and availability
 - e. Deregulation and new trade relations
 - f. Development of aircrafts (ex. wide-body freighters and lower decks)

- (2) Unfavorable Factors
 - g. Industry relocation
 - h. Trade barrier and restrictions
 - i. Directional imbalance
 - j. Competition
 - k. Currency revaluation

5.2.2 Production Procedures of Main Products

Dimerco is a transport service provider, offering mainly international transport services. Our services have been expanded into the distribution system with a goal to achieve global logistics in future development. We offer door-to-door services; that is, in addition to customs clearance service, we plan the products and services, including procedures, schedule, delivery and warehousing, for our customers to help them cut down the time spent on running the procedures. In addition, Dimerco offers comprehensive after-sale services. Our customer service personnel are trained to respond and handle customer complaints in the first instance and provide high-quality services in the most efficient way.

5.2.3 Supply Status of Main Materials

Dimerco is a transport service provider; therefore, unlike the manufacturing businesses, no raw materials are involved in our operations. Our main costs are the payment to the airlines for the freight, and our main suppliers of airfreight spaces are Eva Air, China Airlines, Dragon Airlines and Cathay Pacific Airways. The supply of airfreight spaces is stable.

5.2.4 Major Suppliers and Clients

A. Major Suppliers in the Last Two Calendar Years

Unit: NT\$ '000

Ranking	2022				2023				As of March 31 2024			
	Name	Net Value of Supply	Percentage of Annual Supply (%)	Relation with Dimerco	Supplier Name	Net Value of Supply	Percentage of Annual Supply (%)	Relation with Dimerco	Supplier Name	Net Value of Supply	Percentage of Annual Supply (%)	Relation with Dimerco
1	A4	122,268	5.70%	None	A34	11,395	1.07%	None	A4	42,206	13.66%	None
2	A1	88,820	4.14%	None	A33	12,663	1.19%	None	A1	32,433	10.49%	None
3	A5	84,617	3.95%	None	A17	15,216	1.43%	None	A5	9,651	3.12%	None
4	A27	81,311	3.79%	None	A8	15,278	1.44%	None	A23	8,949	2.90%	None
5	A6	73,454	3.43%	None	A28	15,344	1.45%	None	A6	7,107	2.30%	None
6	A28	59,316	2.77%	None	A23	25,617	2.41%	None	A24	3,978	1.29%	None
7	A17	58,727	2.74%	None	A6	34,295	3.23%	None	A17	3,861	1.25%	None
8	A11	55,986	2.61%	None	A5	38,302	3.61%	None	A8	3,418	1.11%	None
9	A33	53,947	2.52%	None	A1	232,218	21.87%	None	A33	2,958	0.96%	None
10	A32	52,334	2.44%	None	A4	245,884	23.16%	None	A34	2,817	0.91%	None
	Others	1,413,173	65.91%	None	Others	415,466	39.13%	None	Others	191,707	62.02%	
	Net Supply	2,143,953	100.00%		Net Supply	1,061,677	100.00%		Net Supply	309,085	100.00%	

Note: 1. Among the top 10 suppliers, only China Airlines and Cathay Pacific Airways reached 10% in net value of supply.

Note 2: TWSE/TPEX listed companies are required to disclose audited or auditor-reviewed financial information available before the publication date of annual report.

B. Major Clients in the Last Two Calendar Years

Unit: NT\$ '000

Ranking	2022				2023				As of March 31 2023			
	Name	Net Sales	Percentage to Annual Net Sales (%)	Relationship with Dimerco	Name	Net Sales	Percentage to Annual Net Sales (%)	Relationship with Dimerco	Name	Net Sales	Percentage to Annual Net Sales (%)	Relationship with Dimerco
1	S14	596,342	23.87%	None	S52	79,244	6.17%	None	S53	21,505	5.96%	None
2	S23	533,452	21.36%	None	S51	73,078	5.69%	None	S29	11,401	3.16%	None
3	S44	93,579	3.75%	None	S53	64,725	5.04%	None	S51	7,070	1.96%	None
4	S15	43,640	1.75%	None	S14	62,930	4.90%	None	S43	6,973	1.93%	None
5	S9	39,088	1.56%	None	S29	43,019	3.35%	None	S54	5,821	1.61%	None
6	S48	18,467	0.74%	None	S9	42,816	3.33%	None	S23	5,569	1.54%	None
7	S50	16,129	0.65%	None	S1	34,111	2.65%	None	S3	5,474	1.52%	None
8	S18	15,560	0.62%	None	S43	33,117	2.58%	None	S1	5,431	1.50%	None
9	S36	15,177	0.61%	None	S54	29,175	2.27%	None	S18	4,455	1.23%	None
10	S25	14,713	0.59%	None	S25	25,458	1.98%	None	S9	4,437	1.23%	None
	Others	1,111,641	44.51%	None	Others	797,387	62.05%	None	Others	282,732	78.35%	None
	Net Supply	2,497,788	100.00%		Net Supply	1,285,060	100.00%		Net Supply	360,868	100.00%	

Note: 1. Among the top 10 customers, only Taiwan Semiconductor reached 10% in net sales.

Note 2: TWSE/TPEX listed companies are required to disclose audited or auditor-reviewed financial information available before the publication date of annual report.

5.2.5 Table Production Value and Volume in the Most Recent Two Years

Dimerco is not a manufacturer, so this table does not apply.

5.2.6 Table of Sales Value in the Most Recent Two Years

Unit: NT\$ '000

Year Country	2022				2023			
	Weight	%	Value	%	Weight	%	Value	%
Total import	14,407	44.40%	1,839,664	73.65%	11,641	45.91%	914,519	71.17%
Total export	15,818	48.75%	374,512	14.99%	12,393	48.87%	224,304	17.45%
Others	2,222	6.85%	283,612	11.35%	1,324	5.22%	146,237	11.38%
Total	32,447	100.00%	2,497,788	100.00%	25,358	100.00%	1,285,060	100.00%

5.3 Human Resources

Number of employees, average years of service, average age and distribution of education in the most recent two years up to the date of printing of this annual report

Year	2022	2023	As of first quarter of 2024
Total number of employees	150.00	149.00	148.00
Average age	39.37	40.76	40.45
Average years of service	9.68	9.81	9.86
Distribution of education %	PhD -	0.00%	0.00%
	Master's Degree	14.00%	16.11%
	Undergraduate	76.67%	74.50%
	High School	9.33%	9.40%
	Less than High School -	0.00%	0.00%

Note: Information is accurate as of the publication date of this annual report.

5.4 Environmental Protection Expenditure

Not applicable.

5.5 Labor Relations

The section below discloses employee benefits, retirement system, status of implementation and agreement between the employer and employees:

1. Employee Welfare

Dimerco has placed high emphasis on employee welfare. The Company has set up the Employee Welfare Committee as required by regulations and organizes various recreational activities that are open to all employees. A portion of the Company's capital or operating income is appropriated to fund the activities along with a fixed percentage of contributions from employees' salaries. The aggregated fund is managed by the Employee Welfare Committee. The members of the committee are elected by the employees and re-elected in a fixed term. Dimerco also offers a complete package of employee benefits, as listed in the section below:

- (1) Insurance: In addition to labor insurance and National Health Insurance, Dimerco insures our employees with Fubon Life Group Accident Insurance and One-year Hospitalization Group Health Insurance.
- (2) Meal Subsidy: Dimerco gives out credits for meals.
- (3) Annual employee and family sports event and year-end party.
- (4) Employee Day: The 15th of every month is employee day. The Employee Welfare Committee

throws a birthday party for employees born in that month and invites the employees to social with each other over a session of afternoon tea serving delicious refreshments.

- (5) Scholarships for employees' children and self-learning by employees: Dimerco set up a performance sharing mechanism to support the employees and grow with them in the journey to reach another peak of Dimerco's glory.
- (6) Employee Care Fund: Dimerco cares for our employees' lives. We offer cash relief and gifts for special occasions to convey our care, congratulations and condolences.
- (7) Others: Short essay competition on corporate social responsibility issues, online English learning, and extra benefits for overtime working during holidays.

2. Retirement System and Implementation:

With the aim of taking care of employees' lives, our company has established the Employee Retirement Regulations, which allocate retirement benefits according to the applicable labor retirement pension system for employees. Under the previous system, the company made full provisions for retirement reserves and stored them in a dedicated account with the "Dimerco Express Corporation Retirement Reserve Supervisory Committee" at the Central Trust of China. Under the new system, the provisions are allocated to individual accounts with the Labor Insurance Bureau. Employees who have completed 15 years of service and are at least 55 years old, or have completed 25 years of service, or have completed 10 years of service and are at least 60 years old are eligible to apply for retirement. The calculation and payment of retirement benefits are carried out in accordance with the regulations of the Labor Standards Act. In accordance with the "Regulations for the Organization of the Supervisory Committee of Enterprise Labor Retirement Reserve Funds," our company has established a Supervisory Committee for Labor Retirement Reserve Funds. This committee holds regular meetings to oversee the use and allocation of the retirement reserve funds.

3. Employee Education and Training:

Continuous education is the keystone in Dimerco's employee development strategies. Dimerco offers a wide range of training programs to employees of different capacities, including new employee training, work-specific training and management training.

The table below exhibits the internal and external training programs launched in 2022 and the status of implementation.

A. External Training Unit: NT\$

Training Category	Name of Course	No. of Trainee	Hours	Expenditure
Work-Specific Training	Dangerous Goods Regulation Training- Initial Training	3	40.00	54,200
	Dangerous Goods Regulation Training- Recurrent Training	3	24.00	24,000
	Dangerous Goods Regulation Training-"7.3 DGR Special Training Course"	2	16.00	6,000
	Security Control Personnel and Hazardous Items Awareness Training- Initial Training	3	16.00	3,600
	Security Control Personnel and Hazardous Items Awareness Training- Recurrent Training	4	8.00	1,200
	Free Trade Zone Self Governing Personnel Training	1	18.00	1,600
	Seminar on Analysis of International Trade Dispute Cases	1	4.00	0
	Breaking Through Blind Spots in International Trade Operations	1	7.00	3,150
	Ministry of Labor's Y2023 Plan for Promoting	1	4.00	0

	Work-Life Balance Counseling and Comprehensive Program			
	Interactive ISO 9001:2015 Quality Management System Clause and Internal Auditor Training Course (Board Game)	1	7.00	3,450
	AEO Supply Chain Security Personnel	1	24.00	4,500
	First Aid Personnel Safety and Health Education Training	1	16.00	4,500
	On-the-Job Education and Training for First Aid Personnel	2	3.00	1,400
	Initial Training for Type C Occupational Safety and Health Business Supervisors	2	24.00	10,000

B. Internal Training

Unit: NT\$

Training Category	Name of Course	No. of Trainee	Hours	Expenditure
New Employee Training	Introduction to Dimerco culture	12	1.50	244
	Introduction to Dimerco systems	12	1.50	244
	Introduction to Dimerco human resource management	12	1.50	244
	Telephone manners	12	0.50	244
	C-TPAT / AEO	12	1.50	244
Work-Specific Training	Introduction of Dangerous Goods	38	1.50	3,605
	Regulated Agent and Dangerous Goods Recognizing	64	1.00	4,029
	Logistics Operators Case study	25	2.00	0
	Air Freight Cargo Claim Case Sharing	25	1.50	0
	eCall Freight Training	17	1.00	0
	Seminar on Essential Legal Knowledge and Concepts for Corporate Finance and Accounting Personnel	12	2.00	7,200
	Corporate Tax Filing and Analysis of Common Practical Issues	11	3.00	31,500
	Education and Training on ISO 28000 Revision: Interpretation of Transferred Clauses	25	3.00	65,360
	Knowing Risk Assessment	52	0.50	0
Identification of Suspicious Persons, Mail Packages and Explosives	52	0.50	5,490	
General Education Training	Information Security Education and Training	109	3.00	11,187
	Emergency Response Drills	14	2.00	0
	Health Accessibility: Perseverance is Key	48	1.50	4,265
	Occupational Safety Seminar - The Relationship between Four Major Plans and You	105	1.00	12,750

C. Others

- (1) Dimerco has been licensed by Customs Administration, Ministry of Finance, for Class 1 customs clearance service since 2007. Dimerco has been recognized by Customs Administration, Ministry of Finance, as "Authorized Economic Operator" since 2011.
- (2) Dimerco Kaohsiung Subsidiary has been licensed by Customs Administration (Ministry of Finance) for Class 1 customs clearance service since 2008. Dimerco has been recognized by Customs Administration, Ministry of Finance, as "Authorized Economic Operator" since 2011.
- (3) Dimerco has been certified by ISO 9001:2008 in 1995 and obtained the latest version of ISO 9001:2015 certification in 2018.

4. Agreement between Employer and Employees:

- (1) The Company's senior management meets with heads of departments on a weekly basis for the latter to convey and consolidate the opinions and feedback from employees for follow-up actions.
- (2) An opinion poll is conducted prior to the making of major decisions involving the rights of employees and employees' opinions are taken into consideration in the process of

decision-making.

- (3) Heads of departments communicate with the employees from time to time to understand their status and help them resolve issues if necessary.
- (4) Carry out employee satisfaction surveys to allow every employee to have a voice.

5. Employee Code of Conduct:

(1) Employee Code of Conduct or Code of Ethics:

The Code of Conduct has been drawn up by Dimerco to regulate the conduct of Dimerco employees.

The details are as follows:

- a. Employees shall follow the rules of the Company and all legal regulations and duly carry out their work.
 - b. Employees shall uphold the Company's business philosophy and help the Company build a positive corporate image.
 - c. Employees shall receive customers in an enthusiastic, friendly and courteous manner and provide high-quality services.
 - d. Employees shall follow the orders and assignments of supervisors and strive to achieve work with high-quality work and enhanced performance.
 - e. Employees shall respect the Company's schedules by reporting to work on time and never terminate work or leave post unauthorized.
 - f. Employees shall treasure public properties and fulfill their duty in caring for the properties without intentional or unintentional wastage. Employees causing damage to company properties will be liable for the compensation and disciplined as stipulated in the work rules.
 - g. Employees shall report issues of work to their immediate supervisors and never bypass any level of authority, unless the issues involve emergency or special situations.
 - h. Employees shall never leak out or lose any confidential documents or diagrams came into contact during business transactions or at work.
 - i. Employees shall maintain the workplace and the surrounding environment in safe, hygienic, clean and tidy manner and take all necessary measures to prevent burglary, fire or damages of other natural disasters.
 - j. Employees shall never bring or allow others to bring combustible or flammable substances, dangerous objects, such as sharp cutlery or prohibited substances into any vehicles or the workplace.
 - k. Employees shall not take public properties out of the workplace unauthorized.
 - l. Employees required to wear uniform shall dress as demonstrated by the work rules and keep their appearances clean and presentable to maintain the corporate image of Dimerco.
 - m. Employees may not engage in gambling, drinking or physical confrontation, make loud noises or play mindlessly, take off shirts or wear slippers or wooden slippers or chew betel nuts in the workplace. Smoking is prohibited in the office outside of the designated smoking area.
- (2) The Codes of Conduct is published in the Company's bulletin and all employees are expected to follow the codes closely.
 - (3) The Company has also set up the Dimerco International Logistics Co., Ltd. Employee Performance Evaluation Guidelines. Employees are informed of the regulations, rules and codes of conduct. Rewards and disciplines are also enforced timely according to the above-disclosed rules.
 - (4) The Operating Procedures for Handling Major Internal Information shall serve as the guiding principles for Dimerco's directors, managers and employees. All conducts of Dimerco's directors and employees shall be governed by the Dimerco International Logistics Co., Ltd. Operating Procedures for Trading with Individuals of Special

Relations and between Businesses under the Group. These operating procedures clearly stated that directors, managers and employees shall meet full compliance with the laws, regulations and administrative orders, including regulations governing insider trading.

6. Work Environment and Personal Safety Protection:

(1) Work Environment

- a. Dimerco and its branches and subsidiaries are staffed with dedicated personnel to handle employee safety and health related administration, including coordinating labor safety and health management, continuously making improvements for various safety and health measures and creating a safe, healthy, comfortable and friendly workplace.
- b. All employees are required to wear an employee identification badge when entering the office area and access is controlled by electronic access card.
- c. Visitors are required to register at the front counter and deposit an identification card upon entering the office area. All guests must be accompanied by employees of Dimerco.

(2) Personal Safety Protection: Dimerco has insured all employees with Nan Shan Life Insurance Company, Ltd. for occupational injury insurance.

Please disclose losses due to labor disputes, the estimated amount likely to occur in the future and the responding measures in the recent years and up to the date of printing of this annual report. If the amount cannot be reasonably assessed, please the reason: none.

Dimerco sees its employees as the most valuable assets of the Company; therefore, we place high emphasis on employees career planning and give the best effort to maintain positive labor relations and harmony in the Company. Dimerco offers a complete package of remuneration and benefits, including standardized salary, annual leaves, retirement plans, labor insurance and National Health Insurance, group insurance and various recreational activities at irregular intervals. Dimerco also offers comprehensive education and training programs to our employees, encouraging them to reinforce their work skills and plan personal careers based on their interests.

5.6 Information Security Management

A. Information Security Risk Management

To ensure uninterrupted operation of the "Dimerco Value Plus System" cloud logistics platform, Dimerco adjusts its overall security posture to enhance business cyber resilience and control information security risks, minimizing the impact of network threats within acceptable limits. Supporting security infrastructure is crucial for Dimerco's strategic focus on global channelization, product diversification, operational excellence, unified information, and local operations, combined with the application of the Internet and integration with the Internet of Things, to build both physical and virtual channels and provide borderless international logistics services.

Improvements in information security are an ongoing process for Dimerco. Starting with the adjustment of the overall security posture, with a foundation of uninterrupted critical operational services, Dimerco expands its scope to include primarily B2B data exchange services on external service platforms. Currently, this effort extends to the overall enterprise operational environment, including development environments, user operating environments, and physical security.

For critical operational services and B2B data exchange services, Dimerco implemented the ISO 27001 Information Security Management System in the year 2019 and obtained ISO 27001:2013 certification from BSI. The certification is valid from April 2021 to April 2024. Dimerco continues to progress on the path of information security, controlling and reducing the threats and impacts of information security risks, and establishing a sustainable information security management system.

1. Information Security Risk Management Framework

The coordination, planning, auditing, and promotion of the information security management system in Dimerco are overseen by the Director of the Business Technology and Intelligence Department, who serves as the Chairman of the Information Security Committee. The committee is responsible for coordinating matters related to the information security management system. Management review meetings are held every six months to report to the Risk Management Committee and the Executive Management Committee. The most recent reporting date was October 28, 2022.

The management review meetings conducted by the Information Security Committee primarily cover the following:

- a. Information security objectives of the company.
- b. Reviewing the effectiveness and completeness of information security planning and implementation, taking into account operational needs, changes in government regulations, information security requirements, and technological advancements.
- c. Reviewing reports on the revision of information security policies, information security organization, and related norms and procedures.
- d. Reviewing the classification of information assets.
- e. Executing assigned tasks by the Information Security Committee.
- f. Communicating and coordinating information security matters across departments.
- g. Reviewing and arbitrating incidents of information security breaches within Dimerco
- h. Supervising the response and improvement measures for significant security incidents in the company.
- i. Providing input and output items for the management review of the information security management system every six months.

2. Information Security Policy

Our company is committed to maintaining the information security of its operational environment and serving its customers. In addition to implementing basic information security controls, we ensure the security of all data and processing by strengthening information security management. We continuously enhance the confidentiality, integrity, and availability of critical personal and transactional information to improve the quality of our services. Our information security statement is as follows:

- The information security management system should establish an appropriate organization to carry out information security management operations, ensuring compliance with laws and regulations and the normal operation of the information security management system.
- Work assignments should consider functional divisions and distinguish job responsibilities to avoid unauthorized modification or misuse of information or services.
- All personnel, including employees, contractors, outsourced vendors, and temporary staff, who use company information for information services or project work, are responsible for protecting the information assets obtained or used from the company to prevent unauthorized access, alteration, destruction, or improper disclosure.
- All personnel have an obligation to protect customer data, including transactional and personal information. Unauthorized access, use, or disclosure of such information to unrelated colleagues, vendors, or other customers is strictly prohibited.
- Security protections for computer and physical environments should be strengthened, including data centers' access control, air conditioning, uninterruptible power supplies, etc., to prevent unauthorized access, damage, or unexpected disasters that may affect normal business operations.
- Personnel are prohibited from unauthorized connections between external and internal networks. Necessary security measures should be implemented to protect both internal and external networks.
- Security controls should be considered and implemented in the initial stages of system development. Outsourced development should have enhanced controls and information security requirements in contracts. System development, modification, and implementation should comply with and follow

information security management norms.

- All personnel should remain vigilant and report any security incidents, vulnerabilities, or violations of information security management system standards and procedures in accordance with the established procedures.
- Business continuity plans should be developed based on business needs and regularly tested and exercised to ensure their applicability.
- The Information Security Working Group, based on information security policies and organizational responsibilities, formulates information security objectives to be reviewed and approved by the Information Security Committee for implementation.
- Information security objectives should cover confidentiality, integrity, and availability and align with the requirements of the information security policy.

3. Specific Information Security Management Measures

In addition to implementing the ISO 27001 Information Security Management System, Zhongfei values information security protection in its value-added service system and provides comprehensive protection to customers by obtaining global cybersecurity insurance from Cathay Century Insurance. Furthermore, Zhongfei performs the following activities/exercises annually to strengthen information security:

- Security attack and defense exercises (twice a year)
- Social engineering exercises (twice a year)
- System vulnerability scanning (twice a year)
- System/data recovery testing (monthly)
- Emergency response exercises (twice a year)
- Education and training for company employees

These measures aim to enhance the awareness of information security among our employees and establish a comprehensive defense mechanism to detect and prevent incidents in a timely manner.

B. As of the latest annual report printing date, there have been no significant losses or potential impacts due to major information and communication security incidents, and therefore no specific response measures have been taken.

5.7 Important Contracts

Nature of Contract	Party	Contract Date		Main Contract	Terms of Limitation
		Starting	Ending		
Office accident insurance	XX Property Insurance Co., Ltd.	10-Jan-24	10-Jan-25	Insurance	Nil
Software service agreement	XXXX Co., Ltd.	1-Jan-23	31-Dec-23	Information	Nil
Cargo freight service agreement	XXXX Co., Ltd.	1-Apr-23	31-Mar-24	Undertaking of freight service	Nil

7. Litigation or Non-litigation Incidents: none.

8. Major asset trading in the most recent year up to the date of printing of this annual report: none

VI. Financial Information

6.1 Five-Year Financial Summary

6.1.1 Condensed Financial Statements – Based on IFRS

A. Consolidated Condensed Balance Sheet – Based on IFRS

Unit: NT\$ thousands

Item	Year	Financial Summary for The Last Five Years (Remark 1)					Financial data of ending date in 31th March, 2024
		2019	2020	2021	2022	2023	
Current assets		4,075,487	5,374,891	8,499,242	9,046,631	7,464,374	7,526,570
Property, Plant and Equipment		608,305	561,771	544,456	560,326	544,726	554,024
Intangible assets		34,179	32,921	33,068	73,740	69,817	71,441
Other assets		490,548	724,617	670,089	842,172	802,710	870,676
Total assets		5,208,519	6,694,200	9,746,567	10,522,869	8,881,627	9,022,711
Current liabilities	Before distribution	2,797,173	3,574,709	5,107,987	4,178,827	2,766,579	3,259,894
	After distribution	2,968,533	4,330,709	5,863,987	5,566,843	Note 3	Note 3
Non-current liabilities		184,870	240,414	203,606	219,301	175,669	207,182
Total liabilities	Before distribution	2,982,043	3,815,123	5,311,593	4,398,128	2,942,248	3,467,076
	After distribution	3,153,403	3,890,723	6,607,593	5,786,144	Note 3	Note 3
Equity attributable to shareholders of the parent		2,132,762	2,772,745	4,308,504	6,001,104	5,836,037	5,442,767
Capital stock		1,260,000	1,260,000	1,360,800	1,360,800	1,428,840	1,428,840
Capital surplus		19,362	19,362	19,362	19,362	62,234	62,234
Retained earnings	Before distribution	1,020,715	1,934,470	3,485,623	4,644,353	4,144,436	3,523,524
	After distribution	849,355	1,178,470	2,729,623	3,256,337	Note 3	Note 3
Other equity interest		(167,315)	(441,087)	(577,281)	177,589	209,907	610,021
Treasury stock		-	-	-	(201,000)	(9,380)	(181,852)
Non-controlling interest		93,714	106,332	126,470	123,637	103,342	112,868
Total equity	Before distribution	2,226,476	2,879,077	4,434,974	6,124,741	5,939,379	5,555,635
	After distribution	2,055,116	2,123,077	3,678,974	4,736,725	Note 3	Note 3

If the company prepares individual financial reports, it shall also prepare a condensed balance sheet and a comprehensive profit and loss statement for the last five years

If the financial information using the International Financial Reporting Standards is less than 5 years, the following table should be prepared separately at Financial information using the Chinese Financial Accounting Standards

Note:

1 Years of unaudited financial statements should be noted.

2 The amount of increments in equity from revaluation and the revaluation date should be disclosed.

3 As of the date of publication of the annual report, if a company that is listed or whose shares have been traded in a securities firm's business place has the latest financial information that has been audited, certified or reviewed by an accountant, it shall also disclose it

4. The "After distribution" amount will be decided by next year's shareholder meeting

5. The company should disclose the reason of any corrected or restated financial information requested by the competent authority.

B. Consolidated Condensed Statement of Comprehensive Income – Based on IFRS

Unit: NT\$ thousands

Item \ Year	Five-Year Financial Summary(Remark 1)					Financial data of ending date in 31st March, 2024
	2019	2020	2021	2022	2023	
Operating revenue	17,803,331	22,948,845	38,986,916	41,174,810	22,042,684	5,631,568
Gross profit	2,959,204	3,736,947	5,822,325	5,940,981	3,797,031	869,825
Income from operations	503,706	1,219,878	2,690,971	2,574,757	1,081,336	212,995
Non-operating income and expenses	(10,383)	25,856	35,065	261,422	176,394	62,371
Income before tax	493,323	1,245,734	2,726,036	2,836,179	1,257,730	275,726
Continuing Units income	405,121	1,101,305	2,357,631	2,540,195	1,016,568	231,941
Discontinuing unit loss	-	-	-	-	-	-
Other comprehensive income (income after tax)	405,121	1,101,305	2,357,631	2,540,195	1,016,568	231,941
Total comprehensive income	(74,802)	(273,508)	(124,878)	746,169	32,521	401,251
Net income attributable to shareholders of the parent	330,319	827,797	2,232,753	3,286,364	1,049,089	633,192
Net income attributable to shareholders of the parent	403,635	1,085,845	2,310,477	2,538,625	1,023,630	223,552
Net income attributable to non-controlling interest	1,486	15,460	47,154	1,570	(7,062)	8,389
Comprehensive income attributable to Shareholders of the parent	324,573	811,343	2,190,959	3,281,616	1,056,491	623,666
Comprehensive income attributable to non-controlling interest	5,746	16,454	41,794	4,748	(7,408)	9,526
Earnings per share	3.20	7.98	16.98	17.82	7.24	1.58

If the company prepares individual financial reports, it shall also prepare a condensed balance sheet and a comprehensive profit and loss statement for the last five years

If the financial information using the International Financial Reporting Standards is less than 5 years, the following table should be prepared separately at Financial information using the Chinese Financial Accounting Standards

Remark:

1 Years of unaudited financial statements should be noted.

2 The amount of increments in equity from revaluation and the revaluation date should be disclosed.

3 As of the date of publication of the annual report, if a company that is listed or whose shares have been traded in a securities firm's business place has the latest financial information that has been audited, certified or reviewed by an accountant, it shall also disclose it

4. For the above-mentioned figures after distribution, please fill in according to the resolution of the shareholders' meeting in the next year.

5. The company should disclose the reason of any corrected or restated financial information requested by the competent authority.

C. Condensed Statement of Balance sheet (Parent company only)

Unit: NT\$ thousands

Year		Financial Summary for The Last Five Years (Remark 1)				
		2019	2020	2021	2022	2023
Current assets		471,692	406,655	906,846	854,950	725,948
Property, Plant and Equipment		189,831	189,630	189,940	188,128	186,386
Intangible assets		323	438	202	201	38
Other assets		4,033,142	4,985,231	6,890,843	9,794,052	10,616,121
Total assets		4,694,988	5,581,684	7,987,831	10,837,331	10,807,356
Current liabilities	Before distribution	1,034,163	1,182,373	1,426,074	1,195,946	1,195,946
	After distribution	1,205,523	1,938,373	2,182,074	2,583,962	621,746
Non-current liabilities		1,528,063	1,626,566	2,253,253	3,640,281	5,077,521
Total liabilities	Before distribution	2,562,226	2,808,939	3,679,327	4,836,227	5,699,267
	After distribution	2,733,586	3,564,939	4,435,327	6,360,323	Remark 2
Equity attributable to shareholders of the parent		2,132,762	2,772,745	4,308,504	6,001,104	5,836,037
Capital stock		1,260,000	1,260,000	1,360,800	1,360,800	1,428,840
Capital surplus		19,362	19,362	19,362	19,362	62,234
Retained earnings	Before distribution	1,020,715	1,934,470	3,485,623	4,644,353	4,144,436
	After distribution	849,355	1,178,470	2,729,623	3,256,337	Remark 2
Other equity interest		(167,315)	(441,087)	(557,281)	177,589	209,907
Treasury stock		-	-	-	(201,000)	(9,380)
Non-controlling interest		-	-	-	-	-
Total equity	Before distribution	2,132,762	2,772,745	4,308,504	6,001,104	5,836,037
	After distribution	1,961,402	2,016,745	3,552,504	4,613,088	Remark 2

Remark:

1. Local financial accounting standards have been adopted in the past five years, please refer to the table 6.1.2 below
2. For those who have undergone asset revaluation in the current year, the date of revaluation and the value-added amount of revaluation should be listed
3. For the above-mentioned figures after distribution, please fill in according to the resolution of the shareholders' meeting in the next year.

D. Condensed Statement of Comprehensive Income (parent company only)

Unit: NT\$ thousands

Item \ Year	Five-Year Financial Summary(Remark 1)				
	2019	2020	2021	2022	2023
Operating revenue	1,015,247	1,631,867	2,131,549	2,497,788	1,285,060
Gross profit	165,017	240,387	279,117	353,835	223,383
Income from operations	35,533	57,610	(13,321)	(31,934)	45,370
Non-operating income and expenses	378,025	1,049,586	2,396,692	2,692,872	1,096,976
Income before tax	413,558	1,107,196	2,383,371	2,660,938	1,142,346
Continuing Units income	413,558	1,107,196	2,383,371	2,660,938	1,142,346
Discontinuing unit loss	-	-	-	-	-
Other comprehensive income (income after tax)	403,635	1,085,845	2,310,477	2,538,625	1,023,630
Total comprehensive income	(79,062)	(274,502)	(119,518)	742,991	32,867
Net income attributable to shareholders of the parent	324,573	811,343	2,190,959	3,281,616	1,056,497
Net income attributable to shareholders of the parent	403,635	1,085,845	2,310,477	2,538,625	1,023,630
Net income attributable to non-controlling interest	-	-	-	-	-
Comprehensive income attributable to Shareholders of the parent	324,573	811,343	2,190,959	3,281,616	1,056,497
Comprehensive income attributable to non-controlling interest	-	-	-	-	-
Earnings per share	3.20	7.98	16.98	17.82	7.24

Remark:

1. Local financial accounting standards have been adopted in the past five years, please refer to the table 6.1.2 below

6.1.2 Condensed Financial Statement – Based on ROC GAAP

A. Consolidated Condensed Balance Sheet – Based on ROC GAAP

Unit: NT\$ thousands

Item	Year	Financial Summary for The Last Five Years(Remark 1)				
		2018 (not applicable)	2019 (not applicable)	2020 (not applicable)	2021 (not applicable)	2022 (not applicable)
Current assets						
Funds & Long-term investments						
Fixed assets						
Intangible assets						
Other assets						
Total assets						
Current liabilities	Before distribution					
	After distribution					
Long-term liabilities						
Other liabilities						
Total liabilities	Before distribution					
	After distribution					
Capital stock						
Capital surplus						
Retained earnings	Before distribution					
	After distribution					
Unrealized gain or loss on financial instruments						
Cumulative translation adjustments						
Net loss unrecognized as pension cost						
Total equity	Before distribution					
	After distribution					

Remark:

1. Years of unaudited financial statements should be noted.
- 2 The amount of increments in equity from revaluation and the revaluation date should be disclosed.
- 3 For the above-mentioned figures after distribution, please fill in according to the resolution of the shareholders' meeting in the next year.
4. The company should disclose the reason of any corrected or restated financial information requested by the competent authority.

B. Consolidated Condensed Income Statement – Based on ROC GAAP

Unit: NT\$ thousands

Item \ Year	Financial Summary for The Last Five Years (Remark 1)				
	2018 (not applicable)	2019 (not applicable)	2020 (not applicable)	2021 (not applicable)	2022 (not applicable)
Operating revenue					
Gross profit					
Income from operations					
Non-operating income					
Non-operating expenses					
Income before tax					
Income from operations of continued segments - after tax					
Income from discontinued operations					
Extraordinary gain or loss					
Cumulative effect of accounting principle changes					
Net income					
Earnings per share					
Remark: 1 Years of unaudited financial statements should be noted. 2. The cumulative effect of the profit and loss of the discontinued department, extraordinary profit and loss, and changes in accounting principles is presented as a net amount after deducting income tax 3. For the above-mentioned figures after distribution, please fill in according to the resolution of the shareholders' meeting in the next year					

C. Condensed Balance sheet – Based on ROC GAAP (Parent Company only)

Unit: NT\$ thousands

Item \ Year	Financial Summary for The Last Five Years (Remark 1)				
	2018 (not applicable)	2019 (not applicable)	2020 (not applicable)	2021 (not applicable)	2022 (not applicable)
Operating revenue					
Gross profit					
Income from operations					
Non-operating income					
Non-operating expenses					
Income before tax					
Income from operations of continued segments - after tax					
Income from discontinued operations					
Extraordinary gain or loss					
Cumulative effect of accounting principle changes					
Net income					
Earnings per share					
Remark: 1.The financial data of the last five years have been audited and certified by accountants. 2.The company has not undergone asset revaluation in the past five years					

D. Condensed Income Statement – Based on ROC GAAP (Parent Company only)

Unit: NT\$ thousands

Item \ Year	Financial Summary for The Last Five Years (Remark 1)				
	2018 (not applicable)	2019 (not applicable)	2020 (not applicable)	2021 (not applicable)	2022 (not applicable)
Operating revenue					
Gross profit					
Income from operations					
Non-operating income					
Non-operating expenses					
Income before tax					
Income from operations of continued segments - after tax					
Income from discontinued operations					
Extraordinary gain or loss					
Cumulative effect of accounting principle changes					
Net income					
Earnings per share					
Remark: 1. The financial data of the last five years have been audited and certified by accountants					

6.1.3 Auditors' Opinions from 2018 to 2022

Year	CPA Firm	CPA's Name	Auditing Opinion
2019	KPMG CPA Firm	Huang, Bo-Shu, Yu, An-Tian	Unqualified Opinion
2020	KPMG CPA Firm	Huang, Bo-Shu, Chang, Chun-I	Unqualified Opinion
2021	KPMG CPA Firm	Huang, Bo-Shu, Chang, Chun-I	Unqualified Opinion
2022	KPMG CPA Firm	Chang, Chun-I, Kuan, Chun-Hsiu	Unqualified Opinion
2023	KPMG CPA Firm	Chang, Chun-I, Kuan, Chun-Hsiu	Unqualified Opinion

6.2 Five-Year Financial Analysis

6.2.1.1 Consolidated Financial Analysis – Based on IFRS

Item (Remark 4)	Year (Remark 3)	Financial Analysis for the Last Five Years(Remark 3)					Financial data of ending date in 31th March, 2024 (Remark 1)
		2019	2020	2021	2022	2023	
Financial structure (%)	Debt Ratio	57.25	56.99	54.50	41.80	33.13	38.43
	Ratio of long-term capital to property, plant and equipment	366.01	512.5	814.57	1,093.07	1,090.34	1002.78
Solvency (%)	Current ratio	145.70	150.36	166.39	216.49	269.81	230.88
	Quick ratio	145.70	150.36	166.39	216.49	269.81	230.88
	Interest earned ratio (times)	24.25	68.03	176.36	168.14	72.11	81.83
Operating performance	Accounts receivable turnover (times)	7.64	10.08	11.30	11.04	8.26	9.16
	Average collection period	47.77	36.20	32.31	33.06	44.17	39.83
	Inventory turnover (times)	-	-	-	-	-	-
	Accounts payable turnover (times)	-	-	-	-	-	-
	Average days in sales	-	-	-	-	-	-
	Property, plant and equipment turnover (times)	28.77	39.23	70.49	74.54	39.89	41.00
Profitability	Total assets turnover (times)	3.64	3.86	4.74	4.06	2.27	2.52
	Return on total assets (%)	8.62	18.75	28.83	25.20	10.62	2.62
	Return on stockholders' equity (%)	18.70	42.54	63.13	48.08	16.97	15.56
	Pre-tax income to paid-in capital (%)	39.15	98.87	200.33	208.42	88.02	77.19
	Profit ratio (%)	2.28	4.8	6.05	6.17	4.61	4.12
Cash flow	Earnings per share (NT\$)	3.20	8.62	16.98	18.71	7.24	1.58
	Cash flow ratio (%)	32.96	55.17	31.41	90.59	23.88	-4.96
	Cash flow adequacy ratio (%)	204.56	200.05	328.80	316.93	223.87	203.52
Leverage	Cash reinvestment ratio (%)	31.08	59.73	22.60	42.29	-14.6	-4.95
	Operating leverage	1.48	1.18	1.08	1.10	1.26	1.33
	Financial leverage	1.04	1.02	1.01	1.01	1.02	1.02

Analysis of financial ratio differences for the last two years. (Not required if the difference is below 20%)

1. The increase in current ratio and quick ratio was mainly caused by the repayment of short-term borrowings and the decrease in accounts payable.
2. The decrease in interest coverage ratio was mainly due to the decrease in pre-tax net profit.
3. Accounts receivable turnover rate, fixed assets turnover rate and total asset turnover rate are mainly due to the decrease in sales revenue.
4. The decrease in return on equity, net profit margin and earnings per share was mainly due to the decrease in net profit after tax.
5. The decrease in cash flow-related ratios was mainly caused by the decrease in net cash flow from operating activities in 2023..

Companies should present financial analysis for parent company if the company has compiled financial report for parent company.

If the financial information using the International Financial Reporting Standards is less than 5 years, the following table should be prepared separately at the table Financial information using the Chinese Financial Accounting Standards

Remark:

- 1 Years of unaudited financial reports should be noted
- 2.As of the date of publication of the annual report, if a company that is listed or whose shares have been traded in a securities firm's business place with the most recent financial information that has been verified, certified or reviewed by an accountant, it shall also be analyzed.
- 3.The end of the report should list the following formulas:
 - a. Financial structure
 - Debt Ratio=Total Liabilities/Current Liabilities
 - Ratio of long-term capital to property, plant and equipment=(Current Assets-Inventory-Prepaid expenses)/Current Liabilities
 - b. Solvency
 - Current ratio=Current Assets/Current Liabilities
 - Quick ratio=(Current Assets s-Inventory-Prepaid expenses)/Current Liabilities
 - Interest earned ratio (times)=(Net Income + Tax expense + Interest expense)/Interest expenditure
 - c. Operating performance
 - Accounts receivable turnover (times)=Net Sales/Average Accounts Receivables(including Accounts Receivable and Notes Receivable caused by operating)
 - Average collection period=365/ Accounts receivable turnover (times)
 - Inventory turnover (times)=Cost of sales/Average Inventory
 - Accounts payable turnover (times)=cost of sales/average Accounts Payable(including Accounts Payable and Notes payable caused by operating)
 - Average days in sales=365/ Inventory turnover (times)
 - Property, plant and equipment turnover (times)=Net sales/average net amount of property, plant and equipment
 - Total assets turnover (times)=Net Sales/average Total Assets
 - d. Profitability
 - Return on total assets (%)=[Net Income + Interest Expense X (1-Tax Rate)]/ average Total Assets
 - Return on stockholders' equity (%)=Net Income/average Total Equity
 - Profit ratio (%)=Net Income/Net Sales
 - Earnings per share (NT\$)=(Controlling Interest Shares-Preferred Stock dividends)/weighted average outstanding shares
 - e. Cash flow
 - Cash flow ratio (%)=Cash flow from Operating Performance/Current Liabilities
 - Cash flow adequacy ratio (%)= Cash flow from Operating Performance for last five years/last five years(Capital Expense + Increase of Inventory + Cash dividend)
 - Cash reinvestment ratio (%)=(Cash flow from Operating Performance- Cash dividend)/(Gross property, plant and equipment +

Long-term Investment + Other non-current Liabilities + working capital)

f. Leverage

Operating leverage=(Net operating revenue-variable cost of sales and expenses)/operating gain

Financial leverage= operating gain/(operating gain-interest expense)

4 The EPS formulas above should notice:

a. Use the weighted average common share, not the end of the period.

b. Any trade about issuance of common stock for cash or treasury stock should consider the outstanding period and calculate the weighted average share.

c. Any case of capital reserves should trace back to adjust.

d. If the preferred share is non-convertible cumulated, dividend should be minus from net income, if its non-cumulated, net income should minus dividend, net loss shouldn't.

5. Consolidated 6 The analysis of cash flow should notice:

a the net amount of Cash flow from Operating Performance means the Cash flow from Operating Performance in the Cash Flow Statement.

b Capital Expense means annual capital investment's cash out flow

c The increase of inventory will only counted when end-inventory larger than beginning-inventory, otherwise, will be \$0.

d Cash dividend included common share and preferred share.

e Property, plant and equipment means the amounts already minus accumulated depreciation.

6.The security issuing entity should separate the operating income and loss to fixed and variable.

7.If the stock has no par-value or its not \$10, the capital ratio should be calculated by the controlling company's capital ratio.

6.2.1.2 IFRSs Financial Analysis (parent company only)

Item (Remark 4)	Year (Remark 3)	Financial Analysis for the Last Five Years(Remark 3)				
		2019	2020	2021	2022	2023
Financial structure (%)	Debt Ratio	54.57	50.32	46.06	44.63	49.41
	Ratio of long-term capital to property, plant and equipment	1,123.51	2,319.94	3,454.65	5,124.91	5,855.35
Solvency (%)	Current ratio	45.61	34.39	63.59	71.49	116.76
	Quick ratio	45.61	34.39	63.59	71.49	116.76
	Interest earned ratio (times)	63.42	155.49	400.83	515.39	210.45
Operating performance	Accounts receivable turnover (times)	5.04	6.61	4.44	6.14	4.09
	Average collection period	72.44	55.25	82.12	59.40	89.25
	Inventory turnover (times)	-	-	-	-	-
	Accounts payable turnover (times)	-	-	-	-	-
	Average days in sales	-	-	-	-	-
	Property, plant and equipment turnover (times)	5.28	8.55	11.23	13.21	6.86
	Total assets turnover (times)	0.24	0.33	0.31	0.27	0.11
Profitability	Return on total assets (%)	0.10	0.21	0.34	0.27	0.09
	Return on stockholders' equity (%)	20.68	44.27	65.26	49.25	17.3
	Pre-tax income to paid-in capital (%)	32.82	87.87	175.14	195.54	79.95
	Profit ratio (%)	39.76	66.54	108.39	101.63	79.66
	Earnings per share (NT\$)	3.20	7.98	16.98	18.71	7.24
Cash flow	Cash flow ratio (%)	8.73	12.91	10.69	32.58	9.55
	Cash flow adequacy ratio (%)	25.85	23.62	24.71	27.64	20.76
	Cash reinvestment ratio (%)	-2.66	-0.36	-7.58	-10.14	-12.79
Leverage	Operating leverage	1.53	1.33	-0.34	0.52	1.2
	Financial leverage	1.23	1.14	0.69	0.86	1.14

Analysis of financial ratio differences for the last two years. (Not required if the difference is below 20%)

- The current ratio and quick ratio increased, mainly due to the repayment of short-term borrowings and the decrease in accounts payable.
- The interest coverage ratio decreased, mainly due to the decrease in pre-tax net profit.
- The decrease in fixed asset turnover rate, return on shareholders' equity, ratio of net profit after tax to paid-in capital and earnings per share was mainly due to the decrease in net profit after tax.
- The return on assets and total asset turnover rate decreased, mainly due to the decrease in sales.
- The decrease in cash flow-related ratios is mainly due to the decrease in net cash flow from 2023 operating activities.
- The increase in cash reinvestment ratio was mainly due to the decrease in net cash flow from 2023 operating activities.

Remark:

1 Years of unaudited information should be noted.

2 The end of the report should list the following formulas:

a. Financial structure

Debt Ratio=Total Liabilities/Current Liabilities

Ratio of long-term capital to property, plant and equipment=(Current Assets-Inventory-Prepaid expenses)/Current Liabilities

b. Solvency

Current ratio=Current Assets/Current Liabilities

Quick ratio=(Current Assets s-Inventory-Prepaid expenses)/Current Liabilities

Interest earned ratio (times)=(Net Income + Tax expense + Interest expense)/Interest expenditure

c. Operating performance

Accounts receivable turnover (times)=Net Sales/Average Accounts Receivables(including Accounts Receivable and Notes Receivable caused by operating)

Average collection period=365/ Accounts receivable turnover (times)

Inventory turnover (times)=Cost of sales/Average Inventory

Accounts payable turnover (times)=cost of sales/average Accounts Payable(including Accounts Payable and Notes payable caused by

operating)

Average days in sales= $365 / \text{Inventory turnover (times)}$

Property, plant and equipment turnover (times)= $\text{Net sales} / \text{average net amount of property, plant and equipment}$

Total assets turnover (times)= $\text{Net Sales} / \text{average Total Assets}$

d. Profitability

Return on total assets (%)= $[\text{Net Income} + \text{Interest Expense} \times (1 - \text{Tax Rate})] / \text{average Total Assets}$

Return on stockholders' equity (%)= $\text{Net Income} / \text{average Total Equity}$

Profit ratio (%)= $\text{Net Income} / \text{Net Sales}$

Earnings per share (NT\$)= $(\text{Controlling Interest Shares} - \text{Preferred Stock dividends}) / \text{weighted average outstanding shares}$

e. Cash flow

Cash flow ratio (%)= $\text{Cash flow from Operating Performance} / \text{Current Liabilities}$

Cash flow adequacy ratio (%)= $\text{Cash flow from Operating Performance for last five years} / \text{last five years} (\text{Capital Expense} + \text{Increase of Inventory} + \text{Cash dividend})$

Cash reinvestment ratio (%)= $(\text{Cash flow from Operating Performance} - \text{Cash dividend}) / (\text{Gross property, plant and equipment} + \text{Long-term Investment} + \text{Other non-current Liabilities} + \text{working capital})$

f. Leverage

Operating leverage= $(\text{Net operating revenue} - \text{variable cost of sales and expenses}) / \text{operating gain}$

Financial leverage= $\text{operating gain} / (\text{operating gain} - \text{interest expense})$

5 The EPS formulas above should notice:

a. Use the weighted average common share, not the end of the period.

b. Any trade about issuance of common stock for cash or treasury stock should consider the outstanding period and calculate the weighted average share.

c. Any case of capital reserves should trace back to adjust.

d. If the preferred share is non-convertible cumulated, dividend should be minus from net income, if its non-cumulated, net income should minus dividend, net loss shouldn't.

6. Consolidated 6 The analysis of cash flow should notice:

a the net amount of Cash flow from Operating Performance means the Cash flow from Operating Performance in the Cash Flow Statement.

b Capital Expense means annual capital investment's cash out flow

c The increase of inventory will only counted when end-inventory larger than beginning-inventory, otherwise, will be \$0.

d Cash dividend included common share and preferred share.

e Property, plant and equipment means the amounts already minus accumulated depreciation.

7 The security issuing entity should separate the operating income and loss to fixed and variable.

8 If the stock have no par-value or its not \$10, the calculation of the capital ratio should used the controlling company's capital ratio.

6.2.2.1 Consolidated Financial Analysis – Based on ROC GAAP

Item	Year	Financial Analysis for the Past Five Years					
		2018 (not applicable)	2019 (not applicable)	2020 (not applicable)	2021 (not applicable)	2022 (not applicable)	
Financial structure (%)	Debt Ratio						
	Ratio of long-term capital to fixed assets						
Solvency (%)	Current ratio						
	Quick ratio						
	Interest earned ratio (times)						
Operating performance	Accounts receivable turnover (times)						
	Average collection period						
	Inventory turnover (times)						
	Accounts payable turnover (times)						
	Average days in sales						
	Fixed assets turnover (times)						
	Total assets turnover (times)						
Profitability	Return on total assets (%)						
	Return on stockholders' equity (%)						
	Ratio to issued capital (%)	Before distribution					
		After distribution					
	Profit ratio (%)						
Earnings per share (NT\$)							
Cash flow	Cash flow ratio (%)						
	Cash flow adequacy ratio (%)						
	Cash reinvestment ratio (%)						
Leverage	Operating leverage						
	Financial leverage						
Analysis of financial ratio differences for the last two years. (Not required if the difference does not exceed 20%)							

Remark:

1. The last five years financial information has been audited and certified by the CPA.
2. The end of the report should list the following formulas:
 - a. Financial structure
 - Debt Ratio=Total Liabilities/Current Liabilities
 - Ratio of long-term capital to property, plant and equipment=(Current Assets-Inventory-Prepaid expenses)/Current Liabilities
 - b. Solvency
 - Current ratio=Current Assets/Current Liabilities
 - Quick ratio=(Current Assets s-Inventory-Prepaid expenses)/Current Liabilities
 - Interest earned ratio (times)=(Net Income + Tax expense + Interest expense)/Interest expenditure
 - c. Operating performance
 - Accounts receivable turnover (times)=Net Sales/Average Accounts Receivables(including Accounts Receivable and Notes Receivable caused by operating)
 - Average collection period=365/ Accounts receivable turnover (times)
 - Inventory turnover (times)=Cost of sales/Average Inventory
 - Accounts payable turnover (times)=cost of sales/average Accounts Payable(including Accounts Payable and Notes payable caused by operating)
 - Average days in sales=365/ Inventory turnover (times)
 - Property, plant and equipment turnover (times)=Net sales/average net amount of property, plant and equipment
 - Total assets turnover (times)=Net Sales/average Total Assets
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 - Return on total assets (%)=[Net Income + Interest Expense X (1-Tax Rate)]/ average Total Assets
 - Return on stockholders' equity (%)=Net Income/average Total Equity
 - Profit ratio (%)=Net Income/Net Sales
 - Earnings per share (NT\$)=(Controlling Interest Shares-Preferred Stock dividends)/weighted average outstanding shares
 - e. Cash flow
 - Cash flow ratio (%)=Cash flow from Operating Performance/Current Liabilities
 - Cash flow adequacy ratio (%)= Cash flow from Operating Performance for last five years/last five years(Capital Expense + Increase of Inventory + Cash dividend)
 - Cash reinvestment ratio (%)=(Cash flow from Operating Performance- Cash dividend)/(Gross property, plant and equipment + Long-term Investment + Other non-current Liabilities + working capital)
 - f. Leverage
 - Operating leverage=(Net operating revenue-variable cost of sales and expenses)/operating gain
 - Financial leverage= operating gain/(operating gain-interest expense)
3. The EPS formulas above should notice:

- a. Use the weighted average common share, not the end of the period.
 - b. Any trade about issuance of common stock for cash or treasury stock should consider the outstanding period and calculate the weighted average share.
 - c. Any case of capital reserves should trace back to adjust.
 - d. If the preferred share is non-convertible cumulated, dividend should be minus from net income, if its non-cumulated, net income should minus dividend, net loss shouldn't.
4. The analysis of cash flow should notice:
- a the net amount of Cash flow from Operating Performance means the Cash flow from Operating Performance in the Cash Flow Statement.
 - b Capital Expense means annual capital investment's cash out flow
 - c The increase of inventory will only counted when end-inventory larger than beginning-inventory, otherwise, will be \$0.
 - d Cash dividend included common share and preferred share.
 - e Property, plant and equipment means the amounts already minus accumulated depreciation.
5. The security issuing entity should separate the operating income and loss to fixed and variable.

6.2.2.2 Financial Analysis – Based on ROC GAAP

Item \ Year		Financial Analysis for the Past Five Years					
		2018 (not applicable)	2019 (not applicable)	2020 (not applicable)	2021 (not applicable)	2022 (not applicable)	
Financial structure (%)	Debt Ratio						
	Ratio of long-term capital to fixed assets						
Solvency (%)	Current ratio						
	Quick ratio						
	Interest earned ratio (times)						
Operating performance	Accounts receivable turnover (times)						
	Average collection period						
	Inventory turnover (times)						
	Accounts payable turnover (times)						
	Average days in sales						
	Fixed assets turnover (times)						
	Total assets turnover (times)						
Profitability	Return on total assets (%)						
	Return on stockholders' equity (%)						
	Ratio to issued capital (%)	Before distribution					
		After distribution					
	Profit ratio (%)						
Earnings per share (NT\$)							
Cash flow	Cash flow ratio (%)						
	Cash flow adequacy ratio (%)						
	Cash reinvestment ratio (%)						
Leverage	Operating leverage						
	Financial leverage						
Analysis of financial ratio differences for the last two years. (Not required if the difference does not exceed 20%)							

Remark:

1. The last five years financial information has been audited and certified by the CPA.
2. The end of the report should list the following formulas:
 - a. Financial structure
 - Debt Ratio=Total Liabilities/Current Liabilities
 - Ratio of long-term capital to property, plant and equipment=(Current Assets-Inventory-Prepaid expenses)/Current Liabilities
 - b. Solvency
 - Current ratio=Current Assets/Current Liabilities
 - Quick ratio=(Current Assets s-Inventory-Prepaid expenses)/Current Liabilities
 - Interest earned ratio (times)=(Net Income + Tax expense + Interest expense)/Interest expenditure
 - c. Operating performance
 - Accounts receivable turnover (times)=Net Sales/Average Accounts Receivables(including Accounts Receivable and Notes Receivable caused by operating)
 - Average collection period=365/ Accounts receivable turnover (times)
 - Inventory turnover (times)=Cost of sales/Average Inventory
 - Accounts payable turnover (times)=cost of sales/average Accounts Payable(including Accounts Payable and Notes payable caused by operating)
 - Average days in sales=365/ Inventory turnover (times)
 - Property, plant and equipment turnover (times)=Net sales/average net amount of property, plant and equipment
 - Total assets turnover (times)=Net Sales/average Total Assets
 - d. Profitability

Return on total assets (%)=[Net Income + Interest Expense X (1-Tax Rate)]/ average Total Assets

Return on stockholders' equity (%)=Net Income/average Total Equity

Profit ratio (%)=Net Income/Net Sales

Earnings per share (NT\$)=(Controlling Interest Shares-Preferred Stock dividends)/weighted average outstanding shares

e. Cash flow

Cash flow ratio (%)=Cash flow from Operating Performance/Current Liabilities

Cash flow adequacy ratio (%)= Cash flow from Operating Performance for last five years/last five years(Capital Expense + Increase of Inventory + Cash dividend)

Cash reinvestment ratio (%)=(Cash flow from Operating Performance- Cash dividend)/(Gross property, plant and equipment + Long-term Investment + Other non-current Liabilities + working capital)

f. Leverage

Operating leverage=(Net operating revenue-variable cost of sales and expenses)/operating gain

Financial leverage= operating gain/(operating gain-interest expense)

3. The EPS formulas above should notice:

a. Use the weighted average common share, not the end of the period.

b. Any trade about issuance of common stock for cash or treasury stock should consider the outstanding period and calculate the weighted average share.

c. Any case of capital reserves should trace back to adjust.

d. If the preferred share is non-convertible cumulated, dividend should be minus from net income, if its non-cumulated, net income should minus dividend, net loss shouldn't.

4. The analysis of cash flow should notice:

a the net amount of Cash flow from Operating Performance means the Cash flow from Operating Performance in the Cash Flow Statement.

b Capital Expense means annual capital investment's cash out flow

c The increase of inventory will only counted when end-inventory larger than beginning-inventory, otherwise, will be \$0.

d Cash dividend included common share and preferred share.

e Property, plant and equipment means the amounts already minus accumulated depreciation.

5. The security issuing entity should separate the operating income and loss to fixed and variable.

6.3 Audit Committee's Audit Report for Current Year

Audit Committee's Audit Report

Dimerco Express Corporation
Audit Committee's Audited Report

Board of Directors made up of year 2023 company's annual business report financial statements (includes consolidated financial reports) had been audited by KPMG. The audit report that provided by KPMG, annual business report, and the motion of profit distribution had been audited by the Audit Committee without inconsistent. This report is prepared according to Securities and Exchange Act and Company Act.

DIMERCO EXPRESS CORPORATION
2024 ANNUAL SHAREHOLDERS' MEETING

Audit Committee Chairman: Bill Chien

March 12, 2024

6.4 Financial Statements for the Years Ended December 31, 2023 and 2022, and Independent Auditors' Report

Please refer to page 127 to 188.

6.5 Consolidated Financial Statements for the Years Ended December 31, 2022 and 2021, and Independent Auditors' Report

Please refer to page 189 to 256.

6.6 The effects of the company's financial position resulted from affiliates that encounters financial difficulties as of the publication of the annual report.

Not applicable.

6.7 Does the company disclose the reconciliation between domestic accounting principles and international accounting standards (or US Generally Accepted Accounting Principles) on its annual report:

Not applicable.

6.8 Fixed Assets Depreciation Methods and Estimated Life:

Item	Fixed Assets	Depreciation Methods	Estimated Life
1	Buildings	Straight-line method	4~56 years
2	Transportation equipment	Straight-line method	3~5 years
3	Office equipment	Straight-line method	1~16 years
4	Lease improvement	Straight-line method	2~6 years
5	Other equipment	Straight-line method	2~6 years

6.9 Provision Basis for Asset/Liability Valuation Account :

1.Purpose:

The guidelines have been established to timely reflect the possibility of collecting accounts receivable and ensure the evaluation of accounts receivable.

2.Provision Basis:

The provision for doubtful accounts is determined through periodic assessment of the aging and quality of creditworthy customers and the collectability of accounts receivable.

3.Provision Rates are as follows:

Aging Period of Overdue Amounts	Provision Rate	
	Non-related Parties	Related Parties
0-30 days	24%	None
31-90 days	81%	None
91-120days	100%	None
121-365days	100%	None
Over 365 days	100%	None

6.10 Financial instruments other than stocks and depositary receipts which are valued based on their bid price or ask price to determine their fair value:

Not applicable.

6.11 Department Analysis:

The percentage of revenue contribution by each business segment for 2023			
	Taiwan	Mainland China	Global
Air Freight	60.5%	59.3%	53.5%
Ocean Freight	23.2%	18.3%	23.8%
Triangle Trade	9.0%	13.1%	12.0%
Logistics Warehouse Management	5.5%	2.4%	2.6%
Customs Clearance	1.3%	3.1%	4.8%
Domestic Transportation	0.1%	0.3%	0.2%
Truck Delivery	0.3%	3.2%	2.9%
International Transshipment	0.1%	0.2%	0.1%
Others	0.0%	0.1%	0.1%
Total	100.0%	100.0%	100.0%

Dimerco Express Corporation
Parent company only Financial
Statements and Independent Auditors'
Report

For the Years Ended December 31, 2023 and 2022

Address: 11F., No. 160, Sec. 6, Minquan E. Rd., Neihu Dist., Taipei City
Contact number: (02)2796-3660

Table of Contents

Item	Page
I. Cover	1
II. Table of Contents	2
III. Independent Auditors' Report	3
IV. Balance Sheets	4
V. Statements of Comprehensive Income	5
VI. Statements of Changes in Equity	6
VII. Statements of Cash Flows	7
VIII. Notes to parent company only Financial Statements	
(I) Company History	8
(II) Date and Procedure for Approval of Financial Statements	8
(III) Application of Newly Issued and Amended Standards and Interpretations	8~9
(IV) Summary of Significant Accounting Policies	9~18
(V) Key Sources of Uncertainty over Critical Accounting Judgments, Assumptions, and Estimation	18
(VI) Description of Significant Account Titles	18~40
(VII) Related Party Transactions	40~45
(VIII) Assets Pledged	46
(IX) Material Contingent Liabilities and Unrecognized Contractual Commitments	46
(X) Major Disaster Loss	46
(XI) Material Events After the Balance Sheet Date	46
(XII) Others	46~47
(XIII) Additional Disclosures	
1. Information on significant transactions	47~49
2. Information on investees	49~50
3. Information on investments in mainland China	50~51
4. Information on major shareholders	51
(XIV) Information on Segments	51
IX. List of important accounting items	52~59

Independent Auditors' Report

To Dimerco Express Corporation,

Audit opinion

We have audited the financial statements of Dimerco Express Corporation (the "Company"), which comprise the balance sheet as of December 31, 2023 and 2022, and the parent company only statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, (including a summary of significant accounting policies).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022 and its financial performance and its cash flows for the year ended December 31, 2023 and 2022 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for the audit opinion

We conducted our audits in accordance with the Regulations Governing the Auditing and Attestation of Financial Statements by Certified Public Accountants and accepted auditing standards. Our responsibilities under those standards are further described in the paragraph "Auditor's responsibilities for the audit of the parent company only financial statements". We are independent of the Dimerco Express Corporation in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that we have acquired sufficient and appropriate audit evidence to serve as the basis for our audit opinion.

Key audit matters

Key audit matters refer to the most vital matters in our audit of the parent company only financial statements of the Dimerco Express Corporation for the year ended December 31, 2023, based on our professional judgment. These matters were addressed in our audit of the parent company only financial statements as a whole, and in forming our audit opinion. We do not express a separate opinion on these matters. Key audit matters of the consolidated financial statements of the Company are stated as follows:

1. Revenue Recognition

Please refer to Note 4(12) "Revenue and cost recognition" for related accounting policy, and Note 6(13) "Revenue disclosure for contractual revenue."

Description of key audit matters:

Dimerco Express Corporation's revenue is mainly generated from providing contractual air freight forwarding services. It is recognized as current income when the goods are sent to ship based on the delivery contract with the price determined. As the time at which the goods are shipped is variant based on each contract, the management of the Company determines the time at which revenue is recognized under different operating conditions. We, therefore, list the item as a key audit matter.

Audit procedures:

Our principal audit procedure and communication through auditing instructions sent to associated CPAs are as follows:

- Conduct tests to its internal control system for revenue recognition to ensure the efficacy of the system;
- Obtain sales transaction records for certain period from the computer system to verify the completeness of recognition cycle;
- Sample monthly transaction records from top 10 customers and sales details for the entire year to evaluate authenticity of the transaction, accuracy of transaction amounts and reasonableness of recognition timing;
- Compare sampled bills of lading from airline companies and data compiled by the Company to verify if the corresponding transactions have entered to the computer system;
- Test sales records for transactions completed during a certain period before and after the reporting date to verify the appropriateness for the timing of revenue recognition;

2. Cost estimate

Please refer to Note 4(12) “Revenue and cost recognition” for related accounting policy on cost estimation, and Note 6(14) for detailed cost disclosure.

Description of key audit matters:

Dimerco Express Corporation's local and international air transportation costs contain identifying risks involving completeness of and accuracy of amounts. We, therefore, list the item as a key audit matter.

Audit procedures:

Our principal audit procedure and communication through auditing instructions sent to associated CPAs are as follows:

- Conduct tests to its internal control system for cost recognition to ensure the efficacy of the system;
- Sample monthly transaction records from top 10 customers and sales details for the entire year to verify whether relevant costs are listed with reasonableness and followed by corresponding revenue recognition;
- Send confirmation letters to verify accounts payable at the end of the period. For transactions with airline companies of significant balance, sample the actual payments made during a certain period after the reporting date to evaluate the reasonableness of cost estimation for the period;
- Examine statement of related-party transactions to evaluate whether the payables to overseas subsidiaries for services have reasonably listed in the statement;
- Test sampled cost records for sales transactions completed during a certain period before and after the reporting date to verify the appropriateness for the timing of cost recognition.

Responsibilities of the management and the governing bodies for the parent company only financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Regulation Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the parent company only financial statements, the management is responsible for assessing the ability of the Dimerco Express Corporation in continuing as a going concern, disclosing relevant matters, and adopting the going concern basis of accounting unless the management intends to liquidate the Dimerco Express Corporation or cease the operations without other viable alternatives.

The corporate governance unit (including the Audit Committee) of the Company is responsible for supervising the procedures of financial reporting.

Auditor's responsibilities for the audit of the parent company only financial statements

Our objectives are to obtain reasonable assurance on whether the parent company only financial statements as a whole are free from material misstatement arising from fraud or error and to issue an independent auditors' report. Reasonable assurance is a high-level assurance but is not a guarantee that an audit conducted in accordance with the auditing standards will always detect a material misstatement when it exists. Misstatement may arise from frauds or errors. If the amounts of misstatements, either separately or in aggregate, could reasonably be expected to influence the economic decisions of the users of the parent company only financial statements, they are considered material.

1. Identified and assessed the risks of material misstatement arising from fraud or error within the parent company only financial statements; designed and executed countermeasures in response to said risks, and obtained sufficient and appropriate audit evidence to provide a basis for our opinion. Fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Therefore, the risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error.
2. Understood the internal control related to the audit in order to design appropriate audit procedures under the circumstances, while not for the purpose of expressing an opinion on the effectiveness of the Dimerco Express Corporation's internal control.
3. Evaluated the appropriateness of accounting policies adopted and the reasonableness of accounting estimates and relevant disclosures made by the management.
4. Concluded on the appropriateness of the management's adoption of the going concern basis of accounting based on the audit evidence obtained and whether a material uncertainty exists for events or conditions that may cast significant doubt over the Dimerco Express Corporation's ability to continue as a going concern. If we are of the opinion that a material uncertainty exists, we shall remind users of the parent company only financial statements to pay attention to relevant disclosures in said statements within our audit report. If such disclosures are inadequate, we need to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Dimerco Express Corporation to cease to continue as a going concern.
5. Evaluated the overall presentation, structure, and content of the parent company only financial statements (including relevant notes), and whether the parent company only financial statements adequately present the relevant transactions and events.
6. Obtain sufficient and appropriate audit evidence regarding the financial information on entities accounted for using the equity method to express an opinion on the parent only financial statement. We were responsible for guiding, supervising, and performing the audit and forming an audit opinion about the Dimerco Express Corporation.

The matters communicated between us and the governing bodies included the planned scope and times of the audit and material audit findings (including any material defects in internal control identified during the audit).

We also provided the governing bodies with a declaration that we have complied with the Norm

of Professional Ethics for Certified Public Accountant of the Republic of China regarding independence and communicated with them all relations and other matters that may possibly be regarded as detrimental to our independence (including relevant protective measures).

From the matters communicated with the governing bodies, we determined the key audit matters for the audit of the Dimerco Express Corporation's parent company only financial statements for the year ended December 31, 2023. We have clearly indicated such matters in the auditors' report. Unless legal regulations prohibit the public disclosure of specific matters, or in extremely rare cases, where we decided not to communicate over specific items in the auditors' report for it could be reasonably anticipated that the negative effects of such disclosure would be greater than the public interest it brings forth.

KPMG Taiwan

CPA:

Chang, Chun-Yi

Kuan, Chun-Hsiu

Competent Security Authority : Jin-Guan-Zheng-Shen-Zi No. 1050036075
Approval Document No. (1999) Tai-Cai-Zheng (VI) Zi No. 18311
March 13, 2024

Dimerco Express Corporation
Balance Sheets
For the Years Ended December 31, 2023 and 2022

Unit: NT\$ thousand

Assets	2023.12.31		2022.12.31			Liabilities and equity	2023.12.31		2022.12.31	
	Amount	%	Amount	%			Amount	%	Amount	%
Assets						Liabilities and equity				
Current assets:						Current liabilities:				
1100 Cash and cash equivalents (Note 6(1))	\$ 282,288	2	219,733	2	2100	Short-term borrowings (Note 6 (4), (6) and 8)	\$ 180,000	2	430,000	4
1150 Notes receivable (Note 6(2) and (13))	6,191	-	7,173	-	2150	Notes payable	41,771	-	16,550	-
1170 Accounts receivable (Note 6(2) and (13))	155,491	1	300,080	3	2170	Accounts payable	24,404	-	32,916	-
1180 Accounts receivable - related parties, net (Notes 6(2), (13) and 7)	69,163	1	90,345	1	2180	Accounts payable - related parties (Note 7)	42,108	-	126,444	1
1210 Other receivables - related parties (Note 7)	204,939	2	229,266	2	2219	Other payables (Note 6 (15))	132,170	1	367,295	4
1470 Other current assets	7,876	-	8,353	-	2220	Other payables - related parties (Note 7)	-	-	948	-
Total current assets:	725,948	6	854,950	8	2216	Dividends payable (Note 6 (10))	12,953	-	20,665	-
Non-current assets:					2230	Current tax liabilities	75,246	1	79,725	1
1520 Financial assets at fair value through other comprehensive income - Non-current	390	-	390	-	2280	Lease liabilities - current (Note 6(7))	4,909	-	9,415	-
1550 Investments using the equity method (Note 6(3))	10,604,735	92	9,770,210	90	2310	Advance receipts (Note 7)	104,896	1	104,896	1
1600 Property, plant and equipment (Notes 6(4), (6), 8 and 9)	186,386	2	188,128	2	2399	Other current liabilities	3,289	-	7,092	-
1755 Right-of-use assets (Note 6(5) and (7))	6,849	-	11,291	-		Total current liabilities	621,746	5	1,195,946	11
1780 Intangible assets	38	-	201	-		Non-current liabilities:				
1840 Deferred tax assets (Note 6(9))	1,649	-	2,234	-	2570	Deferred tax liabilities (Note 6(9))	5,037	-	5,308	-
1920 Guarantee deposits paid	5,649	-	6,267	-	2580	Lease liabilities - non-current (Note 6(7))	1,974	-	1,911	-
1990 Other non-current assets (Note 8 and 9)	3,660	-	3,660	-	2622	Long-term payable - related parties (Note 6(7))	225,121	2	225,514	2
Total non-current assets	10,809,356	94	9,982,381	92	2640	Net defined benefit liabilities (Note 6(8))	1,891	-	5,023	-
					2645	Guarantee deposits received	115	-	117	-
					2670	Other non-current liabilities (Note 7)	4,843,383	42	3,402,408	32
						Total Non-current liabilities:	5,077,521	44	3,640,281	34
						Total liabilities	5,699,267	49	4,836,227	45
						Shareholders' equity (Note 6(3), (8), (10) and (11)) :				
					3100	Share capital	1,428,840	12	1,360,800	13
					3200	Capital surplus	62,234	1	19,362	-
					33xx	Retained earnings:				
					3310	Legal reserve	987,965	9	733,290	6
					3320	Special reserve	-	-	557,281	5
					3350	Unappropriated earnings	3,156,471	27	3,353,782	31
							4,144,436	36	4,644,353	42
					34xx	Other equity:				
					3410	Exchange differences on the translation of financial statements of foreign operations	209,907	2	177,589	2
					3500	Treasury stocks	(9,380)	-	(201,000)	(2)
						Total equity	5,836,037	51	6,001,104	55
1xxx Total assets	\$ 11,535,304	100	10,837,331	100	2-3xxx Total liabilities and equity		\$ 11,535,304	100	10,837,331	100

(Please see accompany notes to financial statements)

Chairman: Chien, Yao-Huai

General Manager: Chiu, Chun-ling

Accounting Manager: Chen, Ching-Chi

Dimerco Express Corporation
Statements of Comprehensive Income
For the Years Ended December 31, 2023 and 2022

Unit: NT\$ thousand

		2023		2022	
		Amount	%	Amount	%
4000	Operating income (Notes 6(13) and 7)	\$ 1,285,060	100	2,497,788	100
5000	Operating costs (Note 6(14))	1,061,677	83	2,143,953	86
5900	Gross profit	223,383	17	353,835	14
6000	Operating expenses (Note 6(2), (4), (5), (7), (8), (11), (15) and 7)				
6100	Marketing expenses	83,211	6	98,953	4
6200	Management expenses	98,308	8	285,599	11
6450	Expected credit loss (reversed)	(3,506)	-	1,217	-
	Total operating expenses	178,013	14	385,769	15
6900	Net operating profit (loss)	45,370	3	(31,934)	(1)
7000	Non-operating income and expense (Notes 6(3), (5), (7), (16) and 7):				
7100	Interest income	6,752	1	1,410	-
7010	Other income	198,565	15	409,209	16
7020	Other gains and losses	3,259	-	61,328	2
7050	Financial costs	(5,454)	-	(5,173)	-
7070	Share of profit or loss of subsidiary & associates accounted for using equity method	893,854	70	2,226,098	89
	Total non-operating income and expenses:	1,096,976	86	2,692,872	107
7900	Income before tax from continuing operations	1,142,346	89	2,660,938	106
7951	Less: Income tax expenses (Note 6(9))	118,716	9	122,313	5
8200	Net income for the period	1,023,630	80	2,538,625	101
8300	Other comprehensive income (Note 6(3), (8) and (10)):				
8310	Items not reclassified to profit or loss				
8311	Remeasurement of defined benefit plans	224	-	7,876	-
8330	Share of other comprehensive income (loss) of subsidiaries and associates accounted for using the equity method	325	-	245	-
8349	Less: Income tax related to items not reclassified to profit or loss	-	-	-	-
	Titles that will not be reclassified as profit or loss	549	-	8,121	-
8360	Items that could be reclassified to profit or loss in the future				
8361	Exchange differences on the translation of financial statements of foreign operations	10,916	1	308,919	13
8380	Share of other comprehensive income (loss) of subsidiaries and associates accounted for using the equity method	21,402	2	425,951	17
8399	Less: Income tax related to items will be reclassified to profit or loss	-	-	-	-
	Total titles that could be reclassified as profit (loss) accounts in the future	32,318	3	734,870	30
8300	Comprehensive income for the period	32,867	3	742,991	30
8500	Total comprehensive income for the period	<u>\$ 1,056,497</u>	<u>83</u>	<u>3,281,616</u>	<u>131</u>
	Diluted earnings per share (unit: NT\$) (Note 6(12))				
9750	Basic earnings per share	<u>\$ 7.24</u>		<u>17.82</u>	
9850	Diluted earnings per share	<u>\$ 7.18</u>		<u>17.53</u>	

(Please see accompany notes to financial statements)

Chairman: Chien, Yao-Huai General Manager: Chiu, Chun-Jung Accounting Manager: Chen, Ching-Chi

Dimerco Express Corporation
Statements of Changes in Equity
For the Years Ended December 31, 2023 and 2022

Unit: NT\$ thousand

	Retained earnings					Total	Exchange differences on the translation of financial statements of foreign operations	Treasury stocks	Total equity
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings				
Balance at January 1, 2022	\$ 1,360,800	19,362	502,575	441,086	2,541,962	3,485,623	(557,281)	-	4,308,504
Earning appropriation and distribution:									
Provision of legal reserve	-	-	230,715	-	(230,715)	-	-	-	-
Provision of special reserve	-	-	-	116,195	(116,195)	-	-	-	-
Cash dividends on common stock	-	-	-	-	(1,388,016)	(1,388,016)	-	-	(1,388,016)
Net income for the period	-	-	-	-	2,538,625	2,538,625	-	-	2,538,625
Other comprehensive income for the period	-	-	-	-	8,121	8,121	734,870	-	742,991
Total comprehensive income for the period	-	-	-	-	2,546,746	2,546,746	734,870	-	3,281,616
Repurchase of treasury stocks	-	-	-	-	-	-	-	(201,000)	(201,000)
Balance as at December 31, 2022	1,360,800	19,362	733,290	557,281	3,353,782	4,644,353	177,589	(201,000)	6,001,104
Earning appropriation and distribution:									
Provision of legal reserve	-	-	254,675	-	(254,675)	-	-	-	-
Cash dividends on common stock	-	-	-	-	(1,456,056)	(1,456,056)	-	-	(1,456,056)
Stock dividends on common stock	68,040	-	-	-	(68,040)	(68,040)	-	-	-
Special reserve reversed	-	-	-	(557,281)	557,281	-	-	-	-
Net income for the period	-	-	-	-	1,023,630	1,023,630	-	-	1,023,630
Other comprehensive income for the period	-	-	-	-	549	549	32,318	-	32,867
Total comprehensive income for the period	-	-	-	-	1,024,179	1,024,179	32,318	-	1,056,497
Changes in ownership interests in subsidiaries	-	(3,350)	-	-	-	-	-	-	(3,350)
Treasury shares subscribed for by employees	-	46,046	-	-	-	-	-	191,620	237,666
Gains from the exercise of disgorgement	-	176	-	-	-	-	-	-	176
Balance as at December 31, 2023	\$ 1,428,840	62,234	987,965	-	3,156,471	4,144,436	209,907	(9,380)	5,836,037

(Please see accompany notes to financial statements)

Chairman: Chien, Yao-Huai

General Manager: Chiu, Chun-Jung

Accounting Manager: Chen, Ching-Chi

Dimerco Express Corporation
Statements of Cash Flows
For the Years Ended December 31, 2023 and 2022

Unit: NT\$ thousand

	2023	2022
Cash flow from operating activities		
Net income before tax for the period	\$ 1,142,346	2,660,938
Adjustments:		
Income and expense items		
Depreciation expense	9,125	15,430
Amortization expense	345	122
Expected credit impairment loss (gain)	(3,506)	1,217
Interest expense	5,454	5,173
Interest income	(6,752)	(1,410)
Dividend income	(206)	(148)
Share of profit or loss of subsidiary & associates accounted for using equity method	(893,854)	(2,226,098)
Leasehold modification (gain) loss	(21)	92
Cost of remuneration for transferring treasury stocks to employees	43,186	-
Total income and expenses	<u>(846,229)</u>	<u>(2,205,622)</u>
Total net changes in assets and liabilities		
Net change in operating assets:		
Notes receivable	982	10,616
Accounts receivable	148,095	94,793
Accounts receivable – related parties	21,182	181,210
Other receivables - related parties	24,327	(227,859)
Other current assets	477	(2,266)
Total change in operating assets, net	<u>195,063</u>	<u>56,494</u>
Net change in operating liabilities:		
Notes payable	25,221	(14,821)
Accounts payable	(8,512)	(39,558)
Accounts payable - related parties	(84,336)	(57,855)
Other payables	(235,125)	109,772
Other payables - related parties	(948)	947
Other current liabilities	(3,803)	(11,664)
Net defined benefit liability	(2,908)	(2,911)
Total change in operating liabilities, net	<u>(310,411)</u>	<u>(16,090)</u>
Total changes in operating assets and liabilities, net	<u>(115,348)</u>	<u>40,404</u>
Total adjustments	<u>(961,577)</u>	<u>(2,165,218)</u>
Cash inflow from operations	180,769	495,720
Interest received	6,752	1,410
Dividends received	206	148
Interest paid	(5,454)	(5,173)
Income tax paid	(122,881)	(102,459)
Net cash inflow from operating activities	<u>59,392</u>	<u>389,646</u>
Cash flow from investing activities:		
Acquisition of intangible assets	(182)	(121)
Acquisition of property, plant and equipment	(1,867)	(2,076)
Decrease (increase) in Guarantee deposits	618	(1,192)
Dividend income received from investments using equity methods	88,622	58,180
Net cash inflow from investing activities	<u>87,191</u>	<u>54,791</u>
Cash flow from financing activities:		
Increase in short-term borrowings	1,407,218	1,579,025
Decrease in short-term borrowings	(1,657,218)	(1,825,617)
Increase (decrease) in guarantee deposits received	(2)	24
Payments of lease liabilities	(5,496)	(11,556)
Increase in other non-current liabilities	1,440,975	1,385,602
Distribution of cash dividends	(1,463,768)	(1,373,046)
Payment to acquire treasury stocks	-	(201,000)
Treasury stocks purchased by employees	194,480	-
Other	(217)	7,946
Net cash outflow from financing activities	<u>(84,028)</u>	<u>(438,622)</u>
Net increase in cash and cash equivalent for the current period	62,555	5,815
Opening balance of cash and cash equivalents	219,733	213,918
Ending balance of cash and cash equivalents	<u>\$ 282,288</u>	<u>219,733</u>

(Please see accompany notes to financial statements)

Chairman: Chien, Yao-Huai

General Manager: Chiu, Chun-Jung

Accounting Manager: Chen, Ching-Chi

Dimerco Express Corporation
Notes to parent company only Financial Statements
For the Years Ended December 31, 2023 and 2022
(Unless otherwise stated, all amounts are in thousands of NTD)

I. Company History

Dimerco Express Corporation (the “Company”), originally named as Dimerco Air Freight Corporation and renamed in June 2012, was incorporated on August 1985 under the Company Act and other associated regulations of Republic of China. The Company is primarily involved with (1) airfreight forwarding business; (2) sea freight forwarding; (3) import/export customs declaration business; and (4) operations and investments in the aforementioned businesses

II. Date and Procedure for Approval of Financial Statements

The parent company only financial statements were approved by the Board of Directors for release on March 12, 2024.

III. Application of Newly Issued and Amended Standards and Interpretations

(I) Impact of adoption of new and revised standards and interpretations endorsed by the FSC

The Company has adopted the newly revised IFRS and IAS listed below starting from January 1, 2023, which will not cause a material impact on the parent company only financial statements.

- Amendments to IAS 1, “Disclosure of Accounting Policies”
- Amendments to IAS 8, “Definition of Accounting Estimates”
- Amendments to IAS 12, “Deferred Income Taxes Related to Assets and Liabilities Arising from a Single Transaction”.

The Company has adopted the newly revised IFRS and IAS listed below starting from May 23, 2023, which will not cause a material impact on the parent company only financial statements.

- Amendments to IAS 12, “International Tax Reform-Pillar Two Model Rules”

(II) Impact of not adopting the IFRS endorsed by the FSC

The Company has assessed the application of the newly revised IFRS and IAS that have taken effect on January 1, 2024, which will not cause a material impact on the parent company only financial statements.

- 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”

Dimerco Express Corporation Notes to parent company only Financial Statements

(III) New and revised standards and interpretations not yet endorsed by the FSC

The Company expects the following new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its financial statements.

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”
- Amendments to IFRS 17 “Insurance Contracts” and IFRS 17
- Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 Comparative Information”
- Amendments to IAS 21 "Lack of Exchangeability"

IV. Summary of Significant Accounting Policies

A summary of the significant accounting policies adopted in the parent company only financial statements is as follows. The accounting policies below have been applied consistently throughout the reporting period presented in the parent company only financial statements.

(I) Statement of compliance

The financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(II) Basis of preparation

1. Basis for measurement

Except the following significant accounts, unless otherwise noted (please refer to accounting policy for each title) the financial statements have been prepared on a historical cost basis:

2. Functional currency and currency presented

The Company adopts the currency used in the main economic environment in which each system under it operates as its functional currency. The financial statements are presented in New Taiwan Dollar (NTD), which is the Company’s financial currency. All financial information presented in NTD is in the unit of thousands of NTD.

(III) Foreign currency

1. Foreign currency transaction

Foreign currency transactions are translated into functional currency at the exchange rate prevailing on the transaction date. On the end date of each reporting period (hereinafter referred to as the “balance sheet date”), foreign currency monetary items are translated into the functional currency at the exchange rate prevailing on the balance sheet date. Foreign currency non-monetary items measured at fair value are translated into the functional currency at the exchange rate prevailing on the day of measurement. Foreign currency non-monetary items measured at historical cost are translated at the exchange rate prevailing on the transaction date.

Foreign currency translation differences arising from translation are generally recognized in profit or loss, except for those arising from the translation of equity instruments designated as at fair value through other comprehensive income, which are recognized in other comprehensive income.

2. Foreign operations

The asset and liabilities of foreign operations are translated into the presentation currency at the exchange rates at the reporting date. The income or expenses of foreign operations are translated into the presentation currency at the average exchange rate.

Dimerco Express Corporation Notes to parent company only Financial Statements

Exchange differences are recognized in other comprehensive income.

(IV) Criteria for classification of current and non-current assets and liabilities

Assets that meet one of the following criteria are classified as current assets; all other assets that are not current assets are classified as non-current assets:

1. It is expected to be realized, or intended to be sold or consumed, in the normal operation cycle;
2. Assets held primarily for the purpose of trading;
3. It is expected to be realized within twelve months after the reporting period; or
4. Assets that are cash or cash equivalents, excluding assets restricted from being exchanged or used to settle a liability for at least 12 months after the balance sheet date.

Liabilities that meet one of the following criteria are classified as current liabilities; all other liabilities that are not current liabilities are classified as non-current liabilities:

1. It is expected to be settled in the normal operating cycle;
2. Liabilities held primarily for the purpose of trading;
3. Liabilities expected to be settled within 12 months after the balance sheet date; or
4. Liabilities with a repayment deadline that cannot be unconditionally deferred for at least 12 months after the balance sheet date. However, the terms of a liability that could, at the option of the counterparty, result in its settlement by issue of equity instruments do not affect its classification.

(V) Cash and cash equivalents

Cash and cash equivalent comprise cash demand deposits and short-term and highly liquid investments that are readily convertible to known amount of cash and are subject to an insignificant risk of changes in value.

The saving deposits maturing in three months, held for the purpose of meeting short-term cash commitments, rather than for investment or other purpose and readily convertible to known amount of cash with an insignificant risk of changes in value, are reported as cash equivalents.

(VI) Financial instruments

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual terms of the financial instruments. Financial assets (except receivables that do not contain significant financial components) or financial liabilities that are not measured at fair value through profit or loss are initially measured at fair value plus transaction costs directly attributable to the acquisition or issuance. Accounts receivable that do not contain significant financial components are initially measured at transaction prices.

1. Financial assets

If the purchase or sale of financial assets conforms to the regular way purchase or sale, the Company shall adopt trade date accounting consistently to recognize the purchase or sale of the financial assets in the same category.

Financial assets are classified as financial assets at amortized cost and equity instrument investments at fair value through other comprehensive income upon initial recognition. The Company only reclassifies all affected financial assets from the first day of next reporting period when changing the financial assets management model.

Dimerco Express Corporation Notes to parent company only Financial Statements

(1) Financial assets at amortized cost

If the financial assets are in alignment with the following criteria and not designated as at fair value through profit or loss, such assets are measured at amortized cost:

- Held under a certain business model, of which the objective is to collect contractual cash flows by holding the financial assets.
- The cash flows on specific dates specified in the contractual terms are solely payments for the principal and interest on the principal amount outstanding.

Such assets are subsequently amortized by the effective interest method plus or less the initially recognized amount using the effective interest method, adjusted for the allowance for losses measured at amortized cost. Interest income, foreign exchange gains or losses, and impairment losses are recognized in profit or loss. Upon derecognition, the gain or loss is included in profit or loss.

(2) Financial assets at fair value through other comprehensive income (FVOCI)

Upon initial recognition, the Company may make an irrevocable election to recognize subsequent changes in fair value of equity instrument investments not held for trading in other comprehensive income. The foregoing election is made as per each instrument.

Investments in equity instruments are subsequently measured at fair value. Dividend income (unless it clearly represents a recovery of part of an investment cost) is recognized in profit or loss. The remaining net gain or loss is recognized as other comprehensive income and is not reclassified to profit or loss.

Dividend income from investments in equity is recognized on the date on which the Company is entitled to receive the dividend (usually the ex-dividend date).

(3) Impairment of financial assets

The Company recognizes an allowance for expected credit losses on financial assets at amortized cost, including cash and cash equivalents, notes and accounts receivable, other receivables and refundable deposits.

The allowance for losses for the financial assets below are measured at 12-month expected credit losses, and the allowance for losses for the rest are measured at the lifetime expected credit losses:

- Debt securities are judged to be of low credit risk on the balance sheet date; and
- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Allowance for losses on accounts receivable are measured at lifetime expected credit losses.

Lifetime expected credit losses refer to the expected credit losses arising from all possible default events during the expected duration of a financial instrument.

Twelve-month expected credit losses are expected credit losses on a financial instrument arising from possible default events within 12 months after the balance sheet date (or a shorter period if the expected duration of the financial instrument is less than 12 months).

The maximum period over which expected credit losses are measured is the maximum contract period over which the Company is exposed to credit risk

When determining whether the credit risk has increased significantly since the

Dimerco Express Corporation Notes to parent company only Financial Statements

initial recognition, the Company takes into account reasonable and corroborative information (obtainable without undue cost or effort), including qualitative and quantitative information, and analyzes it based on the Company's historical experience, credit assessments, and forward-looking information.

At each reporting date, the Company assesses whether there is a credit impairment on financial assets at amortized cost. A financial asset is credit-impaired when one or more events have occurred with an adverse effect on the estimated future cash flows of the financial asset.

The allowance for losses for a financial asset measured at amortized cost is deducted from the carrying amount of the asset. The provision or reversal of the allowance for losses is recognized in profit or loss.

When the Company cannot reasonably expect to recover the whole or part of a financial asset, it directly reduces the total carrying amount of the financial asset. The Company determines that when the debtor is unable to generate sufficient cash flows to repay the amount written off. However financial assets that are written-off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amount due.

(4) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred to other entities.

2. Financial liabilities and equity instruments

(1) Classification of liabilities and equity

Debt and equity instruments issued by the Company are classified as financial liabilities or equity as per the substance of a contractual agreement and the definition of financial liabilities and equity instruments.

(2) Equity transactions

Equity instruments are any contractual assets that entitle rights to the Company after the liability portion are offset from the assets. Equity instruments issued by the Company are recognized for an amount after deducting the direct issuing cost from the proceeds collected.

(3) Treasury stocks

Consideration paid (including direct cost attributed) for equity instrument buyback recognized by the Company is recorded as decrease in an equity component. Shares buyback are treasury stocks. Proceeds received from resale or reissuance of treasury stocks are treated as equity increase. Any surplus or loss generated from the transaction is recognized as capital surplus or retain earnings (when capital surplus is insufficient to offset)

(4) Financial liabilities

Financial liabilities are measured at amortized cost using the effective interest method. Interest expense and exchange gain or loss are recognized in profit or loss. Any gain or loss is also recognized in profit or loss upon derecognition.

(5) Derecognition of financial liabilities

The Company derecognizes financial liabilities when contractual obligations have been fulfilled, cancelled, or expired.

Dimerco Express Corporation Notes to parent company only Financial Statements

On derecognition of a financial liability, the difference between the carrying amount and the consideration payable (including any non-cash assets transferred or liabilities assumed) is recognized as non-operating income or expenses.

(6) Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount presented in the statement of balance sheet only when the Company currently has a legally enforceable right to set off the amount and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(VII) Investment in associates

Associates are enterprises which the Company has significant influence, not controlling power, over the finance and operation policy of. The Company is deemed to have such an influence when it holds 20% to 50% voting rights of an entity.

Under the equity method, investments in an associate are initially recognized at cost, and the investment cost includes the transaction cost. The carrying amount of an investment in an associate includes the goodwill identified at the time of the initial investment, less any accumulated impairment losses.

The Company's parent company only financial statements include, from the date of it having significant influence to the date of it losing significant influence, after adjusting associates' accounting policies to be consistent with those adopted by Company, include the amount of profit or loss and other comprehensive income from investment in each associate recognized in proportion to the equity held. When an associate undergoes a change in equity that is not related to profit or loss or other comprehensive income without affecting the Company's shareholding in the associate, the Company recognizes the share of changes in equity attributable to the Company in capital surplus in proportion to its shareholding.

Unrealized gains resulting from transactions between the Company and an associate have been offset to the extent of the Company's interest in the associate. The approach to offset unrealized loss is the same as that for unrealized gain but only to the extent that when there is no evidence or impairment.

When the Company's share of losses on an associate equals or exceeds its interest in the associate, the Group discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Company has incurred legal obligations, or constructive obligations, or made payments on behalf of said associate.

(VIII) Subsidiaries

The subsidiaries which the Company is holding for controlling are measured under equity method in the financial statements. Under equity method, the net income, other comprehensive income in the parent company only financial statements are equivalent to those in the consolidated financial statements. Total equity in the parent company only financial statement is equivalent to equity attributable to shareholders of the parent.

The changes in ownership of the subsidiaries not causing loss of the control power are recognized as equity transactions.

(IX) Property, plant and equipment

1. Recognition and measurement

Property, plant and equipment are measured at cost (including capitalized borrowing costs) less accumulated depreciation and any accumulated impairment.

When the useful lives of material components of property, plant and equipment are different, they are treated as separate items (major components) of property, plant and equipment.

Dimerco Express Corporation Notes to parent company only Financial Statements

Gain or loss on disposal of property, plant and equipment is recognized in profit or loss.

2. Subsequent cost

Subsequent expenditures are capitalized only when it is probable that the future economic benefits will flow to the Company.

3. Depreciation

Depreciation is calculated at the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful life of each component.

Land is not depreciated.

The estimated useful life for the current and comparative periods are as follows:

Buildings	4 ~ 56 years
Transportation equipment	3 years
Office equipment	1~16 years
Leasehold improvement	2~6 years

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

(X) Lease

The Company assesses whether a contract is or contains a lease on the date of the establishment the contract and determines a contract is or contains a lease if the contract transfers control over the use of the identified asset for a period of time in exchange for consideration.

1. The Company as a lessee

As a lessee, the Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive.

The right-of-use asset is subsequently depreciated on a straight-line basis from the lease commencement date to the end of the useful life of the right-of-use asset or the end of the lease term, whichever is earlier. In addition, the Company regularly assesses whether the right-of-use asset is impaired and accounts for any impairment loss that has occurred, and adjusts the right-of-use asset if the lease liability is remeasured.

The lease liability is initially measured at the present value of the unpaid lease payments at the lease commencement date. If the interest rate implicit in a lease is easy to be determined, the discount rate is said rate; if it is not easy to determine such a rate, the Company's incremental borrowing rate is adopted. Generally speaking, the Company adopts its incremental borrowing rate as the discount rate.

Lease payments included in the lease liability measurement include:

- (1) Fixed payments, including substantive fixed payments;
- (2) The lease payment depends on the change in an index or rate, and the index or rate on the lease commencement date is adopted for the initial measurement;
- (3) The residual value guarantee amount expected to be paid; and
- (4) The exercise price or penalty to be paid when it is reasonably ascertains that the purchase or lease termination will be executed.

Interest on lease liabilities is subsequently accrued using the effective interest method, and the amount is re-measured under each of the circumstances below:

Dimerco Express Corporation Notes to parent company only Financial Statements

- (1) Changes in the index or rate used to determine lease payments result in changes in future lease payments;
- (2) There is a change in the residual value guarantee amount expected to be paid;
- (3) There is a change in the evaluation of the option of purchasing the asset;
- (4) A change in the evaluation of whether to extend or terminate a lease has resulted in a change in the evaluation of the lease term;
- (5) The subject leased, scope of lease, or other terms are modified.

When the lease liability is re-measured due to the aforementioned changes in the index or rate used to determine the lease payment, changes in the residual value guarantee amount, and changes in the evaluation of the purchase, extension, or termination, the carrying amount of the right-of-use asset is adjusted accordingly. When the carrying amount of the right-of-use asset has been reduced to zero, the remaining remeasured amount is recognized in profit or loss.

For lease modifications with a reduced scope of the lease, the carrying amount of the right-of-use asset is reduced to reflect the partial or full termination of the lease, and the difference between said amount and the remeasured amount of the lease liability is recognized in profit or loss.

The Company presents right-of-use assets and lease liabilities not in alignment with the definition of investment property on a separate line in the balance sheet.

The Company has elected not to recognize right-of-use assets and lease liability for short-term leases and leases of low-value assets. The Company recognizes the lease payment associated with these leases as expense on a straight-line basis over the lease term.

2. The Group as a lessor

Where the Company is the lessor, a lease contract is classified on the date of establishment of the lease contract according to whether nearly all risks and rewards attached to ownership of the underlying assets are transferred. If so, the contract is classified as a finance lease, otherwise an operating lease. During evaluation, the Company considers relevant specific indicators, including whether the lease term covers a major part of the economic life of the underlying assets.

(XI) Impairment of non-financial assets

The Company evaluates if there is any sign of impairment of non-financial assets (except deferred tax assets) at the balance sheet date. The Group estimates the recoverable amount of such assets with a sign of impairment. Goodwill is tested annually for impairment.

Impairment testing aims at the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

The recoverable amount is the higher of the individual asset or the fair value of the cash-generating unit less cost of disposal and its value in use. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects present market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognized when the recoverable amount of an individual asset or cash-generating unit is lower than the carrying amount thereof.

Impairment losses are recognized immediately in profit or loss with the carrying amount of the cash-generating unit's amortized goodwill reduced first; then the carrying amount of each asset in proportion to the carrying amount thereof in the unit reduced.

The recoverable amount of a non-financial asset is limited to the carrying amount (after depreciation or amortization) which was determined previously before the occurrence of the impairment.

Dimerco Express Corporation Notes to parent company only Financial Statements

(XII) Revenue and cost recognition

1. Revenue from customer contracts

Revenue is measured as the consideration to which the transfer of goods or services is expected to be entitled. The Company recognizes revenue when its service satisfies a performance obligation.

The Company main revenue is derived from providing a range of forwarding services, including air freight, ocean freight and customs declaration. Revenue is recognized for services provided during the reporting period.

2. Cost of customer contracts

Shipping costs, covering air and ocean freights, are estimated when revenue is recognition and are expensed based on vendor invoices or quotations.

(XIII) Employee benefits

1. Defined contribution plan

Obligations for contribution to the defined contribution plans are expensed during the period when related service is provided from the employees.

2. Defined benefit plan

The Company's net obligation to the defined benefit plan is calculated by discounting the amount of future benefits earned by employees for services provided in the current or prior periods to the present value for each benefit plan, less the fair value of any plan assets.

Defined benefit obligations are calculated annually by a qualified actuary using the projected unit credit method. When the result of the calculation may be favorable to the Company, the asset recognized is limited to the present value of any economic benefits that could be derived from the plan in the form of a refund of contributions or a reduction in future contributions. Any minimum contribution requirements are taken into account when the present value of economic benefits is calculated.

The remeasurement of the net defined benefit liability, including actuarial gains or losses, return on plan assets (excluding interest), and any changes in the effect of asset caps (excluding interest) are recognized immediately in other comprehensive income and accumulated in retained earnings. The Company determines net interest expense (income) on net defined benefit liability (asset) based on the net defined benefit liability (asset) and discount rates determined at the beginning of the annual reporting period. Net interest expense and other expenses on defined benefit plans are recognized in profit or loss.

When the plan is revised or curtailed, the resulting change in benefits related to service costs in the prior periods or curtailment gains or losses is recognized immediately in profit or loss. When the settlement occurs, the Company recognizes it in the settlement gain or loss of the defined benefit plan.

3. Short-term employee benefits

Short-term employee benefits are expensed when the relevant services are provided. If the Company has a present legal or constructive payment obligation due to an employee's past services and the obligation can be estimated reliably, the amount of benefits is recognized in liabilities.

(XIV) Share-based payments

Share-based payments granted to employees are initially measured at fair value on the granted date and recognized as labor cost with corresponding increase in equity during the period when employee have the unconditional right to the compensation. The labor cost recognized is adjusted according to qualifying service condition and number of shares granted based on non-market-value vesting condition. The final recognition is measured

Dimerco Express Corporation Notes to parent company only Financial Statements

according to qualifying service condition and number of shares granted based on non-market-value vesting condition on the vesting date.

The non-vesting conditions regarding share-based payment awards have been reflected in the measurement of the fair value of share-based payment on the grant date, and differences between expected and actual results do not need to be verified and adjusted.

The Company's share-based payment date is the day the Board of Directors approves the subscription price and the number of shares for which employees can subscribe.

(XV) Government grants

The Company recognizes an unconditional government grant as other income when the grant is received. Government grants to compensate for the Company's expenses or losses and relevant expenses in the same period are recognized in profit or loss on a systematic basis.

(XVI) Income tax

Income taxes comprise current taxes and deferred taxes. Current income tax and deferred tax are recognized in profit or loss, except in relation to business combinations or items directly recognized in equity or other comprehensive income.

Current taxes comprise the estimated income tax payable or tax refund receivable calculated based on the year's taxable income (loss) and any adjustments to the income tax payable or tax refund receivable in prior years. The amount is the best estimate of the amount expected to be paid or received at the statutory tax rate or tax rate that have been substantively enacted at the balance sheet date.

Deferred tax is recognized based on the temporary differences between the carrying amounts of an asset and liability for financial reporting purposes and its tax base. Deferred income tax is not recognized for temporary differences arising from the following circumstances:

1. Assets or liabilities are initially recognized for a transaction that is not a business combination, and (i) such assets or liabilities does not affect accounting profit and taxable income (loss); and (ii) does not result in equivalent taxable and deductible temporary differences at the time of the transaction;
2. Assets or liabilities are initially recognized for a transaction that is not a business combination, and such assets or liabilities does not affect accounting profit and taxable income (loss) at the time of the transaction;
3. Taxable temporary differences arising from the initial recognition of goodwill.

Deferred taxes are measured at the tax rate at which the temporary difference is expected to reverse, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

The Company will offset deferred tax assets and deferred tax liabilities only when the criteria below are met at the same time:

1. Has the statutory enforcement power to offset current income tax assets and current income tax liabilities; and
2. Deferred tax assets and deferred tax liabilities are related to one of the following taxpayers with income tax levied by the same tax authority:
 - (1) The same taxpayer; or
 - (2) Different taxpayers but each taxpayer intends to settle the current tax liabilities and assets on a net basis or to realize both in each future period, in which significant amounts of deferred tax assets are expected to be recovered and deferred tax liabilities are expected to be settled.

Unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilized, as well as deductible temporary differences are recognized in deferred tax assets. Deferred tax assets are reassessed at each reporting date and reduced to the extent that

Dimerco Express Corporation Notes to parent company only Financial Statements

it is not probable that the related income tax benefit will be realized, or to the extent that it becomes probable that sufficient taxable income will be available to allow the reversal of the original reduction.

(XVII) Earnings per share

The Company presents basic and diluted earnings per share attributable to holders of the Group's ordinary shares. Basic earnings per share is calculated as the profit attributable to shareholders of the Company divided by the weighted average number of ordinary shares outstanding adjusted by the number of treasury shares. Additional shares from the conversion of accumulated earnings and capital surplus are shares outstanding through retroactive adjustment.

Diluted earnings per share is calculated by having the profit or loss attributable to the equity holders of the Company's ordinary shares and the weighted average number of ordinary shares outstanding adjusted for the effect of all potential dilutive ordinary shares. Dilutive potential ordinary shares are remuneration to employee distributed by shares

(XVIII) Information on Segments

The segments information is disclosed in the Company's consolidated financial statements; therefore, the Company does not disclose easement information in these statements.

V. Key Sources of Uncertainty over Critical Accounting Judgments, Assumptions, and Estimation

The preparation of the financial statement is in conformity with "Regulations Governing the Preparation of Financial Reports by Securities Issuers." The management is required to make judgments, estimates, 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 estimates.

The management continues to review estimates and basic assumptions, and changes in accounting estimates are recognized in the period in which they are changed and future periods affected.

There is no information regarding significant recognitions arising from accounting policies and major judgments, or information regarding major adjustment that will be made in the next period arising from potential and significant risks due to the uncertainty of assumptions and estimates.

VI. Description of Significant Account Titles

(I) Cash and cash equivalents

	<u>2023.12.31</u>	<u>2022.12.31</u>
Cash on hand	\$ 865	1,507
Checking deposit	9,030	8,733
Demand deposit	224,378	172,617
Time deposit	48,015	36,876
Cash and cash equivalents in statement of cash flows	<u>\$ 282,288</u>	<u>219,733</u>

Please refer to Note 6(17) for the disclosure of interest rate risk and sensitivity analysis of the Company's financial assets and liabilities.

(II) Notes and accounts (including related parties) and overdues receivable

	<u>2023.12.31</u>	<u>2022.12.31</u>
Notes receivable	\$ 6,191	7,173
Accounts receivable	158,217	306,293
Accounts receivable – related parties	69,163	90,345
Less: Allowance for losses - account receivable	2,726	6,213
	<u>\$ 230,845</u>	<u>397,598</u>

Dimerco Express Corporation Notes to parent company only Financial Statements

All receivables of the Company have been applied with discounts or provided as collaterals.

The Company adopts a simplified approach to estimate expected credit losses for all notes and accounts receivables, which are measured at lifetime expected credit losses. To this end, such notes and accounts receivables are grouped by common credit risk characteristics that represent a customer's ability to pay all amounts due as per the contract terms with forward-looking information incorporated. The Company's expected credit loss analysis for the notes and accounts receivable is as follows:

	2023.12.31		
	Carrying amount of accounts receivable	Weighted average expected credit loss rate	Allowance for lifetime expected credit losses
Not past due	\$ 212,832	0%	-
Overdue for 1-30 days	18,507	5%	900
Overdue for 31-60 days	1,016	60%	610
Overdue for 61-90 days	1,216	100%	1,216
	<u>\$ 233,571</u>		<u>2,726</u>
	2022.12.31		
	Carrying amount of accounts receivable	Weighted average expected credit loss rate	Allowance for lifetime expected credit losses
Not past due	\$ 312,940	0%	-
Overdue for 1-30 days	77,377	0%	-
Overdue for 31-60 days	12,656	42%	5,375
Overdue for 61-90 days	838	100%	838
	<u>\$ 403,811</u>		<u>6,213</u>

The changes in allowances for losses on the Company's notes and accounts receivable are as follows:

	2023	2022
Opening balance	\$ 6,213	5,732
Impairment losses recognized (reversed)	(3,506)	1,217
Amount written off as uncollectible during the year	19	(736)
Ending balance	<u>\$ 2,726</u>	<u>6,213</u>

(III) Investments using the equity method

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

	2023.12.31	2022.12.31
Subsidiary	\$ 10,385,701	9,528,539
Associates	219,034	241,671
Total	<u>\$ 10,604,735</u>	<u>9,770,210</u>

1. Subsidiary

Please refer to the consolidated financial statements for the year ended December 31, 2023.

Dimerco Express Corporation Notes to parent company only Financial Statements

2. Associates

The information on associates with materiality to the Company is as follows:

Name	Relations with the Group	Core operation location / Country of registration	Proportion of ownership interest and voting rights	
			2023.12.31	2022.12.31
ITG Air & Sea GmbH	Air and ocean freight logistics business	Germany	25.00%	25.00%

The information on associates with materiality to the Company is as follows:

Summary of financial information of ITG Air & Sea GmbH:

	2023.12.31	2022.12.31
Current assets	\$ 933,367	1,299,254
Non-current assets	134,928	83,643
Current liabilities	(631,105)	(905,396)
Non-current liabilities	(79,818)	(29,582)
Net assets	<u>\$ 357,372</u>	<u>447,919</u>
Net assets attributable to the Company	<u>\$ 89,342</u>	<u>111,979</u>

	2023	2022
Operating revenue	<u>\$ 2,558,012</u>	<u>4,657,240</u>
Net income of continuing business units for the period	\$ 106,620	199,467
Other comprehensive income	-	-
Total comprehensive income	<u>\$ 106,620</u>	<u>199,467</u>
Total comprehensive income attributable to the Company for the period	<u>\$ 26,655</u>	<u>49,866</u>

	2023	2022
The Company's share of the net assets from associated entities at the beginning of the period	\$ 111,979	84,149
Total comprehensive income attributable to the Company for the period	26,655	49,866
Dividend received for the period	(53,622)	(28,180)
Translation adjustment	4,330	6,144
The Company's share of the net assets from associated entities at the end of the period	89,342	111,979
Add: Goodwill	129,692	129,692
Carrying amount of the Company's equity in associates at the end of the period	<u>\$ 219,034</u>	<u>241,671</u>

3. Collateral

None of the above investments using the equity method by the Company was pledged as collateral as of December 31, 2023 and 2022.

Dimerco Express Corporation Notes to parent company only Financial Statements

(IV) Property, plant and equipment

The cost, depreciation, and change of the property, plant and equipment of the Company for the years ended December 31, 2023 and 2022, were as follows:

	Land	Buildings	Transportation equipment	Office equipment	Leasehold improvement	Total
Cost or deemed cost:						
Balance on January 1, 2023	\$ 156,092	48,913	-	50,193	3,384	258,582
Addition	-	-	-	1,656	211	1,867
Balance on December 31, 2023	<u>\$ 156,092</u>	<u>48,913</u>	<u>-</u>	<u>51,849</u>	<u>3,595</u>	<u>260,449</u>
Balance on January 1, 2022	\$ 156,092	48,913	-	48,117	3,384	256,506
Addition	-	-	-	2,076	-	2,076
Balance on December 31, 2022	<u>\$ 156,092</u>	<u>48,913</u>	<u>-</u>	<u>50,193</u>	<u>3,384</u>	<u>258,582</u>
Depreciation:						
Balance on January 1, 2023	\$ -	22,862	-	44,209	3,383	70,454
Depreciation	-	948	-	2,661	-	3,609
Balance on December 31, 2023	<u>\$ -</u>	<u>23,810</u>	<u>-</u>	<u>46,870</u>	<u>3,383</u>	<u>74,063</u>
Balance on January 1, 2022	\$ -	21,914	-	41,269	3,383	66,566
Depreciation	-	948	-	2,940	-	3,888
Balance on December 31, 2022	<u>\$ -</u>	<u>22,862</u>	<u>-</u>	<u>44,209</u>	<u>3,383</u>	<u>70,454</u>
Carrying amount:						
December 31, 2023	<u>\$ 156,092</u>	<u>25,103</u>	<u>-</u>	<u>4,979</u>	<u>212</u>	<u>186,386</u>
December 31, 2022	<u>\$ 156,092</u>	<u>26,051</u>	<u>-</u>	<u>5,984</u>	<u>1</u>	<u>188,128</u>

As of December 31, 2023 and 2022, the property, plant and equipment had been pledged as collateral for guaranteed financing; please refer to Note 8.

(V) Right-of-use assets

The Company leases assets including offices, warehouses and transport equipment. Inform about the cost and depreciation of leased assets is as follows:

	Buildings	Transportation equipment	Total
Cost of right-of-use assets:			
Balance on January 1, 2023	\$ 16,047	2,401	18,448
Addition	4,365	2,463	6,828
Less (including leasehold improvements)	<u>(12,842)</u>	<u>-</u>	<u>(12,842)</u>
Balance on December 31, 2023	<u>\$ 7,570</u>	<u>4,864</u>	<u>12,434</u>
Balance on January 1, 2022	\$ 20,721	166	20,887
Addition	8,275	2,401	10,676
Less (including leasehold improvements)	<u>(12,949)</u>	<u>(166)</u>	<u>(13,115)</u>
Balance on December 31, 2022	<u>\$ 16,047</u>	<u>2,401</u>	<u>18,448</u>
Depreciation of right-of-use assets:			
Balance on January 1, 2023	\$ 6,357	800	7,157
Depreciation	3,958	1,558	5,516
Less (including leasehold improvements)	<u>(7,088)</u>	<u>-</u>	<u>(7,088)</u>
Balance on December 31, 2023	<u>\$ 3,227</u>	<u>2,358</u>	<u>5,585</u>

Dimerco Express Corporation Notes to parent company only Financial Statements

	Buildings	Transportation equipment	Total
Balance on January 1, 2022	\$ 8,622	83	8,705
Depreciation	10,659	883	11,542
Less (including leasehold improvements)	<u>(12,924)</u>	<u>(166)</u>	<u>(13,090)</u>
Balance on December 31, 2022	<u>\$ 6,357</u>	<u>800</u>	<u>7,157</u>
Carrying amount:			
December 31, 2023	<u>\$ 4,343</u>	<u>2,506</u>	<u>6,849</u>
December 31, 2022	<u>\$ 9,690</u>	<u>1,601</u>	<u>11,291</u>

(VI) Short-term borrowings

The Company's short-term loans and borrowing terms are summarized as follows:

1. Short-term borrowings

	2023.12.31			
	Currency	Interest rate range (%)	Expiration	Amount
Unsecured bank borrowings	NTD	1.4	2024	<u>\$ 180,000</u>

	2022.12.31			
	Currency	Interest rate range (%)	Expiration	Amount
Unsecured bank borrowings	NTD	1.15~1.5	2023	<u>\$ 430,000</u>

The un-utilized short-term credit was \$1,573,277 thousand and \$1,195,025 thousand for the years ended December 31, 2023 and 2022.

Please refer to Note 8 for the assets pledged for bank loans.

2. Long-term borrowings

The un-utilized short-term credit was \$150,000 thousand for the years ended December 31, 2023 and 2022, respectively.

For information on the Company's interest risk, currency risk and liquidity risk, please refer to Note 6 (17).

(VII) Lease liabilities

The carrying amounts of the Company's lease liabilities are as follows:

	2023.12.31	2022.12.31
Current	<u>\$ 4,909</u>	<u>9,415</u>
Non-current	<u>\$ 1,974</u>	<u>1,911</u>

Please refer to Note 6(17) "Financial instruments for maturity analysis.

Dimerco Express Corporation Notes to parent company only Financial Statements

Lease amounts recognized through profit and loss were as follows:

	<u>2023</u>	<u>2022</u>
Interest expense on lease liabilities	\$ <u>88</u>	<u>125</u>
Expenses on low-value leased assets (excluding short-term, low-value leases)	\$ <u>-</u>	<u>507</u>

Lease amounts recognized in statement of cash flows were as follows:

	<u>2023</u>	<u>2022</u>
Total cash outflow from leases	\$ <u>5,584</u>	<u>12,188</u>

1. Leasing of buildings

The Company has leased buildings as offices over a lease term of usually one to two years and rented vehicles as company cars over a lease term of usually three to four years. Part of the leases includes an option to extend the leases by the same period as the initial contract at the end of the lease term.

2. Other lease contracts

The Company has leased office equipment over a lease term of one to two years. Such contracts are for short-term and/or low-value leases. The Company elects to apply the exemption from recognition and does not recognize them in relevant right-of-use assets and lease liabilities thereof.

(VIII) Employee benefits

1. Defined benefit plan

The reconciliation between the present value of the defined benefit obligation and the fair value of the plan assets is as follows:

	<u>2023.12.31</u>	<u>2022.12.31</u>
Present value of the defined benefit obligation	\$ 37,201	41,598
Fair value of the plan assets	<u>35,310</u>	<u>36,575</u>
Net defined benefit liability	<u>\$ 1,891</u>	<u>5,023</u>

The Company's defined benefit plan is transferred to the pension reserve account with the Bank of Taiwan. Pension payment for each employee to which the Labor Standards Act applies is calculated based on the number of units obtained for the length of services and the average salary for the six months prior to retirement.

(1) Composition of plan assets

The pension fund contributed by the Company in accordance with the Labor Standards Act is under the overall management of the Bureau of Labor Funds, Ministry of Labor (hereinafter referred to as the "Bureau of Labor Funds"). As per the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, the minimum income from the use of the fund, distributed annually, shall not be lower than the income from two-year time deposits with the interest rates offered by local banks.

As of December 31, 2023, the fund allocated to the employees' pension reserve account with Bank of Taiwan was \$34,891 thousand. The information on the use of the assets of the labor pension fund includes the yield rate and the asset allocation of the fund. Please refer to the information published on the website of the Bureau of

Dimerco Express Corporation Notes to parent company only Financial Statements

Labor Funds.

(2) Changes in the present value of the defined benefit obligation

The changes in the present value of the Company's defined benefit obligations in 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Defined benefit obligation on January 1	\$ 41,598	48,505
Interest costs	697	298
Remeasurement of net defined benefit (asset) liability		
- Actuarial gain or loss from changes in financial assumptions	(77)	(5,427)
Benefits paid by the plan	<u>(5,017)</u>	<u>(1,778)</u>
Defined benefit obligation on December 31	<u><u>\$ 37,201</u></u>	<u><u>41,598</u></u>

(3) Changes in fair value of the plan assets

The changes in the fair value of the Company's defined benefit plan assets in 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Fair value of the plan assets on January 1	\$ 36,575	32,695
Interest income	635	208
Remeasurement of net defined benefit liability		
- Return on plan asset (excluding current interest)	147	2,449
Contribution to the plan	2,970	3,001
Benefits paid by the plan	<u>(5,017)</u>	<u>(1,778)</u>
Fair value of the plan assets on December 31	<u><u>\$ 35,310</u></u>	<u><u>36,575</u></u>

(4) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the Company in 2023 and 2022 was as follows:

	<u>2023</u>	<u>2022</u>
Net interest on net defined benefit liability (recorded as operating expense)	<u><u>\$ 62</u></u>	<u><u>90</u></u>

(5) Actuarial assumptions

The following are the Company's principal actuarial assumptions for determining defined obligation at the reporting date.

	<u>2023.12.31</u>	<u>2022.12.31</u>
Discount rate	1.625%	1.750%
Future salary increase	3.000%	3.000%

The Company expects to contribute \$2,970 thousand to the defined benefit plan in the year following December 31, 2023.

The weighted average duration of the defined benefit plan is 11.15 years.

(6) Sensitivity analysis

When calculating the present value of the defined benefit obligation, the Company should exercise judgments and conduct estimation to determine relevant

Dimerco Express Corporation Notes to parent company only Financial Statements

actuarial assumptions on the balance sheet date, including discount rates and future salary changes. Changes in any actuarial assumptions may materially affect the amount of the Company's defined benefit obligation.

The effect of changes in the main actuarial assumptions adopted on December 31, 2023 and 2022 on the present value of the defined benefit obligation is as follows:

	Effect on the defined benefit obligation	
	Increase by 0.25%	Decrease by 0.25%
December 31, 2023		
Discount rate	\$ (665)	686
Future salary increases rate	659	(643)
December 31, 2022		
Discount rate	\$ (743)	767
Future salary increases rate	739	(720)

The sensitivity analysis above is based on the analysis of the effect of a change in a single assumption while other assumptions remain unchanged. It is reasonably probable that changes in several assumptions are inter-correlated with each others. The method used in the sensitivity analysis is consistent with the calculation of pension liabilities in the balance sheets.

There is no change in the method and assumption used in the preparation of sensitivity analysis for 2023 and 2022.

2. Defined contribution plan

The Company's defined contribution plan is as per the Labor Pension Act, and the Company makes a contribution equal to 6.00% of each employee's monthly salary to employees' individual pension accounts under the Bureau of Labor Insurance. Under this plan, after the Company has provided a fixed amount to the Bureau of Labor Insurance, it has no legal or constructive obligation to pay additional amounts.

The Company's pension expenses under the defined contribution plan in 2023 and 2022 were \$6,282 thousand and \$6,298 thousand, respectively, which have been contributed to the Bureau of Labor Insurance.

(XIX) Income tax

1. Income tax expense

The details of the Company's income tax expense (benefit) for 2023 and 2022 are as follows:

	2023	2022
Income tax expense in this period		
Generated during the period	\$ 135,111	123,186
Adjustment to the income tax for the prior period	(16,709)	(6,306)
	<u>118,402</u>	<u>116,880</u>
Deferred tax expense		
Temporary differences occurring and reversed	314	5,433
Income tax expense	<u>\$ 118,716</u>	<u>122,313</u>

The reconciliation of income tax and profit before tax for 2023 and 2022 was as follows:

Dimerco Express Corporation Notes to parent company only Financial Statements

	2023	2022
Income before tax	<u>\$ 1,142,346</u>	<u>2,660,938</u>
Income tax calculated at the domestic tax rate where the Company is located	\$ 228,469	532,188
Profit recognized under equity method	(178,771)	(445,220)
Dividend income	10,683	5,607
5% surtax on undistributed earnings	66,263	28,611
Adjustment for prior periods	(16,709)	(6,306)
Other	8,781	7,433
Total	<u><u>\$ 118,716</u></u>	<u><u>122,313</u></u>

2. Deferred tax assets and liabilities

(1) Unrecognized deferred tax liabilities

No deferred tax liabilities were recognized for the temporary differences related to investments in subsidiaries for the year ended December 31, 2023 and 2022, as the Company is able to control the timing of the reversal of the differences and it is probable that they will not reverse in the foreseeable future. Related amounts:

	2023.12.31	2022.12.31
Amount of deferred tax liabilities not recognized	<u>\$ 2,138,454</u>	<u>2,073,592</u>

(2) Deferred tax assets and liabilities recognized

Changes in the amount of deferred tax assets and liabilities for 2023 and 2022 were as follows:

Deferred tax assets:

	Defined benefit plan	Unrealized exchange profits or losses	Other	Total
January 1, 2023	\$ 1,587	-	647	2,234
Credit (Debit) Income statement	(585)	-	-	(585)
December 31, 2023	<u>\$ 1,002</u>	<u>-</u>	<u>647</u>	<u>1,649</u>
January 1, 2022	\$ 2,169	125	65	2,359
Credit (Debit) Income statement	(582)	(125)	582	(125)
December 31, 2022	<u>\$ 1,587</u>	<u>-</u>	<u>647</u>	<u>2,234</u>

Deferred tax liabilities:

	Unrealized exchange profits or losses
January 1, 2023	\$ 5,308
Debit (Credit) Income statement	(271)
Balance on December 31, 2023	<u>\$ 5,037</u>

Dimerco Express Corporation Notes to parent company only Financial Statements

	Unrealized exchange profits or losses
January 1, 2022	\$ -
Debit (Credit) Income statement	<u>5,308</u>
December 31, 2022	<u><u>5,308</u></u>

3. Approval of income tax returns

The Company's income tax returns through 2021 were examined and approved by the tax authority.

(X) Capital and other equity

1. Common stock

As of December 31, 2023 and 2022, the Company's authorized capital was \$1,680,000 thousand for a total of 168,000 shares, with a par value of \$10. The issued shares were 142,884 thousand shares and 136,080 thousand shares, respectively; and all the funds of issued shares had been received.

Through a resolution in the shareholders' meeting on June 6, 2023, the Company has increased its capital from retain earnings recapitalization, 50.05 free shares for every 1000 shares owned. The application has approved by the Financial Supervisory commission; and July 9, 2023 is the base date for the capital increase. Related registration procedures required by the law have been completed.

Changes in paid-in capital are as follows:

	Unit: Thousands of shares	
	2023	2022
Opening balance as of January 1 (NT\$10 per share)	136,080	136,080
Stock dividends on common stock	6,804	-
Ending balance as of December 31	142,884	136,080

2. Capital surplus

The balance of the Company's capital surplus is as follows:

	2023.12.31	2022.12.31
Share issued at a premium	\$ 15,000	15,000
Treasury stock transactions	46,046	-
Gains on sale of fixed assets	28	28
Difference between the actual acquisition or disposal of subsidiary equity and carrying amount	984	4,334
Other	176	-
	\$ 62,234	19,362

According to the Company Act, capital surplus can only be used to offset a deficit, then can the realized capital surplus be distributed as cash dividends according to the original percentage held by the shareholders. The realized capital surplus referred to in the preceding paragraph includes the premium from shares issued in excess of the par value and the income from gifts. Pursuant to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the total amount of capital surplus to be used

Dimerco Express Corporation Notes to parent company only Financial Statements

as capital shall not exceed 10% of the paid-in capital.

3. Retained earnings

The Company's Article of Incorporation of the Company, requires that after -tax earnings shall first be offset against accumulated deficit (including adjustments to unappropriated earnings), and then 10% of the remaining shall be set aside as legal reserve up to the point when the balance of legal reserve reaches the paid-in capital of the Company. And special reserves are to be provided or reversed according to the regulations. If there is still remaining balance, combined with the beginning unappropriated retained earnings (including adjustments to unappropriated earnings), the Company shall ask the Board of Directors to make distribution through new share issuance to be approved by the shareholders' meeting.

When making dividend and bonus distribution in cash, a resolution for such distribution shall be adopted by a majority vote at a meeting of board of directors attended by two-thirds of the total members before a report of such distribution submitted to the shareholders' meeting.

The Company considers the following factors for distributing dividends in order to ensure the shareholders' return on investment and to respond to the economic cycle and to improve the Company's financial structure:

- (1) To meet the Company's needs for expanding the business scale in the future.
- (2) To ensure that the Company's earnings per share level is stable.
- (3) Take into account the Company's cash flow and operating surplus.

The Company is currently in the growing stage and will plan to expand its service network over the next few years and will need funds to do so. When the Company distributes its earnings, no less than 10% of the dividends will be distributed in cash to shareholders.

(1) Legal reserve

Pursuant to the Company Act, the Company shall first set aside 10% of its earnings as legal reserve when allocating its earnings. Where such legal reserve amounts to the total paid-in capital, this provision shall not apply. When the Company suffers no losses, it may, upon a resolution by the shareholders' meeting, issue new shares or pay out cash from the legal reserve, but only to the extent that such reserve exceeds 25% of the paid-in capital.

(2) Special reserve

In accordance with the regulations stipulated by the FSC, a portion of current-period earnings and undistributed prior-period earnings shall be reclassified as special earnings reserve during earnings distribution. The amount to be reclassified should equal the current-period total net reduction of other shareholders' equity. Similarly, a portion of undistributed prior-period earnings shall be reclassified as special earnings reserve (and does not qualify for earnings distribution) to account for cumulative changes to other shareholders' equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

(3) Earnings distribution

On March 15, 2023, the board of directors resolved to distribute cash dividends from the earnings in 2022, and on June 6, 2023, the Board of Directors approved the stock dividends and other earnings appropriations from the earnings in 2022. On March 17, 2022, the Board of Directors resolved to distribute earnings of the

Dimerco Express Corporation Notes to parent company only Financial Statements

Company for the year ended December 31, 2021. The dividends distributed to shareholders were as follows:

	2022		2021	
	Dividend payout ratio (NT\$)	Amount	Dividend payout ratio (NT\$)	Amount
Dividends attributable to ordinary shareholders:				
Cash	\$ 10.70	1,456,056	10.20	1,388,016
Stock	0.50	<u>68,040</u>	-	<u>-</u>
Total		<u>\$ 1,524,096</u>		<u>1,388,016</u>

The above information is available on the Market Observation Post System.

On March 12, 2024, the Board of Directors resolved to appropriate 2023 surplus as cash dividends and proposed to distribute stock dividends from the surplus, and the amounts to be distributed to shareholders were as follows

	2023	
	Dividend payout ratio (NT\$)	Amount
Dividends distributed to ordinary shareholders:		
Cash	\$ 6.00	844,464
Stock	-	<u>-</u>
Total		<u>\$ 844,464</u>

4. Treasury stocks

In order to motivate employees and promote their commitment to the Company, and to protect the Company's credit and shareholders' equity, the Company's Board of Directors resolved October 12, 2022 to repurchase the Company's treasury stock in accordance with Article 28-2 of the Securities and Exchange Act. From October 17, 2022 to December 8, 2022, the Company repurchased 3,000 thousand shares of the Company's common stock from the stock exchange market at a total purchase cost of \$201,000 thousand. The Company's repurchases of treasury stock were as follows:

	Unit: Thousands of shares	
	2023	2022
Opening balance as of January 1	3,000	-
Repurchase of treasury stocks	-	3,000
Transfer to employees	<u>(2,860)</u>	<u>-</u>
Ending balance as of December 31	<u>140</u>	<u>3,000</u>

In accordance with the requirements of the Securities and Exchange Act mentioned above, the number of shares repurchased by the Company shall not exceed 10% of the Company's total issued shares, and the total amount of shares repurchased shall not exceed the amount of the Company's retained earnings plus premiums on issued shares

Dimerco Express Corporation Notes to parent company only Financial Statements

and realized capital surplus. The maximum number of shares held and the maximum amount of shares acquired for the year 2023 were in compliance with the aforementioned requirements. The treasury stock held by the Company shall not be pledged under the Securities and Exchange Act and is not entitled to shareholders' rights until it is transferred.

5. Other equity interests (net of tax)

	Exchange differences on the translation of financial statements of foreign operations	
	2023	2022
Opening balance as of January 1	\$ 177,589	(557,281)
Exchange differences on translating net assets of foreign operations	10,916	308,919
Share of exchange differences of subsidiary accounted for using the equity method	21,402	425,951
Ending balance as of December 31	<u><u>\$ 209,907</u></u>	<u><u>177,589</u></u>

(XI) Share-based payments

The Company's Board of Directors approved by resolution, on May 10, 2023, to transfer the treasury stocks repurchased in 2022 to its employees. The total number of shares transferred was 2,860 thousand. The transferees are full-time employees of the Company and domestic and overseas subsidiaries who meet certain criteria, and the stocks were vested immediately on the grant date. The Company adopted the Black-Scholes model to measure the fair value of the basic share-based payment on the grant date, and the factors considered are summarized as follows:

	Transfer of treasury stocks to employees
Fair value on grant date (NTD)	\$ 15.1
Stock price on grant date (NTD)	84.5
Strike price (NTD)	68.0
Duration of stock options (year)	0.09 years
Expected volatility (%)	1.36%
Risk-free interest rate (%)	0.58%

The cost of remuneration recognized by the Company for 2023 was \$43,186 thousand.

(XII) Earnings per share

The computation of basic earnings per share and diluted earnings per share are as follows:

1. Basic earnings per share

	Unit: Thousands of shares	
	2023	2022
Net income for the period	<u><u>\$ 1,023,630</u></u>	<u><u>2,538,625</u></u>
Number of shares outstanding	142,884	142,884
Effect of treasury stock	(1,410)	(450)
Weighted average number of ordinary shares outstanding	<u><u>141,474</u></u>	<u><u>142,434</u></u>
Basic earnings per share (unit: NT\$)	<u><u>\$ 7.24</u></u>	<u><u>17.82</u></u>

Dimerco Express Corporation Notes to parent company only Financial Statements

2. Diluted earnings per share

	<u>2023</u>	<u>2022</u>
Net income for the period	<u>\$ 1,023,630</u>	<u>2,538,625</u>
Weighted average number of ordinary shares outstanding (basic)	141,474	142,434
Effect of potentially dilutive ordinary share:		
Remuneration for employees	1,120	2,410
Weighted average number of ordinary shares outstanding (diluted)	<u>142,594</u>	<u>144,844</u>
Diluted earnings per share (unit: NT\$)	<u>\$ 7.18</u>	<u>17.53</u>

(XIII) Revenue from customer contracts

1. Breakdown of revenue

	<u>2023</u>			
	<u>Asia</u>	<u>Americas</u>	<u>Europe</u>	<u>Total</u>
Main Product/Service:				
Revenues from air freight	\$ 962,078	227,138	42,151	1,231,367
Revenues from ocean freight	6,286	-	10,190	16,476
Other	33,767	2,414	1,036	37,217
	<u>\$ 1,002,131</u>	<u>229,552</u>	<u>53,377</u>	<u>1,285,060</u>

	<u>2022</u>			
	<u>Asia</u>	<u>Americas</u>	<u>Europe</u>	<u>Total</u>
Main Product/Service:				
Revenues from air freight	\$ 1,863,072	439,960	81,640	2,384,672
Revenues from ocean freight	9,065	-	14,694	23,759
Other	81,075	5,795	2,487	89,357
	<u>\$ 1,953,212</u>	<u>445,755</u>	<u>98,821</u>	<u>2,497,788</u>

2. Contract balance

	<u>2023.12.31</u>	<u>2022.12.31</u>	<u>2022.1.1</u>
Notes receivable	\$ 6,191	7,173	17,789
Accounts receivable	158,217	306,293	401,086
Accounts receivable – related parties	69,163	90,345	271,555
Less: Allowance for losses	2,726	6,213	4,996
Total	<u>\$ 230,845</u>	<u>397,598</u>	<u>685,434</u>

Dimerco Express Corporation Notes to parent company only Financial Statements

(XIV) Costs

The details of the Company's operating costs for 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Cost of air freight services	\$ 1,023,942	2,065,634
Cost of marine freight services	15,517	22,680
Other costs	22,218	55,639
	<u>\$ 1,061,677</u>	<u>2,143,953</u>

(XV) Employees, directors and supervisors' remuneration

The Company's Articles of Incorporation stipulate that if the Company has a profit at the end of the year ("profit" refers to the pre-tax income before deducting the amount of employee compensation and remuneration to directors and supervisors), it shall allocate no less than 5% of the profit to the employee compensation and no more than 5% of the same to the remuneration to directors and supervisors. However, that the Company shall first reserve a sufficient amount to compensate its accumulated deficits (including the adjusted amount of undistributed earnings). On June 8, 2022, the Company's shareholders' meeting resolved to amend the Company's Articles of Incorporation to change the remuneration for directors and supervisors to remuneration for directors.

The employee compensation referred in the preceding paragraph may be made in the form of stock or cash. Those employees may include the employees of parents or subsidiaries of the company meeting certain specific requirements. Remuneration to directors and supervisors referred in the preceding paragraph may only be made in cash.

The amount of employee compensation was estimated to be \$60,984 thousand and \$147,501 thousand for 2023 and 2022, respectively; the amount of directors' and supervisors' compensation was estimated to be \$15,942 thousand and \$42,071 thousand, respectively. These estimated amounts were calculated using the Company's pre-tax net income before deducting the amount of employees', directors' and supervisors' compensation multiplied by the distributive factors of employees' compensation and directors' and supervisors' remuneration as specified in the Company's Articles of Incorporation, and were reported as operating expenses. Where there is a difference between the amounts paid out and the estimated amounts, it will be treated as a change in accounting estimates, and the difference will be recognized in profit or loss in the following year. If the Board of Directors resolves a decision to pay out stock dividends to employees, the basis for calculating the number of shares for stock dividends is based on the closing price of the common stock prevailing on the day before the resolution by the Board of Directors. Relevant information is available on the Market Observation Post System. There was no discrepancy between the amount of remuneration to employees, directors and supervisors resolved by the Board of Directors and the amount estimated in the parent company only financial statements for the years ended December 31, 2023 and 2022.

(XVI) Non-operating income and expenses

1. Interest income

The details of the Company's interest income are as follows:

	<u>2023</u>	<u>2022</u>
Interest on bank deposits	<u>\$ 6,752</u>	<u>1,410</u>

Dimerco Express Corporation Notes to parent company only Financial Statements

2. Other income

The details of the Company's other income for 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Rental incomes	\$ 660	660
Dividend income	206	148
Government grants	59	-
Information system service consulting	195,630	404,271
Other	2,010	4,130
Other income	<u>\$ 198,565</u>	<u>409,209</u>

3. Other gains and losses

The details of the Company's other gains and losses in 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Gain on foreign currency exchange	<u>\$ 3,259</u>	<u>61,328</u>

4. Financial costs

The details of the Company's financial costs for 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Interest expense		
Bank borrowings	\$ 5,366	5,048
Lease liabilities	88	125
Financial costs, net	<u>\$ 5,454</u>	<u>5,173</u>

(XVII) Financial instruments

1. Credit risk

(1) Exposure to credit risk

The carrying amount of financial assets represents the maximum exposure to credit risk. The maximum exposure to credit risk was \$727,771 thousand and \$856,914 thousand for the years ended December 31, 2023 and 2022, respectively.

(2) Credit concentration risk

Given the Company's wide customer base, there is no significant concentration of sales to a single customer and sales are dispersed in various regions. Hence, there is no significant concentration of credit risk with accounts receivable. To reduce credit risk, the Company also regularly and continuously evaluates customers' financial positions but usually does not require them to provide collateral.

Dimerco Express Corporation Notes to parent company only Financial Statements

2. Liquidity risk

The table below indicates the contractual maturity dates for financial liabilities, including estimated interest but excluding the effect of netting agreements.

	Carrying amount	Contractual cash flows	Less than 6 months	6 to 12 months	1-2 years	2-5 years	More than 5 years
December 31, 2023							
Non-derivative financial assets							
Short-term bank borrowings	\$ 180,000	182,520	182,520	-	-	-	-
Notes payable	41,771	41,771	41,771	-	-	-	-
Accounts payable (include related parties)	66,512	66,512	66,512	-	-	-	-
Other payables (include related parties)	132,170	143,688	143,688	-	-	-	-
Long-term payable - related parties	225,121	225,119	-	-	-	-	225,119
Guarantee deposits received	115	115	-	115	-	-	-
Lease liabilities	6,883	6,944	2,479	2,478	1,794	193	-
Dividends payable	12,953	12,953	12,953	-	-	-	-
	\$ 665,525	679,622	449,923	2,593	1,794	193	225,119
December 31, 2022							
Non-derivative financial assets							
Short-term bank borrowings	\$ 430,000	435,966	435,966	-	-	-	-
Notes payable	16,550	16,550	16,550	-	-	-	-
Accounts payable (include related parties)	159,360	159,360	159,360	-	-	-	-
Other payables (include related parties)	368,243	373,763	373,763	-	-	-	-
Long-term payable - related parties	225,514	225,514	-	-	-	-	225,514
Guarantee deposits received	117	117	-	117	-	-	-
Lease liabilities	11,326	11,406	4,743	4,742	1,780	141	-
Dividends payable	20,665	20,665	20,665	-	-	-	-
	\$ 1,231,775	1,243,341	1,011,047	4,859	1,780	141	225,514

The Company does not expect that the timing of the cash flows for the maturity analysis will occur significantly earlier or that the actual amounts will be significantly different.

3. Exchange rate risk

(1) Exposure to exchange rate risk

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

	Foreign currency	Exchange rate	NTD
December 31, 2023			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$	10,220	312,516
EUR	\$	1,158	39,082
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	\$	6,624	202,549
EUR	\$	83	2,813

Dimerco Express Corporation Notes to parent company only Financial Statements

	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>NTD</u>
December 31, 2022			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 6,039	30.7300	185,564
EUR	\$ 672	32.8140	22,067
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	\$ 9,529	30.7300	292,827
EUR	\$ 29	32.814	951

(2) Sensitivity analysis

The Company's exposure to foreign currency risk arises from the foreign currency exchange fluctuations on cash and cash equivalents, accounts receivable, other receivable and accounts payable which are denominated in different foreign currencies. A 3% depreciation of the TWD against the USD and EUR as of December 31, 2023 and 2022 would have increased the net income before tax by \$4,387 thousand for the year ended 2023 and decreased \$(2,584) thousand for the year ended 2022. This analysis assumes that all other variables remain constant and ignores any impact of forecasted sales and purchases.

(3) Exchange gain or loss on monetary items

The amount of exchange gain or loss (both realized and unrealized) on the translation of monetary items into the Company's functional currency for 2023 and 2022 was \$3,259 thousand and \$61,328 thousand, respectively.

4. Interest rate analysis

The Company's interest rate risk on financial assets and financial liabilities is described in Liquidity Risk Management in this Note.

The following sensitivity analysis is based on the non-derivative instruments with exposure to interest rates at the end of the reporting period. For floating-rate liabilities, the analysis is based on an assumption that the amount of a liability outstanding at the balance sheet date is outstanding throughout the year. The sensitivity to a 1% change in interest rate is used when reporting the interest rate risk internally to key management personnel and also represents the management's assessment of the reasonably possible change in interest rates.

If interest rates had increased or decreased by 1%, the Company's net income before tax would have decreased or increased by approximately \$1,800 thousand and \$4,300 thousand for the years ended December 31, 2023 and 2022, respectively, with all other variables remaining constant. This is mainly due to the Company's borrowings at floating interest rates.

Dimerco Express Corporation Notes to parent company only Financial Statements

5. Information on fair value

The Company's management believes that the carrying amounts of the Company's financial assets and financial liabilities measured at amortized cost in the parent company only financial statements are similar to their fair values.

(1) Types and fair values of financial instruments

The carrying amounts and fair values of the Company's financial assets and liabilities (including fair value hierarchy information, except for financial instruments not carried at fair value whose carrying amounts are a reasonable approximation of fair value and lease liabilities for which disclosure of fair value information is not required) are presented as follows:

	2023.12.31				
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through other comprehensive income (FVOCI)					
Domestic and foreign unlisted stocks	\$ 390	-	-	390	390
Financial assets at amortized cost					
Cash and cash equivalents	282,288	-	-	-	-
Notes receivable and accounts receivable (including related parties)	230,845	-	-	-	-
Other receivables - related parties	204,939	-	-	-	-
Restricted time deposits	3,660	-	-	-	-
Guarantee deposits paid	5,649	-	-	-	-
Subtotal	<u>727,381</u>	-	-	-	-
Total	<u>\$ 727,771</u>	-	-	<u>390</u>	<u>390</u>
Financial liabilities at amortized cost					
Bank borrowings	\$ 180,000	-	-	-	-
Notes payable and accounts payable (include related parties)	108,283	-	-	-	-
Other payables (include related parties)	132,170	-	-	-	-
Long-term payable - related parties	225,121	-	-	-	-
Guarantee deposits received	115	-	-	-	-
Lease liabilities	6,883	-	-	-	-
Dividends payable	12,953	-	-	-	-
Total	<u>\$ 665,525</u>	-	-	-	-

Dimerco Express Corporation Notes to parent company only Financial Statements

	2022.12.31				
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through other comprehensive income (FVOCI)					
Domestic and foreign unlisted stocks	\$ 390	-	-	390	390
Financial assets at amortized cost					
Cash and cash equivalents	219,733	-	-	-	-
Notes receivable and accounts receivable (including related parties)	397,598	-	-	-	-
Other receivables - related parties	229,266	-	-	-	-
Restricted time deposits	3,660	-	-	-	-
Guarantee deposits paid	6,267	-	-	-	-
Subtotal	856,524	-	-	-	-
Total	\$ 856,914	-	-	390	390
Financial liabilities at amortized cost					
Bank borrowings	\$ 430,000	-	-	-	-
Notes payable and accounts payable (include related parties)	175,910	-	-	-	-
Other payables (include related parties)	368,243	-	-	-	-
Long-term payable - related parties	225,514	-	-	-	-
Guarantee deposits received	117	-	-	-	-
Lease liabilities	11,326	-	-	-	-
Dividends payable	20,665	-	-	-	-
Total	\$ 1,231,775	-	-	-	-

(2) Fair value measurement techniques for financial instruments at fair value - Non-derivative financial instruments

The fair value of equity instruments held by the Company that are not publicly quoted is estimated using market comparable company method. The main assumptions used to measure fair value are based on the net profit after tax or net equity of the investee and the earnings or net equity multiplier derived from the quoted market prices of comparable listed companies. The estimate is adjusted for the discount effect of the lack of marketability on the equity securities. Because the amount of equity investments for which the Company uses the market comparable company method to estimate the fair value is not material, the Consolidated Company does not disclose the quantitative information.

(3) Fair value hierarchy

In measuring its assets and liabilities, the Company uses market observable input values whenever possible. The fair value hierarchy is categorized based on the input values used in the valuation techniques as follows:

- A. Level 1: Publicly quoted prices (unadjusted) in active markets for identical assets or liabilities.
- B. Level 2: Input parameters of the asset or liability are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices), other than those included in publicly quoted prices on Level 1.
- C. Level 3: The input parameters of the asset or liability are not based on observable market data (unobservable parameters).

Dimerco Express Corporation Notes to parent company only Financial Statements

No transfers between fair value hierarchy levels occurred in the Company

(4) Schedule of changes in Level 3

	Equity instruments without public quotes
December 31, 2023 (i.e., balance as of January 1, 2023)	<u><u>\$ 390</u></u>
December 31, 2022 (i.e., balance as of January 1, 2022)	<u><u>\$ 390</u></u>

(XVIII) Financial risk management

1. Summary

The Company is exposed to the risks below due to the use of financial instruments:

- (1) Credit risk
- (2) Liquidity risk
- (3) Market risk

This note indicates the Company's exposure to each of the above risks and its objectives, policies, and procedures for risk measurement and management. Please refer to the notes to the parent company only financial statements for more quantitative information.

2. Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The management of the Company is responsible for the developing and managing the risk management policy of the Company and reporting its operating results to the Board periodically.

The formulation of the Company's risk management policy aims to identify and analyze the risks faced by the Company, set appropriate risk limits and control, and monitor risks and observance of risk limits. The risk management policy and system are regularly reviewed to reflect changes in market conditions and the Company's operations. The Company develops a disciplined and constructive control environment through training, management guidelines, and operating procedures, enabling all employees to understand their roles and responsibilities.

The Company's Board of Directors oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company's Board of Directors is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board of Directors.

3. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in financial instruments.

(1) Accounts receivable

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Company's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk. As of December 31, 2023 and 2022, there was no concentration of accounts receivable in a single customer.

Dimerco Express Corporation Notes to parent company only Financial Statements

The Company has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, when available, and in some cases, bank references. Credit limits are established for each customer, which represent the maximum open amount without requiring approval from the corporate governance unit. These limits are reviewed quarterly. Customers that fail to meet the Company's benchmark creditworthiness may transact with the Company only on a prepayment basis.

(2) Investment

The credit risk exposure in the bank deposits is measured and monitored by the Company's finance department. Considering that the Company deals only with banks and other external parties with good credit standing, management is not expecting non-compliance issues and significant credit risk.

(3) Guarantee

The Company's policy is to provide financial guarantees only to those subsidiaries in which the Company holds more than 50% of the shares. For information on the Company's endorsement/ guarantee as of December 31, 2023, please refer to Note 13.

4. Liquidity risk

Liquidity risk is the risk arising when the Company cannot deliver cash or other financial assets to settle financial liabilities and fails to fulfill relevant obligations. The Company's approach to managing liquidity is to ensure, as much as possible, that the Company, under normal circumstances and pressure, has sufficient liquidity to cover its liabilities as they fall due, without resulting in a risk of incurring unacceptable losses or causing damage to the Company's reputation.

In general, the Company does have sufficient cash to meet its expected operating expense requirements for 60 days, including the payment for financial obligations, excluding any potential effects that cannot be reasonably anticipated under extreme circumstances, such as: natural disasters.

5. Market risk

Market risk refers to the risk that affects the Company's revenue or the value of financial instruments held due to changes in market prices, such as changes in exchange rates, interest rates, or equity instrument prices. The purpose of market risk management is to control the exposure to market risks within a range of tolerance and optimize return on investment.

(1) Exchange rate risk

The Company's exposure to currency risk is on revenue and costs that are denominated in a currency other than the respective functional currencies of the Company. The functional currency of the Company is the New Taiwan Dollars. The currency used in these transactions is denominated in US Dollars.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Company ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

(2) Exchange rate risk

The Company's policy is to ensure that the interest rate for its borrowings is close to the market rate. The Company periodically reviews the interest rate range with banks. Given that market interest rates do not have significant changes, the change in interest rates is not considered to be material to cash flow risk.

Dimerco Express Corporation Notes to parent company only Financial Statements

(XIX) Capital management

The Board of Directors of the Company's policy is to maintain a strong capital base in order to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of the Company's share capital, capital surplus and retained earnings. The Board of Directors monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Company's return on capital is targeted to be between 5% and 20%.

The Company has not changed its capital management strategy as of December 31, 2023.

(XX) The investing and financing activities on non-cash transactions

The Company's investing and financing activities on non-cash transactions for the years ended 2023 and 2022 were as follows:

Acquisition of right-of-use assets by lease, please refer to Note 6(5).

Reconciliation of liabilities arising from financing activities were as follows:

	<u>2023.1.1</u>	<u>Cash flows</u>	<u>Non-cash changes</u>	<u>2023.12.31</u>
Short-term borrowings	\$ 430,000	(250,000)	-	180,000
Lease liabilities	11,326	(5,496)	1,053	6,883
Total amount of the liabilities arising from financing activities	<u>\$ 441,326</u>	<u>(255,496)</u>	<u>1,053</u>	<u>186,883</u>

	<u>2022.1.1</u>	<u>Cash flows</u>	<u>Non-cash changes</u>	<u>2022.12.31</u>
Short-term borrowings	\$ 676,592	(246,592)	-	430,000
Lease liabilities	12,139	(11,556)	10,743	11,326
Total amount of the liabilities arising from financing activities	<u>\$ 688,731</u>	<u>(258,148)</u>	<u>10,743</u>	<u>441,326</u>

VII. Related Party Transactions

(I) Names and relationship with related parties

The following are the related parties that have had transactions with the Company and the Company's subsidiaries during the periods covered in the financial statements:

<u>Name of related parties</u>	<u>Relationship with the Company</u>
Dimerco Interational Logistic Corp. (DIL)	Subsidiary of the Company
Dimerco Express Holding Co., Ltd. (Holding)	//
Diversified Freight System Corp. (DFSTW)	//
Dimerco Express (Singapore) Pte Ltd. (DIMSG)	//
Foreign Settlement Co., Ltd. (FSC)	//
Foerign Settlement Co., Ltd. (FSCHK)	//
Diversified International Logistics Co., Ltd.(DILTW)	//
Dimerco Air Forwarders (HKG) Ltd. (DIMHK)	//
Dimerco Express (U.K.) Ltd. (DIMGB)	//
Dimerco Express (U.S.A.) Corp. (DIMUS)	//
Global Marketing System Co., Ltd. (GMS)	//

Dimerco Express Corporation Notes to parent company only Financial Statements

<u>Name of related parties</u>	<u>Relationship with the Company</u>
Dimerco Logistics (Shanghai) Co., Ltd. (DILSHA)	"
Diversified International Transportation (Shanghai) Co., Ltd. (DIMCN)	Subsidiary of the Company
Dimerco International Logistics (Shenzhen) Co., Ltd. (DILSZX)	"
Dimerco Zhongjing Int'l Express Co., Ltd. (ZJDCN)	"
Dimerco Vietfracht (JV) Co., Ltd. (DIMVN)	"
Dimerco Express (Thailand) Corp. Ltd. (DIMTH)	"
Dimerco Express Phils. Inc. (DIMPH)	"
Dimerco Express (Australia) Pty Ltd (DIMAU)	"
Dimerco Express (Korea) Corp. (DIMKR)	"
Dimerco Express (Canada) Corp. (DIMCA)	"
Diversified International Service Logistics System Corporation (DSLUS)	"
Dimerco Express (Malaysia) Sdn. Bhd. (DIMMY)	"
Dimerco Express Netherlands B.V. (DIMNL)	"
Diversified Freight System Ltd. (DFSHK)	"
Diversified Transportation (HK & China) Co., Ltd. (DTLHK)	"
Diversified International Transportation (Shanghai) Co., Ltd. (DFSCN)	"
Diversified Transportation (China) Co., Ltd. (DTLCN)	"
Dimerco Customs Brokerage Co. Ltd (DCBUS)	"
Dimerco Express (India) Pte Ltd. (DIMIN)	"
Peerless Express Forwarders Corp.	"
Diversified International Logistics (Shanghai) Co., Ltd.	"
Diversified Freight System (Singapore) Pte. Ltd (DFSSG)	"
Diversified International Logistics (Shenzhen) Co., Ltd. (DILYTN)	"
Diversified International Logistics Ptd Ltd (DILSG)	"
B.C. Logistic, LLC	"
Dimerco International Logistice Company (DILHK)	"
Diversified Merchandise Company Limiad (DMCHK)	"
Global SCM Company Limited (GSCHK)	"
Diversified Freight System Philippines Corporation (DFSPH)	"
ITG Air & Sea GmbH (ITG GmbH)	Associates

Dimerco Express Corporation Notes to parent company only Financial Statements

(II) Significant related-party transactions

1. Operating incomes

The amounts of significant sales transactions and outstanding balances between the Company and related parties were as follows:

	<u>2023</u>	<u>2022</u>
Subsidiary		
DIMUS	\$ 131,806	376,210
DIMCN	61,886	155,344
DFSCN	50,339	80,583
Other subsidiaries	311,431	372,326
Associates	<u>352</u>	<u>1,285</u>
	<u>\$ 555,814</u>	<u>985,748</u>

The aforesaid revenues were derived from the Company's export freight forwarding and LCL consolidation businesses, which the Company entrusted to its affiliate in the destination to collect and transfer the business from Company's customers to the Company.

The terms and conditions under which the Company engages its affiliates to collect and transfer the revenue from the Company's contracts are the same as those under which the Company engages other agents.

2. Payment collection on behalf of the Company, freight expenses (recognized as a deduction from operating income)

	<u>2023</u>	<u>2022</u>
Subsidiary		
DIMCN	\$ 114,604	188,897
FSCHK	22,975	184,559
DIMUS	93,427	172,121
DIMKR	49,748	171,843
ZJDCN	73,088	105,621
DIMHK	62,109	81,830
Other subsidiaries	192,747	234,437
Associates	<u>8,904</u>	<u>13,899</u>
	<u>\$ 617,602</u>	<u>1,153,207</u>

The aforesaid revenue is generated from the import freight forwarding business. The Company was commissioned by an affiliate in the exporting country to collect the contract revenue from its customers and transfer it to that affiliate.

The terms and conditions under which the Company is entrusted by its related parties to collect and transfer revenue from their contracts are the same as those under other freight contracts.

Dimerco Express Corporation Notes to parent company only Financial Statements

3. Accounts receivable from related parties

The amounts of accounts receivable between the Company and related parties were as follows:

<u>Account in the book</u>	<u>Type of related party</u>	<u>2023.12.31</u>	<u>2022.12.31</u>
Accounts receivable	Subsidiary		
	DIMUS	\$ 11,555	22,880
	DIMCN	5,962	11,886
	DFSCN	8,805	12,766
	DIMMY	1,565	1,565
	ZJDCN	10,357	8,211
	DIMGB	445	961
	DIMSG	16,313	5,272
	DIMPH	1,625	8,559
	DIMHK	2,362	8,261
	DIMTH	1,834	4,653
	Other subsidiaries	8,324	5,308
	Associates	16	23
		<u>\$ 69,163</u>	<u>90,345</u>

4. Accounts payable to related parties

The amounts of accounts payables between the Company and related parties were as follows:

<u>Account in the book</u>	<u>Type of related party</u>	<u>2023.12.31</u>	<u>2022.12.31</u>
Accounts payable	Subsidiary		
	DIMCN	\$ 8,300	14,658
	FSCHK	-	52,855
	DIMUS	3,024	14,588
	DIMKR	1,741	8,147
	ZJDCN	5,241	9,418
	DIMMY	1,263	4,193
	DIMHK	4,807	8,971
	DIMSG	3,581	6,513
	GSCHK	7,415	-
	Other subsidiaries	3,992	6,777
	Associates	2,744	324
		<u>\$ 42,108</u>	<u>126,444</u>

Dimerco Express Corporation Notes to parent company only Financial Statements

5. Management and information system service consulting income

The Company entered into the consulting contracts for management and information system services with its affiliates to provide the affiliates with marketing and information system development services. The Company also paid the related expenses on behalf of the affiliates. The Company received management fee income of \$94,337 thousand and \$126,124 thousand from FSCHK for the aforesaid transactions in 2023 and 2022, respectively, which were recognized as a deduction of management fee in the years ended December 31, 2023 and 2022. For 2023 and 2022, the consulting income from information system services received from subsidiaries amounted to \$195,630 thousand and \$404,271 thousand, respectively, and was recorded as other income, as follows:

	<u>2023.12.31</u>	<u>2022.12.31</u>
Subsidiary		
DIMUS	\$ 39,967	90,115
DIMCN	39,043	83,464
ZJDCN	53,479	76,701
DFSCN	21,027	75,932
Other subsidiaries	42,114	78,059
	<u>\$ 195,630</u>	<u>404,271</u>

6. Other receivables

The Company's management and information system service consulting income from related parties and other receivables from the collection and payment services on behalf of its subsidiaries are as follows:

<u>Account in the book</u>	<u>Type of related party</u>	<u>2023.12.31</u>	<u>2022.12.31</u>
Other receivables	Subsidiary		
	DIMCN	\$ 45,474	63,833
	DFSCN	41,277	72,737
	ZJDCN	73,821	92,696
	FSCHK	31,194	-
	DILTW	13,173	-
		<u>\$ 204,939</u>	<u>229,266</u>

7. Long-term financing arrangement (recorded as long-term accounts payable - related parties)

The Company's financing arrangements to related parties are as follows:

	<u>2023.12.31</u>	<u>2022.12.31</u>
Subsidiary		
FSC	\$ 119,550	119,550
Holding	26,066	26,066
	<u>\$ 145,616</u>	<u>145,616</u>

Dimerco Express Corporation Notes to parent company only Financial Statements

8. Payments collected and made on behalf of subsidiaries

- (1) The Company received \$48,926 thousand and \$49,168 thousand (both in US\$1,600 thousand) on behalf of its subsidiary, FSC, as of December 31, 2023 and 2022, respectively, which were recognized as long-term accounts payable - related parties.
- (2) DIMHK, the subsidiary of the Company, made payments of \$30,579 thousand and \$30,730 thousand (both in US\$1,000 thousand) on behalf of the Company as of December 31, 2023 and 2022, respectively, which were recognized as long-term accounts payable - related parties.
- (3) For 2022, amounts of \$948 thousand, respectively, were recorded as other payables - related parties due to payments collected and made by the Company on behalf of subsidiary, DILTW.

9. Advance receipts - related parties

The following is a summary of the amounts received from related parties for advance management service fees:

<u>Account in the book</u>	<u>Type of related party</u>	<u>2023.12.31</u>	<u>2022.12.31</u>
Advance receipts - related parties	Subsidiary		
	FSCHK	\$ 104,896	104,896
Long-term advance receipts - related parties (recognized in other non-current liabilities)	Subsidiary		
	FSC	718,191	717,883
	FSCHK	4,125,192	2,684,525
		<u>4,843,383</u>	<u>3,402,408</u>
		<u>\$ 4,948,279</u>	<u>3,507,304</u>

10. Endorsement/guarantee

The Company provided guarantees to its subsidiaries for the performance of freight forwarding contracts as of December 31, 2023 and 2022, of which \$4,321 thousand and \$5,019 thousand, respectively, were provided by the banks.

(III) Key management personnel compensation

Key management personnel compensation includes:

	<u>2023</u>	<u>2022</u>
Short-term employee benefits	\$ 81,945	49,916
Post-employment benefits	-	787
	<u>\$ 81,945</u>	<u>50,703</u>

Dimerco Express Corporation Notes to parent company only Financial Statements

VIII. Pledged Assets

The carrying values of pledged assets were as follows:

Pledged assets	Object	2023.12.31	2022.12.31
Time deposits (recognized in other non-current assets)	Customs duties guarantee	\$ 3,000	3,000
Time deposits (recognized in other non-current assets)	Collaterals to banks for the guarantee performance of freight forwarding business of the Company's subsidiaries.	660	660
Property, plant and equipment: Land	Collaterals to banks for long-term and short-term bank borrowings, and performance guarantees for the Company and its subsidiaries engaged in freight forwarding business.	-	41,792
Buildings	"	-	15,416
		\$ 3,660	60,868

IX. Material Contingent Liabilities and Unrecognized Contractual Commitments

- (I) The Company provided certificates of deposit and premises collaterals to banks as performance guarantee for freight forwarding contracts as of December 31, 2023 and 2022. The amount of guarantee provided by banks for performance guarantee was \$0 thousand and \$193,000 thousand, respectively, and the amount used was \$0 thousand and \$81,725 thousand, respectively.
- (II) The Company issued \$1,700 thousand and \$1,700 thousand of guarantee notes for freight forwarding business as of December 31, 2023 and 2022; in addition, the Company paid \$3,000 thousand of customs duty for freight forwarding business as of both December 31, 2023 and 2022.

X. Major Disaster Loss: None

XI. Material Events After the Balance Sheet Date: None

XII. Others

A summary of current-period employee benefits, depreciation, and amortization, by function, is as follows:

By Nature	2023			2022			
	By Function	Attributable to operating costs	Attributable to operating expenses	Total	Attributable to operating costs	Attributable to operating expenses	Total
Employee benefits expenses							
Salaries and wages		10,266	146,867	157,133	16,938	365,205	382,143
Labor insurance and national health insurance		-	16,805	16,805	-	16,269	16,269
Pension expenses		-	6,344	6,344	-	6,388	6,388
Remuneration to directors		-	15,942	15,942	-	42,071	42,071
Other employee benefits		-	7,488	7,488	-	8,499	8,499
Depreciation expense		-	9,125	9,125	-	15,430	15,430
Amortization expense		-	345	345	-	122	122

Dimerco Express Corporation Notes to parent company only Financial Statements

Additional information on the number of employees and employee benefit expenses for the years ended December 31, 2023 and 2022 are summarized below:

	2023	2022
Number of employees	144	147
Number of directors who were not employees	7	7
The average employee benefit	\$ 1,371	2,952
The average salaries and wages	\$ 1,147	2,730
Changes of the average salaries and wages	(57.99)%	(14.04)%
Remuneration to supervisor	\$ -	-

The Company's salary and remuneration policies (including directors, supervisors, managers, and employees) are as follows:

The Company's Articles of Incorporation stipulate that if the Company has a profit at the end of the year ("profit" refers to the pre-tax income before deducting the amount of employee compensation and remuneration to directors and supervisors), it shall allocate no less than 5% of the profit to the employee compensation and no more than 5% of the same to the remuneration to directors and supervisors. However, that the Company shall first reserve a sufficient amount to compensate its accumulated deficits (including the adjusted amount of undistributed earnings). The employee compensation may be made in the form of stock or cash. Those employees may include the employees of parents or subsidiaries of the company meeting certain specific requirements. Remuneration to directors and supervisors may only be made in cash. The employee compensation and remuneration to directors and supervisors shall be resolved by the Board of Directors and reported to the shareholders' meeting.

XIII. Additional Disclosures

(I) 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 Company for the year ended December 31, 2023:

1. Loans to other parties:

Number	The lender of funds	The borrower of funds	Accounting title	Related parties or not	Maximum amount for the current year	Ending balance	Actual amounts drawn	Interest rate range	Purposes of funds financing for the borrower (note 1)	Amount of business transactions	Reasons for the necessity of short-term financing	Amount of allowance for bad debts	Collateral		The limit for individual funds financing (Note 2)	The maximum limit of funds financing (Note 2)
													Name	Value		
1	HOLDING	The Company	Payments due from related parties	Yes	26,066	26,066	26,066	-	2	-	Working capital	-		-	296,423	1,185,694
2	FSC	The Company	Payments due from related parties	Yes	119,550	119,550	119,550	-	2	-	Working capital	-		-	136,317	545,269

Note 1:

- (1) Those with business contact, please fill in 1.
- (2) Those necessary for short term financing, please fill in 2.

Note 2: In accordance with the "Procedures for Lending Funds to Others" stipulated by the Company, the total amount of funds lent to others by the Company or its subsidiaries shall not exceed 40% of the lender's net worth, and the amount of funds lent to a single enterprise shall not exceed 10% of the lender's net worth.

2. Endorsements/guarantees for other parties:

Number	The company providing the endorsement and/or guarantee	The party receiving the endorsement and/or guarantee		Endorsement/guarantee limit for a single entity (Note 2)	Maximum endorsement and guarantee balance of current period	Endorsement and guarantee balance by the end of the period	Actual amounts drawn	The endorsements and/or guarantees secured with property	Total endorsements and guarantees as a percentage of equity in the most recent financial statement	The ceiling amount of endorsement/guarantee (Note 2)	Guarantee and endorsement of parent company to subsidiary	Guarantee and endorsement by subsidiary to parent company	The endorsement/guarantee for China
		Company	Relationship (Note 1)										
0	The Company	DIMVN	2	285,768	5,972	4,434	4,434	4,434	0.08%	571,536	Y	N	N
0	The Company	DIMIN & DIMTH	2	285,768	323	311	311	311	0.01%	571,536	Y	N	N
0	The Company	DILTW	2	285,768	250	250	250	250	-	571,536	Y	N	N

Note 1: The relationship between the entity for which the endorsement/guarantee is made and the Company:

Dimerco Express Corporation Notes to parent company only Financial Statements

- The Company has business relationship.
- Subsidiaries in which the Company directly holds more than 50 percent of its voting shares.
- An investee in which the Company and subsidiary holds more than 50 percent of its voting shares.
- Subsidiaries in which the Company directly holds more than 90 percent of its voting shares.
- Where company that fulfill 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.
- Where all capital contributing shareholders make endorsements/ guarantees for their jointly invested company in proportion to their shareholding percentages.
- Where companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other

Note 2: In accordance with the "Procedures for Endorsement and Guarantees" stipulated by the Company, the total amount of the endorsement and guarantee provided by the Company shall not exceed 40% of the Company's paid-in capital, and the endorsement and guarantee provided to a single enterprise shall not exceed 20% of the Company's paid-in capital.

3. Securities held as of December 31, 2023 (excluding investment in subsidiaries, associates and joint ventures):

Companies held	Types and names of marketable securities	Relationship with the securities issuer	Account in the book	End of the period				Remarks
				Number of shares	Carrying amount	Shareholding ratio (%)	Fair value (Note 1)	
The Company	Stock: 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 SERVICES CORPORATION	—	Financial assets at fair value through other comprehensive income - Non-current	29,000	290	0.02 %	290	
DIMSG	Burwill Holdings Ltd.	—	Financial assets at fair value through other comprehensive income - Non-current	22,000	19	-	19	
DIMSG	Stamford Land	—	Financial assets at fair value through other comprehensive income - Non-current	5,000	40	-	40	

Note 1: Financial assets at fair value through other comprehensive income - non-current are measured at their net worth or carrying amount at the end of the reporting period because they were not traded in the open market.

- Individual securities acquired or disposed of with accumulated amount exceeding the lower of \$300 million or 20% of the Company's paid-in capital: None
- Acquisition of individual real estate with amount exceeding the lower of \$300 million or 20% of the Company's paid-in capital: None
- Disposal of individual real estate with amount exceeding the lower of \$300 million or 20% of the Company's paid-in capital: None
- The purchase or sale of goods from related parties with amounts exceeding the lower of \$100 million or 20% of the Company's paid-in capital:

Name of the company	Counterparty name	Relationship	Transactions				Trading terms different from general trade and reasons		Notes/accounts receivable (payable)		Remarks
			Purchase/ Sale	Amount	Percentage of total purchases/ sales	The credit period	Unit price	The credit period	Balance	Percentage of total notes/ accounts receivable (payable)	
The Company	DIMUS	Sub-subsidiary	(Sales)	131,806	10.26 %	(Note 1)	-		11,555	3%	
DIMUS	The Company	Sub-subsidiary	Purchase	(131,806)	4.15 %	(Note 1)	-		(11,555)	(3)%	
DIMCN	The Company	Sub-subsidiary	(Sales)	114,604	(Note 2)	(Note 1)	-		(8,300)	(2)%	
The Company	DIMCN	Sub-subsidiary	Purchase	(114,604)	(Note 2)	(Note 1)	-		8,300	-%	
DIMKR	DIMUS	Subsidiary and sub-subsidiary	(Sales)	255,212	36.21 %	(Note 1)	-		30,204	42%	
DIMUS	DIMKR	Subsidiary and sub-subsidiary	Purchase	(255,212)	8.03 %	(Note 1)	-		(30,204)	(9)%	
GSCHK	ZJDCN	Subsidiary and sub-subsidiary	(Sales)	152,482	15.12 %	(Note 1)	-		74,072	19%	
ZJDCN	GSCHK	Subsidiary and sub-subsidiary	Purchase	(152,482)	3.30 %	(Note 1)	-		(74,072)	(12)%	
DIMCN	DIMUS	Subsidiary and sub-subsidiary	(Sales)	354,205	12.73 %	(Note 1)	-		25,601	6%	
DIMUS	DIMCN	Subsidiary and sub-subsidiary	Purchase	(354,205)	11.14 %	(Note 1)	-		(25,601)	(8)%	

Dimerco Express Corporation Notes to parent company only Financial Statements

Name of the company	Counterparty name	Relationship	Transactions				Trading terms different from general trade and reasons		Notes/accounts receivable (payable)		Remarks
			Purchase/ Sale	Amount	Percentage of total purchases/ sales	The credit period	Unit price	The credit period	Balance	Percentage of total notes/ accounts receivable (payable)	
GSCHK	DIMUS	Subsidiary and sub-subsidiary	(Sales)	148,223	14.70 %	(Note 1)	-		3,580	1%	
DIMUS	GSCHK	Subsidiary and sub-subsidiary	Purchase	(148,223)	4.66 %	(Note 1)	-		(3,580)	(1)%	
GSCHK	DIMCN	Subsidiary and sub-subsidiary	(Sales)	105,188	10.43 %	(Note 1)	-		122,331	31%	
DIMCN	GSCHK	Subsidiary and sub-subsidiary	Purchase	(105,188)	4.42 %	(Note 1)	-		(122,331)	(59)%	
ZJDCN	DIMCN	Subsidiary and sub-subsidiary	(Sales)	691,718	13.72 %	(Note 1)	-		47,245	5%	
DIMCN	ZJDCN	Subsidiary and sub-subsidiary	Purchase	(691,718)	29.06 %	(Note 1)	-		(47,245)	(23)%	

Note 1: The purchase (sales) prices are calculated based on the market price, there is no material difference in the terms of receipt (payment) between the general vendors and customers.

Note 2: Freight received and paid on behalf of others is recognized as a deduction from operating income, not the cost of revenue, and therefore is not included in the calculation of the percentage of total purchases (sales).

8. Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the Company's paid-in capital:

The company booked in the receivables	Counterparty name	Relationship	Ending balance of receivables from related parties	Turnover rate	Overdue receivables from related parties		Amounts received in subsequent period	Provision for loss allowance
					Amount	Process		
FSC	The Company	Subsidiary of the Company	168,476 (Note 1)	-	-		-	-
FSC	DIL	Subsidiary	216,717 (Note 2)	-	-		-	-
GSCHK	DIMCN	Subsidiary	122,331 (Note 3)	9.02	-		16,809	-
GSCHK	FSCHK	Subsidiary	119,242 (Note 4)	-	-		-	-

Note 1: The amount was \$119,550 thousand for financing arrangement and \$48,926 thousand for accounts receivable on behalf of others.

Note 2: It is the other accounts receivable paid on behalf of others.

Note 3: It refers to accounts receivable of \$23,302 thousand and receivables of \$99,029 thousand (paid on behalf of others).

Note 4: It refers to receivables (paid on behalf of others).

9. Trading in derivative instruments: None

(II) Information on investees:

The following is the information on investees for the year ended December 31, 2023 (excluding information on investees in Mainland China):

Investor	Investee	Location	Main business	Original investment amount		Holding, end of period			Profit or loss of the investee for the period (Note 2)	Share of profits/ losses of investee (Note 2)	Remarks
				End of the period	The end of last year	Number of shares	Percentage of ownership	Carrying amount (Note 2)			
The Company	Taiwan Ben Line Integrated Logistics and Agencies Ltd.	Taiwan	Ocean freight forwarding	15,444	15,444	1,200,000	99%	754,751	12,395	12,395	
The Company	HOLDING	Bermuda	Holding company	164,845	164,845	3,089,000	100%	2,964,234	328,282	328,282	
The Company	DIMSG	Singapore	Ocean and air freight forwarding, distribution and warehousing	132,266	132,266	5,400,000	100%	549,026	(44,865)	(44,865)	
The Company	DIL	BVI Suzhou	Holding company	472,313	472,313	(Note 1)	100%	4,760,869	566,809	566,809	
The Company	FSC	BVI Suzhou	Central account settlement	315	315	10,000	20%	272,635	365	73	
The Company	FSCHK	Hong Kong	Central account settlement	236	236	7,500	15%	741,765	13,620	2,043	
The Company	ITG GmbH	Germany	Ocean and air freight forwarding	183,547	183,547	6,275	25%	219,034	106,620	26,655	
The Company	DILTW	Taiwan	Distribution and warehousing	8,000	8,000	800,000	80%	11,548	4,229	3,383	
The Company	DFSSG	Singapore	Distribution and warehousing	13,482	13,482	600,000	100%	43,528	2,052	2,052	
The Company	DILHK	Hong Kong	Distribution and warehousing	-	-	-	100%	45,705	(5,256)	(5,256)	
The Company	DILSG	Singapore	Distribution and warehousing	4,215	4,215	-	100%	286	(1,820)	(1,820)	
The Company	DIMMY	Malaysia	Ocean and air freight forwarding	65,516	65,516	250,000	100%	189,287	(2,212)	(2,212)	
The Company	DTLHK	Hong Kong	Transportation	41,076	41,076	89,000	100%	52,067	1,759	1,759	
Taiwan Ben Line Integrated Logistics and Agencies Ltd.	FSCHK	Hong Kong	Central account settlement	235	235	7,500	15%	676,311	13,620	2,043	
Taiwan Ben Line Integrated Logistics and Agencies Ltd.	DILTW	Taiwan	Distribution and warehousing	2,000	2,000	200,000	20%	2,887	4,229	846	
DIL	DIMUS	U.S.A.	Ocean and air freight forwarding	238,686	238,686	4,961,000	100%	1,060,137	92,179	92,179	
DIL	DIMGB	United Kingdom	Ocean and air freight forwarding	12,589	12,589	300,000	37%	(17,256)	(9,379)	(3,517)	

Dimerco Express Corporation Notes to parent company only Financial Statements

Investor	Investee	Location	Main business	Original investment amount		Holding, end of period			Profit or loss of the investee for the period (Note 2)	Share of profits/ losses of investee (Note 2)	Remarks
				End of the period	The end of last year	Number of shares	Percentage of ownership	Carrying amount (Note 2)			
DIL	GMS	Hong Kong	Distribution and warehousing	-	-	-	100%	3,717,988	478,146	478,146	
DMCHK	DIMHK	Hong Kong	Ocean and air freight forwarding, distribution and warehousing	427,348	427,348	300,000	99%	3,495,406	43,946	43,942	
DMCHK	DFSHK	Hong Kong	Ocean freight forwarding	25,393	25,393	71,000	99%	2,007,167	37,650	37,646	
GMS	DIMPH	Philippines	Ocean and air freight forwarding	38,399	38,399	180,000	60%	3,821,251	791,297	474,778	
DIMUS	DCBUS	U.S.A.	Custom brokerage	13,532	13,532	1,000	100%	46,772	4,208	4,208	
DIMUS	B.C. Logistic, LLC	U.S.A.	Freight forwarding	54,103	54,103	-	85%	17,742	(2,759)	(2,345)	
DIMHK	FSC	BVI Suzhou	Central account settlement	954	954	30,000	60%	817,905	365	219	
DIMHK	DIMVN	Vietnam	Freight forwarding	2,090	2,090	-	75%	34,380	(7,674)	(5,755)	
DIMHK	FSCHK	Hong Kong	Central account settlement	550	550	17,500	35%	1,578,157	13,620	4,767	
DMCHK	GSCHK	Hong Kong	Central account settlement	-	-	-	100%	736,846	750,754	750,754	
DIMSG	FSC	BVI Suzhou	Central account settlement	318	318	10,000	20%	272,635	365	73	
DIMSG	DIMIN	India	Freight forwarding	17,595	5,303	960,000	100%	32,862	7,896	7,896	
HOLDING	DIMTH	Thailand	Ocean and air freight forwarding	7,642	7,642	735,000	49%	63,310	(5,057)	(2,478)	
HOLDING	DIMPH	Philippines	Ocean and air freight forwarding	4,026	4,026	120,000	40%	2,546,479	791,297	316,519	
HOLDING	DIMAU	Australia	Ocean and air freight forwarding	16,460	16,460	60,000	100%	(28,378)	785	785	
HOLDING	DIMKR	Korea	Ocean and air freight forwarding	19,386	19,386	120,000	100%	129,743	11,775	11,775	
HOLDING	DIMCA	Canada	Air freight forwarding	15,646	15,646	-	100%	214,586	9,831	9,831	
HOLDING	DIMNL	Netherlands	Ocean and air freight forwarding	11,644	11,644	1,000	100%	40,273	5,950	5,950	
HOLDING	DSLUS	U.S.A.	Distribution and warehousing	15,840	15,840	50,000	100%	23,891	(7,538)	(7,538)	
DIMPH	Peerless Express Forwarders Corp.	Philippines	Freight forwarding	954	954	1,600,000	40%	-	1,693	677	
DIMPH	DFSPH	Philippines	Freight forwarding	5,231	5,231	96,700	91%	13,265	(886)	(803)	
DIMPH	DMCHK	Hong Kong	Central account settlement	5,382,655	5,382,655	-	100%	6,239,419	832,351	832,351	
DFSSG	DFSPH	Philippines	Freight forwarding	541	541	10,000	9%	1,312	(886)	(83)	
DFSHK	FSCHK	Hong Kong	Central account settlement	566	566	17,500	35%	1,578,157	13,620	4,767	
FSCHK	DIMGB	United Kingdom	Ocean and air freight forwarding	20,126	20,126	500,000	63%	(10,564)	(9,379)	(5,862)	

Note 1: It is a limited liability company.

Note 2: The carrying amount and the investment gain or loss recognized in the current period were based on the financial statements audited by CPAs for the same period.

(III) Information on investment in mainland China:

1. The names of investees in Mainland China, the main businesses and products, and other information:

Unit: Thousand dollars

Names of investees in mainland China	Main business	Paid-in capital	Type of investment method (Note 1)	Accumulated investment amount remitted from Taiwan at the beginning of the period	Amount of investment remitted or recovered during the period		Accumulated investment amount remitted from Taiwan at the end of the period	Profit or loss of the investee for the period	Percentage of ownership of the Company's direct or indirect investments	Investment gains and losses recognized during the period (Note 2)	Investment carrying value at the end of the period (Note 2)	Investment income remitted back as of the end of the period
					Outward remittance	Recover						
Dimerco Zhongjing Int'l Express Co., Ltd.	Provide international transportation services for import and export cargo by ocean and air	54,928	(II)	27,582 (USD902)	-	-	27,582 (USD902)	(8,338)	75%	(6,254)	123,913	-
Dimerco Logistics (Shanghai) Co., Ltd.	Distribution and warehousing	5,970	(II)	6,116 (USD200)	-	-	6,116 (USD200)	636	99%	636	(55,959)	-
Diversified International Transportation (Shanghai) Co., Ltd.	Provide international transportation services for import and export cargo by ocean and air	163,377	(II)	-	-	-	-	29,819	100%	29,819	444,564	-
Dimerco International Logistics (Shenzhen) Co., Ltd.	Distribution and warehousing	10,958	(II)	-	-	-	-	(109)	100%	(109)	(18,902)	-
Diversified International Transportation (Shanghai) Co., Ltd.	Provide international transportation services for import and export cargo by ocean	59,777	(II)	-	-	-	-	35,022	100%	35,022	361,432	-
Diversified Transportation (China) Co., Ltd.	Transportation	29,802	(II)	-	-	-	-	(351)	100%	(351)	20,925	-
Dalian Yuhang International Transport Agency Co., Ltd.	Ocean and air freight forwarding	38,666	(II)	-	-	-	-	25,401	25%	7,029	27,921	-
Diversified International Logistics (Shanghai) Co., Ltd.	Provide international transportation services for import and export cargo by ocean and air	13,684	(II)	-	-	-	-	3,991	100%	3,991	7,551	-
Diversified International Logistics (Shenzhen) Co., Ltd.	Provide international transportation services for import and export cargo by ocean and air	1,293	(II)	-	-	-	-	-	100%	-	(982)	-

Dimerco Express Corporation Notes to parent company only Financial Statements

Note 1: Investment methods are classified into the following three categories; fill in the number of the category each case belongs to:

- (I) Investing directly in Mainland China.
- (II) Investing the companies in Mainland China through third parties (through their parties in Bermuda and BVI).
- (III) Others.

Note 2: The financial statements were reviewed by an international accounting firm that cooperates with the R.O.C. accounting firm.

2. Limitation on investment in Mainland China:

Unit: Thousand dollars

Accumulated amount of investment from Taiwan to mainland China at the end of the period	Amount of investment approved by the Investment Commission, MOEA (Note 2)	Investment quota for mainland China as stipulated by the Investment Commission, MOEA (Note 1)
33,698 (USD 1,102)	73,390 (USD 2,400)	3,501,622

Note 1: 60% of net equity.

Note 2: The exchange rate as of December 31, 2023 was US\$1.00 to NT\$30.579.

3. Significant transactions:

The significant inter-company transactions with subsidiary in Mainland China for the year ended December 31, 2023, are disclosed in “(1) Information on significant transactions”.

(IV) Information on major shareholders:

Name of principal shareholder	Shares	Number of shares held	Shareholding ratio
MEC ELECTRONICS CORPORATION		7,279,243	5.34%

XIV. Information on Segments

Please refer to the consolidated financial statements as of and for the year ended December 31, 2023.

Dimerco Express Corporation
Statement of cash and cash equivalents
December 31, 2023

Unit: NT\$ thousand
Unit of foreign
currency: Thousand
dollars

Item	Summary	Amount
Cash	Petty cash	<u>\$ 865</u>
Bank deposits	Demand deposit	66,707
	Checking deposit	9,030
	Foreign currency deposit	
	USD3,878, @30.5790	118,540
	EUR1,158, @33.7652	39,081
	Other	50
	Time deposit (interest rate between 1.00%~4.50%, maturity date between 2023.1.28~2023.2.25)	<u>48,015</u>
	Subtotal	<u>281,423</u>
		<u>\$ 282,288</u>

Statement of notes receivables

Name of customer	Summary	Amount	Remarks
Non-related parties:			
Customer A	Operation	\$ 1,395	
Customer B	"	1,288	
Customer C	"	1,128	
Other (Less than 5% of the ending balance)	"	1,860	
Other (Less than 5% of the ending balance)	Non-operation	<u>520</u>	
		<u>\$ 6,191</u>	

Dimerco Express Corporation
Statement of accounts receivable
December 31, 2023

Unit: NT\$ thousand

<u>Name of customer</u>	<u>Summary</u>	<u>Amount</u>	<u>Remarks</u>
Related parties:			
ZJDCN	Operation	\$ 10,357	
DIMCN	"	5,962	
DFSCN	"	8,805	
DIMSG	"	16,313	
DIMUS	"	11,555	
Other (Less than 5% of the ending balance)	"	<u>16,171</u>	
		<u>69,163</u>	
Non-related parties:			
Customer A	Operation	15,774	
Customer B	"	12,579	
Customer C	"	10,165	
Other (Less than 5% of the ending balance)	"	119,699	
Less: Allowance for losses		<u>2,726</u>	
		<u>155,491</u>	
		<u>\$ 224,654</u>	

Statement of other current assets

<u>Item</u>	<u>Summary</u>	<u>Amount</u>	<u>Remarks</u>
Prepaid expenses		\$ 3,725	
Temporary payments		440	
Business tax paid		<u>3,711</u>	
Total		<u>\$ 7,876</u>	

Dimerco Express Corporation
Statement of changes in investment accounted for using the equity method
For the Years Ended December 31, 2023

Unit: NT\$ thousand

Name	Opening balance		Increase in the period		Decrease in the period		Ending balance			Market value or net worth of equity (Note 1)		Provision of guarantees or pledges	Remarks
	Number of shares (in thousands)	Amount	Number of shares (in thousands)	Amount (Note 3)	Number of shares (in thousands)	Amount (Note 4)	Number of shares (in thousands)	Shareholding ratio (%)	Amount	Unit price	Total amount		
Dimerco Express (Singapore) Pte. Ltd.	5,400	\$ 595,797	-	1,444	-	48,215	5,400	100	549,026	101.6710	549,026	None	
Dimerco International Logistics Corporation	(Note 2)	4,169,210	-	591,659	-	-	(Note 2)	100	4,760,869	(Note 2)	4,760,869	None	
Dimerco Express Holding Co., Ltd.	3,089	2,611,570	-	352,664	-	-	3,089	100	2,964,234	959.6096	2,964,234	None	
Diversified Freight System Corp.	1,200	780,479	-	12,720	-	38,448	1,200	99	754,751	628.9590	754,751	None	
Foreign Settlement Co., Ltd.	10	273,908	-	73	-	1,346	10	20	272,635	27,263.4	272,635	None	
Foreign Settlement Co., Ltd. (H.K.)	23.5	743,169	-	2,043	-	3,447	23.5	15	741,765	31,564.4255	741,764	None	
ITG Air&Sea GmbH, Schwaig	6,275	241,671	-	30,985	-	53,622	6,275	25	219,034	34.9058	219,034	None	
Diversified International Logistics Co. Ltd.	800	8,166	-	3,382	-	-	800	-	11,548	14.4363	11,549	None	
Dimerco Express (Malaysia) Sdn. Brd.	250	200,614	-	-	-	11,327	250	100	189,287	757.1480	189,287	None	
Diversified Transportation (HK&China) Co., Ltd.	89	51,239	-	1,759	-	931	89	100	52,067	585.0225	52,067	None	
Diversified Freight System (Singapore) Pte. Ltd.	600	41,085	-	2,443	-	-	600	100	43,528	72.5467	43,528	None	
Dimerco International Logistics Company	-	51,221	-	-	-	5,516	-	100	45,705	-	45,705	None	
Dimerco International Logistics Pte Ltd	-	2,081	-	25	-	1,820	-	100	286	-	286	None	
		<u>\$ 9,770,210</u>		<u>999,197</u>		<u>164,672</u>			<u>10,604,735</u>		<u>10,604,735</u>		

Note 1: The market value was estimated based on the carrying value as of the balance sheet date.

Note 2: It is a limited company.

Note 3: The gain of \$948,007 thousand recognized using the equity method, the actuarial gain or loss of \$325 thousand on the consolidated income, and the translation difference of financial statements of foreign operations of \$50,865 thousand.

Note 4: This includes \$88,622 thousand of cash dividends from investments accounted for under the equity method, \$54,153 thousand of losses recognized under the equity method, \$18,547 thousand of the translation difference of financial statements of foreign operations, and \$3,350 thousand of a decrease in the capital surplus.

Dimerco Express Corporation
Statement of short-term borrowings
December 31, 2023

Unit: NT\$ thousand

<u>Type of borrowing</u>	<u>Explanation</u>	<u>Ending balance</u>	<u>Contract duration</u>	<u>Interest rate range (%)</u>	<u>Financing facilities</u>	<u>Mortgage or guarantee</u>	<u>Remarks</u>
Credit borrowings	Standard Chartered Bank	<u>\$ 180,000</u>	Due within one year	1.4	USD 20,500	None	

Statement of Notes Payable

<u>Name of vendor</u>	<u>Summary</u>	<u>Amount</u>	<u>Remarks</u>
Non-related parties:			
Vendor A	Operation	\$ 4,278	
Vendor B	"	2,116	
Vendor C	"	1,251	
Vendor D	"	1,073	
Other (Less than 5% of the ending balance)	"	<u>33,053</u>	
		<u>\$ 41,771</u>	

Dimerco Express Corporation
Statement of Accounts Payable
December 31, 2023

Unit: NT\$ thousand

<u>Name of vendor</u>	<u>Summary</u>	<u>Amount</u>	<u>Remarks</u>
Related parties:			
DIMCN	Operation	\$ 8,300	
GSCHK		7,451	
ZJDCN	//	5,241	
DIMHK	//	4,807	
DIMSG	//	3,581	
DIMUS	//	3,024	
Other (Less than 5% of the ending balance)	//	<u>9,704</u>	
Subtotal		<u>42,108</u>	
Non-related parties:			
Vendor A	Operation	5,895	
Vendor B	//	5,053	
Vendor C	//	2,280	
Vendor D	//	1,045	
Vendor E	//	661	
Other (Less than 5% of the ending balance)	Operation	<u>15,365</u>	
Subtotal		<u>24,404</u>	
Total		<u><u>\$ 66,512</u></u>	

Dimerco Express Corporation
Statement of other payables
December 31, 2023

Unit: NT\$ thousand

<u>Name of customer</u>	<u>Summary</u>	<u>Amount</u>	<u>Remarks</u>
Non-related parties:			
Directors' and supervisors' remuneration and employees' compensation payables		\$ 76,926	
Salaries payable		18,182	
Other		<u>37,062</u>	
		<u>132,170</u>	
Total		<u><u>\$ 132,170</u></u>	

Statement of other current liabilities

<u>Item</u>	<u>Summary</u>	<u>Amount</u>	<u>Remarks</u>
Temporary receipts		\$ 2,700	
Other		<u>589</u>	
		<u><u>\$ 3,289</u></u>	

Dimerco Express Corporation
Statement of Selling Expenses
For the Years Ended December 31, 2023 **Unit: NT\$ thousand**

<u>Item</u>	<u>Summary</u>	<u>Amount</u>	<u>Remarks</u>
Salaries		\$ 54,704	
Insurance expenses		8,048	
Pensions		4,805	
Postage and phone/Fax expense		1,997	
Supplies expense		1,899	
Entertainment		3,510	
Other		8,248	
Total		<u>\$ 83,211</u>	

Dimerco Express Corporation
Statement of the Management Expenses
For the Years Ended December 31, 2023 **Unit: NT\$ thousand**

<u>Item</u>	<u>Summary</u>	<u>Amount</u>	<u>Remarks</u>
Salaries		\$ 92,163	
Remuneration to directors		15,942	
Entertainment		6,517	
Insurance expenses		9,909	
Depreciation expense		8,067	
Service expenses		6,981	
Pensions		1,539	
Miscellaneous expenses		31,753	
Other		19,774	
Less: Management fees paid for others		<u>(94,337)</u>	
		<u>\$ 98,308</u>	

Please refer to Note 6(4) of the Financial Statements for the statement of changes in property, plant and equipment.

Please refer to Note 6(4) of the Financial Statements for the statement of changes in accumulated depreciation of property, plant and equipment.

Please refer to Note 6(5) of the Financial Statements for the statement of changes in right-of-use assets.

Please refer to Note 6(5) of the Financial Statements for the statement of changes in accumulated depreciation of right-of-use assets

Please refer to Note 6(13) of the Financial Statements for the statement of changes in operating income.

Please refer to Note 6(14) of the Financial Statements for the statement of changes in operating costs.

Please refer to Note 7 to the financial statements for long-term payables.

Please refer to Note 7 to the financial statements for other non-current liabilities.

**DIMERCO EXPRESS CORPORATION
AND SUBSIDIARIES**

Consolidated Financial Statements

**With Independent Auditors' Report
For the Years Ended December 31, 2023 and 2022**

**Address: 11F, No. 160, Sec. 6, Min Chuan East Road, Taipei,
Taiwan, R.O.C.**

Telephone: (02)2796-3660

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

Table of contents

Contents	Page
1. Cover Page	1
2. Table of Contents	2
3. Representation Letter	3
4. Independent Auditors' Report	4
5. Consolidated Balance Sheets	5
6. Consolidated Statements of Comprehensive Income	6
7. Consolidated Statements of Changes in Equity	7
8. Consolidated Statements of Cash Flows	8
9. Notes to the Consolidated Financial Statements	
(1) Company history	9
(2) Approval date and procedures of the consolidated financial statements	9
(3) New standards, amendments and interpretations adopted	9~10
(4) Summary of material accounting policies	10~25
(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty	25
(6) Explanation of significant accounts	26~54
(7) Related-party transactions	54~56
(8) Assets pledged as security	56
(9) Commitments and contingencies	56~57
(10) Losses Due to Major Disasters	57
(11) Subsequent Events	57
(12) Other	57
(13) Other disclosures	
(a) Information on significant transactions	58~60
(b) Information on investees	60~61
(c) Information on investment in mainland China	61~62
(d) Major shareholders	62
(14) Segment information	62~63

Representation Letter

The entities that are required to be included in the consolidated financial statements of Dimerco Express Corporation as of and for the year ended December 31, 2023 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 "Consolidated Financial Statements" endorsed by the Financial Supervisory Commission. In addition, the information required to be disclosed in the consolidated financial statements is included in the consolidated financial statements. Consequently, Dimerco Express Corporation and Subsidiaries do not prepare a separate set of consolidated financial statements.

Company name: Dimerco Express Corporation

Chairman: Chien Yao-Huai

Date: March 12, 2024

Independent Auditor's Report

To the Board of Directors of Dimerco Express Corporation:

Opinion

We have audited the consolidated financial statements of Dimerco Express Corporation and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Other Matter

Dimerco Express Corporation has prepared its parent-company-only financial statements as of and for the years ended December 31, 2023 and 2022, on which we have issued an unqualified opinion.

Key Audit Matters

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

1. Revenue recognition

Please refer to note 4(n) "revenue and cost recognition" for accounting policy related to revenue and cost recognition, and note 6(p) for the disclosure related to revenue of the consolidated financial statements.

Description of key audit matter:

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

How the matter was addressed in our audit:

The key audit procedures performed by us and procedures noted in the audit instructions sent to the component audit teams for execution were as follows:

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

2. Cost accrual

Please refer to note 4(n) "revenue and cost recognition" for accounting policy related to cost accrual and note 6(q) for the disclosure related to cost of the consolidated financial statements.

Description of key audit matter:

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

How the matter was addressed in our audit:

The key audit procedures performed by us and procedures noted in the audit instructions sent to the component audit teams for execution were as follow:

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

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

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

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

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

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

KPMG

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

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

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

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES**Consolidated Balance Sheets****December 31, 2023 and 2022****(Expressed in Thousands of New Taiwan Dollars)**

	December 31, 2023		December 31, 2022			December 31, 2023		December 31, 2022	
	Amount	%	Amount	%		Amount	%	Amount	%
Assets									
Current assets:									
1100 Cash and cash equivalents (note 6(a))	\$ 4,780,626	54	5,809,475	55	2100	\$ 180,000	2	430,000	4
1137 Financial assets at amortised cost – current (note 6(b))	3,794	-	9,775	-	2150	50,380	1	26,780	-
1150 Notes receivable, net (notes 6(c) and (p))	8,307	-	16,726	-	2170	1,690,530	19	2,815,136	27
1170 Accounts receivable, net (notes 6(c), (p) and 7)	2,482,298	28	2,828,022	27	2216	12,953	-	20,665	-
1470 Other current assets (notes 8 and 9)	189,349	2	382,633	4	2219	168,140	2	437,178	4
Total current assets	<u>7,464,374</u>	<u>84</u>	<u>9,046,631</u>	<u>86</u>	2230	124,767	1	135,612	2
Non-current assets:					2280	174,817	2	191,023	2
1517 Financial assets at fair value through other comprehensive income – non-current	449	-	449	-	2399	364,992	4	122,433	1
1551 Investments accounted for using the equity method (note 6(d))	246,955	3	269,209	3		<u>2,766,579</u>	<u>31</u>	<u>4,178,827</u>	<u>40</u>
1600 Property, plant and equipment (notes 6(e), (f), (i), 8 and 9)	544,726	6	560,326	5	Non-current liabilities:				
1755 Right-of-use assets (notes 6(g) and (j))	331,165	4	390,270	4	2570	10,640	-	6,646	-
1822 Intangible assets (notes 6(e) and (h))	69,817	1	73,740	1	2580	125,528	2	167,111	2
1840 Deferred income tax assets (note 6(l))	123,354	1	69,922	-	2640	4,636	-	8,492	-
1920 Refundable deposits	89,445	1	104,581	1	2670	34,865	-	37,052	-
1990 Other non-current assets (notes 6(c), (k), (p), 8 and 9)	11,342	-	7,741	-		<u>175,669</u>	<u>2</u>	<u>219,301</u>	<u>2</u>
Total non-current assets	<u>1,417,253</u>	<u>16</u>	<u>1,476,238</u>	<u>14</u>		<u>2,942,248</u>	<u>33</u>	<u>4,398,128</u>	<u>42</u>
					3110	1,428,840	16	1,360,800	13
					3200	62,234	1	19,362	-
					33xx				
					3310	987,965	11	733,290	7
					3320	-	-	557,281	5
					3350	3,156,471	36	3,353,782	32
						<u>4,144,436</u>	<u>47</u>	<u>4,644,353</u>	<u>44</u>
					34xx				
					3410	209,907	2	177,589	2
					3500	(9,380)	-	(201,000)	(2)
						<u>5,836,037</u>	<u>66</u>	<u>6,001,104</u>	<u>57</u>
					36xx	103,342	1	123,637	1
						<u>5,939,379</u>	<u>67</u>	<u>6,124,741</u>	<u>58</u>
Total assets	<u>\$ 8,881,627</u>	<u>100</u>	<u>10,522,869</u>	<u>100</u>	2-3xxx	<u>\$ 8,881,627</u>	<u>100</u>	<u>10,522,869</u>	<u>100</u>

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

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES**Consolidated Statements of Comprehensive Income****For the years ended December 31, 2023 and 2022****(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)**

	2023		2022	
	Amount	%	Amount	%
4000 Operating revenue (notes 6(g), (p) and 7)	\$ 22,042,684	100	41,174,810	100
5000 Operating costs (notes 6(f), (g), (k) and (q))	<u>18,245,653</u>	<u>83</u>	<u>35,233,829</u>	<u>86</u>
5900 Gross profit from operations	<u>3,797,031</u>	<u>17</u>	<u>5,940,981</u>	<u>14</u>
6000 Operating expenses (notes 6(c), (f), (g), (h), (j), (k), (n), (r), 7 and 9):				
6100 Selling expenses	949,434	4	1,094,758	3
6200 Administrative expenses	1,816,246	8	2,257,884	5
6450 Expected credit loss (gain on reversal) for bad debt provision	<u>(49,985)</u>	<u>-</u>	<u>13,582</u>	<u>-</u>
Total operating expenses	<u>2,715,695</u>	<u>12</u>	<u>3,366,224</u>	<u>8</u>
6900 Net operating income	<u>1,081,336</u>	<u>5</u>	<u>2,574,757</u>	<u>6</u>
7000 Non-operating income and expenses (notes 6(d), (f), (j) and (s)):				
7100 Interest income	91,104	-	23,084	-
7010 Other income	44,539	-	25,727	-
7020 Other gains and losses	24,755	-	173,102	1
7050 Finance costs	(17,688)	-	(16,969)	-
7060 Share of profit of associates accounted for using the equity method	<u>33,684</u>	<u>-</u>	<u>56,478</u>	<u>-</u>
Total non-operating income and expenses	<u>176,394</u>	<u>-</u>	<u>261,422</u>	<u>1</u>
7900 Profit from continuing operations before tax	1,257,730	5	2,836,179	7
7950 Less: Income tax expenses (note 6(l))	<u>241,162</u>	<u>1</u>	<u>295,984</u>	<u>1</u>
Net income	<u>1,016,568</u>	<u>4</u>	<u>2,540,195</u>	<u>6</u>
8300 Other comprehensive income:				
8310 Components of other comprehensive income that will not be reclassified to profit or loss				
8311 Gains (losses) on remeasurements of defined benefit plans (note 6(k))	549	-	8,121	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Components of other comprehensive income that will not be reclassified to profit or loss	<u>549</u>	<u>-</u>	<u>8,121</u>	<u>-</u>
8360 Components of other comprehensive income that will be reclassified to profit or loss (notes 6(d) and (m))				
8361 Exchange differences on translation of foreign financial statements	31,972	-	738,048	2
8399 Income tax related to components of other comprehensive income that will be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other comprehensive income	<u>32,521</u>	<u>-</u>	<u>746,169</u>	<u>2</u>
8500 Total comprehensive income	<u>\$ 1,049,089</u>	<u>4</u>	<u>3,286,364</u>	<u>8</u>
Profit attributable to:				
8610 Owners of the Company	\$ 1,023,630	4	2,538,625	6
8620 Non-controlling interests	<u>(7,062)</u>	<u>-</u>	<u>1,570</u>	<u>-</u>
Total comprehensive income attributable to:	<u>\$ 1,016,568</u>	<u>4</u>	<u>2,540,195</u>	<u>6</u>
8710 Owners of the Company	\$ 1,056,497	4	3,281,616	8
8720 Non-controlling interests	<u>(7,408)</u>	<u>-</u>	<u>4,748</u>	<u>-</u>
Earnings per share (NT dollars) (note 6(o))	<u>\$ 1,049,089</u>	<u>4</u>	<u>3,286,364</u>	<u>8</u>
9750 Basic earnings per share		<u>7.24</u>		<u>17.82</u>
9850 Diluted earnings per share		<u>7.18</u>		<u>17.53</u>

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

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES**Consolidated Statements of Changes in Equity****For the years ended December 31, 2023 and 2022****(Expressed in Thousands of New Taiwan Dollars)**

	Equity attributable to owners of the Company										
	Share capital		Retained earnings				Other equity Foreign currency translation differences for foreign operations	Treasury shares	Total equity attributable to owners of the Company	Non-controlling interests	Total equity
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total					
Balance at January 1, 2022	\$ 1,360,800	19,362	502,575	441,086	2,541,962	3,485,623	(557,281)	-	4,308,504	126,470	4,434,974
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-	230,715	-	(230,715)	-	-	-	-	-	-
Special reserve appropriated	-	-	-	116,195	(116,195)	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(1,388,016)	(1,388,016)	-	-	(1,388,016)	-	(1,388,016)
Net income	-	-	-	-	2,538,625	2,538,625	-	-	2,538,625	1,570	2,540,195
Other comprehensive income	-	-	-	-	8,121	8,121	734,870	-	742,991	3,178	746,169
Total comprehensive income	-	-	-	-	2,546,746	2,546,746	734,870	-	3,281,616	4,748	3,286,364
Purchase of treasury share	-	-	-	-	-	-	-	(201,000)	(201,000)	-	(201,000)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	2,835	2,835
Cash dividends distributed by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	(10,416)	(10,416)
Balance at December 31, 2022	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:											
Legal reserve appropriated	-	-	254,675	-	(254,675)	-	-	-	-	-	-
Special reserve appropriated (reversed)	-	-	-	(557,281)	557,281	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(1,456,056)	(1,456,056)	-	-	(1,456,056)	-	(1,456,056)
Stock dividends of ordinary share	68,040	-	-	-	(68,040)	(68,040)	-	-	-	-	-
Net income	-	-	-	-	1,023,630	1,023,630	-	-	1,023,630	(7,062)	1,016,568
Other comprehensive income	-	-	-	-	549	549	32,318	-	32,867	(346)	32,521
Total comprehensive income	-	-	-	-	1,024,179	1,024,179	32,318	-	1,056,497	(7,408)	1,049,089
Changes in non-controlling interests	-	(3,350)	-	-	-	-	-	-	(3,350)	(8,942)	(12,292)
Cash dividends distributed by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	(3,945)	(3,945)
Transferred treasury shares to employees	-	46,046	-	-	-	-	-	191,620	237,666	-	237,666
Gain on disgorgement	-	176	-	-	-	-	-	-	176	-	176
Balance at December 31, 2023	\$ 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

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

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	2023	2022
Cash flows from (used in) operating activities:		
Net income before tax	\$ 1,257,730	2,836,179
Adjustments:		
Adjustments to reconcile profit and loss:		
Depreciation expense	277,226	249,709
Amortization expense	3,892	3,447
Expected credit losses (gain on reversal) for bad debt provision	(49,985)	13,582
Interest expense	17,688	16,969
Interest income	(91,104)	(23,084)
Dividend income	(206)	(148)
Share of profit of associates accounted for using the equity method	(33,684)	(56,478)
Loss (gain) on disposal of property, plant and equipment	367	(1,004)
Compensation cost arising from treasury shares transferred to employees	43,186	-
Gain on lease modification	-	(12)
Total adjustments to reconcile profit and loss	<u>167,380</u>	<u>202,981</u>
Changes in operating assets and liabilities:		
Net changes in operating assets:		
Notes receivable	8,419	9,193
Accounts receivable (including overdue receivables)	395,709	1,756,599
Other current assets	<u>193,284</u>	<u>66,088</u>
Total changes in operating assets, net	<u>597,412</u>	<u>1,831,880</u>
Net changes in operating liabilities:		
Notes payable	23,600	(15,530)
Accounts payable	(1,124,606)	(692,465)
Other payables	(269,038)	138,823
Other current liabilities	242,559	(15,803)
Net defined benefit liabilities	<u>(3,454)</u>	<u>(2,291)</u>
Total changes in operating liabilities, net	<u>(1,130,939)</u>	<u>(587,266)</u>
Total changes in operating assets and liabilities, net	<u>(533,527)</u>	<u>1,244,614</u>
Total adjustments	<u>(366,147)</u>	<u>1,447,595</u>
Cash inflow generated from operations	891,583	4,283,774
Interest received	91,104	23,084
Interest paid	(17,688)	(16,969)
Income taxes paid	<u>(304,278)</u>	<u>(504,092)</u>
Net cash flows from operating activities	<u>660,721</u>	<u>3,785,797</u>
Cash flows from (used in) investing activities:		
Acquisition (disposal) of financial assets at amortised cost	5,981	(9,775)
Net cash flow from acquisition of subsidiaries (net of cash obtained)	-	(22,807)
Acquisition of property, plant and equipment	(25,106)	(21,774)
Proceeds from disposal of property, plant and equipment	246	1,380
Decrease (increase) in refundable deposits	15,136	(28,144)
Acquisition of intangible assets	(181)	(303)
Decrease (increase) in other non-current assets	(3,601)	3,099
Dividends received	<u>56,825</u>	<u>30,938</u>
Net cash from (used in) investing activities	<u>49,300</u>	<u>(47,386)</u>
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	1,407,218	1,579,025
Decrease in short-term borrowings	(1,657,218)	(1,825,617)
Payment of lease liabilities	(227,775)	(204,985)
Decrease in other non-current liabilities	(2,187)	(14,339)
Cash dividends paid	(1,463,768)	(1,373,046)
Payments to acquire treasury shares	-	(201,000)
Transferred treasury shares to employees	194,480	-
Changes in non-controlling interests	(12,887)	(10,416)
Other financing activities	176	-
Net cash flows used in financing activities	<u>(1,761,961)</u>	<u>(2,050,378)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>23,091</u>	<u>682,464</u>
Net increase (decrease) in cash and cash equivalents	<u>(1,028,849)</u>	<u>2,370,497</u>
Cash and cash equivalents at beginning of period	<u>5,809,475</u>	<u>3,438,978</u>
Cash and cash equivalents at end of period	<u>\$ 4,780,626</u>	<u>\$ 5,809,475</u>

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

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2023 and 2022

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

(1) Company history

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

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

The consolidated financial statements were approved by the Board of Directors and issued on March 12, 2024.

(3) New standards, amendments and interpretations adopted:

- (a) The impact of adopting the International Financial Reporting Standards ("IFRSs") endorsed by the Financial Supervisory Commission, R.O.C. ("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, 2023:

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

The Group has initially adopted the new amendment, which do not have a significant impact on its consolidated financial statements, from May 23, 2023:

- Amendments to IAS 12 "International Tax Reform – Pillar Two Model Rules"

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

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2024, would not have a significant impact on its consolidated financial statements:

- 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"

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

The Group does not expect the following 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 IAS 21 “Lack of Exchangeability”

(4) Summary of material accounting policies

The material accounting policies presented in the consolidated financial statements are summarized as follows. The accounting policies have been applied consistently to all periods presented in these consolidated financial statements.

- (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 the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission, R.O.C.

- (b) Basis of preparation

- (i) Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis, unless otherwise stated (refer to the summary of the material accounting policies).

- (ii) Functional and presentation currency

The functional currency of each Group entity is determined based on the primary economic environment in which the entity operates. The consolidated financial statements are presented in New Taiwan dollars (NTD), which is the Company's functional currency. All financial information presented in New Taiwan dollars has been rounded to the nearest thousand.

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(c) Basis of consolidation

(i) Principles of preparation of consolidated financial statements

The consolidated financial statements comprise the Company and subsidiaries. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date on which control ceases. Intragroup balances and transactions, and any unrealized income and expenses arising from Intragroup transactions are eliminated in preparing the consolidated financial statements. The Group attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

The Group prepares consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances.

Changes in the Group's ownership interests in subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received will be recognized directly in equity and attributed to the shareholders of the parent.

(ii) List of subsidiaries included in the consolidated financial statements

Subsidiaries included in the consolidated financial statements are as follows:

Name of investor	Name of subsidiary	Primary business	Shareholding		Remarks
			December 31, 2023	December 31, 2022	
The Company	Dimerco International Logistic Corp. (DIL)	Holding company	100.00 %	100.00 %	
The Company	Dimerco Express Holding Co., Ltd. (Holding)	Holding company	100.00 %	100.00 %	
The Company	Dimerco Freight System Corporation (DFSTW)	Global logistics service	99.99 %	99.99 %	
The Company	Dimerco Express (Singapore) Pte Ltd. (DIMSG)	Global logistics service	100.00 %	100.00 %	Note 6
The Company	Foreign Settlement Co., Ltd. (FSC)	Settlement center	20.00 %	20.00 %	
The Company	Foreign Settlement Co., Ltd. (FSC HK)	Settlement center	15.00 %	15.00 %	
The Company	Diversified International Logistics Co., Ltd (DILTW)	Global Logistics service	80.00 %	80.00 %	
The Company	Diversified Transportation (HK & China) Co., Ltd. (DTLHK)	Global Logistics service	100.00 %	100.00 %	Note 4
The Company	Dimerco International Logistics Company (DILHK)	Global Logistics service	100.00 %	100.00 %	Note 5
The Company	Diversified Freight System (Singapore) Pte. Ltd. (DFSSG)	Global Logistics service	100.00 %	100.00 %	Note 7
The Company	Diversified International Logistics Pte. Ltd. (DILSG)	Global Logistics service	100.00 %	100.00 %	Note 8
The Company	Dimerco Express (Malaysia) Sdn. Bhd. (DIMMY)	Global Logistics service	100.00 %	100.00 %	Note 9
DMCHK	Dimerco Air Forwarders (HK) Ltd. (DIMHK)	Global Logistics service	99.99 %	99.99 %	Note 10

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of investor	Name of subsidiary	Primary business	Shareholding		Remarks
			December 31, 2023	December 31, 2022	
DMCHK	Diversified Freight System Ltd. (DFSHK)	Global Logistics service	99.99 %	99.99 %	Note 11
DIMPH	Diversified Merchandise Company Limited (DMCHK)	Global Logistics service	100.00 %	100.00 %	Note 12
DMHK	Global SCM Company Limited (GSCHK)	Global Logistics service	100.00 %	100.00 %	Note 13
DIMHK	Foreign Settlement Co., Ltd. (FSC HK)	Settlement center	35.00 %	35.00 %	
DIMHK	Foreign Settlement Co., Ltd. (FSC)	Settlement center	60.00 %	60.00 %	
DIMHK	Dimerco International Logistics (Shanghai) Co., Ltd. (DILSHA)	Global logistics service	99.99 %	99.99 %	
DIMHK	Dimerco International Transportation (Shanghai) Co., Ltd. (DIMCN)	Global logistics service	100.00 %	100.00 %	
DIMHK	Dimerco International Logistics (Shenzhen) Co., Ltd. (DILSZX)	Global logistics service	100.00 %	100.00 %	
DIMHK	Dimerco Zhonging Int'l Express Co., Ltd. (ZJDCN)	Global logistics service	75.00 %	75.00 %	
DIMHK	Dimerco Vietfracht (JV) Co., Ltd. (DIMVN)	Global logistics service	75.00 %	75.00 %	
DFSHK	Foreign Settlement Co., Ltd. (FSC HK)	Settlement center	35.00 %	35.00 %	
DFSHK	Diversified International Transportation (Shanghai) Co., Ltd. (DFSCN)	Global logistics service	100.00 %	100.00 %	
DFSTW	Foreign Settlement Co., Ltd. (FSC HK)	Settlement center	15.00 %	15.00 %	
DFSTW	Diversified International Logistics Co., Ltd (DILTW)	Global Logistics service	20.00 %	20.00 %	
DIMSG	Dimerco Express (India) Pte Ltd. (DIMIN)	Global logistics service	100.00 %	60.00 %	Note 14
DIMSG	Foreign Settlement Co., Ltd. (FSC)	Settlement center	20.00 %	20.00 %	
DIL	Dimerco Express (UK) Ltd. (DIMGB)	Global logistics service	37.50 %	37.50 %	
DIL	Dimerco Express (U.S.A.) Corp. (DIMUS)	Global logistics service	100.00 %	100.00 %	
DIL	Global Marketing System Co., Ltd. (GMS)	Global logistics service	100.00 %	100.00 %	
FSCHK	Dimerco Express (UK) Ltd (DIMGB)	Global logistics services	62.50 %	62.50 %	
FSCHK	Diversified (Shenzhen) International Logistics Service Co., Ltd. (DILYTN)	Global logistics services	50.00 %	50.00 %	
GMS	Dimerco Express Phil. Inc (DIMPH)	Global logistics services	60.01 %	60.01 %	
GMS	Diversified International Logistics Service Company Ltd.	Global logistics services	100.00 %	100.00 %	
GMS	Diversified (Shenzhen) International Logistics Service Co., Ltd. (DILYTN)	Global logistics services	50.00 %	50.00 %	
Holding	Dimerco Express (Thailand) Corp. Ltd. (DIMTH)	Global logistics service	48.99 %	48.99 %	Notes 1
Holding	Dimerco Express Phils. Inc. (DIMPH)	Global logistics service	39.99 %	39.99 %	

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of investor	Name of subsidiary	Primary business	Shareholding		Remarks
			December 31, 2023	December 31, 2022	
Holding	Dimerco Express (Australia) Pty Ltd. (DIMAU)	Global logistics service	100.00 %	100.00 %	
Holding	Dimerco Express (Korea) Corp. (DIMKR)	Global logistics service	100.00 %	100.00 %	
Holding	Dimerco Express (Canada) Corp. (DIMCA)	Global logistics service	100.00 %	100.00 %	
Holding	Diversified International Service Logistics System Corporation (DSLUS)	Global logistics service	100.00 %	100.00 %	
Holding	Dimerco Express Netherlands B.V. (DIMNL)	Global logistics service	100.00 %	100.00 %	
DTLHK	Diversified Transportation (China) Co., Ltd. (DTLCN)	Global logistics service	100.00 %	100.00 %	
DIMUS	Dimerco Customs Brokerage Co. Ltd. (DCBUS)	Brokerage service	100.00 %	100.00 %	
DIMUS	B.C. Logistics, LLC	Global logistics service	85.00 %	85.00 %	Notes 2
DIMPH	Peerless Express Forwarders Corp.	Global logistics service	39.99 %	39.99 %	Note 1
DIMPH	Diversified Freight System Philippines Corporation (DFSPH)	Global logistics service	90.63 %	90.63 %	Note 3
DFSSG	Diversified Freight System Philippines Corporation (DFSPH)	Global logistics service	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: The subsidiary has been acquired in 2022; Please refer to note 6(ε).

Note 3: DIMPH and DFSSG invested and established DFSPH in June 2022 and own 100% of DFSPH's shares. The capital amount of PHP \$10,670 thousand had been paid in August 2022 (DIMPH and DFSSG own DFSPH's shares 90.63% and 9.37%, respectively), and DFSPH has become a subsidiary of the Group.

Note 4: In December 2022, the Group reorganized and transferred 100% of the shares held by Holding to the Company.

Note 5: In December 2022, the Group reorganized and transferred 100% of the shares held by GMS to the Company.

Note 6: In December 2022, the Group reorganized and transferred 13.89% of the shares held by DIL to the Company.

Note 7: In December 2022, the Group reorganized and transferred 100% of the shares held by GMS to the Company.

Note 8: In December 2022, the Group reorganized and transferred 100% of the shares held by DILHK to the Company.

Note 9: In December 2022, the Group reorganized and transferred 100% of the shares held by Holding to the Company.

Note 10: In December 2022, the Group reorganized and transferred 99.99% of the shares held by DIL to the DMCHK.

Note 11: In December 2022, the Group reorganized and transferred 99.99% of the shares held by Holding to the DMCHK.

Note 12: DIMPH established DMCHK in December 2022 and owns 100% shares. DMCHK became the consolidated subsidiary of the Group.

Note 13: DMCHK established GSCHK in December 2022 and owns 100% shares. GSCHK became the consolidated subsidiary of the Group.

Note 14: 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%.

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(d) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss, except for those differences relating to the following, which are recognized in other comprehensive income.

(ii) Foreign operations

The assets and liabilities of foreign operations, are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

(e) Classification of current and non-current assets and liabilities

An asset is classified as current under one of the following criteria, and all other assets are classified as non-current.

- (i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is expected to be realized within twelve months after the reporting period; or
- (iv) The asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as non-current.

An entity shall classify a liability as current when:

- (i) It is expected to be settled in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is due to be settled within twelve months after the reporting period; or
- (iv) The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(f) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments with high liquidity that are subject to an insignificant risk of changes in their fair value.

Time deposits with maturity of three months or less from the acquisition date are listed in cash and cash equivalents because they are held for the purpose of meeting short-term cash commitments instead of investment or other purposes. They are also readily convertible to fixed amount of cash, and are subject to an insignificant risk of changes in value.

(g) Financial instruments

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

On initial recognition, a financial asset is classified as measured at: amortized cost and fair value through other comprehensive income (FVOCI) equity investment. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Fair value through other comprehensive income (FVOCI)

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income derived from equity investments is recognized on the date on which the Group's right to receive payment is established, which in the case in profit or loss of quoted securities is normally the ex-dividend date.

3) Impairment of financial assets

The Group recognizes loss allowances for expected credit losses on financial assets measured at amortized cost (including cash and cash equivalents, notes and trade receivable, other receivable and guarantee deposit).

The Group measures loss allowances at an amount equal to lifetime expected credit loss (ECL), except for the following which are measured as 12-month ECL:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment as well as forward-looking information.

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

At each reporting date, the Group assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. The Group recognizes the amount of expected credit losses (or reversal) in profit or loss, as an impairment gain or loss.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amount subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

4) Derecognition of financial assets

Financial assets are derecognized when the contractual rights to the cash flows from the assets expire, or when the Group transfers substantially all the risks and rewards of ownership of the financial assets.

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

Debt and equity instruments issued by the Group are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2) Equity instrument

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

3) Treasury shares

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is recognized in capital surplus or retained earnings (if the capital surplus is not sufficient to be written down).

4) Financial liabilities

Financial liabilities are classified as measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

5) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

6) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(h) Investment in associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition less any accumulated impairment losses.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of those associates, after adjustments to align their accounting policies with those of the Group, from the date on which significant influence commences until the date on which significant influence ceases. The Group recognizes any changes of its proportionate share in the investee within capital surplus, when an associate's equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes in actual significant influence.

Gains resulting from the transactions between the Group and an associate are recognized only to the extent of unrelated Group's interest in the associate. Unrealized losses on transactions with associates are eliminated in the same way, except to the extent that the underlying asset is impaired.

When the Group's share of losses of an associate equals or exceeds its interests in an associate, it discontinues recognizing its share of further losses. After the recognized interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

(i) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(iii) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

Buildings	4~56 years
Transportation equipment	3~5 years
Office equipment	1~16 years
Lease improvement	2~6 years
Other equipment	2~6 years

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

(j) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee, the Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at, or before, the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by using the impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

- there is a change in future lease payments arising from the change in an index or rate; or
- there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or
- there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase, extension or the underlying asset, or
- there is a change of its assessment on whether it will exercise a extension or termination option; or
- there is any lease modifications

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Group presents its right-of-use assets that do not meet the definition of investment and its lease liabilities as a separate line item respectively in the statement of financial position.

The Group has elected not to recognize the right-of-use assets and lease liabilities for its short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(k) Business combination

The Group accounts for business combinations using the acquisition method. The goodwill arising from an acquisition is measured as the excess of (i) the consideration transferred (which is generally measured at fair value) and (ii) the amount of non-controlling interest in the acquiree, both over the identifiable net assets acquired at the acquisition date. If the amount calculated above is a deficit balance, the Group recognized that amount as a gain on a bargain purchase in profit or loss immediately after reassessing whether it has correctly identified all of the assets acquired and all of the liabilities assumed.

All acquisition-related transaction costs are expensed as incurred, except for the issuance of debt or equity instruments.

For each business combination, the Group measures any non-controlling interests in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets, if the non-controlling interests are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation.

(l) Intangible assets

(i) Recognition and measurement

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

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

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

(iii) Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

The estimated useful lives for current and comparative periods are as follows:

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

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

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(m) Impairment— non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

Non-financial assets an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(n) Revenue and cost recognition

(i) Revenue from contracts with customers

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The Group recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer.

The Group provides air freight forwarding, ocean freight forwarding and custom brokerage services. Revenue from providing services is recognized in the accounting period in which the services are rendered.

(ii) Contract cost

Transportation cost which consists of air and ocean cost is accrued based on the invoice or quote price provided by the vendor, upon the time of income recognition.

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(o) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

(ii) Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(p) Share-based payment

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as employee expenses, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

For share based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Grant date of a share-based payment award is the date which the board of directors authorized the price and number of a new award.

(q) Government grants and government assistance

The Group recognizes an unconditional government grant on profit or loss as other income when the grant becomes receivable. Grants that compensate the Group for expenses or losses incurred are recognized in profit or loss on a systematic basis in the periods in which the expenses or losses are recognized.

(r) Income tax

Income taxes comprise current taxes and deferred income taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred income taxes shall be recognized in profit or loss.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities at the reporting date and their respective tax bases. Deferred taxes are recognized except for the following:

- (i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction (i) affects neither accounting nor taxable profits (losses) and (ii) does not give rise to equal taxable and deductible temporary differences;
- (ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- (iii) taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Deferred income tax assets and liabilities are offset if the following criteria are met:

- (i) the Group has a legally enforceable right to set off current tax assets against current tax liabilities and
- (ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either
 - 1) the same taxable entity; or
 - 2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(s) Earnings per share

The Group discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share are calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted-average number of ordinary shares outstanding. Treasury stock should be deducted from outstanding shares. Stock dividends from retained earnings and capital surplus are adjusted retroactively as outstanding shares.

Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares.

(t) Operating segment information

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance. Each operating segment consists of standalone financial information.

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

In preparing these consolidated financial statements, management has made judgments, estimates, 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 management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the next period.

There are no critical judgments in applying accounting policies that have a significant effect on the amounts recognized in the consolidated financial statements. Neither are the information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year.

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(6) Explanation of significant accounts

(a) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand	\$ 3,500	4,232
Checking accounts and savings deposits	3,092,757	4,283,103
Time deposits	<u>1,684,369</u>	<u>1,522,140</u>
Cash and cash equivalents per consolidated statements of cash flows	<u><u>\$ 4,780,626</u></u>	<u><u>5,809,475</u></u>

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

(b) Financial assets at amortized cost—current

	December 31, 2023	December 31, 2022
Bank's time deposits	<u>\$ 3,794</u>	<u>9,775</u>
Interest rate	<u>0.2%</u>	<u>0.2~1.35%</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

	December 31, 2023	December 31, 2022
Notes receivable	\$ 8,307	16,726
Accounts receivable	2,550,200	2,945,645
Overdue receivable	5,221	5,485
Less: Loss allowance—accounts receivable	67,902	117,623
Loss allowance—overdue receivable	<u>5,221</u>	<u>5,485</u>
	<u><u>\$ 2,490,605</u></u>	<u><u>2,844,748</u></u>

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

	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

	December 31, 2022		
	Gross carrying amount (Including related parties)	Weighted- average loss rate	Loss allowance provision
Current	\$ 2,570,609	-	-
1 to 30 days past due	323,664	18%	57,858
31 to 60 days past due	43,860	81%	35,527
61 to 90 days past due	8,535	100%	8,535
91 to 365 days past due	6,359	100%	6,359
More than 365 days	14,829	100%	14,829
	\$ 2,967,856		123,108

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

	2023	2022
Balance at beginning of the period	\$ 123,108	109,526
Impairment losses recognized (reversed)	(49,985)	13,582
Balance at end of the period	\$ 73,123	123,108

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:

	December 31, 2023	December 31, 2022
Associates	<u>\$ 246,955</u>	<u>269,209</u>

(i) Associates

1) The details of significant associate were as follows:

<u>Name of associate</u>	<u>Relationship with the Group</u>	<u>Main operating location / country of registration</u>	<u>Ownership and voting right percentage</u>	
			<u>December 31, 2023</u>	<u>December 31, 2022</u>
ITG Air & Sea GmbH	Global air and ocean freight forwarder	Germany	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

	December 31, 2023	December 31, 2022
Current assets	\$ 933,267	1,299,254
Non-current assets	134,928	83,643
Current liabilities	(631,105)	(905,396)
Non-current liabilities	<u>(79,818)</u>	<u>(29,582)</u>
Net assets	<u>\$ 357,272</u>	<u>447,919</u>
The Group's share of net assets	<u>\$ 89,342</u>	<u>111,979</u>
	2023	2022
Revenue	<u>\$ 2,558,012</u>	<u>4,657,240</u>
Profit from continuing operations	\$ 106,620	199,467
Other comprehensive income	-	-
Profit and total comprehensive income	<u>\$ 106,620</u>	<u>199,467</u>
The Group's share of profit and total comprehensive income	<u>\$ 26,655</u>	<u>49,866</u>

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	<u>2023</u>	<u>2022</u>
Beginning balance of the equity of the associate attributable to the Group	\$ 111,979	84,149
Total comprehensive income (loss) of the associate attributable to the Group	26,655	49,866
Dividends received from associates	(53,622)	(28,180)
Exchange difference	<u>4,330</u>	<u>6,144</u>
Share of net assets of associates as of December 31	89,342	111,979
Add : Goodwill	<u>129,692</u>	<u>129,692</u>
Ending balance of the equity of the associate attributable to the Group	<u><u>\$ 219,034</u></u>	<u><u>241,671</u></u>

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

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Carrying amount of individually insignificant associates' equity	<u>\$ 27,921</u>	<u>27,538</u>
	<u>2023</u>	<u>2022</u>
Attributable to the Group:		
Profit from continuing operations	\$ 7,029	6,612
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive income	<u><u>\$ 7,029</u></u>	<u><u>6,612</u></u>

- (ii) Collateral

As of December 31, 2023 and 2022, the Group did not provide any investment accounted for using the equity method as collaterals for its loans.

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

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

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

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

Cash	<u><u>\$ 54,103</u></u>
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DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (ii) The following table summarizes the recognized amounts of assets acquired and liabilities assumed at the acquisition date.

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

- (iii) Goodwill

Goodwill arising from the acquisition has been recognized as follows:

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

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

- (f) Property, plant and equipment

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

Cost:	<u>Land</u>	<u>Buildings</u>	<u>Transportation equipment</u>	<u>Office equipment</u>	<u>Leasehold improvements</u>	<u>Other equipment</u>	<u>Total</u>
Balance as of January 1, 2023	\$ 185,280	555,067	36,315	152,830	64,622	57,002	1,051,116
Additions	-	-	4,534	13,597	2,459	4,516	25,106
Disposals	-	-	(2,230)	(13,157)	(1,448)	(1,649)	(18,484)
Effect of changes in exchange rates	(144)	(4,525)	(827)	11,469	2,621	(17,260)	(8,666)
Balance as of December 31, 2023	<u>\$ 185,136</u>	<u>550,542</u>	<u>37,792</u>	<u>164,739</u>	<u>68,254</u>	<u>42,609</u>	<u>1,049,072</u>
Balance as of January 1, 2022	\$ 182,377	512,510	35,226	140,175	58,123	51,628	980,039
Acquisition of subsidiary	-	-	1,986	1,193	-	12,780	15,959
Additions	-	-	3,226	14,296	2,623	1,629	21,774
Disposals	-	-	(6,973)	(7,517)	(267)	(14,291)	(29,048)
Effect of changes in exchange rates	2,903	42,557	2,850	4,683	4,143	5,256	62,392
Balance as of December 31, 2022	<u>\$ 185,280</u>	<u>555,067</u>	<u>36,315</u>	<u>152,830</u>	<u>64,622</u>	<u>57,002</u>	<u>1,051,116</u>

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	<u>Land</u>	<u>Buildings</u>	<u>Transportation equipment</u>	<u>Office equipment</u>	<u>Leasehold improvements</u>	<u>Other equipment</u>	<u>Total</u>
Depreciation:							
Balance as of January 1, 2023	\$ -	231,006	26,472	130,599	52,308	50,405	490,790
Depreciation	-	15,748	4,309	12,573	5,073	2,134	39,837
Disposals	-	-	(2,122)	(12,861)	(1,330)	(1,558)	(17,871)
Effect of changes in exchange rates	-	(3,696)	(561)	11,008	2,807	(17,968)	(8,410)
Balance as of December 31, 2023	<u>\$ -</u>	<u>243,058</u>	<u>28,098</u>	<u>141,319</u>	<u>58,858</u>	<u>33,013</u>	<u>504,346</u>
Balance as of January 1, 2022	\$ -	200,636	25,648	117,063	45,993	46,243	435,583
Acquisition of subsidiary	-	-	1,441	947	-	12,608	14,996
Depreciation	-	14,951	4,225	15,339	3,299	2,341	40,155
Disposals	-	-	(6,896)	(7,225)	(267)	(14,284)	(28,672)
Reclassification	-	-	-	401	266	(667)	-
Effect of changes in exchange rates	-	15,419	2,054	4,074	3,017	4,164	28,728
Balance as of December 31, 2022	<u>\$ -</u>	<u>231,006</u>	<u>26,472</u>	<u>130,599</u>	<u>52,308</u>	<u>50,405</u>	<u>490,790</u>
Carrying amounts:							
December 31, 2023	<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>
December 31, 2022	<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>
January 1, 2022	<u>\$ 182,377</u>	<u>311,874</u>	<u>9,578</u>	<u>23,112</u>	<u>12,130</u>	<u>5,385</u>	<u>544,456</u>

As of December 31, 2023 and 2022, the property, plant and equipment of the Group had been pledged as collateral for short-term borrowings; please refer to note 8.

(g) Right-of-use assets

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

	<u>Land</u>	<u>Building</u>	<u>Transportation equipment</u>	<u>Other equipment</u>	<u>Total</u>
Cost:					
Balance at January 1, 2023	\$ 48,048	650,186	51,786	143,048	893,068
Additions	-	66,062	15,986	103,057	185,105
Decreases (early termination)	-	(70,507)	(4,399)	(39,929)	(114,835)
Effect of changes in exchange rates	(236)	(6,729)	(1,952)	530	(8,387)
Balance at December 31, 2023	<u>\$ 47,812</u>	<u>639,012</u>	<u>61,421</u>	<u>206,706</u>	<u>954,951</u>
Balance at January 1, 2022	\$ 43,270	487,307	40,860	103,782	675,219
Additions	-	232,410	13,091	32,701	278,202
Decreases (early termination)	-	(107,737)	(4,656)	(5,267)	(117,660)
Effect of changes in exchange rates	4,778	38,206	2,491	11,832	57,307
Balance at December 31, 2022	<u>\$ 48,048</u>	<u>650,186</u>	<u>51,786</u>	<u>143,048</u>	<u>893,068</u>
Depreciation:					
Balance at January 1, 2023	\$ 5,346	371,919	32,799	92,734	502,798
Depreciation	1,218	184,647	14,689	36,835	237,389
Decreases (early termination)	-	(73,540)	(3,755)	(30,359)	(107,654)
Effect of changes in exchange rates	(2,441)	(5,016)	(1,301)	11	(8,747)
Balance at December 31, 2023	<u>\$ 4,123</u>	<u>478,010</u>	<u>42,432</u>	<u>99,221</u>	<u>623,786</u>
Balance at January 1, 2022	\$ 7,222	289,674	21,582	58,186	376,664
Depreciation	(3,121)	166,381	14,044	32,250	209,554
Decreases (early termination)	-	(107,507)	(4,409)	(5,110)	(117,026)
Effect of changes in exchange rates	1,245	23,371	1,582	7,408	33,606
Balance at December 31, 2022	<u>\$ 5,346</u>	<u>371,919</u>	<u>32,799</u>	<u>92,734</u>	<u>502,798</u>
Carrying value:					
December 31, 2023	<u>\$ 43,689</u>	<u>161,002</u>	<u>18,989</u>	<u>107,485</u>	<u>331,165</u>
December 31, 2022	<u>\$ 42,702</u>	<u>278,267</u>	<u>18,987</u>	<u>50,314</u>	<u>390,270</u>
January 1, 2022	<u>\$ 36,048</u>	<u>197,633</u>	<u>19,278</u>	<u>45,596</u>	<u>298,555</u>

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(h) Intangible assets

	<u>Goodwill</u>	<u>Trademarks</u>	<u>Customer relationships</u>	<u>Software</u>	<u>Total</u>
Cost:					
Balance at January 1, 2023	\$ 58,253	3,073	15,365	3,064	79,755
Additions	-	-	-	181	181
Effect of changes in exchange rates	(200)	(16)	(76)	-	(292)
Balance at December 31, 2023	<u>\$ 58,053</u>	<u>3,057</u>	<u>15,289</u>	<u>3,245</u>	<u>79,644</u>
Balance at January 1, 2022	\$ 32,780	-	-	2,742	35,522
Acquisition of subsidiary	21,431	2,767	13,837	-	38,035
Additions	-	-	-	303	303
Effect of changes in exchange rates	4,042	306	1,528	19	5,895
Balance at December 31, 2022	<u>\$ 58,253</u>	<u>3,073</u>	<u>15,365</u>	<u>3,064</u>	<u>79,755</u>
Accumulated amortization and impairment losses:					
Balance at January 1, 2023	\$ -	307	3,073	2,635	6,015
Amortization	-	312	3,116	464	3,892
Effect of changes in exchange rates	-	(7)	(73)	-	(80)
Balance at December 31, 2023	<u>\$ -</u>	<u>612</u>	<u>6,116</u>	<u>3,099</u>	<u>9,827</u>
Balance at January 1, 2022	\$ -	-	-	2,454	2,454
Amortization	-	298	2,979	170	3,447
Effect of changes in exchange rates	-	9	94	11	114
Balance at December 31, 2022	<u>\$ -</u>	<u>307</u>	<u>3,073</u>	<u>2,635</u>	<u>6,015</u>
Carrying amount:					
December 31, 2023	<u>\$ 58,053</u>	<u>2,445</u>	<u>9,173</u>	<u>146</u>	<u>69,817</u>
December 31, 2022	<u>\$ 58,253</u>	<u>2,766</u>	<u>12,292</u>	<u>429</u>	<u>73,740</u>
January 1, 2022	<u>\$ 32,780</u>	<u>-</u>	<u>-</u>	<u>288</u>	<u>33,068</u>

The amortization recognized in profit or loss were as follows:

	<u>2023</u>	<u>2022</u>
Operating expenses	<u>\$ 3,892</u>	<u>3,447</u>

(i) Borrowings

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

(i) Short-term borrowings

	<u>December 31, 2023</u>		
	<u>Currency</u>	<u>Interest rate (%)</u>	<u>Maturity year</u>
Unsecured loans	NTD	1.4	2024
			<u>\$ 180,000</u>
	<u>December 31, 2022</u>		
	<u>Currency</u>	<u>Interest rate (%)</u>	<u>Maturity year</u>
Unsecured loans	NTD	1.15~1.5	2023
			<u>\$ 430,000</u>

As of December 31, 2023 and 2022, the unused credit facilities of the Group's short-term borrowings amounted to \$1,573,277 thousand and \$1,195,025 thousand, respectively.

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Long-term borrowings

As of December 31, 2023 and 2022, the unused credit facilities of the Group's long-term borrowings all amounted to \$150,000 thousand.

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

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

(j) Lease liabilities

The Group's lease liabilities were as follow:

	December 31, 2023	December 31, 2022
Current	\$ 174,817	191,023
Non-current	125,528	167,111
	<u>\$ 300,345</u>	<u>358,134</u>

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

The amounts recognized in profit or loss were as follows:

	2023	2022
Interests on lease liabilities	\$ <u>12,319</u>	<u>12,071</u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	\$ <u>42,007</u>	<u>42,588</u>

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

	2023	2022
Total cash outflow for leases	\$ <u>282,101</u>	<u>259,644</u>

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(k) Employee benefits

(i) Defined benefit plans

The following table shows a reconciliation between the present value of the defined benefit obligation and the fair value of plan assets:

	December 31, 2023	December 31, 2022
Present value of defined benefit obligation	\$ 57,729	61,344
Fair value of plan assets	(54,616)	(54,026)
Net accrued pension liabilities	\$ 3,113	7,318
Recorded under:		
Accrued pension liabilities	\$ 4,636	8,492
Net defined benefit assets (recorded under other non-current assets)	\$ 1,523	7,318

Domestic entities of the Group established the pension fund account for the defined benefit plan in Bank of Taiwan. The plan, under the Labor Standards Law, provides benefits based on an employee's length of service and average monthly salary for the six-month period prior to retirement. Foreign entities of the Group's defined benefit plan are conducted according to local regulations.

1) Composition of plan assets

The Group allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks. Foreign subsidiary allocates pension funds in accordance with the local regulations.

The Group's Bank of Taiwan labor pension reserve account balance amounted to \$54,144 thousand as of December 31, 2023. For information on the utilization of the labor pension fund assets including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Movements in present value of defined benefit plan obligation

The movements in present value of the Group's defined benefit plan obligations for the years ended December 31, 2023 and 2022, were as follows:

	<u>2023</u>	<u>2022</u>
Defined benefit obligation at January 1	\$ 61,344	66,653
Current service costs and interest	2,296	1,604
Remeasurements of net defined benefit liability (asset)		
— Actuarial gains and losses arising from changes in financial assumptions	(396)	(5,346)
Benefits paid by the plan	(5,017)	(1,778)
Effect of movements in exchange rates	(498)	211
Defined benefit obligation at December 31	<u>\$ 57,729</u>	<u>61,344</u>

3) Movements in fair value of defined benefit plan assets

The movements in the fair value of the defined benefit plan assets for the Group of years ended December 31, 2023 and 2022, were as follows:

	<u>2023</u>	<u>2022</u>
Fair value of plan assets at January 1	\$ 54,026	48,671
Interest income	1,335	240
Remeasurements of net defined benefit liability		
— Return on plan assets (excluding amounts included in net interest expense)	6	326
— Actuarial gains and losses arising from changes in financial assumptions	147	2,449
Contributions paid by the employer	2,970	3,001
Benefits paid by the plan	(5,017)	(1,778)
Effect of movements in exchange rates	1,149	1,117
Fair value of plan assets, December 31	<u>\$ 54,616</u>	<u>54,026</u>

4) Expenses recognized in profit or loss

The expenses recognized on profit or loss for the Group for years ended December 31, 2023 and 2022, were as follows:

	<u>2023</u>	<u>2022</u>
Net interest on defined benefit liability (asset) (recorded under operating expenses)	<u>\$ 961</u>	<u>1,364</u>

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

5) Actuarial assumptions

The principal actuarial assumptions used to determine the present value of the defined benefit obligation were as follows:

	<u>2023.12.31</u>	<u>2022.12.31</u>
Discount rate	1.625~1.857%	1.750~2.000%
Future salary increase rate	3.000%	3.000~4.000%

The Group expects to make contributions of \$2,970 thousand to the defined benefit plans in the year following the reporting date of 2023.

The weighted average duration of the defined benefit obligation is 11.15 to 18.20 years.

6) Sensitivity analysis

When calculating the present value of the defined benefit obligation, the Group uses judgments and estimations to determine the actuarial assumptions, including discount rates and future salary changes, as of the financial statement date. Any changes in the actuarial assumptions may significantly impact the amount of the defined benefit obligation.

If the actuarial assumptions had changed, the impact on the present value of the defined benefit obligation shall be as follows:

	Impact on defined benefit obligation	
	<u>Increase 0.25%</u>	<u>Decrease 0.25%</u>
December 31, 2023		
Discount rate	\$ (764)	789
Future salary increase rate	759	(739)
December 31, 2022		
Discount rate	(859)	888
Future salary increase rate	855	(832)

The above sensitivity analysis is analyzed based on the effect of changes in a single assumption under the condition that other assumptions remain constant. In practice, many changes in assumptions may be linked together. The method used for sensitivity analysis and calculation of net pension liability is the same.

The methods of measurement and the assumptions used for the sensitivity analysis are the same as for the previous year.

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Defined contribution plans

Domestic entities of the Group contribute 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under this defined contribution plan, the Group allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

Foreign subsidiaries of the Group adopted defined contribution pension plans and made contributions based on the regulations set by the local authority and recognized the contributed amount as current year's expenses.

The Group's pension costs under the defined contribution method were \$42,437 thousand and \$39,797 thousand for 2023 and 2022, respectively. Payment was made to the Bureau of Labor Insurance and the local authorities of the consolidated overseas subsidiaries.

(l) Income tax

(i) Income tax expenses

The components of income tax expense (benefit) in the years 2023 and 2022 were as follows:

	<u>2023</u>	<u>2022</u>
Current income tax expense (benefit)		
Current period	\$ 285,986	386,327
Adjustment for prior periods	<u>7,445</u>	<u>(56,045)</u>
	293,431	330,282
Deferred tax expense (benefit)		
Origination and reversal of temporary differences	<u>(52,269)</u>	<u>(34,298)</u>
Income tax expenses from continuing operations	<u><u>\$ 241,162</u></u>	<u><u>295,984</u></u>

Reconciliation of income tax expense (benefit) and profit before tax for 2023 and 2022 is as follows:

	<u>2023</u>	<u>2022</u>
Profit excluding income tax	<u>\$ 1,257,730</u>	<u>2,836,179</u>
Income tax using the Company's domestic tax rate	\$ 251,546	567,236
Effect of tax rates in foreign jurisdiction	(114,841)	(264,983)
Dividend income	10,683	5,607
Non-deductible expenses	2,070	4,261
Undistributed earnings additional tax	75,045	38,185
Tax-exempt income	(3,124)	(1,867)
Underestimate (overestimate) of prior year's income	7,445	(56,045)
Others	<u>12,338</u>	<u>3,590</u>
Total	<u><u>\$ 241,162</u></u>	<u><u>295,984</u></u>

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Deferred income tax assets and liabilities

1) Unrecognized deferred tax liabilities

The Group is able to control the timing of the reversal of the temporary differences associated with investments in subsidiaries as of December 31, 2023 and 2022. Also, management considers it probable that the temporary differences will not reverse in the foreseeable future. Hence, such temporary differences are not recognized under deferred tax liabilities. Details are as follows:

	December 31, 2023	December 31, 2022
\$	2,138,454	2,073,592

2) Recognized deferred tax assets and liabilities

Changes in the amount of deferred income tax assets and liabilities for 2023 and 2022 were as follows:

Deferred income tax assets:

	Defined benefit plans	Tax losses	Unrealized foreign exchange	Allowance for doubtful accounts	Others	Total
Balance at January 1, 2023	\$ 3,635	40,593	192	24,132	1,370	69,922
Recognized in profit or loss	(747)	26,857	65	(7,593)	37,694	56,276
Foreign currency traslation differences for foreign operations	(21)	(1,763)	(12)	(385)	(663)	(2,844)
Balance at December 31, 2023	\$ 2,867	65,687	245	16,154	38,401	123,354
Balance at January 1, 2022	\$ 5,423	1,639	(1,163)	21,027	894	27,820
Recognized in profit or loss	(1,842)	38,678	1,334	2,080	475	40,725
Foreign currency traslation differences for foreign operations	54	276	21	1,025	1	1,377
Balance at December 31, 2022	\$ 3,635	40,593	192	24,132	1,370	69,922

Deferred income tax liabilities:

	Defined benefit plans	Unrealized foreign exchange	Allowance for doubtful accounts	Others	Total
Balance at January 1, 2023	\$ (235)	(5,329)	(95)	(987)	(6,646)
Recognized in profit or loss	(70)	292	97	(4,326)	(4,007)
Foreign currency traslation differences for foreign operations	-	-	(2)	15	13
Balance at December 31, 2023	\$ (305)	(5,037)	-	(5,298)	(10,640)

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	<u>Defined benefit plans</u>	<u>Unrealized foreign exchange</u>	<u>Allowance for doubtful accounts</u>	<u>Others</u>	<u>Total</u>
Balance at January 1, 2022	\$ (184)	-	-	-	(184)
Recognized in profit or loss	(51)	(5,329)	(94)	(953)	(6,427)
Foreign currency translation differences for foreign operations	-	-	(1)	(34)	(35)
Balance at December 31, 2022	<u>\$ (235)</u>	<u>(5,329)</u>	<u>(95)</u>	<u>(987)</u>	<u>(6,646)</u>

(iii) Examination and approval

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

(m) Capital and other equity

(i) Common stock

As of December 31, 2023 and 2022, the total value of the authorized ordinary shares both amounted to \$1,680,000, with a par value of \$10 per share, totaling 168,000 thousand shares. As of December 31, 2023 and 2022, the issued ordinary shares were 142,884 thousand shares and 136,080 thousand shares. All issued shares were paid up upon issuance.

The resolution was passed during the general meeting of shareholders held on June 6, 2023 to issue stock dividends for 50.05 shares per thousand shares, with the record date of capital increase on July 9, 2023. The relevant statutory registration procedures have been completed.

The issued common stock of the Group was as follows:

	Unit: thousand shares	
	<u>2023</u>	<u>2022</u>
Balance at January 1 (at NTD10 per share)	136,080	136,080
	6,804	-
Balance at December 31	<u>142,884</u>	<u>136,080</u>

(ii) Capital surplus

The balances of capital surplus as of December 31, 2023 and 2022, were as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Share capital	\$ 15,000	15,000
Changes in ownership interests in subsidiaries	984	4,334
Treasury share transactions	46,046	-
Gain on disposal of assets	28	28
Others	176	-
	<u>\$ 62,234</u>	<u>19,362</u>

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

(iii) Retained earnings

DIMTW's articles of incorporation stipulate that its net earnings from the current year shall first be used to pay income tax, offset prior years' deficits (including adjustments to unappropriated earnings) and provide 10% as legal reserve, unless the accumulated amount of legal reserve is equal to or over the amount of common stock; then, accrue or reverse the special reserve in accordance with the regulations or rules of authority. The remainder, along with the beginning balance of unappropriated earnings (including the adjustments to unappropriated earnings) is subject to the stockholders' approval for the distribution.

In addition, to maintain the stockholders' return on investment, to accommodate the operating cycles, and to strengthen the financial structure of the Company, the following factors were taken into consideration for dividend distribution:

- 1) the future expansion needs of the Company;
- 2) maintaining a stable earnings per share level of the Company;
- 3) the cash flows and operating results.

Furthermore, considering that the Company is in a constant growth stage in its business cycle, there will be needs for expansion and working capital in the next few years. However, cash dividends may not be less than 10%.

1) Legal reserve

The ROC Company Act stipulates that companies must retain 10% of their annual net earnings, as defined in the Act, until such retention equals the amount of issued share capital. When a company has not incurred any loss, it may, pursuant to a resolution to be adopted by the shareholders' meeting as required, distribute its legal reserve by issuing new shares or cash. Only the portion of legal reserve which exceeds 25% of the issued share capital may be distributed.

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Special reserve

In accordance with Ruling issued by the FSC, a portion of current-period earnings and undistributed prior-period earnings shall be reclassified as a special earnings reserve during earnings distribution. The amount to be reclassified should equal the current-period total net reduction of other shareholders' equity. Similarly, a portion of undistributed prior-period earnings shall be reclassified as a special earnings reserve (which does not qualify for earnings distribution) to account for cumulative changes to other shareholders' equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

3) Earnings distribution

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. And the amount of shares dividends and other items of appropriations of earnings for 2022 had been proposed in the shareholders' meeting on June 6, 2023. The appropriations of earnings for 2021 had been approved in the shareholders' meeting on March 17, 2022. These earnings were appropriated as follows:

	2022		2021	
	Amount per share (NTD)	Total Amount	Amount per share (NTD)	Total Amount
Dividends distributed to ordinary stockholders:				
Cash	\$ 10.70	1,456,056	10.20	1,388,016
Stock	0.50	<u>68,040</u>	-	<u>-</u>
Total		<u>\$ 1,524,096</u>		<u>1,388,016</u>

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

On March 13, 2024, the Company's Board of Directors resolved to appropriate the 2023 earnings. These earnings were appropriated as follows:

	2023	
	Amount per share (NT dollars)	Total amount
Dividends distributed to common shareholders:		
Cash	\$ 6.00	<u>844,464</u>
Total		<u>\$ 844,464</u>

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iv) 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 October 12, 2022. The Company had purchased 3,000,000 shares from October 17, 2022 to December 8, 2022, and total cost amounted to \$201,000 thousand.

The movement in treasury stocks is as follows:

	Unit: thousand shares	
	2023	2022
Balance at January 1	3,000	-
Purchase of stock	-	3,000
Transferred to employees	(2,860)	-
Balance at December 31	140	3,000

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 December 31, 2023 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.

(v) Other equities (net of income tax)

	Foreign exchange differences arising from foreign operations	
	2023	2022
Balance at January 1	\$ 177,589	(557,281)
Foreign exchange differences arising from foreign operations	32,318	734,870
Balance at December 31	\$ 209,907	177,589

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(n) Share-based payment

The Company transferred 2,860 thousand treasury shares that it acquired in 2022 to employees base on the resolution approved during the board meeting held on May 10, 2023. The treasury shares were granted to the full-time employees of the Company and certain subsidiaries, who meet the specific requirements and vested immediately. The Company adopted the Black-Sholes model to calculate the fair value of the share-based payment at the grant date. The assumptions adopted in this valuation model were as follows:

	Transfer of treasury shares to employees
Fair value at grant date (in dollars)	\$ 15.1
Stock price at grant date (in dollars)	84.5
Exercise price (in dollars)	68.0
Expected duration of the option	0.09 years
Expected volatility (%)	1.36 %
Risk-free interest rate (%)	0.58 %

The Company recognized the salary costs of \$43,186 thousand for the share-based payment for the year ended December 31, 2023.

(o) Earnings per share

The calculation of the Company's basic earnings per share and diluted earnings per share for the years 2023 and 2022, was as follows:

(i) Basic earnings per share

	Share unit: thousand shares	
	<u>2023</u>	<u>2022</u>
Net income attributable to ordinary shareholders of the Company	<u>\$ 1,023,630</u>	<u>2,538,625</u>
Ordinary shares outstanding	142,884	142,884
Effect of treasury stock	(1,410)	(450)
Weighted-average number of ordinary shares	<u>141,474</u>	<u>142,434</u>
Basic earnings per share (in NT dollars)	<u>\$ 7.24</u>	<u>17.82</u>

(ii) Diluted earnings per share

	<u>2023</u>	<u>2022</u>
Net income attributable to ordinary shareholders of the Company	<u>\$ 1,023,630</u>	<u>2,538,625</u>
Weighted-average number of ordinary shares (basic)	141,474	142,434
Impact of dilutive potential common shares		
Effect of employee stock bonus	1,120	2,410
Weighted-average number of ordinary shares (diluted)	<u>142,594</u>	<u>144,844</u>
Diluted earnings per share (in NT dollars)	<u>\$ 7.18</u>	<u>17.53</u>

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(p) Revenue from contracts with customers

(i) Disaggregation of revenue

	2023			
	<u>Asia</u>	<u>Americas</u>	<u>Europe</u>	<u>Total</u>
Major products / services lines:				
Air freight forwarding	\$ 10,765,826	2,259,455	162,086	13,187,367
Ocean freight forwarding	4,991,611	1,707,780	180,494	6,879,885
Others	<u>1,608,985</u>	<u>328,499</u>	<u>37,948</u>	<u>1,975,432</u>
	<u>\$ 17,366,422</u>	<u>4,295,734</u>	<u>380,528</u>	<u>22,042,684</u>
	2022			
	<u>Asia</u>	<u>Americas</u>	<u>Europe</u>	<u>Total</u>
Major products / services lines:				
Air freight forwarding	\$ 17,136,908	5,063,077	221,843	22,421,828
Ocean freight forwarding	10,355,896	4,711,845	874,827	15,942,568
Others	<u>2,373,449</u>	<u>400,477</u>	<u>36,488</u>	<u>2,810,414</u>
	<u>\$ 29,866,253</u>	<u>10,175,399</u>	<u>1,133,158</u>	<u>41,174,810</u>

(ii) Contract balance

	<u>December 31, 2023</u>	<u>December 31, 2022</u>	<u>January 1, 2022</u>
Notes receivable	\$ 8,307	16,726	25,919
Accounts receivable	2,550,200	2,945,645	4,692,243
Overdue receivable	5,221	5,485	4,678
Less: Loss allowance — accounts receivable	67,902	117,623	104,848
Loss allowance — overdue receivable	<u>5,221</u>	<u>5,485</u>	<u>4,678</u>
Total	<u>\$ 2,490,605</u>	<u>2,844,748</u>	<u>4,613,314</u>

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

(q) Cost

The details of the Group's cost were as follows:

	<u>2023</u>	<u>2022</u>
Air freight forwarding	\$ 11,187,523	19,596,111
Ocean freight forwarding	5,500,605	13,556,488
Other cost	<u>1,557,525</u>	<u>2,081,230</u>
	<u>\$ 18,245,653</u>	<u>35,233,829</u>

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(r) 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 revision to the Company's articles has been approved by the Company's shareholders' meeting on June 8, 2022, and the directors' and supervisors' remuneration was replaced by directors' remuneration. 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 years ended December 31, 2023 and 2022, the Company estimated its employees' compensation were \$60,984 thousand and \$147,501 thousand, respectively, and the estimated amounts of directors' and supervisors' remuneration were \$15,942 thousand and \$42,071 thousand, respectively. The estimated amounts mentioned above are calculated as the net profit before tax, excluding employee compensation and directors' and supervisors' remuneration, of each period multiplied by the percentage of employee compensation and directors' and supervisors' remuneration as specified in the Company's articles. The estimations are recorded under operating expenses in 2023 and 2022. The information mentioned above can be accessed on the Market Observation Post System. There were no differences between the actual amounts of remuneration to employees, directors and supervisors distributed for the years 2023 and 2022, and the estimated amounts in the financial statements.

(s) Non-operating income and expenses

(i) Interest income

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

	<u>2023</u>	<u>2022</u>
Interest income from bank deposits	\$ <u>91,104</u>	<u>23,084</u>

(ii) Other income

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

	<u>2023</u>	<u>2022</u>
Dividend income	\$ 206	148
Government grants	9,343	21,460
Other	<u>34,990</u>	<u>4,119</u>
	\$ <u>44,539</u>	<u>25,727</u>

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) Other gains and losses

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

	<u>2023</u>	<u>2022</u>
Gains (losses) on disposal of property, plant and equipment	\$ (367)	1,004
Gains on foreign exchange	27,269	177,178
Others losses	<u>(2,147)</u>	<u>(5,080)</u>
Other gains and losses, net	<u>\$ 24,755</u>	<u>173,102</u>

(iv) Finance costs

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

	<u>2023</u>	<u>2022</u>
Interest expense		
Bank loan	\$ 5,369	4,898
Lease liabilities	<u>12,319</u>	<u>12,071</u>
Net finance cost	<u>\$ 17,688</u>	<u>16,969</u>

(t) Financial instruments

(i) Credit risk

1) Credit risk exposure

The carrying amount of financial assets represents the maximum amount exposed to credit risk. As of December 31, 2023 and 2022, the maximum amount exposed to credit risk amounted to \$7,368,579 thousand and \$8,772,688 thousand, respectively.

2) Concentration of credit risk

As of December 31, 2023 and 2022, there was no concentration of credit risk in accounts receivable.

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Liquidity risk

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

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 6 months</u>	<u>6-12 months</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>Over 5 years</u>
December 31, 2023							
Non-derivative financial liabilities							
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>
December 31, 2022							
Non-derivative financial liabilities							
Short-term borrowings	\$ 430,000	435,977	435,977	-	-	-	-
Notes payable	26,780	26,780	26,780	-	-	-	-
Accounts payable	2,815,136	2,815,136	2,815,136	-	-	-	-
Lease liabilities	358,134	368,161	98,186	98,186	114,357	57,432	-
Dividends payable	20,665	20,665	20,665	-	-	-	-
Other payables	437,178	437,178	437,178	-	-	-	-
	<u>\$ 4,087,893</u>	<u>4,103,897</u>	<u>3,833,922</u>	<u>98,186</u>	<u>114,357</u>	<u>57,432</u>	<u>-</u>

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

(iii) Currency risk

1) Exposure to foreign 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>
December 31, 2023			
Financial assets:			
Monetary items:			
USD	\$	19,138	30.579
HKD	\$	5,153	3.915
EUR	\$	1,827	33.756
CNY	\$	1,365	38.930
Financial liabilities:			
Monetary items:			
USD	\$	6,624	30.579
EUR	\$	83	33.756

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	Foreign currency	Exchange rate	NTD
December 31, 2022			
Financial assets:			
Monetary items:			
USD	\$ 34,647	30.730	1,064,707
HKD	\$ 6,196	4.053	24,407
EUR	\$ 835	32.814	27,409
CNY	\$ 323	37.005	11,951
Financial liabilities:			
Monetary items:			
USD	\$ 9,529	30.730	292,827
EUR	\$ 29	32.814	951

2) Sensitivity analysis

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 December 31, 2023 and 2022, would have increased or decreased the net income before tax by \$15,445 thousand and \$25,041 thousand, respectively. The analysis is performed on the same basis for both periods.

3) Foreign exchange gain and loss on monetary items

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. In 2023 and 2022, foreign exchange gain (including realized and unrealized portions) amounted to \$27,269 thousand and \$177,178 thousand, respectively.

(iv) 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 \$1,800 thousand and \$4,300 thousand for the years 2023 and 2022, respectively, with all other variable factors remaining constant. This was mainly due to the Group's borrowing at variable rates.

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(v) Fair value

The management of the Group believes that the carrying amount of the financial assets and financial liabilities of the Group measured at amortized cost in the consolidated financial statements is close to its 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:

	Carrying amount	December 31, 2023			Total
		Fair value			
		Level 1	Level 2	Level 3	
Financial assets at fair value through other comprehensive income					
Unlisted stocks (domestic and overseas)	\$ 449	-	-	449	449
Subtotal	449	-	-	449	449
Financial assets measured at amortized cost					
Cash and cash equivalents	4,780,626	-	-	-	-
Notes and accounts receivables	2,490,605	-	-	-	-
Financial assets at amortised cost – current	3,794	-	-	-	-
Refundable deposits	89,445	-	-	-	-
Restricted certificate of deposit	3,660	-	-	-	-
Subtotal	7,368,130	-	-	-	-
Total	\$ 7,368,579	-	-	449	449
Financial liabilities measured at amortized cost					
Short-term borrowings	\$ 180,000	-	-	-	-
Notes and accounts payable	1,744,785	-	-	-	-
Other payables	168,140	-	-	-	-
Lease liabilities	300,345	-	-	-	-
Dividends payable	12,963	-	-	-	-
Total	\$ 2,406,233	-	-	-	-

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	December 31, 2022				
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through other comprehensive income					
Unlisted stocks (domestic and overseas)	\$ 449	-	-	449	449
Subtotal	<u>449</u>	<u>-</u>	<u>-</u>	<u>449</u>	<u>449</u>
Financial assets measured at amortized cost					
Cash and cash equivalents	5,809,475	-	-	-	-
Notes and accounts receivables	2,844,748	-	-	-	-
Financial assets at amortised cost— current	9,775	-	-	-	-
Refundable deposits	104,581	-	-	-	-
Restricted certificate of deposit	3,660	-	-	-	-
Subtotal	<u>8,772,239</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 8,772,688</u>	<u>-</u>	<u>-</u>	<u>449</u>	<u>449</u>
Financial liabilities measured at amortized cost					
Short-term borrowings	\$ 430,000	-	-	-	-
Notes and accounts payable	2,841,916	-	-	-	-
Other payables	437,178	-	-	-	-
Lease liabilities	358,134	-	-	-	-
Dividends payable	20,665	-	-	-	-
Total	<u>\$ 4,087,893</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.

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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.

4) Reconciliation of Level 3 fair values

	Fair value through other comprehensive income
	Unquoted equity instruments
Balance at December 31, 2023 (Balance at January 1, 2023)	\$ 449
Balance at January 1, 2022	\$ 442
Effect of changes in exchange rates	7
Balance at December 31, 2022	\$ 449

(u) Financial risk management

(i) Overview

The Group is exposed to the following risks arising from financial instruments:

- 1) Credit risk
- 2) Liquidity risk
- 3) Market risk

This note has information on risk exposure and the objectives, policies, and process of risk measurement and management. For detailed information, please refer to the related note on each risk.

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The management is responsible for developing and monitoring the Group's risk management policies and reports regularly to the Board of Directors on its activities.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Directors oversees how the management monitors whether risk is in compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Board of Directors is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board of Directors.

(iii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities.

1) Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk, particularly during deteriorating economic circumstances. The Group's receivables in 2023 and 2022 are not concentrated on any group of customers.

The Group has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, when available, and, in some cases, bank references. Purchase limits are established for each customer, which represent the maximum open amount without requiring approval from the Board of Directors; these limits are reviewed regularly. For those customers who fail to meet the Group's benchmark creditworthiness, transactions can only be done on a prepayment basis.

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Investments

The credit risk exposure in the bank deposits and other financial instruments is measured and monitored by the Group's finance department. Since the Group's contractually obligated counterparties are banks and financial institutions with good credit, there are no compliance issues, and therefore, there is no significant credit risk.

3) Guarantees and endorsements

The policy allows the Group to provide a financial guarantee to its subsidiaries which DIMTW holds over 50% of equity interest. Please refer to note 13 for detailed information on the Group as of December 31, 2023.

(iv) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments at an amount in excess of the expected cash flows on financial liabilities (other than trade payables) over the succeeding 60 days. The Group also monitors the level of expected cash outflows on trade and other payables. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

1) Currency risk

The Group is exposed to currency risk on sales, purchases, and borrowings that are denominated in a currency other than the respective functional currencies of the Group's entities, primarily the New Taiwan Dollar (NTD), US Dollar (USD), Hong Kong Dollar (HKD), Euro (EUR) and China Yuan (CNY). The currencies used in these transactions are the NTD, USD, HKD, EUR and CNY.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

2) Interest rate risk

The Group adopts a policy of ensuring borrowing interest rate is close to market interest rate and reviewing interest rate interval with banks periodically.

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Due to the fluctuation in market interest rate is little, the radiance of interest rate will not cause material cash flow risk.

(v) Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor, and market confidence and to sustain future development of the business. Capital consists of ordinary shares, capital surplus, retained earnings, and non-controlling interests of the Group. The Board of Directors monitors the return on capital as well as the level of dividends to ordinary shareholders.

As of December 31, 2023, there were no changes in the Group's capital management approach.

(w) Financing activities not affecting current cash flow

The Group's reconciliation of liabilities arising from financing activities for the years 2023 and 2022 were as follows:

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

Reconciliation of liabilities arising from financing activities were as follows:

			Non-cash changes				December 31, 2023
	January 1, 2023	Cash flows	Foreign exchange movement	Additions	Decreases	Lease modification	
Short term borrowings	\$ 430,000	(250,000)	-	-	-	-	180,000
Lease liabilities	358,134	(227,775)	(7,938)	185,105	(7,181)	-	300,345
Total liabilities from financing activities	<u>\$ 788,134</u>	<u>(477,775)</u>	<u>(7,938)</u>	<u>185,105</u>	<u>(7,181)</u>	<u>-</u>	<u>480,345</u>

			Non-cash changes				December 31, 2022
	January 1, 2022	Cash flows	Foreign exchange movement	Additions	Decreases	Lease modification	
Short term borrowings	\$ 676,592	(246,592)	-	-	-	-	430,000
Lease liabilities	270,020	(204,985)	15,543	278,202	(634)	(12)	358,134
Total liabilities from financing activities	<u>\$ 946,612</u>	<u>(451,577)</u>	<u>15,543</u>	<u>278,202</u>	<u>(634)</u>	<u>(12)</u>	<u>788,134</u>

(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:

Name of related party	Relationship with the Group
ITG Air & Sea GmbH	An associate

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(c) Significant transactions with related parties

(i) Operating revenue

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

	<u>2023</u>	<u>2022</u>
Associates	<u>\$ 284,413</u>	<u>360,715</u>

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

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

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

	<u>2023</u>	<u>2022</u>
Associates	<u>\$ 63,448</u>	<u>142,560</u>

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

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

(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>December 31, 2023</u>	<u>December 31, 2022</u>
Accounts receivable	Associates	<u>\$ 9,218</u>	<u>9,099</u>

As of December 31, 2023 and 2022, 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>December 31, 2023</u>	<u>December 31, 2022</u>
Accounts payable	Associates	<u>\$ 2,304</u>	<u>4,265</u>

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(d) Key management personnel compensation

Key management personnel compensation comprised:

	<u>2023</u>	<u>2022</u>
Short-term employee benefits	\$ 86,261	68,673
Post-employment benefits	883	787
Share-based payment	<u>25,142</u>	<u>-</u>
	<u><u>\$ 112,286</u></u>	<u><u>69,460</u></u>

(8) Assets pledged as security

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

<u>Assets pledged as security</u>	<u>Liabilities secured by pledged</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Restricted certificates of deposit (recorded under other current assets)	Guarantee for the Group's logistics operations	\$ 7,239	1,063
Restricted certificates of deposit (recorded under other non-current assets)	Guarantee for customs	3,000	3,000
Restricted certificates of deposit (recorded under other non-current assets)	Guarantee for the Group's logistics operations	660	660
Property, plant and equipment:			
Land	Guarantee for long-term and short-term borrowings and the Group's logistics operations	-	41,792
Buildings	"	-	15,416
		<u><u>\$ 10,899</u></u>	<u><u>61,931</u></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 2023 and 2022. As of December 31, 2023 and 2022, the guarantees from the banks were \$0 thousand and \$349,527 thousand, respectively, and the used amounts were \$0 thousand and \$226,246 thousand, respectively.
- (b) As of December 31, 2023 and 2022, the Group had outstanding guaranteed notes deposited totaling \$128,758 thousand and \$142,127 thousand, respectively. As of December 31, 2023 and 2022, the guarantees recorded for customs duty were \$9,280 thousand and \$5,739 thousand, respectively.

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (c) In 2014, a customer of the consolidated subsidiary had an unclaimed shipment. After notifying the customer and failing to obtain any response from it, resulting in the consolidated subsidiary unable to collect the storage fee from the customer in April 2014, the consolidated subsidiary held an auction and sold the shipment in June 2014. However, the customer filed a lawsuit against the consolidated subsidiary in June 2016 for selling the shipment without the customer's consent and demanded the compensation of USD1,414 thousand. Shenzhen Qianhai Cooperation Zone People's Court held the first hearing in October 2016. On June 4, 2019, the Court ruled that the consolidated subsidiary should compensate the customer the amount of CNY5,615 thousand. However, the consolidated subsidiary disagreed with the ruling and filed an appeal to the court on June 19, 2019. The court, on the other hand, rescinded the original judgement, and handed the case over to the Guangzhou maritime court of PRC on March 15, 2021. The Guangzhou Maritime Court held a hearing on November 10, 2021, and the final result has not yet been determined. The Group assessed that the consolidated subsidiary is likely being liable for compensation, thus recognized the possible loss in 2021.
- (d) In 2021, the Group was defending a lawsuit filed by its former employees for her alleged wrongful treatment during her tenure and the termination of employment. The case has been resolved through mediation with total settlement USD1,000 thousand, among which USD637 thousand was paid by insurance and USD363 thousand was paid by the Group which was recorded under administrative expenses in 2021.
- (e) 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

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

By function	Year ended December 31 2023			Year ended December 31 2022		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salary	38,287	1,877,119	1,915,406	42,067	2,646,440	2,688,507
Labor and health insurance	1,061	250,049	251,110	1,446	217,879	219,325
Pension	1,129	42,269	43,398	1,104	40,057	41,161
Others	426	130,300	130,726	1,278	154,255	155,533
Depreciation	2,984	274,242	277,226	18,018	231,691	249,709
Amortization	-	3,892	3,892	-	3,447	3,447

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	-	-	296,423	1,185,694
2	FSC	The Company	Accounts receivable from related parties	Yes	119,550	119,550	119,550	-	(2)	-	Operating capital	-	-	136,317	545,269

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 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	5,972	4,434	4,434	4,434	0.08 %	571,536	Y	N	N
0	The Company	DIMIN & DIMTH	2	285,768	323	311	311	311	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 December 31, 2023 (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				Maximum investment in 2023	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	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	290	
DIMSG	Burwill Holdings Ltd.	—	Financial assets at fair value through other comprehensive income—non-current	22,000	19	-	19	19	
DIMSG	Stamford Land	—	Financial assets at fair value through other comprehensive income—non-current	5,000	40	-	40	40	

(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.

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

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

Name of company	Counter-party	Relationship	Transaction details				Arm's-length transaction		Account / note receivable (payable)		Remarks
			Purchase (Sale)	Amount	Percentage of total purchases (sales)	Credit period	Unit price	Credit period	Balance	Percentage of total accounts / notes receivable (payable)	
DIMTW	DIMUS	Sub-Subsidiary	Freight revenue	131,806	10.26 %	Note 1	-		11,555	3 %	
DIMUS	DIMTW	Sub-Subsidiary	Freight expense	(131,806)	4.15 %	Note 1	-		(11,555)	(3) %	
DIMCN	DIMTW	Sub-Subsidiary	Freight revenue	114,604	Note 2	Note 1	-		(8,300)	(2) %	
DIMTW	DIMCN	Sub-Subsidiary	Freight expense	(114,604)	Note 2	Note 1	-		8,300	- %	
DIMKR	DIMUS	Subsidiary and Sub-Subsidiary	Freight revenue	255,212	36.21 %	Note 1	-		30,204	42 %	
DIMUS	DIMKR	Subsidiary and Sub-Subsidiary	Freight expense	(255,212)	8.03 %	Note 1	-		(30,204)	(9) %	
GSCHK	ZJDCN	Subsidiary and Sub-Subsidiary	Freight revenue	152,482	15.12 %	Note 1	-		74,072	19 %	
ZJDCN	GSCHK	Subsidiary and Sub-Subsidiary	Freight expense	(152,482)	3.30 %	Note 1	-		(74,072)	(12) %	
DIMCN	DIMUS	Subsidiary and Sub-Subsidiary	Freight revenue	354,205	12.73 %	Note 1	-		25,601	6 %	
DIMUS	DIMCN	Subsidiary and Sub-Subsidiary	Freight expense	(354,205)	11.14 %	Note 1	-		(25,601)	(8) %	
GSCHK	DIMUS	Subsidiary and Sub-Subsidiary	Freight revenue	148,223	14.70 %	Note 1	-		3,580	1 %	
DIMUS	GSCHK	Subsidiary and Sub-Subsidiary	Freight expense	(148,223)	4.66 %	Note 1	-		(3,580)	(1) %	
GSCHK	DIMCN	Subsidiary and Sub-Subsidiary	Freight revenue	105,188	10.43 %	Note 1	-		122,331	31 %	
DIMCN	GSCHK	Subsidiary and Sub-Subsidiary	Freight expense	(105,188)	4.42 %	Note 1	-		(122,331)	(59) %	
ZJDCN	DIMCN	Subsidiary and Sub-Subsidiary	Freight revenue	691,718	13.72 %	Note 1	-		47,245	5 %	
DIMCN	ZJDCN	Subsidiary and Sub-Subsidiary	Freight expense	(691,718)	29.06 %	Note 1	-		(47,245)	(23) %	

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	168,476 (Note 1)	-	-		-	-
FSC	DIL	Subsidiary	216,717 (Note 2)	-	-		-	-
GSCHK	DIMCN	Subsidiary	122,331 (Note 3)	9.02	-		16,809	-
GSCHK	FSCHK	Subsidiary	119,242 (Note 4)	-	-		-	-

Note 1: Loan from the subsidiary of \$119,550 thousand and other receivables of \$48,926 thousand.

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

Note 3: Accounts receivable of \$23,302 thousand and other receivables of \$99,029 thousand.

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

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	Long-term advance receipts – related parties	4,125,192	Negotiated	46.45 %
0	The Company	FSCHK	1	Advance receipts – related parties	104,896	Negotiated	1.18 %
0	The Company	DIMUS	1	Sales revenue	131,806	Negotiated	0.60 %
1	FSC	The Company	2	Accounts receivable – related parties	168,476	Negotiated	1.90 %

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

No. (Note 1)	Name of company	Name of counter-party	Existing relationship with counter-party (Note 2)	Transaction details			
				Account name	Amount (Notes 3 and 4)	Terms of trading	Percentage of total consolidated revenue or total assets
1	FSC	The Company	2	Prepayments – related parties	718,191	Negotiated	8.08 %
1	FSC	DIL	3	Accounts receivable – related parties	216,717	Negotiated	2.44 %
4	GSCHK	DIMCN	3	Sales revenue	105,188	Negotiated	0.48 %
4	GSCHK	ZJDCN	3	Sales revenue	152,482	Negotiated	0.69 %
4	GSCHK	DIMUS	3	Sales revenue	148,223	Negotiated	0.67 %
4	GSCHK	DIMCN	3	Accounts receivable – related parties	122,331	Negotiated	1.38 %
4	GSCHK	FSCCHK	3	Accounts receivable – related parties	119,242	Negotiated	1.34 %
5	ZJDCN	DIMCN	3	Sales revenue	691,718	Negotiated	3.14 %
6	DIMCN	DIMUS	3	Sales revenue	354,205	Negotiated	1.61 %
6	DIMCN	The Company	2	Sales revenue	114,604	Negotiated	0.52 %
7	DIMKR	DIMUS	3	Sales revenue	255,212	Negotiated	1.16 %

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.

(b) Information on investees

The following is the information on investees for the year 2023 (excluding information on investees in Mainland China):

Name of the investor	Name of investee	Location	Main businesses	Initial investment (Amount)		Ending balance			Maximum investment in 2023	Net income (losses) of investee	Investment income (losses) (Note 2 and 3)	Notes (Note 3)
				December 31, 2023	December 31, 2022	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 %	754,751	15,444	12,395	12,395	(2)
The Company	HOLDING	Bermuda	Holding company	164,845	164,845	3,089,000	100 %	2,964,234	164,845	332,840	332,840	(1)
The Company	DIMSG	Singapore	Global air and ocean freight forwarder and logistics & warehousing	132,266	132,266	5,400,000	100 %	549,026	132,266	(44,865)	(44,865)	(2)
The Company	DIL	British Virgin Is.	Holding company	472,313	472,313	(Note 1)	100 %	4,760,869	472,313	566,809	566,809	(1)
The Company	FSC	British Virgin Is.	Settlement center	315	315	10,000	20 %	272,635	315	365	73	(1)
The Company	FSCCHK	Hong Kong	Settlement center	236	236	7,500	15 %	741,765	236	13,620	2,043	(1)
The Company	ITG GmbH	Germany	Global air and ocean freight forwarder	183,547	183,547	6,275	25 %	219,034	183,547	106,620	26,655	(2)
The Company	DILTW	Taiwan	Logistics & warehousing	8,000	8,000	800,000	80 %	11,548	8,000	4,229	3,383	(2)
The Company	DFSSG	Singapore	Logistics & warehousing	13,482	13,482	600,000	100 %	43,528	13,482	2,052	2,052	(2)
The Company	DILHK	Hong Kong	Logistics & warehousing	-	-	-	100 %	45,705	-	(5,256)	(5,256)	(2)
The Company	DILSG	Singapore	Logistics & warehousing	4,215	4,215	-	100 %	286	4,215	(1,820)	(1,820)	(2)
The Company	DIMMY	Malaysia	Global air and ocean freight forwarder	65,516	65,516	250,000	100 %	189,287	65,516	(2,212)	(2,212)	(2)
The Company	DTLHK	Hong Kong	Trucking service	41,076	41,076	89,000	100 %	52,067	41,076	1,759	1,759	(2)
DFSTW	FSCCHK	Hong Kong	Settlement center	235	235	7,500	15 %	676,311	235	13,620	2,043	(1)
DFSTW	DILTW	Taiwan	Logistics & warehousing	2,000	2,000	200,000	20 %	2,887	2,000	4,229	846	(2)
DIL	DIMUS	U.S.A.	Global air and ocean freight forwarder	238,686	238,686	4,961,000	100 %	1,060,137	238,686	92,179	92,179	(1)
DIL	DIMGB	U.K	Global air and ocean freight forwarder	12,589	12,589	300,000	37 %	(17,256)	12,589	(9,379)	(3,517)	(2)
DIL	GMS	Hong Kong	Logistics & warehousing	-	-	-	100 %	3,717,988	-	478,146	478,146	(1)
DMCHK	DIMHK	Hong Kong	Global air and ocean freight forwarder and logistics & warehousing	427,348	427,348	300,000	99 %	3,495,406	427,348	43,946	43,942	(1)
DMCHK	DFSHK	Hong Kong	Ocean freight forwarding	25,393	25,393	71,000	99 %	2,007,167	25,393	37,650	37,646	(2)
GMS	DIMPH	Philippines	Global air and ocean freight forwarder	38,399	38,399	180,000	60 %	3,821,251	38,399	791,297	474,778	(2)
DIMUS	DIMUS	U.S.A.	Brokerage service	13,532	13,532	1,000	100 %	46,772	13,532	4,208	4,208	(2)
DIMUS	B.C. Logistic, LLC	U.S.A.	Trucking service	54,103	54,103	-	85 %	17,742	54,103	(2,759)	(2,345)	(2)
DIMHK	FSC	British Virgin Is.	Settlement center	954	954	30,000	60 %	817,905	954	365	219	(1)
DIMHK	DIMVN	Vietnam	Trucking service	2,090	2,090	-	75 %	34,380	2,090	(7,674)	(5,755)	(2)
DIMHK	FSCCHK	Hong Kong	Settlement center	550	550	17,500	35 %	1,578,157	550	13,620	4,767	(1)
DIMPH	GSCHK	Hong Kong	Settlement center	-	-	-	100 %	736,846	-	750,754	750,754	(1)

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Name of the investor	Name of investee	Location	Main businesses	Initial investment (Amount)		Ending balance			Maximum investment in 2023	Net income (losses) of investee	Investment income (losses) (Note 2 and 3)	Notes (Note 3)
				December 31, 2023	December 31, 2022	Shares	Ratio of shares	Carrying amount (Note 2 and 3)				
DIMSG	FSC	British Virgin Is.	Settlement center	318	318	10,000	20 %	272,635	318	365	73	(1)
DIMSG	DIMIN	India	Trucking service	17,595	5,303	960,000	100 %	32,862	17,595	7,896	7,896	(2)
HOLDING	DIMTH	Thailand	Global air and ocean freight forwarder	7,642	7,642	735,000	49 %	63,310	7,642	(5,057)	(2,478)	(2)
HOLDING	DIMPH	Philippines	Global air and ocean freight forwarder	4,026	4,026	120,000	40 %	2,546,479	4,026	791,297	316,519	(2)
HOLDING	DIMAU	Australia	Global air and ocean freight forwarder	16,460	16,460	60,000	100 %	(28,378)	16,460	785	785	(2)
HOLDING	DIMKR	Korea	Global air and ocean freight forwarder	19,386	19,386	120,000	100 %	129,743	19,386	11,775	11,775	(2)
HOLDING	DIMCA	Canada	Air freight forwarder	15,646	15,646	-	100 %	214,586	15,646	9,831	9,831	(2)
HOLDING	DIMNL	Netherlands	Global air and ocean freight forwarder	11,644	11,644	1,000	100 %	40,273	11,644	5,950	5,950	(2)
HOLDING	DSLUS	U.S.A.	Logistics & warehousing	15,840	15,840	50,000	100 %	23,891	15,840	(7,538)	(7,538)	(2)
DIMPH	Peerless Express Forwarders Corp.	Philippines	Trucking service	954	954	1,600,000	40 %	-	954	1,693	677	(2)
DIMPH	DFSPH	Philippines	Trucking service	5,231	5,231	96,700	91 %	13,265	5,231	(886)	(803)	(2)
DIMPH	DMCHK	Hong Kong	Settlement center	5,382,655	5,382,655	-	100 %	6,239,419	5,382,655	832,351	832,351	(1)
DFSSG	DFSPH	Philippines	Trucking service	541	541	10,000	9 %	1,312	541	(886)	(83)	(2)
DFSHK	FSCCHK	Hong Kong	Settlement center	566	566	17,500	35 %	1,578,157	566	13,620	4,767	(1)
FSCCHK	DIMGB	U.K	Global air and ocean freight forwarder	20,126	20,126	500,000	63 %	(10,564)	20,126	(9,379)	(5,862)	(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.

(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	Maximum investment in 2023	Current investment income and losses (Notes 2 and 3)	Carrying amount (Notes 2 and 3)	Accumulated remittance of earnings in current period
					Invested amount	Returned amount							
ZIDCN	Global air and ocean freight forwarder	54,928	(2)	27,582 (USD902)	-	-	27,582 (USD902)	(8,338)	75 %	41,196	(6,254)	123,913	-
DILSHA	Logistics & warehousing	5,970	(2)	6,116 (USD200)	-	-	6,116 (USD200)	636	99 %	5,970	636	(55,959)	-
DIMCN	Global air and ocean freight forwarder	163,377	(2)	-	-	-	-	29,819	100 %	163,377	29,819	444,564	-
DILSZX	Logistics & warehousing	10,958	(2)	-	-	-	-	(109)	100 %	10,958	(109)	(18,902)	-
DFSCN	Global air and ocean freight forwarder	59,777	(2)	-	-	-	-	35,022	100 %	59,777	35,022	361,432	-
Diversified Transportation (China) Co., Ltd.	Trucking service	29,802	(2)	-	-	-	-	(351)	100 %	29,802	(351)	20,925	-
Yuhang Int'l Logistics (Dalian) Co., Ltd.	Global air and ocean freight forwarder	38,666	(2)	-	-	-	-	25,401	25 %	9,667	7,029	27,921	-
Diversified (Shanghai) International Logistics Service Company Ltd	Global air and ocean freight forwarder	13,684	(2)	-	-	-	-	3,991	100 %	13,684	3,991	7,551	-
Diversified (Shenzhen) International Logistics Service Company Ltd	Global air and ocean freight forwarder	1,293	(2)	-	-	-	-	-	100 %	-	-	(982)	-

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: Except for Yuhang Int'l Logistics (Dalian) Co., Ltd. the financial statements were audited by an international accounting firm in cooperation with the R.O.C. accounting firm.

(ii) Limitation on investment in Mainland China

Unit: thousand dollars

Company name	Aggregate investment amount remitted from Taiwan to Mainland China at end of period (Note2)	Approved investment (amount) by Ministry of Economic Affairs Investment Commission (Note2)	Limitation on investment in Mainland China in accordance with regulations of Ministry of Economic Affairs Investment Commission (Note 1)
DIMTW	33,698 (USD1,102)	73,390 (USD2,400)	3,501,622

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

Note 2: USD:NT\$=1:30.579.

(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”.

(d) Major shareholders:

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

(14) Segment information

(a) General information

The Group has three reportable segments: Asia department, Americas department, and Europe department.

The reportable department is a strategic business unit providing different products and services. Because each strategic business unit requires different kinds of techniques and marketing tactics, it should be separately managed. Segments adopt the same accounting policies as those listed in note 4. Segment income is evaluated based on income before tax and is used as the basis for performance evaluation.

(b) Information on income and loss, assets, liabilities, basis of measurement, and the reconciliation for reportable segments

The Group uses the internal management report that the chief operating decision maker reviews as the basis to determine resource allocation and make a performance evaluation. The internal management report includes profit before taxation but does not include income tax expense and any extraordinary activity. Because taxation and extraordinary activity are managed on a group basis, they are not able to be allocated to each reportable segment. In addition, not all profit or loss from reportable segments includes significant non-cash items such as depreciation and amortization. The reportable amount is consistent with that of the report used by the chief operating decision maker.

The operating segment accounting policies are consistent with those described in note 4 "Significant Accounting Policies".

The Group treated intersegment sales and transfers as third-party transactions. They are measured at market price.

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

	2023				
	Asia	Americas	Europe	Adjustments and eliminations	Total
Revenue:					
Revenue from external customers	\$ 17,366,422	4,295,734	380,528	-	22,042,684
Intersegment revenues	<u>1,119,995</u>	<u>-</u>	<u>-</u>	<u>(1,119,995)</u>	<u>-</u>
Total revenue	<u>\$ 18,486,417</u>	<u>4,295,734</u>	<u>380,528</u>	<u>(1,119,995)</u>	<u>22,042,684</u>
Reportable segment profit	<u>\$ 1,132,062</u>	<u>127,684</u>	<u>(2,016)</u>	<u>-</u>	<u>1,257,730</u>
	2022				
	Asia	Americas	Europe	Adjustments and eliminations	Total
Revenue:					
Revenue from external customers	\$ 29,866,253	10,175,399	1,133,158	-	41,174,810
Intersegment revenues	<u>1,015,308</u>	<u>-</u>	<u>-</u>	<u>(1,015,308)</u>	<u>-</u>
Total revenue	<u>\$ 30,881,561</u>	<u>10,175,399</u>	<u>1,133,158</u>	<u>(1,015,308)</u>	<u>41,174,810</u>
Reportable segment profit	<u>\$ 2,431,854</u>	<u>393,124</u>	<u>11,201</u>	<u>-</u>	<u>2,836,179</u>

The material reconciling items of the above reportable segment are as below:

Total reportable segment revenue after deducting the intersegment revenue were \$1,119,995 thousand and \$1,015,308 thousand for the years 2023 and 2022, respectively.

(c) Geographic information

The Group solely provides freight forwarding service. Please refer to the segment information for the revenue. Non-current assets are classified by geographic location.

Geographical information	December 31, 2023	December 31, 2022
Asia	\$ 713,150	740,804
Americas	221,188	276,871
Europe	<u>17,529</u>	<u>9,568</u>
Total	<u>\$ 951,867</u>	<u>1,027,243</u>

Non-current assets include property, plant and right-of-use assets and equipment, intangible assets, and other assets. They do not include financial instruments, deferred income tax assets, and pension plan assets.

(d) Information about major customers

For the years 2023 and 2022, the Group had no major customer who constituted 10% or more of the net sales.

VII. Review of Financial Conditions, Operating Results, and Risk Management

7.1 Analysis of Financial Status

7.1.1 Analysis of Financial position

Unit: NT\$ thousand

Item \ Year	2022	2023	Difference	
			Amount	%
Current Assets	9,046,631	7,464,374	(1,582,257)	-17.5
Property、 Plant and Equipment	560,326	544,726	(15,670)	-2.8
Intangible Assets	73,740	69,817	(3,923)	-5.3
Other Assets	842,172	802,710	(39,462)	-4.7
Total Assets	10,522,869	8,881,627	(1,641,242)	-15.6
Current Liabilities	4,178,827	2,766,579	(1,412,248)	-33.8
Non-current liabilities	219,301	175,669	(43,632)	-19.9
Total Liabilities	4,398,128	2,942,248	(1,455,880)	-33.1
Capital stock	1,360,800	1,428,840	68,040	5.0
Capital surplus	19,362	62,234	42,872	221.4
Retained Earnings	4,644,353	4,144,436	(499,917)	-10.8
Total Stockholders' Equity	6,124,741	5,939,379	(185,362)	-3.0

7.1.2 Explanation for Material changes:

Other assets increased: due to the increase of accounts receivable

Non-current liabilities increased due to the increase of accounts payable

7.2 Analysis of Operating Results

7.2.1 Analysis of Financial performance

Unit: NT\$ thousand

Item \ Year	2022	2023	Difference	
			Amount	%
Gross Sales	41,174,810	22,042,684	(19,132,126)	-46.5
Less: Sales Returns	-	-	-	-
. Sales Allowances	-	-	-	-
Net Sales	41,174,810	22,042,684	(19,132,126)	-46.5
Cost of Sales	35,233,829	18,245,653	(16,988,176)	-48.2
Gross Profit	5,940,981	3,797,032	(2,143,949)	-36.1
Operating Expenses	3,366,224	2,715,695	(650,529)	-19.3
Operating Income	2,574,757	1,081,336	(1,493,421)	-58.0
Non-operating Income and Expenses(net)	261,422	176,394	(85,028)	-32.5
Income Before Tax	2,836,179	1,257,730	(1,578,449)	-55.7
Tax Benefit (Expense)	295,984	241,162	(54,822)	-18.5

Net Income	2,540,195	1,016,568	(1,523,627)	-60.0
Attributable to owners of the parent	2,538,625	1,023,630	(1,514,995)	-59.7
Attributable to non-controlling interest	1,570	(7,062)	(8,632)	-549.8

7.2.2 Analysis of change on the Gross Profit:

We do not calculate the volume-price differences because of our business characteristic.

7.2.3 Basis of the Sales volume forecast and Measures to be taken with regards to future finance operation changes related to sales volume forecast:

The company does not provide public financial forecasts but establishes internal targets based on industry conditions, market supply and demand, and the company's operational status.

7.3 Analysis of Cash Flow

Unit: NT\$ thousand

Cash and Cash Equivalents, Beginning of Year (1)	Net Cash Flow from Operating Activities (2)	Cash Outflow (3)	Cash Surplus (Deficit) (1)+(2)-(3)	Leverage of Cash Deficit	
				Investment Plans	Financing Plans
5,809,475	660,721	1,689,570	4,780,626	-	-

7.3.1 Cash Flow Analysis for the Current Year:

1. Operating activities: Net cash inflow from operating activities decreased due to the decrease of net profit before tax and increase of Accounts Payable from 2022.
2. Investment activities: Net cash outflow from Investment activities increased due to new acquisition in 2022 and the increase in dividends received in 2023.
3. Financial activities: Cash outflow from financial activities decreased due to the purchase of treasury stocks in 2022.

7.3.2 Remedy for Cash Deficit and Liquidity Analysis: Not applicable.

7.3.3 Cash Flow Analysis for the Coming Year

Unit: NT\$ thousand

Estimated Cash and Cash Equivalents, Beginning of Year (1)	Estimated Net Cash Flow from Operating Activities (2)	Estimated Cash Outflow (Inflow) (3)	Cash Surplus (Deficit) (1)+(2)-(3)	Leverage of Cash Surplus (Deficit)	
				Investment Plans	Financing Plans
4,780,626	1,381,192	1,074,434	5,087,384	-	-

7.4 Major Capital Expenditure Items

Dimerco is a lightweighted-assets company, capital expense to stockholders' equity is below 35%, there's no effect on our operation.

7.5 Investment Policy in Last Year, Main Causes for Profits or Losses, Improvement Plans and the

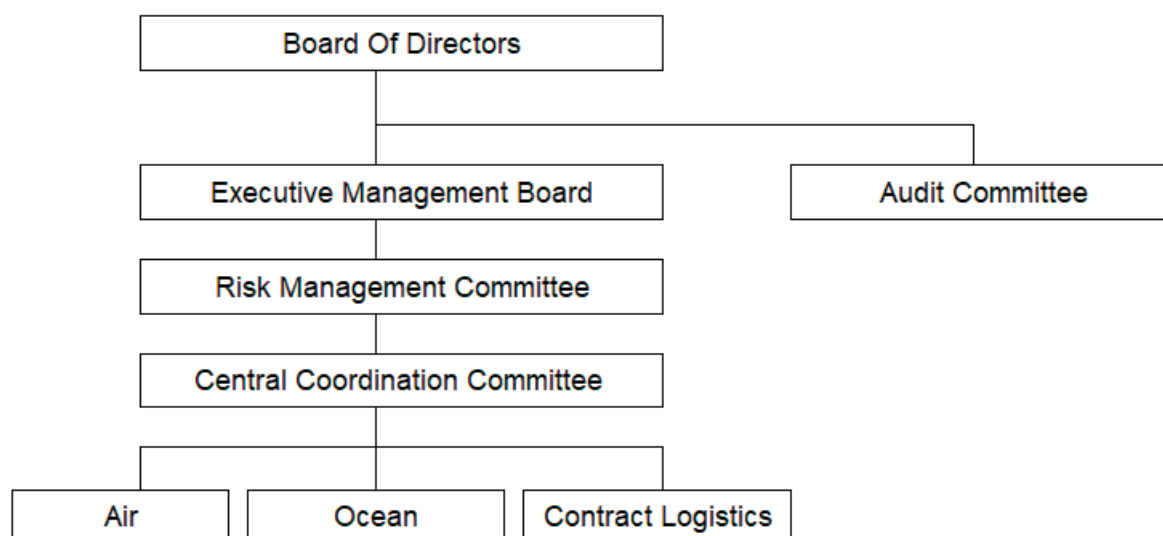
Investment Plans for the Coming Year

Dimerco's investments are all long-term investments, due to global economic slowdown. In the future, the company will continue expanding its China, Asia, Europe and USA market with a stable and long term strategy.

7.6 Analysis of Risk Management

Risk Management is a necessary course for our company and affiliated company, all of the middle and senior managers are the member of the Risk Management Organization. Risk management is centralized at headquarter and expands to all affiliate companies in 17 countries. We expect to use effective risk management to reduce strategy, operating and financial risks.

7.6.1 Risk management organization chart



7.6.2 Organization explanation:

Risk Management Direct Committee:

*Reports to Board of Directors

*Composed of highest level managers

*Directs the improvement of risk control

*Identifies and authorizes the priority sequence of risk

Work committee of Risk Management

*Assignment by Central service center

*Integrates organizations' Enterprise Risk Management

*Improves and tracks the results of risk management

7.6.3 Effects of Changes in Interest Rates, Foreign Exchange Rates and Inflation on Corporate Finance, and Future Response Measures

1. Income statement effect :

Unit: NT\$ thousand

Items	Year 2023
Interest revenue/expense(net)	85,735
Exchange gain/loss(net)	27,269
Interest revenue/expense to net income rate	0.39%
Interest revenue/expense to net income rate(before tax)	6.82%
Exchange gain/loss(net) to net income rate	0.12%
Exchange gain/loss(net) to net income rate (before tax)	2.17%

(1) Interest rate

Our interest rate risk rises from the long-term debts related to operating activities.

(2) Foreign exchange rates

The company mainly engages in international air and ocean freight forward business. The company collects payments in local currency or US dollar, while receivables and payables between stations and agents are dealt through the central checkout system in US dollar, Euro or CNY. In order to reduce the impact of exchange rate fluctuations, the exchange rate fluctuation factors are taken into account when collecting money from customers. In addition, the company's central checkout system is received and paid in US dollars or Euros, and the accounts are reconciled and settled every half a month to a month, reducing the time factor on exchange rate fluctuations influence.

(3) Inflation

The impact of inflation does not currently have a significant impact on the company's profits and business operations.

2. Measures for Future Response:**(1) Measures for Interest Rate Fluctuations:**

The company's financial personnel hold meetings at least once a month to discuss trends in interest rates and exchange rates, closely monitoring market fluctuations. In the future, we will continue to observe volatility in the interest rate market and make prompt adjustments to our cash and debt positions.

(2) Measures for Exchange Rate Fluctuations:

The company relies on regional financial managers as the core team to track foreign currency positions of subsidiaries on a weekly basis. We engage in purchasing stronger currencies and utilize forward exchange contracts to mitigate exchange rate risks arising from assets and liabilities.

(3) Measures for Inflationary Changes:

Currently, our business is not affected by inflationary changes.

7.6.4 Policies, Main Causes of Gain or Loss and Future Response Measures with Respect to High-risk, High-leveraged Investments, Lending or Endorsement Guarantees, and Derivatives Transactions

1. The company did not engage in any high-risk or high-leveraged investments as of the publish of this manual.
2. The company did not engage in any lending activities.
3. The Company's "Procedures of Endorsement Guarantee." Rules that the limit amount of total endorsement guarantee is 40% of capital and limit amount to single corporation is 20% of capital.

2023/3/31

Unit: NT\$ thousands

Number	Name of the endorsement guarantee company	Company in guaranteed		Limit amount to the company	endorsement guarantee balance-high est amount	Ending balance of endorsement guarantee balance	endorsement guarantee balance(us e the assets)	Accumulated endorsement guarantee amount to net assets rate	limit amount of endorsement guarantee
		Name	Relationship (father-son -grandson structure)						
0	Dimerco	DIMVN	2	285,768	5,597	5,597	5,597	0.10%	571,536
0	Dimerco	DIMIN & DIMTH	2	285,768	325	325	325	0.01%	571,536
0	Dimerco	DILTW	2	285,768	250	250	250	0.01%	571,536

7.6.5 Future Research & Development Projects and Corresponding Budget

The company's R & D expenditure proportion of the most recent two years is as below. The company expects to invest R & D expenses of NT \$ 15,490 thousand and improve self-developed ERP system in Y2024.

R & D expenditure accounted for turnover ratio table:

Unit: NT\$ thousands

Year	Research Expenditure	Rate to Operating Income
2023	10,330	0.03%
2024	15,490	0.03%

Our development and research department includes system design and information integration, integration Of development and action techniques, big data, AI, Machine learning and Business Intelligence and will be elevating cyber security safety measures. The main projects are as below:

Name	Explanation
MyDimerco cooperative service platform	With a more optimized interactive interface system or mobile version, the Company helps the customer learn the whole transportation management process. It includes the process of sending the raw materials to the factory and the process of sending finished products that are processed and packaged to the market distribution centers around the world. In addition to cargo tracking, the Company also provide customers with understanding of shipment volume and price analysis, real-time online reporting, and other services to quickly and effectively analyze and achieve customer critical performance indicators.
POMS, Purchase Order Management System	In 2017, Dimerco demonstrated its IT capability by launching an intelligent management platform POMS (Purchase Order Management System), dedicated to enhancing the overall efficiency of our supply chain management focused on our customers' orders. Not only does POMS connect with customers' purchase order management systems, and synchronize with the Dimerco Value Plus System® for online booking, but it also enables customers to keep track of real-time information on sales, shipping, purchasing and warehousing.
Cross-Border eCommerce EDI Integration	Cross border e-commerce has advanced from a stage of rapid rise to booming development in recent years. Dimerco has reinforced its organizational power to develop new business by forming an action team, integrating sales and customer services around the world, and continued to win over a number of multinational companies and cross border e-commerce companies. Its self-developed Dimerco Value Plus System® allies customers, international logistics providers (referring to Dimerco) and local couriers, performing electronic data interchange (EDI) to help customers synchronize all logistics

	information with local couriers. Ultimately, the Company successfully achieves the fastest delivery of goods from warehouses to customers within their required timeframe.
eCallFreight® System – an intelligent logistics front end system	To integrate the door-to-door services of international transportation and mobile logistics system, Dimerco launched the development of a truck dispatch management system called the “eCallFreight® System” at the beginning of 2015, strengthening the connections between truck dispatch, pickup and distribution services in the front-end and back-end of international logistics. By implementing this solution, the Company cooperated with local logistics partners by using IoT (Internet of Things) to unify data streams and information flows to achieve digitalization. Meanwhile, the Company established a substantial database to improve the safety of cargo freight, and maximize operational efficiency and quality of service.
Value+ Mobile Assistance APP(VMA)	Provide field personnel with more convenient, faster, and easier access of import and export goods shipment data at any time and any place. Update relevant milestones and upload photograph. In addition, it is also equipped with the Vendor Mode, a real-time feedback function for cargo Proof of Delivery information developed specifically for field or outsourced truck drivers by Dimerco, allowing customers to receive more timely cargo information.
eWMS APP	Through the mobile phone APP coupled with a handheld scanning device, warehouse managers may engage in simpler and more intuitive operations according to customers’ different needs. The actual operations and system updates are integrated to accelerate and ensure smoother operating processes and reduce operational errors.
Miles Do APP	In order to prevent problems with air import and export and enhance operational speed, this APP all-in-one features, including data cross-checking, printing label, and milestone I order to provide service contents with higher quality.
Dimerco MFA(Multi-Factor Authentication)	In order to ensure ERP system login security. The Dimerco MFA has been self-developed. Verification codes can be obtained via the APP or e-mail in order to ensure the identity of the user at login and reduce information security risks.
DimBot	By integrating Machine Learning and AI, the computer will be able to assist the primary

	<p>user in completing daily operations, obtain correct flight information from Airline websites, automatically update the ERP system, and automatically send notifications in the event of abnormal situations. In order to reducing users' usual work, the efficiency of information acquisition can also be obtained, thereby providing higher quality and faster services.</p>
MyHome Plus App	<p>To provide customers with better service, Dimerco has developed the MyHome Plus App for its employees, allowing them to easily and quickly access important company information and communication through their mobile phones. The app includes functions such as important company activity messages, internal news releases, Freight Market Forecast, eAWB Monitor, contact information for major branches, holiday and attendance status inquiries, etc. Through these functions, employees can quickly understand the current market situation, provide customers with a better pricing foundation, and assist customers in making more suitable arrangements for their cargo and services.</p>
RPA (Robotic Process Automation) Process Automation	<p>With years of cultivating digital capabilities, Dimerco has positioned 2023 as the year of digital transformation and established an RPA seed team to conduct in-depth research on global logistics service processes. By utilizing RPA software, the team has achieved unified and digitalized information, enhancing operational and management efficiency, as well as service levels.</p>

7.6.6 Effects of and Response to Changes in Policies and Regulations that affects Corporate Finance

Not applicable

7.6.7 Effects of and Response to Changes in Technology and in Industry Related to Corporate Finance and Sales

Not applicable

7.6.8 The Impact of Changes in Corporate Image on Corporate Risk Management, and the Company's Response Measures

Not applicable

7.6.9 Expected Benefits from, Risks Related to and Response to Mergers and Acquisition Plans

Not applicable

7.6.10 Expected Benefits from, Risks Related to and Response to Factory Expansion Plans

Not applicable

7.6.11 Risks Related to and Response to Concentration of Purchasing Sources and Customer Concentration

Not applicable

7.6.12 Effects of, Risks Related to and Response to Large Share Transfers or Changes in Shareholdings by Directors or Shareholders with Shareholdings of over 10%

Not applicable

7.6.13 Effects of, Risks Related to and Response to Changes in Control of the Company

Not applicable

7.6.14 Litigation or Non-litigation Matters that may materially affect Stockholders' Equity or Stock Price

Not applicable

7.6.15 Other Major Risks

Not applicable

7.7 Other Critical Matters

Not applicable

VIII. Special Disclosure

8.1 Summary of Affiliated Companies

1. Relevant information of affiliated companies

(1) Organization chart of affiliated companies, see page 272

(2) Information of Affiliated companies:

Corporate Name	Code	Establishment Date	Address	Paid-in Capital	Main Operation
Dimerco Air Forwarders (H.K.) Limited.	DIMHK	1977.05	Room A & B, 18/F., Tower B, Billion Centre, Hong Kong	277,964	Ocean and air freight forwarding, distribution and warehousing
Dimerco Express(Singapore) Pte. Ltd	DIMSG	1980.08	80 Marine Parade Road, #10-02 Parkway Parade, Singapore	120,708	Ocean and air freight forwarding, distribution and warehousing
Diversified Freight System (Singapore) Pte. Ltd.	DFSSG	2018.12	80 Marine Parade Road, #12-02 Parkway Parade, Singapore	13,753	Distribution and warehousing
Diversified International Logistics Pte. Ltd.	DILSG	2020.11	80 Marine Parade Road #02-12 Parkway Parade Singapore 449269	9,264	Distribution and warehousing
Dimerco Express (UK) Limited	DIMGB	1980.04	Office 224-226, The Mille, 1000 Great West Road, United Kingdom	34,023	Ocean and air freight forwarding
Dimerco Express (U.S.A.) Corp.	DIMUS	1992.01	955 Dillon Drive, WoodDale, IL, USA	211,456	Ocean and air freight forwarding
Foreign Settlement Company Limited	FSC	1999.10	P.O.Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	1,573	Central account settlement
Diversified Freight System Corp	DFSTW	1973.05	11F.-1, No.160, Sec. 6, Minquan E. Rd., Neihu, Taiwan	30,000	Ocean freight forwarding

Corporate Name	Code	Establishment Date	Address	Paid-in Capital	Main Operation
Diversified International Logistics Co., Ltd.	DILTW	2021.01.27	Rm. W1010, 1F., No. 107, Hangxiang Rd., Dayuan Dist., Taoyuan City, Taiwan (R.O.C.)	10,000	Distribution and warehousing
Dimerco Express Holding Co., Ltd.	Holding	1995.11	3rd Floor, Par-La-Ville Palace, 14, Par-La-Ville Road, Hamilton, Bermuda	91,648	Holding company
Dimerco Logistics (Shanghai) Co., Ltd.	DILSHA	1998.06	30th Factory (A position) No.390, Aidu Road, China	5,970	Distribution and warehousing
Dimerco Zhongjing Int'l Express Co., Ltd.	ZJDCN	1992.08	2205 floor A. Tower Wanda Plaza, No. 93 Jiang, China	54,928	Global air and ocean freight forwarder
Diversified International Logistics (Shanghai) Co., Ltd.	DILWGQ	2018.05	30th Factory(A position) No.390, Aidu Road, China	13,684	Global air and ocean freight forwarder
Diversified Freight System Limited	DFSHK	1984.08	Room A & B, 18/F., Tower B, Billion Centre, Hong Kong	54,049	Ocean freight forwarding
Dimerco Express (Phils.) Inc.	DIMPH	1994.07	3F DPC Place, 2322 Chino Roces Avenue, Makati City, Philipines	8,163	Ocean and air freight forwarding
Dimerco Express (Malaysia) Sdn. Bhd.	DIMMY	1984.04	No.14, Jalan Pjs 7/21, Bandar Sunway, Malaysia	3,073	Ocean and air freight forwarding
Dimerco Express Netherlands B. V.	DIMNL	1998.08	Boeingavenue 213 - 215, Netherlands	17,982	Ocean and air freight forwarding
Dimerco Express (Australia) Pty Ltd	DIMAU	1994.02	Suite 5, 15 Forest Road, Hurstville, Australia	49,182	Ocean and air freight forwarding
Dimerco Express Korea Corp.	DIMKR	1999.03	Room 1501-1502, Building E, Korea	18,192	Ocean and air freight forwarding
Dimerco Express (Canada) Corp.	DIMCA	1990.11	5100 Orbitor Dr., Suite 201, Canada	1,215	Air freight forwarding
Dimerco Express (Thailand) Co., Ltd.	DIMTH	1991.09	Unit 2003-3 & 2004, 20th Floor, Rasa Tower 1, 555, Thailand	13,736	Ocean and air freight forwarding
Diversified Transportation (HK & China) Co., Ltd.	DTLHK	2001.01	Gridlines 13003E -13004E, 13 Floor, Hong Kong	39,004	Transportation
Diversified International Transportation (Shanghai) Co., Ltd.	DIMCN	2004.07	Room1101-1104 No.1088, Pudong South Road, China	163,377	Global air and ocean freight forwarder
Dimerco International Logistics Corporation	DILHK	2019.01	Gridlines 13003E -13004E, 13 Floor, Hong Kong	-	Distribution and warehousing
Diversified International Service Logistics System Corporation	DSLUS	2005.02	455 Eccles Ave. USA	15,365	Distribution and warehousing
Diversified International Transportation (Shanghai) Co., Ltd.	DFSCN	2004.07	Room 1101-1104 No.1088, Pudong South Road, China	59,777	Global air and ocean freight forwarder
Dimerco Vietfracht (JV) Co., Ltd.	DIMVN	1995.03	07th Floor, V-COALIMEX Building, No.29-31, Vietnam	2,074	Distribution and warehousing
Dimerco International Logistics (Shenzhen) Co., Ltd.	DILSZX	2006.09	RM901,Top Ascent Logistics Bldg.,No.1-3 Taohua Rd. China	10,958	Distribution and warehousing
Diversified International Logistics (Shenzhen) Co., Ltd.	DILYTN	2004.07	Unit G, 2nd Floor, China Overseas Logistics Center, No. 15 Mingzhu Street, Yantian Integrated Free Trade Zone, Donghai Community, Yantian Street, Yantian District, Shenzhen, P.R.C.	1,293	Global air and ocean freight forwarder

Corporate Name	Code	Establishment Date	Address	Paid-in Capital	Main Operation
Diversified Transportation (China) Co., Ltd.	DTLC	2020.05	Room A303, Building 1, No.21 Jinwen Road, China	29,802	Transportation
Global Marketing & System Co., Ltd.	GMS	2005.12	ROOMS 3203A-3205 TOWER TWO LIPPO CENTRE 89 QUEENSWAY Hong Kong	-	Distribution and warehousing
Dimerco Express (India) Pvt. Ltd.	DIMIN	2005.12	Hybrid Towers 2nd Floor, No. 5AC-101, 2nd Main, India	6,061	Trucking service
Dimerco Customs Brokerage Services Co., Ltd.	DCBUS	2012.1	955 Dillon Dr. Wood Dale, USA	13,532	Brokerage service
Foreign Settlement Company Limited	FSCHK	2012.01	Room A & B, 18/F., Tower B, Billion Centre, 1 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong	1,586	Central account settlement
Dimerco International Logistics Corporation	DIL	2015.12	P.O.Box957,Offshore Incorporations Centre,Road Town,Tortola, British Virgin Islands	472,313	Holding company
Yuhang International Logistics(Dalian) Co., Ltd	YIL	2005.12	Rm.1503, Times Building, China	38,666	Ocean and air freight forwarding
Peerless Express Forwarders Corp.	Peerless	2013.07	PCPD Compound 2332 Chino Roces Ave. Ext., Bonifacio Taguig City, Philippines	954	Trucking service
BC Dimerco Logistics Corporation	BCDPHX	2022.01	4405 E BASELINE ROAD, SUITE 114, PHOENIX, AZ, 85042, USA	9,219	Distribution
Global SCM Company Limited	GSCHK	2022.11	Room A & B, 18/F, Tower B, Billion Centre, 1 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong	-	Global logistics services
Diversified Merchandise Company Limited	DMCHK	2022.10	Room A & B, 18/F, Tower B, Billion Centre, 1 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong	-	Global logistics services

(3) The names of the directors and general manager of each affiliate and the details of their shareholding or capital contribution in such affiliate:

Company Name	Job Title (Remark 1)	Name or Representative	Holding, end of period(Remark 2) (Remark 3)	
			Number of shares	Percentage of ownership
Dimerco Air Forwarders (H.K.) Limited.	Director	Ruan, Yao-Chang	-	100.00%
	Director	Chiou, Jiun-Rung	-	
	Director	Chien, Yao-Huai	-	
	Diversified Merchandise Company Limited		686,980 shares	
Dimerco Express(Singapore) Pte. Ltd.	Director	Chiou, Jiun-Rung	-	100.00%
	Director	LIU JY SHYAN@JONO LIU	-	
	Director	Jeffrey Shih	-	
	Director	Chien, Yao-Huai	-	
DIMERCO EXPRESS CORPORATION		5,400,000 shares		
Diversified Freight System (Singapore) Pte. Ltd.	Director	Jeffrey Shih	-	100.00%
	Director	Ruan, Yao-Chang	-	
	Director	LIU JY SHYAN@JONO LIU	-	
	Dimerco Express (India) Pte Ltd.		600,000 shares	
Diversified International Logistics Pte. Ltd.	Director	Chien, Wen-Li		100.00%
	Director	Jeffrey Shih		
	Director	Cheng Sheng Chua Siew Khim		
Dimerco Express Corporation		1,000,000 shares		

Company Name	Job Title	Name or Representative	Holding, end of period(Remark 2) (Remark 3)			
	(Remark 1)		Number of shares		Percentage of ownership	
Dimerco Express (UK) Limited	Director	Jeffrey Shih	-			
	Director	Chien, Yao-Huai	-			
			Dimerco International Logistics Corporation	300,000 shares	37.50%	
			FOREIGN SETTLEMENT COMPANY LIMITED	500,000 shares	62.50%	
Dimerco Express (U.S.A.) Corp.	Director	Jeffrey Shih	-			
	Director	Chien, Yao-Huai	-			
			Dimerco Express Corporation	6,689,408 shares	100.00%	
Foreign Settlement Company Limited	Director	Ruan, Yao-Chang	-			
	Director	Chien, Wen-Li	-			
	Director	Chien, Yao-Huai	-			
			Dimerco Air Forwarders (H.K.) Limited.	30,000 shares	60.00%	
			Dimerco Express Corporation	10,000 shares	20.00%	
			Dimerco Express (Singapore) Pte. Ltd.	10,000 shares	20.00%	
Diversified Freight System Corp.	Director	Ruan, Yao-Chang	1 shares	0.00%		
	Director	Gao,Zhong-Yi	1 shares	0.00%		
	Director	Chien, Yao-Huai	1 shares	0.00%		
			Zhou,Xian-Long	1 shares	0.00%	
			Dimerco Express Corporation	1,199,996 shares	100.00%	
Diversified International Logistics Co., Ltd.	Director	Chien, Wen-Li				
	Director	Ruan, Yao-Chang				
			Dimerco Express Corporation	800,000 shares	80%	
			Diversified Freight System Corp.	200,000 shares	20%	
Dimerco Express Holding Co., Ltd.	Director	Robert Sio Lee	-			
	Director	Chien, Wen-Li	-			
	Director	Debroah L. Devis	-			
	Director	Arthur E.M. Jones	-			
	Director	Chien, Yao-Huai	-			
			Dimerco Express Corporation	2,400,000 shares	100.00%	
Dimerco Logistics (Shanghai) Co., Ltd.	Director	Ruan, Yao-Chang	-			
	Director	Chien, Wen-Li	-			
		Kathy Liu	-			
			Dimerco Air Forwarders (HK) Ltd.	1 shares	100.00%	
Dimerco Zhongjing Int'l Express Co., Ltd.	Director	Ruan, Yao-Chang	-			
	Director	He,Zhen-Yu	-			
	Director	Gao,Zhong-Yi	-			
	Director	Chen,Chun-Sheng	-			
			DIMERCO AIR FORWARDERS (H.K.) LIMITED	1,380,000 shares	75.00%	
			XIN MAO CONGLOMERATE	460,000 shares	25.00%	
Diversified International Logistics (Shanghai) Co., Ltd.	Director	Chien, Wen-Li	-			
			GLOBAL MARKETING & SYSTEM COMPANY LIMITED	1 shares	100.00%	
Diversified Freight System Limited	Director	Ruan, Yao-Chang	-			
	Director	Gao,Zhong-Yi	-			
	Director	Chien, Yao-Huai	-			
			Diversified Merchandise Company Limited	136,862 shares	100.00%	

Company Name	Job Title (Remark 1)	Name or Representative	Holding, end of period(Remark 2) (Remark 3)	
			Number of shares	Percentage of ownership
Dimerco Express (Phils.) ,Inc.	Director	Shi,Zhen-Sheng	-	
	Director	Chien, Yao-Huai	-	
	Director	Chen, Jah Yang	1 shares	0.00%
	Director	Robert S. Lee	8 shares	0.00%
			Helbert C. Chua Dimerco Express Holding Co., Ltd. Global Marketing & System Co., Ltd.	1 shares 399,920 shares 600,070 shares
Dimerco Express (Malaysia) Sdn. Bhd.	Director	Goh Ling Yen	-	
	Director	Lin Jy Shyan Ruan, Yao-Chang	-	
	Director	Chien, Yao-Huai Roslan	-	
	Director		Dimerco Express Corporation	250,000 shares
Dimerco Express Netherlands B. V.	Director	Chien, Yao-Huai	-	
	Director	Jeffrey Shih	- Dimerco Express Holding Company Limited	- 338,000 shares
Dimerco Express (Australia) Pty Ltd	Director	Chien, Yao-Huai	-	
	Director	Shi,Zhen-Sheng	-	
	Director	Mary Mak Tu Ting	- Dimerco Express Holding Company Limited	- 1,710,000 shares
Dimerco Express Korea Corp.	Director	Gao,Zhong-Yi	-	
	Director	Chiou, Jiun-Rung	-	
	Director	Jeffrey Shih	- Dimerco Express Holding Company Limited	- 143,200 shares
Dimerco Express (Canada) Corp.	Director	Chien, Yao-Huai	-	
	Director	Roy Chen	- Dimerco Express Holding Company Limited	- 100 shares
Dimerco Express (Thailand) Co., Ltd.	Director	Shi,Zhen-Sheng	-	
	Director	Ms.Laksana Parkthin	-	
	Director	Ms.Ancharee Sansopa	-	
	Director	Ruan, Yao-Chang	-	
			Mr.Panow Tamprateep Mr.Dhira Yoonaidharma Dimerco Express Holding Co., Ltd.	100 shares 764,900 shares 735,000 shares
DIVERSIFIED TRANSPORTATION (H.K. & CHINA) COMPANY LIMITED	Director	Ruan, Yao-Chang	-	
	Director	Chien, Wen-Li	-	
	Director	Chien, Yao-Huai	- Dimerco Express Corporation	- 98,550 shares
Diversified International Transportation (Shanghai) Co., Ltd.	Director	Ruan, Yao-Chang	-	
	Director	Chiou, Jiun-Rung	-	
	Director	Chien, Yao-Huai	- Dimerco Air Forwarders (HK) Ltd.	- 1 shares
Dimerco International Logistics Company Limited	Director	Chien, Yao-Huai	-	
	Director	Zhang,Yue-Shan	-	
	Director	Chien, Wen-Li	- Dimerco Express Corporation	- 1,200,000 shares
Diversified International Service Logistics System Corporation	Director	Jeffrey Shih	-	
	Director	Chien, Wen-Li	- Dimerco Express Holding Company	- 50,000 shares

Company Name	Job Title (Remark 1)	Name or Representative	Holding, end of period(Remark 2) (Remark 3)	
			Number of shares	Percentage of ownership
Diversified International Transportation (Shanghai) Co., Ltd.	Director	Mr.Johnny Kao	Diversified Freight System Ltd.	- 1 shares 100.00%
Dimerco Vietfracht (JV) Co., Ltd.	Director	Chiou, Jiun-Rung		-
	Director	Jeffrey Shih		-
	Director	Tran Thi Tuyet Nhung		-
	Director	Ruan, Yao-Chang		-
	Director	Tran Binh Phu		-
			Vietfracht Hanoi One Member Co., Ltd.	397,650,000 shares 25.00%
			Dimerco Air Forwarders (H.K) Limited	1,192,950,000 shares 75.00%
Dimerco International Logistics (Shenzhen) Co., Ltd.	Director	Tracy Hui	Dimerco Air Forwarders (H.K.) Ltd.	- 2,850,000 shares 100.00%
Diversified International Logistics (Shenzhen) Co., Ltd.	Director	Chien, Wen-Li		
			Global Marketing & System Co., Ltd. FOREIGN SETTLEMENT COMPANY LIMITED	50.00% 50.00%
Diversified Transportation (China) Co., Ltd.	Director	Ruan, Yao-Chang		-
	Director	Chien, Wen-Li		-
	Director	Chien, Yao-Huai		-
			Diversified Transportation (H.K.& China) Co., Ltd.	1 shares 100.00%
Global Marketing & System Co., Ltd.	Director	Chien, Yao-Huai		- shares
	Director	LEE Sio Robert	Dimerco International Logistics Corporation	1 shares 100.00%
Dimerco Express (India) Pvt. Ltd.	Director	Ruan, Yao-Chang		-
	Director	Shi,Zhen-Sheng		-
	Director	Chien, Wen-Li		-
				-
				-
			Dimerco Express (Singapore) Pte. Ltd.	1,600,000 shares 100.00%
Dimerco Customs Brokerage Services Co., Ltd.	Director	Jeffrey Shih		-
			Dimerco Express (U.S.A.) Corp.	- 250,000 shares 100.00%
Foreign Settlement Company Limited	Director	Chien, Yao-Huai		-
	Director	Lee Sio Robert		-
			Diversified Freight System Limited	17,500 shares 35.00%
			Diversified Freight System Corporation	7,500 shares 15.00%
			Dimerco Air Forwarders (H.K.) Limited	17,500 shares 35.00%
			Dimerco Express Corporation	7,500 shares 15.00%
Dimerco International Logistics Corporation	Director	Chien, Yao-Huai		-
	Director	Lee Sio Robert		-
			Dimerco Express Corporation	1 shares 100.00%

Company Name	Job Title	Name or Representative	Holding, end of period(Remark 2) (Remark 3)		
	(Remark 1)		Number of shares		Percentage of ownership
Yuhang International Logistics(Dalian) Co., Ltd	Director	He,Zhen-Yu	-		
	Director	Gao,Zhong-Yi	-		
	Director	lang,Yan	-		
	Director	Dong,Si-Chuan	-		
	Director	Yan,Xiao-Wen	-		
		Yuhang International Logistics(Dalian) Co., Ltd	6,000,000	shares	75.00%
		Diversified International Transportation (Shanghai) Co., Ltd.	2,000,000	shares	25.00%
Peerless Express Forwarders Corp.	Director	CHEN, JAH-YANG	-		
	Director	Ruan, Yao-Chang	-		
	Director	ROBERT LEE	22,000		55.00%
	Director	SAMUEL C CELESTINO	1,000	shares	2.50%
		Krimalyn Y Chua	1,000	shares	2.50%
		Dimerco Express (Phils.),Inc	16,000	shares	40.00%

(4) Operational Overview of Affiliated Companies:

Unit: NT\$Thousands

Company Name	Capital Amount	Total Assets	Total Liabilities	Total Equity	Operating Revenue	Operating Profit	Net Income	Earnings per Share (EPS)
Dimerco Air Forwarders (H.K.) Limited.	277,964	1,858,842	620,700	1,238,142	4,380,821	32,714	43,946	146.5
Dimerco Express(Singapore) Pte. Ltd.	120,708	704,069	428,252	275,817	991,393	(61,703)	(44,865)	(8.3)
Diversified Frieight System (Singapore) Pte. Ltd.	13,896	66,365	22,837	43,528	144,828	815	2,052	3.4
Diversified International Logistics Pte. Ltd.	9,264	12,029	11,742	286	24,761	(1,556)	(1,820)	(0.0)
Dimerco Express (UK) Limited	34,023	8,994	28,862	(19,868)	56,964	(14,487)	(9,379)	(31.3)
Dimerco Express (U.S.A.) Corp.	211,456	1,958,517	844,977	1,113,541	3,831,281	105,727	92,179	18.6
Foreign Settlement Company Limited	1,573	1,292,778	(70,395)	1,363,173	0	(2)	365	7.3
Diversified Freight System Corp.	30,000	160,548	78,664	81,884	489,916	21,628	12,395	10.3
Diversified International Logistics Co., Ltd.	10,000	104,812	90,377	14,435	112,897	5,173	4,229	5.3
Dimerco Express Holding Co., Ltd.	91,648	8,964,955	2,028,169	6,936,786	-	781,047	332,840	107.8
Dimerco Logistics (Shanghai) Co., Ltd.	5,970	2,619	58,596	(55,977)	8,135	708	636	note1
Dimerco Zhongjing Int'l Express Co., Ltd.	54,928	1,230,904	1,132,296	98,609	5,040,930	(24,332)	(8,338)	note1
Diversified International Logistics (Shanghai) Co., Ltd.	13,684	15,059	7,506	7,553	48,926	3,380	3,991	note1
Diversified Freight System Limited	53,783	2,344,688	337,899	2,006,789	2,438,884	39,192	27,650	389.4

Company Name	Capital Amount	Total Assets	Total Liabilities	Total Equity	Operating Revenue	Operating Profit	Net Income	Earnings per Share (EPS)
Dimerco Express (Phils.) Inc.	8,123	7,797,819	279,341	7,518,478	8,089,590	775,409	791,297	4,396.1
Dimerco Express (Malaysia) Sdn. Bhd.	3,073	310,608	121,618	188,991	635,272	(7,390)	(2,212)	(8.8)
Dimerco Express Netherlands B. V.	17,893	96,944	54,611	42,333	286,398	6,854	5,950	5,950.0
Dimerco Express (Australia) Pty Ltd	48,940	17,571	46,323	(28,752)	99,103	728	785	13.1
Dimerco Express Korea Corp.	18,103	192,219	62,835	129,384	704,890	10,078	11,775	98.1
Dimerco Express (Canada) Corp.	1,209	267,172	52,927	214,245	504,696	6,980	9,831	note1
Dimerco Express (Thailand) Co., Ltd.	13,669	370,095	241,126	128,969	478,157	(10,400)	(5,057)	(6.9)
DIVERSIFIED TRANSPORTATION (H.K. & CHINA) COMPANY LIMITED	38,578	76,615	27,635	48,980	174,302	724	1,759	19.8
Diversified International Transportation (Shanghai) Co., Ltd.	163,377	940,773	496,067	444,706	2,780,766	41,336	444,564	note1
Dimerco International Logistics Corporation	46,975	81,682	27,635	54,046	198,355	(5,230)	(5,256)	note1
Diversified International Service Logistics System Corporation	15,290	79,463	55,657	23,807	108,989	(8,603)	(7,538)	(150.8)
Diversified International Transportation (Shanghai) Co., Ltd.	59,777	683,200	353,954	329,246	2,273,895	45,292	35,022	note1
Dimerco Vietfracht (JV) Co., Ltd.	2,010	68,355	24,428	43,927	354,103	(12,530)	(7,674)	note1
Dimerco International Logistics (Shenzhen) Co., Ltd.	10,958	5,044	23,952	(18,908)	0	(112)	(109)	note1
Diversified International Logistics (Shenzhen) Co., Ltd.	0	3,952	4,933	(981)	17,385	(2,562)	#N/A	note1
Diversified Transportation (China) Co., Ltd.	29,802	27,356	6,428	20,928	26,169	(519)	(351)	note1
Global Marketing & System Co., Ltd.	0	3,860,767	142,779	3,717,988	-	3,373	478,146	note1
Dimerco Express (India) Pvt. Ltd.	5,997	48,682	19,265	29,417	98,769	9,801	7,896	8.2
Dimerco Customs Brokerage Services Co., Ltd.	13,532	117,028	77,737	39,291	33,894	11,271	4,208	4,208.0
Foreign Settlement Company Limited	1,586	6,962,116	2,453,163	4,508,954	7,054	15,239	13,620	272.4
Dimerco International Logistics Corporation		-	-	-	-	-	566,809	11,336.2
Yuhang International Logistics(Dalian) Co., Ltd	38,666	204,015	120,538	83,478	792,643	30,273	25,401	note1
Peerless Express Forwarders Corp.	954	17,036	5,437	11,599	62,972	1,752	457	0.3
B.C. Logistics	9,219	27,820	5,835	21,984	98,151	3,245	(2,345)	note1

Company Name	Capital Amount	Total Assets	Total Liabilities	Total Equity	Operating Revenue	Operating Profit	Net Income	Earnings per Share (EPS)
Global SCM Company Limited	0	1,162,031	425,186	736,846	1,008,394	745,350	219	note1
Diversified Merchandise Company Limited	0	6,239,419	0	6,239,419	0	0	(5,755)	note1

Note 1: Non-stock Corporation

3. Consolidated Financial Statements of Affiliated Companies: Not required for preparation.
4. Consolidated business report of affiliated companies: Not required for preparation.

8.2 Status of handling private equity portfolio and utilization of private funds and its progress on implementation of the project

Not applicable

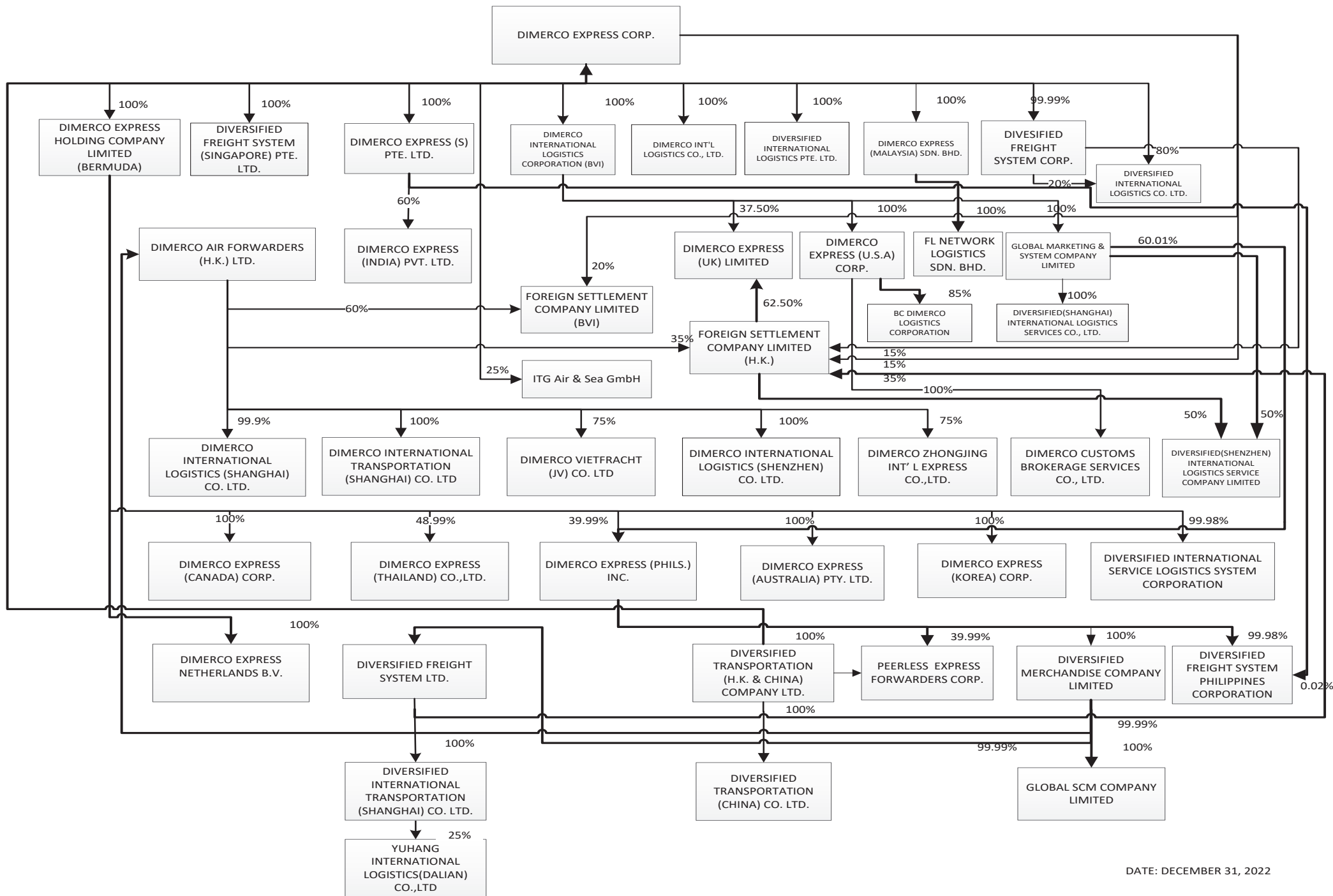
8.3 Status of stock holdings or disposition of the Company stocks by subsidiaries for the most recent year and as of the publication date of year book

Not applicable

8.4 Other Supplementary Explanations:

Not applicable

VIII. Issues of significant impacts on shareholders equity or securities prices stipulated under 2nd paragraph of 2nd item of Securities Exchange Act article no. 36.: Not applicable



DATE: DECEMBER 31, 2022

Dimerco Express Corporation

Chairman: Mr. Chien, Yao-Huai

16th May 2024