



Stock Code: 5609

DIMERCO EXPRESS CORPORATION

Handbook for the 2016 Annual Meeting of Shareholders

Time : June 8th, 2016, Wednesday 09:00 am

Place : Grand Victoria Hotel (No.168, Jingye 4th Rd., Zhongshan Dist., Taipei City 104, Taiwan R.O.C.)

TABLE OF CONTENTS

I. MEETING PROCEDURE.....3
II. MEETING AGENDA.....4
III. ISSUES FOR DISCUSSION.....5
IV. ITEMS TO REPORT.....10
V. ISSUES FOR ACCEPTANCE.....12
VI. EXTRAORDINARY MOTIONS.....12

APPENDIX

- APPENDIX I: INDEPENDENT AUDITORS’ REPORT AND 2015 FINANCIAL STATEMENTS
- APPENDIX II: SHAREHOLDINGS OF ALL DIRECTORS AND SUPERVISORS

I. MEETING PROCEDURE

1. Call Meeting to Order
2. Chairman's Remarks
3. Issues for Discussion
4. Items to Report
5. Issues for Acceptance
6. Extraordinary Motions
7. Closure of the Meeting

II. MEETING AGENDA

Time : June 8th, 2016, Wednesday 09:00 am

Place : Grand Victoria Hotel (No.168, Jingye 4th Rd., Zhongshan Dist., Taipei City
104, Taiwan R.O.C.)

1. Call Meeting to Order
2. Chairman's Remarks
3. Issues for Discussion: Amend Some Regulations of Article of Incorporation
4. Items to Report:
 - (1) Business Report for 2015
 - (2) Supervisor's Review Report on the 2015 Financial Statements
 - (3) Report of Compensation of Directors, Supervisors and Employees for 2015
 - (4) Report Implementation of Share Buyback Program
 - (5) Report Amendment to Relevant Laws or Regulations for Transferring Buyback Shares to Employees
5. Issues for Acceptance
 - (1) To accept 2015 Business Report and Financial Statements
 - (2) To approve the proposal for distribution of 2015 profits
6. Extraordinary Motions
7. Closure of the Meeting

III. Issues for discussion

First Proposal: Proposed by Board of Directors

Topic: Amend Some Regulations of Article of Incorporation

- Explanatory notes:
- (1) In accordance with Article 235 of the Company Act, delete the items no. 2, 3, and 4 and update Article 235-1 regulations that related to Compensation of Employees.
 - (2) Amend related regulations of directors, supervisors and employees compensation based on Ministry of Economic Affairs No. 10402413890 and No. 10402427800
 - (3) Chart of the corporate charter amendments is shown as below.

Resolution:

IV. Report Items:

1. Annual Business Report of year 2015

To shareholders for your perusal:

First of all, on behalf of the Board of Directors, Chairman and the company management team thank you for a long time on the support and concern of Dimerco Express Group. Thank you very much to attend the shareholders meeting. Taking this opportunity, we sincerely hope that all of you can support, and urge us to continue to construct brand advantages, strengthen organization and innovation value. Dimerco staff will certainly make every effort to stabilize the growth of corporate performance, the successful completion of the annual budget target and shareholder expectations.

Dimerco has been continuously accelerating its global development plan. Currently, the company's global network includes 17 countries covering Asia, North America, Europe, and Australia with more than 143 locations worldwide. The company has two brands. Dimerco focuses on air freight services, while Diversified Freight System (DFS) focuses on sea freight services. This dual-brand strategy allows the company to enhance service quality and value by providing increased support and customized services including transportation, logistics, cargo insurance, import/export customs and inspections, domestic China transportation, cross-border road freight in Asia, Central European cross-border railway and cross-border e-commerce.

In 2015, although the US market economy has been gradually recovering, the main markets such as China due to structural adjustment so that economic development and growth were slowdown. Global economic, trade, and the fluctuations of currency exchange were becoming more unstable and unpredictable. Together with the international crude oil prices and fuel surcharge compared with the same period of last year was dropped by more than 50%, and FCL freight also simultaneously reduced. Although Dimerco's air tonnage and ocean volume were close to the previous year, the growth of turnover was affected. Dimerco continued to optimize operations and plus powerful Information system, so operating margin increased from 13.95% to 15.07% compared with the same period of the last year. Since Dimerco continued to invest in human resources and strengthen the company's competitiveness, thus operating expenses increased by 5.28% compared with Y2014. Even though it caused the decline in profits compared with the previous year, but it also strengthened the foundation for future growth. Dimerco announced 2015 full year results with a consolidated turnover of NTD 15.549 Billion, decreased 8.4% compared with the prior year, after-tax net income decreased 35.92% from NTD 214 Million to NTD 137 Million in 2015 and after-tax earnings per share (EPS) NTD1.08, decreased NTD 0.58 compared (EPS) 1.66 in 2014. The broad of directors' meeting passed a cash dividend of NTD 1.02 per share same as last year.

Looking forward to 2016, global economic growth concerns and obstacles are still no substantial improvement. Dimerco will continue active in North America, Europe, India, China and Southeast Asia business development and investment. In accordance with the

established policy of global operations and plans to "Greater China economic region as the mother market, Dimerco Express Group used organization force to integrate sales and customer service throughout the combat team to develop new business and continue to secure a number of multinational customers and cross-border services such as e-commerce supplier Jing dong Mall and Alibaba's business. The overall turnover will be able to become growing in the near future.

In order to integrate the continuous line services of international transportation and logistics services, Dimerco will develop a system called "eCall Freight System®" which can strengthen front end trucks calling, pick-up and delivery services.

By operating this program, Dimerco can unify both data stream and information flow with local logistics partners. Furthermore, Dimerco will create big data base to improve the safety of cargo freight and maximize the operation efficiency and the service quality.

Dimerco is a leading international transportation and logistics firm that has been providing professional services for more than 40 years based on a corporate culture of strong ethics and customer commitment. Dimerco will continue to expand its business with the globalization concept, i.e. network globalization, product diversification and operation localization.

Through this continued innovation, the company was granted two patents (US and Taiwan) based on the Dimerco Value Plus System. The Value Plus 3.0 will be released the next half year of 2016:

1. US Patent: "Consolidation Yield Management System and Method©". This system specializes in optimizing operations, increasing the efficiency of integrating all transportation systems, strengthening cargo consolidation functions and achieving environmental standards by preventing resource waste. The system also helps to increase consolidated cargo yields and minimize cargo damage.

2. Taiwan and U.S. Patent: Data Synchronization Method. This method can effectively combine all data uploaded to a server system from all Dimerco branches worldwide and store the data in a central database. The corporation can then use a business intelligence tool with reporting features to provide accurate data reports requested by global customers in real time.

A leader in China, Dimerco entered the market in 1991 and has since steadily expanded our service network. As of 2015, the company has established offices at 70 locations in China, even obtaining the "China Well-known Trademark" accolade awarded by the Trademark Office of the State Administration for Industry and Commerce of the People's Republic of China.

To successfully manage a global marketing service network and have the ability to manage information and data while providing B2B cross-border logistics services, Dimerco has taken a leadership position in tapping the wealth of data made available in the Internet era and through rapid developments in the Internet of Things (IoT). Utilizing Web 2.0 concepts, Dimerco developed the Dimerco Value Plus System, a service platform that

combines international logistics management, sales, operations, finance and other services to provide a high-quality comprehensive solution for clients. The platform's real-time centralized information system optimizes internal management and external integration capabilities to further enhance the value offered to customers' supply chain management.

The Dimerco Value Plus System has allowed the company to successfully compete with much larger service providers for business opportunities. Relying on the Internet and IoT to form an integrated strategic platform, Dimerco can provide global, diversified, and highly efficient international logistics services.

Thank you very much for the support of all shareholders, we remain committed to construct mechanisms for generations, and constantly improve the structure and sound management, to elevate the interests of our shareholders! We hope to gain continued support. Thank you!

Mr. Edward Lin
 Chief Executive Officer
 Dimerco Express Corporation
 Dimerco Express Group
 Date: June 8th, 2016

Other Business information for year 2016:

(1) Results of Business plan implementation

Unit: NTD'000

Item	IFRS 2014	IFRS 2015	Growth %
Net Operating Revenue	16,983,225	15,548,518	-8.4%
Net Profit After Tax	214,428	137,398	-35.9%

(2) Status of Budget Accomplishment

The company was not obligated to prepare financial forecast for year 2015 in accordance to the "Standards on treatment guidelines for disclosure of financial forecast information on public companies".

(3) Analysis on financial balances and profitability

Unit: NTD'000

Item		Year	IFRS	IFRS
			2014	2015
Financial Balances	Operating Revenue		16,983,225	15,548,518
	Net Operating Profit		292,159	156,722
	Net Profit After Tax		214,428	137,398
Profitability	Return on Equity	%	10%	7%
	Ratio of net profit after tax on paid-in capital	%	17%	11%
	Retroactive adjusted earnings per share		1.66	1.08

(4) Status of Research and Development:

The Company developed the Web2.0 Dimerco Value Plus System © formally implemented on August 1, 2009. It is not only to construct a unified platform of sales, operations and accounting management but also build timely information ability to further integrate with strategic partners and serve our customers. Meanwhile, Dimerco Value Plus System © used CYM (Consolidation Yield Management) and Data Synchronization Method were awarded certification of patents in both United States and Taiwan during Y2014. This self-developed technology is tightly integrated data flow / information flow combined with strategic partners to provide further customer service, enhance service quality and create added value and also effectively help customers improve synergy of supply chain management. The architecture of this system about the ability of integration can be summarized as follows:

- 4-1. Vertically integrated sales management system, international logistics operating system and financial management system
- 4-2. Horizontal integration: Use International Logistics operating system as the core to cover
 - (1) The International Air Freight
 - (2) The International Ocean Freight
 - (3) Logistics & Warehouse Management
 - Service Logistics, SL
 - Reverse Logistics, RL
 - Distribution Center, DC

- Vender Managed Inventory, VMI
- (4) Trucking Management & Cross-Border Road Frieght
- (5) Multi-Modal Transport
- (6) China Domestic Transportation

2. Supervisors audited Y2015 final accounts report

Dimerco Express Corporation

Supervisors' Audited Report

Board of Directors made up of year 2015 company's annual business report, financial statements and consolidated financial statements, and the motion of profit distribution have been audited by the supervisors without inconsistent. This report is prepared according to the provisions of Article 219 of the Company Law.

DIMERCO EXPRESS CORPORATION
2016 ANNUAL SHAREHOLDERS' MEETING

Supervisor: Ho Chi Ming

Supervisor: Zhu Fu Yi

March 17, 2016

3. Report of Compensation of Directors, Supervisors and Employees for 2015
4. Report Implementation of Share Buyback Program
5. Report Amendment to Relevant Laws or Regulations for Transferring Buyback Shares to Employees

V. Issues for Acceptance:

First proposal: Proposed by Board of Directors

Topic : To accept 2015 Business Report and Financial Statements

Explanatory notes : (1) Audited financial statements and consolidated financial statements for year 2015 (including balance sheets, statements of comprehensive income, statements of changes in shareholders' equity, the statements of cash flows) financial accounts were audited by independent auditors, Ms. Kuang, Chun-Hsiu and Huang, Bo Shu, of KPMG, whereby an independent auditors' report was issued, and together with business report were submitted to supervisor for inspection, for your kind acceptance.

- (2) Please refer to attachment I Independent Auditors' Report and 2015 Financial Statements

Resolution :

Second proposal: Proposed by Board of Directors

Topic : To approve the proposal for distribution of 2015 profits

Explanatory notes : (1) Profit distribution for year 2015 was intended to be derived from year 2015 profit after deducting provision for legal reserve to allocate for shareholder dividends.

- (2) Shareholder dividends to be allocated as cash dividends from year 2015 profit amounted to NTD 125,460,000, each common shareholder would be entitled to receive a cash dividend of NTD 1.02 per share.
- (3) As shareholder dividends allocation proposal was approved in the annual general shareholders' meeting year 2016, shareholders to delegate the authority to the Board of directors for determining an ex-dividend date and to proceed with the distribution. The cash dividend distribution ratio calculated rounding up to 1 NTD dollars for the allocated fund, rounding under 1 NTD dollar Marginal totals of allocated funds included under shareholders' equity.
- (4) Should there be any transfer, transformation or termination on stocks repurchased such that it would affect the number of outstanding

issued stocks; the number of stocks for allotment, allotment ratio for each shareholder should be adjusted accordingly, to delegate to the Board of directors for making such necessary adjustments and be fully authorized for other related matters.

(5) Statement of profit distribution of year 2015 is as follows:

Dimerco Express Corporation

Statement of Profit Distribution of Year 2015

Unit : NTD

Item	Amount	Remark
	Subtotal	
Beginning Balance of unappropriated earnings	22,773,737	
Deduct:		
Changes in Actuarial gains and losses	(3,483,254)	
Share of Profit of Associates Accounted for Using Equity Method	(103,158)	
Beginning Balance of unappropriated earnings after Adjustments	19,187,325	
Add:		
2015 Net profit after tax	137,398,229	
Deduct:		
10% Legal reserve	13,739,823	
Available Retained Earnings for Distribution	142,845,731	
Items for distribution:		
Shareholder dividends - Stocks	0	
Shareholder dividends - Cash	125,460,000	
Ending Balance of unappropriated earnings:	17,385,731	

Remark: Cash dividends were entitled to receive NTD 1,020.00 per each thousand shares, shareholders to approve on delegating the Board of directors to determine the base date for allocation of cash dividends.

VII. Extraordinary Motions
VIII. Closure of the Meeting

Independent Auditors' Report

The Board of Directors

Dimerco Express Corporation:

We have audited the accompanying consolidated balance sheets of Dimerco Express Corporation and its subsidiaries (the Group) as of December 31, 2015 and 2014, and the related consolidated statements of comprehensive income, changes in stockholders' equity, and cash flows for the years ended December 31, 2015 and 2014. These consolidated financial statements are the responsibility of the Group's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the financial statements of certain subsidiaries. The financial statements of these subsidiaries were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts for these companies, is based solely on the reports of the other auditors. The consolidated total assets for these subsidiaries amounted to \$1,305,079 and \$1,327,062 thousand as of December 31, 2015 and 2014, respectively, and constituted 32% of consolidated total assets on each financial reporting date. Their net revenues for the years ended December 31, 2015 and 2014, amounted to \$4,445,723 and \$5,131,217 thousand, respectively, and constituted 29% and 30%, respectively, of consolidated net revenues for the years then ended.

We conducted our audits in accordance with the "Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants" and the auditing standards generally accepted in the Republic of China. Those regulations and standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, based on our audits and the reports of the other auditors, the consolidated financial statements referred to in the first paragraph present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2015 and 2014, and the consolidated financial performance and cash flows for the years ended December 31, 2015 and 2014, in conformity with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Financial Reporting Standards, International Accounting Standards, and IFRIC and SIC Interpretations endorsed by the R.O.C. Financial Supervisory Commission.

We have also audited the parent-company-only financial report of Dimerco Express Corporation as of December 31, 2015 and 2014, and the related consolidated statements of comprehensive income, changes in stockholders' equity, and cash flows for the years ended December 31, 2015 and 2014, on which we have issued a modified unqualified audit opinion.

March 17, 2016

Note to Readers

The accompanying consolidated financial statements are intended only to present the financial position, results of operations, and cash flows in accordance with the International Financial Reporting Standards approved by the R.O.C. Financial Supervisory Commission. The standards, procedures and practices to audit such financial statements are those generally accepted and applied in the Republic of China.

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

DIMERCO EXPRESS CORPORATION AND ITS SUBSIDIARIES
Consolidated Balance Sheets
December 31, 2015 and 2014
(Expressed in thousands of New Taiwan dollars)

Assets	December 31, 2015		December 31, 2014		Liabilities and Stockholders' Equity	December 31, 2015		December 31, 2014	
	Amount	%	Amount	%		Amount	%	Amount	%
Current assets:					Current liabilities:				
Cash and cash equivalents (note 6(a))	\$ 1,174,404	29	1,148,887	26	Short-term borrowings (notes 6(d) and (f) and 8)	\$ 522,769	14	467,624	11
Notes receivable, net (note 6(b))	4,140	-	3,492	-	Long-term borrowings—current portion (notes 6(d) and (f) and 8)	10,239	-	9,850	-
Accounts receivable, net (note 6(b))	1,760,669	44	1,956,635	47	Notes payable	15,947	-	15,648	-
Prepaid lease	1,431	-	1,378	-	Accounts payable	1,015,326	25	1,152,412	27
Other current assets (notes 8 and 9)	122,741	3	124,439	3	Income tax payable	25,923	1	15,101	-
Total current assets	3,063,385	76	3,234,831	76	Other current liabilities (notes 6(j) and (n))	142,886	4	153,049	5
Non-current assets:					Total current liabilities	1,733,090	44	1,813,684	43
Financial assets carried at cost—non-current	5,620	-	4,205	-	Non-current liabilities:				
Equity investments under equity method (note 6(c))	42,819	1	12,527	-	Long-term borrowings (notes 6(d) and (f) and 8)	178,423	4	156,226	4
Property, plant and equipment (notes 6(d) and (f), 8 and 9)	721,249	18	742,098	18	Deferred income tax liabilities (note 6(i))	1,011	-	1,485	-
Goodwill (note 6(e))	27,437	1	27,058	1	Accrued pension liabilities (note 6(h))	50,443	1	48,966	1
Deferred income tax assets (note 6(i))	43,593	1	39,935	1	Other non-current liabilities—other	7,081	-	18,558	1
Refundable deposits	70,624	2	69,080	2	Total non-current liabilities	236,958	5	225,235	6
Long-term prepaid lease	54,303	1	53,674	1	Total liabilities	1,970,048	49	2,038,919	49
Other non-current assets—other (notes 6(b), (h), 8 and 9)	8,084	-	8,033	1	Equity attributable to shareholders of the Company (notes 6(h), (i) and (j)):				
Total non-current assets	973,729	24	956,610	24	Common stock	1,290,000	32	1,290,000	31
					Capital surplus	19,719	-	19,719	-
					Retained earnings:				
					Legal reserve	265,898	7	248,748	6
					Special reserve	182,174	5	182,174	4
					Unappropriated retained earnings	156,586	4	171,504	4
						604,658	16	602,426	14
					Other equity:				
					Foreign currency translation differences for foreign operations	131,778	3	119,133	3
					Treasury stock	(105,024)	(3)	-	-
					Total equity attributable to shareholders of the Company	1,941,131	48	2,031,268	48
					Non-controlling interests	125,935	3	121,254	3
					Total equity	2,067,066	51	2,152,522	51
Total assets	\$ 4,037,114	100	4,191,441	100	Total liabilities and equity	\$ 4,037,114	100	4,191,441	100

See accompanying notes to the consolidated financial statements.

DIMERCO EXPRESS CORPORATION AND ITS SUBSIDIARIES
Consolidated Statements of Comprehensive Income
For the years ended December 31, 2015 and 2014
(expressed in thousands of New Taiwan dollars)

	2015		2014	
	Amount	%	Amount	%
Revenue (note 6(m))	\$ 15,548,518	100	16,983,225	100
Cost of revenue (note 6(h))	<u>13,204,349</u>	<u>85</u>	<u>14,613,420</u>	<u>86</u>
Gross profit	<u>2,344,169</u>	<u>15</u>	<u>2,369,805</u>	<u>14</u>
Operating expenses (notes 6(b), (d), (h), (j) and (n) and 7):				
Selling expenses	654,577	4	623,294	4
Administrative expenses	<u>1,532,870</u>	<u>10</u>	<u>1,454,352</u>	<u>9</u>
Total operating expenses	<u>2,187,447</u>	<u>14</u>	<u>2,077,646</u>	<u>13</u>
Operating profit	<u>156,722</u>	<u>1</u>	<u>292,159</u>	<u>1</u>
Non-operating income and expenses (notes 6(c) and (o)):				
Other income	29,716	-	35,928	-
Other gains and losses	37,552	-	(33,008)	-
Finance costs	(10,580)	-	(9,558)	-
Share of profit (loss) of associates accounted for under equity method	<u>(12,357)</u>	<u>-</u>	<u>2,232</u>	<u>-</u>
Total non-operating income and expenses	<u>44,331</u>	<u>-</u>	<u>(4,406)</u>	<u>-</u>
Net income before tax	201,053	1	287,753	1
Less: income tax expenses (note 6(i))	<u>52,705</u>	<u>-</u>	<u>46,862</u>	<u>-</u>
Net income	<u>148,348</u>	<u>1</u>	<u>240,891</u>	<u>1</u>
Other comprehensive income (loss) (note 6(h)):				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurements of defined benefit plans	(3,586)	-	(139)	-
Income tax expense related to items that will not be reclassified subsequently	-	-	-	-
Total items that will not be reclassified subsequently to profit or loss	<u>(3,586)</u>	<u>-</u>	<u>(139)</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:				
Foreign currency translation differences for foreign operations	9,194	-	158,622	1
Income tax expense relating to components of other comprehensive income (loss)	-	-	-	-
Total items that may be reclassified subsequently to profit or loss	<u>9,194</u>	<u>-</u>	<u>158,622</u>	<u>1</u>
Other comprehensive income (loss), net of tax	<u>5,608</u>	<u>-</u>	<u>158,483</u>	<u>1</u>
Total comprehensive income (loss)	<u>\$ 153,956</u>	<u>1</u>	<u>\$ 399,374</u>	<u>2</u>
Net income attributable to:				
Shareholders of the parent	\$ 137,398	1	214,428	1
Non-controlling interests	<u>10,950</u>	<u>-</u>	<u>26,463</u>	<u>-</u>
	<u>\$ 148,348</u>	<u>1</u>	<u>\$ 240,891</u>	<u>1</u>
Total comprehensive income (loss) attributable to:				
Shareholders of the parent	\$ 146,467	1	365,623	2
Non-controlling interests	<u>7,489</u>	<u>-</u>	<u>33,751</u>	<u>-</u>
	<u>\$ 153,956</u>	<u>1</u>	<u>\$ 399,374</u>	<u>2</u>
Basic earnings per share (in New Taiwan dollars) (note 6(l))	<u>\$ 1.08</u>		<u>\$ 1.66</u>	
Diluted earnings per share (in New Taiwan dollars) (note 6(l))	<u>\$ 1.07</u>		<u>\$ 1.65</u>	

See accompanying notes to the consolidated financial statements.

DIMERCO EXPRESS CORPORATION AND ITS SUBSIDIARIES
Consolidated Statements of Changes in Equity
For the years ended December 31, 2015 and 2014
(expressed in thousands of New Taiwan dollars)

	Equity attributable to shareholders of the parent					Total	Foreign currency translation differences for foreign operations	Treasury stock	Total equity attributable to shareholders of the Company	Non-controllin g interests	Total equity
	Retained earnings										
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriat ed earnings						
3110	3200	3310	3320	3350	3300	3410	3500	31xx	36xx	3xxx	
Balance at January 1, 2014	\$ 1,350,000	21,428	235,600	182,174	156,294	574,068	(32,211)	(145,631)	1,767,654	184,486	1,952,140
Appropriations and distributions:											
Legal reserve	-	-	13,148	-	(13,148)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(92,880)	(92,880)	-	-	(92,880)	(26,631)	(119,511)
Net income	-	-	-	-	214,428	214,428	-	-	214,428	26,463	240,891
Other comprehensive income	-	-	-	-	(139)	(139)	151,334	-	151,195	7,288	158,483
Total comprehensive income	-	-	-	-	214,289	214,289	151,334	-	365,623	33,751	399,374
Retirement of treasury stock	(60,000)	(6,043)	-	-	(79,588)	(79,588)	-	145,631	-	-	-
Changes in non-controlling interests	-	4,334	-	-	(13,463)	(13,463)	-	-	(9,129)	(70,352)	(79,481)
Balance at December 31, 2014	1,290,000	19,719	248,748	182,174	171,504	602,426	119,123	-	2,031,268	121,254	2,152,522
Appropriations and distributions:											
Legal reserve	-	-	17,150	-	(17,150)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(131,580)	(131,580)	-	-	(131,580)	(4,402)	(135,982)
Net income	-	-	-	-	137,398	137,398	-	-	137,398	10,950	148,348
Other comprehensive income	-	-	-	-	(3,586)	(3,586)	12,655	-	9,069	(3,461)	5,608
Total comprehensive income	-	-	-	-	133,812	133,812	12,655	-	146,467	7,489	153,956
Capital injection by cash	-	-	-	-	-	-	-	-	-	1,594	1,594
Purchase of stock for treasury stock	-	-	-	-	-	-	-	(105,024)	(105,024)	-	(105,024)
Balance at December 31, 2015	\$ 1,290,000	19,719	265,898	182,174	156,586	604,658	131,778	(105,024)	1,941,131	125,935	2,067,066

See accompanying notes to the consolidated financial statements.

DIMERCO EXPRESS CORPORATION AND ITS SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2015 and 2014

(expressed in thousands of New Taiwan dollars)

	2015	2014
AAAA Cash flows from operating activities:		
A10000 Income before income tax	\$ 201,053	287,753
A20000 Adjustments:		
A20010 Adjustments to reconcile profit		
A20100 Depreciation	48,907	41,386
A20200 Amortization	229	1,188
A20300 Provision (reversal) of allowance for bad debt expense	(1,032)	11,280
A20400 Gain on financial assets at fair value through profit or loss	-	(25)
A20900 Interest expenses	10,580	9,558
A21200 Interest income	(3,213)	(4,548)
A21300 Dividend income	(84)	(45)
A22300 Share of loss (profit) of associates and joint ventures accounted for under equity method	12,357	(2,232)
A22500 Gain on disposal of property, plant and equipment, net	(5,315)	(1,639)
A24100 Unrealized foreign exchange gain, net	(2,738)	(24,215)
A2990-1 Amortization of long-term prepaid lease	1,380	1,311
A20010 Total adjustments to reconcile profit	<u>61,071</u>	<u>32,019</u>
A30000 Changes in assets / liabilities relating to operating activities:		
A31000 Net changes in operating assets:		
A31130 Notes receivable	(648)	6,482
A31150 Accounts receivable	196,998	(248,926)
A31240 Other current assets	1,698	(1,774)
A31990 Accrued pension assets	85	(19)
A31000 Total changes in operating assets, net	<u>198,133</u>	<u>(244,237)</u>
A32000 Net changes in operating liabilities:		
A32130 Notes payable	299	1,783
A32150 Accounts payable	(137,086)	199,965
A32230 Other current liabilities	(10,073)	33,669
A32240 Accrued pension liabilities	(2,006)	(515)
A32000 Total changes in operating liabilities, net	<u>(148,866)</u>	<u>234,902</u>
A30000 Total changes in operating assets / liabilities, net	<u>49,267</u>	<u>(9,335)</u>
A20000 Total adjustments	<u>110,338</u>	<u>22,684</u>
A33000 Cash provided by operating activities	311,391	310,437
A33100 Interest received	3,213	4,548
A33200 Dividends received	84	45
A33300 Payment of interest	(10,580)	(9,558)
A33500 Payment of income tax	(46,015)	(87,753)
AAAA Net cash provided by operating activities	<u>258,093</u>	<u>217,719</u>
BBBB Cash flows from investing activities:		
B00200 Proceeds from disposal of financial assets at fair value through profit or loss	-	11,266
B01200 Acquisition of financial assets at cost	(1,748)	(3,765)
B01800 Increase in long-term investments accounted for under equity method	(45,008)	-
B01900 Proceeds from disposal of investments accounted for under equity method	1,313	-
B02700 Acquisition of property, plant and equipment	(33,795)	(168,400)
B02800 Proceeds from disposal of property, plant and equipment	12,725	3,089
B03700 Decrease (increase) in refundable deposits	(1,544)	1,854
B06600 Decrease in other financial assets – non-current	-	2,749
B06700 Decrease (increase) in other non-current assets – other	(465)	5,526
BBBB Net cash used in investing activities	<u>(68,522)</u>	<u>(147,681)</u>
CCCC Cash flows from financing activities:		
C00100 Increase in short-term borrowings	60,000	111,130
C00200 Decrease in short-term borrowings	(3,864)	-
C01600 Proceeds from long-term borrowings	31,000	60,780
C01700 Repayment of long-term borrowings	(9,405)	(5,194)
C04400 Increase (decrease) in other non-current liability – other	(11,477)	12,088
C04500 Payment of cash dividends	(136,072)	(119,581)
C04900 Cost of stock purchased for treasury stock	(105,024)	-
C05200 Cash injection of subsidiary	1,594	-
C05800 Changes in non-controlling interests	-	(79,481)
CCCC Net cash used in financing activities	<u>(173,248)</u>	<u>(20,258)</u>
DDDD Effect of exchange rate changes on cash and cash equivalents	9,194	158,622
EEEE Increase (decrease) in cash and cash equivalents for the year	25,517	208,402
E00100 Cash and cash equivalents at beginning of year	1,148,887	940,485
E00200 Cash and cash equivalents at end of year	<u>\$ 1,174,404</u>	<u>1,148,887</u>

See accompanying notes to the consolidated financial statements.

DIMERCO EXPRESS CORPORATION

SHAREHOLDINGS OF ALL DIRECTORS AND SUPERVISORS

Based on the date of stop transferred company shares held by the registered shareholders, directors and supervisors holdings shares have reached statutory required shares of Article II " Public Company Directors, Supervisors Equity into the Rules and Review Procedures ". All directors should hold a statutory minimum of 8,000,000 shares. All supervisors should hold the statutory minimum of 800,000 shares.

Date of data source: April 9, 2016

Title	Name	Shareholding
Chairman	Paul Chien	4,608,598
Director	Roy Chen	1,498,231
Director	Edward Lin	446,299
Director	Robert Yang	6,188,040
Director	Chester Chuan	116,993
Independent Director	Hsiao-Ling Shen	-
Independent Director	Bill Y.F. Chien	-
Total		12,858,161
Supervisor	Ho Chi Ming	1,187,455
Supervisor	Zhu Fu Yi	1,109,620
合計		2,297,075