



# 2025 Annual General Shareholders' Meeting



Time: 09:00 AM

Date: June 5, 2025

Venue: 2F, No. 55, Lequn 2nd Rd, Zhongshan District,  
Taipei City, 10491, Grand Mayfull Hotel Taipei

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## **I. MEETING PROCEDURE**

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

## **II. MEETING AGENDA**

Time : June 5<sup>th</sup>, 2025, Thursday 09:00 am

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

Procedure:

1. Call the Meeting to Order

2. Chairman's Remark

3. Management Presentations:

(1) 2024 Annual Business Report

(2) Audit Committee's Audited Report on 2024 Financial Statements

(3) Report of 2024 distribution of compensation of directors and  
employee bonus

(4) Report of the distribution of 2024 cash dividend

(5) Report on the establishment of "Code of Ethical Conduct"

(6) Report on the establishment of "Code of Ethical Corporate Management Best  
Practice Principles"

(7) Report on the Establishment of "Procedures For Ethical Management and  
Guidelines for Conduct"

4. Proposals:

(1) Adoption of 2024 Business Report and Financial Statements

(2) Adoption of the proposal for distribution of 2024 profits

5. Discussion:

(1) Amendment to the "Articles of Incorporation".

(2) Amendment to the "Operational Procedures for Loaning of Company Funds".

6. Questions and Motions

7. Adjournment

### III. MANAGEMENT PRESENTATIONS:

#### 1. Reports to Shareholders / Business Report

Dear Shareholders,

On behalf of the company's Board of Directors, Chairman, and the entire management team, we would like to express our sincere gratitude to every one of our shareholders for your long-term support of Dimerco Express Group during our promising development of Dimerco Express Group and for sparing your time to participate in the Y2025 shareholders meeting.

As per the KPMG audited Financial Statement, the consolidated financial report of Y2024 Consolidated sales revenue of Y2024 is NT\$28.94 billion, representing an increase of 31.3% compared to the previous year. The after-tax net profit was NT\$950 million, a decrease of 6.7% from the previous year, and the earnings per share were NT\$6.78, a decline of 6.3% compared to the previous year.

The international transportation and logistics market in the Y2024 is full of challenges. The Russia-Ukraine war, the Red Sea crisis, and geopolitical conflicts in the Middle East not only affect regional stability but also lead to fluctuations and increases in freight rates. These events have a significant impact on the route planning of airlines and shipping companies, as well as the transportation capacity of goods, causing major difficulties. Facing these global changes and the ever-changing market, the challenges are multiplied, and the operational risks are also greatly increased.

However, the physical channels and virtual digital platforms built by Dimerco offer integrated professional services that bridge the real and digital worlds, with a clear market positioning. Through strategic differentiation and regionalization in key niche markets, the long-established competitive advantage of over 150 physical channels has proven effective. At the same time, Dimerco is committed to technological and digital transformation, with its cloud-based digital supply chain management platform, the Dimerco Value Plus System® (with cybersecurity certification), providing services across the international logistics value chain. Additionally, the semi-automated solutions create efficiencies, increase productivity, and enhance services, solving problems and creating value for customers. This has led to significant customer recognition. Through digital marketing, Dimerco also promotes its value-added services in customer supply chain management, strengthening its business

expansion capabilities. Despite the challenges in the international transportation and logistics market in the Y2024, including fluctuations and increases in freight rates, Dimerco was still able to achieve substantial profitability.

In addition to strengthening profitability, Dimerco has long prioritized customer quality, carefully selecting high-quality clients and effectively managing accounts receivable. Through excellent financial management, the company is committed to maintaining a solid financial structure. As of December 31, 2024, the current ratio is 268%, significantly outperforming the industry average, demonstrating exceptional liquidity and debt repayment capacity. Meanwhile, fixed assets accounted for only 8.7% of shareholders' equity or net assets, reflecting the flexibility and adaptability of a light-asset logistics service provider. Furthermore, total liabilities accounted for just 33.4% of total assets, indicating a very healthy and stable financial structure.

Looking to the future, although the international transportation and logistics market remains full of challenges due to factors such as U.S. tariff policies, the Russia-Ukraine war, the Red Sea crisis, and geopolitical conflicts in the Middle East, the competitive advantage of Dimerco's physical channels and virtual digital platforms will continue to be effective. With clear market positioning, Dimerco will drive its value-added services in customer supply chain management through digital marketing, strengthening its business expansion capabilities. Through digital transformation, semi-automation to create efficiencies, increased productivity, and improved service quality, Dimerco is committed to continuing to generate profit and contribute to society, while providing reasonable returns to shareholders and dedicated employees. Thank you to all shareholders for your support.

Dimerco Express Corporation

Dimerco Express Group

June 5, 2025

Other Business information:

(1) Results of Business plan implementation

Unit: NTD'000			
Item	IFRS 2023	IFRS 2024	Growth %
Sales Revenue	22,042,684	28,947,367	31.3%
Net Profit After Tax	1,023,630	954,807	-6.7%

(2) Status of Budget Accomplishment

The company was not obligated to prepare financial forecast for year 2024 in accordance to the “Standards on treatment guidelines for disclosure of financial forecast information on public companies”.

(3) Analysis on financial balances and profitability

Unit: NTD'000

Item \ Year		IFRS 2023	IFRS 2024
Financial Balances	Sales Revenue	22,042,684	28,947,367
	Net Operating Profit	1,081,336	1,011,261
	Net Profit After Tax	1,023,630	954,807
Profitability	Return on Equity %	18%	15%
	Ratio of net profit after tax on paid-in capital %	72%	67%
	Retroactive adjusted earnings per share (NTD)	7.24	6.78

(4) Status of Research and Development:

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

Customer expectations for service quality continue to evolve with the rapid development of digital technology and diversified shipping options. The importance of digital strategy will continue to increase during and after the COVID-19 period.

Our company has increased its efforts in digital marketing and launched a brand new global website in 2021. The website clearly communicates our value proposition and reflects the company's strengths and management capabilities across the Asia-Pacific region's supply chain.

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

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

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

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

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

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

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

### **Feature highlights**

- **Supply Chain Orientation**



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

- **Web 3.0 based collaboration on Cloud Networking with Applications**

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

- **Resilience in information security:**

Equipped with a complete information security management system mechanism, ensuring the high availability of system services.

- **Business Intelligence**

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

- **Automation**

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

- **Customer Focused**

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

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

## **1 System**

One Integrated Transportation & Logistics Service Management System

## **5 Platforms**

Operation Platform, Service Platform, Cloud Network Platform, Cyber Security Platform and Development Platform

## **8 Operation Modules**

- eSAM - Sales Activities Management System
- eCall Freight System- Trucking Management System
- eAMS - Air Freight Management System
- eOMS - Ocean Freight Management System
- eWMS - Logistics Warehouse Management System

- eRMS - Railway Freight Management System for Cross-Border Train Freight (CBTF)
- eDAS - Domestic Air Freight Management System
- eFMS - Finance & Accounting Management System

## **6 Supplementary Functions**

- eRate - Rate Query System
- CYM - Consolidation Yield Management System (Patent No. I 505230 (TW) & Patent No. US 8,694,440 B2)
- DYM - De-Consolidation Yield Management System
- 3PS - Triangle Trade & 3rd Party Billing Management System
- CBS - Customs Brokerage Management System
- ACS - Automated Centralized Settlement

## **1 Big Data Bank**

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

## **2. Audit Committee's Audit Report**

Dimerco Express Corporation

### **Audit Committee's Audited Report**

Year 2024 company's annual business report, financial statements, consolidated financial statements and Proposal of Distribution of 2024 Profits made up by Board of Directors and financial statements, consolidated financial statements and Proposal of Distribution of 2024 Profits have been audited by KPMG. The above-mentioned annual business report, financial statements, consolidated financial statements and Proposal of Distribution of 2024 Profits have been audited by the Audit Committee without inconsistency in accordance to Securities and Exchange Act and Company Act.

**DIMERCO EXPRESS CORPORATION  
2025 ANNUAL SHAREHOLDERS' MEETING**

Audit Committee Chairman: Bill Chien  
March 12, 2025

### 3. Report of Compensation of Directors and Employees for 2024

According to Company Law and Articles of Incorporation, employee remuneration is NTD 56,887,382, remuneration to directors is NTD14,866,340. The above proposal will be distributed by cash.

### 4. Report of the distribution of 2024 cash dividend

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

(2) The Board of Directors approved to distribute NTD 731,868,800, NTD 5.2 per share, from accumulated unappropriated retained earnings of 2024 by cash on 12<sup>th</sup> Mar 2025.

### 5. Report on the establishment of " Code of Ethical Conduct"

Code of Ethical Conduct refer to ATTACHMENT II

### 6. Report on the establishment of "Ethical Corporate Management Best Practice Principles"

Ethical Corporate Management Best Practice Principles refer to ATTACHMENT III

### 7. Report on the establishment of "Procedures for Ethical Management And Guidelines For Conduct"

Procedures For Ethical Management And Guidelines For Conduct refer to ATTACHMENT IV

## IV. Proposals:

First proposal: Proposed by Board of Directors

Topic : Adoption of the 2024 Business Report and Financial Statements

Explanation : (1) The financial report and consolidated financial report for the year of 2024, including balance sheets, statements of comprehensive income, statements of changes in shareholders' equity, statements of cash flows, consolidated balance sheets, consolidated statements of comprehensive income, consolidated statements of changes in shareholders' equity and consolidated statements of cash flows, were audited by independent auditors, Ms. Phyllis Chang and Ms. Lydia Huang of KPMG, whereby an unqualified audit report was issued, and together with business report were submitted to supervisors for inspection, for your kind acknowledgement.

(2) Please refer to page 3 to page 8 Annual Business Report of year 2024, ATTACHMENT I Independent Auditors' Report, and 2024 Financial Statements

Resolution :

Second proposal: Proposed by Board of Directors

Topic : Adoption of the proposal for distribution for 2024 profits

- Explanation :
- (1) Profit distribution of year 2024 to shareholders is proposed to be distributed from year 2024 profit after setting aside provision for legal reserve.
  - (2) According to the Profit distribution of year 2024, each common shareholder would be entitled to receive a cash dividend of NTD 5.2 per share. Based on the current outstanding shares, Dimerco would distribute a total of NTD731,868,800 cash dividends .
  - (3) The Board of directors is authorized to determine an ex-right date after profit distribution of year 2024 is proposed and adopted. The cash dividend will be distributed by shareholding ratio and would be rounded up to NTD 1 dollars. The fractional amounts that are below NTD 1 dollar after rounded will be accounted for under the shareholders' equity.
  - (4) In the event that, the company outstanding shares or the profit distributions are affected by a buyback of shares, issuance of new shares for transferring treasury shares to employees, an equity conversion in connection with domestic convertible corporate bonds or other convertible securities, employee stock options, or any transfer, transformation, or termination of stocks, the Board of Directors have been authorized to adjust the cash to be distributed to each share based on the number of actual shares outstanding on the record date for distribution.
  - (5) Please refer to the Statement of Profit Distribution of Year 2024 as follows:

# Dimerco Express Corporation

## Statement of Profit Distribution of Year 2023

Unit: NTD

Item	Amount	Remark
	Subtotal	
Beginning Balance of Unappropriated Retained earnings	2,209,589,122	
Add (Deduct):		
Share of Profit of Associates Accounted for Using Equity Method	(68,496)	
Changes in Actuarial gains and losses	4,652,927	
Beginning Balance of Unappropriated Retained earnings after Adjustments	2,214,173,553	
Add:		
2024 Net profit after tax	954,806,686	
Distributable earnings	3,168,980,239	
Add (Deduct):		
10% Legal reserve	(95,939,112)	
Special reserve	0	
Available Retained Earnings for Distribution	3,073,041,127	
Items for distribution:		
Shareholder dividends - Stocks	0	
Shareholder dividends - Cash	731,868,800	
Ending Balance of unappropriated earnings:	2,341,172,327	

### Remark:

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

## V. Discussion:

Proposal from the Board of Directors:

First Proposal: Amendment to the “Articles of Incorporation”

Explanation : (1) In accordance with the interpretation set forth in Letter No. 1130385442 issued by the Financial Supervisory Commission, and the supplementary provisions of Article 14, Paragraph 6 of the Securities and Exchange Act, companies whose shares are listed on the stock exchange or traded over-the-counter are required to stipulate in their Articles of Incorporation the allocation of a certain percentage of annual earnings for adjusting salaries or distributing compensation to grassroots employees. Accordingly, Article 23 of the Company's Articles of Incorporation has been amended to comply with the aforementioned requirements.

(2) The comparison table of the amended provisions of the Articles of Incorporation is as follows:

Amended Provisions	Current Provisions	Notes
<p>Article 23</p> <p>If the Company generates profit in a given fiscal year (profit refers to pre-tax earnings before the deduction of employee compensation and director remuneration), it shall allocate no less than 5% of such profit for employee compensation and no more than 5% for director remuneration. However, if the Company has accumulated losses (including adjustments to undistributed earnings), such losses shall be covered in advance.</p> <p>Of the amount allocated for employee compensation in the preceding paragraph, no less than 0.3% shall be designated for salary adjustments or compensation distributions to grassroots employees.</p> <p>Employee compensation mentioned above may be distributed in the form of stock or cash, and may include employees of controlled or affiliated companies who meet certain criteria. Director remuneration shall be distributed in cash only.</p>	<p>Article 23</p> <p>If the Company generates profit in a given fiscal year (profit refers to pre-tax earnings before the deduction of employee compensation and director remuneration), it shall allocate no less than 5% of such profit for employee compensation and no more than 5% for director remuneration. However, if the Company has accumulated losses (including adjustments to undistributed earnings), such losses shall be covered in advance.</p> <p>Employee compensation may be distributed in the form of stock or cash, and the recipients may include employees of controlled or affiliated companies who meet certain criteria. Director remuneration shall be distributed in cash only.</p>	<p>Amended in response to Article 14, Paragraph 6 of the Securities and Exchange Act."</p>

Proposal from the Board of Directors:

Second Proposal: Amendment to the “Operational Procedures for Loaning of Company Funds”.

Explanation : (1) In accordance with Letter No. 1140200203 dated January 23, 2025, issued by the Taipei Exchange (TPEX), and in line with practical

considerations and relevant regulations, the Company proposes to amend its 'Procedures for Lending Funds to Others'.

(2) Where a subsidiary of the Company intends to lend funds to others, the procedures that, under the 'Regulations Governing the Loaning of Funds and Making of Endorsements/Guarantees by Public Companies,' require a resolution by the subsidiary's Board of Directors, may instead be fulfilled by submitting the matter to the parent company's Board of Directors for resolution.

(3) The revised 'Procedures for Lending Funds to Others' is attached for reference refer to ATTACHMENT V.

## **VI. Questions and Motions**

## **VII. Adjournment**

## Independent Auditors' Report

To the Board of Directors of DIMERCO EXPRESS CORPORATION:

### Opinion

We have audited the financial statements of DIMERCO EXPRESS CORPORATION (the "Company"), which comprise the balance sheet as of December 31, 2024 and 2023, and the parent company only statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, (including a Summary of material accounting policies).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024 and 2023 and its financial performance and its cash flows for the year ended December 31, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

### Key audit matters

Key audit matters refer to the most vital matters in our audit of the parent company only financial statements of the DIMERCO EXPRESS CORPORATION for the year ended December 31, 2024, based on our professional judgment. These matters were addressed in our audit of the parent company only financial statements as a whole, and in forming our audit opinion. We do not express a separate opinion on these matters. Key audit matters of the consolidated financial statements of the Company are stated as follows:

#### 1. Revenue Recognition

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

Description of key audit matters:

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



Audit procedures:

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

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

## 2. Cost estimate

Please refer to Note 4(13) "Revenue and cost recognition" for related accounting policy on cost estimation, and Note 6(14) for detailed cost disclosure.

Description of key audit matters:

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

Audit procedures:

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

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

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

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

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

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

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

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

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

statements (including relevant notes), and whether the parent company only financial statements adequately present the relevant transactions and events.

6. Obtain sufficient and appropriate audit evidence regarding the financial information on entities accounted for using the equity method to express an opinion on the parent only financial statement. We were responsible for guiding, supervising, and performing the audit and forming an audit opinion about the DIMERCO EXPRESS CORPORATION.

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

We also provided the governing bodies with a declaration that we have complied with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China regarding independence and communicated with them all relations and other matters that may possibly be regarded as detrimental to our independence (including relevant protective measures).

From the matters communicated with the governing bodies, we determined the key audit matters for the audit of the DIMERCO EXPRESS CORPORATION's parent company only financial statements for the year ended December 31, 2024. We have clearly indicated such matters in the auditors' report. Unless legal regulations prohibit the public disclosure of specific matters, or in extremely rare cases, where we decided not to communicate over specific items in the auditors' report for it could be reasonably anticipated that the negative effects of such disclosure would be greater than the public interest it brings forth.

KPMG Taiwan

Chang, Chun-Yi

CPA:

Huang, Tsai-Chuan

Competent Security Authority    Jin-Guan-Zheng-Shen-Zi No. 1050036075  
Approval Document No.         : Jin-Guan-Zheng-Shen-Zi No. 1140131922  
March 12, 2025



# DIMERCO EXPRESS CORPORATION

## Balance Sheets

For the Years Ended December 31, 2024 and 2023

Unit: NT\$ thousand



		2024.12.31		2023.12.31				2024.12.31		2023.12.31	
		Amount	%	Amount	%			Amount	%	Amount	%
<b>Assets</b>						<b>Liabilities and equity</b>					
<b>Current assets:</b>						<b>Current liabilities:</b>					
1100	Cash and cash equivalents (Note 6(1))	\$ 214,414	2	282,288	2	2100	Short-term borrowings (Note 6 (6))	\$ 180,000	2	180,000	2
1150	Notes receivable, net (Note 6(2) and (13))	632	-	6,191	-	2150	Notes payable (including related parties) (Note 7)	15,665	-	41,771	-
1170	Accounts receivable (Note 6(2) and (13))	254,725	2	155,491	1	2170	Accounts payable	45,171	-	24,404	-
1180	Accounts receivable - related parties, net (Notes 6(2), (13) and 7)	75,773	1	69,163	1	2180	Accounts payable - related parties (Note 7)	137,564	1	42,108	-
1210	Other receivables - related parties (Note 7)	170,535	1	204,939	2	2210	Other payables (Note 6 (15))	137,933	1	132,170	1
1470	Other current assets	7,333	-	7,876	-	2216	Dividends payable (Note 6 (10))	34,946	-	12,953	-
	<b>Total current assets</b>	<b>723,412</b>	<b>6</b>	<b>725,948</b>	<b>6</b>	2230	Income tax payables	21,174	-	75,246	1
<b>Non-current assets:</b>						2280	Lease liabilities - current (Note 6(7))	4,358	-	4,909	-
1520	Financial assets at fair value through other comprehensive income - Non-current	390	-	390	-	2310	Advance receipts (Note 7)	104,896	1	104,896	1
1550	Investments using the equity method (Note 6(3))	11,885,480	93	10,604,735	92	2390	Other current liabilities	2,480	-	3,289	-
1600	Property, plant and equipment (Note 6(4))	185,765	1	186,386	2		<b>Total current liabilities</b>	<b>684,187</b>	<b>5</b>	<b>621,746</b>	<b>5</b>
1755	Right-of-use assets (Note 6(5) and (7))	5,548	-	6,849	-		<b>Non-current liabilities:</b>				
1780	Intangible assets	436	-	38	-	2570	Deferred income tax liabilities (Note 6(9))	5,987	-	5,037	-
1840	Deferred income tax assets (Note 6(9))	1,015	-	1,649	-	2580	Non-current lease liabilities (Note 6(7))	1,219	-	1,974	-
1920	Refundable deposits	5,642	-	5,649	-	2622	Long-term payable - related parties	298,913	2	225,121	2
1975	Net defined benefit assets- non-current (Note 6(8))	5,930	-	-	-	2640	Net defined benefit liabilities (Note 6(8))	-	-	1,891	-
1990	Other non-current assets (Note 8 and 9)	3,660	-	3,660	-	2645	Guarantee deposits received	133	-	115	-
	<b>Total non-current assets</b>	<b>12,093,866</b>	<b>94</b>	<b>10,809,356</b>	<b>94</b>	2670	Other non-current liabilities (Note 7)	5,468,618	43	4,843,383	42
							<b>Total Non-current liabilities</b>	<b>5,774,870</b>	<b>45</b>	<b>5,077,521</b>	<b>44</b>
							<b>Total liabilities</b>	<b>6,459,057</b>	<b>50</b>	<b>5,699,267</b>	<b>49</b>
							<b>Equity (Note 6(3), (5), (10) and (11))</b>				
						3100	Common stock	1,428,840	11	1,428,840	12
						3200	Capital surplus	62,234	-	62,234	1
						3300	Retained earnings				
						3310	Legal reserves	1,090,383	9	987,965	9
						3350	Unappropriated retained earnings	3,168,980	25	3,156,471	27
						3400	Other equity	4,259,363	34	4,144,436	36
						3410	Foreign currency translation differences for foreign operations	789,636	6	209,907	2
						3500	Treasury stocks	(181,852)	(1)	(9,380)	-
							<b>Total equity</b>	<b>6,358,221</b>	<b>50</b>	<b>5,836,037</b>	<b>51</b>
	<b>Total assets</b>	<b>\$ 12,817,278</b>	<b>100</b>	<b>11,535,304</b>	<b>100</b>		<b>Total liabilities and equity</b>	<b>\$ 12,817,278</b>	<b>100</b>	<b>11,535,304</b>	<b>100</b>

(Please see accompany notes to financial statements)

Chairman: Chien, Wen-Li

General Manager: Chiu, Chun-Jung

Accounting Manager: Chen, Ching-Chi

**DIMERCO EXPRESS CORPORATION**  
**Statements of Comprehensive Income**  
**For the Years Ended December 31, 2024 and 2023**

Unit: NT\$ thousand

		<b>2024</b>		<b>2023</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
4000	<b>Operating revenue (Notes 6(13) and 7)</b>	\$ 1,252,923	100	1,285,060	100
5000	<b>Operating costs (Note 6(14))</b>	1,051,398	84	1,061,677	83
5900	<b>Gross profit from operations</b>	201,525	16	223,383	17
6000	<b>Operating expenses (Note 6(2), (4), (5), (7), (8), (11), (15) and 7)</b>				
6100	Selling expenses	78,746	6	83,211	6
6200	Administrative expenses	59,174	5	98,308	8
6450	Expected credit loss (gain on reversal) for bad debt provision	619	-	(3,506)	-
	<b>Total operating expenses</b>	138,539	11	178,013	14
6900	<b>Net operating income</b>	62,986	5	45,370	3
7000	<b>Non-operating income and expense (Notes 6(3), (7), (16) and 7):</b>				
7100	Interest income	3,120	-	6,752	1
7010	Other income	204,122	16	198,565	15
7020	Other gains and losses	22,542	2	3,259	-
7050	Financial costs	(3,197)	-	(5,454)	-
7070	Share of profit or loss of subsidiary & associates accounted for using equity method	718,892	57	893,854	70
	<b>Total non-operating income and expenses</b>	945,479	75	1,096,976	86
7900	<b>Profit from continuing operations before tax</b>	1,008,465	80	1,142,346	89
7951	<b>Less: Income tax expenses (Note 6(9))</b>	53,658	4	118,716	9
8200	<b>Net income for the period</b>	954,807	76	1,023,630	80
8300	<b>Other comprehensive income (Note 6(3), (8) and (10)):</b>				
8310	<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>				
8311	Gains on remeasurements of defined benefit plans	4,653	-	224	-
8330	Share of other comprehensive income (loss) of subsidiaries and associates accounted for using the equity method	(69)	-	325	-
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
	<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>	4,584	-	549	-
8360	<b>Components of other comprehensive income that will be reclassified to profit or loss</b>				
8361	Exchange differences on translation of foreign financial statements	256,561	21	10,916	1
8380	Share of other comprehensive income (loss) of subsidiaries and associates accounted for using the equity method	323,168	26	21,402	2
8399	Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	<b>Components of other comprehensive income that will be reclassified to profit or loss</b>	579,729	47	32,318	3
8300	<b>Other comprehensive income</b>	584,313	47	32,867	3
8500	<b>Total comprehensive income</b>	<u>\$ 1,539,120</u>	<u>123</u>	<u>1,056,497</u>	<u>83</u>
	<b>Earnings per share (unit: NT\$) (Note 6(12))</b>				
9750	Basic earnings per share	<u>\$ 6.78</u>		<u>7.24</u>	
9850	Diluted earnings per share	<u>\$ 6.74</u>		<u>7.18</u>	

**Chairman: Chien, Wen-Li General Manager: Chiu, Chun-Jung Accounting Manager: Chen, Ching-Chi**

**Statements of Changes in Equity**  
**For the Years Ended December 31, 2024 and 2023**

Unit: NTS thousand

	Retained earnings						Exchange differences on the translation of financial statements of foreign operations	Treasury stocks	Total equity
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Total			
Balance at January 1, 2023	\$ 1,360,800	19,362	733,290	557,281	3,353,782	4,644,353	177,589	(201,000)	6,001,104
Appropriation and distribution of retained earnings:									
Legal reserve appropriated	-	-	254,675	-	(254,675)	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(1,456,056)	(1,456,056)	-	-	(1,456,056)
Stock dividends of ordinary share	68,040	-	-	-	(68,040)	(68,040)	-	-	-
Reversal of special reserve	-	-	-	(557,281)	557,281	-	-	-	-
Net income	-	-	-	-	1,023,630	1,023,630	-	-	1,023,630
Other comprehensive income	-	-	-	-	549	549	32,318	-	32,867
Total comprehensive income	-	-	-	-	1,024,179	1,024,179	32,318	-	1,056,497
Changes in ownership interests in subsidiaries	-	(3,350)	-	-	-	-	-	-	(3,350)
Treasury shares transferred to employees	-	46,046	-	-	-	-	-	191,620	237,666
Gain on disgorgement	-	176	-	-	-	-	-	-	176
Balance at December 31, 2023	1,428,840	62,234	987,965	-	3,156,471	4,144,436	209,907	(9,380)	5,836,037
Appropriation and distribution of retained earnings:									
Legal reserve appropriated	-	-	102,418	-	(102,418)	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(844,464)	(844,464)	-	-	(844,464)
Net income	-	-	-	-	954,807	954,807	-	-	954,807
Other comprehensive income	-	-	-	-	4,584	4,584	579,729	-	584,313
Total comprehensive income	-	-	-	-	959,391	959,391	579,729	-	1,539,120
Acquisition of treasury share	-	-	-	-	-	-	-	(172,472)	(172,472)
Balance at December 31, 2024	\$ 1,428,840	62,234	1,090,383	-	3,168,980	4,259,363	789,636	(181,852)	6,358,221

(Please see accompany notes to financial statements)

Chairman: Chien, Wen-Li

General Manager: Chiu, Chun-Jung

Accounting Manager: Chen, Ching-Chi

**DIMERCO EXPRESS CORPORATION**  
**Statements of Cash Flows**  
**For the Years Ended December 31, 2024 and 2023**

Unit: NTS thousand

	2024	2023
<b>Cash flows from (used in) operating activities:</b>		
Net income before tax	\$ 1,008,465	1,142,346
Adjustments:		
Adjustments to reconcile profit and loss:		
Depreciation expense	10,409	9,125
Amortization expense	119	345
Expected credit losses (gain on reversal) for bad debt provision	619	(3,506)
Interest expense	3,197	5,454
Interest income	(3,120)	(6,752)
Dividend income	(98)	(206)
Share of profit of associates accounted for using the equity method	(718,892)	(893,854)
Leasehold modification gain	(6)	(21)
Compensation cost arising from treasury shares transferred to employees	-	43,186
Total adjustments to reconcile profit and loss	(707,772)	(846,229)
Changes in operating assets and liabilities:		
Net changes in operating assets:		
Notes receivable	5,559	982
Accounts receivable	(99,853)	148,095
Accounts receivable - related parties	(6,610)	21,182
Other receivables - related parties	34,404	24,327
Other current assets	543	477
Net defined benefit asset	(3,168)	-
Total changes in operating assets, net	(69,125)	195,063
Net changes in operating liabilities:		
Notes payable	(26,106)	25,221
Accounts payable	20,767	(8,512)
Accounts payable - related parties	95,456	(84,336)
Other payables	13,250	(235,125)
Other payables - related parties	-	(948)
Other current liabilities	(809)	(3,803)
Net defined benefit liability	-	(2,908)
Total changes in operating liabilities, net	102,558	(310,411)
Total changes in operating assets and liabilities, net	33,433	(115,348)
Total adjustments	(674,339)	(961,577)
Cash inflow generated from operations	334,126	180,769
Interest received	3,120	6,752
Dividends received	98	206
Interest paid	(3,078)	(5,454)
Income tax paid	(106,146)	(122,881)
Net cash flows from operating activities	228,120	59,392
<b>Cash flow from investing activities:</b>		
Acquisition of investment accounted for using the equity method	(17,861)	-
Acquisition of intangible assets	(517)	(182)
Acquisition of property, plant and equipment	(3,138)	(1,867)
Decrease in Guarantee deposits paid	7	618
Dividend income received from investments using equity methods	28,062	88,622
Net cash from investing activities	6,553	87,191
<b>Cash flows from financing activities:</b>		
Increase in short-term borrowings	-	1,407,218
Decrease in short-term borrowings	-	(1,657,218)
Increase (decrease) in guarantee deposits received	18	(2)
Increase in other payables - related parties	73,792	-
Payments of lease liabilities	(6,649)	(5,496)
Increase in other non-current liabilities	625,235	1,440,975
Cash dividends paid	(822,471)	(1,463,768)
Payments to acquire treasury shares	(172,472)	-
Treasury shares transferred to employees	-	194,480
Other financing activities	-	(217)
Net cash flows used in financing activities	(302,547)	(84,028)
Net decrease in cash and cash equivalents	(67,874)	62,555
Cash and cash equivalents at beginning of period	282,288	219,733
Cash and cash equivalents at end of period	\$ 214,414	282,288

(Please see accompany notes to financial statements)

Chairman: Chien, Wen-Li

General Manager: Chiu, Chun-Jung

Accounting Manager: Chen, Ching-Chi



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## Independent Auditor's Report

To the Board of Directors of Dimerco Express Corporation:

### Opinion

We have audited the consolidated financial statements of Dimerco Express Corporation and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

### Other Matter

Dimerco Express Corporation has prepared its parent-company-only financial statements as of and for the years ended December 31, 2024 and 2023, on which we have issued an unqualified opinion.

KPMG, a Taiwan partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.



## Key Audit Matters

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

### 1. Revenue recognition

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

Description of key audit matter:

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

How the matter was addressed in our audit:

The key audit procedures performed by us and procedures noted in the audit instructions sent to the component audit teams for execution were as follows:

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

### 2. Cost accrual

Please refer to note 4(m) "revenue and cost recognition" for accounting policy related to cost accrual and note 6(q) for the disclosure related to cost of the consolidated financial statements.

Description of key audit matter:

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

How the matter was addressed in our audit:

The key audit procedures performed by us and procedures noted in the audit instructions sent to the component audit teams for execution were as follow:

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

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

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

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

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

#### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

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

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

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



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

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

KPMG

Taipei, Taiwan (Republic of China)  
March 12, 2025



(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES**  
 Consolidated Balance Sheets  
 December 31, 2024 and 2023  
 (expressed in thousands of New Taiwan Dollar)

		December 31, 2024		December 31, 2023				December 31, 2024		December 31, 2023	
		Amount	%	Amount	%			Amount	%	Amount	%
Assets											
Current assets:											
1100	Cash and cash equivalents (note 6(a))	\$	4,569,519	47	4,780,626	54	2100	Short-term borrowings (note 6(i))	\$	180,000	2
1137	Financial assets at amortised cost — current (notes 6(b) and 8)		91,935	1	3,794	-	2150	Notes payable		22,083	-
1150	Notes receivable, net (notes 6(d) and (p))		2,321	-	8,307	-	2170	Accounts payable (including related parties) (note 7)		2,133,189	22
1170	Accounts receivable, net (including related parties) (notes 6(d), (p) and 7)		3,338,829	34	2,482,298	28	2216	Dividends payable (note 6(m))		34,946	-
1470	Other current assets (note 8)		227,716	3	189,349	2	2219	Other payables (notes 6(r) and 9)		171,526	2
	Total current assets:		8,230,320	85	7,464,374	84	2230	Income tax payable		85,252	1
Non-current assets:											
1510	Financial assets at fair value through profit or loss — non-current (note 6(c))		32,788	-	-	-	2280	Current lease liabilities (note 6(j))		174,677	2
1517	Financial assets at fair value through other comprehensive income — non-current		452	-	449	-		Other current liabilities		255,653	2
1551	Investments accounted for using the equity method (note 6(e))		246,514	3	246,955	3		Total current liabilities		3,057,326	31
1600	Property, plant and equipment (note 6(f))		560,876	5	544,726	6	2570	Non-current liabilities:			
1755	Right-of-use assets (notes 6(g) and (j))		357,001	4	331,165	4	2580	Deferred income tax liabilities (note 6(l))		13,429	-
1822	Intangible assets (note 6(h))		70,564	1	69,817	1	2640	Non-current lease liabilities (note 6(j))		146,745	2
1840	Deferred income tax assets (note 6(i))		124,759	1	123,354	1	2670	Net defined benefit liabilities (note 6(k))		1,783	-
1920	Refundable deposits		82,130	1	89,445	1		Other non-current liabilities		31,090	-
1990	Other non-current assets (notes 6(d), (k), (p), 8 and 9)		16,403	-	11,342	-		Total non-current liabilities		193,047	2
	Total non-current assets:		1,491,487	15	1,417,253	16		Total liabilities		3,250,373	33
Equity attributable to owners of the Company (notes 6(e), (k), (m) and (n)):											
							3110	Common stock		1,428,840	15
							3200	Capital surplus		62,234	1
							33xx	Retained earnings:			
							3310	Legal reserve		1,090,383	11
							3350	Unappropriated retained earnings		3,168,980	33
										4,259,363	44
							34xx	Other equity:			
							3410	Foreign currency translation differences for foreign operations		789,636	8
							3500	Treasury shares		(181,852)	(2)
								Total equity attributable to owners of the Company		6,358,221	66
							36xx	Non-controlling interests:		113,213	1
								Total equity		6,471,434	67
1xxx	Total assets	\$	9,721,807	100	\$ 8,881,627	100	2-3xxx	Total liabilities and equity	\$	9,721,807	100

See accompanying notes to consolidated financial statements.

## DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES

## Consolidated Statements of Comprehensive Income

For the years ended December 31, 2024 and 2023

(expressed in thousands of New Taiwan Dollar , except for earnings per common share)

		2024		2023	
		Amount	%	Amount	%
4000	Operating revenue (notes 6(p) and 7)	\$ 28,947,367	100	22,042,684	100
5000	Operating costs (notes 6(f), (g), (j), (k) and (q))	25,051,497	87	18,245,653	83
5900	Gross profit from operations	3,895,870	13	3,797,031	17
6000	Operating expenses (notes 6(d), (f), (g), (h), (j), (k), (n), (r) and 7):				
6100	Selling expenses	960,789	3	949,434	4
6200	Administrative expenses	1,844,460	6	1,816,246	8
6450	Expected credit loss (gain on reversal) for bad debt provision	79,360	-	(49,985)	-
	Total operating expenses	2,884,609	9	2,715,695	12
6900	Net operating income	1,011,261	4	1,081,336	5
7000	Non-operating income and expenses (notes 6(e), (j) and (s)):				
7100	Interest income	84,637	-	91,104	-
7010	Other income	13,769	-	44,539	-
7020	Other gains and losses	48,259	-	24,755	-
7050	Finance costs	(15,296)	-	(17,688)	-
7060	Share of profit of associates accounted for using the equity method	26,170	-	33,684	-
	Total non-operating income and expenses	157,539	-	176,394	-
7900	Profit from continuing operations before tax	1,168,800	4	1,257,730	5
7950	Less: Income tax expenses (note 6(l))	194,538	1	241,162	1
	Net income	974,262	3	1,016,568	4
8300	Other comprehensive income:				
8310	Components of other comprehensive income that will not be reclassified to profit or loss				
8311	Gains on remeasurements of defined benefit plans (note 6(k))	4,584	-	549	-
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
	Components of other comprehensive income that will not be reclassified to profit or loss	4,584	-	549	-
8360	Components of other comprehensive income that will be reclassified to profit or loss (notes 6(e) and (m))				
8361	Exchange differences on translation of foreign financial statements	584,839	2	31,972	-
8399	Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Components of other comprehensive income that will be reclassified to profit or loss	584,839	2	31,972	-
8300	Other comprehensive income	589,423	2	32,521	-
8500	Total comprehensive income	\$ 1,563,685	5	1,049,089	4
	Profit (loss) attributable to:				
8610	Owners of the Company	\$ 954,807	3	1,023,630	4
8620	Non-controlling interests	19,455	-	(7,062)	-
	Total comprehensive income attributable to:	\$ 974,262	3	1,016,568	4
8710	Owners of the Company	\$ 1,539,120	5	1,056,497	4
8720	Non-controlling interests	24,565	-	(7,408)	-
	Earnings per share (NT dollars) (note 6(o))	\$ 6.78		7.24	
9750	Basic earnings per share	\$ 6.78		7.24	
9850	Diluted earnings per share	\$ 6.74		7.18	

See accompanying notes to consolidated financial statements.

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

## DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES

## Consolidated Statements of Changes in Equity

For the years ended December 31, 2024 and 2023

(expressed in thousands of New Taiwan Dollar)

	Equity attributable to owners of the Company						Other equity Foreign currency translation differences for foreign operations	Treasury shares	Total equity attributable to owners of the Company	Non-controlling interests	Total equity
	Retained earnings										
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total					
Balance at January 1, 2023	\$ 1,360,800	19,362	733,290	557,281	3,353,782	4,644,333	177,589	(201,000)	6,001,104	123,637	6,124,741
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-	254,675	-	(254,675)	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(557,281)	557,281	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(1,456,056)	(1,456,056)	-	-	(1,456,056)	-	(1,456,056)
Stock dividends of ordinary share	68,040	-	-	-	(68,040)	(68,040)	-	-	-	-	-
Net income (loss)	-	-	-	-	1,023,630	1,023,630	-	-	1,023,630	(7,062)	1,016,568
Other comprehensive income	-	-	-	-	549	549	32,318	-	32,867	(346)	32,521
Total comprehensive income	-	-	-	-	1,024,179	1,024,179	32,318	-	1,056,497	(7,408)	1,049,089
Decrease in non-controlling interests	-	(3,350)	-	-	-	-	-	-	(3,350)	(8,942)	(12,292)
Cash dividends distributed by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	(3,945)	(3,945)
Treasury shares transferred to employees	-	46,046	-	-	-	-	-	191,620	237,666	-	237,666
Gain on disgorgement	-	176	-	-	-	-	-	-	176	-	176
Balance at December 31, 2023	1,428,840	62,234	987,965	-	3,156,471	4,144,436	209,907	(9,380)	5,836,037	103,342	5,939,379
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-	102,418	-	(102,418)	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(844,464)	(844,464)	-	-	(844,464)	-	(844,464)
Net income	-	-	-	-	954,807	954,807	-	-	954,807	19,455	974,262
Other comprehensive income	-	-	-	-	4,584	4,584	579,729	-	584,313	5,110	589,423
Total comprehensive income	-	-	-	-	959,391	959,391	579,729	-	1,539,120	24,565	1,563,685
Acquisition of treasury share	-	-	-	-	-	-	-	(172,472)	(172,472)	-	(172,472)
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	199	199
Cash dividends distributed by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	(14,893)	(14,893)
Balance at December 31, 2024	\$ 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

See accompanying notes to consolidated financial statements.

## DIMERCO EXPRESS CORPORATION AND SUBSIDIARIES

## Consolidated Statements of Cash Flows

For the years ended December 31, 2024 and 2023

(expressed in thousands of New Taiwan Dollar)

	2024	2023
Cash flows from (used in) operating activities:		
Net income before tax	\$ 1,168,800	1,257,730
Adjustments:		
Adjustments to reconcile profit and loss:		
Depreciation expense	268,768	277,226
Amortization expense	3,766	3,822
Expected credit losses (gain on reversal) for bad debt provision	79,360	(49,915)
Interest expense	15,296	17,628
Interest income	(84,637)	(91,114)
Dividend income	(98)	(26)
Share of profit of associates accounted for using the equity method	(26,170)	(33,614)
Loss (gain) on disposal of property, plant and equipment	(930)	317
Compensation cost arising from treasury shares transferred to employees	-	43,116
Gain on lease modification	(6)	-
Total adjustments to reconcile profit and loss	255,349	167,311
Changes in operating assets and liabilities:		
Net changes in operating assets:		
Notes receivable	5,986	8,411
Accounts receivable (including related parties) (including overdue receivables)	(935,891)	395,770
Other current assets	(38,367)	192,260
Net defined benefit assets	(5,889)	4
Total changes in operating assets, net	(974,161)	597,445
Net changes in operating liabilities:		
Notes payable	(28,297)	2,401
Accounts payable (including related parties)	442,659	(1,124,600)
Other payables	3,267	(269,026)
Other current liabilities	(109,339)	242,538
Net defined benefit liabilities	1,731	(3,420)
Total changes in operating liabilities, net	310,021	(1,130,094)
Total changes in operating assets and liabilities, net	(664,140)	(533,509)
Total adjustments	(408,791)	(891,512)
Cash inflow generated from operations	760,009	91,113
Interest received	84,637	(17,628)
Interest paid	(15,177)	(304,224)
Income taxes paid	(227,976)	660,728
Net cash flows from operating activities	601,493	5,911
Cash flows from (used in) investing activities:		
Decrease (increase) in financial assets at amortised cost	(88,141)	(25,111)
Acquisition of financial assets at fair value through profit or loss	(31,598)	2
Acquisition of property, plant and equipment	(35,634)	15,110
Proceeds from disposal of property, plant and equipment	1,046	(16)
Decrease in refundable deposits	7,315	36
Acquisition of intangible assets	(783)	(31)
Decrease (increase) in other non-current assets	828	(3,601)
Dividends received	32,318	56,825
Net cash from (used in) investing activities	(114,642)	49,300
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	-	1,407,218
Decrease in short-term borrowings	-	(1,657,218)
Payment of lease liabilities	(230,894)	(227,775)
Decrease in other non-current liabilities	(3,775)	(2,187)
Cash dividends paid	(822,471)	(1,463,768)
Payments to acquire treasury shares	(172,472)	-
Treasury shares transferred to employees	-	194,480
Changes in non-controlling interests	(14,694)	(12,887)
Other financing activities	-	176
Net cash flows used in financing activities	(1,244,306)	(1,761,961)
Effect of exchange rate changes on cash and cash equivalents	546,355	23,091
Net decrease in cash and cash equivalents	(211,107)	(1,028,849)
Cash and cash equivalents at beginning of period	4,780,626	5,809,475
Cash and cash equivalents at end of period	\$ 4,569,519	4,780,626



## **Dimerco Express Corporation**

### **Codes of Ethical Conduct**

**Article 1:**

In recognition of the necessity to assist the companies in establishment of codes of ethical conduct, these Guidelines are adopted for the purpose of encouraging directors and managerial officers (including general managers or their equivalents, assistant general managers or their equivalents, deputy assistant general managers or their equivalents, chief financial and chief accounting officers, and other persons authorized to manage affairs and sign documents on behalf of a company) to act in line with ethical standards, and to help interested parties better understand the ethical standards of such companies.

**Article 2:**

Taking its individual circumstances and needs into consideration, the company shall adopt a code of ethical conduct that addresses at least the following eight matters:

**1. Prevention of conflicts of interest:**

Conflicts of interest occur when personal interest intervenes or is likely to intervene in the overall interest of the company, as for example when a director or managerial officer of the company is unable to perform their duties in an objective and efficient manner, or when a person in such a position takes advantage of their position in the company to obtain improper benefits for either themselves or their spouse or relatives within the second degree of kinship. The company shall pay special attention to loans of funds, provisions of guarantees, and major asset transactions or the purchase (or sale) of goods involving the affiliated enterprise at which a director or managerial officer works. The company shall establish a policy aimed at preventing conflicts of interest, and shall offer appropriate means for directors and managerial officers to voluntarily explain whether there is any potential conflict between them and the company.

**2. Minimizing incentives to pursue personal gain:**

The company shall prevent its directors or managerial officers from engaging in any of the following activities: (1) Seeking an opportunity to pursue personal gain by using company property or information or taking advantage of their positions. (2) Obtaining personal gain by using company property or information or taking advantage of their positions. (3) Competing with the company. When the company has an opportunity for profit, it is the responsibility of the directors and managerial officers to maximize the reasonable and proper benefits that can be obtained by the company.

**3. Confidentiality:**

The directors and managerial officers of the company shall be bound by the obligation to maintain the confidentiality of any information regarding the company itself or its suppliers and customers, except when authorized or required by law to disclose such information. Confidential information includes any undisclosed information that, if exploited by a competitor or disclosed, could result in damage to the company or the suppliers and customers.

**4. Fair trade:**

Directors and managerial officers shall treat all suppliers and customers, competitors, and employees fairly, and may not obtain improper benefits through manipulation, nondisclosure, or misuse of the information learned by virtue of their positions, or through

misrepresentation of important matters, or through other unfair trading practices.

5. Safeguarding and proper use of company assets:

All directors and managerial officers have the responsibility to safeguard company assets and to ensure that they can be effectively and lawfully used for official business purposes; any theft, negligence in care, or waste of the assets will all directly impact the company's profitability.

6. Legal compliance:

The company shall strengthen its compliance with the Securities and Exchange Act and other applicable laws, regulations, and bylaws.

7. Encouraging reporting on illegal or unethical activities:

The company shall raise awareness of ethics internally and encourage employees to report to a company managerial officer, chief internal auditor, or other appropriate individual upon suspicion or discovery of any activity in violation of a law or regulation or the code of ethical conduct. To encourage employees to report illegal conduct, the company shall establish a concrete whistle-blowing system, allow anonymous reporting, and make employees aware that the company will use its best efforts to ensure the safety of whistleblowers and protect them from reprisals.

8. Disciplinary measures:

When a director or managerial officer violates the code of ethical conduct, the company shall handle the matter in accordance with the disciplinary measures prescribed in the code, and shall without delay disclose on the Market Observation Post System (MOPS) the date of the violation by the violator, reasons for the violation, the provisions of the code violated, and the disciplinary actions taken. It is advisable that the company establish a relevant complaint system to provide the violator with remedies.

Article 3:

The code of ethical conduct adopted by a company must require that any exemption for directors or managerial officers from compliance with the code be adopted by a resolution of the board of directors, and that information on the date on which the board of directors adopted the resolution for exemption, objections or reservations of independent directors, and the period of, reasons for, and principles behind the application of the exemption be disclosed without delay on the MOPS, in order that the shareholders may evaluate the appropriateness of the board resolution to forestall any arbitrary or dubious exemption from the code, and to safeguard the interests of the company by ensuring appropriate mechanisms for controlling any circumstance under which such an exemption occurs.

Article 4:

The company shall disclose the code of ethical conduct it has adopted, and any amendments to it, on its company website, in its annual reports and prospectuses and on the MOPS.

Article 5:

The company's code of ethical conduct shall take effect after having been submitted to and approved by the board of directors, delivered to each and submitted to a shareholders meeting. Subsequent amendments thereto shall be affected in the same manner.

## **Dimerco Express Corporation**

### **Ethical Corporate Management Best Practice Principles**

**Article 1:**

These Principles are adopted to foster a corporate culture of ethical management and sound development, and offer a reference framework for establishing good commercial practices. These Principles applicable to the subsidiaries, any foundation to which the company's direct or indirect contribution of funds exceeds 50 percent of the total funds received, and other institutions or juridical persons which are substantially controlled by such company ("business group").

**Article 2:**

When engaging in commercial activities, directors managers, employees, and mandataries of the companies or persons having substantial control over such companies ("substantial controllers") shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, nor commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty ("unethical conduct") for purposes of acquiring or maintaining benefits.

Parties referred to in the preceding paragraph include civil servants, political candidates, political parties or members of political parties, state-run or private-owned businesses or institutions, and their directors, supervisors, managers, employees or substantial controllers or other stakeholders.

**Article 3:**

"Benefits" in these Principles means any valuable things, including money, endowments, commissions, positions, services, preferential treatment or rebates of any type or in any name. Benefits received or given occasionally in accordance with accepted social customs and that do not adversely affect specific rights and obligations shall be excluded.

**Article 4:**

The company shall comply with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Statute, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, TWSE/GTSM listing rules, or other laws or regulations regarding commercial activities, as the underlying basic premise to facilitate ethical corporate management.

**Article 5:**

The company shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith and obtain approval from the board of directors, and establish good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.

**Article 6:**

The company shall in their own ethical management policy clearly and thoroughly prescribe the specific ethical management practices and the programs to forestall unethical conduct ("prevention programs"), including operational procedures, guidelines, and training.

When establishing the prevention programs, TWSE/GTSM listed companies shall comply with relevant laws and regulations of the territory where the companies and their business group are operating.

In the course of developing the prevention programs, TWSE/GTSM listed companies are advised to negotiate with staff, labor unions members, important trading counterparties, or other stakeholders.

**Article 7:**

The company shall establish a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within their business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly and review their adequacy and effectiveness on a regular basis.

The company refer to prevailing domestic and foreign standards or guidelines in establishing the prevention programs, which shall at least include preventive measures against the following:

1. Offering and acceptance of bribes.
2. Illegal political donations.
3. Improper charitable donations or sponsorship.
4. Offering or acceptance of unreasonable presents or hospitality, or other improper benefits.
5. Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights.
6. Engaging in unfair competitive practices.
7. Damage directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services.

Article 8:

The company request directors and senior management to issue a statement of compliance with the ethical management policy and require in the terms of employment that employees comply with such policy. The company and the respective business group shall clearly specify in rules and external documents and on the company website the ethical corporate management policies and the commitment by the board of directors and senior management on rigorous and thorough implementation of such policies, and shall carry out the policies in internal management and in commercial activities.

The company compile documented information on the ethical management policy, statement, commitment and implementation mentioned in the first and second paragraphs and retain said information properly.

Article 9:

The company shall engage in commercial activities in a fair and transparent manner based on the principle of ethical management. Prior to any commercial transactions, the company take into consideration the legality of their agents, suppliers, clients, or other trading counterparties and whether any of them are involved in unethical conduct, and shall avoid any dealings with persons so involved.

When entering into contracts with their agents, suppliers, clients, or other trading counterparties, the company include in such contracts terms requiring compliance with ethical corporate management policy and that in the event the trading counterparties are involved in unethical conduct, the company may at any time terminate or rescind the contracts.

Article 10:

When conducting business, the company and their directors, managers, employees, mandataries, and substantial controllers, may not directly or indirectly offer, promise to offer, request, or accept any improper benefits in whatever form to or from clients, agents, contractors, suppliers, public servants, or other stakeholders.

Article 11:

When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, the company and their directors, supervisors, managers, employees, mandataries, and substantial controllers, shall comply with the Political Donations Act and their own relevant internal operational procedures, and shall not make such donations in exchange for commercial gains or business advantages.

Article 12:

When making or offering donations and sponsorship, the company and their directors, supervisors, managers, employees, mandataries, and substantial controllers shall comply with relevant laws and regulations and internal operational procedures, and shall not surreptitiously engage in bribery.

Article 13:

The company and their directors, supervisors, managers, employees, mandataries, and substantial controllers shall not directly or indirectly offer or accept any unreasonable presents, hospitality or other improper benefits to establish business relationship or influence commercial transactions.

Article 14:

The company and their directors, supervisors, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations, the company's internal operational procedures, and contractual provisions concerning intellectual property, and may not use, disclose, dispose, or damage intellectual property or otherwise infringe intellectual property rights without the prior consent of the intellectual property rights holder.

Article 15:

The company shall engage in business activities in accordance with applicable competition laws and regulations, and may not fix prices, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories, or lines of commerce.

Article 16:

In the course of providing services, the company and their directors, supervisors, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations and international standards to ensure the transparency of information about, and safety of, the services. We shall also adopt and publish a policy on the protection of the rights and interests of consumers or other stakeholders, and carry out the policy in their operations, with a view to preventing services from directly or indirectly damaging the rights and interests of consumers or other stakeholders. Where there are sufficient facts to determine that the company's services are likely to pose any hazard to the rights and interests of consumers or other stakeholders, the company shall, in principle, suspend the services immediately.

Article 17:

The directors, supervisors, managers, employees, mandataries, and substantial controllers of the company shall exercise the due care of good administrators to urge the company to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies. To achieve sound ethical corporate management, the company shall establish a dedicated unit that is under the board of directors and avail itself of adequate resources and staff itself with competent personnel, responsible for establishing and supervising the implementation of the ethical corporate management policies and prevention programs. The dedicated unit shall be in charge of the following matters, and shall report to the board of directors on a regular basis (at least once a year):

1. Assisting in incorporating ethics and moral values into the company's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations.
2. Analyzing and assessing on a regular basis the risk of involvement in unethical conduct within the business scope, adopting accordingly programs to prevent unethical conduct, and setting out in each program the standard operating procedures and conduct guidelines with respect to the company's operations and business.
3. Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct.
4. Promoting and coordinating awareness and educational activities with respect to ethics policy.
5. Developing a whistle-blowing system and ensuring its operating effectiveness.
6. Assisting the board of directors and management in auditing and assessing whether the

prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.

Article 18:

The company and their directors, supervisors, managers, employees, mandataries, and substantial controllers shall comply with laws and regulations and the prevention programs when conducting business.

Article 19:

The company shall adopt policies for preventing conflicts of interest to identify, monitor, and manage risks possibly resulting from unethical conduct, and shall also offer appropriate means for directors, supervisors, managers, and other stakeholders attending or present at board meetings to voluntarily explain whether their interests would potentially conflict with those of the company. When a proposal at a given board of directors meeting concerns the personal interest of, or the interest of the juristic person represented by, any of the directors, managers, and other stakeholders attending or present at board meetings of the company, the concerned person shall state the important aspects of the relationship of interest at the given board meeting. If his or her participation is likely to prejudice the interest of the company, the concerned person may not participate in discussion of or voting on the proposal and shall recuse himself or herself from the discussion or the voting, and may not exercise voting rights as proxy for another director. The directors shall practice self-discipline and must not support one another in improper dealings. The company's directors, managers, employees, mandataries, and substantial controllers shall not take advantage of their positions or influence in the companies to obtain improper benefits for themselves, their spouses, parents, children or any other person.

Article 20:

The company shall establish effective accounting systems and internal control systems for business activities possibly at a higher risk of being involved in an unethical conduct, not have under-the-table accounts or keep secret accounts, and conduct reviews regularly so as to ensure that the design and enforcement of the systems are showing results.

The internal audit unit of a the company shall base on the results of assessment of the risk of involvement in unethical conduct, devise relevant audit plans , including auditees, audit scope, audit item, audit frequency, etc., and examine accordingly the compliance with the prevention programs. The internal audit unit may engage a certified public accountant to carry out the audit, and may engage professionals to assist if necessary.

The results of examination in the preceding paragraph shall be reported to senior management and the ethical management dedicated unit and put down in writing in the form of an audit report to be submitted to the board of directors.

Article 21:

The company shall establish operational procedures and guidelines in accordance with Article 6 hereof to guide directors, managers, employees, and substantial controllers on how to conduct business. The procedures and guidelines should at least contain the following matters:

1. Standards for determining whether improper benefits have been offered or accepted.
2. Procedures for offering legitimate political donations.
3. Procedures and the standard rates for offering charitable donations or sponsorship.
4. Rules for avoiding work-related conflicts of interests and how they should be reported and handled.
5. Rules for keeping confidential trade secrets and sensitive business information obtained in the ordinary course of business.
6. Regulations and procedures for dealing with suppliers, clients and business transaction



counterparties suspected of unethical conduct.

7. Handling procedures for violations of these Principles.
8. Disciplinary measures on offenders.

Article 22:

The chairperson, general manager, or senior management of the company shall communicate the importance of corporate ethics to its directors, employees, and mandataries on a regular basis. The company all periodically organize training and awareness programs for directors, supervisors, managers, employees, mandataries, and substantial controllers and invite the companies' commercial transaction counterparties so they understand the companies' resolve to implement ethical corporate management, the related policies, prevention programs and the consequences of committing unethical conduct.

The company shall apply the policies of ethical corporate management when creating its employee performance appraisal system and human resource policies to establish a clear and effective reward and discipline system.

Article 23:

The company shall adopt a concrete whistle-blowing system and scrupulously operate the system. The whistle-blowing system shall include at least the following:

1. An independent mailbox or hotline, either internally established and publicly announced or provided by an independent external institution, to allow internal and external personnel of the company to submit reports.
2. Dedicated personnel or unit appointed to handle the whistle-blowing system. Any tip involving a director or senior management shall be reported to the independent directors or supervisors. Categories of reported misconduct shall be delineated and standard operating procedures for the investigation of each shall be adopted.
3. Follow-up measures to be adopted depending on the severity of the circumstances after investigations of cases reported are completed. Where necessary, a case shall be reported to the competent authority or referred to the judicial authority.
4. Documentation of case acceptance, investigation processes, investigation results, and relevant documents.
5. Confidentiality of the identity of whistle-blowers and the content of reported cases, and an undertaking regarding anonymous reporting.
6. Measures for protecting whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing.
7. Whistle-blowing incentive measures.

When material misconduct or likelihood of material impairment to the company comes to their awareness upon investigation, the dedicated personnel or unit handling the whistle-blowing system shall immediately prepare a report and notify the independent directors or supervisors in written form.

Article 24:

The company shall adopt and publish a well-defined disciplinary and appeal system for handling violations of the ethical corporate management rules, and shall make immediate disclosure on the company's internal website of the title and name of the violator, the date and details of the violation, and the actions taken in response.

Article 25:

The company shall collect quantitative data about the promotion of ethical management and continuously analyze and assess the effectiveness of the promotion of ethical management policy. They shall also disclose the measures taken for implementing ethical corporate management, the status of implementation, the foregoing quantitative data, and the effectiveness of promotion on their company websites, annual reports, and prospectuses, and shall disclose their ethical corporate management best practice principles on the Market Observation Post System.

Article 26:

The company shall at all times monitor the development of relevant local and international regulations concerning ethical corporate management and encourage their directors, supervisors, managers, and employees to make suggestions, based on which the adopted ethical corporate management policies and measures taken will be reviewed and improved with a view to achieving better implementation of ethical management.

Article 27:

The ethical corporate management best practice principles shall be implemented after the board of directors grants the approval, and shall be sent to the supervisors and reported at a shareholders' meeting. The same procedure shall be followed when the principles have been amended.

When a listed company submits its ethical corporate management best practice principles to the board of directors for discussion pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. Any objections or reservations of any independent director shall be recorded in the minutes of the board of directors meeting. An independent director that cannot attend the board meeting in person to express objections or reservations shall provide a written opinion before the board meeting, unless there is some legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the board of directors meeting.

## **Dimerco Express Corporation**

### **Procedures for Ethical Management and Guidelines for Conduct**

**Article 1:**

This Corporation engages in commercial activities following the principles of fairness, honesty, faithfulness, and transparency, and in order to fully implement a policy of ethical management and actively prevent unethical conduct, these Procedures for Ethical Management and Guidelines for Conduct (hereinafter, "Procedures and Guidelines") are adopted pursuant to the provisions of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies and the applicable laws and regulations of the places where this Corporation and its business groups and organizations operate, with a view to providing all personnel of this Corporation with clear directions for the performance of their duties.

The scope of application of these Procedures and Guidelines includes the subsidiaries of this Corporation, any incorporated foundation in which this Corporation's accumulated contributions, direct or indirect, exceed 50 percent of the total funds of the foundation, and other group enterprises and organizations, such as institutions or juristic persons, substantially controlled by this Corporation.

**Article 2:**

For the purposes of these Procedures and Guidelines, the term "personnel of this Corporation" refers to any director, managerial officer, employee, mandatary or person having substantial control, of this Corporation or its group enterprises and organizations.

Any provision, promise, request, or acceptance of improper benefits by any personnel of this Corporation through a third party will be presumed to be an act by the personnel of this Corporation.

**Article 3:**

For the purposes of these Procedures and Guidelines, "unethical conduct" means that any personnel of this Corporation, in the course of their duties, directly or indirectly provides, promises, requests, or accepts improper benefits or commits a breach of ethics, unlawful act, or breach of fiduciary duty for purposes of acquiring or maintaining benefits.

The counterparties of the unethical conduct under the preceding paragraph include public officials, political candidates, political parties or their staffs, and government-owned or private-owned enterprises or institutions and their directors, managerial officers, employees, persons having substantial control, or other interested parties.

**Article 4:**

For the purposes of these Procedures and Guidelines, the term "benefits" means any money, gratuity, gift, commission, position, service, preferential treatment, rebate, facilitating payment, entertainment, dining, or any other item of value in whatever form or name.

**Article 5:**

This Corporation shall designate the department of HR as the solely responsible unit (hereinafter, "responsible unit") under the board of directors and provide it with sufficient resources and competent personnel to be in charge of the amendment, implementation, interpretation, and advisory services with respect to these Procedures and Guidelines, the recording and filing of reports, and the monitoring of implementation. The responsible unit shall be in charge of the following matters and also submit regular reports (at least once a year) to the board of directors:

1. Assisting in incorporating ethics and moral values into this Corporation's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations.
2. Analyzing and assessing the risks of unethical conduct within the business scope on a regular basis and accordingly adopting programs to prevent unethical conduct and setting

out in each program the standard operating procedures and conduct guidelines with respect to this Corporation's operations and business.

3. Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct.
4. Promoting and coordinating awareness and educational activities with respect to ethics policy.
5. Developing a whistle-blowing system and ensuring its operating effectiveness.
6. Assisting the board of directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.
7. Preparing and retaining properly documented information such as ethical management policy and compliance statements, situations concerning the performance of undertakings and enforcement etc.

#### Article 6:

Except under one of the following circumstances, when providing, accepting, promising, or requesting, directly or indirectly, any benefits as specified in Article 4, the conduct of the given personnel of this Corporation shall comply with the provisions of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies and these Procedures and Guidelines, and the relevant procedures shall have been carried out:

1. The conduct is undertaken to meet business needs and is in accordance with local courtesy, convention, or custom during domestic (or foreign) visits, reception of guests, promotion of business, and communication and coordination.
2. The conduct has its basis in ordinary social activities that are attended or others are invited to hold in line with accepted social custom, commercial purposes, or developing relationships.
3. Invitations to guests or attendance at commercial activities or factory visits in relation to business needs, when the method of fee payment, number of participants, class of accommodations, and the time period for the event or visit have been specified in advance.
4. Attendance at folk festivals that are open to and invite the attendance of the general public.
5. Rewards, emergency assistance, condolence payments, or honorariums from the management.
6. Other conduct that complies with the local regulations.
7. Other conduct that complies with the rules of this Corporation.

#### Article 7:

Except under any of the circumstances set forth in the preceding article, when any personnel of this Corporation are provided with or are promised, either directly or indirectly, any benefits as specified in Article 4 by a third party, the matter shall be handled in accordance with the following procedures:

1. If there is no relationship of interest between the party providing or offering the benefit and

the official duties of this Corporation's personnel, the personnel shall report to their immediate supervisor within 3 days from the acceptance of the benefit, and the responsible unit shall be notified if necessary.

2. If a relationship of interest does exist between the party providing or offering the benefit and the official duties of this Corporation's personnel, the personnel shall return or refuse the benefit, and shall report to his or her immediate supervisor and notify the responsible unit. When the benefit cannot be returned, then within 3 days from the acceptance of the benefit, the personnel shall refer the matter to the responsible unit for handling.

"A relationship of interest between the party providing or offering the benefit and the official duties of this Corporation's personnel," as referred to in the preceding paragraph, refers to one of the following circumstances:

1. When the two parties have commercial dealings, a relationship of direction and supervision, or subsidies (or rewards) for expenses.
2. When a contracting, trading, or other contractual relationship is being sought, is in progress, or has been established.
3. Other circumstances in which a decision regarding this Corporation's business, or the execution or non-execution of business, will result in a beneficial or adverse impact.

The responsible unit of this Corporation shall make a proposal, based on the nature and value of the benefit under paragraph 1, that it be returned, accepted on payment, given to the public, donated to charity, or handled in another appropriate manner. The proposal shall be implemented after being reported and approved.

#### Article 8:

This Corporation shall neither provide nor promise any facilitating payment.

If any personnel of this Corporation provides or promises a facilitating payment under threat or intimidation, they shall submit a report to their immediate supervisor stating the facts and shall notify the responsible unit.

Upon receipt of the report under the preceding paragraph, the responsible unit shall take immediate action and undertake a review of relevant matters in order to minimize the risk of recurrence. In a case involving alleged illegality, the responsible unit shall also immediately report to the relevant judicial agency.

#### Article 9:

Political contributions by this Corporation are prohibited.

#### Article 10:

Charitable donations or sponsorships by this Corporation shall be provided in accordance with the responsibilities matrix for the Board of Directors and Executive Management and follow the following rules:

1. It shall be ascertained that the donation or sponsorship is in compliance with the laws and regulations of the country where this Corporation is doing business.
2. A written record of the decision making process shall be kept.
3. A charitable donation shall be given to a valid charitable institution and may not be a disguised form of bribery.
4. The returns received as a result of any sponsorship shall be specific and reasonable, and the subject of the sponsorship may not be a counterparty of this Corporation's commercial dealings or a party with which any personnel of this Corporation has a relationship of interest.

5. After a charitable donation or sponsorship has been given, it shall be ascertained that the destination to which the money flows is consistent with the purpose of the contribution.

Article 11:

When a director, officer or other stakeholder of this Corporation attending or present at a board meeting, or the juristic person represented thereby, has a stake in a matter under discussion in the meeting, that director, supervisor, officer or stakeholder shall state the important aspects of the stake in the meeting and, where there is a likelihood that the interests of this Corporation would be prejudiced, may not participate in the discussion or vote on that proposal, shall recuse himself or herself from any discussion and voting, and may not exercise voting rights as proxy on behalf of another director. The directors shall exercise discipline among themselves, and may not support each other in an inappropriate manner.

Where the spouse, a blood relative within the second degree of kinship of a director, or any company which has a controlling or subordinate relation with a director has interests in the matters under discussion in the meeting of the preceding paragraph, such director shall be deemed to have a personal interest in the matter.

If in the course of conducting company business, any personnel of this Corporation discovers that a potential conflict of interest exists involving themselves or the juristic person that they represent, or that they or their spouse, parents, children, or a person with whom they have a relationship of interest is likely to obtain improper benefits, the personnel shall report the relevant matters to both his or her immediate supervisor and the responsible unit, and the immediate supervisor shall provide the personnel with proper instructions.

No personnel of this Corporation may use company resources on commercial activities other than those of this Corporation, nor may any personnel's job performance be affected by his or her involvement in the commercial activities other than those of this Corporation.

Article 12:

This Corporation shall set up a special unit charged with formulating and implementing procedures for managing, preserving, and maintaining the confidentiality of this Corporation's trade secrets, trademarks, patents, works and other intellectual properties and it shall also conduct periodical reviews on the results of implementation to ensure the sustained effectiveness of the confidentiality procedures.

All personnel of this Corporation shall faithfully follow the operational directions pertaining to intellectual properties as mentioned in the preceding paragraph and may not disclose to any other party any trade secrets, trademarks, patents, works, and other intellectual properties of this Corporation of which they have learned, nor may they inquire about or collect any trade secrets, trademarks, patents, and other intellectual properties of this Corporation unrelated to their individual duties.

Article 13:

This Corporation shall follow the Fair Trade Act and applicable competition laws and regulations when engaging in business activities, and may not fix prices, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories, or lines of commerce.

Article 14:

This Corporation shall collect and understand the applicable laws and regulations and international standards governing its services which it shall observe and gather and publish all guidelines to cause personnel of this Corporation to ensure the transparency of information about services in the course of services.

This Corporation shall adopt and publish on its website a policy on the protection of the rights and interests of consumers or other stakeholders to prevent its services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders.

Where there are media reports, or sufficient facts to determine, that this Corporation's products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, this Corporation shall immediately suspend the services, verify the facts and present a review and



improvement plan.

The responsible unit of this Corporation shall report the event as in the preceding paragraph, actions taken, and subsequent reviews and corrective measures taken to the board of directors.

Article 15:

All personnel of this Corporation shall adhere to the provisions of the Securities and Exchange Act, and may not take advantage of undisclosed information of which they have learned to engage in insider trading. Personnel are also prohibited from divulging undisclosed information to any other party, in order to prevent other party from using such information to engage in insider trading.

Any organization or person outside of this Corporation that is involved in any merger, demerger, acquisition and share transfer, major memorandum of understanding, strategic alliance, other business partnership plan, or the signing of a major contract by this Corporation shall be required to sign a non-disclosure agreement in which they undertake not to disclose to any other party any trade secret or other material information of this Corporation acquired as a result, and that they may not use such information without the prior consent of this Corporation.

Article 16:

All personnel of this Corporation shall adhere to the provisions of the Securities and Exchange Act, and may not take advantage of undisclosed information of which they have learned to engage in insider trading. Personnel are also prohibited from divulging undisclosed information to any other party, in order to prevent other party from using such information to engage in insider trading.

Any organization or person outside of this Corporation that is involved in any merger, demerger, acquisition and share transfer, major memorandum of understanding, strategic alliance, other business partnership plan, or the signing of a major contract by this Corporation shall be required to sign a non-disclosure agreement in which they undertake not to disclose to any other party any trade secret or other material information of this Corporation acquired as a result, and that they may not use such information without the prior consent of this Corporation.

Article 17:

Before developing a commercial relationship with another party, such as an agent, supplier, customer, or other counterparty in commercial dealings, this Corporation shall evaluate the legality and ethical management policy of the party and ascertain whether the party has a record of involvement in unethical conduct, in order to ensure that the party conducts business in a fair and transparent manner and will not request, offer, or take bribes.

When this Corporation carries out the evaluation under the preceding paragraph, it may adopt appropriate audit procedures for a review of the counterparty with which it will have commercial dealings with respect to the following matters, in order to gain a comprehensive knowledge of its ethical management:

7. The enterprise's nationality, location of business operations, organizational structure, and management policy, and place where it will make payment.
8. Whether the enterprise has adopted an ethical management policy, and the status of its implementation.
9. Whether enterprise's business operations are located in a country with a high risk of corruption.
10. Whether the business operated by the enterprise is in an industry with a high risk of bribery.
11. The long-term business condition and degree of goodwill of the enterprise.
12. Consultation with the enterprise's business partners on their opinion of the enterprise.
13. Whether the enterprise has a record of involvement in unethical conduct such as bribery or illegal political contributions.

Article 18:

Any personnel of this Corporation, when engaging in commercial activities, shall make a statement to the trading counterparty about this Corporation's ethical management policy and related rules, and shall clearly refuse to provide, promise, request, or accept, directly or indirectly, any improper benefit in whatever form or name.

Article 19:

All personnel of this Corporation shall avoid business transactions with an agent, supplier, customer, or other counterparty in commercial interactions that is involved in unethical conduct. When the counterparty or partner in cooperation is found to have engaged in unethical conduct, the personnel shall immediately cease dealing with the counterparty and blacklist it for any further business interaction in order to effectively implement this Corporation's ethical management policy.

#### Article 20:

Before entering into a contract with another party, this Corporation shall gain a thorough knowledge of the status of the other party's ethical management, and shall make observance of the ethical management policy of this Corporation part of the terms and conditions of the contract, stipulating at the least the following matters:

1. When a party to the contract becomes aware that any personnel has violated the terms and conditions pertaining to prohibition of acceptance of commissions, rebates, or other improper benefits, the party shall immediately notify the other party of the violator's identity, the manner in which the provision, promise, request, or acceptance was made, and the monetary amount or other improper benefit that was provided, promised, requested, or accepted. The party shall also provide the other party with pertinent evidence and cooperate fully with the investigation. If there has been resultant damage to either party, the party may claim from the other party \_\_\_\_ percent of the contract price as damages, and may also deduct the full amount of the damages from the contract price payable.
2. Where a party is discovered to be engaged in unethical conduct in its commercial activities, the other party may terminate or rescind the contract unconditionally at any time.
3. Specific and reasonable payment terms, including the place and method of payment and the requirement for compliance with related tax laws and regulations.

#### Article 21:

As an incentive to insiders and outsiders for informing of unethical or unseemly conduct. Insiders having made a false report or malicious accusation shall be subject to disciplinary action and be removed from office if the circumstance concerned is material.

This Corporation shall internally establish and publicly announce on its website and the intranet, or provide through an independent external institution, an independent mailbox or hotline, for insiders and outsiders of this Corporation to submit reports. A whistleblower shall at least furnish the following information:

1. the whistleblower's name and I.D. number (whistleblowing reports may be submitted anonymously), and an address, telephone number and e-mail address where it can be reached.
2. the informed party's name or other information sufficient to distinguish its identifying features.
3. specific facts available for investigation. Personnel of this Corporation handling whistleblowing matters shall represent in writing they will keep the whistleblowers' identity and contents of information confidential. This Corporation also undertakes to protect the whistleblowers from improper treatment due to their whistleblowing.

Personnel of this Corporation handling whistle-blowing matters shall represent in writing they will keep the whistleblowers' identity and contents of information confidential. This Corporation also undertakes to protect the whistleblowers from improper treatment due to their whistleblowing. Upon discovery or receipt of a report indicating that any personnel of the Corporation has engaged in dishonest conduct, the Corporation shall promptly investigate and ascertain the relevant facts. If the violation of applicable laws, regulations, or the Corporation's integrity policies and rules is confirmed, the individual shall be immediately required to cease such conduct, and appropriate

disciplinary actions shall be taken. Where necessary, the Corporation may pursue legal action to seek compensation for damages in order to protect its reputation and interests. For confirmed cases of dishonest behavior, the responsible departments shall be tasked with reviewing the incident and proposing corrective measures to prevent recurrence. Procedures for handling violations of integrity are stipulated separately.

**Article 22:**

If any personnel of this Corporation discovers that another party has engaged in unethical conduct towards this Corporation, and such unethical conduct involves alleged illegality, this Corporation shall report the relevant facts to the judicial and prosecutorial authorities; where a public service agency or public official is involved, this Corporation shall additionally notify the governmental anti-corruption agency.

**Article 23:**

The responsible unit of this Corporation shall organize awareness sessions each year and arrange for the chairperson, general manager, or senior management to communicate the importance of ethics to its directors, employees, and mandataries.

This Corporation shall link ethical management to employee performance evaluations and human resources policy, and establish clear and effective systems for rewards, penalties, and complaints. If any personnel of this Corporation seriously violates ethical conduct, this Corporation shall dismiss the personnel from his or her position or terminate his or her employment in accordance with applicable laws and regulations or the personnel policy and procedures of this Corporation. This Corporation shall disclose on its intranet information the name and title of the violator, the date and details of the violation, and the actions taken in response.

**Article 24:**

These Procedures and Guidelines, and any amendments hereto, shall be implemented after adoption by resolution of the board of directors, and shall be reported to the shareholders meeting. When these Procedures and Guidelines are submitted to the board of directors for discussion, each independent director's opinions shall be taken into full consideration, and their objections and reservations expressed shall be recorded in the minutes of the board of directors meeting. An independent director that is unable to attend a board meeting in person to express objection or reservation shall provide a written opinion before the board meeting unless there is a legitimate reason to do otherwise, and the opinion shall be recorded in the minutes of the board of directors meeting.

## **Dimerco Express Corporation**

### **Procedures for Lending Funds to Others**

#### **Article 1: Legal Basis**

This operational procedure is established in accordance with Article 36-1 of the Securities and Exchange Act (hereinafter referred to as "the Act") and the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" (hereinafter referred to as "the Regulations") issued by the competent authority.

#### **Article 2: Scope of Application**

1. The company's lending of funds to others shall be handled in accordance with this procedure. Any matters not covered shall be handled in accordance with relevant laws and regulations.
2. A subsidiary of the company that intends to lend funds to others shall establish its own operational procedures for fund lending based on the Regulations and the company's procedures. However, if there is a conflict between the Regulations or the company's procedures and the local laws where the subsidiary is located, the local laws shall prevail.

#### **Article 3: Borrowing Entities**

1. The company may not lend funds to shareholders or any other persons except in the following cases:
  - (1) Companies or firms having business transactions with the company or its subsidiaries.
  - (2) Companies or firms that require short-term financing, provided that the financing amount does not exceed 40% of the net worth of the lending company.
2. The term "short-term" as used in the preceding paragraph means a period of one year, except where the company's business cycle exceeds one year, in which case the business cycle shall apply.
3. The financing amount mentioned above refers to the cumulative balance of short-term financing provided by the company.
4. The restriction in paragraph 1, subparagraph 2 shall not apply to inter-company loans of funds between overseas companies in which the company holds, directly or indirectly, 100% of the voting shares, nor to loans of fund to the public company by any overseas company in which the company holds, directly or indirectly, 100% of the voting shares. However, the Company shall still prescribe limits on the aggregate amount of such loans and on the amount of such loans permitted to a single borrower, and shall specify limits on the durations of such loans.

#### **Article 4: Definitions**

1. The terms "subsidiary" and "parent company" in this procedure shall be determined in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
2. The term "net worth" refers to the equity attributable to owners of the parent company as presented in the most recent financial statements audited or reviewed by a CPA. For a subsidiary, net worth refers to the most recent net worth audited or reviewed by a CPA in its standalone financial statements or in the consolidated financial statements (whichever is more recent).

3. The term "announce and report" as used in these Regulations means the process of entering data to the information reporting website designated by the Financial Supervisory Commission.
4. "Date of occurrence" refers to the date of contract signing, date of payment, dates of board of directors' resolutions, or other date that can confirm the counterparty and monetary amount of the loan of funds or endorsement, whichever date is earlier.

#### Article 5: Establishment of Operational Procedures

1. These procedures shall be approved by one-half or more of all audit committee members and passed by the board of directors before being submitted to the shareholders' meeting for approval. Any amendments shall follow the same procedure. If any director expresses dissent and records it in the minutes or issues a written statement, the company shall submit the dissenting opinion to the shareholders' meeting for discussion.
2. If the approval of one-half or more of all audit committee members as required in the preceding paragraph is not obtained, the Operational Procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting.
3. The term "all audit committee members" and "all directors" shall be counted as the actual number of persons currently holding those positions.
4. A subsidiary that applies these procedures under Article 2 must have its fund lending procedures approved by its board of directors and shareholders' meeting. These approvals may be replaced by approvals from the parent company's board of directors or shareholders' meeting.

#### Article 6: The Aggregate Amount of Loans and The Individual Borrowing Limit

1. The aggregate amount
  - (1) For companies or firms with business transactions with the company, the aggregate amount of loans shall not exceed 40% of the company's net worth.
  - (2) For companies or firms requiring short-term financing, the t the aggregate amount of loans shall not exceed 40% of the company's net worth.
2. Individual borrowing limit
  - (1) For companies or firms with business transactions with the company, the loan amount for an individual borrower shall not exceed the business transaction amount between the two parties, defined as the higher of the actual purchase or sales amount in the most recent fiscal year, and shall not exceed 10% of the company's net worth.
  - (2) For companies or firms requiring short-term financing, the loan amount for an individual borrower shall not exceed 10% of the company's net worth.
3. Fund lending among overseas subsidiaries in which the company directly or indirectly holds 100% of the voting shares, or fund lending between such subsidiaries and the company, is not subject to the above limits but must comply with the following:
  - (1) The aggregate amount of loans and the individual borrowing limit shall not exceed 100% of the lending company's net worth.
  - (2) The loan term shall be no longer than two years, and extensions may be approved by the board of directors, with a maximum of three extensions and each extension shall not exceed two years.

#### Article 7: Fund Lending Procedures

1. Credit Investigation

- (1) Borrowers must submit necessary company information and financial documents along with a written loan application.
- (2) The finance department shall review the borrower's business, financial status, credit, repayment ability, and loan purpose, preparing a report.
- (3) The finance department's assessment should include:
  - A. Whether the loan amount is within the limit.
  - B. Necessity and reasonableness of the loan.
  - C. Credit investigation and risk assessment of the borrower.
  - D. Potential impact on the company's operations, finances, and shareholders' equity.
  - E. Whether collateral is required and its assessed value.

## 2. Security

When the Company handles lending of funds, it shall obtain a promissory note of the same amount as collateral and, when necessary, establish a mortgage or pledge on movable or immovable property. Regarding to the aforementioned collateral, if the debtor provides an individual or a company with sufficient financial capability and creditworthiness as a guarantor in place of collateral, the board of directors may refer to the credit investigation report from the finance department for approval. If a company serves as the guarantor, it must have provisions in its Articles of Incorporation permitting it to act as a guarantor.

## 3. Approval Authority

- (1) All loans shall proceed only after the finance department conducts a credit investigation and must be approved by the board of directors. The decision may not be delegated to any other person.
- (2) Subsidiaries applying these procedures must obtain approval from their board of directors, which may be replaced by approval from the parent company's board.
- (3) Loans between the company and its subsidiaries, or between subsidiaries require approval of the board, and the chairperson may be authorized, for a specific borrowing counterparty, within a certain monetary limit resolved by the board of directors, and within a period not to exceed one year, to give loans in installments or to make a revolving credit line available for the counterparty to draw down.
- (4) When the company loans to others, it shall take into full consideration each independent director's opinions; independent directors' opinions specifically expressing assent or dissent and their reasons for dissent shall be included in the minutes of the board of directors' meeting.

## Article 8: Loan Term and Interest Calculation

### 1. Loan Terms

The term for each loan shall not exceed one year.

### 2. Interest Calculation

- (1) Loan interest rates shall not be lower than the company's highest short-term borrowing rate from financial institutions.
- (2) Interest is to be paid monthly unless otherwise approved by the board.
- (3) No interest is required for loans between overseas subsidiaries in which the company directly or indirectly holds 100% of the voting shares.

## Article 9: Monitoring and Handling of Delinquent Loans



1. The financial status of borrowers and guarantors should be monitored regularly. Any significant changes should be reported to the chairperson immediately for further action.
2. Loans must be repaid with interest before collateral is released.
3. Except as specified in paragraph 4 of Article 3, loans must be repaid upon maturity and cannot be extended.
4. If a borrower fails to repay on time, the company may demand immediate repayment or proceed with legal action to recover the debt.

#### Article 10: Internal Controls

1. Memorandum Book and Monthly Report:
  - (1) The company shall prepare a memorandum book for its fund-lending activities and truthfully record the information about borrower, amount, date of approval by the board of directors or chairperson, lending date, and matters to be carefully evaluated.
  - (2) The finance department shall prepare a "Details of Loans to Others Report" on a monthly basis, listing the borrower, the financing amount, the interest rate, the period, and the balance at the end of the month. This report should be submitted to the Chief Financial Officer or the General Manager for review and control purposes.
2. Internal auditors shall audit the operational procedures for lending funds to others and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify the members of audit committee in writing of any material violation found.
3. The company shall follow the prescribed procedures when engaging in lending activities. If any significant violations are found, relevant personnel should be disciplined based on the severity of the violation. If the representatives of the company violate the provisions of Article 3, Paragraph 1, they shall be jointly liable for the repayment with the borrower. If the company suffers damages, they shall also be liable for compensating the damages.
4. If, due to changes in circumstances, the borrowers no longer meet the prescribed procedures or if the balance exceeds the limit, the company should develop a corrective action plan. This plan should be submitted to the members of the audit committee, and improvements should be completed according to the timeline in the plan.

#### Article 11: Announce and Report

1. The company shall announce and report the previous month's loan balances of its head office and subsidiaries by the 10th day of each month.
2. When the loans of funds reach one of the following thresholds, the company shall announce and report such event within two days commencing immediately from the date of occurrence:
  - (1) The aggregate amount of loans to others by the company and its subsidiaries reaches 20% or more of the company's net worth as stated in its latest financial statements.
  - (2) The balance of loans by the company and its subsidiaries to a single enterprise reaches 10% or more of the company's net worth as stated in its latest financial statements.
  - (3) The amount of new loans of funds by the company or its subsidiaries reaches NT\$10 million or more, and reaches 2% or more of the company's net worth as stated in its latest financial statements.
3. The company shall announce and report on behalf of any subsidiary thereof that is not a public company of the Republic of China any matters that such subsidiary is required to announce and report pursuant to subparagraph 3 of the preceding paragraph. The

subsidiary shall report to the company by the 10th days of each month the amounts, counterparties, and periods of capital lending to others. If the standards set forth in the preceding items are met, the subsidiary must immediately notify the company so that the company can arrange for the necessary public disclosure.

4. The company shall evaluate the status of its loans of funds and reserve sufficient allowance for bad debts, and shall adequately disclose relevant information in its financial reports and provide certified public accountants with relevant information for implementation of necessary auditing procedures.

Article 12: This operating procedure was established with the full consent of the shareholders' meeting in 2001.

The first amendment was made on June 14, 2002.

The second amendment was made on June 13, 2003.

The third amendment was made on June 26, 2009.

The fourth amendment was made on June 8, 2010.

The fifth amendment was made on June 10, 2013.

The sixth amendment was made on June 10, 2019.

The seventh amendment was made on July 8, 2021.

The eighth amendment was made on June 5, 2025.

# **DIMERCO EXPRESS CORPORATION**

## **Articles of Incorporation**

### **Chapter 1 General Provisions**

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

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

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

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

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

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

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

### **Chapter 2 Shares**

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

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

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

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

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

### **Chapter 3 Shareholders' Meeting**

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

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

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

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

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

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

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

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

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

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

#### **Chapter 4: Board of Directors and Audit Committee**

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

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

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

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

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

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

The notice of the Board of Directors meeting may be delivered by email or fax.

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

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

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

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

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

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

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

## **Chapter 5: Managers**

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

## **Chapter 6: Accounting**

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

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

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

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



paragraph shall only be in cash.

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

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

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

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

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

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

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

The first amendment was made on May 11, 1994.

The second amendment was made on August 15, 1994.

The third amendment was made on July 31, 1997.

The fourth amendment was made on October 29, 1997.

The fifth amendment was made on March 9, 1998.

The sixth amendment was made on May 20, 1999.

The seventh amendment was made on November 30, 1999.

The eighth amendment was made on May 29, 2000.

The ninth amendment was made on June 8, 2001.

The tenth amendment was made on June 14, 2002.

The eleventh amendment was made on June 13, 2003.

The twelfth amendment was made on June 11, 2004.

The thirteenth amendment was made on June 16, 2005.

The fourteenth amendment was made on June 23, 2006.

The fifteenth amendment was made on June 20, 2008.

The sixteenth amendment was made on June 8, 2010.

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

## APPENDIX II

# DIMERCO EXPRESS CORPORATION

### Rules of Shareholders' Meeting

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

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

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

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

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

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

12. Matters not provided for in these rules shall be handled in accordance with the Company Act and other relevant laws and regulations.

13. These rules shall be implemented after being passed by the shareholders' meeting, and the same applies to amendments.

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

First amendment made on July 8, 2021.

## APPENDIX III

# DIMERCO EXPRESS CORPORATION

## SHAREHOLDINGS OF ALL DIRECTORS

Record Date: April 6, 2025

Title	Name	Shareholding
Chairman	Wendy Chien	2,170,268
Director	MEC Electronics Corporation Representative: Jeffery Shih	7,643,579
Director	Ruei Cheng Investment Ltd. Representative: George Chiou	3,706,268
Director	AGM Investment Ltd. Representative: Peng, Shi-Xiao	8,144,038
Independent Director	Bill Chien	0
Independent Director	Ho, Chi-Ming	1,346,639
Independent Director	Chu, Chia-Cheng	350,000
Total		23,360,792

**Note:**

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



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