

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

2024

Annual Shareholder's Meeting Meeting Agenda

Date:

June 6th, 2024, 09:00 AM

Location:

Grand Mayfull Hotel Taipei, Noble Meeting Room

(2nd Floor, No. 55, Lequn 2nd Road, Zhongshan District, Taipei City)

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I. MEETING PROCEDURE

1. Call the Meeting to Order
2. Chairman's Remark
3. Management Presentation
4. Proposals
5. Election
6. Questions and Motions
7. Adjournment

II. MEETING AGENDA

Time : June 6th, 2024, Thursday 09:00 am

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

Procedure:

1. Call the Meeting to Order
2. Chairman's Remark
3. Management Presentations:
 - (1) 2023 Annual Business Report
 - (2) Audit Committee's Audited Report on 2023 Financial Statements
 - (3) Report of 2023 distribution of compensation of directors and employee bonus
 - (4) Report of the distribution of 2023 cash dividend
 - (5) Report on the execution status of the repurchase of treasury stock.
4. Proposals:
 - (1) Adoption of 2023 Business Report and Financial Statements
 - (2) Adoption of the proposal for distribution of 2023 profits
5. Election:

Proposal for Comprehensive Director Election
6. Questions and Motions
7. Adjournment

III. MANAGEMENT PRESENTATIONS:

1. Reports to Shareholders / Business Report

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) Programme, 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 NO. 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:

(1) Results of Business plan implementation

Unit: NTD'000

Item	IFRS 2022	IFRS 2023	Growth %
Sales Revenue	41,174,810	22,042,684	-46.5%
Net Profit 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 to the “Standards on treatment guidelines for disclosure of financial forecast information on public companies”.

(3) Analysis on financial balances and profitability

Unit: NTD'000

Item	Year	IFRS	IFRS
		2022	2023
Financial Balances	Sales Revenue	41,174,810	22,042,684
	Net Operating Profit	2,574,757	1,081,336
	Net Profit After Tax	2,538,625	1,023,630

Profitability	Return on Equity	%	42%	18%
	Ratio of net profit after tax on paid-in capital	%	187%	72%
	Retroactive adjusted earnings per share		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 intellectualization, 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**

Integrates 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 Value Plus System®15861 is an integrated e-commerce Service platform and real-time global information system provided by Dimerco. Currently, the integrated system includes five information platforms, eight functional modules, six extended management systems, and one big data database. Through this system, not only can the company's operational performance be improved, but it can also assist customers in supply chain management to reduce their operating costs and improve efficiency.

1 System

One Integrated Transportation & Logistics Service Management System

5 Platforms

Operation Platform, Service Platform, Cloud Network Platform, Cyber Security Platform and 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
- eRMS - Railway Freight Management System for Cross-Border Train Freight (CBTF)
- eDAS - Domestic Air Freight Management System
- 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)

2. Audit Committee's Audit Report

Dimerco Express Corporation

Audit Committee's Audited Report

Year 2023 company's annual business report, financial statements, consolidated financial statements and Proposal of Distribution of 2023 Profits made up by Board of Directors and financial statements, consolidated financial statements and Proposal of Distribution of 2023 Profits have been audited by KPMG. The above-mentioned annual business report, financial statements, consolidated financial statements and Proposal of Distribution of 2023 Profits have been audited by the Audit Committee without inconsistency in accordance to Securities and Exchange Act and Company Act.

DIMERCO EXPRESS CORPORATION
2024 ANNUAL SHAREHOLDERS' MEETING

Audit Committee Chairman: Bill Chien
March 12, 2024

3. Report of Compensation of Directors and Employees for 2023

According to Company Law and Articles of Incorporation, employee remuneration is NTD 60,983,424, remuneration to directors is NTD15,942,333. The above proposal will be distributed by cash.

4. Report of the distribution of 2023 cash dividend

(1) According to Articles of Incorporation 23-1, the Board of Directors is authorized to approve the proposal for distribution of profits and report on the shareholder's meeting if it is distributed by cash dividends.

(2) The Board of Directors approved to distribute NTD 844,464,000, NTD 6 per share, from accumulated unappropriated retained earnings of 2023 by cash on 12th Mar 2024,.

5. Report of the implementation of treasury stock repurchase

(1) The proposal of the repurchase of 3,000,000 shares of treasury stock to transfer to employees was adopted on the board meeting held on December 11, 2023.

(2) The repurchase of the 2,000,000 shares of the company's shares from the Taiwan Stock Exchange was fully executed on February 2, 2024. The repurchase accounted for 1.5% of the total issued shares of the company and the average repurchase price per share is NTD 86.24.

IV. Proposals:

First proposal: Proposed by Board of Directors

Topic : Adoption of the 2023 Business Report and Financial Statements

Explanation :

(1) The financial report and consolidated financial report for the year of 2023, including balance sheets, statements of comprehensive income, statements of changes in shareholders' equity, statements of cash flows, consolidated balance sheets, consolidated statements of comprehensive income, consolidated statements of changes in shareholders' equity and consolidated statements of cash flows, were audited by independent auditors, Ms. Phyllis Chang and Ms. Lisa Kuang of KPMG, whereby an unqualified audit report was issued, and together with business report were submitted to supervisors for inspection, for your kind acknowledgement.

(2) Please refer to page 3 to page 7 Annual Business Report of year 2023, APPENDIX I Independent Auditors' Report, and 2023 Financial Statements

Resolution :

Second proposal: Proposed by Board of Directors

Topic : Adoption of the proposal for distribution for 2023 profits

- Explanation :
- (1) Profit distribution of year 2023 to shareholders is proposed to be distributed from year 2023 profit after setting aside provision for legal reserve.
 - (2) According to the Profit distribution of year 2023, each common shareholder would be entitled to receive a cash dividend of NTD 6 per share. Based on the current outstanding shares, Dimerco would distribute a total of NTD844,464,000 cash dividends .
 - (3) The Board of directors is authorized to determine an ex-right date after profit distribution of year 2023 is proposed and adopted. The cash dividend will be distributed by shareholding ratio and would be rounded up to NTD 1 dollars. The fractional amounts that are below NTD 1 dollar after rounded will be accounted for under the shareholders' equity.
 - (4) In the event that, the company outstanding shares or the profit distributions are affected by a buyback of shares, issuance of new shares for transferring treasury shares to employees, an equity conversion in connection with domestic convertible corporate bonds or other convertible securities, employee stock options, or any transfer, transformation, or termination of stocks, the Board of Directors have been authorized to adjust the cash to be distributed to each share based on the number of actual shares outstanding on the record date for distribution.
 - (5) Please refer to the Statement of Profit Distribution of Year 2023 as follows:

Dimerco Express Corporation

Statement of Profit Distribution of Year 2023

Unit: NTD

Item	Amount	Remark
	Subtotal	
Beginning Balance of Unappropriated Retained earnings	2,132,292,826	
Add:		
Share of Profit of Associates Accounted for Using Equity Method	325,266	
Changes in Actuarial gains and losses	223,341	
Beginning Balance of Unappropriated Retained earnings after Adjustments	2,132,841,826	
Add:		
2023 Net profit after tax	1,023,629,500	
Distributable earnings	3,156,470,933	
Add (Deduct):		
10% Legal reserve	(102,417,811)	
Special reserve	0	
Available Retained Earnings for Distribution	3,054,053,122	
Items for distribution:		
Shareholder dividends - Stocks	0	
Shareholder dividends - Cash	844,464,000	
Ending Balance of unappropriated earnings:	2,209,589,122	

Remark:

1. The Board of directors is authorized to determine the base date for distribution of cash and stock dividends.
2. The shareholders' meeting is requested to authorize the Chairman of the Board to proportionally adjust the dividend per share based on the number of outstanding shares on the ex-right date if the total number of outstanding shares of the Company is affected by the repurchase of the Company's shares, the transfer of treasury shares to employees or other factors, resulting in a change in the cash dividend per share.

V. Election:

Proposal from the Board of Directors:

Proposal: Proposal of the Comprehensive Director Election.

- Explanation :
- (1) The terms of office for the current directors and supervisors expire on July 7, 2024. It is proposed to conduct a comprehensive election at this shareholders' meeting.
 - (2) In accordance with the company's articles of association, it is proposed to elect seven directors (including three independent directors) this time. Upon election, they will assume office for a term of three years, from June 6, 2024 to June 5, 2027.
 - (3) The selection of directors and independent directors of the company follows a candidate nomination system. Shareholders shall elect from the list of director and independent director candidates. The list of director and independent director candidates has been reviewed and approved by the board of directors of the company on March 12, 2024.
 - (4) Mr. Bill Chien, the candidate for independent director in this term, has served as an independent director of our company for more than three terms. Considering his familiarity with relevant laws and his expertise in corporate governance, which have been significantly beneficial to our company, he is hereby nominated again as a candidate for independent director.
 - (5) Please refer to Appendix V (page 42) for the list of director and independent director candidates.

VI. Questions and Motions

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.

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 and supervisors) 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

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: NTS thousand

	2023.12.31		2022.12.31			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:	<u>725,948</u>	<u>6</u>	<u>854,650</u>	<u>8</u>	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	<u>621,746</u>	<u>5</u>	<u>1,195,946</u>	<u>11</u>
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	<u>10,809,356</u>	<u>94</u>	<u>9,982,381</u>	<u>92</u>	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:	<u>5,077,521</u>	<u>44</u>	<u>3,640,281</u>	<u>34</u>
					Total liabilities	<u>5,699,267</u>	<u>49</u>	<u>4,836,227</u>	<u>45</u>
					Shareholders' equity (Note 6(3), (8), (10) and (11)):				
					3100 Share capital	1,428,840	12	1,360,800	13
					3200 Capital surplus	67,234	1	10,362	-
					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
						<u>4,144,436</u>	<u>36</u>	<u>4,644,353</u>	<u>42</u>
					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	<u>5,836,037</u>	<u>51</u>	<u>6,001,104</u>	<u>55</u>
1xxx Total assets	<u>\$ 11,535,304</u>	<u>100</u>	<u>10,837,331</u>	<u>100</u>	2-3xxx Total liabilities and equity	<u>\$ 11,535,304</u>	<u>100</u>	<u>10,837,331</u>	<u>100</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 Comprehensive Income
For the Years Ended December 31, 2023 and 2022

Unit: NTS 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	\$ 1,056,497	83	\$ 3,281,616	131
Diluted earnings per share (unit: NTS) (Note 6(12))				
9750 Basic earnings per share	\$	7.24	\$	17.82
9850 Diluted earnings per share	\$	7.18	\$	17.53

(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: NTS 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	Unappropriate d 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	\$ 1,438,840	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: NTS 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	(846,229)	(2,205,622)
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	(237,859)
Other current assets	477	(2,266)
Total change in operating assets, net	195,063	56,494
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	(310,411)	(16,090)
Total changes in operating assets and liabilities, net	(115,348)	40,404
Total adjustments	(961,577)	(2,165,218)
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	59,392	389,646
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	87,191	54,791
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	(84,028)	(438,622)
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	\$ 282,288	219,733

(Please see accompany notes to financial statements)

Chairman: Chien, Yao-Huai

General Manager: Chiu, Chun-Jung

Accounting Manager: Chen, Ching-Chi

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



安侯建業聯合會計師事務所

KPMG

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

電話 Tel + 886 2 8101 0666
傳真 Fax + 886 2 8101 0667
網址 Web kpmg.com/tw

Independent Auditor's Report

To the Board of Directors of Dimerco Express Corporation:

Opinion

We have audited the consolidated financial statements of Dimerco Express Corporation and its subsidiaries ("the Group"), which comprise the consolidated 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-Hsin.

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					Liabilities and Equity				
Current assets:					Current liabilities:				
1100 Cash and cash equivalents (note 6(g))	\$ 4,780,626	54	5,809,475	55	2100 Short-term borrowings (notes 6(f), (i) and 8)	\$ 180,000	2	430,000	4
1137 Financial assets at amortized cost – current (note 6(b))	3,794	-	9,775	-	2150 Notes payable	59,380	1	26,780	-
1150 Notes receivable, net (notes 6(c) and (p))	8,307	-	14,726	-	2170 Accounts payable (note 7)	1,690,530	19	2,815,136	27
1170 Accounts receivable, net (notes 6(c), (p) and 7)	2,483,298	28	2,828,023	27	2216 Dividends payable (note 6(m))	12,953	-	20,665	-
1470 Other current assets (notes 8 and 9)	189,349	2	382,633	4	2219 Other payables (notes 6(c) and 9)	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 Income tax payable	124,767	1	135,612	2
Non-current assets:					2239 Current lease liabilities (note 6(j))	174,817	2	191,023	2
1517 Financial assets at fair value through other comprehensive income – non-current	449	-	449	-	2399 Other current liabilities	364,992	4	122,433	1
1551 Investments accounted for using the equity method (note 6(d))	246,955	3	269,209	3	Total current liabilities	<u>2,766,579</u>	<u>31</u>	<u>4,178,837</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	2400 Deferred income tax liabilities (note 6(i))	10,640	-	6,646	-
1822 Intangible assets (notes 6(e) and (h))	69,817	1	73,740	1	2580 Non-current lease liabilities (note 6(j))	125,528	2	167,111	2
1840 Deferred income tax assets (note 6(i))	123,354	1	69,922	-	2640 Net defined benefit liabilities (note 6(k))	4,636	-	8,492	-
1920 Refundable deposits	89,445	1	104,581	1	2670 Other non-current liabilities	34,865	-	37,052	-
1990 Other non-current assets (notes 6(c), (k), (p), 8 and 9)	11,342	-	7,741	-	Total non-current liabilities	<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>1,476,338</u>	<u>14</u>	Total liabilities	<u>2,942,248</u>	<u>33</u>	<u>4,398,138</u>	<u>42</u>
					Equity attributable to owners of the Company (notes 6(d), (k), (m) and (n)):				
					3110 Common stock	1,428,840	16	1,560,800	13
					3200 Capital surplus	62,234	1	19,362	-
					3300 Retained earnings:				
					3310 Legal reserve				
					3320 Special reserve	987,965	11	733,200	7
					3350 Unappropriated retained earnings	3,156,471	36	3,353,782	32
						<u>4,144,436</u>	<u>47</u>	<u>4,644,353</u>	<u>44</u>
					3400 Other equity:				
					3410 Foreign currency translation differences for foreign operations	209,907	2	177,589	2
					3500 Treasury shares	(9,380)	-	(201,000)	(2)
					Total equity attributable to owners of the Company	<u>5,836,037</u>	<u>66</u>	<u>6,001,104</u>	<u>57</u>
					3600 Non-controlling interests (note 6(e))	103,342	1	123,637	1
					Total equity	<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>	Total liabilities and equity	<u>\$ 8,881,627</u>	<u>100</u>	<u>10,522,869</u>	<u>100</u>

See accompanying notes to consolidated financial statements.

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

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES

Consolidated Statements of 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	(49,985)	-	13,582	-
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	<u>1,257,730</u>	<u>5</u>	<u>2,836,179</u>	<u>7</u>
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	-	-	-	-
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	-	-	-	-
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	(7,062)	-	1,570	-
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	(7,408)	-	4,748	-
	<u>\$ 1,049,089</u>	<u>4</u>	<u>\$ 3,286,364</u>	<u>8</u>
Earnings per share (NT dollars) (note 6(o))				
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>

See accompanying notes to consolidated financial statements.

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

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of the Company										
	Retained earnings:					Other equity		Total equity attributable to owners of the Company	Non-controlling interest	Total equity	
	Share capital		Unappropriated retained earnings:			Foreign currency translation differences for foreign operations	Treasury share:				
Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings:	Total						
Balance at January 1, 2022	\$ 1,380,800	19,362	502,575	441,086	2,541,962	3,485,625	(357,281)	-	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	3,313,782	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 (wwwswd)	-	-	-	(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	(246)	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

See accompanying notes to consolidated financial statements.

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

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 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)	(33,084)
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	193,284	66,088
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	(1,124,600)	(692,465)
Other payables	(269,038)	138,823
Other current liabilities	242,559	(15,803)
Net defined benefit liabilities	(3,454)	(2,281)
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>(266,147)</u>	<u>1,447,585</u>
Cash inflow generated from operations	891,583	4,283,774
Interest received	91,104	33,084
Interest paid	(17,688)	(16,969)
Income taxes paid	(304,278)	(504,092)
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	56,825	30,938
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	23,091	682,464
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	5,809,475	3,438,978
Cash and cash equivalents at end of period	<u>\$ 4,780,626</u>	<u>5,809,475</u>

See accompanying notes to consolidated financial statements.

DIMERCO EXPRESS CORPORATION

Articles of Incorporation

Chapter 1 General Provisions

Article 1: This company is incorporated in accordance with the Company Law and is named "Dimerco Express Corporation" in English and "中華行國際物流股份有限公司" in Chinese.

Article 2: The company engages in the following business activities:

- G601011 air freight forwarding.
- G402011 sea freight forwarding and transportation.
- G701011 customs clearance.
- G801010 warehousing.
- IZ06010 cargo handling and packaging.
- F401010 international trade.
- ZZ99999 in addition to permitted businesses, may engage in businesses not prohibited or restricted by law.

Article 2.1: The company may issue guarantees to external parties as required by business needs.

Article 3: The company's headquarters is located in Taipei City. Branch offices may be established domestically and internationally through resolution of the board of directors if necessary.

Article 4: The company's announcement method shall be carried out in accordance with Article 28 of the Company Act.

Article 5: The total investment amount in other companies made by this company through transfer of funds shall not exceed 40% of the company's paid-in capital.

Chapter 2 Shares

Article 6: The total capital stock of the Company is NTD 1,680,000,000, divided into 160,800,000 shares with a par value of NTD 10 per share, which shall be issued in installments by the Board of Directors. The company shall reserve NTD 50,000,000 of capital with a total of 5,000,000 shares and a par value of NTD 10 per share for the conversion of employee stock options, which shall be issued in installments by the Board of Directors.

Article 6-1: The transfer of treasury stock to employees at a price lower than the actual repurchase price, or the issuance of employee stock options and restricted stock at a price lower than the market price (book value per share), shall be resolved in the Shareholders' Meeting attended by shareholders representing more than one-half of the total shares issued and the resolution has to be approved by more than two-

thirds of the attended shareholders. The transferees of treasury stock include employees of affiliated companies who meet certain conditions.

Article 6-2: The issuance of new shares through cash capital increase, employee stock options, and restricted stocks shall include employees of affiliated companies who meet certain conditions.

Article 7: The handling of the Company's stock affairs shall be governed by the Regulations Governing the Administration of Shareholder Services of Public Companies" issued by the competent authority.

Chapter 3 Shareholders' Meeting

Article 8: The shareholders' meeting of the company is divided into two types:

1. Regular shareholders' meeting: should be convened at least once a year. The Board of Directors shall convene the meeting in accordance with the relevant law within six months after the end of each fiscal year.
2. Extraordinary shareholders' meeting: should be convened when necessary in accordance with the relevant law.

Article 9: The shareholders' meeting shall be convened by the Board of Directors, unless otherwise requested by the Company Act.

The chairman of the board shall preside over the shareholders' meeting, and if the chairman is absent, a director designated by the chairman shall act as the proxy. If no one is designated, the provisions of Article 208 of the Company Act shall apply.

Article 10: Notice of the regular shareholders' meeting shall be given to each shareholder at least 30 days in advance. Notice of the extraordinary shareholders' meeting shall be given to each shareholder at least 15 days in advance.

Article 11: If a shareholder is unable to attend the shareholders' meeting due to circumstances, the shareholder may appoint a proxy by issuing a power of attorney issued by the Company, stating the scope of the authorization, and signing or affixing the company seal. The use of the power of attorney shall be handled in accordance with the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" promulgated by the competent authority, unless otherwise provided by the Company Act. When a person who acts as the proxy for two or more shareholders, the number of voting power represented by him/her shall not exceed 3% of the total number of voting shares of the company, otherwise, the portion of excessive voting power shall not be counted.

Article 12: Each shareholder of the company has one voting right per share, excluding those entitled to no right to vote as listed in Article 179 of the Company Act.

Article 13: Unless otherwise required by relevant laws and regulations, the resolution of the shareholders' meeting will be adopted if the meeting is attended by shareholders in person representing more than one half of the total issued shares of the Company

and more than one half of the attended shareholders approved by vote. If the number of attendees does not meet the above requirements, but more than one-third of the shareholders representing the total number of issued shares attend the meeting, the false resolution may still be passed with the consent of more than half of the attended shareholders. If a false resolution is passed, the shareholders shall be notified and a new shareholders' meeting shall be convened within one month. If more than one-third of the shareholders representing the total number of issued shares attend the new meeting and the resolution is passed with the consent of more than half of the attended shareholders, the resolution shall be deemed valid.

Article 14: The matters resolved by the shareholders' meeting shall be recorded in the meeting minutes, and the contents and distribution methods shall be handled in accordance with Article 183 of the Company Act.

Chapter 4: Board of Directors and Audit Committee

Article 15: The Company shall have a Board of Directors consisting of five to nine members, including at least three independent directors. The candidates for the Board of Directors shall be nominated by the nomination system, and elected from the list of candidates by the shareholders' meeting.

The term of office is three years and consecutive re-election is allowed.

The election method of the Board of Directors shall be formulated by the Board of Directors and submitted to the shareholders' meeting for approval.

The Company establishes an audit department, which shall be directly commanded by the Chairman of the Board.

Article 16: The Board of Directors shall elect a chairman of the board directors from among the directors by a majority vote at a meeting attended by over two-thirds of the directors. The Chairman of the Board shall execute all the affairs of the Company in accordance with the law, the Articles of Incorporation, the resolutions of the shareholders' meeting, and the Board of Directors. When the Chairman of the Board is on leave or unable to perform his/her duties due to any reason, he/she shall appoint one of the directors as the proxy. If no appointment is made, the directors shall elect a proxy from among themselves. When one-third of the directors' seats are vacant or all independent directors are dismissed, the Board of Directors shall convene an extraordinary shareholders' meeting to elect new directors within 60 days.

Article 17: The Board of Directors shall hold a meeting once every quarter. In case of urgent matters or upon request of the majority of directors, the Chairman of the Board may convene an extraordinary meeting, and shall serve as the chairman. The notice of the Board of Directors meeting may be delivered by email or fax.

Article 18: Unless otherwise provided by law, The Board's resolutions should be approved by a majority vote at a meeting attended by more than two-third of the Directors. In case a meeting of the board of directors is proceeded via visual communication network, then the directors taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.

According to Article 205 of the Company Act, each director shall attend board meetings in person. If a director is unable to attend in person due to any reason, he or she may appoint another director to attend a meeting of the board of directors in

his/her behalf, he/she shall, in each time, issue a written proxy and state therein the scope of authority with reference to the subjects to be discussed at the meeting. but the proxy shall be limited to one person only.

According to Article 207 of the Company Act, the matters resolved by the board of directors shall be recorded in minutes, which shall state the year, month, day, place, name of the chairperson, method of resolution, summary of the proceedings, and the results of the meeting. The minutes shall be signed or stamped by the chairperson and shall be distributed to all directors within 20 days after the meeting.

The meeting minutes shall be kept together with the sign-in sheet of the attending directors and the proxy issued by the directors for attendance.

Article 19: The audit committee shall be composed of all independent directors, with no fewer than three members, one of whom shall serve as the convener, and at least one member shall possess accounting or financial expertise. The audit committee and its members shall be responsible for the exercise of the supervisory powers provided by relevant laws and regulations. Matters related to the number of members, term of office, powers, and rules of procedure of the audit committee shall be separately specified in the organization rules of the audit committee in accordance with the "Regulations Governing the Exercise of Powers by the Audit Committee of Public Companies."

Article 20: The remuneration or salary of the directors for the performance of their duties must be paid regardless of the profit or loss, and the board of directors is authorized to provide such remuneration or salary at the usual level of the same industry. The total amount of shares held by all directors of the Company shall comply with the regulations set forth in the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies"

Chapter 5: Managers

Article 21: The Company shall have one General Manager who, in accordance with the resolutions of the Board of Directors, shall be responsible for the management of all business operations of the Company. The appointment and dismissal of the General Manager shall be in accordance with the provisions of Article 29 of the Company Law.

Chapter 6: Accounting

Article 22: At the end of each fiscal year, the Company shall prepare the following items and submit them to the Audit Committee for review no later than 30 days before the shareholders' meeting and then presented to the shareholders' meeting for approval:

1. Business report;
2. Financial statements;
3. Proposal for distribution of profits or allocation of losses.

Article 23: If the Company generates profits during the fiscal year (meaning pre-tax profits deducted before the payment of employee and director compensation), it shall allocate no less than 5% of the profits for employee compensation and no more than 5% for director compensation. However, if the Company has accumulated losses (including adjustments to retained earnings), it shall reserve a compensatory amount in advance.

Employee compensation in the preceding paragraph may be in the form of stock or cash, and the beneficiaries may include employees of controlling or subsidiary companies who meet certain conditions. Director compensation in the preceding

paragraph shall only be in cash.

The first two paragraphs shall be implemented by resolution of the Board of Directors and reported to the shareholders' meeting.

Article 23-1: If the Company has net profit after tax in the current fiscal year, it shall first offset the accumulated losses (including adjustments to retained earnings) and allocate 10% of the net profit to the legal reserve in accordance with the law. However, if the legal reserve has accumulated to the amount of the Company's paid-in capital, there is no need to allocate further. The Company may allocate or reverse the special reserve in accordance with laws and regulations or instructions from competent authorities. The remaining profit, together with the undistributed earnings at the beginning of the period (including adjustments to undistributed earnings), shall be proposed by the Board of Directors for distribution to shareholders' meeting by issuing new shares.

In accordance with Article 240, Paragraph 5 of the Company Act, when the Company distributes all or part of dividends and profits in cash, the Board of Directors may be authorized by the Articles of Incorporation to make such distributions by a resolution passed by two-thirds or more of the directors present and a majority of the attending directors, and report it to the shareholders' meeting. In order to maintain shareholders' investment returns and respond to the cyclical nature of the economy and build a sound financial structure for the Company, the distribution of dividends shall be based on the following considerations:

1. Meeting the Company's future needs for expanding its operations;
2. Maintaining a stable level of earnings per share for the Company;
3. Considering the Company's cash flow and operating profit situation.

The Company is currently in a growth phase and has plans for expanding its business operations and the need for funding in the coming years. When distributing profits, the cash distribution of shareholder dividends shall be no less than 10%.

Article 24: Matters not covered in this Articles of Incorporation shall be handled in accordance with the Company Act and relevant laws and regulations.

Article 25: This charter was established with the unanimous agreement of all initiators on June 18, 1985.

The first amendment was made on May 11, 1994.

The second amendment was made on August 15, 1994.

The third amendment was made on July 31, 1997.

The fourth amendment was made on October 29, 1997.

The fifth amendment was made on March 9, 1998.

The sixth amendment was made on May 20, 1999.

The seventh amendment was made on November 30, 1999.

The eighth amendment was made on May 29, 2000.

The ninth amendment was made on June 8, 2001.

The tenth amendment was made on June 14, 2002.

The eleventh amendment was made on June 13, 2003.

The twelfth amendment was made on June 11, 2004.

The thirteenth amendment was made on June 16, 2005.

The fourteenth amendment was made on June 23, 2006.

The fifteenth amendment was made on June 20, 2008.

The sixteenth amendment was made on June 8, 2010.

The seventeenth amendment was made on June 16, 2011.
The eighteenth amendment was made on June 12, 2012.
The nineteenth amendment was made on June 11, 2014.
The twentieth amendment was made on December 29, 2014.
The twenty-first amendment was made on June 8, 2016.
The twenty-second amendment was made on June 9, 2020.
The twenty-third amendment was made on July 8, 2021.
The twenty-fourth amendment was made on June 8, 2022

DIMERCO EXPRESS CORPORATION

Rules of Shareholders' Meeting

1. The Shareholders' Meeting of The Company shall be conducted in accordance with these rules.
2. Shareholders (or their proxies) attending the meeting shall wear their attendance certificate. The number of shares they hold shall be calculated based on the sign-in card submitted.
3. If more than half of the total issued shares are represented by shareholders at the meeting, the chairman shall declare the meeting open and simultaneously disclose information such as the number of non-voting shares and the number of shares present. If the meeting time exceeds but fails to reach the required quorum, the chairman may announce an extension, with two extensions allowed (the first extension being twenty minutes and the second extension being ten minutes). If the quorum is still not met but shareholders representing more than one-third of the issued shares are present, the chairman may proceed with the resolution according to Article 175 of the Company Act, "with the consent of the majority of the votes present."

When conducting the aforementioned resolution, if the shares represented by attending shareholders have reached the required quorum, the chairman may immediately declare the formal opening of the meeting and submit the resolution made to the meeting for approval.

4. The agenda of the shareholders' meeting shall be formulated by the Board of Directors and distributed to attending shareholders or their proxies.
5. The Chairman may announce breaks during the meeting at his discretion.
6. When a shareholder speaks, he/she shall fill in the speaker's card with his/her attendance card number and name, and the Chairman shall determine the order of speeches.
7. When discussing agenda items, they shall be discussed in the order listed in the agenda. If any procedure is violated or if the discussion goes beyond the scope of the agenda, the Chairman may immediately stop the speaker.
8. When a shareholder speaks, the time shall not exceed five minutes. However, with the Chairman's permission, it may be extended for three minutes. The Chairman may stop the speaker if the time limit is exceeded.
9. Each person shall speak no more than twice on the same agenda item.
10. When discussing agenda items, the Chairman may announce the end of the discussion at an appropriate time and may suspend the discussion if necessary. The Chairman shall then proceed to a vote.
11. Except for special resolutions as stipulated by the Company Act, the approval of proposals shall be based on the consent of the voting rights of more than half of the attending shareholders. During the voting process, if the chairman has consulted and received no objections, it shall be deemed as approved, and its effectiveness is the same as that of the voting.

If a shareholder entrusts a proxy to attend the shareholders' meeting and one person is entrusted by two or more shareholders at the same time, the voting rights of the proxy shall not exceed 3% of the total voting rights of the issued shares. If exceeded, the excess voting rights shall not be counted.

If a shareholder has a conflict of interest with the matters discussed at the meeting,

which may harm the interests of the company, the shareholder shall not participate in the voting and shall not act as a proxy for other shareholders to exercise their voting rights.

12. Matters not provided for in these rules shall be handled in accordance with the Company Act and other relevant laws and regulations.
13. These rules shall be implemented after being passed by the shareholders' meeting, and the same applies to amendments.
14. This regulation was established with the unanimous consent of all initiators on June 18, 1985.
First amendment made on July 8, 2021.

APPENDIX IV

DIMERCO EXPRESS CORPORATION

Rule of the Election of Directors

1. In accordance with the Company Act and Articles 15(2) and 19(2) of the Company's Articles of Association, this regulation is established, and all elections of the Company's directors shall be governed by the provisions of this regulation.
2. The election of the Company's directors shall be conducted at the shareholders' meeting.
3. The election of the Company's directors shall adopt a nomination system, and shareholders shall elect candidates from the list according to the quotas specified in the company's articles of association.
 - 3.1. Both independent directors and non-independent directors of the Company shall be elected simultaneously, and their votes shall be printed separately and counted separately for the number of seats to be elected.
4. In the election of the Company's directors, each share shall have the same voting rights as the number of directors to be elected. Ballots with the same number of votes as the number of directors to be elected shall be prepared by the board of directors and distributed to the shareholders. The ballots may either vote for a single candidate or distribute votes among several candidates.
5. The Company's directors shall be elected according to the number of votes represented by the received votes. Those elected as directors shall serve in sequence. If a director-elect declares resignation before submitting a change registration to the competent authority, the vacancy shall be filled by the candidate with the next highest number of votes. If two or more candidates have the same number of votes and exceed the specified quota, the candidates with the same number of votes shall be decided by drawing lots. In the case of absentees, the chairman shall draw lots on their behalf.
6. Among the elected directors of the Company, there should be more than half of the seats, and at least one seat should not be held by individuals with the following relationships:
 - 6.1 Spouse
 - 6.2 Relatives within the second degree of kinship
7. If the elected directors of the Company do not meet the requirements of Article 6 of this regulation, the following rules shall determine the elected directors:

For directors who do not meet the requirements, the director with the lowest number of votes among those who do not meet the requirements shall lose their election.

8.(This clause is deleted)

9.When the board of directors prepares the ballots, the attendance certificate number and the voting rights shall be filled in.

10.At the beginning of the election, the chairman shall appoint scrutineers and ballot counters to conduct supervision and counting.

11.The ballot box shall be prepared by the board of directors and shall be publicly inspected by the scrutineers before voting.

12.Voters must fill in the name of the candidate in the candidate column of the ballot, and may also include the shareholder account number or national identification number. However, when the shareholder is a legal entity, the candidate column of the ballot may be filled with the name of the legal entity or its representative.

13.The ballot shall be invalid under the following circumstances:

13.1Ballots not in accordance with the regulations stipulated herein.

13.2Blank ballots deposited into the ballot box.

13.3Illegible handwriting that cannot be identified or alterations not corrected in accordance with the law.

13.4The name of the candidate filled in does not match the shareholder account number or national identification number.

13.5The number of candidates listed on the same ballot exceeds the specified quota.

13.6In addition to filling in the name of the candidate and the shareholder account number or national identification number, other texts are added.

13.7The name of the candidate filled in is the same as that of other shareholders, and no shareholder account number or national identification number is filled in for identification.

14. Separate ballot boxes shall be set up for the election of directors, and the ballot boxes shall be opened by the scrutineers after separate voting.

15.The vote counting shall be supervised by the scrutineers, and the chairman shall announce the results of the vote counting on the spot.

16.The elected directors shall be issued with notices of election by the board of directors respectively.

17.This regulation shall be implemented after being approved by the shareholders' meeting, and amendments shall also be subject to the same approval.

18.This regulation is established with the unanimous consent of all initiators on June 18, 1985.

First amendment made on June 11, 2014.

Second amendment made on July 8, 2021.

DIMERCO EXPRESS CORPORATION

The list of Candidates for Directors and Independent Directors

Candidates Category	Name	Education	Experience	Present Position	Shareholding
Director	Wendy Chien	Saginaw Valley State University	Special Assistant To CEO Of Dimerco Express Corporation	Managing Director of Contract Logistics of Dimerco Express Group Director of Dimerco Express Corporation Through Transport Mutual Insurance Association Ltd Director	2,170,268
Director	MEC Electronics Corporation Representative: Jeffery Shih	Stanford Business Leadership Certificate Chung Yuan Christian University	CEO Of Dimerco Express Corporation EMB Operations Executive President Of Dimerco Express (U.S.A.) Corp.	CEO of Dimerco Express Group	7,643,579
Director	Ruei Cheng Investment Ltd. Representative: George Chiou	Department of Economics, Fu Jen Catholic University	Air President of Dimerco Express Corporation for Northeast Asia Region Evergreen Marine, Evergreen Air, And Director of Evergreen Air & Warehousing Co., Ltd.	Air President of Dimerco Express Group President of Dimerco Express Corporation	3,659,000
Director	AGM Investment Ltd. Representative: Peng, Shi-Xiao	Master of Business Administration From Columbia University	Chairman of Chinese Maritime Transport Ltd. Chairman of Hope Investment Ltd. Chairman of Mo Hsin Investment Ltd. Chairman of AGM Investment Ltd	Chairman of Chinese Maritime Transport Ltd. Chairman of Hope Investment Ltd. Chairman of Mo Hsin Investment Ltd. Chairman of AGM Investment Ltd	7,431,038
Independent Director	Bill Chien	Soochow University Department of Accounting	General Manager of Sesoda Corporation President of Sesoda Corporation	Independent Director of Dimerco Express Corporation	0
Independent Director	Ho, Chi-Ming	Master of Laws from University of Hong Kong	Lawyer in Hong Kong/ United Kingdom	Legal Adviser of Cheuk Michael, Wong & Kee	1,346,639
Independent Director	Chu, Chia-Cheng	Griffith University	Managing Director of MLAT Logistics Group	In charge of United Asian Logistic In charge of Joy Win United Air Services Limited	220,512

APPENDIX IV

DIMERCO EXPRESS CORPORATION

SHAREHOLDINGS OF ALL DIRECTORS

Record Date: April 7, 2024

Title	Name	Shareholding
Chairman	Paul Chien	5,298,000
Director	Wendy Chien	2,170,268
Director	MEC ELECTRONICS CORPORATION Representative: Robert Yang	7,643,579
Director	Chester Chuan	472,892
Independent Director	Bill Chien	0
Independent Director	Patrick Yeung	0
Independent Director	Chou Kuo Hsing	0
Total		15,584,739

Note:

All directors collectively own shares that have reached the statutory percentage as stipulated in Article 2 of the 'Regulations Governing the Shareholding Percentage of Directors and Supervisors of Publicly Issued Companies and the Implementation of Audit.' The minimum number of shares that all directors must hold by law is 8,573,040 shares.



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