

**DIMERCO EXPRESS CORPORATION  
AND SUBSIDIARIES**

**Consolidated Financial Statements**

**With Independent Auditors' Review Report  
For the Three Months Ended March 31, 2025 and 2024**

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The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

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## Independent Auditors' Review Report

To the Board of Directors of  
Dimerco Express Corporation:

### Introduction

We have reviewed the accompanying consolidated balance sheets of Dimerco Express Corporation and its subsidiaries (the Group) as of March 31, 2025 and 2024, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2025 and 2024, and notes to the consolidated financial statements, including a summary of material accounting policies. The management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standards 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### Scope of Review

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with the Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing of the Republic of China and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Basis for Qualified Conclusion

As stated in Note 4(b), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflected the total assets amounting to \$2,126,246 thousand and \$2,460,407 thousand, constituting 22% and 27% of consolidated total assets; and the total liabilities amounting to \$221,620 thousand and \$289,532 thousand, constituting 6% and 8% of the consolidated total liabilities at March 31, 2025 and 2024, respectively; as well as the total comprehensive income (loss) amounting to \$53,060 thousand and \$32,813 thousand, constituting 15% and 5% of the consolidated total comprehensive income (loss) for the three months ended March 31, 2025 and 2024, respectively.

Furthermore, as stated in Note 6(e), the investments accounted for using the equity method of the Group amounting to \$250,370 thousand and \$257,004 thousand at March 31, 2025 and 2024, respectively, and its share of net earnings in these investee companies of \$933 thousand and \$1,740 thousand for the three months ended March 31, 2025 and 2024, respectively, were recognized solely on the financial statements prepared by these investee companies, but not reviewed by independent auditors.

### **Qualified Conclusion**

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews and the review report of other auditors (please refer to Other Matter paragraph), nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Dimerco Express Corporation and its subsidiaries as of March 31, 2025 and 2024, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### **Other Matter**

We did not review the financial statements of Dimerco Air Forwarders (HK) Ltd., a subsidiary of the Group. Those financial statements were reviewed by another auditor, whose review report has been furnished to us, and our conclusion, insofar as it relates to the amounts included for Dimerco Air Forwarders (HK) Ltd., is based solely on the review report of another auditor. The financial statements of Dimerco Air Forwarders (HK) Ltd. reflected total assets amounting to \$814,783 thousand and \$746,494 thousand, constituting 8% of consolidated total assets at March 31, 2025 and 2024, and total revenues amounting to \$452,730 thousand and \$342,122 thousand, constituting 6% of consolidated total revenues for the three months ended March 31, 2025 and 2024.

The engagement partners on the reviews resulting in this independent auditors’ review report are Huang, Tsai-Chuan and Huang, Po-Shu.

KPMG

Taipei, Taiwan (Republic of China)  
May 8, 2025

### **Notes to Readers**

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to review such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors’ review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors’ review report and consolidated financial statements, the Chinese version shall prevail.

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

**DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES**

**Consolidated Balance Sheets**

**March 31, 2025, December 31, and March 31, 2024**

**(expressed in thousands of New Taiwan Dollar)**

		March 31, 2025		December 31, 2024		March 31, 2024						March 31, 2025		December 31, 2024		March 31, 2024	
Assets		Amount	%	Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%	Amount	%	Amount	%
<b>Current assets:</b>								<b>Current liabilities:</b>									
1100	Cash and cash equivalents (note 6(a))	\$ 5,051,741	51	4,569,519	47	4,783,886	53	2100	Short-term borrowings (note 6(i))	\$ 175,000	2	180,000	2	180,000	2		
1137	Financial assets at amortised cost — current (notes 6(b) and 8)	93,522	1	91,935	1	51,746	1	2150	Notes payable	20,838	-	22,083	-	23,474	-		
1150	Notes receivable, net (notes 6(d) and (p))	14,843	-	2,321	-	6,070	-	2170	Accounts payable (including related parties) (note 7)	1,822,960	19	2,133,189	22	1,591,908	18		
1170	Accounts receivable, net (including related parties) (notes 6(d), (p) and 7)	2,993,297	31	3,338,829	34	2,419,688	27	2216	Dividends payable (note 6(n))	746,606	7	34,946	-	857,417	10		
1470	Other current assets (note 8)	<u>160,900</u>	<u>2</u>	<u>227,716</u>	<u>3</u>	<u>265,180</u>	<u>3</u>	2230	Other payables (notes 6(q) and 9)	164,762	2	171,526	2	149,766	2		
	<b>Total current assets</b>	<u>8,314,303</u>	<u>85</u>	<u>8,230,320</u>	<u>85</u>	<u>7,526,570</u>	<u>84</u>	2280	Income tax payable	94,761	1	85,252	1	141,132	2		
<b>Non-current assets:</b>									Current lease liabilities (note 6(k))	160,249	2	174,677	2	186,074	2		
1510	Financial assets at fair value through profit or loss — non-current (note 6(c))	33,123	-	32,788	-	-	-	2399	Other current liabilities (note 6(j))	<u>332,085</u>	<u>3</u>	<u>255,653</u>	<u>2</u>	<u>130,123</u>	<u>1</u>		
1517	Financial assets at fair value through other comprehensive income — non-current	453	-	452	-	451	-		<b>Total current liabilities</b>	<u>3,517,261</u>	<u>36</u>	<u>3,057,326</u>	<u>31</u>	<u>3,259,894</u>	<u>37</u>		
1551	Investments accounted for using the equity method (note 6(e))	250,370	3	246,514	3	257,004	3	2570	<b>Non-Current liabilities:</b>								
1600	Property, plant and equipment (note 6(f))	562,025	5	560,876	5	554,024	6	2580	Deferred income tax liabilities	13,588	-	13,429	-	10,784	-		
1755	Right-of-use assets (notes 6(g) and (k))	367,372	4	357,001	4	379,183	4	2640	Non-current lease liabilities (note 6(k))	171,219	2	146,745	2	159,778	2		
1822	Intangible assets (note 6(h))	70,092	1	70,564	1	71,441	1	2670	Net defined benefit liabilities	1,820	-	1,783	-	4,707	-		
1840	Deferred income tax assets	131,903	1	124,759	1	126,232	1		Other non-current liabilities	<u>40,101</u>	<u>-</u>	<u>31,090</u>	<u>-</u>	<u>31,913</u>	<u>-</u>		
1920	Refundable deposits	90,533	1	82,130	1	96,972	1		<b>Total non-current liabilities</b>	<u>226,728</u>	<u>2</u>	<u>193,047</u>	<u>2</u>	<u>207,182</u>	<u>2</u>		
1990	Other non-current assets (notes 6(d), (p), 8 and 9)	<u>18,891</u>	<u>-</u>	<u>16,403</u>	<u>-</u>	<u>10,834</u>	<u>-</u>		<b>Total liabilities</b>	<u>3,743,989</u>	<u>38</u>	<u>3,250,373</u>	<u>33</u>	<u>3,467,076</u>	<u>39</u>		
	<b>Total non-current assets</b>	1,524,762	15	1,491,487	15	1,496,141	16		<b>Equity attributable to owners of the Company (notes 6(e) and (n)):</b>								
								3110	Common stock	<u>1,428,840</u>	<u>15</u>	<u>1,428,840</u>	<u>15</u>	<u>1,428,840</u>	<u>16</u>		
								3200	Capital surplus	<u>62,234</u>	<u>1</u>	<u>62,234</u>	<u>1</u>	<u>62,234</u>	<u>1</u>		
								33xx	Retained earnings:								
								3310	Legal reserve	1,090,383	11	1,090,383	11	987,965	11		
								3350	Unappropriated retained earnings	<u>2,667,099</u>	<u>27</u>	<u>3,168,980</u>	<u>33</u>	<u>2,535,559</u>	<u>28</u>		
										<u>3,757,482</u>	<u>38</u>	<u>4,259,363</u>	<u>44</u>	<u>3,523,524</u>	<u>39</u>		
								34xx	Other equity:								
								3410	Foreign currency translation differences for foreign operations	<u>913,369</u>	<u>9</u>	<u>789,636</u>	<u>8</u>	<u>610,021</u>	<u>6</u>		
								3500	Treasury shares	<u>(181,852)</u>	<u>(2)</u>	<u>(181,852)</u>	<u>(2)</u>	<u>(181,852)</u>	<u>(2)</u>		
									<b>Total equity attributable to owners of the Company</b>	<u>5,980,073</u>	<u>61</u>	<u>6,358,221</u>	<u>66</u>	<u>5,442,767</u>	<u>60</u>		
								36xx	<b>Non-controlling interests</b>	<u>115,003</u>	<u>1</u>	<u>113,213</u>	<u>1</u>	<u>112,868</u>	<u>1</u>		
									<b>Total equity</b>	<u>6,095,076</u>	<u>62</u>	<u>6,471,434</u>	<u>67</u>	<u>5,555,635</u>	<u>61</u>		
1xxx	<b>Total assets</b>	<u>\$ 9,839,065</u>	<u>100</u>	<u>9,721,807</u>	<u>100</u>	<u>9,022,711</u>	<u>100</u>	2-3xxx	<b>Total liabilities and equity</b>	<u>\$ 9,839,065</u>	<u>100</u>	<u>9,721,807</u>	<u>100</u>	<u>9,022,711</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 three months ended March 31, 2025 and 2024****(expressed in thousands of New Taiwan Dollar , except for earnings per common share)**

		<b>For the three months ended March 31</b>			
		<b>2025</b>		<b>2024</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
4000	<b>Operating revenue (notes 6(p) and 7)</b>	\$ 7,191,013	100	5,631,568	100
5000	<b>Operating costs (notes 6(f), (g), (j), (k) and (l))</b>	<u>6,228,236</u>	<u>87</u>	<u>4,761,743</u>	<u>85</u>
5900	<b>Gross profit from operations</b>	<u>962,777</u>	<u>13</u>	<u>869,825</u>	<u>15</u>
6000	<b>Operating expenses (notes 6(d), (f), (g), (h), (k), (l), (q) and 7):</b>				
6100	Selling expenses	193,770	3	180,664	3
6200	Administrative expenses	492,785	7	459,781	8
6450	Expected credit loss for bad debt provision	<u>24,849</u>	<u>-</u>	<u>16,385</u>	<u>-</u>
	<b>Total operating expenses</b>	<u>711,404</u>	<u>10</u>	<u>656,830</u>	<u>11</u>
6900	<b>Net operating income</b>	<u>251,373</u>	<u>3</u>	<u>212,995</u>	<u>4</u>
7000	<b>Non-operating income and expenses (notes 6(e), (k) and (r)):</b>				
7100	Interest income	17,930	1	22,158	-
7010	Other income	2,046	-	4,259	-
7020	Other gains and losses	716	-	37,985	1
7050	Finance costs	(4,002)	-	(3,411)	-
7060	Share of profit of associates accounted for using the equity method	<u>933</u>	<u>-</u>	<u>1,740</u>	<u>-</u>
	<b>Total non-operating income and expenses</b>	<u>17,623</u>	<u>1</u>	<u>62,731</u>	<u>1</u>
7900	<b>Profit from continuing operations before tax</b>	268,996	4	275,726	5
7950	<b>Less: Income tax expenses (note 6(m))</b>	<u>39,143</u>	<u>1</u>	<u>43,785</u>	<u>1</u>
	<b>Net income</b>	<u>229,853</u>	<u>3</u>	<u>231,941</u>	<u>4</u>
8300	<b>Other comprehensive income:</b>				
8360	<b>Components of other comprehensive income that will be reclassified to profit or loss (notes 6(e) and (n))</b>				
8361	Exchange differences on translation of foreign financial statements	125,658	2	401,251	7
8399	Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<b>Components of other comprehensive income that will be reclassified to profit or loss</b>	<u>125,658</u>	<u>2</u>	<u>401,251</u>	<u>7</u>
8300	<b>Other comprehensive income</b>	<u>125,658</u>	<u>2</u>	<u>401,251</u>	<u>7</u>
8500	<b>Total comprehensive income</b>	<u>\$ 355,511</u>	<u>5</u>	<u>633,192</u>	<u>11</u>
	<b>Profit (loss) attributable to:</b>				
8610	Owners of the Company	\$ 229,988	3	223,552	4
8620	Non-controlling interests	<u>(135)</u>	<u>-</u>	<u>8,389</u>	<u>-</u>
		<u>\$ 229,853</u>	<u>3</u>	<u>231,941</u>	<u>4</u>
	<b>Total comprehensive income attributable to:</b>				
8710	Owners of the Company	\$ 353,721	5	623,666	11
8720	Non-controlling interests	<u>1,790</u>	<u>-</u>	<u>9,526</u>	<u>-</u>
		<u>\$ 355,511</u>	<u>5</u>	<u>633,192</u>	<u>11</u>
	<b>Earnings per share (NT dollars) (note 6(o))</b>				
9750	Basic earnings per share	<u>\$ 1.63</u>		<u>1.58</u>	
9850	Diluted earnings per share	<u>\$ 1.63</u>		<u>1.58</u>	

See accompanying notes to consolidated financial statements.

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

**DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES****Consolidated Statements of Changes in Equity****For the three months ended March 31, 2025 and 2024****(expressed in thousands of New Taiwan Dollar)**

	Equity attributable to owners of the Company									
	Common stock	Capital surplus	Legal reserve	Retained earnings		Other equity Foreign currency translation differences for foreign operations	Treasury shares	Total equity attributable to owners of the Company	Non-controlling interests	Total equity
				Unappropriated retained earnings	Total					
<b>Balance at January 1, 2024</b>	\$ 1,428,840	62,234	987,965	3,156,471	4,144,436	209,907	(9,380)	5,836,037	103,342	5,939,379
Appropriation and distribution of retained earnings:										
Cash dividends of ordinary share	-	-	-	(844,464)	(844,464)	-	-	(844,464)	-	(844,464)
Net income	-	-	-	223,552	223,552	-	-	223,552	8,389	231,941
Other comprehensive income	-	-	-	-	-	400,114	-	400,114	1,137	401,251
Total comprehensive income	-	-	-	223,552	223,552	400,114	-	623,666	9,526	633,192
Purchase of treasury share	-	-	-	-	-	-	(172,472)	(172,472)	-	(172,472)
<b>Balance at March 31, 2024</b>	<u>\$ 1,428,840</u>	<u>62,234</u>	<u>987,965</u>	<u>2,535,559</u>	<u>3,523,524</u>	<u>610,021</u>	<u>(181,852)</u>	<u>5,442,767</u>	<u>112,868</u>	<u>5,555,635</u>
<b>Balance at January 1, 2025</b>	\$ 1,428,840	62,234	1,090,383	3,168,980	4,259,363	789,636	(181,852)	6,358,221	113,213	6,471,434
Appropriation and distribution of retained earnings:										
Cash dividends of ordinary share	-	-	-	(731,869)	(731,869)	-	-	(731,869)	-	(731,869)
Net income (loss)	-	-	-	229,988	229,988	-	-	229,988	(135)	229,853
Other comprehensive income	-	-	-	-	-	123,733	-	123,733	1,925	125,658
Total comprehensive income	-	-	-	229,988	229,988	123,733	-	353,721	1,790	355,511
<b>Balance at March 31, 2025</b>	<u>\$ 1,428,840</u>	<u>62,234</u>	<u>1,090,383</u>	<u>2,667,099</u>	<u>3,757,482</u>	<u>913,369</u>	<u>(181,852)</u>	<u>5,980,073</u>	<u>115,003</u>	<u>6,095,076</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 Cash Flows****For the three months ended March 31, 2025 and 2024****(expressed in thousands of New Taiwan Dollar)**

	<b>For the three months ended March 31</b>	
	<b>2025</b>	<b>2024</b>
<b>Cash flows from (used in) operating activities:</b>		
Net income before tax	\$ 268,996	275,726
<b>Adjustments:</b>		
Adjustments to reconcile profit and loss:		
Depreciation expense	64,251	71,004
Amortization expense	1,006	780
Expected credit losses for bad debt provision	24,849	16,385
Interest expense	4,604	3,411
Interest income	(17,930)	(22,158)
Share of profit of associates accounted for using the equity method	(933)	(1,740)
Loss (gain) on disposal of property, plant and equipment	1	(49)
Loss on lease modification	602	-
Total adjustments to reconcile profit and loss	76,450	67,633
Changes in operating assets and liabilities:		
Net changes in operating assets:		
Notes receivable	(12,522)	2,237
Accounts receivable (including related parties) (including overdue receivables)	320,683	46,225
Other current assets	66,816	(75,831)
Net defined benefit assets	(2,353)	-
Total changes in operating assets, net	372,624	(27,369)
Net changes in operating liabilities:		
Notes payable	(1,245)	(26,906)
Accounts payable (including related parties)	(310,229)	(98,622)
Other payables	(6,886)	(18,374)
Other current liabilities	76,432	(234,869)
Net defined benefit liabilities	37	71
Total changes in operating liabilities, net	(241,891)	(378,700)
Total changes in operating assets and liabilities, net	130,733	(406,069)
Total adjustments	207,183	(338,436)
Cash flows generated from (used in) operations	476,179	(62,710)
Interest received	17,930	22,158
Interest paid	(4,482)	(3,411)
Income taxes paid	(29,634)	(27,420)
<b>Net cash flows from (used in) operating activities</b>	<b>459,993</b>	<b>(71,383)</b>
<b>Cash flows from (used in) investing activities:</b>		
Increase in financial assets at amortised cost	(1,587)	(47,952)
Acquisition of property, plant and equipment	(5,470)	(6,710)
Proceeds from disposal of property, plant and equipment	17	49
Increase in refundable deposits	(8,403)	(7,527)
Decrease in other non-current assets	(135)	508
<b>Net cash used in investing activities</b>	<b>(15,578)</b>	<b>(61,632)</b>
<b>Cash flows from (used in) financing activities:</b>		
Decrease in short-term borrowings	(5,000)	-
Payment of lease liabilities	(54,423)	(62,857)
Increase (decrease) in other non-current liabilities	9,011	(2,952)
Cash dividends paid	(20,209)	-
Payments to acquire treasury shares	-	(172,472)
<b>Net cash flows used in financing activities</b>	<b>(70,621)</b>	<b>(238,281)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>108,428</b>	<b>374,556</b>
<b>Net increase in cash and cash equivalents</b>	<b>482,222</b>	<b>3,260</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>4,569,519</b>	<b>4,780,626</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 5,051,741</b>	<b>4,783,886</b>

See accompanying notes to consolidated financial statements.



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

## **DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES**

### **Notes to the Consolidated Financial Statements**

**March 31, 2025 and 2024**

**(expressed in thousands of New Taiwan Dollar, unless otherwise specified)**

#### **(1) Company history**

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

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

The consolidated financial statements were authorized for issuance by the Board of Directors on May 8, 2025.

#### **(3) New standards, amendments and interpretations adopted:**

- (a) The impact of the IFRS Accounting Standards endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2025:

- Amendments to IAS21 "Lack of Exchangeability"

- (b) The impact of IFRS Accounting Standards endorsed by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2026, would not have a significant impact on its consolidated financial statements:

- Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" regarding the application guidance requirements for Section 4.1 of IFRS 9 and the related disclosure requirements of IFRS 7

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

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

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

<b>Standards or Interpretations</b>	<b>Content of amendment</b>	<b>Effective date per IASB</b>
IFRS 18 “Presentation and Disclosure in Financial Statements”	<p>The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.</p> <ul style="list-style-type: none"> <li>• A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities.</li> <li>• Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards.</li> <li>• Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.</li> </ul>	January 1, 2027

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## **DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES**

### **Notes to the Consolidated Financial Statements**

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

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” regarding the application guidance requirements for Sections 3.1 and 3.3 of IFRS 9 and the related disclosure requirements of IFRS 7
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

#### **(4) Summary of material accounting policies**

Except for the following, the material accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statements for the year ended December 31, 2024. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2024.

##### **(a) Statement of compliance**

These consolidated financial statements have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" (hereinafter referred to as the Regulations) and IAS 34 "Interim Financial Reporting" endorsed and issued into effect by the FSC, and do not present all the disclosures required for a complete set of annual consolidated financial statements prepared in accordance with the International Financial Reporting Standards, International Accounting Statements, IFRIC Interpretations, and SIC Interpretations endorsed by the FSC (hereinafter referred to IFRS Accounting Standards endorsed by the FSC).

##### **(b) Basis of consolidation**

The principles of preparation of the consolidated financial statements are the same as those of the consolidated financial statements for the year ended December 31, 2024. For the related information, please refer to note 4(c) of the consolidated financial statements for the year ended December 31, 2024.

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## DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

Subsidiaries included in the consolidated financial statements are as follows:

Name of investor	Name of subsidiary	Primary business	Shareholding			Remarks
			March 31, 2025	December 31, 2024	March 31, 2024	
The Company	Dimerco International Logistic Corp. (DIL)	Holding company	100.00 %	100.00 %	100.00 %	
The Company	Dimerco Express Holding Co., Ltd. (Holding)	Holding company	100.00 %	100.00 %	100.00 %	
The Company	Dimerco Freight System Corporation (DFSTW)	Global logistics service	99.99 %	99.99 %	99.99 %	Note 3
The Company	Dimerco Express (Singapore) Pte Ltd. (DIMSG)	Global logistics service	100.00 %	100.00 %	100.00 %	Note 3
The Company	Foreign Settlement Co., Ltd. (FSC)	Settlement center	20.00 %	20.00 %	20.00 %	
The Company	Foreign Settlement Co., Ltd. (FSC HK)	Settlement center	15.00 %	15.00 %	15.00 %	
The Company	Diversified International Logistics Co., Ltd (DILTW)	Global logistics service	80.00 %	80.00 %	80.00 %	Note 3
The Company	Diversified Transportation (HK & China) Co., Ltd. (DTLHK)	Global logistics service	100.00 %	100.00 %	100.00 %	Note 3
The Company	Dimerco International Logistics Company (DILHK)	Global logistics service	100.00 %	100.00 %	100.00 %	Note 3
The Company	Diversified Freight System (Singapore) Pte. Ltd. (DFSSG)	Global logistics service	100.00 %	100.00 %	100.00 %	Note 3
The Company	Diversified International Logistics Pte Ltd (DILSG)	Global logistics service	100.00 %	100.00 %	100.00 %	Note 3
The Company	Dimerco Express (Malaysia) Sdn. Bhd. (DIMMY)	Global logistics service	100.00 %	100.00 %	100.00 %	Note 3
DMCHK	Dimerco Air Forwarders (HK) Ltd. (DIMHK)	Global logistics service	99.99 %	99.99 %	99.99 %	
DMCHK	Diversified Freight System Ltd. (DFSHK)	Global logistics service	99.99 %	99.99 %	99.99 %	Note 3
DIMPH	Diversified Merchandise Company Limited (DMCHK)	Global logistics service	100.00 %	100.00 %	100.00 %	
DMCHK	Global SCM Company Limited (GSCHK)	Global logistics service	100.00 %	100.00 %	100.00 %	
DIMHK	Foreign Settlement Co., Ltd. (FSC HK)	Settlement center	35.00 %	35.00 %	35.00 %	
DIMHK	Foreign Settlement Co., Ltd. (FSC)	Settlement center	60.00 %	60.00 %	60.00 %	
DIMHK	Dimerco International Logistics (Shanghai) Co., Ltd. (DILSHA)	Global logistics service	99.99 %	99.99 %	99.99 %	Note 3
DIMHK	Dimerco International Transportation (Shanghai) Co., Ltd. (DIMCN)	Global logistics service	100.00 %	100.00 %	100.00 %	
DIMHK	Dimerco International Logistics (Shenzhen) Co., Ltd. (DILSZZ)	Global logistics service	100.00 %	100.00 %	100.00 %	Note 3
DIMHK	Dimerco Zhonging Int'l Express Co., Ltd. (ZJDCN)	Global logistics service	75.00 %	75.00 %	75.00 %	
DIMHK	Dimerco Vietfracht (JV) Co., Ltd. (DIMVN)	Global logistics service	75.00 %	75.00 %	75.00 %	Note 3

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

Name of investor	Name of subsidiary	Primary business	Shareholding			Remarks
			March 31, 2025	December 31, 2024	March 31, 2024	
DFSHK	Foreign Settlement Co., Ltd. (FSC HK)	Settlement center	35.00 %	35.00 %	35.00 %	
DFSHK	Diversified International Transportation (Shanghai) Co., Ltd. (DFSCN)	Global logistics service	100.00 %	100.00 %	100.00 %	
DFSTW	Foreign Settlement Co., Ltd. (FSC HK)	Settlement center	15.00 %	15.00 %	15.00 %	
DFSTW	Diversified International Logistics Co., Ltd (DILTW)	Global logistics service	20.00 %	20.00 %	20.00 %	Note 3
DIMSG	Dimerco Express (India) Prt Ltd. (DIMIN)	Global logistics service	100.00 %	100.00 %	100.00 %	Note 3
DIMSG	Foreign Settlement Co., Ltd. (FSC)	Settlement center	20.00 %	20.00 %	20.00 %	
DIL	Dimerco Express (UK) Ltd. (DIMGB)	Global logistics service	37.50 %	37.50 %	37.50 %	Note 3
DIL	Dimerco Express (U.S.A.) Corp. (DIMUS)	Global logistics service	100.00 %	100.00 %	100.00 %	
DIL	Global Marketing System Co., Ltd. (GMS)	Global logistics service	100.00 %	100.00 %	100.00 %	
FSCHK	Dimerco Express (UK) Ltd. (DIMGB)	Global logistics service	62.50 %	62.50 %	62.50 %	Note 3
FSCHK	Diversified (Shenzhen) International Logistics Service Co., Ltd. (DILYTN)	Global logistics service	50.00 %	50.00 %	50.00 %	Note 3
GMS	Dimerco Express Phil. Inc. (DIMPH)	Global logistics service	60.01 %	60.01 %	60.01 %	Note 2
GMS	Diversified International Logistics Service Company Ltd. (Shanghai) (DILWGQ)	Global logistics service	100.00 %	100.00 %	100.00 %	Note 3
GMS	Diversified (Shenzhen) International Logistics Service Co., Ltd. (DILYTN)	Global logistics service	50.00 %	50.00 %	50.00 %	Note 3
Holding	Dimerco Express (Thailand) Corp. Ltd. (DIMTH)	Global logistics service	48.99 %	48.99 %	48.99 %	Notes 1 and 3
Holding	Dimerco Express Phils. Inc. (DIMPH)	Global logistics service	39.99 %	39.99 %	39.99 %	Note 2
Holding	Dimerco Express (Australia) Pty Ltd (DIMAU)	Global logistics service	100.00 %	100.00 %	100.00 %	Note 3
Holding	Dimerco Express (Korea) Corp. (DIMKR)	Global logistics service	100.00 %	100.00 %	100.00 %	Note 3
Holding	Dimerco Express (Canada) Corp. (DIMCA)	Global logistics service	100.00 %	100.00 %	100.00 %	Note 3
Holding	Diversified International Service Logistics System Corporation (DSLUS)	Global logistics service	100.00 %	100.00 %	100.00 %	Note 3
Holding	Dimerco Express Netherlands B.V. (DIMNL)	Global logistics service	100.00 %	100.00 %	100.00 %	Note 3
DTLHK	Diversified Transportation (China) Co., Ltd. (DTLCN)	Global logistics service	100.00 %	100.00 %	100.00 %	Note 3
DIMUS	Dimerco Customs Brokerage Co. Ltd (DCBUS)	Brokerage service	100.00 %	100.00 %	100.00 %	Note 3
DIMUS	B.C. Logistics, LLC	Global logistics service	85.00 %	85.00 %	85.00 %	Note 3

(Continued)

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

Name of investor	Name of subsidiary	Primary business	Shareholding			Remarks
			March 31, 2025	December 31, 2024	March 31, 2024	
DIMPH	Peerless Express Forwarders Corp. (Peerless)	Global logistics service	39.99 %	39.99 %	39.99 %	Notes 1 and 3
DIMPH	Diversified Freight System Philippines Corporation (DFSPH)	Global logistics service	90.63 %	90.63 %	90.63 %	Note 3
DFSSG	Diversified Freight System Philippines Corporation (DFSPH)	Global logistics service	9.37 %	9.37 %	9.37 %	Note 3
DIMIN	Diversified Solutions and Resources Private Limited (DSRIN)	Global logistics service	94.00 %	94.00 %	- %	Note 4

Note 1: The Group owns less than 50% of the subsidiaries' voting stock, but the Group has control over the subsidiaries' financial and operating policies through agreement with other investors. Therefore, the Group includes the subsidiaries in the consolidated financial statements.

Note 2: Since the subsidiary is deemed as non-significant, its financial statements as of March 31, 2024 were not reviewed.

Note 3: Since the subsidiary is deemed as non-significant, its financial statements as of March 31, 2025 and 2024 were not reviewed.

Note 4: In April 2024, DIMIN invested in its newly established subsidiary, DSRIN, wherein it held 94% of the entire shareholding. Although DSRIN has been included in the consolidation of the Group, it is deemed to be non-significant, hence, its financial statements as of March 31, 2025 were not reviewed.

**(c) Provisions**

A provision is recognized if, as a result of a past event, the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognizes any impairment loss on the assets associated with that contract.

**(d) Employee benefits**

The pension cost in the interim period was calculated and disclosed on a year to date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-time event.

**(e) Income tax**

The income tax expenses have been measured and disclosed in accordance with paragraph B12 of International Financial Reporting Standards 34, Interim Reporting.

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

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

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

**(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty**

The preparation of the consolidated financial statements in conformity with the Regulations and IAS 34 "Interim Financial Reporting" endorsed by the FSC requires management to make judgments, and estimates about the future, including climate-related risks and opportunities, that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The preparation of the consolidated interim financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with note 5 of the consolidated financial statement for the year ended December 31, 2024.

**(6) Explanation of significant accounts**

Except for the following disclosures, there is no significant difference as compared with those disclosed in the consolidated financial statements for the year ended December 31, 2024. Please refer to Note 6 of the 2024 annual consolidated financial statements.

**(a) Cash and cash equivalents**

	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
Cash on hand	\$ 3,549	3,471	3,505
Checking accounts and savings deposits	2,911,595	3,063,530	3,503,107
Time deposits	2,136,597	1,502,518	1,277,274
Cash and cash equivalents per consolidated statements of cash flows	<u>\$ 5,051,741</u>	<u>4,569,519</u>	<u>4,783,886</u>

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

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

(b) Financial assets at amortized cost—current

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Time deposits with original maturities of more than 3 months	\$ 86,842	90,576	51,746
Time deposits	1,373	1,359	-
Demand deposits	5,307	-	-
Total	<u>\$ 93,522</u>	<u>91,935</u>	<u>51,746</u>
Interest rate	<u>1.00~3.43%</u>	<u>1.25~3.43%</u>	<u>0.2~2.05%</u>

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

The financial assets at amortized cost of the Group had been pledged as guarantee for its logistics operations; please refer to note 8.

(c) Financial assets at fair value through profit or loss—non-current

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Mandatorily measured at fair value through profit or loss:			
Non-derivative financial assets			
Preferred stock	<u>\$ 33,123</u>	<u>32,788</u>	<u>-</u>

(d) Notes and accounts receivable (including related parties)

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Notes receivable	\$ 14,843	2,321	6,070
Accounts receivable (including related parties)	3,163,723	3,484,535	2,502,705
Overdue receivables	6,906	6,777	6,491
Less: Loss allowance—accounts receivable	170,426	145,706	83,017
Loss allowance—overdue receivables	6,906	6,777	6,491
	<u>\$ 3,008,140</u>	<u>3,341,150</u>	<u>2,425,758</u>

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

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables (including related parties). To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information. The loss allowance provision was determined as follows:

<b>March 31, 2025</b>			
	<b>Gross carrying amount</b>	<b>Weighted- average loss rate</b>	<b>Loss allowance provision</b>
Current	\$ 2,804,246	0%	-
1 to 30 days past due	298,781	34%	100,596
31 to 60 days past due	29,864	81%	24,155
61 to 90 days past due	9,557	100%	9,557
91 to 365 days past due	17,870	100%	17,870
More than 365 days	25,154	100%	25,154
	<b>\$ 3,185,472</b>		<b>177,332</b>
<b>December 31, 2024</b>			
	<b>Gross carrying amount</b>	<b>Weighted- average loss rate</b>	<b>Loss allowance provision</b>
Current	\$ 3,123,348	0%	-
1 to 30 days past due	296,887	29%	86,048
31 to 60 days past due	36,647	81%	29,684
61 to 90 days past due	11,949	100%	11,949
91 to 365 days past due	109	100%	109
More than 365 days	24,693	100%	24,693
	<b>\$ 3,493,633</b>		<b>152,483</b>
<b>March 31, 2024</b>			
	<b>Gross carrying amount</b>	<b>Weighted- average loss rate</b>	<b>Loss allowance provision</b>
Current	\$ 2,272,064	0%	-
1 to 30 days past due	197,739	24%	47,044
31 to 60 days past due	15,780	81%	12,781
61 to 90 days past due	4,466	100%	4,466
91 to 365 days past due	8,711	100%	8,711
More than 365 days	16,506	100%	16,506
	<b>\$ 2,515,266</b>		<b>89,508</b>

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

The movements in the allowance for notes receivable, accounts receivable and overdue receivables were as follows:

	<b>For the three months ended March 31</b>	
	<b>2025</b>	<b>2024</b>
Balance at beginning of the period	\$ 152,483	73,123
Impairment losses recognized	24,849	16,385
Balance at end of the period	<u><u>\$ 177,332</u></u>	<u><u>89,508</u></u>

(e) Investments accounted for using the equity method

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

	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
Associates	<u><u>\$ 250,370</u></u>	<u><u>246,514</u></u>	<u><u>257,004</u></u>

(i) Associates

1) The details of significant associate were as follows:

<b>Name of associate</b>	<b>Relationship with the Group</b>	<b>Main operating location / country of registration</b>	<b>Ownership and voting right percentage</b>		
			<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
ITG Air & Sea GmbH	Global air and ocean freight forwarder	Germany	25.00 %	25.00 %	25.00 %

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

Summary of financial information of ITG Air & Sea GmbH

	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
Current assets	\$ 1,115,255	975,315	1,060,062
Non-current assets	150,964	155,873	176,075
Current liabilities	(827,800)	(704,611)	(755,856)
Non-current liabilities	(84,855)	(91,331)	(111,336)
Net assets	<u><u>\$ 353,564</u></u>	<u><u>335,246</u></u>	<u><u>368,945</u></u>
The Group's share of net assets	<u><u>\$ 88,391</u></u>	<u><u>83,811</u></u>	<u><u>92,236</u></u>

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

		<b>For the three months ended March 31</b>	
		<b>2025</b>	<b>2024</b>
Revenue	\$	<u>654,214</u>	<u>560,680</u>
Profit from continuing operations	\$	880	3,555
Other comprehensive income		-	-
Total comprehensive income	\$	<u>880</u>	<u>3,555</u>
The Group's share of total comprehensive income	\$	<u>220</u>	<u>889</u>
		<b>For the three months ended March 31</b>	
		<b>2025</b>	<b>2024</b>
Beginning balance of the equity of the associate attributable to the Group	\$	83,811	89,342
Total comprehensive income (loss) of the associate attributable to the Group		220	889
Exchange difference		<u>4,360</u>	<u>2,005</u>
Share of net assets of associates as of March 31		88,391	92,236
Add : Goodwill		<u>129,692</u>	<u>129,692</u>
Ending balance of the equity of the associate attributable to the Group	\$	<u>218,083</u>	<u>221,928</u>
2) The Group's financial information for investments accounted for using the equity method that are individually insignificant was as follows:			
	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
Carrying amount of individually insignificant associates' equity	\$ <u>32,287</u>	<u>33,011</u>	<u>35,076</u>
		<b>For the three months ended March 31</b>	
		<b>2025</b>	<b>2024</b>
Attributable to the Group:			
Profit from continuing operations	\$	713	851
Other comprehensive income		-	-
Total comprehensive income	\$	<u>713</u>	<u>851</u>

(ii) Collateral

As of March 31, 2025, December 31 and March 31, 2024, the Group did not provide any investment accounted for using the equity method as collaterals.

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

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

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

(f) Property, plant and equipment

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

	Land	Buildings	Transportation equipment	Office equipment	Leasehold improvements	Other equipment	Total
Cost:							
Balance as of January 1, 2025	\$ 195,902	574,925	40,729	175,219	72,904	52,616	1,112,295
Additions	-	64	1,334	1,784	1,575	713	5,470
Disposals	-	-	-	(141)	(834)	-	(975)
Effect of changes in exchange rates	455	7,317	534	1,694	898	827	11,725
Balance as of March 31, 2025	<u>\$ 196,357</u>	<u>582,306</u>	<u>42,597</u>	<u>178,556</u>	<u>74,543</u>	<u>54,156</u>	<u>1,128,515</u>
Balance as of January 1, 2024	\$ 185,136	550,542	37,792	164,739	68,254	42,609	1,049,072
Additions	-	-	-	2,793	3,230	687	6,710
Disposals	-	-	-	(22)	-	-	(22)
Effect of changes in exchange rates	9,446	12,323	1,276	(5,130)	2,079	6,760	26,754
Balance as of March 31, 2024	<u>\$ 194,582</u>	<u>562,865</u>	<u>39,068</u>	<u>162,380</u>	<u>73,563</u>	<u>50,056</u>	<u>1,082,514</u>
Depreciation:							
Balance as of January 1, 2025	\$ -	275,344	29,992	148,549	56,772	40,762	551,419
Depreciation	-	3,663	1,005	3,024	1,000	1,000	9,692
Disposals	-	-	-	(123)	(834)	-	(957)
Effect of changes in exchange rates	-	2,396	385	1,365	1,563	627	6,336
Balance as of March 31, 2025	<u>\$ -</u>	<u>281,403</u>	<u>31,382</u>	<u>152,815</u>	<u>58,501</u>	<u>42,389</u>	<u>566,490</u>
Balance as of January 1, 2024	\$ -	243,058	28,098	141,319	58,858	33,013	504,346
Depreciation	-	4,429	1,033	2,899	1,079	971	10,411
Disposals	-	-	-	(22)	-	-	(22)
Effect of changes in exchange rates	-	9,708	1,014	(6,006)	5,508	3,531	13,755
Balance as of March 31, 2024	<u>\$ -</u>	<u>257,195</u>	<u>30,145</u>	<u>138,190</u>	<u>65,445</u>	<u>37,515</u>	<u>528,490</u>
Carrying value:							
January 1, 2025	<u>\$ 195,902</u>	<u>299,581</u>	<u>10,737</u>	<u>26,670</u>	<u>16,132</u>	<u>11,854</u>	<u>560,876</u>
March 31, 2025	<u>\$ 196,357</u>	<u>300,903</u>	<u>11,215</u>	<u>25,741</u>	<u>16,042</u>	<u>11,767</u>	<u>562,025</u>
January 1, 2024	<u>\$ 185,136</u>	<u>307,484</u>	<u>9,694</u>	<u>23,420</u>	<u>9,396</u>	<u>9,596</u>	<u>544,726</u>
March 31, 2024	<u>\$ 194,582</u>	<u>305,670</u>	<u>8,923</u>	<u>24,190</u>	<u>8,118</u>	<u>12,541</u>	<u>554,024</u>

As of March 31, 2025, December 31 and March 31, 2024, the Group's property, plant and equipment were not pledged as collateral.

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**DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES**  
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(g) Right-of-use assets

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

	<u>Land</u>	<u>Building</u>	<u>Transportation equipment</u>	<u>Other equipment</u>	<u>Total</u>
Cost:					
Balance at January 1, 2025	\$ 51,266	552,877	51,939	80,766	736,848
Additions	-	55,861	6,878	8,335	71,074
Disposal (early termination)	-	(33,335)	-	-	(33,335)
Effect of changes in exchange rates	524	6,200	903	2,305	9,932
Balance at March 31, 2025	<u>\$ 51,790</u>	<u>581,603</u>	<u>59,720</u>	<u>91,406</u>	<u>784,519</u>
Balance at January 1, 2024	\$ 47,812	639,012	61,421	206,706	954,951
Additions	-	88,314	1,657	9,471	99,442
Disposal (early termination)	-	(23,064)	(2,567)	-	(25,631)
Effect of changes in exchange rates	2,195	23,805	805	4,863	31,668
Balance at March 31, 2024	<u>\$ 50,007</u>	<u>728,067</u>	<u>61,316</u>	<u>221,040</u>	<u>1,060,430</u>
Depreciation:					
Balance at January 1, 2025	\$ 5,847	306,282	40,058	27,660	379,847
Depreciation	357	44,875	2,462	6,865	54,559
Disposal (early termination)	-	(22,512)	-	-	(22,512)
Effect of changes in exchange rates	63	3,562	679	949	5,253
Balance at March 31, 2025	<u>\$ 6,267</u>	<u>332,207</u>	<u>43,199</u>	<u>35,474</u>	<u>417,147</u>
Balance at January 1, 2024	\$ 4,123	478,010	42,432	99,221	623,786
Depreciation	342	47,243	3,708	9,300	60,593
Disposal (early termination)	-	(23,064)	(2,567)	-	(25,631)
Effect of changes in exchange rates	195	17,675	865	3,764	22,499
Balance at March 31, 2024	<u>\$ 4,660</u>	<u>519,864</u>	<u>44,438</u>	<u>112,285</u>	<u>681,247</u>
Carrying value:					
January 1, 2025	<u>\$ 45,419</u>	<u>246,595</u>	<u>11,881</u>	<u>53,106</u>	<u>357,001</u>
March 31, 2025	<u>\$ 45,523</u>	<u>249,396</u>	<u>16,521</u>	<u>55,932</u>	<u>367,372</u>
January 1, 2024	<u>\$ 43,689</u>	<u>161,002</u>	<u>18,989</u>	<u>107,485</u>	<u>331,165</u>
March 31, 2024	<u>\$ 45,347</u>	<u>208,203</u>	<u>16,878</u>	<u>108,755</u>	<u>379,183</u>

(h) Intangible assets

	<u>Goodwill</u>	<u>Trademarks</u>	<u>Customer relationships</u>	<u>Software</u>	<u>Total</u>
Cost:					
Balance at January 1, 2025	\$ 61,020	3,279	16,394	4,016	84,709
Disposals	-	-	-	(517)	(517)
Effect of changes in exchange rates	449	33	168	5	655
Balance at March 31, 2025	<u>\$ 61,469</u>	<u>3,312</u>	<u>16,562</u>	<u>3,504</u>	<u>84,847</u>
Balance at January 1, 2024	\$ 58,053	3,057	15,289	3,245	79,644
Effect of changes in exchange rates	1,885	141	703	(11)	2,718
Balance at March 31, 2024	<u>\$ 59,938</u>	<u>3,198</u>	<u>15,992</u>	<u>3,234</u>	<u>82,362</u>

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**DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES**  
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	<u>Goodwill</u>	<u>Trademarks</u>	<u>Customer relationships</u>	<u>Software</u>	<u>Total</u>
Accumulated amortization:					
Balance at January 1, 2025	\$ -	984	9,836	3,325	14,145
Amortization	-	82	822	102	1,006
Disposals	-	-	-	(517)	(517)
Effect of changes in exchange rates	-	10	107	4	121
Balance at March 31, 2025	<u>\$ -</u>	<u>1,076</u>	<u>10,765</u>	<u>2,914</u>	<u>14,755</u>
Balance at January 1, 2024	\$ -	612	6,116	3,099	9,827
Amortization	-	79	786	(85)	780
Effect of changes in exchange rates	-	29	294	(9)	314
Balance at March 31, 2024	<u>\$ -</u>	<u>720</u>	<u>7,196</u>	<u>3,005</u>	<u>10,921</u>
Carrying value:					
January 1, 2025	<u>\$ 61,020</u>	<u>2,295</u>	<u>6,558</u>	<u>691</u>	<u>70,564</u>
March 31, 2025	<u>\$ 61,469</u>	<u>2,236</u>	<u>5,797</u>	<u>590</u>	<u>70,092</u>
January 1, 2024	<u>\$ 58,053</u>	<u>2,445</u>	<u>9,173</u>	<u>146</u>	<u>69,817</u>
March 31, 2024	<u>\$ 59,938</u>	<u>2,478</u>	<u>8,796</u>	<u>229</u>	<u>71,441</u>

(i) Borrowings

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

(i) Short-term borrowings

<b>March 31, 2025</b>				
	<b>Interest rate</b>	<b>Maturity</b>		
<b>Currency</b>	<b>(%)</b>	<b>year</b>	<b>Amount</b>	
Unsecured loans	NTD 1.82	2025	<u>\$ 175,000</u>	
<b>December 31, 2024</b>				
	<b>Interest rate</b>	<b>Maturity</b>		
<b>Currency</b>	<b>(%)</b>	<b>year</b>	<b>Amount</b>	
Unsecured loans	NTD 1.85	2025	<u>\$ 180,000</u>	
<b>March 31, 2024</b>				
	<b>Interest rate</b>	<b>Maturity</b>		
<b>Currency</b>	<b>(%)</b>	<b>year</b>	<b>Amount</b>	
Unsecured loans	NTD 1.55	2024	<u>\$ 180,000</u>	

As of March 31, 2025, December 31 and March 31, 2024, the unused credit facilities of the Group's short-term borrowings amounted to \$1,069,966 thousand, \$1,080,592 thousand and \$1,468,795 thousand, respectively.

(ii) Long-term borrowings

As of March 31, 2025, December 31 and March 31, 2024, the unused credit facilities of the Group's long-term borrowings amounted to \$0 thousand, \$0 thousand and \$150,000 thousand, respectively.

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

(iii) Collateral

As of March 31, 2025, December 31 and March 31, 2024, the Group did not pledge any assets as collateral for its borrowings.

(j) Provisions (other current liabilities)

	<b>Onerous contract</b>
Balance as of January 1, 2025	\$ -
Provisions made during the year	<u>53,041</u>
Balance as of March 31, 2025	<u><u>\$ 53,041</u></u>

The Group has signed non-cancellable freight charter contracts. Due to the unavoidable costs of fulfilling the contract obligations exceeding the expected economic benefits from the contracts, the net amount of the discounted future payment obligations, minus the expected revenue, has been recognized as a provision for the onerous contract liability.

(k) Lease liabilities

The Group's lease liabilities were as follow:

	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
Current	\$ 160,249	174,677	186,074
Non-current	<u>171,219</u>	<u>146,745</u>	<u>159,778</u>
	<u><u>\$ 331,468</u></u>	<u><u>321,422</u></u>	<u><u>345,852</u></u>

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

The amounts recognized in profit or loss were as follows:

	<b>For the three months ended March 31</b>	
	<b>2025</b>	<b>2024</b>
Interests on lease liabilities	\$ <u>3,190</u>	<u>2,760</u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	<u>\$ 14,281</u>	<u>11,643</u>

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

	<b>For the three months ended March 31</b>	
	<b>2025</b>	<b>2024</b>
Total cash outflow for leases	\$ <u>71,894</u>	<u>77,260</u>

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

(i) Leases of land and buildings

The Group leases land and buildings for its office and business space. The leases of land run for a period of fifty years, and of buildings typically for one to five years.

(ii) Other leases

The Group leases transportation and equipment, with lease terms of one to five years. In certain cases, the Group also leased transportation and equipment which were deemed as low-value assets and has elected not to recognize right-of-use assets and lease liabilities for such leases.

(l) Employee benefits

(i) Defined benefit plans

Since there were no significant market fluctuations, curtailments, reimbursement and settlement, or other material one-time events since prior fiscal year, the pension cost for the interim periods was measured according to the actuarial report as of December 31, 2024 and 2023.

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

	<b>For the three months ended March 31</b>	
	<b>2025</b>	<b>2024</b>
Operating expenses	\$ <u>790</u>	<u>855</u>

(ii) Defined contribution plans

For the three months ended March 31, 2025 and 2024, the pension costs under the defined contribution plans were \$11,742 thousand and \$11,613 thousand, respectively.

(m) Income tax

(i) Income tax expenses

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

The components of income tax expense were as follows:

	<b>For the three months ended March 31</b>	
	<b>2025</b>	<b>2024</b>
Current income tax expense		
Current period	\$ 39,143	43,785
Income tax expenses from continuing operations	\$ <u>39,143</u>	<u>43,785</u>

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

(ii) Examination and approval

The tax returns of DIMTW have been examined by the tax authorities through 2022.

(iii) Global minimum top-up tax

The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred .

The Group is subject to the global minimum top-up tax under Pillar Two tax legislation. However, there was no additional income tax impact to the Group for the three months ended March 31, 2025.

(n) Capital and other equity

Except as explained in the following paragraphs, there were no significant changes in capital and other equity during the three months ended March 31, 2025 and 2024. Please refer to note 6(m) of the consolidated financial statements for the year ended December 31, 2024, for related information.

(i) Retained earnings

The 2024 and 2023 earnings distribution had been approved at the board meeting held on March 12, 2025 and March 12, 2024, respectively, as follows:

	<b>2024</b>		<b>2023</b>	
	<b>Amount per share (NTD)</b>	<b>Total Amount</b>	<b>Amount per share (NTD)</b>	<b>Total Amount</b>
Dividends distributed to ordinary stockholders:				
Cash	\$ 5.20	<u><b>731,869</b></u>	6.00	<u><b>844,464</b></u>

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

(ii) Treasury stock

In order to motivate the employees and improve the operating performance, as well as to maintain the Company's credit and shareholders' right, the Company's Board of Directors approved a resolution to purchase its own common stock as treasury shares in accordance with the requirements under section 28(2) of the Securities and Exchange Act on December 21, 2023. The Company had purchased 2,000,000 shares from January 18, 2024 to February 2, 2024, and total cost amounted to \$172,472 thousand.

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

The movement in treasury stocks is as follows:

	Unit: thousand shares	
	<b>2025</b>	<b>2024</b>
Balance at January 1	2,140	140
Purchase of treasury stock	-	2,000
Balance at March 31	<u><b>2,140</b></u>	<u><b>2,140</b></u>

Pursuant to the Securities and Exchange Act, the number of treasury shares purchased cannot exceed 10% of the number of shares issued. The total purchase cost cannot exceed the sum of retained earnings, paid-in capital in excess of par value, and realized capital surplus. The maximum shares and the maximum total cost of the treasury stock hold by the Company from January 1 to March 31, 2025 has complied with the foregoing regulations. Furthermore, treasury shares cannot be pledged for debts, and treasury shares do not carry any shareholder rights until it is transferred.

(iii) Other equities (net of income tax)

	<b>Foreign exchange differences arising from foreign operations</b>	
	<b>2025</b>	<b>2024</b>
Balance at January 1	\$ 789,636	209,907
Foreign exchange differences arising from foreign operations	123,733	400,114
Balance at March 31	<u><b>\$ 913,369</b></u>	<u><b>610,021</b></u>

(o) Earnings per share

The calculation of the Company's basic earnings per share and diluted earnings per share for the three months ended March 31, 2025 and 2024, was as follows:

(i) Basic earnings per share

	Share unit: thousand shares <b>For the three months ended March 31</b>	
	<b>2025</b>	<b>2024</b>
Net income attributable to ordinary shareholders of the Company	<u><b>\$ 229,988</b></u>	<u><b>223,552</b></u>
Weighted-average number of ordinary shares	<u><b>140,744</b></u>	<u><b>141,104</b></u>
Basic earnings per share (in NT dollars)	<u><b>\$ 1.63</b></u>	<u><b>1.58</b></u>

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

(ii) Diluted earnings per share

	<b>For the three months ended March 31</b>	
	<b>2025</b>	<b>2024</b>
Net income attributable to ordinary shareholders of the Company	\$ <b><u>229,988</u></b>	<b><u>223,552</u></b>
Weighted-average number of ordinary shares (basic)	140,744	141,104
Impact of dilutive potential common shares		
Effect of employee stock bonus	719	696
Weighted-average number of ordinary shares (diluted)	<b><u>141,463</u></b>	<b><u>141,800</u></b>
Diluted earnings per share (in NT dollars)	\$ <b><u>1.63</u></b>	<b><u>1.58</u></b>

(p) Revenue from contracts with customers

(i) Disaggregation of revenue

	<b>For the three months ended March 31, 2025</b>			
	<b>Asia</b>	<b>Americas</b>	<b>Europe</b>	<b>Total</b>
Major products / services lines:				
Air freight forwarding	\$ 3,954,350	581,876	32,161	4,568,387
Ocean freight forwarding	1,536,393	660,601	87,575	2,284,569
Others	<u>275,646</u>	<u>61,651</u>	<u>760</u>	<u>338,057</u>
	<b><u>\$ 5,766,389</u></b>	<b><u>1,304,128</u></b>	<b><u>120,496</u></b>	<b><u>7,191,013</u></b>
	<b>For the three months ended March 31, 2024</b>			
	<b>Asia</b>	<b>Americas</b>	<b>Europe</b>	<b>Total</b>
Major products / services lines:				
Air freight forwarding	\$ 2,684,700	485,115	53,561	3,223,376
Ocean freight forwarding	1,399,880	462,662	62,704	1,925,246
Others	<u>358,274</u>	<u>85,871</u>	<u>38,801</u>	<u>482,946</u>
	<b><u>\$ 4,442,854</u></b>	<b><u>1,033,648</u></b>	<b><u>155,066</u></b>	<b><u>5,631,568</u></b>

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

(ii) Contract balance

	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
Notes receivable	\$ 14,843	2,321	6,070
Accounts receivable (including related parties)	3,163,723	3,484,535	2,502,705
Overdue receivables	6,906	6,777	6,491
Less: Loss allowance — accounts receivable	170,426	145,706	83,017
Loss allowance — overdue receivables	6,906	6,777	6,491
<b>Total</b>	<b>\$ 3,008,140</b>	<b>3,341,150</b>	<b>2,425,758</b>

Please refer to note 6(d) for the disclosure of notes receivable, accounts receivable (including related parties), overdue receivables and its impairment.

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

In accordance with the Company's articles, it should contribute no less than 5% of the profit as employee compensation and no higher than 5% as directors' remuneration when it has realized profit for the year. The recipients of the employee compensation, which can be in the form of cash or shares, may include the employees of the Company's affiliated companies who meet certain conditions. The payment for director and supervisors' remuneration is in the form of cash.

For the three months ended March 31, 2025 and 2024, the Company recognized its employees' compensation of \$14,489 thousand and \$14,084 thousand, respectively, and directors' remuneration of \$4,047 thousand and \$4,024 thousand, respectively. The employees' compensation, and directors' remuneration were recognized as operating expenses on a specific percentage of the net income. These amounts are calculated by using the Company's net income before tax (excluding the employees' compensation, and directors' remuneration), multiplied by the percentage specified in the Company's article for each period. If there are any subsequent adjustments to the actual remuneration amounts after the annual shareholders' meeting, the adjustment will be regarded as changes in accounting estimates and will be reflected in profit or loss in the following year. Shares distributed to employees as employees' remuneration are calculated based on the closing price of the Company's shares on the day before the approval by the Board of Directors.

In its financial statements for the years ended December 31, 2024 and 2023, the Company accrued employees' compensation amounting to \$56,887 thousand and \$60,984 thousand, respectively, and directors' remuneration amounting to \$14,866 thousand and \$15,942 thousand, respectively, which was identical to the actual distribution. The information mentioned above can be accessed on the Market Observation Post System.

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

(r) Non-operating income and expenses

(i) Interest income

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

	For the three months ended March 31	
	2025	2024
Interest income from bank deposits	\$ <u>17,930</u>	<u>22,158</u>

(ii) Other income

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

	For the three months ended March 31	
	2025	2024
Government grants	\$ 1,659	2,022
Others	<u>387</u>	<u>2,237</u>
Total other income	\$ <u>2,046</u>	<u>4,259</u>

(iii) Other gains and losses

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

	For the three months ended March 31	
	2025	2024
Gains (losses) on disposal of property, plant and equipment	\$ (1)	49
Losses on lease modifications	(602)	-
Gains on foreign exchange, net	1,439	38,030
Other losses	<u>(120)</u>	<u>(94)</u>
Other gains and losses, net	\$ <u>716</u>	<u>37,985</u>

(iv) Finance costs

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

	For the three months ended March 31	
	2025	2024
Interest expense		
Bank loan	\$ 812	651
Lease liabilities	<u>3,190</u>	<u>2,760</u>
Net finance cost	\$ <u>4,002</u>	<u>3,411</u>

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

(s) Financial instruments

(i) Credit risk

As the Group has a broad customer base, there is no significant concentration of credit risk from transactions with any single customer, and the sales are spread across various regions. Therefore, there is no significant concern about concentration of credit risk in accounts receivable. To mitigate credit risk, the Group continuously and periodically assesses the financial condition of its customers; however, collateral is generally not required.

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 1 year</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>Over 5 years</u>
<b>March 31, 2025</b>						
Non-derivative financial liabilities						
Short-term borrowings	\$ 175,000	175,271	175,271	-	-	-
Notes payable	20,838	20,838	20,838	-	-	-
Accounts payable (including related parties)	1,822,960	1,822,960	1,822,960	-	-	-
Dividends payable	746,606	746,606	746,606	-	-	-
Other payables	164,762	164,762	164,762	-	-	-
Lease liabilities	331,468	340,750	164,736	117,321	58,693	-
	<u><b>\$ 3,261,634</b></u>	<u><b>3,271,187</b></u>	<u><b>3,095,173</b></u>	<u><b>117,321</b></u>	<u><b>58,693</b></u>	<u><b>-</b></u>
<b>December 31, 2024</b>						
Short-term borrowings	\$ 180,000	180,155	180,155	-	-	-
Notes payable	22,083	22,083	22,083	-	-	-
Accounts payable (including related parties)	2,133,189	2,133,189	2,133,189	-	-	-
Dividends payable	34,946	34,946	34,946	-	-	-
Other payables	171,526	171,526	171,526	-	-	-
Lease liabilities	321,422	330,422	179,568	96,461	54,065	328
	<u><b>\$ 2,863,166</b></u>	<u><b>2,872,321</b></u>	<u><b>2,721,467</b></u>	<u><b>96,461</b></u>	<u><b>54,065</b></u>	<u><b>328</b></u>
<b>March 31, 2024</b>						
Short-term borrowings	\$ 180,000	182,790	182,790	-	-	-
Notes payable	23,474	23,474	23,474	-	-	-
Accounts payable (including related parties)	1,591,908	1,591,908	1,591,908	-	-	-
Dividends payable	857,417	857,417	857,417	-	-	-
Other payables	149,766	149,766	149,766	-	-	-
Lease liabilities	345,852	355,536	191,290	101,517	62,648	81
	<u><b>\$ 3,148,417</b></u>	<u><b>3,160,891</b></u>	<u><b>2,996,645</b></u>	<u><b>101,517</b></u>	<u><b>62,648</b></u>	<u><b>81</b></u>

The Group does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

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

(iii) Market risk

1) Currency risk

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

	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>NTD</u>
<b>March 31, 2025</b>			
Financial assets:			
Monetary items:			
USD	\$ 18,358	33.123	608,080
HKD	8,034	4.258	34,211
EUR	1,352	35.842	48,455
CNY	22,038	4.561	100,512
Financial liabilities:			
Monetary items:			
USD	\$ 11,643	33.123	385,637
<b>December 31, 2024</b>			
Financial assets:			
Monetary items:			
USD	\$ 23,567	32.788	772,701
HKD	5,916	4.223	24,982
EUR	1,829	34.073	62,333
CNY	21,430	4.492	96,264
Financial liabilities:			
Monetary items:			
USD	\$ 13,822	32.788	453,211
<b>March 31, 2024</b>			
Financial assets:			
Monetary items:			
USD	\$ 17,861	31.983	571,248
HKD	5,632	4.087	23,020
EUR	1,883	34.510	64,982
CNY	1,217	4.428	5,389
Financial liabilities:			
Monetary items:			
USD	\$ 7,075	31.983	226,268
EUR	22	34.510	747

(Continued)

## DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

The Group's exposure to foreign currency risk arises from the translation of foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable and payables that are denominated in foreign currency. A weakening (strengthening) of 3% of the NTD against USD, HKD, EUR and CNY as of March 31, 2025 and 2024, would have increased or decreased the net income before tax by \$12,169 thousand and \$13,129 thousand, respectively. The analysis is performed on the same basis for both periods.

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For the three months ended March 31, 2025 and 2024, foreign exchange gain (including realized and unrealized portions) amounted to \$1,439 thousand and \$38,030 thousand, respectively.

#### 2) Interest rate analysis

Please refer to the notes on liquidity risk management for the interest rate exposure of the Group's financial assets and liabilities.

The following sensitivity analysis is based on the exposure to the interest rate risk of non-derivative financial instruments on the reporting date. Regarding liabilities with variable interest rates, the analysis is based on the assumption that the amount of liabilities outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 1% when reporting to management internally, which also represents the Group management's assessment of the reasonably possible interest rate change.

If the interest rate had increased or decreased by 1%, the Group's net income before tax would have decreased or increased by \$438 thousand and \$450 thousand for the three months ended March 31, 2025 and 2024, with all other variable factors remaining constant. This was mainly due to the Group's borrowing at variable rates.

#### (iv) Other market price risk

For the three months ended March 31, 2025 and 2024, the sensitivity analyses for the changes in the securities price at the reporting date were performed using the same basis for profit or loss as illustrated below:

	For the three months ended			
	March 31			
	2025		2024	
	Other comprehensive income after tax	Net income	Other comprehensive income after tax	Net income
<u>Prices of securities at the reporting date</u>				
Increasing 1%	\$ 4	265	4	-
Decreasing 1%	\$ (4)	(265)	(4)	-

(Continued)



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

(v) Fair value

1) Categories and fair value of financial instruments

Except for the followings, carrying amount of the Group's financial assets and liabilities are valued reasonably close to their fair values. No additional fair value disclosure is required in accordance to the regulations.

		<b>March 31, 2025</b>			
		<b>Carrying amount</b>	<b>Fair value</b>		
			<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
					<b>Total</b>
Financial assets at fair value through profit or loss					
Mandatorily measured at fair value through profit or loss					
	\$	33,123	-	-	33,123
Financial assets at fair value through other comprehensive income					
Unlisted stocks (domestic and overseas)		453	-	-	453
Total	\$	33,576	-	-	33,576
		<b>December 31, 2024</b>			
		<b>Carrying amount</b>	<b>Fair value</b>		
			<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
					<b>Total</b>
Financial assets at fair value through profit or loss					
Mandatorily measured at fair value through profit or loss					
	\$	32,788	-	-	32,788
Financial assets at fair value through other comprehensive income					
Unlisted stocks (domestic and overseas)		452	-	-	452
Total	\$	33,240	-	-	33,240
		<b>March 31, 2024</b>			
		<b>Carrying amount</b>	<b>Fair value</b>		
			<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
					<b>Total</b>
Financial assets at fair value through other comprehensive income					
Unlisted stocks (domestic and overseas)	\$	451	-	-	451

(Continued)

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

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

Measurements of fair value of financial instruments without an active market are based on valuation technique or quoted price from a counterparty. Fair value, measured by using valuation technique that can be extrapolated from either similar financial instruments or discounted cash flow method or other valuation techniques, including models, is calculated based on available market data at the reporting date.

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

- 3) Fair value hierarchy

The Group used the fair value that can be observed in the market to measure the value of assets and liabilities. Fair value levels are based on the degree in which the fair value can be observed and grouped in to Levels 1 to 3 as follows:

- a) Level 1: quoted prices (unadjusted) in active markets for identified assets or liabilities.
- b) Level 2: inputs, other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- c) Level 3: inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

There was no such situation that the Group reclassified the financial instruments from one level to another during the reporting periods.

(Continued)

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

4) Reconciliation of Level 3 fair values

	<b>At fair value through profit or loss</b>	<b>Fair value through other comprehensive income</b>	
	<b>Non-derivative mandatorily measured at fair value through profit or loss</b>	<b>Unquoted equity instruments</b>	<b>Total</b>
Balance at January 1, 2025	\$ 32,788	452	33,240
Effect of changes in exchange rates	335	1	336
Balance at March 31, 2025	<u>\$ 33,123</u>	<u>453</u>	<u>33,576</u>
Balance at January 1, 2024	\$ -	449	449
Effect of changes in exchange rates	-	2	2
Balance at March 31, 2024	<u>\$ -</u>	<u>451</u>	<u>451</u>

(t) Financial risk management

The disclosures of objectives and policies of the Group's financial risk management are the same as those in the note 6(u) to the consolidated financial statements for the year ended December 31, 2024.

(u) Capital management

The disclosures of objectives, policies and procedures of the Group's capital management are the same as those of the consolidated financial statements for the year ended December 31, 2024. For related information, please refer to note 6(v) of the consolidated financial statements for the year ended December 31, 2024.

(v) Financing activities not affecting current cash flow

The Group's reconciliation of liabilities arising from financing activities for the three months ended March 31, 2025 and 2024 were as follows:

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

Reconciliation of liabilities arising from financing activities were as follows:

	<b>January 1, 2025</b>	<b>Cash flows</b>	<b>Non-cash changes Effect of changes in exchange rates</b>	<b>Additions</b>	<b>Decreases</b>	<b>March 31, 2025</b>
Short term borrowings	\$ 180,000	(5,000)	-	-	-	175,000
Lease liabilities	321,422	(54,423)	3,616	71,074	(10,221)	331,468
Total liabilities from financing activities	<u>\$ 501,422</u>	<u>(59,423)</u>	<u>3,616</u>	<u>71,074</u>	<u>(10,221)</u>	<u>506,468</u>

(Continued)

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

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

**(7) Related-party transactions**

- (a) Parent company and ultimate controlling party

The Company is the ultimate controlling party of the Group.

- (b) Names and relationship with related parties

In this consolidated financial report, the related parties having transactions with the Group are listed as below:

<u>Name of related party</u>	<u>Relationship with the Group</u>
ITG Air & Sea GmbH	An associate
Yuhang Int'l Logistics (Dalian) Co. Ltd.	An associate

- (c) Significant transactions with related parties

- (i) Operating revenue

The amounts of significant sales by the Group to related parties were as follows:

	For the three months ended March 31	
	2025	2024
Associates	<u>\$ 79,518</u>	<u>57,597</u>

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

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

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

	For the three months ended March 31	
	2025	2024
Associates	<u>\$ 22,076</u>	<u>21,340</u>

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

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

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

(iii) Receivables from related parties

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

<u>Account</u>	<u>Type of related parties</u>	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Accounts receivable (including related parties)	Associates	\$ <u>15,903</u>	<u>6,251</u>	<u>6,844</u>

As of March 31, 2025, December 31 and March 31, 2024, no allowance for loss is required for the above-mentioned related parties.

(iv) Payables to related parties

The details of the Group's payables to related parties were as follows:

<u>Account</u>	<u>Type of related parties</u>	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Accounts payable (including related parties)	Associates	\$ <u>6,448</u>	<u>3,518</u>	<u>932</u>

(d) Key management personnel compensation

Key management personnel compensation comprised:

	<u>For the three months ended March 31</u>	
	<u>2025</u>	<u>2024</u>
Short-term employee benefits	\$ 20,551	11,852
Post-employment benefits	192	240
	<u>\$ 20,743</u>	<u>12,092</u>

(Continued)

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

**(8) Assets pledged as security**

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

<u>Assets pledged as security</u>	<u>Liabilities secured by pledged</u>	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Restricted certificates of deposit (recorded under financial assets at amortised cost — current)	Guarantee for the Group's logistics operations	\$ 1,373	1,359	-
Restricted demand deposit (recorded under financial assets at amortised cost — current)	Guarantee for litigation	5,307	-	-
Restricted certificates of deposit (recorded under other current assets)	Guarantee for the Group's logistics operations	-	-	1,279
Restricted certificates of deposit (recorded under other non-current assets)	Guarantee for customs duty account	3,000	3,000	3,000
Restricted certificates of deposit (recorded under other non-current assets)	Guarantee for the Group's logistics operations	660	660	660
		<u>\$ 10,340</u>	<u>5,019</u>	<u>4,939</u>

**(9) Commitments and contingencies**

- (a) The Group provided certificates of deposit, land, and buildings as collateral to the banks for the performance of freight forwarding contracts. As of March 31, 2025, December 31 and March 31, 2024, the guarantees from the banks were \$5,033 thousand, \$5,019 thousand and \$4,939 thousand, respectively, and the used amounts were \$0 thousand, respectively.
- (b) As of March 31, 2025, December 31 and March 31, 2024, the Group had outstanding guaranteed notes deposited totaling \$75,356 thousand, \$72,446 thousand and \$76,097 thousand, respectively. As of March 31, 2025, December 31 and March 31, 2024, the guarantees recorded for customs duty were \$6,004 thousand, \$5,916 thousand and \$5,771 thousand, respectively.

(Continued)

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

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

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

**(11) Subsequent Events: None**

**(12) Other**

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

By function By nature	Three months ended March 31, 2025			Three months ended March 31, 2024		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salary	23,521	440,845	464,366	19,248	449,087	468,335
Labor and health insurance	186	61,613	61,799	481	60,734	61,215
Pension	319	12,213	12,532	428	12,040	12,468
Others	214	29,783	29,997	1,710	34,843	36,553
Depreciation	417	63,834	64,251	575	70,429	71,004
Amortization	-	1,006	1,006	-	780	780

- (b) Seasonality or cyclically of interim operations

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

(Continued)

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements

(13) Other disclosures

(a) Information on significant transactions

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group for the three months ended March 31, 2025:

(i) Loans extended to other parties

No.	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period (Note 3)	Range of interest rates during the period	Purposes of fund financing for the borrower (Note 1)	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits (Note 2)	Maximum limit of fund financing (Note 2)
													Name	Value		
1	HOLDING	The Company	Accounts receivable from related parties	Yes	26,067	26,067	26,067	-	(2)	-	Operating capital	-		-	349,648	1,398,592
2	FSC	The Company	Accounts receivable from related parties	Yes	119,550	119,550	119,550	-	(2)	-	Operating capital	-		-	147,510	590,038

Note 1: Purpose of fund financing for the borrower:  
(1) Business between the two parties.  
(2) Funds required for operations.

Note 2: Based on the Company's guidelines, the aggregate amount of financing provided to others cannot exceed 40% of the lender company's stockholders' equity, and the maximum financing provided to an individual counterparty cannot exceed 10% of the lender company's stockholders' equity.

Note 3: The amounts were eliminated in the consolidated interim financial statements.

(ii) Guarantees and endorsements for other parties

No.	Name of Guarantees	Counter-party of guarantee or endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise (Note 2)	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged on guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements (Note 2)	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company (Note 1)										
0	The Company	DIMVN	2	285,768	16,396	16,396	16,396	-	0.27 %	571,536	Y	N	N
0	The Company	DIMIN & DIMTH	2	285,768	83	83	83	-	- %	571,536	Y	N	N
0	The Company	DILTW	2	285,768	250	250	250	-	- %	571,536	Y	N	N

Note 1: Relationship with the Company are listed as below:  
(1) A company with which it does business.  
(2) A company in which the public company directly and indirectly holds more than 50 percent of the voting shares.  
(3) A company that directly and indirectly holds more than 50 percent of the voting shares in the public company.  
(4) A company in which the public company holds, directly or indirectly, 90% or more of the voting shares.  
(5) A company that fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.  
(6) A company that all capital contributing shareholders make endorsements/ guarantees for their jointly invested company in proportion to their shareholding percentages.  
(7) Companies in the same industry provide among themselves joint and several securities for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note 2: Based on the Company's guidelines, the aggregate amount of guarantee and endorsement provided to others cannot exceed 40% of the Company's issued capital, while the guarantee and endorsement for an individual counterparty cannot exceed 20% of the Company's issued capital.

(iii) Information regarding securities held as of March 31, 2025 (excluding investment in subsidiaries, associates and joint ventures)

Unit: thousand dollars/shares								
Name of holder	Category and name of security	Relationship with the security issuer	Recorded account	Ending balance				Note
				Number of shares	Carrying amount	Percentage of ownership	Fair value	
The Company	Global Sky Express Taiwan Ltd.	—	Financial assets at fair value through other comprehensive income — non-current	10,000	100	1.00 %	100	
The Company	Evergreen Air Cargo Service Corporation	—	Financial assets at fair value through other comprehensive income — non-current	29,000	290	0.02 %	290	
DIMSG	Burwill Holdings Ltd.	—	Financial assets at fair value through other comprehensive income — non-current	22,000	20	-	20	
DIMSG	Stamford Land	—	Financial assets at fair value through other comprehensive income — non-current	5,000	43	-	43	
DMCHK	AMBERCYCLE SINGAPORE PTE.LTD- Preferred stock	—	Financial assets at fair value through profit or loss — non-current	100,000	33,123	-	33,123	



## DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

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

Name of company	Counter-party	Relationship	Transaction details				Arm's-length transaction		Accounts / notes receivable (payable)		Remarks
			Purchase (Sale)	Amount	Percentage of total purchases (sales)	Credit period	Unit price	Credit period	Balance	Percentage of total accounts / notes receivable (payable)	
DIMKR	DIMUS	Subsidiary and Sub-Subsidiary	Freight revenue	129,949	48.61 %	Note 1	-		80,377	57 %	
DIMUS	DIMKR	Subsidiary and Sub-Subsidiary	Freight expense	(129,949)	(12.83) %	Note 1	-		(80,377)	(15) %	
ZJDCN	DIMCN	Subsidiary and Sub-Subsidiary	Freight revenue	283,268	17.64 %	Note 1	-		93,109	10 %	
DIMCN	ZJDCN	Subsidiary and Sub-Subsidiary	Freight expense	(283,268)	(37.44) %	Note 1	-		(93,109)	(37) %	

Note 1: The freight was charged according to market price. No significant difference in terms and conditions from third-party vendors.

- (v) Receivables from related parties in excess of NT\$100 million or 20% of the paid-in capital

Name of Company	Counter-party	Nature of Relationship	Balance of receivables from related party (note 3)	Turnover rate	Past-due receivables from related party		Subsequently received amount of receivable from related party	Allowance for bad debts
					Amount	Action taken		
FSC	The Company	Subsidiary of the Company	172,547 (Note 1)	-	-		-	-
FSC	DIL	Both parties are subsidiaries of the Company	216,717 (Note 2)	-	-		-	-

Note 1: Loan from the subsidiary of \$119,550 thousand and other receivables of \$52,997 thousand.

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

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

- (vi) Business relationships and significant intercompany transactions

No. (Note 1)	Name of company	Name of counter-party	Existing relationship with counter-party (Note 2)	Transaction details			
				Account name	Amount (Notes 3 and 4)	Terms of trading	Percentage of total consolidated revenue or total assets
0	The Company	GSCHK	1	Long-term received in advance — related parties	534,033	Negotiated	5.43 %
0	The Company	GSCHK	1	Received in Advance — related parties	104,896	Negotiated	1.07 %
0	The Company	FSCHK	1	Long-term received in advance — related parties	4,261,118	Negotiated	43.31 %
1	FSC	The Company	2	Accounts receivable — related parties	172,547	Negotiated	1.75 %
1	FSC	The Company	2	Prepayments — related parties	665,411	Negotiated	6.76 %
1	FSC	DIL	3	Accounts receivable — related parties	216,717	Negotiated	2.20 %
2	ZJDCN	DIMCN	3	Sales revenue	283,268	Negotiated	3.94 %
3	DIMKR	DIMUS	3	Sales revenue	129,949	Negotiated	1.81 %

Note 1: Company numbering is as follows:

- (1) Parent company is 0.
- (2) Subsidiary starts from 1.

Note 2: The number of the relationship with the transaction counterparty represents the following:

- (1) 1 represents downstream transactions.
- (2) 2 represents upstream transactions.
- (3) 3 represents lateral transactions.

Note 3: Only a transaction amount over \$100,000 thousand and a balance amount over total consolidated assets 1% shall be disclosed.

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

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DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES

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(b) Information on investees

The following is the information on investees for the three months ended March 31, 2025 (excluding information on investees in Mainland China):

Unit: thousand dollars/shares											
Name of the investor	Name of investee	Location	Main businesses	Initial investment (Amount)		Ending balance			Net income (losses) of investee	Investment income (losses) (Note 2)	Notes
				March 31, 2025	December 31, 2024	Shares	Ratio of shares	Carrying amount (Note 2)			
The Company	DFSTW	Taiwan	Ocean freight forwarding	15,444	15,444	1,200,000	99 %	834,881	6,097	6,097	Note 2 (2)
The Company	HOLDING	Bermuda	Holding company	164,845	164,845	3,089,000	100 %	3,496,479	77,010	77,010	Note 2 (1)
The Company	DIMSG	Singapore	Global air and ocean freight forwarder and logistics & warehousing	132,266	132,266	5,400,000	100 %	539,884	13,613	13,613	Note 2 (2)
The Company	DIL	British Virgin Is.	Holding company	472,313	472,313	(Note 1)	100 %	5,627,375	94,520	94,520	Note 2 (1)
The Company	FSC	British Virgin Is.	Settlement center	315	315	10,000	20 %	295,019	698	140	Note 2 (1)
The Company	FSCHK	Hong Kong	Settlement center	236	236	7,500	15 %	791,903	5,366	805	Note 2 (1)
The Company	ITG Air & Sea GmbH	Germany	Global air and ocean freight forwarder	183,547	183,547	6,275,000	25 %	218,083	880	220	Note 2 (2)
The Company	DILTW	Taiwan	Logistics & warehousing	21,120	21,120	2,400,000	80 %	31,595	3,548	2,838	Note 2 (2)
The Company	DFSSG	Singapore	Logistics & warehousing	13,482	13,482	600,000	100 %	49,095	1,817	1,817	Note 2 (2)
The Company	DILHK	Hong Kong	Logistics & warehousing	-	-	-	100 %	45,702	888	888	Note 2 (2)
The Company	DILSG	Singapore	Logistics & warehousing	8,956	8,956	-	100 %	2,977	(1,006)	(1,006)	Note 2 (2)
The Company	DIMMY	Malaysia	Global air and ocean freight forwarder	65,516	65,516	250,000	100 %	219,843	6,551	6,551	Note 2 (2)
The Company	DTLHK	Hong Kong	Trucking service	41,076	41,076	98,550	100 %	60,245	373	373	Note 2 (2)
DFSTW	FSCHK	Hong Kong	Settlement center	235	235	7,500	15 %	728,752	5,366	805	Note 2 (1)
DFSTW	DILTW	Taiwan	Logistics & warehousing	5,280	5,280	600,000	20 %	7,899	3,548	710	Note 2 (2)
DIL	DIMUS	U.S.A.	Global air and ocean freight forwarder	238,686	238,686	4,961,000	100 %	1,248,341	7,121	7,121	Note 2 (1)
DIL	DIMGB	U.K	Global air and ocean freight forwarder	12,589	12,589	300,000	37 %	(26,341)	21	8	Note 2 (2)
DIL	GMS	Hong Kong	Logistics & warehousing	-	-	-	100 %	4,405,375	87,392	87,392	Note 2 (1)
DMCHK	DIMHK	Hong Kong	Global air and ocean freight forwarder and logistics & warehousing	427,348	427,348	300,000	99 %	3,692,601	10,367	10,366	Note 2 (1)
DMCHK	DFSHK	Hong Kong	Ocean freight forwarding	25,393	25,393	71,000	99 %	2,183,362	12,299	12,298	Note 2 (2)
GMS	DIMPH	Philippines	Global air and ocean freight forwarder	38,399	38,399	180,000	60 %	4,515,380	146,394	87,836	Note 2 (1)
DIMUS	DCBUS	U.S.A.	Brokerage service	13,532	13,532	1,000	100 %	55,630	3,095	3,095	Note 2 (2)
DIMUS	B.C. Logistic, LLC	U.S.A.	Trucking service	54,103	54,103	-	85 %	18,245	(647)	(550)	Note 2 (2)
DIMHK	FSC	British Virgin Is.	Settlement center	954	954	30,000	60 %	885,057	698	418	Note 2 (1)
DIMHK	DIMVN	Vietnam	Trucking service	2,090	2,090	-	75 %	41,326	2,529	1,897	Note 2 (2)
DIMHK	FSCHK	Hong Kong	Settlement center	550	550	17,500	35 %	1,701,492	5,366	1,878	Note 2 (1)
DMCHK	GSCHK	Hong Kong	Settlement center	-	-	-	100 %	1,506,877	121,741	121,741	Note 2 (1)
DIMSG	FSC	British Virgin Is.	Settlement center	318	318	10,000	20 %	295,019	698	140	Note 2 (1)
DIMSG	DIMIN	India	Trucking service	17,595	17,595	960,000	100 %	39,514	802	802	Note 2 (2)
HOLDING	DIMTH	Thailand	Global air and ocean freight forwarder	7,642	7,642	735,000	49 %	66,943	6,416	3,143	Note 2 (2)
HOLDING	DIMPH	Philippines	Global air and ocean freight forwarder	4,026	4,026	120,000	40 %	3,009,042	146,394	58,558	Note 2 (1)
HOLDING	DIMAU	Australia	Global air and ocean freight forwarder	16,460	16,460	60,000	100 %	(29,226)	17	17	Note 2 (2)

(Continued)

DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements

Name of the investor	Name of investee	Location	Main businesses	Initial investment (Amount)		Ending balance			Net income (losses) of investee	Investment income (losses) (Note 2)	Notes
				March 31, 2025	December 31, 2024	Shares	Ratio of shares	Carrying amount (Note 2)			
HOLDING	DIMKR	Korea	Global air and ocean freight forwarder	19,386	19,386	120,000	100 %	150,098	10,794	10,794	Note 2 (2)
HOLDING	DIMCA	Canada	Air freight forwarder	15,646	15,646	-	100 %	233,158	4,746	4,746	Note 2 (2)
HOLDING	DIMNL	Netherlands	Global air and ocean freight forwarder	11,644	11,644	1,000	100 %	57,132	2,305	2,305	Note 2 (2)
HOLDING	DSLUS	U.S.A.	Logistics & warehousing	15,840	15,840	50,000	100 %	23,677	(2,796)	(2,796)	Note 2 (2)
DIMPH	Peerless Express Forwarders Corp.	Philippines	Trucking service	954	954	1,600,000	40 %	2,002	130	52	Note 2 (2)
DIMPH	DFSPH	Philippines	Trucking service	5,231	5,231	96,700	91 %	13,628	305	276	Note 2 (2)
DIMPH	DMCHK	Hong Kong	Settlement center	5,382,655	5,382,655	-	100 %	7,382,840	144,407	144,407	Note 2 (1)
DFSSG	DFSPH	Philippines	Trucking service	541	541	10,000	9 %	1,348	305	29	Note 2 (2)
DFSHK	FSCHK	Hong Kong	Settlement center	566	566	17,500	35 %	1,701,492	5,366	1,878	Note 2 (1)
FSCHK	DIMGB	U.K	Global air and ocean freight forwarder	20,126	20,126	500,000	63 %	(25,351)	21	13	Note 2 (2)
DIMIN	DSRIN	India	Logistics & warehousing	3,116	3,116	799,000	94 %	3,219	131	123	Note 2 (2)

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

Note 2: The recognition basis of financial statement of the investment column ws as follows:

(1) The financial statements were reviewed by auditors.

(2) The financial statements have not been reviewed by auditors.

Note 3: Except for ITG Air & Sea GmbH, the amounts have been eliminated in the consolidated financial statements.

- (c) Information on investment in mainland China
- (i) The names of investees in Mainland China, the main businesses and products, and other information

Unit: thousand dollars												
Name of investee in Mainland China	Main businesses	Issued capital	Method of investment (Note 1)	Beginning remittance balance-accumulative investment (amount) from Taiwan	Current remittance / recoverable investment (amount)		Ending remittance balance-accumulative investment (amount) from Taiwan	Net income (losses) of investee	Direct / indirect shareholdings or investments (%) in the Company	Current investment income and losses (Notes 2 and 3)	Carrying amount (Notes 2 and 3)	Accumulated remittance of earnings in current period
					Invested amount	Returned amount						
ZJDCN	Global air and ocean freight forwarder	54,928	(2)	29,877 (USD902) (Note 4)	-	-	29,877 (USD902) (Note 4)	(15,747)	75 %	(11,810) (Note 3(1))	157,518 (Note 3(1))	-
DILSHA	Logistics & warehousing	5,970	(2)	6,625 (USD200) (Note 4)	-	-	6,625 (USD200) (Note 4)	202	99 %	202 (Note 3(2))	(57,955) (Note 3(2))	-
DIMCN	Global air and ocean freight forwarder	163,377	(2)	-	-	-	-	14,874	100 %	14,874 (Note 3(1))	499,507 (Note 3(1))	-
DILSZX	Logistics & warehousing	10,958	(2)	-	-	-	-	-	100 %	- (Note 3(2))	(20,167) (Note 3(2))	-
DFSCN	Global air and ocean freight forwarder	59,777	(2)	-	-	-	-	8,796	100 %	8,796 (Note 3(1))	409,881 (Note 3(1))	-
Diversified Transportation (China) Co., Ltd.(DTLCN)	Trucking service	29,802	(2)	-	-	-	-	(133)	100 %	(133) (Note 3(2))	23,078 (Note 3(2))	-
Yuhang Int'l Logistics (Dalian) Co. Ltd.	Global air and ocean freight forwarder	38,666	(2)	-	-	-	-	2,812	25 %	713 (Note 3(2))	32,287 (Note 3(2))	-
Diversified (Shanghai) International Logistics Service Company Ltd.(DILWGQ)	Global air and ocean freight forwarder	13,684	(2)	-	-	-	-	(480)	100 %	(480) (Note 3(2))	10,012 (Note 3(2))	-
Diversified (Shenzhen) International Logistics Service Company Ltd.(DILYTN)	Global air and ocean freight forwarder	1,293	(2)	-	-	-	-	-	100 %	- (Note 3(2))	(1,619) (Note 3(2))	-

Note 1: The method of investment is divided into the following three methods:

(1) Investing directly in Mainland China.

(2) Through transferring the investment to third-region existing companies then investing in Mainland China. (through Bermuda and British Virgin Islands.).

(3) Other methods.

Note 2: Except for Yuhang Int'l Logistics (Dalian) Co., Ltd., the amounts have been eliminated in the consolidated financial statements.

Note 3: The recognition basis of financial statement of the investment column ws as follows:

(1) The financial statements were reviewed by an international accounting firm in cooperation with the ROC accounting firm.

(2) The financial statements have not been reviewed by auditors.

Note 4: The exchange rate as of March 31, 2025: USD1=NTD33.123.

## DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

(ii) Limitation on investment in Mainland China

Unit: thousand dollars

Company name	Aggregate investment amount remitted from Taiwan to Mainland China at end of period (Note2)	Approved investment (amount) by Ministry of Economic Affairs Investment Commission (Note2)	Limitation on investment in Mainland China in accordance with regulations of Ministry of Economic Affairs Investment Commission (Note 1)
DIMTW	36,502 (USD1,102)	79,495 (USD2,400)	3,588,044

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

Note 2: The exchange rate of March 31, 2025: USD:NT\$=1:33.123.

(iii) Significant transactions

The significant inter-company transactions with the subsidiaries in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in “(a) Information on significant transactions”.

#### (14) Segment information

The Group's operating segment information and reconciliation are as follows:

	Asia	American	Europe	Adjustments and eliminations	Total
<b>Three months ended March 31, 2025</b>					
Revenue:					
From external customers	\$ 5,766,389	1,304,128	120,496	-	7,191,013
From companies within the Group	191,111	-	-	(191,111)	-
<b>Total revenue</b>	<b>\$ 5,957,500</b>	<b>1,304,128</b>	<b>120,496</b>	<b>(191,111)</b>	<b>7,191,013</b>
<b>Segment income</b>	<b>\$ 196,146</b>	<b>31,104</b>	<b>2,603</b>	<b>-</b>	<b>229,853</b>
<b>Three months ended March 31, 2024</b>					
Revenue:					
From external customers	\$ 4,442,854	1,033,648	155,066	-	5,631,568
From companies within the Group	265,408	-	-	(265,408)	-
<b>Total revenue</b>	<b>\$ 4,708,262</b>	<b>1,033,648</b>	<b>155,066</b>	<b>(265,408)</b>	<b>5,631,568</b>
<b>Segment income</b>	<b>\$ 199,969</b>	<b>73,909</b>	<b>1,848</b>	<b>-</b>	<b>275,726</b>

The inter-company revenue of \$191,111 thousand and \$265,408 thousand for the three months ended March 31, 2025 and 2024, respectively, was eliminated.