



Stock Code : 2642

GENERAL SHAREHOLDERS' MEETING 2024 **AGENDA HANDBOOK**



Time :9:00 am. on Monday , May 27, 2024
Venue:2nd floor, No. 19-10, Sanchong Road, Nangang District, Taipei City
(Nangang International Convention Center, Building A, Nangang Software Park)

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Taiwan Pelican Express Co., Ltd.
General Shareholders Meeting 2024

Meeting Procedures

- I. Meeting called to order
- II. Addresses by Chairman
- III. Report Items
- IV. Ratification Matters
- V. Election Matters
- VI. Discussion Matters
- VII. Extemporaneous motion
- VIII. Adjournment

Taiwan Pelican Express Co., Ltd.

General Shareholders Meeting 2024

Agenda

Time: 9:00 a.m. on Monday, May 27, 2024

Venue: 2nd floor, No. 19-10, Sanchong Road, Nangang District, Taipei City
(Nangang International Convention Center, Building A, Nangang Software Park)

Method of convening the shareholders' meeting: Physical Meeting

1. Meeting called to order
2. Addresses by Chairman
3. Report Items :
 - (1) Business Report for 2023
 - (2) Inspection Report of Audit Committee for 2023
 - (3) Remuneration Distribution to Employees and Directors for 2023
4. Ratification Matters :
 - (1) Business Report and Financial Statements for 2023.
 - (2) Distribution of 2023 Profits.
5. Election Matters
 - (1) Election of the 9th term Board of Directors
6. Discussion Matters :
 - (1) Plan to remove the restrictions on non-competition obligation of the 9 th term of Board of Directors.
7. Extemporaneous motion(s)
8. Adjournment

Report Items

1. Please examine the Business Report of 2023.

Explanatory Notes: Please refer to Attachments 1 to find our company's Business Report of 2023. (p.14 ~ 16)

2. Please examine the Inspection Report of Audit Committee for 2023.

Explanatory Notes: Please refer to Attachments 2 to find our company's Inspection Report of Audit Committee for 2023. (p.17)

3. Please examine the Remuneration Distribution to Employees and Directors for 2023.

Explanatory Notes :

- (1) Pursuant to Article 28 of the Articles of Incorporation and the audited financial statements of 2023, it is proposed to set aside 3% of the pre-tax profits, totaling NT\$3,612,041, as directors' remuneration, and 1% of the pre-tax profits, totaling NT\$1,204,014, as employees' remuneration. Managerial compensation will be allocated within the employee compensation ratio.
- (2) There is no discrepancy between the expense recognized in 2023 and the aforementioned distributing amount of directors' and employees' remuneration. All of which will all be distributed in cash.

Ratification Matters

Proposal 1:

Business Report and Financial Statements for 2023 (proposed by the board of directors)

Explanatory note:

1. The Board of Directors entrusted certified public accountants Hsu, Ming- Chung and Lin, Chun-Yao with Pricewaterhouse Coopers to audit and certify Financial Statements (includes Consolidated Financial Statements) for 2023, and submitted with Business Report to Audit Committee for review and issuance of Inspection.
2. Please refer to p.14-16 (Attachments 1) and p.18-40 (Attachments 3) of the Company's 2023 business report, independent auditor's report and various financial statements.
3. Please ratify the aforesaid proposal.

Resolution:

Proposal 2:

Distribution of 2023 profits (proposed by the board of directors)

Explanatory note:

1. For the 2023 profit distribution of the Company, the Board of Directors approved the provision of NT\$ 76,373,600 from the distributable profit, with a cash dividend of NT\$ 0.8 per share, up to NT\$, and rounded up to NT\$, and fractional amounts of NT\$ 1 were distributed. The total amount is included in the Company's other income.
2. To authorize the Chairman to determine the ex-dividend base date, payment date and other related matters after the approval of the 2024 general shareholders' meeting.
3. Please see p.41 (Attachments 4) for the detailed profit distribution plan.
4. Please ratify the aforesaid proposal.

Resolution:

Election Matters

Proposal

Election of the 9th term Board of Directors (proposed by the board of directors) Explanatory note:

1. The term of office of the 8th board of directors of the Company will expire on August 10, 2024. It is proposed that a full election of the 9th board of directors (including independent directors) will be held at the general shareholders' meeting on May 27, 2024. From the provisions of Paragraph 1, Article 199-1, until the completion of the re-election at the 2024 General Shareholders' Meeting.
2. In accordance with Article 20 of the Company's Articles of Incorporation, 11 directors (including 3 independent directors) for the 9th Board of Directors were elected. The term of office of the new directors is from May 27, 2024 to May 26, 2027 after the full re-election. Term of office is 3 years.
3. Election of directors shall adopt nomination system and is also carried out according to article 192-1 of the Company Law.
4. The Company nominated a total of 8 directors for the 9th term of the Board of Directors, which was approved by the Board of Directors on April 8, 2024. The relevant information is shown in the following table:

| Name | Education/ Experience | Shares (Note) | Current position |
|--------------------------------------|--|------------------|---|
| TECO Electric & Machinery Co., Ltd. | MBA, University of Michigan President, TECO Electric & Machinery Co., Ltd. | 24,121,700 | Chairman of Taiwan Pelican Express Co., Ltd Chairman of TECO Electric & Machinery Co., Ltd. |
| Representative : Chiu, Chwen-jy | | 0 | Chairman of Teco-Westinghouse Motor Company Chairman of Motovario S.P.A... etc. |
| TECO Electric & Machinery Co., Ltd. | MBA, University of Pennsylvania, U.S. Bachelor of economics, Keio University, Japan Chairman, TECO Electric & Machinery Co., Ltd. | 24,121,700 | Chairman of Century Development Corporation Inc. Chairman of Tong-An Investment Co., Ltd. |
| Representative : Huang Mao-hsiung | | 200,000 | Charman of Tecons International Consulting Co., Ltd... etc. |
| TECO Electric & Machinery Co., Ltd. | Doctor of business administration, National Chengchi University Master of science administration, National Chiaotung University Vice President of Air and Intelligent Life Business Group, TECO Electric & Machinery Co., Ltd. | 24,121,700 | President of Taiwan Pelican Express E-JOY Electronics International Co., Ltd. Director \ President |
| Representative : Hsu Ching-yi | | 0 | An-Sheng Travel Co., Ltd. Director \ President ...etc. |

| Name | Education/ Experience | Shares (Note) | Current position |
|-------------------------------------|--|------------------|--|
| TECO Electric & Machinery Co., Ltd. | Bachelor of Business Administration, University of Southern California Director, TECO Electric & Machinery | 24,121,700 | Chairman of Ping Tung Bus Lines Co., Ltd |
| Representative : Kuo Tzu-yi | | 0 | Chairman of Southern Taiwan Bus Co., Ltd |
| TECO Electric & Machinery Co., Ltd. | Master of Telecom Engineering, University of Pittsburgh EMBA ,National Chengchi University IBM Corporation, Software Division, Tivoli SW Manager (Greater China Region) Microsoft (China), Vice President and General Manager of Public Sector Group (Greater China Region) | 24,121,700 | GM of Air and Intelligent Life Business Group, TECO Electric & Machinery Co., Ltd. |
| Representative : Peng Chi-tseng | | 0 | Chairman of Tesen Electronic Co., Ltd. Chairman of Jiangxi TECO Air Conditioning Equipment Co., Ltd. ...etc. |
| ITOCHU Taiwan Corporation | Bachelor of Laws, Faculty of Law, Keio University, Japan Head of Industrial Raw Materials and Chemicals Division, ITOCHU Corporation | 18,138,500 | ITOCHU Taiwan Corporation Chairman |
| Representative : Ono Yuichiro | | 0 | Taipe Financial Center Corp. Director ITC Technology Taiwan Corporation Supervisor |
| ITOCHU Taiwan Corporation | Master of Science in Creative Science and Engineering, Waseda University, Japan Project Manager, Information Industry Division, ITOCHU Corporation | 18,138,500 | ITOCHU Taiwan Corporation ICT&Financial Business Section |
| Representative : Osada Keishi | | 0 | |
| AN-SHIN FOOD SERVICES CO., LTD. | Master's Degree, Graduate Institute of Technology Management, Kaohsiung Polytechnic Institute Department of Industrial Engineering, Tunghai University Executive Vice President, Royal Host Taiwan Co., Ltd | 1,556,000 | Director \ President of AN-SHIN FOOD SERVICES CO., LTD. Chairman of AN-SHIN FOOD SERVICES (SINGAPORE) PTE.LTD. |
| Representative : Kao Shun- hsing | | 0 | Director / President of Xiamen An Shin Food Management Co., Ltd. etc |

Note: Shares held on the book closure starting date of AGM (March 29th, 2024)

5. The Company nominated a total of 3 Independent directors for the 9th term of the Board of Directors, which was approved by the Board of Directors on April 8, 2024. The relevant information is shown in the following table:

| Name | Education/ Experience | Shares (Note) | Current position | Have served as an independent director for three consecutive terms at the company? |
|------------------|--|---------------|---|--|
| Yu, Jiun-yu | Master/Doctor of Applied Statistics, University of Oxford, UK Master of Operations Research, London School of Economics and Political Science, UK Associate Professor, Department of Information Management, National Chengchi University, Taiwan Associate Professor, Department of Business Administration, National Taiwan University, Taiwan | 0 | Associate Professor, Department of Business Administration, National Taiwan University, Taiwan | No |
| Tu, Chi-yao | Ph.D. in Economic Law, China University of Political Science and Law Master of Business Administration/Bachelor of Business Administration, University of Nevada, Reno, USA Former Partner/ CPA of Deloitte & Touche Taiwan Financial and Legal Advisor to Taiwanese Businesses, Straits Exchange Foundation Certified Public Accountant in Taiwan; Passed the CPA Exams in the US and China | 0 | Yummy Town (Cayman) Holdings Corporation Independent Director TECO Electro Devices Co., Ltd. Independent Director Dyaco International Inc. Independent Director | No |
| Lien, Yuan- lung | EMBA, National Taiwan University Bachelor of law, National Taiwan University Passage of national examination for attorney and judges/prosecutors Chairman, standing director, Taiwan Bar Association | 0 | LIEN & PARTNERS LAW OFFICES Attorney-at-Law Evergreen Stell Corporation Independent Director TWT NET Corporation Director | No |

Note: Shares held on the book closure starting date of AGM (March 29th, 2024)

6. Please refer to p. 55-56 of the Handbook for the "Regulations Governing the Election of Director" (Appendices 3)

7. Please proceed to election.

Discussion Matters

Proposal

Plan to remove the restrictions on non-competition obligation of the 26th term of Board of Directors. (proposed by the board of directors)

Explanatory note:

1. According to article 209 of the Company Law, if a director acts for himself or another person within the business scope of the company, he shall explain the import contents of his act to the shareholder's meeting and obtain his permission.
2. Considering that the newly elected 9th directors (including independent directors) may invest in or operate other companies with the same or similar business scope as the company, or act as directors or supervisors, and without damaging the interests of the company, it is proposed to the Shareholders' meeting for permission to remove the restrictions on non-competition of new directors in accordance with article 209.
3. A detailed statement of removal of the restrictions on non-competition of candidates for the 9th term of directors (including independent directors).

| Name | Serve concurrently |
|--|---|
| 1. TECO Electric & Machinery Co., Ltd. Representative : Chiu, Chwen-jy | TECO Electric & Machinery Co., Ltd. Chairman Teco Sun Energy Chairman Tong An Energy Chairman TECO Green Power Company Limited Chairman Tung Pei Industrial Co., Ltd. Managing Director Lien Chang Electronic Enterprise Co., Ltd. Director Royal Host Taiwan Co., Ltd. Director Information Technology Total Services Co., Ltd. Director TECOM Co., Ltd Director Tong An Asset Development & Management Co., Ltd. Director Tong-An Investment Co., Ltd. Director TECO-Motech Company Limited Director TECO Electro Devices Co., Ltd. Director TECO International Investment Co., Ltd. Director Yatec Engineering Corporation Director An-Tai International Investment Co., Ltd. Director Century Biotech Development Corporation Director Century Development Corporation Inc. Director Tai-Peng Energy Co., Ltd. Chairman Qingdao Teco Innovation Co., Ltd Chairman Asia Innovative Technology (Xiamen) Co., Ltd. Director Teco-Westinghouse Motor Company (TWMC) Chairman Teco-Westinghouse Motors (Canada) Inc. (TWMI) Chairman Teco Westinghouse Motor Company S. A. de C. V. (TWMM) Chairman TECO Australia Pty Limited. (TAC) Director |

| Name | Serve concurrently |
|--|---|
| | TECO Holdings USA, Inc. (THI) Chairman Motovario S.p.A (MTV) Chairman Sankyo Co., Ltd. (TECO JAPAN) (TEJ) Managing Director Teco Technology (Vietnam) Co., Ltd. Director Jiangxi TECO Electric & Machinery Co., Ltd. Director Shanghai TECO Electric & Machinery Co., Ltd. (TSH) Director United View Global Investment Co., Ltd (UVG) Director TEMICO International Pte. Ltd. Director TEMICO Motor India Private Limited. Director TECO Motor B.V. Director TECO ELEKTRIK TURKEY A.Ş. Director Teco Electric & Machinery Pte Ltd (TEK) Chairman TASIA (PTE) LTD Director Great Teco Motor (PTE) Ltd. Director Eagle Holding Co. Director Wuxi Teco Electric & Machinery Co., Ltd. Director Taian Technology (Wuxi) Co., Ltd. Supervisor Teco Group Science-Technology (Hang Zhou) Co., Ltd. Supervisor Teco Electric & Machinery S.A. de C.V. (TEMX) Chairman P. T Teco Elektro Indonesia (TEI) Chairman Great Teco Investment PTE., Ltd. (GTI) Director GreyBack International Property Inc. (GIPI) Chairman |
| 2. TECO Electric & Machinery Co., Ltd. Representative : Huang Mao-hsiung | AN-SHIN FOOD SERVICES CO., LTD. Chairman Tung Pei Industrial Co., Ltd. Supervisor Royal Host Taiwan Co., Ltd. Chairman E-JOY Electronics International Co., Ltd. Chairman An-Sheng Travel Co., Ltd. Chairman TECO International Investment Co., Ltd. Chairman Tong-An Investment Co., Ltd. Chairman Tong An Asset Development & Management Co., Ltd. Chairman Tecons International Consulting Co., Ltd. Chairman An-Tai International Investment Co., Ltd. Chairman Century Development Corporation Inc. Chairman UD Corporation Chairman Century Biotech Development Corporation Chairman Century Tech. C&M Corporation Director Star International Design Co., Ltd. Director Taiwan High Speed Rail Corporation Director Shin-etsu Handotai Taiwan Co., Ltd. Director Inotec Taiwan Co., Ltd. Chairman MOS Food Industry Corp. Director Sankyo Co., Ltd. (TECO JAPAN) (TEJ) Chairman Asia Innovative Technology (Xiamen) Co., Ltd. Director TECO-Westinghouse Motor Company (TWMC) Director TECO Australia Pty Limited (TAC) Director Tecma Information Systems Sdn. Bhd. Director TECO Elektrik Turkey A.S. Director |

| Name | Serve concurrently |
|--|--|
| | Xiamen An Shin Food Management Co., Ltd. Supervisor Royal Park Co., Ltd Chairman Mcom Technology Co., Ltd. Chairman Fujio Food System Taiwan Co., Ltd Director Jinglaoman Food&Beverage Co., Ltd. Supervisor TEMICO International Pte. Ltd Director TEMICO Motor India Private Limited Director MOS Burger Australia Pty. Ltd Chairman An-hui Information Technology Co., Ltd. Supervisor Yu Wan International Investment Co., Ltd. Chairman Yuban & Company Supervisor Philtec Food and Services Inc. Chairman Blue Pacific International Co., Ltd. Director Kuang Yuan Industrial Co., Ltd. Supervisor Tung Kuang Investment Co., Ltd. Supervisor Innovation to Industry Co., Ltd. Supervisor Eurasia Food Service Co., Ltd. Chairman Foremost International Food & Beverage Co., Ltd. Chairman Miss Croissant Co., Ltd. Chairman momo.com Inc. Director An-Fu International Investment Co., Ltd. Director |
| 3. TECO Electric & Machinery Co., Ltd. Representative : Peng Chi-tseng | A-OK Technical Service Co., Ltd.Chairman Tesen Electronic Co., Ltd. Chairman Jiangxi TECO Air Conditioning Equipment Co., Ltd. Chairman TECO (Dong Guang) Air Conditioning Equipment Co., Ltd. Chairman Nanchang TECO Electric & Machinery Co., Ltd. Chairman Asia Innovative Technology (Xiamen) Co., Ltd. Chairman E-JOY Electronics International Co., Ltd. Director E&E Recycling, Inc. Director Kuen Ling Machinery Refrigerating Co., Ltd. Director UD Corporation Director Information Technology Total Services Co., Ltd. Director Far Eastern Electronic Toll Collection Co., Ltd. Director FETC International Co., Ltd. Director TECO Australia Pty Limited. (TAC) Director TECO (Philippines) 3C & Appliances, Inc.Director Teco Technology (Vietnam) Co., Ltd. Director TECO Elektrik Turkey A.Ş. (TET) Director General Manager of Air and Intelligent Life Business Group, TECO Electric & Machinery Co., Ltd. |
| 4. TECO Electric & Machinery Co., Ltd. Representative : Hsu Ching-yi | E-JOY Electronics International Co., Ltd., Director \ President An-Sheng Travel Co., Ltd. Director \ President Royal Host Taiwan Co., Ltd. Director UD Corporation Director Innovation to Industry Co., Ltd. Director |

| Name | Serve concurrently |
|--|--|
| 5. TECO Electric & Machinery Co., Ltd. Representative : Kuo Tzu-yi | Ping Tung Bus Lines Co., Ltd Chairman Southern Taiwan Bus Co., Ltd Chairman |
| 6. AN-SHIN FOOD SERVICES CO., LTD. Representative : Kao Shun-hsing | AN-SHIN FOOD SERVICES CO., LTD. Director \ President AN-SHIN FOOD SERVICES (SINGAPORE) PTE.LTD. Director Xiamen An Shin Food Management Co., Ltd. Director / President MOS Burger Australia Pty.Ltd. Manager Director An-hui Information Technology., Ltd. Director Mcom Technology Co., Ltd. Director Royal Host Taiwan Co., Ltd. Director ABC Cooking Studio Taiwan Co., Ltd. Director Fujio Food System Taiwan Co., Ltd Director Foremost International Food & Beverage Co., Ltd. Director Innovation For Industry Co., Ltd. Director An-Fu International Investment Co., Ltd. Director Innovation to Industry Co., Ltd. Director Philtec Food and Services, Inc.Director Eurasia Food Service Co., Ltd. Director |
| 7. ITOCHU Taiwan Corporatiom Representative : Ono Yuichiro | ITOCHU Taiwan Corporatiom Chairman Taipe Financial Center Corp. Director ITC Technology Taiwan Corporation Supervisor |
| 8. ITOCHU Taiwan Corporatiom Representative : Osada Keishi | ITOCHU Taiwan Corporatiom ICT&Financial Business Section |
| 9. Yu Jiun-yu (Independent Director) | Associate Professor, Department of Business Administration, National Taiwan University, Taiwan |
| 10. Tu Chi-yao (Independent Director) | Yummy Town (Cayman) Holdings Corporation Independent Director TECO Electro Devices Co., Ltd. Independent Director Dyaco International Inc. Independent Director |
| 11. Lien Yuan-lung (Independent Director) | LIEN & PARTNERS Law Offices Attorney-at-Law Evergreen Stell Corporation Independent Director TWT NET Corporation Director |

4. Please proceed to discuss.

Resolution:

Extemporary motion

Adjournment

Attachements

1. Business Report for 2023／14～16
2. Inspection Report of Audit Committee for 2023／17
3. Financial Statements and Auditors' Report for 2023／18～40
4. Distribution of 2023 Profits／41

Business Report

Dear shareholders:

In 2023, affected by outbreak of wars in some regions, continuing interest hikes by central banks of various countries, and global inflationary pressure boosting consumer prices, Taiwan's economic growth slackened to 1.42%, as result of which sales volume of online shopping and mail-order business only inched up 0.86%, a far cry from 2022's 8.4% growth. Moreover, backed by robust 7.98% revenue growth in 2023, the convenience-store industry vigorously pushed delivery-at-store business, poaching the businesses of the home-delivery business. Faced with the rigorous environment, Taiwan Pelican Express Co., Ltd., however, managed to minimize the adverse effect by optimizing operating efficiency and planning foray into the realm of cold-chain warehousing.

A. 2023 operating achievement

(a) Execution result of 2023 business plan and financial status

The company racked up NT\$4,188,461 thousand in operating revenue in 2023, with pretax net profit reaching NT\$115,588thousand, after-tax net profit NT\$94,496 thousand and after-tax earnings per share NT\$0.99.

(b) 2023 profit-making capability analysis

In 2023, following subsidence of the COVID-19 pandemic, Taiwan Pelican Express was faced with various rigorous challenges in the external environment, including continuing decline in e-commerce sales, grassroots-level labor shortage, and rising labor costs and rental, but it still managed to retain a stable operation and sound finance via higher efficiency and effective cost control.

| Analytical item | | Year | 2023 |
|--------------------------|-----------------------------------|--------------------------|---------|
| Financial structure | Debt/assets ratio | | 48.82% |
| | Long-term fund/fixed assets ratio | | 547.49% |
| Profit-making capability | Returns on assets ratio | | 2.46% |
| | Returns on equity ratio | | 4.27% |
| | Percentage in paid-in capital | Operating profit | 11.22% |
| | | Profit before income tax | 12.11% |
| | Profit for the year rate | | 2.26% |
| | Earnings per share (NT\$) | | 0.99 |

(c) As the company didn't produce financial forecast, there is no need of disclosing information on actual and forecast figures

(d) R&D status

Faced with the challenges of market slowdown and labor shortage, Taiwan Pelican Express has been optimizing its operating flow and raising operating efficiency via major R&D efforts, including

- (1) upgrading the function of AIOT vehicle management center: upgrading vehicle-fleet management system, strengthening operating and management capability, and improving management efficiency;
- (2) expanding the scope of paperless operation: Introducing QR code home-delivery sheet, reducing usage of consumables, and simplifying operating procedures, so as to lessen employees' operating load and lower operating cost;
- (3) installing low-temperature warehousing WMS system: installing low-temperature warehousing system applicable to the trio-party business scope of Taiwan Pelican Express Co., so as to assure effective management and control of operation and offer quality-assured low-temperature warehousing service.

B. General business environment, external competitive environment, and legislative environment

In 2024, the global economy is still confronted with multiple challenges, such as the Red Sea crisis and intensifying geopolitical risks, overshadowing Taiwan's performance in foreign trade and investments. According to the research of the Taiwan Institute of Economic Research, domestic warehousing business will remain flat in the first half of 2024.

In addition, the overall competitive environment is undergoing a qualitative change, noticeably of the entry of Korean e-commerce operators into the Taiwanese market and the emergence of OMO business model spurring change of the e-commerce market. Thanks to the joining of new competitors, the number of the parcels of the store-delivery business will expand further, up from 2023's 500 million parcels. With e-commerce operators furnished with own vehicle fleets, plus food-delivery and urban motorcycle fleets joining the home-delivery market, the short-chain delivery market will expand further. The above phenomenon has led to the reshuffle of the home-delivery market, in terms of market shares and customer base. Meanwhile demands for low-temperature warehousing and logistics delivery have remained robust. Equipped with complete operating framework and warehousing knowhow, plus cross-platform collaborative experience with major customers, Taiwan Pelican Express can provide one-stop home-delivery and warehousing service. In the face of a drastically changing environment, Taiwan Pelican Express will embrace intelligent and highly efficient operation, thereby laying a solid foundation for its long-term development.

The government has publicized the target of attaining net zero emission by 2050, along with 12 key strategies including strategy 7 calling for the employment of "electric and carbon-free transportation means." Since 2016, Taiwan Pelican Express has been carrying out annual carbon inventory on its own initiative, while having third-party certification company verify the inventory result. The company intends to boost the shares of e-motorcycles and

e-trucks to 50% and 10%, respectively, by 2030. The company plans to purchase 50-100 e-motorcycles in 2024, ahead of the original schedule, in order to attain carbon abatement and contribute to the attainment of the net-zero emission target.

C. 2024 business plan

The statistics department of the Ministry of Economic Affairs predicts that Taiwan's economy will grow 3.35% in 2024, with private consumption expected to expand at the stable pace of 2.88% (compared with 2023's 8.41%). In recent years, Taiwan's e-commerce market has entered a new era, following emergence of O2O (online to offline), D2C (director to consumer), and OMO (online merge offline), on top of original B2B (business to business) and C2C (consumer to consumer), significantly stimulating market demands and enhancing the number of big business customers, while augmenting demands for warehousing service at the same time.

The existence of major customers is essential for home-delivery operators, since it can optimize pickup efficiency and expand market scale, materializing delivery efficacy. Meanwhile, Taiwan Pelican Express will collaborate with branded large food firms in the development of low-temperature warehousing logistics, helping them provide cold-chain service system for 10 million population in northern Taiwan.

In 2024, Taiwan Pelican Express will accelerate development of low-temperature logistics in northern Taiwan, gradually expanding the business scope of regional compound low-temperature logistics center (RDC) to the entire nation. In sum, in 2024, Taiwan Pelican Express will improve delivery efficiency, strengthen big-customer business, tap the low-temperature logistics market, while introducing multi temperature-layered vehicle and intensifying the operating quality efficiency and quality of low-temperature home-delivery operation, so as to boost revenue.

D. Future development strategy

Cloudy global economic outlook has complicated influence on the domestic market. In the face of rapidly changing market situation, Taiwan Pelican Express will embrace "green transportation, smart logistics" as its main development guidelines, marching forward at steady pace, while constructing a flexible home-delivery and logistics operating mode with efficient flow and smart operation. It will also continue investing in smart warehousing equipment and speeding up deployment in low-temperature logistics, on top of M&A and simplification of various flows to enhance efficiency and introduction of smart operation during flow overhaul, so as to strengthen corporate competitiveness.

Adhering to the mission of sustainable development, in addition to annual carbon inventory of its own initiative and passage of PAS 2050 carbon-footprint verification, Taiwan Pelican Express will attain the targets of 50% share for e-motorcycles and 10% for e-trucks by 2030, so as to fulfill its corporate social responsibility. Taiwan Pelican will strive for fulfillment of corporate governance, so as create even higher value for customers, shareholders, and employees.

Chairman

President

Accounting chief

Inspection Report of Audit Committee

(This English version is only a translation of the Chinese version.)

The Audit Committee has duly inspected and approved the financial statements for 2023 (including consolidated financial statements), the business report and proposed profit distribution plan prepared and proposed by the Board of Directors, with the financial statements having been audited and certified by Pricewaterhouse Coopers, hereby submit this report pursuant to Article 14 of Securities and Exchange Act and Article 219 of the Company Act

To

General Shareholders' Meeting, 2024

Taiwan Pelican Express Co., Ltd.

Audit Committee Convener : LIN, WAN-YING

Wan-Ying Lin

Date: February 26th, 2024

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Taiwan Pelican Express Co., Ltd.

Opinion

We have audited the accompanying parent company only balance sheets of Taiwan Pelican Express Co., Ltd. (the “Company”) as at December 31, 2023 and 2022, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of material accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as at December 31, 2023 and 2022, and its parent company only financial performance and its parent company only cash flows for the years then ended 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 parent company only financial statements* section of our report. We are independent of the Company 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 for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's 2023 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2023 parent company only financial statements are stated as follows:

Accuracy in recognition of service revenue

Description

Refer to Note 4(23) for accounting policies applied on operating revenue, Note 6(16) for details of operating revenue.

For the year ended December 31, 2023, the Company's operating revenue was NT\$4,168,587 thousand. The Company's revenue is mainly comprised of home delivery revenue, logistic revenue and sales revenue. Additionally, home delivery revenue and logistic revenue are classified as service revenue and represents approximately 94% of the company's operating income. Revenue is recognized based on the scope of services performed. Due to the level of service performance and related calculations involve a certain degree of judgment and estimation, it has a significant impact on parent company only financial statements. Thus, considered the service revenue as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

1. Assessed and tested the effectiveness of internal control of the Company's service revenue.
2. Performed substantive test on samples of service revenue to obtain transaction documents to confirm that the service has been provided, checked the invoice to verify that the content of service has been properly recorded and confirmed that the transaction has been recognized in the current period.
3. Obtained and assessed the calculation method used by management to evaluate the level of service performance at the end of the period and evaluated whether the method is appropriate.
4. Obtained information from actual customers after the period to confirm that the company has completed the performance of labor services to verify the reasonableness of management's assessment of the performance of labor services at the end of the period.

Responsibilities of management and those charged with governance for the parent company only financial statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company'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 Company 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 Company's financial reporting process.

Auditors' responsibilities for the audit of the parent company only financial statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 parent company only 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 parent company only 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 Company'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 Company'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 parent company only 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 Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the 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 parent company only financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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.

Hsu, Ming-Chuan

Lin, Chun-Yao

For and on behalf of PricewaterhouseCoopers, Taiwan

February 26, 2024

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

TAIWAN PELICAN EXPRESS CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

| Assets | | Notes | December 31, 2023 | | December 31, 2022 | |
|--------------------|---|------------|-------------------|-----|-------------------|-----|
| | | | AMOUNT | % | AMOUNT | % |
| Current assets | | | | | | |
| 1100 | Cash and cash equivalents | 6(1) | \$ 922,883 | 21 | \$ 1,044,533 | 23 |
| 1150 | Notes receivable, net | 6(3) | 22,585 | 1 | 14,204 | - |
| 1160 | Notes receivable - related parties | 7 | 423 | - | 68,256 | 2 |
| 1170 | Accounts receivable, net | 6(3) | 545,595 | 13 | 530,850 | 12 |
| 1180 | Accounts receivable - related parties | 7 | 149,303 | 4 | 109,740 | 2 |
| 1200 | Other receivables | | 10,282 | - | 8,880 | - |
| 1210 | Other receivables - related parties | 7 | 129 | - | 83 | - |
| 130X | Inventories | 6(4) | 11,240 | - | 14,596 | - |
| 1410 | Prepayments | | 14,366 | - | 28,275 | 1 |
| 1470 | Other current assets | | 37 | - | - | - |
| 11XX | Current Assets | | 1,676,843 | 39 | 1,819,417 | 40 |
| Non-current assets | | | | | | |
| 1517 | Non-current financial assets at fair value through other comprehensive income | 6(2) | 731,787 | 17 | 654,476 | 14 |
| 1550 | Investments accounted for under equity method | 6(5) | 6,952 | - | 6,459 | - |
| 1600 | Property, plant and equipment | 6(6) and 7 | 611,982 | 14 | 682,860 | 15 |
| 1755 | Right-of-use assets | 6(7) and 7 | 1,200,933 | 28 | 1,289,007 | 28 |
| 1780 | Intangible assets | 6(8) and 7 | 10,165 | - | 7,119 | - |
| 1840 | Deferred income tax assets | 6(23) | 22,402 | - | 21,543 | 1 |
| 1900 | Other non-current assets | 6(9) and 8 | 84,767 | 2 | 86,416 | 2 |
| 15XX | Non-current assets | | 2,668,988 | 61 | 2,747,880 | 60 |
| 1XXX | Total assets | | \$ 4,345,831 | 100 | \$ 4,567,297 | 100 |

(Continued)

TAIWAN PELICAN EXPRESS CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

| Liabilities and Equity | | Notes | December 31, 2023 | | December 31, 2022 | | | |
|-------------------------|---|-------|-------------------|-----------|-------------------|----|-----------|-----|
| | | | AMOUNT | % | AMOUNT | % | | |
| Current liabilities | | | | | | | | |
| 2150 | Notes payable | | \$ | 357 | - | \$ | 621 | - |
| 2160 | Notes payable - related parties | 7 | | 967 | - | | 1,486 | - |
| 2170 | Accounts payable | | | 364,208 | 8 | | 408,671 | 9 |
| 2180 | Accounts payable - related parties | 7 | | 9,165 | - | | 743 | - |
| 2200 | Other payables | 6(10) | | 419,351 | 10 | | 534,280 | 12 |
| 2220 | Other payables - related parties | 7 | | 2,266 | - | | 4,437 | - |
| 2230 | Current income tax liabilities | 6(23) | | 540 | - | | 11,256 | - |
| 2250 | Provisions for liabilities - current | | | 3,530 | - | | - | - |
| 2280 | Current lease liabilities | 7 | | 174,240 | 4 | | 175,710 | 4 |
| 2300 | Other current liabilities | | | 20,645 | 1 | | 27,524 | 1 |
| 21XX | Current Liabilities | | | 995,269 | 23 | | 1,164,728 | 26 |
| Non-current liabilities | | | | | | | | |
| 2580 | Non-current lease liabilities | 7 | | 1,092,502 | 25 | | 1,173,108 | 25 |
| 2600 | Other non-current liabilities | 6(11) | | 32,972 | 1 | | 31,153 | 1 |
| 25XX | Non-current liabilities | | | 1,125,474 | 26 | | 1,204,261 | 26 |
| 2XXX | Total Liabilities | | | 2,120,743 | 49 | | 2,368,989 | 52 |
| Equity | | | | | | | | |
| | Share capital | 6(12) | | | | | | |
| 3110 | Share capital - common stock | | | 954,670 | 22 | | 954,670 | 21 |
| | Capital surplus | 6(13) | | | | | | |
| 3200 | Capital surplus | | | 300,082 | 7 | | 300,082 | 7 |
| | Retained earnings | 6(14) | | | | | | |
| 3310 | Legal reserve | | | 174,674 | 4 | | 156,054 | 3 |
| 3350 | Unappropriated retained earnings | | | 337,993 | 8 | | 406,870 | 9 |
| | Other equity interest | 6(15) | | | | | | |
| 3400 | Other equity interest | | | 457,669 | 10 | | 380,632 | 8 |
| 3XXX | Total equity | | | 2,225,088 | 51 | | 2,198,308 | 48 |
| | Significant contingent liabilities and unrecognised contract commitments | 9 | | | | | | |
| 3X2X | Total liabilities and equity | | \$ | 4,345,831 | 100 | \$ | 4,567,297 | 100 |

TAIWAN PELICAN EXPRESS CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

| | | | Year ended December 31 | | | |
|-------|---|--------------------|------------------------|-----------|----------------------|--------------|
| | | | 2023 | | 2022 | |
| Items | Notes | | AMOUNT | % | AMOUNT | % |
| 4000 | Revenue | 6(16) and 7 | \$ 4,168,587 | 100 | \$ 4,483,137 | 100 |
| 5000 | Operating costs | 6(4)(21)(22) and 7 | (3,616,147) | (87) | (3,813,620) | (85) |
| 5900 | Net operating margin | | <u>552,440</u> | <u>13</u> | <u>669,517</u> | <u>15</u> |
| | Operating expenses | 6(21)(22) and 7 | | | | |
| 6100 | Selling expenses | | (20,189) | - | (26,878) | - |
| 6200 | General and administrative expenses | | (425,810) | (10) | (438,645) | (10) |
| 6450 | Expected credit impairment gains | | <u>45</u> | <u>-</u> | <u>329</u> | <u>-</u> |
| 6000 | Total operating expenses | | (445,954) | (10) | (465,194) | (10) |
| 6900 | Operating profit | | <u>106,486</u> | <u>3</u> | <u>204,323</u> | <u>5</u> |
| | Non-operating income and expenses | | | | | |
| 7100 | Interest income | 6(17) | 8,128 | - | 4,376 | - |
| 7010 | Other income | 6(2)(18) and 7 | 32,336 | 1 | 29,724 | 1 |
| 7020 | Other gains and losses | 6(19) | (12,835) | - | (3,094) | - |
| 7050 | Finance costs | 6(7)(20) and 7 | (19,244) | (1) | (18,974) | (1) |
| 7070 | Share of profit (loss) of associates and joint ventures accounted for using equity method, net | 6(5) | <u>717</u> | <u>-</u> | <u>(328)</u> | <u>-</u> |
| 7000 | Total non-operating income and expenses | | <u>9,102</u> | <u>-</u> | <u>11,704</u> | <u>-</u> |
| 7900 | Profit before income tax | | <u>115,588</u> | <u>3</u> | <u>216,027</u> | <u>5</u> |
| 7950 | Income tax expense | 6(23) | (21,092) | (1) | (39,585) | (1) |
| 8200 | Profit for the year | | <u>\$ 94,496</u> | <u>2</u> | <u>\$ 176,442</u> | <u>4</u> |
| | Other comprehensive (loss) income | 6(2)(11)(15)(23) | | | | |
| | Components of other comprehensive income that will not be reclassified to profit or loss | | | | | |
| 8311 | (Losses) gain on remeasurements of defined benefit plans | | (\$ 1,940) | - | \$ 12,193 | - |
| 8316 | Unrealised gains (losses) from investment in equity instruments measured at fair value through other comprehensive income | | <u>77,311</u> | <u>2</u> | <u>(538,927)</u> | <u>(12)</u> |
| 8349 | Income tax related to components of other comprehensive income that will not be reclassified to profit or loss | | <u>388</u> | <u>-</u> | <u>(2,438)</u> | <u>-</u> |
| | Components of other comprehensive income that will be reclassified to profit or loss | | | | | |
| 8361 | Financial statements translation differences of foreign operations | | (224) | - | 865 | - |
| 8399 | Income tax relating to the components of other comprehensive income that will be reclassified to profit or loss | | <u>44</u> | <u>-</u> | <u>(173)</u> | <u>-</u> |
| 8300 | Other comprehensive income (loss) for the year | | <u>\$ 75,579</u> | <u>2</u> | <u>(\$ 528,480)</u> | <u>(12)</u> |
| 8500 | Total comprehensive income (loss) for the year | | <u>\$ 170,075</u> | <u>4</u> | <u>(\$ 352,038)</u> | <u>(8)</u> |
| | Basic earnings per share | 6(24) | | | | |
| 9750 | Total basic earnings per share | | <u>\$ 0.99</u> | | <u>\$ 1.85</u> | |
| | Diluted earnings per share | 6(24) | | | | |
| 9850 | Total diluted earnings per share | | <u>\$ 0.99</u> | | <u>\$ 1.85</u> | |

TAIWAN PELICAN EXPRESS CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

| | | Capital surplus | | | Retained earnings | | Other equity interest | | |
|--|------------------|------------------------------|----------------------------|--|-------------------|----------------------------------|--|---|--------------|
| | | | | | | | Financial statements translation differences of foreign operations | Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income | |
| | Notes | Share capital - common stock | Additional paid-in capital | Capital surplus, treasury share transactions | Legal reserve | Unappropriated retained earnings | | | Total equity |
| Year ended December 31, 2022 | | | | | | | | | |
| Balance at January 1, 2022 | | \$ 954,670 | \$ 300,031 | \$ 51 | \$ 132,798 | \$ 444,410 | (\$ 459) | \$ 919,326 | \$ 2,750,827 |
| Profit for the year | | - | - | - | - | 176,442 | - | - | 176,442 |
| Other comprehensive income (loss) for the year | 6(2)(11)(15)(23) | - | - | - | - | 9,755 | 692 | (538,927) | (528,480) |
| Total comprehensive income (loss) | | - | - | - | - | 186,197 | 692 | (538,927) | (352,038) |
| Distribution of 2021 retained earnings | 6(14) | | | | | | | | |
| Legal reserve | | - | - | - | 23,256 | (23,256) | - | - | - |
| Cash dividends | | - | - | - | - | (200,481) | - | - | (200,481) |
| Balance at December 31, 2022 | | \$ 954,670 | \$ 300,031 | \$ 51 | \$ 156,054 | \$ 406,870 | \$ 233 | \$ 380,399 | \$ 2,198,308 |
| Year ended December 31, 2023 | | | | | | | | | |
| Balance at January 1, 2023 | | \$ 954,670 | \$ 300,031 | \$ 51 | \$ 156,054 | \$ 406,870 | \$ 233 | \$ 380,399 | \$ 2,198,308 |
| Profit for the year | | - | - | - | - | 94,496 | - | - | 94,496 |
| Other comprehensive income (loss) for the year | 6(2)(11)(15)(23) | - | - | - | - | (1,552) | (180) | 77,311 | 75,579 |
| Total comprehensive income (loss) | | - | - | - | - | 92,944 | (180) | 77,311 | 170,075 |
| Distribution of 2022 retained earnings | 6(14) | | | | | | | | |
| Legal reserve | | - | - | - | 18,620 | (18,620) | - | - | - |
| Cash dividends | | - | - | - | - | (143,201) | - | - | (143,201) |
| Disposal of subsidiary company | 6(15) | - | - | - | - | - | (94) | - | (94) |
| Balance at December 31, 2023 | | \$ 954,670 | \$ 300,031 | \$ 51 | \$ 174,674 | \$ 337,993 | (\$ 41) | \$ 457,710 | \$ 2,225,088 |

TAIWAN PELICAN EXPRESS CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

| | | Year ended December 31 | |
|--|-------------|------------------------|--------------|
| | Notes | 2023 | 2022 |
| <u>CASH FLOWS FROM OPERATING ACTIVITIES</u> | | | |
| Profit before tax | | \$ 115,588 | \$ 216,027 |
| Adjustments | | | |
| Adjustments to reconcile profit (loss) | | | |
| Expected credit impairment gain | 12(2) | (45) | (329) |
| Provision for decline in market value and obsolescence of inventories | | 327 | 73 |
| Depreciation expense | 6(6)(7)(21) | 304,374 | 311,587 |
| Amortization expense | 6(8)(21) | 5,284 | 1,185 |
| Loss on disposal of property, plant and equipment | 6(19) | 1,669 | 716 |
| Gain on disposal of investment | 6(19) | (200) | - |
| Share of profit of associates and joint ventures accounted for under the equity method | 6(5) | (717) | 328 |
| Interest expense | 6(20) | 19,244 | 18,974 |
| Interest income | 6(17) | (8,128) | (4,376) |
| Dividends income | 6(18) | (21,346) | (17,302) |
| Other gains and losses | | 3,132 | (388) |
| Changes in operating assets and liabilities | | | |
| Changes in operating assets | | | |
| Notes receivable | | (8,379) | 26,885 |
| Notes receivable-related parties | | 67,833 | 9,662 |
| Accounts receivable | | (14,702) | (9,100) |
| Accounts receivable-related parties | | (39,563) | (304) |
| Other receivables | | (1,441) | (1,336) |
| Other receivables-related parties | | (46) | 157 |
| Inventories | | 3,029 | (2,095) |
| Prepayments | | 16,519 | (3,743) |
| Other current assets | | (37) | - |
| Other non-current assets | | 1,649 | (2,200) |
| Changes in operating liabilities | | | |
| Notes payable | | (264) | (179) |
| Notes payable-related parties | | (519) | 1,393 |
| Accounts payable | | (44,463) | 57,635 |
| Accounts payable - related parties | | 8,422 | (359) |
| Other payables | | (97,177) | 8,104 |
| Other payables-related parties | | (2,171) | (3,963) |
| Net defined benefit liability | | 9 | (21) |
| Cash inflow generated from operations | | 307,881 | 607,031 |
| Interest received | | 8,167 | 4,419 |
| Dividends received | 6(18) | 21,346 | 17,302 |
| Income taxes paid | | (32,211) | (60,326) |
| Interest paid | | (80) | (37) |
| Other current liabilities | | (6,879) | 8,991 |
| Net cash flows from operating activities | | 298,224 | 577,380 |
| <u>CASH FLOWS FROM INVESTING ACTIVITIES</u> | | | |
| Acquisition of property, plant and equipment | 6(25) | (58,639) | (168,238) |
| Acquisition of intangible assets | 6(8) | (8,330) | (6,135) |
| Proceeds from disposal of property, plant and equipment | 6(6) | 656 | 607 |
| Proceeds from capital reduction of subsidiary | 6(5) | - | 2,239 |
| Net cash flows used in investing activities | | (66,313) | (171,527) |
| <u>CASH FLOWS FROM FINANCING ACTIVITIES</u> | | | |
| Cash dividends paid | 6(14) | (143,201) | (200,481) |
| Payments of lease liabilities | 6(26) | (210,310) | (210,610) |
| Decrease in deposit received | 6(26) | (50) | (501) |
| Net cash flows used in financing activities | | (353,561) | (411,592) |
| Net decrease in cash and cash equivalents | | (121,650) | (5,739) |
| Cash and cash equivalents at beginning of year | | 1,044,533 | 1,050,272 |
| Cash and cash equivalents at end of year | | \$ 922,883 | \$ 1,044,533 |

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Taiwan Pelican Express Co., Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of Taiwan Pelican Express Co., Ltd. and subsidiaries (the "Group") as at December 31, 2023 and 2022, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

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 for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's 2023 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2023 consolidated financial statements are stated as follows:

Accuracy in recognition of service revenue

Description

Refer to Note 4(23) for accounting policies applied on operating revenue, Note 6(14) for details of operating revenue.

For the year ended December 31, 2023, the Group's consolidated operating revenue was NT\$4,188,461 thousand. The Group's revenue mainly arose from home delivery revenue, logistic revenue and sales revenue. Additionally, home delivery revenue and logistic revenue are classified as service revenue and represents approximately 94% of the Group's operating income. Revenue is recognized based on the scope of services performed. Due to the level of service performance and related calculations involve a certain degree of judgment and estimation, it has a significant impact on the consolidated financial statements. Thus, considered the service revenue as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Assessed and tested the effectiveness of internal control of the Group's service revenue.

2. Performed substantive test on samples of service revenue to obtain transaction documents to confirm that the service has been provided, checked the invoice to verify that the content of service has been properly recorded and confirmed that the transaction has been recognized in the current period.
3. Obtained and assessed the calculation method used by management to evaluate the level of service performance at the end of the period and evaluated whether the method is appropriate.
4. Obtained information from actual customers after the period to confirm that the company has completed the performance of labor services to verify the reasonableness of management's assessment of the performance of labor services at the end of the period.

Other matter – Parent company only financial statements

We have audited and expressed an unqualified opinion on the parent company only financial statements of Taiwan Pelican Express Co., Ltd. as at and for the years ended December 31, 2023 and 2022.

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 the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, 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 auditors' 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 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 auditors' 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.

Hsu, Ming-Chuan

Lin, Chun-Yao

For and on behalf of PricewaterhouseCoopers, Taiwan

February 26, 2024

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

TAIWAN PELICAN EXPRESS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

| Assets | | | December 31, 2023 | | December 31, 2022 | |
|--------------------|---|------------|-------------------|-----|-------------------|-----|
| | | | AMOUNT | % | AMOUNT | % |
| Current assets | | | | | | |
| 1100 | Cash and cash equivalents | 6(1) | \$ 927,500 | 21 | \$ 1,050,531 | 23 |
| 1150 | Notes receivable, net | 6(3) | 22,585 | 1 | 14,204 | - |
| 1160 | Notes receivable - related parties | 7 | 423 | - | 68,256 | 2 |
| 1170 | Accounts receivable, net | 6(3) | 545,595 | 13 | 530,850 | 12 |
| 1180 | Accounts receivable - related parties | 7 | 153,012 | 4 | 113,488 | 2 |
| 1200 | Other receivables | | 10,282 | - | 8,880 | - |
| 1210 | Other receivables - related parties | 7 | 129 | - | 83 | - |
| 130X | Inventories | 6(4) | 11,240 | - | 14,596 | - |
| 1410 | Prepayments | | 14,696 | - | 28,672 | 1 |
| 1470 | Other current assets | | 37 | - | - | - |
| 11XX | Current Assets | | 1,685,499 | 39 | 1,829,560 | 40 |
| Non-current assets | | | | | | |
| 1517 | Non-current financial assets at fair value through other comprehensive income | 6(2) | 731,787 | 17 | 654,476 | 14 |
| 1600 | Property, plant and equipment | 6(5) and 7 | 611,982 | 14 | 682,860 | 15 |
| 1755 | Right-of-use assets | 6(6) and 7 | 1,200,933 | 28 | 1,289,007 | 28 |
| 1780 | Intangible assets | 6(7) and 7 | 10,165 | - | 7,119 | - |
| 1840 | Deferred income tax assets | 6(21) | 22,402 | - | 21,543 | 1 |
| 1900 | Other non-current assets | 8 | 84,767 | 2 | 86,417 | 2 |
| 15XX | Non-current assets | | 2,662,036 | 61 | 2,741,422 | 60 |
| 1XXX | Total assets | | \$ 4,347,535 | 100 | \$ 4,570,982 | 100 |

(Continued)

TAIWAN PELICAN EXPRESS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

| Liabilities and Equity | | Notes | December 31, 2023 | | December 31, 2022 | |
|---|--|-------|-------------------|-----|-------------------|-----|
| | | | AMOUNT | % | AMOUNT | % |
| Current liabilities | | | | | | |
| 2150 | Notes payable | | \$ 357 | - | \$ 621 | - |
| 2160 | Notes payable - related parties | 7 | 967 | - | 1,486 | - |
| 2170 | Accounts payable | | 364,208 | 8 | 408,671 | 9 |
| 2180 | Accounts payable - related parties | 7 | 9,165 | - | 743 | |
| 2200 | Other payables | 6(8) | 421,026 | 10 | 538,040 | 12 |
| 2220 | Other payables - related parties | 7 | 2,266 | - | 4,437 | - |
| 2230 | Current income tax liabilities | 6(21) | 540 | - | 11,256 | - |
| 2250 | Current provisions | | 3,530 | - | - | - |
| 2280 | Current lease liabilities | 7 | 174,240 | 4 | 175,710 | 4 |
| 2300 | Other current liabilities | | 20,674 | 1 | 27,531 | 1 |
| 21XX | Current Liabilities | | 996,973 | 23 | 1,168,495 | 26 |
| Non-current liabilities | | | | | | |
| 2580 | Non-current lease liabilities | 7 | 1,092,502 | 25 | 1,173,108 | 25 |
| 2600 | Other non-current liabilities | 6(9) | 32,972 | 1 | 31,071 | 1 |
| 25XX | Non-current liabilities | | 1,125,474 | 26 | 1,204,179 | 26 |
| 2XXX | Total Liabilities | | 2,122,447 | 49 | 2,372,674 | 52 |
| Equity attributable to owners of parent | | | | | | |
| | Share capital | 6(10) | | | | |
| 3110 | Share capital - common stock | | 954,670 | 22 | 954,670 | 21 |
| | Capital surplus | 6(11) | | | | |
| 3200 | Capital surplus | | 300,082 | 7 | 300,082 | 7 |
| | Retained earnings | 6(12) | | | | |
| 3310 | Legal reserve | | 174,674 | 4 | 156,054 | 3 |
| 3350 | Unappropriated retained earnings | | 337,993 | 8 | 406,870 | 9 |
| | Other equity interest | 6(13) | | | | |
| 3400 | Other equity interest | | 457,669 | 10 | 380,632 | 8 |
| 31XX | Equity attributable to owners of the parent | | 2,225,088 | 51 | 2,198,308 | 48 |
| 3XXX | Total equity | | 2,225,088 | 51 | 2,198,308 | 48 |
| | Significant contingent liabilities and unrecognised contract commitments | 9 | | | | |
| 3X2X | Total liabilities and equity | | \$ 4,347,535 | 100 | \$ 4,570,982 | 100 |

TAIWAN PELICAN EXPRESS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022

(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

| | | | Year ended December 31 | | | |
|--|--------------------|------|------------------------|-------|---------------|-------|
| | | | 2023 | | 2022 | |
| Items | Notes | | AMOUNT | % | AMOUNT | % |
| 4000 Revenue | 6(14) and 7 | | \$ 4,188,461 | 100 | \$ 4,509,706 | 100 |
| 5000 Operating costs | 6(4)(19)(20) and 7 | (| 3,633,035) | (87) | (3,836,081) | (85) |
| 5900 Net operating margin | | | 555,426 | 13 | 673,625 | 15 |
| Operating expenses | 6(19)(20) and 7 | | | | | |
| 6100 Selling expenses | | (| 20,189) | - | (26,878) | - |
| 6200 General and administrative expenses | | (| 428,201) | (10) | (442,891) | (10) |
| 6450 Expected credit impairment gains | | | 45 | - | 329 | - |
| 6000 Total operating expenses | | (| 448,345) | (10) | (469,440) | (10) |
| 6900 Operating profit | | | 107,081 | 3 | 204,185 | 5 |
| Non-operating income and expenses | | | | | | |
| 7100 Interest income | 6(15) | | 8,133 | - | 4,382 | - |
| 7010 Other income | 6(16) and 7 | | 32,336 | 1 | 29,724 | 1 |
| 7020 Other gains and losses | 6(17) | (| 12,718) | - | (3,110) | - |
| 7050 Finance costs | 6(18) and 7 | (| 19,244) | (1) | (18,974) | (1) |
| 7000 Total non-operating income and expenses | | | 8,507 | - | 12,022 | - |
| 7900 Profit before income tax | | | 115,588 | 3 | 216,207 | 5 |
| 7950 Income tax expense | 6(21) | (| 21,092) | (1) | (39,765) | (1) |
| 8200 Profit for the year | | | \$ 94,496 | 2 | \$ 176,442 | 4 |
| Other comprehensive (loss) income | | | | | | |
| Components of other comprehensive income that will not be reclassified to profit or loss | | | | | | |
| 8311 (Losses) gains on remeasurements of defined benefit plans | 6(9) | (\$ | 1,940) | - | \$ 12,193 | - |
| 8316 Unrealised gains (losses) from investment in equity instruments measured at fair value through other comprehensive income | 6(2)(13) | | 77,311 | 2 | (538,927) | (12) |
| 8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss | 6(21) | | 388 | - | (2,438) | - |
| Components of other comprehensive income that will be reclassified to profit or loss | | | | | | |
| 8361 Financial statements translation differences of foreign operations | 6(13) | (| 224) | - | 865 | - |
| 8399 Income tax relating to the components of other comprehensive income that will be reclassified to profit or loss | 6(13)(21) | | 44 | - | (173) | - |
| 8300 Total other comprehensive income (loss) for the year | | | \$ 75,579 | 2 | (\$ 528,480) | (12) |
| 8500 Total comprehensive income (loss) for the year | | | \$ 170,075 | 4 | (\$ 352,038) | (8) |
| Profit attributable to: | | | | | | |
| 8610 Owners of the parent | | | \$ 94,496 | 2 | \$ 176,442 | 4 |
| Comprehensive income (loss) attributable to: | | | | | | |
| 8710 Owners of the parent | | | \$ 170,075 | 4 | (\$ 352,038) | (8) |
| Basic earnings per share | 6(22) | | | | | |
| 9750 Total basic earnings per share | | | \$ 0.99 | | \$ 1.85 | |
| Diluted earnings per share | 6(22) | | | | | |
| 9850 Total diluted earnings per share | | | \$ 0.99 | | \$ 1.85 | |

TAIWAN PELICAN EXPRESS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

| | Notes | Equity attributable to owners of the parent | | | | | | | Total equity | | |
|--|--------------|---|----------------------------|-----------------------------|-----------------|----------------------------------|--|---|--------------|-----------------------|--|
| | | Share capital - common stock | Additional paid-in capital | Treasury stock transactions | Capital surplus | | Retained earnings | | | Other equity interest | |
| | | | | | Legal reserve | Unappropriated retained earnings | Financial statements translation differences of foreign operations | Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income | | | |
| <u>Year ended December 31, 2022</u> | | | | | | | | | | | |
| Balance at January 1, 2022 | | \$ 954,670 | \$ 300,031 | \$ 51 | \$ 132,798 | \$ 444,410 | (\$ 459) | \$ 919,326 | \$ 2,750,827 | | |
| Profit for the year | | - | - | - | - | 176,442 | - | - | 176,442 | | |
| Other comprehensive income (loss) for the year | 6(2)(13)(21) | - | - | - | - | 9,755 | 692 | (538,927) | (528,480) | | |
| Total comprehensive income (loss) | | - | - | - | - | 186,197 | 692 | (538,927) | (352,038) | | |
| Distribution of 2021 retained earnings | 6(12) | | | | | | | | | | |
| Legal reserve | | - | - | - | 23,256 | (23,256) | - | - | - | | |
| Cash dividends | | - | - | - | - | (200,481) | - | - | (200,481) | | |
| Balance at December 31, 2022 | | \$ 954,670 | \$ 300,031 | \$ 51 | \$ 156,054 | \$ 406,870 | \$ 233 | \$ 380,399 | \$ 2,198,308 | | |
| <u>Year ended December 31, 2023</u> | | | | | | | | | | | |
| Balance at January 1, 2023 | | \$ 954,670 | \$ 300,031 | \$ 51 | \$ 156,054 | \$ 406,870 | \$ 233 | \$ 380,399 | \$ 2,198,308 | | |
| Profit for the year | | - | - | - | - | 94,496 | - | - | 94,496 | | |
| Other comprehensive income (loss) for the year | 6(2)(13)(21) | - | - | - | - | (1,552) | (180) | 77,311 | 75,579 | | |
| Total comprehensive income (loss) | | - | - | - | - | 92,944 | (180) | 77,311 | 170,075 | | |
| Distribution of 2022 retained earnings | 6(12) | | | | | | | | | | |
| Legal reserve | | - | - | - | 18,620 | (18,620) | - | - | - | | |
| Cash dividends | | - | - | - | - | (143,201) | - | - | (143,201) | | |
| Disposal of subsidiary company | 6(13) | - | - | - | - | - | (94) | - | (94) | | |
| Balance at December 31, 2023 | | \$ 954,670 | \$ 300,031 | \$ 51 | \$ 174,674 | \$ 337,993 | (\$ 41) | \$ 457,710 | \$ 2,225,088 | | |

TAIWAN PELICAN EXPRESS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

| | | Year ended December 31 | |
|---|-------------|------------------------|------------|
| | Notes | 2023 | 2022 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Profit before tax | | \$ 115,588 | \$ 216,207 |
| Adjustments | | | |
| Adjustments to reconcile profit (loss) | | | |
| Expected credit impairment gain | 12(2) | (45) | (329) |
| Provision for decline in market value and obsolescence of inventories | 6(5) | 327 | 73 |
| Depreciation expense | 6(5)(6)(19) | 304,374 | 311,587 |
| Amortization expense | 6(7)(19) | 5,284 | 1,185 |
| Loss on disposal of property, plant and equipment | 6(17) | 1,669 | 716 |
| Gain on disposal of investments | 6(17) | (200) | - |
| Interest expense | 6(18) | 19,244 | 18,974 |
| Interest income | 6(15) | (8,133) | (4,382) |
| Dividends income | 6(16) | (21,346) | (17,302) |
| Other gains and losses | | 3,132 | (388) |
| Changes in operating assets and liabilities | | | |
| Changes in operating assets | | | |
| Notes receivable | | (8,379) | 26,885 |
| Notes receivable-related parties | | 67,833 | 9,662 |
| Accounts receivable | | (14,702) | (9,100) |
| Accounts receivable-related parties | | (39,524) | 668 |
| Other receivables | | (1,441) | 1,068 |
| Other receivables-related parties | | (46) | 157 |
| Inventories | | 3,029 | (2,095) |
| Prepayments | | 16,586 | (3,509) |
| Other current assets | | (37) | - |
| Changes in operating liabilities | | | |
| Notes payable | | (264) | (179) |
| Notes payable-related parties | | (519) | 1,393 |
| Accounts payable | | (44,463) | 57,635 |
| Accounts payable - related parties | | 8,422 | (359) |
| Other payables | | (99,180) | 8,611 |
| Other payables-related parties | | (2,171) | (3,963) |
| Other current liabilities | | (6,857) | 8,988 |
| Net defined benefit liability | | 10 | (21) |
| Cash inflow generated from operations | | 298,191 | 622,182 |
| Interest received | | 8,172 | 4,425 |
| Dividends received | | 21,346 | 17,302 |
| Income taxes paid | | (32,211) | (60,506) |
| Interest paid | | (80) | (37) |
| Net cash flows from operating activities | | 295,418 | 583,366 |

(Continued)

TAIWAN PELICAN EXPRESS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

| | Notes | Year ended December 31 | |
|--|-------|------------------------|----------------|
| | | 2023 | 2022 |
| <u>CASH FLOWS FROM INVESTING ACTIVITIES</u> | | | |
| Acquisition of property, plant and equipment | 6(23) | (\$ 58,639) | (\$ 168,238) |
| Acquisition of intangible assets | 6(7) | (8,330) | (6,135) |
| Proceeds from disposal of property, plant and equipment | | 656 | 607 |
| Increase in refundable deposits | | 1,649 | (2,174) |
| Net cash flows used in investing activities | | (64,664) | (175,940) |
| <u>CASH FLOWS FROM FINANCING ACTIVITIES</u> | | | |
| Cash dividends paid | 6(12) | (143,201) | (200,481) |
| Payments of lease liabilities | 6(24) | (210,310) | (210,610) |
| Decrease in deposit received | 6(24) | (50) | (501) |
| Net cash flows used in financing activities | | (353,561) | (411,592) |
| Effect of exchange rate changes on cash and cash equivalents | | (224) | 865 |
| Net decrease in cash and cash equivalents | | (123,031) | (3,301) |
| Cash and cash equivalents at beginning of year | | 1,050,531 | 1,053,832 |
| Cash and cash equivalents at end of year | | \$ 927,500 | \$ 1,050,531 |

Taiwan Pelican Express Co., Ltd

Distribution of 2023 Profits

unit : NTD

| Item | Amount |
|--|--------------|
| Accumulated undistributed profit as of the beginning of the period | 245,050,655 |
| Less : Adjustment for year 2023 | (1,552,800) |
| Undistributed profit after adjustment as of the beginning of 2023 | 243,497,855 |
| Add : Net Profit after tax in 2023 | 94,495,901 |
| Less : Legal reserve | (9,294,310) |
| Total distributable earnings | 328,699,446 |
| Distributable items | |
| Cash dividend (Dividend per share 0.8) | (76,373,600) |
| Undistributed profit as of the end of 2023 | 252,325,846 |

- Note: 1. If the company subsequently buys back the company's shares or transfers, converts and cancels treasury shares, or employees exercise employee stock option certificates and other factors affect the number of outstanding shares, while maintaining the shareholder dividend rate unchanged, the chairperson is authorized by the Board of Directors to make adjustment to such distribution and other relevant issues at his/her discretion
2. This cash dividend is calculated based on the shareholding ratio recorded in the shareholder list on the ex-dividend base date, and will be distributed up to \$1(full round up to \$1).

Appendices

1. Articles of Incorporation／43～50
2. Rules Governing Shareholders' Meeting／51～54
3. Rules Governing Election of Directors／55～56
4. Shareholding of All Directors／57
5. Other explanatory items／58

Taiwan Pelican Express Co., Ltd.

Articles of Incorporation

(Summary Translation)

This English version is a translation of the Chinese version. If there is any inconsistency or discrepancy between the Chinese and English versions, the Chinese version shall prevail for all intents and purposes.

Chapter 1 General Provisions

Article 1

The Company is incorporated in accordance with the Company Act and is named Taiwan Pelican Express Co., Ltd.

Article 2

The scope of business of this Company is as follows:

1. G101061 Automobile Cargo Transportation Business
2. G801010 Warehousing
3. H703020 Real Estate Leasing
4. IZ060010 Tally Packaging
5. JA01010 Automobile Repair
6. I301020 Data Processing Services
7. F401010 International Trade
8. I301030 Electronic Information Supply Services
9. G101071 Automobile Cargo Transportation within Designated Route(s) Enterprise
10. F109060 Wholesale of Packaging Materials
11. F209050 Retail Sale of Packaging Materials
12. I401010 General Advertisement Service
13. I401020 Advertising Leaflet Distribution
14. E601020 Electric Appliance Installation
15. F113020 Wholesale of Electrical Appliances
16. F213010 Retail Sale of Electrical Appliances
17. E603090 Lighting Equipments Construction
18. E801070 Kitchenware and Sanitary Fixtures Installation Engineering
19. IZ12010 Manpower Dispatched
20. F201010 Retail Sale of Agricultural Products
21. F201020 Retail Sale of Livestock Products
22. F201030 Retail Sale of Fishery Products
23. F201070 Retail sale of Flowers

- 24. F202010 Retail Sale of Feeds
- 25. F203010 Retail Sale of Food, Grocery and Beverage
- 26. F203020 Retail Sale of Tobacco and Alcohol
- 27. F206020 Retail Sale of daily commodities
- 28. F207030 Retail Sale of Cleaning Supplies
- 29. F208040 Retail Sale of Cosmetics
- 30. F209060 Retail Sale of Culture, Education, Musical Instruments and Educational Entertainment Supplies
- 31. F399040 Retail Sale without Storefront
- 32. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

Article 2-1

For business needs, the Company may provide endorsements and guarantees to external parties, but shall follow the "Endorsement and Guarantee Operating Procedures" of the Company.

Article 3

The Company establishes its head office in New Taipei City and may establish branches domestically and internationally upon resolution of the Board of Directors and approval of the competent authority as necessary.

Article 4

The Company's announcement methods shall comply with the regulations of the Company Law and other relevant laws and regulations.

Chapter 2 Capital stocks

Article 5

The total capital of the Company is NT\$1,000,000,000 divided into 100,000,000 shares with a par value of NT\$10 each. The Board of Directors is authorized to issue the unissued shares in installment in consideration of the business needs of the Company.

Article 6

The Company may issue shares without printing share certificates. All of the stocks of the Company will be duly issued as name-bearing stocks and duly registered.

Article 7

Shareholders shall provide their true name and address to the Company and submit their seal card for record-keeping. When a shareholder receives dividends or exercises any other rights, the seal stored with the company shall be used as evidence.

Article 8

Shareholders of the company shall handle related stock affairs such as transfer, registration, setting of rights, pledge, loss declaration, inheritance, gift, change of address, and seal loss in accordance with the "Guidelines for the Handling of Stock Affairs of Publicly Issued Stock Companies," except for regulations and rules specified by laws and securities regulations.

Article 9

The establishment, abolition, and renewal of the seal registration card shall be handled in accordance with the regulations of the competent authority.

Article 10

All transfer of stocks shall be suspended 60 days prior to the annual general shareholders meeting date, 30 days prior the extraordinary shareholders meeting date, and five days prior to the date of distribution of dividend, profit-sharing or other interests.

Article 11

When a shareholder requests for reissue or replacement of lost shares or for other reasons, the Company may charge a handling fee and other relevant expenses, such as stamp duty.

Article 12

When necessary, the Company may delegate share-related matters to a share transfer agency approved by the competent authority with the approval of the Board of Directors.

Chapter 3 Shareholders' Meeting

Article 13

The Company will have two types of shareholders meetings:

1. General shareholder meeting
2. Extraordinary shareholders meeting;

The regular shareholders' meeting would be hold within six months after the end of the fiscal year, and shall be convened by the Board of Directors 30 days prior to the meeting, and all shareholders shall be notified to attend. The extraordinary shareholders' meeting shall be convened when necessary according to the law, and all shareholders shall be notified to attend 15 days prior to the meeting. When the Company convenes a shareholders' meeting, it may adopt a written or electronic method to exercise voting rights, which shall be carried out in accordance with relevant laws and regulations.

Article 14

Except as otherwise provided by the Company Act, the Shareholders' Meeting may be called to order on and only on the attendance by shareholders representing the majority of the total issued shares. Resolutions of the shareholders meeting shall be adopted by the majority votes at the meeting.

Article 15

If the number of attending shareholders at the shareholders' meeting is less than the required amount stipulated in the previous article, but shareholders representing more than one-third of the total issued shares are present, the resolutions passed at the meeting shall be deemed invalid. The company shall notify all shareholders of the invalid resolutions in writing and convene and hold another shareholders' meeting within one month. If at the second meeting, shareholders representing more than one-third of the total issued shares are present and the resolutions are passed by a majority of the voting rights of the attending shareholders, the resolutions shall be deemed valid as per the previous article.

Article 16

Each shareholder of this Company will have one vote on each share held, except those without voting right according to company law and related regulations like treasury stock.

Article 17

Where the shareholder is unable to attend the shareholders meeting in person, he/she may appoint a proxy to act on his/her behalf at the meeting by signing the proxy form prepared by the Company. The number of votes by a proxy acting on behalf of two or more shareholders at the shareholders meeting shall not exceed the total number of votes representing 3% of the total issued shares of the Company with all excess votes disregarded, except where such proxy is a trust business or stock affairs agency institution approved by the competent securities authority.

Article 18

The shareholders shall be presided by the person who is legally authorized to convene the meeting. Where there are two or more conveners, they shall elect one from among themselves to preside the meeting.

Article 19

The resolutions of the shareholders meeting shall be recorded in the meeting minutes signed or sealed with the chop of the chairperson and distributed to the shareholders each within 20 days after the meeting, provided that the service of the meeting minutes may be made by public notice with respect to shareholders.

Chapter 4 Directors, Audit Committee, and Managers

Article 20

The company shall have eleven directors, serving a term of three years, appointed by the shareholders' meeting from among individuals with legal capability, and they may be re-elected. If the term of a director expires before the election of new directors, the director's term shall be extended until the new directors are elected and take office. Three of the aforementioned directors shall be independent directors.

The election of directors shall adopt a system of candidate nomination in accordance with Article 192-1 of the Company Act, and matters related to the acceptance and announcement of director candidates shall be handled in accordance with relevant laws and regulations such as the Securities Exchange Act

Article 20-1

Except as otherwise provided by the Company Act, a quorum for a board meeting shall be more than half of the directors attending, and the resolutions shall be adopted with the approval of the majority of the attending directors.

If a director cannot attend the meeting due to unforeseeable reasons, another director may be authorized to attend the board meeting on his or her behalf, but the proxy shall be limited to one person.

Board meetings may be held via video conferencing, and directors participating in the meeting through video conferencing shall be deemed to be present in person.

Article 21

The directors shall organize the board of directors. The board of directors shall elect the chairman by mutual recommendation and approval of more than two-thirds of the directors attending and more than half of the attending directors. If necessary, one person may be elected as vice chairman in the same manner. The chairman shall represent the company externally and serve as the chairman of the shareholders' meeting and the board of directors, and shall carry out all the company's affairs in accordance with laws, articles of association, and resolutions of the shareholders' meeting and the board of directors. When the chairman takes leave or is unable to perform his or her duties for some reason, he or she shall be represented by the vice chairman. If there is no vice chairman or the vice chairman is also absent or unable to perform his or her duties, the chairman shall appoint one director to act on his or her behalf. If the chairman fails to appoint a proxy, the directors shall elect one person to act as a proxy.

Article 22

Except for the first board of directors meeting in each term, which shall be convened by the director with the most votes received, the board of directors shall be convened by the chairman in accordance with the provisions of the Company Act and shall be held at least once every quarter.

Article 23

The function of the Board of Directors is to

1. To examine important articles and review contracts over NTD 50 millions;
2. To propose capital increase or decrease.
3. To determine business operation policy;
4. To examine and determine budgets and final accounting;
5. To propose profit distribution plan;
6. To determine the organization of the business departments of the Company, and appoint or discharge managerial officers;
7. To examine and approve purchase or disposal of important property and real estate;
8. To examine and approve provision of guaranty and loan to external investments;
9. To examine and approve investment in relevant business in the country or abroad.
10. perform other functions conferred upon by law or the shareholders meeting

In case the vacancies on the Board of Directors exceed one third of the total number of Directors, the Board of Directors shall convene an extraordinary shareholders meeting within 60 days to elect new Directors to fill the vacancies.

The new Directors shall serve the remaining term of office of the predecessors.

Article 23-1

Regardless of the company's profit or loss, the company may provide remuneration to directors and independent directors. The remuneration of directors and independent directors shall be determined by the Remuneration Committee based on their level of participation and contribution to the company's operations, taking into account industry standards, and then submitted to the Board of Directors for resolution.

Article 24

The company institutes audit committee, consisting of all the independent directors, according to the law. Audit committee will take over the responsibilities and power of supervisors, stipulated in the Company Law, Securities Exchange Law, and other laws.

Organizational charter for the audit committee should be formulated to cover the number, term, meeting rules, and provision of resources by the company for the exercise of its duties.

Article 25

The Company will have presidents, vice presidents and assistant vice presidents to be appointed and discharged in accordance with Article 29 of the Company Act. The president will take general charge of the operation of the Company according to the instruction from the Chairman.

The presidents, vice presidents and assistant vice presidents shall be the responsible person of the business they each take charge of with the powers and duties to operate and manage such business.

Chapter 5 Accounting

Article 26

The accounting year of the Company shall be from January 1 to December 31. The Company shall prepare the final accounts at the end of each fiscal year.

Article 27

The Board of Directors shall after the end of each fiscal year make the following reports and statements and submit the same to the Shareholders Meeting for ratification:

1. Business report.
2. Financial statement.
3. Proposed stock dividend of profit distribution or loss make-up plan

Article 28

The company appropriates part of its annual profits, ranging from 0.5% to 1.5%, for distribution of remuneration to employee. Remuneration to directors are capped at 3% of profits. Employees of affiliated companies are also entitled to remuneration to employee. Profits should be used, in priority, for making up accumulated loss, should it exist.

The shares of the aforementioned distribution of remuneration to employee and the directors, as well as the choice of stock or cash should be resolved by the board of directors, with approval of over half of attendees in a meeting attended by over two thirds of directors, before being reported to shareholders' meeting.

The annual profit mentioned in item 1 refers to pre-tax profits of the year before deduction of distribution of remuneration to employee and directors.

Article 28-1

Profit, should it appear in final account, should be used, in descending order, paying tax, making up for accumulated loss, and then appropriating 10% of the remainder for legal reserve, on top of appropriation or reversal of special reserve, according to the regulation of regulator. The

balance for the current year, should it exist, and any remaining amount may be should be combined with retained earnings of previous year for the board of directions to formulate proposal of profit distribution for approval by the shareholders' meeting.

The Company is in a stably growing industry with investment made in developing business. In consideration of possible expansion of operation and investment, the earnings distributed to the shareholders each year will basically be in an amount equal to 50% of the earnings received in the period combined with the retained earnings from the previous year, net of the legal reserve and special earning reserve. Basically 50% but not less than 5% of the earnings distributed to the shareholders shall be distributed in cash.

Chapter 6 Supplemental Provisions

Article 29

When our company becomes a limited liability shareholder through investing other companies, the total amount of its investment shall not be subject to the proportional limit on transfer of investment as stipulated in Article 13 of the Company Act. However, it shall require the approval of the board of directors.

Article 30

With the approval of the board of directors, our company may provide external guarantees for business activities related to the same industry.

Article 31

The articles of association and rules of procedure of our company shall be determined by the board of directors' resolution.

Article 32

Matters not provided herein shall be in accordance with the Company Act and the relevant laws and regulations.

Article 33

This articles of incorporations were established by the promoters' meeting with the unanimous consent of all promoters on September 4th, 1999. It shall take effect after being passed in the shareholder meeting, and any amendments shall also be subject to the same procedure.

Article 33

These Articles of Incorporation was established on 4 September 1999 and subsequently amended as follows:

The first amendment was on May 1, 2000;

The second amendment was on May 31, 2000;

The third amendment was on October 16, 2000;

The fourth amendment was on March 20,2001;

The fifth amendment was on June 20, 2001;

The sixth amendment was on September 11,2001;

The seventh amendment was on December 27, 2001;

The eighth amendment was on March 26,2002;
The ninth amendment was on August 20, 2002;
The tenth amendment was on July 2,2004;
The eleventh amendment was on July 2, 2004;
The twelfth amendment was on June 18,2012
The thirteenth amendment was on September 17,2012;
The fourteenth amendment was on February 1, 2013;
The fifteenth amendment was on June 6,2014;
The sixteenth amendment was on May 27, 2016;
The seventeenth amendment was May 31, 2017;
The eighteenth amendment was on May 28, 2020;
The nineteenth amendment was on August 11,2021;

Taiwan Pelican Express Co., Ltd

Rules Governing Shareholders' Meeting

(Summary Translation)

This English version is a translation of the Chinese version. If there is any inconsistency or discrepancy between the Chinese and English versions, the Chinese version shall prevail for all intents and purposes.

Article 1

Except as otherwise provided by law or the Articles of Incorporation of the Company, the Shareholders' Meetings of the Company shall be governed by these Rules

Article 2

The shareholder shall register his/her attendance by handing in his/her signed attendance card. The number of shares present at the meeting will be counted according to the signed attendance cards received

Article 3

The quorum and ballots at the Shareholders' Meeting will be counted according to the number of shares represented at the meeting.

Article 4

The shareholders meeting shall be convened at the place where the Company is located or any other appropriate place convenient for the shareholders to attend and shall be called to order no earlier than 9:00AM and no later than 3:00PM on the meeting date

Article 5

Where the shareholders meeting is convened by the Board of Directors, the meeting shall be presided by the Chairman of the Board of Directors. If the Chairman is for any reason unable to perform his/her functions at the meeting, the Vice-Chairman shall act on his/her behalf. If the Vice-Chairman is for any reason unable to perform the function at the meeting as well, the Chairman shall appoint a director to act on his/her behalf at the meeting. In the absence of such appointment, the Board of Directors shall elect one from among themselves to preside the meeting. Where the Shareholders' Meeting is convened by any person legally authorized to do so other than the Board of Directors, the meeting shall be presided by such person. Where there are two or more conveners, they shall elect one from among themselves to preside the meeting.

Article 6

The Company may appoint legal counsel, certified public accountant or relevant personnel to attend the Shareholders' Meeting without the right to vote.

Personnel administering affairs at the Shareholders' Meeting shall each wear a tag or badge bearing their designation

Article 7

The whole proceeding of the Shareholders' Meeting shall be video- or tape-recorded and such recording shall be kept for at least one year.

Article 8

The chairperson shall call the meeting to order as scheduled, provided that where the number of shares represented at the meeting is less than the majority of the total issued shares, the chairperson may announce to postpone calling the meeting to order twice and only twice for not more than one hour in total. If the quorum is still not met after the postponement duration has expired with the number of shares represented at the meeting exceeding one third of the total issued shares, temporary resolutions may be adopted in accordance with the first paragraph of Article 175 of the Company Act.

If the number of shares represented at the meeting represents the majority of the total issued shares before the meeting is adjourned, the chairperson shall present the temporary resolutions made for voting pursuant to Article 174 of the Company Act.

Article 9

Where the Shareholders' Meeting is convened by the Board of Directors, the agenda shall be determined by the Board of Directors and the meeting shall proceed according to the agenda except otherwise changed by the resolution adopted by the Shareholders' Meeting

Where the Shareholders' Meeting is convened by any person legally authorized to do so other than the Board of Director, the preceding paragraph shall operate with appropriate and necessary alteration.

The chairperson shall not forthwith announce to adjourn the meeting before the agenda provided in the two preceding paragraphs (including extempore motions) is duly completed, except on the resolution adopted by the Shareholders' Meeting for him/her to do so.

No shareholders shall elect a chairperson to continue the meeting at the same place or elsewhere after the meeting is duly pronounced adjourned.

Article 10

Prior to speaking at the shareholders' meeting, the shareholder must complete a speaking slip with a summary of the content of the speech, the shareholder's account number (or attendance certificate number) and name, and the chairperson shall determine the order of the speeches. Failure to comply will be regarded as not having spoken. Shareholders who attend but only provide a speaking slip without actually speaking shall also be deemed as not having spoken. If the content of the speech differs from what is recorded on the slip, the content of the speech shall prevail.

In addition to the proposals on the agenda, other proposals, amendments, or substitute proposals put forward by shareholders shall be supported by other shareholders and the proposer, along with the representatives of the supporting shareholders, shall hold more than one percent of the total issued ordinary shares. When a shareholder speaks, other shareholders shall not interfere without the consent of the chairperson and the shareholder who is speaking. Any violation will be prohibited by the chairperson and shall be deemed as not having spoken.

Article 11

Each shareholder may make statement on the same issue not more than twice and not more than five minutes unless the chairperson consents otherwise.

The statements made by any shareholder acting in breach of the preceding paragraph or irrelevant to the issues will be disregarded and the chairperson may prevent him or her from making statements

Article 12

An institutional entity who is to attend the Shareholders' Meeting in proxy may appoint one and only one representative to attend the meeting

Institutional shareholder who has appointed two more or representatives to attend the Shareholders' Meeting will have its statement (if any) on the same issue by only one of its appointed representatives.

Article 13

The chairperson may personally respond to the statement made by the shareholder or appoint the relevant personnel to do so.

Article 14

The chairperson may announce to conclude the discussion on a proposal as he/she sees fit and submit the proposal to voting for resolution.

Article 15

The personnel supervising the voting and counting the ballots of voting shall be appointed by the chairperson, provided that the personnel supervising the voting must be appointed from among the shareholders. The outcome of the voting shall be announced on the spot and taken down in the minutes.

Article 16

The chairperson may call the meeting to a break as he/she sees fit

Article 17

Except as otherwise provided by the Company Law or the Articles of Incorporation of the Company, a resolution shall be adopted by more than half of the votes represented by the shareholders present at the Meeting. If the chairperson doesn't receive objection from attending shareholders, the proposal will be regarded as receiving approval in entirety.

Article 18

The chairperson shall combine the revision or substitute proposal (if any) on a proposal with that proposal for the purpose of determining their order of voting. If one of the proposals is adopted, the other proposals shall be deemed vetoed and no voting on them will be necessary.

Article 19

The chairperson may direct the order-maintaining personnel (or security guard) to maintain the order of the meeting. Each order-maintaining personnel (or security guard) shall wear a badge bearing their designation when performing their function at the meeting

Article 20

The decisions made at a shareholders' meeting shall be recorded in minutes, signed or stamped by the chairman, and distributed to each shareholder within 20 days after the meeting. The minutes may be made and distributed electronically.

The distribution of the minutes mentioned in the previous paragraph may be made through the announcement on the Public Information Observation System (or other electronic means) by the Company.

The minutes shall faithfully record the date, month, and year of the meeting, the venue, the name of the chairman, the method of decision-making, the summary of the proceedings, and the results. The minutes shall be permanently preserved during the Company's existence.

If the decision made at the shareholders' meeting constitutes material information as defined by laws and regulations or the Taiwan Stock Exchange Corporation (or the Taipei Exchange), the Company shall transmit the content to the Public Information Observation System within the prescribed time limit.

Article 21

These Rules are amended pursuant to the Company Law, Security Exchange law, the Company's Articles of incorporations and related law/regulation with implemented after being approved by the Shareholders' Meeting. Procedure for revision is the same.

Article 22

These Rules were adopted by the extraordinary Shareholders' Meeting on September 17, 2012. The first amendment to these Rules was adopted by the General Shareholders' Meeting on February 1, 2013

Taiwan Pelican Express Co., Ltd

Rules Governing Election of Directors

Article 1:

The election of the directors of the Company shall be in accordance with these rules, unless otherwise stipulated by laws or the company's articles of association.

Article 2:

Candidate's nomination system is adopted for election of the directors of the Company. Except as otherwise provided by the Article of Incorporation of the Company, each share of the Company held shall have the same number of votes as the number of the directors to be elected, which may be for one and the same candidate or distributed for a plural number of candidates.

Article 3:

The chairperson of the election shall appoint a number of voting supervisors and ballots counters before the election begins.

Article 4:

The directors of the Company will be elected by the relevant shareholders meeting from among those who have disposing capacity. The number of directors elected shall be in accordance with the Articles of Incorporation of the Company according to the number of votes represented by the ballots won.

The independent directors and non-independent directors shall be elected at the same election with the number of independent directors elect and that of the general directors elect counted separately. The election of the independent directors shall be in accordance with the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies," and the relevant rules, laws and regulations.

Where there are two or more candidates who have each won equal number of votes and the number of vacancies to fill is less than such candidates, the elect shall be determined by drawing lot. Those who are not present at the meeting shall be represented by the chairperson to draw the lot.

Article 5:

Except as otherwise approved by the competent authority, the number of the directors of the Company who run into either of the following relationships among themselves must be less than one half of the total number of directors:

1. Spouse; or
2. Relatives of the second degree.

For elected directors who run counter to the aforementioned regulation, those gaining the support of fewer voting rights should be disqualified.

Article 6:

The ballots shall be produced and prepared by the Board of Directors; each ballot shall bear the number of the attendance card (or account numbers) and the number of votes it represents.

Article 7:

The voting shareholder shall indicate in the ballot the account name and shareholder account number of the candidate voted if he or she is a shareholder, and the name and the national identification card number or passport number of the candidate voted if he or she is not a shareholder. However, where the candidate voted is a government agency or institutional shareholder, the voting shareholding shall fill in the ballot the title of such government agency or institutional shareholder and the names of all of its representatives (if any).

Article 8:

A ballot cast will be void if:

1. It is not in the form and substance prepared by the Board;
2. It bears the names of various candidates, which outnumbers the limit fixed;
3. It bears any words other than the personal (account) name, shareholder account number (or identification paper number) of the candidate voted, and the number of the votes cast;
4. It is blank;
5. It is illegible or altered;
6. Where the candidate written therein is a shareholder, the account name or the shareholder account number is different from that indicated in the shareholders roster; where the candidate written therein is a non-shareholder, the personal name written therein is different from his or her identification paper;
7. Where the candidate written therein is a shareholder, the account name written therein is identical with another shareholder's with no shareholder account number given for identification purposes; or where the candidate written therein is not a shareholder, the personal name indicated therein is identical with that of another non-shareholder with no identification number given for identification purposes.
8. Ballots not deposited into the ballot box (or cabinet) shall be deemed invalid.
9. If the total sum of voting rights marked by the electors exceeds the total number of voting rights they possess, the ballots shall be considered invalid.

Article 9:

The ballots shall be open at the end of the voting and the result of the election shall be announced by the chairperson.

Article 10:

The directors elected shall each cause their signed acceptance letters served to the Company within 12 days from the election date.

Article 11:

These Rules and all subsequent amendments each shall come into force after being adopted by the relevant shareholders meeting.

Article 12:

These Rules were adopted by the extraordinary shareholders meeting of September 17, 2012.

The first amendment to these Rules was adopted by the shareholders meeting of February 1, 2013.

The second amendment to these Rules was adopted by the shareholders meeting of May 28, 2020.

【Appendices 4】

Taiwan Pelican Express Co., Ltd
Shareholding of All Directors

- i. In accordance with Article 26 of the Securities and Exchange Act and the “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies:”
 1. Type and total number of shares issued by the Company: 95,467,000 common shares.
 2. The statutory minimum number of shares to be held by all Directors: 7,637,360 shares.
 3. Statutory minimum number of shares required to be held by all supervisors: N/A (Audit Committee has been established)
 4. The number of shares held by all directors has reached the quorum.
- ii. The number of shares held by the directors of the Company as of the date for suspension of transfer of the shareholders' meeting (March 29, 2024), as recorded in the shareholder registry, is as follows:

| Title | Name | Date elected (yy.mm.dd) | Term of office | Shareholding when elected | | Number of shares held recorded in the shareholders roster as of the date of suspension of share transfer | |
|--|---|----------------------------|----------------------|------------------------------|--------|--|--------|
| | | | | Number of shares held | % | Number of shares held | % |
| Chairman | TECO Electric & Machinery Co., Ltd. Representative : Chiu, Chwen-jy | 2021.08.11 | 3yrs | 24,121,700 | 25.27% | 24,121,700 | 25.27% |
| Director | TECO Electric & Machinery Co., Ltd. Representative : Huang Mao-hsiung | 2021.08.11 | 3yrs | 24,121,700 | 25.27% | 24,121,700 | 25.27% |
| | | | | 200,000 | 0.21% | 200,000 | 0.21% |
| Director | TECO Electric & Machinery Co., Ltd. Representative : Hsu Ching-yi | 2021.08.11 | 3yrs | 24,121,700 | 25.27% | 24,121,700 | 25.27% |
| Director | TECO Electric & Machinery Co., Ltd. Representative : Kuo Tzu-yi | 2021.08.11 | 3yrs | 24,121,700 | 25.27% | 24,121,700 | 25.27% |
| Director | TECO Electric & Machinery Co., Ltd. Representative : Peng Chi-tseng | 2021.08.11 | 3yrs | 24,121,700 | 25.27% | 24,121,700 | 25.27% |
| Director | ITOCHU Taiwan Corporatiom Representative : Matsui Manabu | 2021.08.11 | 3yrs | 18,138,500 | 19.00% | 18,138,500 | 19.00% |
| Director | ITOCHU Taiwan Corporatiom Representative : Yamamoto Kazutoshi | 2021.08.11 | 3yrs | 18,138,500 | 19.00% | 18,138,500 | 19.00% |
| Director | AN-SHIN FOOD SERVICES CO., LTD. Representative : Kao Shun-hsing (note) | 2021.08.11 | 3yrs | 1,703,000 | 1.78% | 1,556,000 | 1.63% |
| Independent Director | Lin Wan-ying | 2021.08.11 | 3yrs | 0 | 0.00% | 0 | 0.00% |
| Independent Director | Chen Wun-hwa | 2021.08.11 | 3yrs | 0 | 0.00% | 0 | 0.00% |
| Independent Director | Lien Yuan-lung | 2021.08.11 | 3yrs | 0 | 0.00% | 0 | 0.00% |
| Total number of shares held by all Directors | | | | 44,163,200 | 46.26% | 44,016,200 | 46.11% |

note: An-Shin Food Services Co., Ltd. reappointed representative Shih Chi-yin on June 21, 2023 to succeed Lin Chien-yuan, and reappointed Kao Shun-hsing on February 23, 2024 to succeed Shih Chi-yin.

Other explanatory items

- (i) Impact of stock dividend distribution proposed at the shareholders' meeting on the Company's operating performance, earnings per share and shareholders' return on investment:

There is no proposal for the distribution of stock dividends at this annual shareholders' meeting, so it is not applicable.

- (ii) Information on shareholder proposals in the current shareholders' meeting:

1. Pursuant to Article 172-1 of the Company Act, a shareholder holding one percent or more of the total number of outstanding shares of the Company may submit a written proposal for a general shareholders meeting shall be limited to 300 words.
2. The period for accepting shareholders' proposals for this annual shareholders' meeting is from March 21, 2024 to 5 pm on April 1, 2024, and it has been announced on the MOPS according to laws.
3. During the period for accepting shareholders' proposals as mentioned above, the Company did not receive any shareholder proposals.

- (iii) Information on shareholder nomination for the shareholders' meeting:

1. According to Article 192-1 of the Company Act, shareholders holding more than 1% of the total number of issued shares may propose to the Company a list of director candidates. The number of nominees may not exceed the number of seats to be elected as directors; the board of directors nominates director candidates shall be handled in the same manner. In addition, according to the letter Jing-Shang-Zi No. 10702429010 issued by the Ministry of Economic Affairs on December 21, 2018, if the list of director candidates is proposed by the board of directors, it is not subject to the restriction of nomination during the acceptance period.
2. The period for accepting shareholders' nomination for the annual shareholders' meeting is from March 21, 2024 to 5 pm on April 1, 2024, and it has been announced on the MOPS in accordance with the law.
3. During the period for accepting shareholder proposals as mentioned above, the Company did not receive any shareholder nomination.



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