Stock Code:6776

WEBLINK INTERNATIONAL INC.

Parent Company Only Financial Statements

With Independent Auditors' Report
For the Years Ended December 31, 2022 and 2021

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Independent Auditors' Report

To the Board of Directors of Weblink International Inc.:

Opinion

We have audited the financial statements of Weblink International Inc.("the Company"), which comprise the balance sheet as of December 31, 2022 and 2021, the statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and its financial performance and its 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 Auditing and Attestation of Financial Statements by Certified Public Accountants and the 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 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 Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

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

1. Revenue recognition

Please refer to note 4(n) "Recognition of Revenue" for accounting policy related to revenue recognition and note 6(t) for the information related to revenue of the financial statements.

Description of key audit matter

The Company's operating revenues is the main indicator for investors and management to assess their financial or business performance. Since Weblink International Inc. is a listed company, it has a high risk of misstatement. Therefore, revenue recognition is one of our key audit matters.

How the matter was addressed in our audit:

Our audit procedures included:

- Understanding the operation and industry characteristics of the Group and reviewing sales contracts to confirm whether the time point of revenue recognition and accounting treatment were appropriate.
- Assessing and testing the design, and the effectiveness of the internal controls over revenue recognition.
- Performing trend analysis on operating income generated from each top ten customer in current period versus that in latest quarter and last year to assess the occurrence of any significant variation and the rationale for the variation.
- Performing test-of-details on transactions to assess the existence of the transactions and the accuracy of the recognized sales as well as the timing of the recognition.
- Performing sales cut-off test over a period prior and post to the balance sheet date by vouching relevant documents of sales transactions to determine whether the revenue have been recognized in proper period.

2. Valuation of inventories

Please refer to note 4(g) "Inventories" for accounting policy related to valuation of inventories, for accounting assumptions and estimation uncertainties of inventories and note 6(f) for information related to impairment of inventories of the consolidated financial statements.

Description of key audit matter:

The Company is principally engaged in the distribution and sales of IT consumer products and other products. As a result of rapid technological changes, innovative products may significantly change consumers' needs and shorten products' life cycles. Additionally, intense competition and market saturation lead to the risk of inventory write-down. As of December 31, 2022, the inventory balance of $1,461,790 thousands consisted of 26% of the total assets. Valuation of inventory relies on past experience and future sales forecast, which involved the subjective judgment from the top management. Therefore, the subsequent measurement of inventories was considered to be one of our key audit matters.

How the matter was addressed in our audit:

Our audit procedures included:

- Assessing whether provision policies for inventories are applied.
- Assessing the appropriateness of the aging movement by examining the aging analysis of inventories.
- Assessing whether the Company's subsequent measurement of inventories has been evaluated in accordance with the Company's provision policy on a consistent basis.
- Understanding the reasonableness of sales prices adopted by the Company's top management and the changes of the market prices after the reporting date, as well as verifying the sales prices and the calculation of net realizable value by vouching the source documents of samples; then, determining whether the provision for net realizable value has been appropriately valuated.
- For inventories with low turnover, examining the sales after the reporting date and assessing the basis on net realizable value that was adopted to verify the appropriateness of the Company's valuation on provision on obsolete stock.

Other Matter

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

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial Statements

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

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on this 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 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.

The engagement partners on the audit resulting in this independent auditors' report are Min-Ju Chao and Chun-Hsiu Kuang.

KPMG

Taipei, Taiwan (Republic of China)
March 15, 2023

Notes to Readers

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

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

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

WEBLINK INTERNATIONAL INC.

Balance Sheets

December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2022		December 31, 2021	
	Assets	**Amount**	**%**	**Amount**	**%**
11xx	**Current assets:**				
1100	Cash and cash equivalents (note 6(a))	$ 399,228	7	181,003	3
1110	Financial assets at fair value through profit or loss－current (note 6(b))	-	-	261	-
1150	Notes receivable, net (notes 6(d) and (t))	190,053	3	182,278	3
1170	Accounts receivable, net (notes 6(d) and (t))	2,072,031	38	2,038,191	39
1180	Accounts receivable－related parties (notes 6(d), (t) and 7)	148,131	3	203,251	4
1200	Other receivables (note 6(e))	661	-	347	-
1210	Other receivables－related parties (notes 6(e) and 7)	155,325	3	291,664	6
130X	Inventories (note 6(f))	1,461,790	26	1,561,504	30
1410	Other current assets	1,544	-	3,957	-
	Total current assets	4,428,763	80	4,462,456	85
15xx	**Non-current assets:**				
1517	Financial assets at fair value through other comprehensive income－non-current (note 6(c))	22,719	1	-	-
1550	Investments accounted for using equity method (notes 6(g) and (h))	953,666	17	644,754	12
1600	Property, plant and equipment (note 6(i))	7,986	-	9,649	-
1755	Right-of-use assets (notes 6(j), (m) and 7)	23,829	1	54,479	1
1780	Intangible assets	1,707	-	1,182	-
1840	Deferred tax assets (note 6(o))	55,230	1	56,075	1
1920	Refundable deposits (note 7)	22,007	-	13,704	-
1930	Long-term receivables (notes 6(d) and (t))	-	-	33,250	1
	Total non-current assets	1,087,144	20	813,093	15
1xxx	**Total assets**	**$ 5,515,907**	**100**	**5,275,549**	**100**

		December 31, 2022		December 31, 2021	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
21xx	**Current liabilities:**				
2100	Short-term borrowings (notes 6(k) and 9)	$ 400,000	7	250,000	5
2110	Short-term notes and bills payable (note 6(l))	-	-	99,994	2
2120	Financial liabilities at fair value through profit or loss－current (notes 6(b) and (h))	3,568	-	32,769	1
2130	Contract liabilities－current (notes 6(t) and 7)	5,250	-	5,737	-
2150	Notes payable	10,301	-	7	-
2170	Accounts payable	1,894,573	34	1,944,936	37
2180	Accounts payable－related parties (note 7)	291,298	5	149,255	3
2200	Other payables (notes 6(p) and (u))	677,814	12	652,837	12
2220	Other payables－related parties (note 7)	1,424	-	1,317	-
2230	Current tax liabilities	41,141	1	47,383	1
2280	Lease liabilities－current (notes 6(m) and 7)	19,567	1	31,832	-
2365	Refund liabilities－current	35,209	1	36,167	1
2399	Other current liabilities (note 7)	498	-	1,406	-
	Total current liabilities	3,380,643	61	3,253,640	62
25xx	**Non-Current liabilities:**				
2503	Financial liabilities measured at fair value through profit or loss－non-current (notes 6(b) and (h))	-	-	3,066	-
2570	Deferred tax liabilities (note 6(o))	1,678	-	612	-
2580	Lease liabilities－non-current (notes 6(m) and 7)	4,555	-	23,065	-
2640	Defined benefit liabilities－non-current (note 6(n))	69,987	1	94,478	2
2645	Guarantee deposits received	30,150	1	30,150	1
2670	Other non-current liabilities	3,048	-	3,048	-
	Total non-current liabilities	109,418	2	154,419	3
2xxx	**Total liabilities**	3,490,061	63	3,408,059	65
31xx	**Equity attributable to owners of parent (notes 6(g), (h), (o), (q) and (r)):**				
3110	Common stock	815,814	15	815,814	15
3200	Capital surplus	629,750	12	609,294	12
3300	Retained earnings:				
3310	Legal reserve	179,667	3	151,267	3
3320	Special reserve	54,882	1	29,588	-
3350	Unappropriated retained earnings	384,641	7	316,409	6
	Total retained earnings	619,190	11	497,264	9
3400	Other equity	(38,908)	(1)	(54,882)	(1)
3xxx	**Total equity**	2,025,846	37	1,867,490	35
2-3xx	**Total liabilities and equity**	**$ 5,515,907**	**100**	**5,275,549**	**100**

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

WEBLINK INTERNATIONAL INC.

Statements of Comprehensive Income

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

		2022		2021	
		Amount	%	Amount	%
4000	**Operating revenues (notes 6(t) and 7)**	$ 18,166,842	100	17,974,201	100
5000	**Operating costs (notes 6(f) and 7)**	17,199,263	95	17,141,329	95
5900	**Gross profit (loss) from operations**	967,579	5	832,872	5
5910	Unrealized losses (profits) from sales	(183)	-	(67)	-
	Gross profit from operations	967,762	5	832,939	5
6000	**Operating expenses (notes 6(d), (i), (j), (m), (n), (r), (u), 7 and 12):**				
6100	Selling expenses	454,910	3	445,283	3
6200	Administrative expenses	137,981	1	142,964	1
6450	Reversal gains on expected credit losses	(514)	-	(549)	-
	Total operating expenses	592,377	4	587,698	4
6900	**Operating income**	375,385	1	245,241	1
7000	**Non-operating income and expenses (notes 6(b), (g), (m), (v) and 7):**				
7100	Interest income	4,661	-	1,707	-
7010	Other income	5,033	-	39,977	-
7020	Other gains and losses	(7,949)	-	12,116	-
7050	Finance costs	(8,213)	-	(4,401)	-
7070	Shares of profits of associates accounted for using equity method	119,099	1	93,540	1
	Total non-operating income and expenses	112,631	1	142,939	1
7900	**Profit from continuing operations before tax**	488,016	2	388,180	2
7950	**Less: Income tax expenses (note 6(o))**	72,967	-	47,262	-
8200	**Net profit**	415,049	2	340,918	2
8300	**Other comprehensive income (notes 6(g), (n), (o) and (q)):**				
8310	**Items that may not be reclassified subsequently to profit or loss:**				
8311	Gains (losses) on remeasurements of defined benefit plans	16,645	-	(11,929)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	309	-	(70,726)	(1)
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	3,329	-	(2,386)	-
	Total items that will not be reclassified subsequently to profit or loss	13,625	-	(80,269)	(1)
8360	**Items that may be reclassified subsequently to profit and loss:**				
8361	Exchange differences on translation of foreign financial statements	868	-	(1,939)	-
8370	Share of other comprehensive income of associates and joint ventures accounted for using the equity method	1,481	-	-	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Total items that may be reclassified subsequently to profit and loss	2,349	-	(1,939)	-
8300	**Other comprehensive income (loss)**	15,974	-	(82,208)	(1)
8500	**Total comprehensive income (loss)**	$ **431,023**	**2**	**258,710**	**1**
	Earnings per share (expressed in New Taiwan dollars) (note 6(s))				
9750	Basic earnings per share	$	**5.09**		**4.28**
9850	Diluted earnings per share	$	**4.99**		**4.22**

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

WEBLINK INTERNATIONAL INC.

Statements of Changes in Equity

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	Common stock	Capital surplus	Retained earnings: Legal reserve	Retained earnings: Special reserve	Retained earnings: Unappropriated retained earnings	Retained earnings: Total	Exchange differences on translation of foreign financial statements	Unrealised gains (losses) on financial assets measured at fair value through other comprehensive income	Gains (losses) on remeasurements of defined benefit	Total other equity interest	Total equity
Balance at January 1, 2021	$ 737,484	441,893	131,844	21,169	223,411	376,424	(267)	13,811	(43,133)	(29,589)	1,526,212
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-	19,423	-	(19,423)	-	-	-	-	-	-
Special reserve appropriated	-	-	-	8,419	(8,419)	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(163,163)	(163,163)	-	-	-	-	(163,163)
Profit for the year ended December 31, 2021	-	-	-	-	340,918	340,918	-	-	-	-	340,918
Other comprehensive income	-	-	-	-	-	-	(1,939)	(70,726)	(9,543)	(82,208)	(82,208)
Total comprehensive income (loss)	-	-	-	-	340,918	340,918	(1,939)	(70,726)	(9,543)	(82,208)	258,710
Issue of shares	78,330	166,219	-	-	-	-	-	-	-	-	244,549
Share-based payments	-	1,699	-	-	-	-	-	-	-	-	1,699
Share of changes in equity of associate	-	(517)	-	-	-	-	-	-	-	-	(517)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(56,915)	(56,915)	-	56,915	-	56,915	-
Balance at December 31, 2021	815,814	609,294	151,267	29,588	316,409	497,264	(2,206)	-	(52,676)	(54,882)	1,867,490
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-	28,400	-	(28,400)	-	-	-	-	-	-
Special reserve appropriated	-	-	-	25,294	(25,294)	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(261,061)	(261,061)	-	-	-	-	(261,061)
Profit for the year ended December 31, 2022	-	-	-	-	415,049	415,049	-	-	-	-	415,049
Other comprehensive income	-	-	-	-	-	-	2,349	309	13,316	15,974	15,974
Total comprehensive income (loss)	-	-	-	-	415,049	415,049	2,349	309	13,316	15,974	431,023
Share of changes in equity of associate	-	635	-	-	-	-	-	-	-	-	635
Changes in ownership interests in subsidiaries	-	(37)	-	-	(32,062)	(32,062)	-	-	-	-	(32,099)
Impact of subsidiary reorganization	-	19,858	-	-	-	-	-	-	-	-	19,858
Balance at December 31, 2022	**$ 815,814**	**629,750**	**179,667**	**54,882**	**384,641**	**619,190**	**143**	**309**	**(39,360)**	**(38,908)**	**2,025,846**

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

WEBLINK INTERNATIONAL INC.

Statements of Cash Flows

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	2022	2021
Cash flows from operating activities:		
Profit before tax	$ 488,016	388,180
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	36,944	37,228
Amortization expense	3,685	2,763
Gain on reversal of expected credit loss	(514)	(549)
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	19,693	(184)
Interest expense	8,213	4,401
Interest income	(4,661)	(1,707)
Dividend income	-	(34,949)
Compensation costs of share based payments	-	1,699
Shares of profits of associates accounted for using equity method	(119,099)	(93,540)
Gain on disposal of property, plant and equipment	(76)	(35)
Realized profit on sales	(183)	(67)
Gain on lease modification	(38)	-
Total adjustments to reconcile profit	(56,036)	(84,940)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets at fair value through profit or loss	261	270
Notes receivable	(7,775)	31,779
Accounts receivable	(31,387)	(223,318)
Accounts receivable－related parties	55,120	(83,070)
Other receivables	(302)	(109)
Other receivable－related parties	393	501
Inventories	99,714	244,512
Other current assets	2,413	4,890
Long-term receivables	33,250	44,922
Total changes in operating assets	151,687	20,377
Changes in operating liabilities:		
Financial liabilities at fair value through profit or loss	(14,425)	-
Contract liabilities	(487)	-
Notes payable	10,294	(108)
Accounts payable	(63,217)	243,670
Accounts payable－related parties	142,043	(29,121)
Other payables	22,803	201,158
Other payable－related parties	107	605
Refund liabilities	(958)	2,701
Other current liabilities	(908)	(6,486)
Net defined benefit liability	(7,846)	(5,732)
Total changes in operating liabilities	87,406	406,687
Total changes in operating assets and liabilities	239,093	427,064
Total adjustments	183,057	342,124
Cash inflow generated from operations	671,073	730,304
Interest received	3,491	1,080
Income taxes paid	(80,627)	(43,257)
Net cash flows from operating activities	593,937	688,127
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(22,410)	-
Proceeds from acquisition of subsidiaries	(37,535)	-
Proceeds from capital increase of subsidiaries	(244,240)	(184,923)
Acquisition of property, plant and equipment	(2,228)	(4,550)
Proceeds from disposal of property, plant and equipment	76	35
Decrease (increase) in refundable deposits	(8,303)	452
Increase in other receivables－related parties	163,942	(294,247)
Acquisition of intangible assets	(4,210)	(1,405)
Dividends received	45,353	61,307
Net cash flows used in investing activities	(109,555)	(423,331)
Cash flows from (used in) financing activities:		
Increase (decrease) in short-term loans	150,000	(310,000)
Increase (decrease) in short-term notes and bills payable	(99,994)	111
Increase in guarantee deposits received	-	400
Payment of lease liabilities	(33,140)	(33,412)
Cash dividends paid	(261,061)	(163,163)
Proceeds from issuing shares	-	244,549
Interest paid	(7,909)	(4,434)
Net cash flows from financing activities	(252,104)	(265,949)
Effect of exchange rate changes on cash and cash equivalents	(14,053)	(648)
Net increase (decrease) in cash and cash equivalents	218,225	(1,801)
Cash and cash equivalents at beginning of period	181,003	182,804
Cash and cash equivalents at end of period	$ **399,228**	**181,003**

See accompanying notes to parent company only financial statements.

(1) Company history

Weblink International Inc. (the "Company") was incorporated on December 22, 1977 as a company limited by shares under the Company Act of the Republic of China (R.O.C.). The address of its registered office is 2-4F, 39, sec. Chung Hsiao W. Rd. Taipei 100, Taiwan (R.O.C.). Since January 6, 2020, the Company has become a public entity with the Taipei Exchange's approval. On March 25, 2020, the Company was listed on the Emerging Stock Board (ESB) of the Taipei Exchange. On March 31, 2021, the Company was listed on the Taiwan Stock Exchange. The Company mainly engages in agency services and sales regarding information electronics products.

(2) Approval date and procedures of the financial statements:

The parent company only financial statements were authorized for issuance by the Board of Directors on March 15, 2023.

(3) New standards, amendments and interpretations adopted:

(a) The impact of the International Financial Reporting Standards ("IFRSs") endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Company has initially adopted the following new amendments, which do not have a significant impact on its financial statements, from January 1, 2022:

- Amendments to IAS 16 "Property, Plant and Equipment－Proceeds before Intended Use"
- Amendments to IAS 37 "Onerous Contracts－Cost of Fulfilling a Contract"
- Annual Improvements to IFRS Standards 2018–2020
- Amendments to IFRS 3 "Reference to the Conceptual Framework"

(b) The impact of IFRS issued by the FSC but not yet effective

The Company's adoption of the new amendments, effective for annual period beginning on January 1, 2023, are expected to have the following impacts:

Amendments to IAS 1 "Disclosure of Accounting Policies" , the key amendments to IAS 1 include:

- requiring companies to disclose their material accounting policies rather than their significant accounting policies;
- clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
- clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

(Continued)

WEBLINK INTERNATIONAL INC.
Notes to the Financial Statements

The Company is continuing on evaluating and reviewing the accounting policies that should be disclosed in the parent company only financial statements to comply with the amendment.

The following amendments are not expected to have a significant impact on the Company's consolidated financial statements.

- Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"
- Amendments to IAS 8 "Definition of Accounting Estimates"

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

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

Standards or Interpretations	Content of amendment	Effective date per IASB
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"	The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.	Effective date to be determined by IASB
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement for at least 12 months after the reporting date. The amendments has removed the requirement for a right to be unconditional and instead now requires that a right to defer settlement must exist at the reporting date and have substance. The amendments clarify how a company classifies a liability that can be settled in its own shares – e.g. convertible debt.	January 1, 2024

The Company is evaluating the impact of its initial adoption of the above-mentioned standards or interpretations on its parent company only financial position and parent company only financial performance. The results thereof will be disclosed when the Company completes its evaluation.

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

- IFRS 17 " Insurance Contracts" and amendments to IFRS 17 " Insurance Contracts"
- Amendments to IAS 1 "Non-current Liabilities with Covenants"
- IFRS16 "Requirements for Sale and Leaseback Transactions"

(4) Summary of significant accounting policies:

The significant accounting policies presented in the parent company only financial statements are summarized below. The following accounting policies were applied consistently throughout the periods presented in the parent company only financial statements.

(a) Statement of compliance

These parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as "the Regulations").

(b) Basis of preparation

(i) Basis of measurement

Except for the following significant accounts, the parent company only financial statements have been prepared on a historical cost basis:

1) Financial instruments at fair value through profit or loss are measured at fair value;

2) Financial assets at fair value through other comprehensive income are measured at fair value;

3) The defined benefit liabilities (assets) are measured at fair value of the plan assets less the present value of the defined benefit obligation, limited as explained in note 4(o).

(ii) Functional and presentation currency

The functional currency of each Company entity is determined based on the primary economic environment in which the entity operates. The parent company only financial statements are presented in New Taiwan Dollar (NTD), which is the Company's functional currency. All financial information presented in NTD has been rounded to the nearest thousand, unless otherwise stated.

WEBLINK INTERNATIONAL INC.
Notes to the Financial Statements

(c) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Company entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date.

Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined.

Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Except for the differences in an investment in equity securities designated as at fair value through other comprehensive income which are recognized in other comprehensive income. the foreign currency differences are recognized in profit and loss.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

(d) Classification of current and non-current assets and liabilities

An asset is classified as current under one of the following criteria, and all other assets are classified as non-current.

(i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is expected to be realized within twelve months after the reporting period; or

(iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as non-current. An entity shall classify a liability as current when:

(i) It is expected to be settled in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is due to be settled within twelve months after the reporting period; or

(Continued)

(iv) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(e) Cash and cash equivalents

Cash comprises cash on hand, demand deposits and checking deposit. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(f) Financial instruments

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

On initial recognition, a financial asset is classified as measured at amortized cost or fair value through profit or loss. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

· it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

· its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

(Continued)

WEBLINK INTERNATIONAL INC.
Notes to the Financial Statements

2) Fair value through other comprehensive income (FVOCI)

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date (ex-dividend date usually) on which the Company's right to receive payment is established.

If the Company acquires a previously recognized financial asset at FVOCI by batches, and thus obtained control over it, then the fair value thereof shall be adjusted to the date on which the control is obtained. Besides, unrealized gains (losses) on financial assets at FVOCI shall be accounted for as realized and transferred to retained earnings.

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL, including derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

4) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost including cash and cash equivalents, notes receivable, trade receivables (includes related-parties), other receivable (includes related-parties), and guarantee deposit paid.

The Company measures loss allowances for notes receivable and trade receivables at an amount equal to lifetime ECL.

The credit risk on bank deposits, other receivables and refundable deposits (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since the original recogniztion, and is measured as an allowance for losses based on the 12-month ECL.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 month after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

(Continued)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment as well as forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is past due.

The Company considers a financial asset to be in default when the financial asset is more than 61 days (91 days for some subsidiaries) past due, or the debtor is unlikely to pay its credit obligations to the Company in full.

ECL are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). ECL are discounted at the effective interest rate of the financial asset.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

5) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred.

(ii) Financial liabilities and equity instruments

1) Equity instrument

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

2) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

(Continued)

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

3) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

4) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(iii) Derivative financial instruments and hedge accounting

The Company holds derivative financial instruments to hedge its foreign currency and interest rate exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

(g) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is calculated using the weighted average method, and includes necessary expenditure incurred in bringing them to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(h) Investment in associates

Associates are those entities in which the Company has significant influence, but not control or joint control, over their financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition less any accumulated impairment losses.

(Continued)

WEBLINK INTERNATIONAL INC.
Notes to the Financial Statements

The parent company only financial statements include the Company's share of the profit or loss and other comprehensive income of those associates, after adjustments to align their accounting policies with those of the Company, from the date on which significant influence commences until the date on which significant influence ceases.

Gains and losses resulting from transactions between the Company and an associate are recognized only to the extent of unrelated Company's interests in the associate.

When the Company's share of losses of an associate equals or exceeds its interests in an associate, it discontinues recognizing its share of further losses. After the recognized interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate.

(i) Investments in subsidiaries

In the preparation of the parent-company-only financial statements, the Company assessed investees over which it had control using the equity method. Under the equity method, the profits (losses) and other comprehensive income stated in the parent-company-only financial statements are identical to the parent company's share of profits (losses) and other comprehensive income stated in the consolidated financial statements. Besides, ownership interests stated in the parent-company-only financial statements are identical to the parent company's ownership interests stated in the consolidated financial statements. Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

The Company's subsidiaries underwent reorganization. In accordance with the FAQs to IFRS 3 "Doubtful Points in Accounting Treatment for Business Combination under Joint Control", such reorganization shall be accounted for as combination from the beginning to restate the comparative financial statements for the prior period. As stipulated by a letter (Ji-Mi-Tzu No. 033) from the Accounting Research and Development Foundation, during reorganization, exchange differences on translation of foreign financial statements shall be transferred along with equity-accounted investments and calculated using the exchange rate at the time of investment.

Due to reorganization of subsidiaries, the Company recognized equity-accounted investments according to the carrying amounts thereof. As stipulated by letter Ji-Mi-Tzu No. 33, such exchange differences on translation of foreign financial statements shall be accounted for as held from the beginning. Besides, the equity interests shall be adjusted in the amount of the difference from the previously recorded amount to recognize or write off capital surplus. If the balance credited to the capital surplus is not sufficient, then retained earnings shall be adjusted.

(j) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(Continued)

WEBLINK INTERNATIONAL INC.
Notes to the Financial Statements

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(iii) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straightline basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

1)	Computer equipment	3~5 years
2)	Transportation equipment	2~5 years
3)	Office equipment	3~5 years
4)	Machinery and equipment	3~5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(k) Lease－as a leasee

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Company’s incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

(Continued)

Lease payments included in the measurement of the lease liability comprise the following:

— fixed payments, including in-substance fixed payments;

— variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

— amounts expected to be payable under a residual value guarantee; and

— payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

— there is a change in future lease payments arising from the change in an index or rate; or

— there is a change in the Company' s estimate of the amount expected to be payable under a residual value guarantee; or

— there is a change of its assessment on whether it will exercise an option to purchase the underlying asset, or

— there is a change in the lease term resulting from a change of the Company's assessment on whether it will exercise an extension or termination option; or

— there is any lease modifications in terms of lease property, scope of lease or other lease term.

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Company accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Company presents right-of-use assets that do not meet the definition of investment properties and lease liabilities as a separate line item respectively in the statement of financial position.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of warehouse and leases of low-value machinery assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(l) Intangible assets

(i) Computer software

The computer software acquired by the Company is measured at cost, less accumulated amortization and accumulated impairment losses.

(Continued)

WEBLINK INTERNATIONAL INC.
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(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

(iii) Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use.

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful life of 1 to 3 years from the date that they are available for use.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(m) Impairment of non-derivative financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss.

(n) Recognition of Revenue

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. The Company recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Company' s main types of revenue are explained below.

(i) Sale of goods

The Company recognizes revenue when control of the products has been transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer' s acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

(Continued)

The Company recognizes revenue based on the price specified in the contract, net of the estimated volume discounts and rebates. Accumulated experience is used to estimate the discounts and rebates using the expected value method, and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. A refund liability is recognized for expected sales discounts and rebate payable to customers in relation to sales made until the end of the reporting period. No element of financing is deemed present as the sales are made with a credit term ranged from 30 to 90 days, which is consistent with the market practice.

A receivable is recognized when the goods are delivered as this is the point in time that the Company has a right to an amount of consideration that is unconditional.

(ii) Customer loyalty program

The Company operates a customer loyalty program to its customers. Customers obtain points for purchases made, which entitle them to discount on future purchases. The Company considers that the points provide a material right to customers that they would not receive without entering into a contract. Therefore, the promise to provide points to the customer is a separate performance obligation. The transaction price is allocated to the product and the points on a relative stand-alone selling price basis. Management estimates the stand-alone selling price per point on the basis of the discount granted when the points are redeemed and on the basis of the likelihood of redemption, based on past experience. The stand-alone selling price of the product sold is estimated on the basis of the retail price. The Company has recognized contract liability at the time of sale on the basis of the principle mentioned above. Revenue from the award points is recognized when the points are redeemed or when they expire.

(iii) Revenue from service rendered

The Company provides repairment services, IT management and warehousing services for goods sold. Revenue from providing services is recognized in the accounting period in which the services are rendered.

(iv) Interest income arising from installment sales

The Company engages in installment sales. The difference between the prices of installment and lump sum sales are recognized as unrealized interest income. Besides, such income shall be recognized as interest income arising from installment sales over the period of the installment using the interest method. The balance of unrealized interest income is recognized as a reduction from notes and accounts receivable.

(o) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

(Continued)

(ii) Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and reflected in other equity. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(p) Share-based payment

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Grant date of a share-based payment award is the date which the Company notified the employees about the subscription price and the number of shares to be subscribed.

(Continued)

(q) Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

(i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits (losses) at the time of the transaction;

(ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

(iii) taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if the following criteria are met:

(i) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and

(ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

1) the same taxable entity; or

2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(Continued)

WEBLINK INTERNATIONAL INC.
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(r) Business combination

The Company accounts for business combinations using the acquisition method. The goodwill arising from an acquisition is measured as the excess of (i) the consideration transferred (which is generally measured at fair value) and (ii) the amount of non-controlling interest in the acquiree, both over the identifiable net assets acquired at the acquisition date.

All acquisition-related transaction costs are expensed as incurred, except for the issuance of debt or equity instruments.

For each business combination, the Company measures any non-controlling interests in the acquiree either at fair value or at the non-controlling interest’ s proportionate share of the acquiree’ s identifiable net assets, if the non-controlling interests are present ownership interests and entitle their holders to a proportionate share of the Company’s net assets in the event of liquidation.

The Company recognizes the acquisition-date fair value of the contingent consideration as part of the consideration transferred. The cost of the acquisition and measuring goodwill will retrospectively be adjusted when some changes in the fair value of contingent consideration that the Company recognizes have been made after the acquisition date. Measurement period adjustments is the result of additional information that the Company obtained after that date about facts and circumstances that existed at the acquisition date. The measurement period will not exceed one year from the acquisition date. The Company accounts for the changes in the fair value of contingent consideration that are not measurement period adjustments based on the classification of contingent consideration. Contingent consideration classified as equity shall not be remeasured and its subsequent settlement will be accounted for within equity. Others will be measured at fair value at each reporting date and changes in fair value will be recognized in profit or loss or other comprehensive income.

(s) Earnings per share

The Company discloses the Company’s basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares, such as employee remuneration.

(t) Operating seqments

The Company had disclosed the information of operating segments in the consolidated financial statements. Therefore, if will not be disclosed in the parent company only financial statements.

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

In preparing these parent company only financial statements, management has made judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

(Continued)

WEBLINK INTERNATIONAL INC.
Notes to the Financial Statements

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the following period.

In judging whether the Company had substantive control over the investee, the Company assessed that its accounting policies not only involved material judgment but also had significant influence on the amounts that had been stated in parent-company-only financial statements.

As the single largest shareholder, the Company held 30.22% voting shares in Piovision International Inc. (hereinafter referred to as "Piovision International"). The other 33.90% and 26.30% voting shares were held by the other 2 directors, their spouses, and relatives of the 1st degree.

Consequently, the Company was unable to obtain more than half of Piovision International' s Board seats and voting rights of shareholders attending a shareholders' meeting. Therefore, the Company determined that it had significant influence over Piovision International.

The assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year is the valuation of inventories.

As inventories are stated at the lower of cost or net realizable value, the Company estimates the net realizable value of inventories for obsolescence and unmarketable items at the end of the reporting period and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly determined based on assumptions as to future demand within a specific time horizon. Due to the rapid industrial transformation, there may be significant chances in the net realizable value of inventories. Please refer to note 6(f) for further description of the valuation of inventories.

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	December 31, 2022	December 31, 2021
Cash	$ 20	20
Time deposits	33,779	-
Demand and cheque deposits	365,429	180,983
	$ 399,228	**181,003**

Please refer to note 6(w) for the disclosure of interest rate risks and sensitivity analysis of the Groups' financial assets and liabilities.

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(b) Financial assets and liabilities at fair value through profit or loss

		December 31, 2022	December 31, 2021
Financial assets at fair value through profit or loss:			
Non-hedging derivatives instruments-currency swap contracts	$	-	261
Financial liabilities at fair value through profit or loss —current:			
Non-hedging derivatives instruments-currency swap contracts	$	2,369	77
Contingent consideration in business combination		1,199	32,692
Subtotal		3,568	32,769
Financial liabilities at fair value through profit or loss —non-current:			
Contingent consideration in business combination		-	3,066
Total	$	3,568	35,835

The Company uses derivative financial instruments to hedge the certain foreign exchange risk that the Company is exposed to as a result of its operating activities. The following details of currency swap contracts, without the application of hedge accounting, were classified as financial assets and liabilities measured at fair value through profit or loss:

December 31, 2022		
Contract amount (USD in thousand)	**Currency**	**Maturity period**
$ 1,000	Sold in USD/ buy in NTD	March 24, 2023

December 31, 2021		
Contract amount (USD in thousand)	**Currency**	**Maturity period**
$ 2,500	Sold in USD/ buy in NTD	November 1, 2022
$ 3,000	Sold in USD/ buy in NTD	November 1, 2022

In June 2021, the Company acquired control over Protrade Global Limited (hereinafter referred to as "PGL") by acquiring equity interests. The transfer consideration includes contingent consideration, which was recognized at fair value as a financial liability at FVTPL.

Please refer to note 6(v) for the amounts recognized in other gains and losses that resulted from remeasured of fair value.

WEBLINK INTERNATIONAL INC.
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(c) Financial assets measured of fair value through other comprehensive income－non-current

		December 31, 2022	December 31, 2021
Equity investments measured at fair value through other comprehensive income			
Oversea unlisted stock－Bluechip Infotech Pty Ltd (Bluechip)	$	22,719	-

(i) Equity investments at FVOCI

The Group held 7.59% ordinary shares in Bluechip, an entity engaging in sales of computer software and peripherals. With a shareholding of only 7.59% the Company was not the single largest shareholder; therefore, its management clearly proved that it did not have significant influence over Bluechip.

The Company designated the investments shown above as equity securities at fair value through other comprehensive income because these equity securities represent those investments that the Company intends to hold for the long term strategic purposes.

There were no disposals of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments as of December 31, 2022 and 2021.

(ii) For information related to market risk, please refer to note 6(w).

(iii) The aforementioned financial assets did not pledge as collateral for loans.

(d) Notes receivable, trade receivables and long-term trade receivables

		December 31, 2022	December 31, 2021
Notes receivable	$	190,053	182,278
Accounts receivable		2,052,216	2,007,309
Installment receivables		33,285	45,360
Accounts receivable－related parties		148,131	203,251
Long-term receivable		-	33,285
Less: loss allowance－accounts receivable		(13,435)	(14,039)
Less: unrealized interest revenue－installment receivables		(35)	(439)
Less: unrealized interest revenue－long-term receivables		-	(35)
	$	2,410,215	2,456,970

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WEBLINK INTERNATIONAL INC.
Notes to the Financial Statements

The Company applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, notes receivable, trade receivables and long-term accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as the incorporated forward looking information, including macroeconomic and relevant industry information. Based on Company's historical credit loss experience, there is no significant difference in the loss patterns among different customer groups. Therefore, the provision matrix does not further differentiate between customer groups.

As of December 31, 2022 and 2021, analysis of expected credit losses on notes receivable, accounts receivable and long-term receivable were as follows:

	December 31, 2022		
	Gross carrying amount	**Weighted-average loss rate (%)**	**Loss allowance**
Current	$ 2,098,166	0.11	2,215
Past due 1-30 days	307,688	1.22	3,750
Past due 31-60 days	16,747	38.13	6,386
Past due over 61 days	1,084	100.00	1,084
	$ 2,423,685		**13,435**

	December 31, 2022		
	Gross carrying amount	**Weighted-average loss rate (%)**	**Loss allowance**
Current	$ 2,102,168	0.16	3,294
Past due 1-30 days	362,354	1.32	4,785
Past due 31-60 days	2,597	61.45	1,596
Past due over 61 days	4,364	100.00	4,364
	$ 2,471,483		**14,039**

Movements of the allowance for notes and accounts receivable were as follows:

	2022	**2021**
Balance at January 1	$ 14,039	14,588
Reversal gains on expected credit losses	(514)	(549)
Amounts written-off	(90)	-
Balance at December 31	**$ 13,435**	**14,039**

The above-mentioned financial assets were not pledge as collaterals.

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WEBLINK INTERNATIONAL INC.
Notes to the Financial Statements

(e) Other receivables

	December 31, 2022	December 31, 2021
Other receivables	$ 661	347
Other receivables－related parties	155,325	291,664
Less: Loss allowance	-	-
	$ 155,986	**292,011**

The Group did not have any past due other receivables as of December 31, 2022 and 2021.

For more information on credit risk, please refer to note 6(w).

(f) Inventories

	December 31, 2022	December 31, 2021
Goods in stock	$ 1,362,663	1,460,811
Space parts	29,360	35,276
Goods in transit	69,767	65,417
	$ 1,461,790	**1,561,504**

Detail of cost of goods sold recognized by the Company were as follows:

	2022	2021
Cost of inventories sold	$ 17,152,210	17,073,639
Write-down of inventories	22,825	29,468
Shortage of inventories	-	29
Cost of maintenance	24,228	38,193
	$ 17,199,263	**17,141,329**

(g) Investments accounted for using equity method

	December 31, 2022	December 31, 2021
Subsidiaries	$ 619,265	352,530
Associates	334,401	292,224
	$ 953,666	**644,754**

(i) Subsidiaries

Please refer to the consolidated financial statements for the year ended December 31, 2022.

WEBLINK INTERNATIONAL INC.
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(ii) Associates

Investments accounted for using equity method of the Company on the reporting date is as follows:

	December 31, 2022	December 31, 2021
Associates	$ 334,401	292,224

1) Associate which is material

Name of Associates	Nature of Relationship with the Company	Main operating location/ Registered Country of the Company	Proportion of shareholding and voting rights December 31, 2022	December 31, 2021
Antung Trading Corporation	Investee	Taiwan	20.00 %	20.00 %

The following consolidated financial information of significant associate has been adjusted according to individually prepared IFRS financial statements of these associate as to reflect the fair value adjustments made by the Company upon acquiring shares of the associate as well as the adjustments made for the differences in accounting policy:

	December 31, 2022	December 31, 2021
Current assets	$ 1,326,457	1,082,820
Non current assets	1,138,200	930,421
Current liabilities	(1,002,421)	(737,168)
Non current liabilities	(30,814)	(70,076)
Net assets	$ 1,431,422	1,205,997
Net assets attributable to non-controlling interests	$ 1,145,137	964,797
Net assets attributable to investee	$ 286,285	241,200

	2022	2021
Operating revenue	$ 2,874,782	2,679,138
Profit (loss) from continuing operations	$ 394,843	320,613
Other comprehensive income	7,405	(1,841)
Total comprehensive income	$ 402,248	318,772
Comprehensive income (loss) attributable to non-controlling interests	$ 321,798	255,017
Comprehensive income (loss) attributable to investee	$ 80,450	63,755

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WEBLINK INTERNATIONAL INC.
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		2022	2021
Share of net assets of associate as of January 1	$	241,200	201,962
Comprehensive income attributable to the Company		80,450	63,755
Changes in equity of associate accounted for using equity method		635	(517)
Dividends received from associate		(36,000)	(24,000)
Share of net assets of associate as of December 31		286,285	241,200
Add: Customer relation		42,103	42,103
Less: Customer relation written-off		10,886	7,647
Carrying amount of the Company's equity interest of the associate as of December 31	**$**	**317,502**	**275,656**

2) Insignificant associate

The Group's financial information for investments accounted for using the equity method that are individually insignificant was as follows:

		December 31, 2022	December 31, 2021
Carrying amount of individually insignificant associates' equity	**$**	**16,899**	**16,568**

		2022	2021
Attributable to the Company:			
Profit (loss) from continuing operations	$	2,784	2,726
Other comprehensive (loss) income		-	-
Comprehensive income	**$**	**2,784**	**2,726**

(iii) Collateral

The Company's investments accounted for using equity method were not pledged as collateral as of December 31, 2022 and 2021.

(h) Business Combination

On June 1, 2021, the Company obtained control of PGL by acquiring 32% of the shares and voting interests. As a result, the Company's equity interest in PGL increased from 19% to 51%.

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PGL and its subsidiaries (hereinafter referred to as the “PGL Group”) are all-round international trading companies specializing in logistics and trading of synthetic rubbers, plastics, related chemical products, and the raw materials thereof. Although the PGL Group differs from the Company in product and industry, both of them operate by utilizing distribution channels and platforms. As the Company was promoting the "partnership economy” and establishing a cross-industry distribution channel platform, it included the PGL Group among its key partners for cross-industry alliance to achieve synergy.

For the seven months ended December 31, 2021, PGL Group contributed profit after tax a net profit of 20,046 thousand to the Company from the date of acquisition. If the acquisition had occurred on January 1, 2021, management estimates that consolidated profit after income tax would have been 384,669 thousand. In determining these amounts, the management has assumed that the fair value adjustments, determined provisionally, that arose on the acquisition date would have been the same if the acquisition had occurred on January 1, 2021.

The main categories of transfer consideration, as well as the assets and liabilities acquired and the amount of goodwill recognized as of the acquisition date, are listed as follows:

(i) The main categories of transfer consideration are as follows:

Cash	$	184,923
Contingent consideration		35,758
Total	**$**	**220,681**

Contingent consideration

Under the contingent consideration arrangement, PGL shall decide whether to pay an additional transfer consideration according to the average profits after tax for 2021 and 2022, and the amount of the transfer consideration shall not exceed US$1,672 thousand. Under the contingent consideration arrangement, the Group’ s potential undiscounted cash of all contingent payments that it must pay in the future amounts to US$40 thousand approximately.

On the acquisition date, the fair value of the contingent consideration estimated using the equity method amounted to $35,758 thousand. Fair values were measured based on significant unobservable inputs in the market; that is, Level 3 fair value under IFRS 13 “Fair Value Measurement” that was approved by the FSC. The key assumption is the discount rate; please refer to note 6(w) for key assumptions and sensitivity analysis.

As of December 31, 2022, the amount of contingent consideration recognized and the assumptions used to estimate the contingent consideration had not changed. For changes in contingent consideration for 2022, please refer to note 6(w) “Statement of changes in level 3".

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(ii) Identifiable assets acquired and liabilities assumed

The following table summarizes the recognized amounts of assets acquired and liabilities assumed at the acquisition date:

Cash and cash equivalents	$	373,961
Financial assets measured at fair value through profit or loss		46,504
Notes and accounts receivable		408,925
Other receivables		4,863
Inventories		404,619
Prepayments		216,091
Other current assets		164,301
Property, plant and equipment		134,224
Right-of-use assets		24,211
Intangible assets		183,663
Other non-current assets		7,909
Short-term loan		(827,234)
Contract liabilities		(162,464)
Notes and accounts payable		(175,947)
Other payables		(316,597)
Dividend payables		(134,059)
Current income tax liabilities		(5,607)
Other current liabilities		(397)
Other non-current liabilities		(25,479)
Total fair value of identifiable net assets acquired	**$**	**321,487**

The gross contractual amounts of accounts receivable is $415,836 thousand, of which $6,911 thousand was expected to be uncollectible at the acquisition date.

(iii) Goodwill

Goodwill arising from the acquisition has been recognized as follows:

Consideration transferred	$	220,681
Non-controlling interest in the acquiree, if any (proportionate share of the fair value of the identifiable net assets)		157,528
Fair value of pre-existing interest of investee		96,068
Less: Fair value of identifiable net assets		(321,487)
Goodwill	**$**	**152,790**

The Company re-measured the fair value of its existing equity interest of 19% in PGL before the business combination, and the resulting loss of $56,915 thousand is recognized under retained earnings.

The goodwill is mainly derived from manpower that is expected to achieve synergy through the cross-industry alliance with the PGL Group. None of the goodwill recognized is expected to be deductible for tax purposes.

(i) Property, plant and equipment

The cost, depreciation and impairment losses of the property, plant and equipment of the Company in the years ended December 31, 2022 and 2021, were as follows:

	Computer equipment	Transportation equipment	Office equipment	Machinery and equipment	Total
Cost:					
Balance at January 1, 2022	$ 20,013	17,509	8,927	2,446	48,895
Additions	92	1,647	-	489	2,228
Disposals	(220)	(1,121)	-	-	(1,341)
Balance at December 31, 2022	**$ 19,885**	**18,035**	**8,927**	**2,935**	**49,782**
Balance at January 1, 2021	$ 19,777	14,855	7,748	2,506	44,886
Additions	524	2,654	1,372	-	4,550
Disposals	(288)	-	(193)	(60)	(541)
Balance at December 31, 2021	**$ 20,013**	**17,509**	**8,927**	**2,446**	**48,895**
Accumulated depreciation:					
Balance at January 1, 2022	$ 18,706	11,480	6,822	2,238	39,246
Depreciation	645	1,871	1,157	218	3,891
Disposals	(220)	(1,121)	-	-	(1,341)
Balance at December 31, 2022	**$ 19,131**	**12,230**	**7,979**	**2,456**	**41,796**
Balance at January 1, 2021	$ 18,118	10,173	5,888	1,875	36,054
Depreciation	876	1,307	1,127	423	3,733
Disposals	(288)	-	(193)	(60)	(541)
Balance at December 31, 2021	**$ 18,706**	**11,480**	**6,822**	**2,238**	**39,246**
Carrying amounts					
Balance at December 31, 2022	**$ 754**	**5,805**	**948**	**479**	**7,986**
Balance at December 31, 2021	**$ 1,307**	**6,029**	**2,105**	**208**	**9,649**

The Company did not pledge property, plant and equipment as collateral.

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(j) Right-of-use assets

The Company leases building and the information about leases for which the Company as a lessee is presented below:

	Buildings
Cost:	
Balance at January 1, 2022	$ 96,321
Additions	4,009
Disposals (end of contract and early termination of contract)	(10,356)
Balance at December 31, 2022	**$ 89,974**
Balance at January 1, 2021	$ 86,115
Additions	55,735
Disposals (end of contract)	(45,529)
Balance at December 31, 2021	**$ 96,321**
Accumulated depreciation of right-of-use asset:	
Balance at January 1, 2022	$ 41,842
Depreciation	33,053
Disposals (end of contract and early termination of contract)	(8,750)
Balance at December 31, 2022	**$ 66,145**
Balance at January 1, 2021	$ 53,876
Depreciation	33,495
Disposals (end of contract)	(45,529)
Balance at December 31, 2021	**$ 41,842**
Carrying amount:	
Balance at December 31, 2022	**$ 23,829**
Balance at December 31, 2021	**$ 54,479**

(k) Short-term loans

The short-term loans were summarized as follows:

	December 31, 2022	December 31, 2021
Unsecured bank loans	**$ 400,000**	**250,000**
Unused credit line	**$ 2,698,744**	**2,181,140**
Range of interest rate(%)	**1.76~2.00**	**0.70~0.95**

(i) Please refer to note 9 for details regarding the promissory note issued by our company as collateral for the loaning limit.

(ii) The Company did not pledge assets as collateral for bank loans.

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Notes to the Financial Statements

(l) Short-term notes and bills payable

The short-term notes and bills payable were summarized as follows:

	December 31, 2021			
	Guarantee or acceptance institution	**Range of interest rates (%)**		**Amount**
Commercial papers payable	International Bills Finance Corporation	0.59	$	100,000
Less: Discount on short-term notes and bills payable				(6)
Total			$	**99,994**

There's no short-term notes and bills payable as of December 31, 2022.

The Company did not pledge assets as collateral for short-term notes and bills payable

(m) Lease liabilities

The amounts of leased liability were as follows:

		December 31, 2022	**December 31, 2021**
Current	$	19,567	31,832
Non-current		4,555	23,065
Total	$	**24,122**	**54,897**

Please refer to note 6(w) for more information on maturity analysis.

The amounts recognized in profit or loss were as follows:

		2022	**2021**
Interest on lease liabilities	$	**643**	**845**
Variable lease payments not included in the measurement of lease liabilities	$	**-**	**440**
Expenses relating to short-term leases	$	**76**	**53**
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	$	**95**	**82**

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

		2022	**2021**
Total cash outflow from operating activities	$	171	575
Total cash outflow from financing activities－lease principal		33,140	33,412
Total cash outflow from financing activities－interest expense		643	845
Total cash outflow for leases	$	**33,954**	**34,832**

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The Company leases buildings for its office space and warehouse as of December 31, 2022 and 2021. The lease of office typically run for a period of 1 to 3 years and of warehouse for 2 to 4 years.

(n) Employee benefits

(i) Defined benefit plans

The reconciliation between the present value of defined benefit obligations and plan asset at fair value are as follows:

		December 31, 2022	December 31, 2021
Present value of the defined benefit obligations	$	124,591	138,878
Fair value of plan assets		(54,604)	(44,400)
Net defined benefit liabilities	**$**	**69,987**	**94,478**

The Company makes defined benefit plan contributions to the pension fund account with Bank of Taiwan that provides pensions for employees upon retirement. Plans (covered by the Labor Standards Law) entitle a retired employee to receive retirement benefits based on years of service and average monthly salary for the six months prior to retirement.

1) Composition of plan assets

The Company allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. Regarding the utilization of the funds, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks. In accordance with the "Regulations Governing the Custody, Utilization, and Distribution of Employee Pension Funds of Profit-seeking Enterprises", the Company sets aside a pension fund and place it in a special account with a designated financial institution in the form of time or demand deposit. The utilization of the pension fund is completely separate from the Company, and both the principal and interest of the fund shall not be used in any form except for the payments of pension and severance.

The Group' s Bank of Taiwan labor pension reserve account balance amounted to $54,273 thousand as of December 31, 2022. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

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WEBLINK INTERNATIONAL INC.
Notes to the Financial Statements

2) Movements in present value of the defined benefit obligations

The movements in present value of the defined benefit obligations for the Group were as follows:

		2022	2021
Defined benefit obligation at January 1	$	138,878	127,552
Current service costs and interest		1,314	1,379
Remeasurements of the net defined benefit liability			
—Actuarial gains and losses arising from experience adjustments		4,008	719
—Actuarial gains and losses arising from changes in financial assumptions		(17,802)	11,567
Benefits paid by the plan		(1,807)	(2,339)
Defined benefit obligation at December 31	**$**	**124,591**	**138,878**

3) Movements of defined benefit plan assets

The movements in the present value of the defined benefit plan assets for the Company were as follows:

		2022	2021
Fair value of plan assets at January 1	$	44,400	39,271
Interest revenue		297	264
Remeasurements loss			
—Actuarial loss (current interest excluded)		2,851	357
Amount allocated to the plan		8,863	6,847
Benefits paid		(1,807)	(2,339)
Fair value of plan assets at December 31	**$**	**54,604**	**44,400**

4) Changes in the effect of asset ceiling

The Company had no effect on assets ceiling in the year 2022 and 2021.

5) Expenses recognized in profit or loss

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

		2022	2021
Current service costs	$	448	584
Net interest on the net defined benefit liability		569	531
	$	**1,017**	**1,115**

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6) Remeasurements of the net defined benefit liability recognized under other comprehensive income

The Company's remeasurements of the net defined benefit liability recognized in other comprehensive income were as follows:

		2022	2021
Cumulative amount at January 1	$	(65,846)	(53,917)
Current period recognition		16,645	(11,929)
Cumulative amount at December 31	**$**	**(49,201)**	**(65,846)**

7) Actuarial assumptions

Assumptions used on calculating the present value of the defined benefit obligation as of December 31, 2022 and 2021 were as follow:

	December 31, 2022	December 31, 2021
Discount rate	1.750 %	0.625 %
Future salary increases	3.500 %	3.500 %

The expected allocation payment to be made by the Company to the defined benefit plans for the one-year period after the reporting date is $7,200 thousand. The weighted average duration of the defined benefit plan is 14.23 years.

8) Sensitivity analysis

As of December 31, 2022 and 2021, the effect of changes in actuarial assumption on the present value of the defined benefit obligation was as follows:

	The effect of defined benefit obligation	
	Increase 0.25%	**Decrease 0.25%**
At December 31, 2022		
Discount rate	(3,565)	3,707
Future salary adjustment rate	3,571	(3,454)
At December 31, 2021		
Discount rate	(4,454)	4,639
Future salary adjustment rate	4,435	(4,283)

The above sensitivity analysis is analyzed based on the effect of changes in single assumption under the condition that other assumptions remain constant. In practice, many changes in assumptions may be linked together. The method used for sensitivity analysis and calculation of net pension liability is the same. The method and assumptions used to carry out the sencitivity analysis is the same as in the prior year.

(Continued)

(ii) Defined contribution plans

The Company allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under this defined contribution plan, the Group allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligations.

The Company's pension expenses under the defined contribution method were $10,783 thousand and $10,133 thousand for 2022 and 2021, respectively. Payment was made to the Bureau of Labor Insurance.

(o) Income taxes

(i) Income tax expense of the Group for 2022 and 2021 was as follows:

		2022	2021
Current tax expense (benefit)			
Current period	$	74,483	65,745
Adjustments for prior year		(98)	(10,992)
		74,385	54,753
Deferred tax expense (benefit)			
Occurrence and reversal of temporary differences		(1,418)	(7,491)
Income tax expense	$	**72,967**	**47,262**

The components of income tax expense (benefit) recognized under other comprehensive income for 2022 and 2021 were as follows:

		2022	2021
Items that will not reclassified into profit and loss			
Remeasurements of defined benefit liability	$	**3,329**	**(2,386)**

Reconciliation of income tax expense and profit before tax for 2022 and 2021 is as follows:

		2022	2021
Profit before income tax	$	**488,016**	**388,180**
Income tax calculated by a statutory tax rate applied by the Company	$	97,603	77,636
Underestimation of deferred tax assets in previous years		-	(966)
Underestimation of deferred tax liabilities in previous year		-	74
Gain on investment		(23,797)	(18,708)
Prior year income tax adjustments		(98)	(10,992)
Addititonal tax on undistributed earnings		-	161
Others		(741)	57
Total	$	**72,967**	**47,262**

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WEBLINK INTERNATIONAL INC.
Notes to the Financial Statements

(ii) Deferred tax assets and liabilities

Changes in deferred tax assets and liabilities in 2022 and 2021,respectively, are as follows:

Deferred tax assets

	Defined Benefit Plans	Provision for inventory write-down	Others	Total
Balance at January 1, 2022	$ 19,508	27,196	9,371	56,075
Recognized in profit (loss)	(2,182)	4,565	101	2,484
Recognised in other comprehensive income (loss)	(3,329)	-	-	(3,329)
Balance at December 31, 2022	**$ 13,997**	**31,761**	**9,472**	**55,230**
Balance at January 1, 2021	$ 18,268	21,302	8,185	47,755
Recognized in profit (loss)	(1,146)	5,894	1,186	5,934
Recognised in other comprehensive income	2,386	-	-	2,386
Balance at December 31, 2021	**$ 19,508**	**27,196**	**9,371**	**56,075**

Deferred tax liabilities:

	Gain on foreign exchange	Unrealized gain	Deferred revenue	Others	Total
Balance at January 1, 2022	$ -	-	-	612	612
Recognized in profit (loss)	653	1,025	-	(612)	1,066
Balance at December 31, 2022	**$ 653**	**1,025**	**-**	**-**	**1,678**
Balance at January 1, 2021	$ 225	-	1,332	612	2,169
Recognized in profit (loss)	(225)	-	(1,332)	-	(1,557)
Balance at December 31, 2021	**$ -**	**-**	**-**	**612**	**612**

(iii) Examination and approval

The Compnay's tax returns for the year through 2020 were assessed by the Taipei National Tax Administration.

WEBLINK INTERNATIONAL INC.
Notes to the Financial Statements

(p) Other payable

		December 31, 2022	December 31, 2021
Salary payable	$	97,189	90,560
Marketing expenses		418,015	406,403
Royalties payable		10,633	20,372
Freight payable		21,869	21,351
Wages payable		2,665	2,383
Employees' and directors' remuneration		56,740	45,500
Others		70,703	66,268
Total	$	**677,814**	**652,837**

(q) Shares and other equity

(i) Issuance of ordinary shares

As of December 31, 2022 and 2021, the total value of authorized ordinary shares each amounted to $1,000,000 thousand, with a par value of $10 per share; and the total ordinary shares issued were 81,581 thousand. All payments have been received as of the reporting date.

Reconciliations of shares outstanding in 2022 and 2021 were as follows:

Unit: thousand share

	2022	2021
Balance on January 1	81,581	73,748
Issued for cash	-	7,833
Balance at December 31	**81,581**	**81,581**

On December 23, 2020, the Company's Board of Directors resolved to issue 7,833 thousand ordinary shares at par value of $10 before its initial public offering (IPO). As stipulated by the the Company' s Articles of Incorporation, it retained 1,174 thousand shares, 15% of the aforementioned shares, for subscription by its employees. If employees renounce the share options or elect not to subscribe up to their entitled numbers of shares, the chairperson has the authority to appoint certain persons to subscribe for those shares. On January 12, 2021, the capital increase was approved by the competent authority, and the record date of capital increase was March 29, 2021. The total share payments received amounted to $244,549 thousand, and the difference between the share payments and share capital of $78,330 thousand amounted to $166,219 thousand, which was recognized as capital surplus.

(ii) Capital surplus

The balance of capital surplus was as follows:

		December 31, 2022	December 31, 2021
Additional paid-in capital stock	$	597,282	597,282
Change in shares in hands of subsidiaries		-	37
Changes in net equity in associates recognized by the equity method		12,610	11,975
Recognition of premium arising from organizational restructuring of subsidiaries		19,858	-
	$	**629,750**	**609,294**

In 2022, PGL, a subsidiary of the Company, underwent both reorganization and liquidation. In accordance with letter Ji-Mi-Tzu No. 033, the Company recognized the difference of $19,858 thousand, between the exchange difference on translation of foreign financial statements and the previously recognized amount, as capital reserve. In 2022, the Company did not subscribe for shares in subsidiaries in proportion to shareholding, causing changes in ownership interests in subsidiaries. Consequently, the Company wrote down capital surplus by $37 thousand and retained earnings by $32,062 thousand, respectively.

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

(iii) Retained earnings

As stipulated by the Company's Articles of Incorporation, the Company's earnings, if any, shall first be used to pay income taxes and offset prior years' losses. Of the remaining portion, 10% is to be appropriated as legal reserve, unless the amount of legal reserve has already reached that of total paid-in capital. In addition, the Company shall appropriate or reverse special reserve pursuant to applicable laws and regulations. The remainder, together with the unappropriated earnings from the previous years, may be distributed as dividends to shareholders. The Company shall not distribute both dividend and bonus when there are no earnings, with exceptions allowed only in the case of appropriation from reserves in accordance with laws and regulations.

As the Company is in an industry with rapidly changing business climate and development trends, the Company adopts a residual dividend policy. Dividends are appropriated taking into account mainly future business expansion and cash flow requirements; share dividends and cash dividends are distributed where required. If cash dividends are distributed, they shall take up a minimum of 10% of the total dividends distributed for the year.

(Continued)

WEBLINK INTERNATIONAL INC.
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1) Legal reserve

When the Company has no accumulated deficit, it may, pursuant to a resolution approved by the stockholders, distribute its legal reserve by issuing new shares or distributing cash for the portion of legal reserve which exceeds 25% of the paid-in capital.

2) Special reserve

In accordance with the rulings issued by the FSC, a special reserve equal to the total amount of items that are accounted for as deductions from stockholders' equity shall be set aside from current and prior-year earnings. This special reserve shall revert to retained earnings and be made available for distribution when the items that are accounted for as deductions from stockholders' equity are reversed in subsequent periods.

3) Earnings distribution

The amounts of cash dividends on the appropriations of earnings for 2021 and 2020 had been approved during the shareholders' meeting on June 9, 2022 and July 2,2021. The relevant dividend distributions to shareholders were as follows:

	2021	2020
Dividends distributed to ordinary shareholders:		
Cash	$ 261,061	163,163

On March 15, 2023, the Company's Board of Directors resolved to appropriate the 2022 earnings. The relevant dividend distributions to shareholders were as follows:

	2021
Dividends distributed to ordinary shareholders:	
Cash	$ 285,535

The earnings distribution information would be available on the Market Observation Post System.

WEBLINK INTERNATIONAL INC.
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(iv) Other equity items (net after tax)

	Exchange differences on translation of foreign financial statements	Unrealized gains from financial assets measured at fair value through other comprehensive income	Remeasurement of defined benefit plans	Total
Balance at January 1, 2022	$ (2,206)	-	(52,676)	(54,882)
Foreign exchange differences arising from translation of foreign operations	868	-	-	868
Share of exchange differences of associates accounted for using equity method	1,481	-	-	1,481
Unrealized gains from financial assets measured at fair value through other comprehensive income	-	309	-	309
Remeasurement of defined benefit plans	-	-	13,316	13,316
Balance at December 31, 2022	**$ 143**	**309**	**(39,360)**	**(38,908)**
Balance at January 1, 2021	$ (267)	13,811	(43,133)	(29,589)
Foreign exchange differences arising from translation of foreign operations	(1,939)	-	-	(1,939)
Unrealized gains from financial assets measured at fair value through other comprehensive income	-	(70,726)	-	(70,726)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	56,915	-	56,915
Remeasurement of defined benefit plans	-	-	(9,543)	(9,543)
Balance at December 31, 2021	**$ (2,206)**	**-**	**(52,676)**	**(54,882)**

WEBLINK INTERNATIONAL INC.
Notes to the Financial Statements

(r) Share-based payment

The Company's share-based payment transaction for 2021 was as follows:

	New shares reserved for employee subscription
Grant date	March 17, 2021
Number of shares granted	1,174,000
Contract term (year)	0.0082
Recipients	All employees
Vesting conditions	Immediately vested

(i) Determining the fair value of equity instruments granted

The Company used Black Scholes Option Pricing Model method in measuring the fair value of the share-based payment at the grant date as follows:

	New shares reserved for employee subscription
Fair value at grant date (stock option)	1.60
Exercise price	25.00
Expected life (years)	0.0082
Expected dividend (%)	-
Risk-free interest rate (%)	0.350

(ii) Details of the employee stock options are as follows:

	2021	
	Weighted average exercise price	Number of options
Outstanding at January 1	$ -	-
Granted during the year (number)	25.00	1,174,000
Excercised during the year (number)	25.00	(1,062,000)
Expired during the year (number)	-	(112,000)
Outstanding at December 31	-	-
Exercisable at December 31	-	-

WEBLINK INTERNATIONAL INC.
Notes to the Financial Statements

(iii) Employee expenses

The cash injection for share-based payments to the Company's employees in 2021 resulted in the expense of $1,699 thousand to be recognized.

There was no share-based payment to the Company's employee due to cash injection in 2022.

(s) Earnings per share

Unit: in thousand shares

	2022	2021
Basic earnings per share:		
Profit attributable to ordinary shareholders of the Company	$ **415,049**	**340,918**
Weighted average number of ordinary shares	**81,581**	**79,714**
Basic earnings per share (New Taiwan dollars)	$ **5.09**	**4.28**
Diluted earnings per share:		
Profit attributable to ordinary shareholders of the Company	$ **415,049**	**340,918**
Weighted average number of ordinary shares	81,581	79,714
Potential dilutive effect on common stock		
Influence of employee stock remuneration	1,575	1,130
Weighted average number of ordinary shares (after the adjustment of potential dilutive effect on common stock)	**83,156**	**80,844**
Diluted earnings per share (New Taiwan dollars)	$ **4.99**	**4.22**

(t) Revenue from contracts with customers

(i) Disaggregation of revenue

	2022	2021
Primary geographical markets:		
Taiwan	$ 18,100,311	17,854,908
Other	66,531	119,293
	$ **18,166,842**	**17,974,201**
Major products/services lines:		
Computer software	$ 3,943,025	4,164,915
System information and digital entertainment products	13,960,012	13,542,921
Other	263,805	266,365
	$ **18,166,842**	**17,974,201**

WEBLINK INTERNATIONAL INC.
Notes to the Financial Statements

(ii) Contract balances

	December 31, 2022	December 31, 2021	January 1, 2021
Notes and accounts receivable (including related parties)	$ 2,423,685	2,471,483	2,243,116
Less: loss allowance	(13,435)	(14,039)	(14,588)
unrealized interest revenue	(35)	(474)	(1,461)
Total	**$ 2,410,215**	**2,456,970**	**2,227,067**
Contract liabilities	**$ 5,250**	**5,737**	**12,789**

Please refer to note 6(d) for details on notes and accounts receivable and related loss allowance.

The amount of revenue recognized for the years ended December 31, 2022 and 2021 that was included in the contract liability balance at the beginning of the period were $5,182 thousand and $8,745 thousand, respectively.

(u) Remuneration for employees and directors

According to the amendment of the Company's articles of incorporation, a minimum of 2% shall be allocated as employee remuneration and a maximum of 0.8% be allocated as directors' remuneration. However, if the Company has an accumulated deficit(including adjustment of undistributed earnings), the profit should be used to offset the deficit. The aforementioned employee remuneration shall be made by way of cash but may also be made by stock. The recipients of stock and cash may include the employees of the Company's affiliated companies who meet certain conditions.

For the years ended December 31, 2022 and 2021, the Company accrued its remuneration to employees amounting to $53,000 thousand and $43,500 thousand, respectively, and the remuneration for directors of $3,040 thousand and $2,000 thousand, respectively. The said amounts, which were recognized as operating expenses, were calculated based on pre-tax net profit for each year before deducting the amount of the remuneration to employees and directors, multiplied by the proposed distribution ratio of remuneration to employees and directors. If there are any subsequent adjustments to the actual remuneration amounts, the adjustment will be regarded as changes in accounting estimates and will be reflected in profit or loss in the following year.

The amounts, as stated in the financial statements, are identical to those of the actual distribution for 2022 and 2021.

WEBLINK INTERNATIONAL INC.
Notes to the Financial Statements

(v) Non-operating income and expenses

(i) Interest revenue

	2022	2021
Interest arising from bank deposits	$ 536	51
Interest revenue arising from guarantee deposits paid	40	41
Interest revenue arising from installments	439	988
Interest revenue arising from loans to other parties	3,646	627
	$ 4,661	**1,707**

(ii) Other revenue

	2022	2021
Dividend revenue	$ -	34,949
Revenue arising from insurance claim	19	86
Income transferred from recovered doubtful debts	98	1,638
Income transferred from temporary credits of more than 2 years	1,407	2,107
Directors' remuneration	666	662
Other	2,843	535
	$ 5,033	**39,977**

(iii) Other gains and losses

	2022	2021
Net gains (losses) on foreign exchange	$ 11,670	6,716
Net gains (losses) on financial assets and liabilities measured at fair value through profit and loss	(19,693)	5,365
Gains on disposal of property, plant and equipment	76	35
Other	(2)	-
	$ (7,949)	**12,116**

(iv) Financial cost

		2022	2021
Interest expense:			
Bank loans	$	7,570	3,556
Lease liabilities		643	845
	$	**8,213**	**4,401**

(w) Financial instruments

(i) Credit risk

1) Risk exposure

The carrying amounts of the financial assets represents the maximum amounts exposed to credit risk.

2) Concentration of credit risk

The concentration of credit risk is limited because the Company's customer groups are numerous and unaffiliated.

3) Credit risk of accounts receivable

For information related to credit risk exposure of notes and accounts receivable, please refer to note 6(d).

Please refer to note 6(e) for details of other receivables. As for the financial assets that have low credit risk, the loss allowance recognized during the period is measured at the 12-month expected credit losses. Regarding of the determination of credit risk by the Company, please refer to note 4(f).

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WEBLINK INTERNATIONAL INC.
Notes to the Financial Statements

(ii) Liquidity risk

The table below, which sets out the maturity dates of the Group's financial liability contracts and estimated interest, was compiled based on earliest dates of required repayments and undiscounted cash flows.

		Carrying amount	Contractual cash flows	Less than 1 year	1-2 years	2-5years
December 31, 2022						
Non-derivative financial liabilities						
Short-term loans	$	400,000	401,236	401,236	-	-
Financial liabilities measured at fair value through profit and loss－current－contingent consideration of business combination		1,199	1,199	1,199	-	-
Notes and accounts payable (including related parties)		2,196,172	2,196,172	2,196,172	-	-
Other payables (including related parties)		679,238	679,238	679,238	-	-
Lease liabilities		24,122	24,360	19,790	4,570	-
Guarantee deposits		30,150	30,150	-	-	30,150
		3,330,881	3,332,355	3,297,635	4,570	30,150
Derivative financial liabilities						
Finaicial liabilities measured at fair value through profit and loss－interest rate swap contracts						
Inflow		-	(28,086)	(28,086)	-	-
Outflow		2,369	30,462	30,462	-	-
		2,369	2,376	2,376	-	-
	$	**3,333,250**	**3,334,731**	**3,300,011**	**4,570**	**30,150**

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		Carrying amount	Contractual cash flows	Less than 1 year	1-2 years	2-5years
December 31, 2021						
Non-derivative financial liabilities						
Short-term loans	$	250,000	250,329	250,329	-	-
Short-term notes and bills payable		99,994	100,000	100,000	-	-
Financial liabilities measured at fair value through profit and loss (including current and non-current)－contigent consideration of business combination		35,758	39,075	35,415	3,660	-
Notes and accounts paybable (including related parties)		2,094,198	2,094,198	2,094,198	-	-
Other payables (including related parties)		654,154	654,154	654,154	-	-
Lease liabilities		54,897	55,728	32,438	18,720	4,570
Guarantee deposits		30,150	30,150	-	-	30,150
		3,219,151	3,223,634	3,166,534	22,380	34,720
Derivative financial liabilities						
Inflow		-	(82,800)	(82,800)	-	-
Outflow		77	82,877	82,877	-	-
		77	77	77	-	-
	$	**3,219,228**	**3,223,711**	**3,166,611**	**22,380**	**34,720**

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

(iii) Currency risk

1) Currency risk exposure

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

	December 31, 2022			December 31, 2021		
	Foreign currency	Exchange rate	Amount	Foreign currency	Exchange rate	Amount
Financial assets						
Monetary items						
USD	$ 7,051	30.7100	216,528	14,213	27.6900	393,554
Financial liabilities						
Monetary items						
USD	2,643	30.7100	81,162	5,878	27.6900	162,748
SGD	600	22.9200	13,762	506	20.5300	10,383

2) Sensitivity analysis

The Company’s exposure to foreign currency risk arises from the translation of the non-monetary items exchange gains and losses on cash and cash equivalents, trade receivables, notes and other receivables(payables), that are denominated in foreign currency.

A 1.00% weakening of the TWD against the USD, EUR and SGD as at December 31, 2022 and 2021, would have increased the net profit before tax for the years ended December 31, 2022 and 2021 by $1,216 thousand and $2,204 thousand, respectively. The analysis is performed on the same basis.

3) Foreign exchange gain and loss on monetary items

The exchange rates and amounts of (realized and unrealized) foreign exchange gains and losses on the Company’s monetary items that were converted into functional currency were as follows:

	2022		2021	
	Gain on exchange	Average rate	Gain on exchange	Average rate
NTD	$ 11,670	1.000	6,716	1.000

(iv) Market risk

For information regarding to the price change in Level 3 equity securities, please refer to note 6(e) fair value measurements in Level 3–sensitivity analysis of reasonably possible alternative assumptions.

WEBLINK INTERNATIONAL INC.
Notes to the Financial Statements

(v) Interest rate risk

The short-term loan and short-term notes and bills payable used fixed rate. Therefore, there's no significant interest rate risk.

(vi) Fair value information

1) Categories and fair value of financial instruments

The fair value of financial assets and liabilities at fair value through profit or loss and financial assets at fair value through other comprehensive income is measured on a recurring basis. The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required :

	December 31, 2022				
		Fair value			
	Amount	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through other comprehensive income					
Unquoted equity instruments measured at fair value	$ 22,719	-	-	22,719	22,719
Financial assets measured at amortized cost					
Cash and cash equivalents	399,228	-	-	-	-
Notes receivables and accounts receivables (including related parties)	2,410,215	-	-	-	-
Other receivables (including related parties)	155,986	-	-	-	-
Refundable deposits	22,007	-	-	-	-
Subtotal	2,987,436	-	-	-	-
Total	**$ 3,010,155**	**-**	**-**	**22,719**	**22,719**
Financial liabilities at fair value through profit or loss					
Derivative financial liabilities	$ 2,369	-	2,369	-	2,369
Non-derivative financial liabilities	1,199	-	-	1,199	1,199
Subtotal	3,568	-	2,369	1,199	3,568

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	December 31, 2022				
		Fair value			
	Amount	Level 1	Level 2	Level 3	Total
Financial liabilities measured at amortized cost					
Bank loans	$ 400,000	-	-	-	-
Note payable and accounts payable (including related parties)	2,196,172	-	-	-	-
Other payables (including related parties)	679,238	-	-	-	-
Lease liabilities	24,122	-	-	-	-
Guarantee deposits	30,150	-	-	-	-
Subtotal	3,329,682	-	-	-	-
Total	**$ 3,333,250**	**-**	**2,369**	**1,199**	**3,568**

	December 31, 2021				
		Fair value			
	Amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Derivative financial assets－current	$ 261	-	261	-	261
Financial assets measured at amortized cost					
Cash and cash equivalents	181,003	-	-	-	-
Notes receivables and accounts receivables (including related parties)	2,423,720	-	-	-	-
Other receivables (including related parties)	292,011	-	-	-	-
Refundable deposits	13,704	-	-	-	-
Long-term receivables	33,250	-	-	-	-
Subtotal	2,943,688	-	-	-	-
Total	**$ 2,943,949**	**-**	**261**	**-**	**261**

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WEBLINK INTERNATIONAL INC.
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	December 31, 2021				
		Fair value			
	Amount	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through profit or loss					
Derivative financial liabilities	$ 77	-	77	-	77
Non-derivative financial liabilities (current and non-current)	35,758	-	-	35,758	35,758
Subtotal	35,835	-	77	35,758	35,835
Financial liabilities measured at amortized cost					
Bank loans	250,000	-	-	-	-
Short-term notes and bills payable	99,994	-	-	-	-
Note payable and accounts payable (including related parties)	2,094,198	-	-	-	-
Other payables (including related parties)	654,154	-	-	-	-
Lease liabilities	54,897	-	-	-	-
Guarantee deposits	30,150	-	-	-	-
Subtotal	3,183,393	-	-	-	-
Total	**$ 3,219,228**	**-**	**77**	**35,758**	**35,835**

There's no financial assets and liabilities being transferred to another fair value level in the year 2022 and 2021.

2) Valuation techniques and assumptions used in fair value determination

a) Non-derivative financial instruments

The fair values of the Company's financial instruments without an active market are estimated using the Company approach. The main assumption of the Company approach is measurement based on the multiplier of P/E ratio derived from both the investee's profit after tax and quoted market prices of comparable publicly quoted entities. The estimate has been adjusted for the discount on equity securities arising from lack of liquidity.

WEBLINK INTERNATIONAL INC.
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b) Derivative financial instruments

The valuation of interest rate swap contracts are usually based on forward exchange rate.

3) Reconciliation of level 3 fair values

Fair value through other comprehensive income	Unquoted equity instruments
Balance at January 1, 2022	$ -
Total gains and losses	
Recognized in other comprehensive income	309
Purchased	22,410
Balance at December 31, 2022	**$ 22,719**
Balance at January 1, 2021	$ 166,794
Total gains and losses	
Recognized in other comprehensive income	(70,726)
Excluded due to acquisition	(96,068)
Balance at December 31, 2021	**$ -**

Fair value through profit or loss	Contingent consideration arising from acquisition
Balance at January 1, 2022	$ 35,758
Total gains and losses	
Recognized in profit or loss	2,976
Settlement	(37,535)
Balance at December 31, 2022	**$ 1,199**
Balance at January 1, 2021	$ -
Additions	35,758
Balance at December 31, 2021	**$ 35,758**

4) Quantified information on significant unobservable inputs (level 3) used in fair value measurements

The items whose fair values are categorized as Level 3 are mainly the Company's financial assets at FVOCI and financial liabilities at FVTPL. The Company's equity investments without an active market and contingent consideration of business combination have multiple material unobservable inputs that are independent of each other; therefore, there is no correlation among them.

WEBLINK INTERNATIONAL INC.
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Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through other comprehensive income- Investment in equity instruments without active market	Regulations which is analogous to listed or OTC companies	• The multiplier of price-to-earnings ratio (December 31, 2022 was 11.10)	• The higher the multiplier, the higher the fair value
		• The multiplier of price to book ratio (December 31, 2022 was 1.71)	• The higher the multiplier, the higher the fair value
		• Discount for lack of marketability (December 31, 2022 was 40%)	• The higher the discount for lack of marketability, the lower the fair value
Financial assets at FVTPL–contingent consideration of businesses combination	Discounted Cash Flow Method	• Discount rate (10.10% as of December 31, 2022 and 2021)	• The lower the risk-adjusted discount rate, the higher the fair value.

5) Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions

The fair value of the financial instruments of the Company were being measured rationally. However, if a different valuation model or parameter is being used, it may result in a different outcome. In regards of the financial instruments classified as Level 3, when there’s a change in valuation parameter, the effects on other comprehensive income were shown below:

Financial assets measured at fair value through comprehensive income	Input	Upwards or downwards movement	Changes in fair value that reflects on other comprehensive income: favorable	Changes in fair value that reflects on other comprehensive income: unfavorable
Investment in equity instruments without active market:				
Balance at December 31, 2022	multiplier of price-to-earnings ratio and price-to-book value ratio of stock	5%	1,136	(1,136)

Financial assets measured at fair value through profit or loss	Input	Upwards or downwards movement	Change in fair value that reflects on other comprehensive income: favorable	Change in fair value that reflects on other comprehensive income: unfavorable
Contingent consideration arising from acquisition				
Balance at December 31, 2022	Discount rate	0.5%	1	(1)
Balance at December 31, 2021	Discount rate	0.5%	28	(83)

The favorable and unfavorable effects represent the changes in fair value, and fair value is based on a variety of unobservable inputs calculated using a valuation technique. The analysis above only reflects the effects of changes in a single input, and it does not include the interrelationships with another input.

WEBLINK INTERNATIONAL INC.
Notes to the Financial Statements

(x) Financial risk management

(i) Overview

The Company has exposures to the following risks from its financial instruments:

1) Credit risk

2) Liquidity risk

3) Market risk

The following likewise discusses the Company' s objectives, policies and processes for measuring and managing the above mentioned risks。

(ii) Structure of risk management

The Board of Directors is responsible for developing and monitoring the Company' s risk management policies. Risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor compliance with the risk and risk limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company' s management monitors and reviews the financial activities in accordance with procedures required by relevant regulations and internal controls and the results of which are reported to the Board of Directors on a regular basis.

(iii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company' s financial assets which are transaction of derivative instruments, receivables from customers and other receivables.

1) Trade and other receivables

As a distributor of information electronics consumer products, the Company has a broad customer base. As of December 31, 2022 and 2021, the balances of the Company's notes and accounts receivable were not concentrated within few customers, hence no significant concentration of credit risk associated with accounts receivable. The Company has formulated policies on granting of credit lines, with an aim to determine credit lines for customers respectively after carrying out credit analysis for them. In addition, the Company continues to assess customers' financial position and mitigate credit risk through insurance.

2) Transaction of derivative instruments

The transaction parties of deposits and derivative financial instruments are banks with good credit, which do not give rise to significant credit risk.

(Continued)

WEBLINK INTERNATIONAL INC.
Notes to the Financial Statements

3) Guarantee

For guarantees and endorsements for other parties, please refer to note 13。

(iv) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company manages liquidity risk by monitoring regularly the current and mid- to long-term capital requirement and maintaining adequate cash and cash equivalents as well as banking facilities. As of December 31, 2022 and 2021, the unused credit lines amounted to $2,698,744 thousand and $2,181,140 thousand, respectively.

(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, and will affect the Company's income or the value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Company utilizes derivative financial instruments to manage market risks and the volatility of profit or loss. All such transactions are carried out within the guidelines set by the Board of Directors.

1) Currency risk

The Company is exposed to currency risk arising from purchases denominated in currencies other than the Company's functional currencies, and the primary functional currency is USD. The Company's hedge strategy is to enter into foreign currency forward contracts and cross currency swap contracts. These financial instruments reduce, but do not eliminate, the impact of movements in exchange rate.

2) Interest rate risk

The bank loan of the Company uses fixed rate as basis. Thus, there's no significant risk in interest rate.

3) Other price risks

The Company's non-current financial assets at FVTPL refer to shares in foreign unlisted entities measured at fair value, exposing the Company to the risk of changes in the market price of equity securities. To manage market risk, the Company selects investment targets discreetly and controls the portions held.

WEBLINK INTERNATIONAL INC.
Notes to the Financial Statements

(y) Capital management

In consideration of industry dynamics and future developments, as well as external environment factors, the Company makes plans to meet the requirements of working capital, capital expenditure, dividend expenditure, as well as ensures that the Company is able to continue as a going concern, reward shareholders and protect the interests of other stakeholders, with a view to maintaining an optimal capital structure to enhance shareholders' value on a long-term basis. The Company monitors capital through periodical review of debt-to-equity ratio. This ratio is the total net debt divided by the total capital. The net debt from the balance sheet is derived from the total liabilities less cash and cash equivalents. The total capital and equity include share capital, capital surplus, retained earnings, and other equity.

The Company's debt-to-equity ratio at the end of the reporting period as of December 31,2022 and 2021, are as follows:

		December 31, 2022	December 31, 2021
Total liabilities	$	3,490,061	3,408,059
Less: Cash and cash equivalents		(399,228)	(181,003)
Net liabilities	**$**	**3,090,833**	**3,227,056**
Total equity	**$**	**2,025,846**	**1,867,490**
Debt-to-equity ratio		**152.57 %**	**172.80 %**

(z) Non-cash investing and financing activities

Reconciliation of liabilities arising from financing activities as of December 31,2022 and 2021 were as follows:

				Non-cash movements					
		January 1, 2022	**Cash flows**	**Acquisition**	**Addition**	**Deduction**	**Changes in rates**	**Changes in fair value**	**December 31, 2022**
Short-term loans	$	250,000	150,000	-	-	-	-	-	400,000
Short-term Notes and bills payables		99,994	(99,994)	-	-	-	-	-	-
Lease liabilities		54,897	(33,140)	-	4,009	(1,644)	-	-	24,122
Total liabilities from financing activities	**$**	**404,891**	**16,866**	**-**	**4,009**	**(1,644)**	**-**	**-**	**424,122**

				Non-cash movements					
		January 1, 2021	**Cash flows**	**Acquisition**	**Addition**	**Deduction**	**Changes in rates**	**Changes in fair value**	**December 31, 2021**
Short-term loans	$	560,000	(310,000)	-	-	-	-	-	250,000
Notes and bills payables		99,883	111	-	-	-	-	-	99,994
Lease liabilities		32,574	(33,412)	-	55,735	-	-	-	54,897
Total liabilities from financing activities	**$**	**692,457**	**(343,301)**	**-**	**55,735**	**-**	**-**	**-**	**404,891**

(Continued)

WEBLINK INTERNATIONAL INC.
Notes to the Financial Statements

(7) Related-party transactions

(a) Parent Company and ultimate controlling party

Acer Incorporated is both the parent company and the ultimate controlling party of the Company who owns 58.92% of all shares outstanding of the Company.

(b) Names and relationship with related parties

The followings are entities that have had transactions with related party during the periods covered in the consolidated financial statements.

Name of related party	Relationship with the Company
Acer Incorporated (Acer)	The parent company
Wellife Inc. (WELL)	Subsidiary
Pecer Bio-medical Technology Incorporated (PBT)	Subsidiary
Portrade Applied Materials Corp. (PAM)	Subsidiary
Protrade Asia Limited (PAL)	Subsidiary
Cascadia Resources Inc. (CRI)	Subsidiary
Protrade Global Limited (PGL)	Subsidiary
Protrade Shanghai Trading Co., Ltd. (PST)	Subsidiary
Piovision International Inc. (HPT)	Associate
Antung Trading Corporation	Associate
Acer Synergy Tech Corp. (AST)	Other related party (subsidiary of Acer)
Acer e-Enabling Service Business Inc. (AEB)	Other related party (subsidiary of Acer)
Acer Cyber Security Incorporated (ACSI)	Other related party (subsidiary of Acer)
Acer ITS Inc. (ITS)	Other related party (subsidiary of Acer)
Acer e-Enabling Data Center Incorporated (EDC)	Other related party (subsidiary of Acer)
Acer Being Communication Inc. (ABC)	Other related party (subsidiary of Acer)
ISU Service Corp. (ISU)	Other related party (subsidiary of Acer)
Acer Gaming Inc. (AGM)	Other related party (subsidiary of Acer)
Acer Beverage Inc. (ABI)	Other related party (subsidiary of Acer)

(Continued)

WEBLINK INTERNATIONAL INC.

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Name of related party	Relationship with the Company
Altos Computing Inc. (ALT)	Other related party (subsidiary of Acer)
AOPEN Inc. (AOI)	Other related party (subsidiary of Acer)
Aopen SmartVision Incorporated (AOSV)	Other related party (subsidiary of Acer)
Acer Gadget Inc. (AGT)	Other related party (subsidiary of Acer)
Aspire Service & Development Inc. (ASDI)	Other related party (subsidiary of Acer)
Highpoint Service Network Corporation (HSNC)	Other related party (subsidiary of Acer)
Keypack Technology Corporation Limited (KTI)	Other related party (subsidiary of Acer)
Smart Frequency Technology Inc. (SFT)	Other related party (associate of Acer)
ECOM Software Inc. (ECS)	Other related party (associate of Acer)
Mu-Jin Investments Co., Ltd.	Same chairman with the Company
Mu-Shi Investment Co., Ltd.	Same chairman with the Company

(c) Significant transactions with related parties

(i) Sales

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

	2022	2021
Parent company	$ 96,626	60,734
Subsidiaries	510,699	357,376
Associates	6,806	7,142
Other related parties	307,931	306,783
Total	**$ 922,062**	**732,035**

The payment terms of sales to subsidiaries are 45 to 85 days; except for some transaction prices agreed by both parties, there is no significant difference from arm’s length transactions. Except for the sales to some related parties, the Company has not sold similar products to other related parties, hence no comparable price of transactions with other customers. The payment terms of the Company’ s sales to other related parties and associates are not significantly different from those of arm's length transactions.

(ii) Purchases

The amounts of significant purchases by the Company from related parties were as follows:

		2022	2021
Parent company－Acer	$	1,845,817	1,667,404
Subsidiaries		128	476
Other related parties		33,022	4,465
Total	$	**1,878,967**	**1,672,345**

The Company has not purchased products similar to those purchased in the above-mentioned related-party transactions from other suppliers, hence no comparable transaction prices. The payment terms are 45 to 60 days, which were not materially different from arm' s length purchases.

(iii) Operating costs and expense

The details of payment for management services and purchases to related parties were as follows:

Account	Relationship		2022	2021
Operating cost	Parent company	$	233	336
Operating cost	Subsidiaries		31,884	17,717
Operating cost	Other related parties		722	804
			32,839	18,857
Operating expenses	Parent company		943	451
Operating expenses	Other related parties		2,759	2,766
			3,702	3,217
Total		$	**36,541**	**22,074**

(iv) Leases

The Company leased data center space and related facilities from other related parties, the determination of the rental price is based on the area used. For the years ended December 31, 2022 and 2021, the Company recognized the amount of $19 thousand and $52thousand as interest expense, respectively. The Company terminated the contract in advance in July, 2022. As of December 31, 2022 and 2021, the balance of lease liabilities amounted to $0 and $2,591 thousand, respectively.

(v) Receivables from Related Parties

The receivables from related parties generated from sales and consultant services were as follows:

Account	Relationship		December 31, 2022	December 31, 2021
Net accounts receivable－related parties	Parent company	$	33,769	20,237
	Subsidiaries		42,532	100,886
	Associates		1,127	1,221
	Other related parties		70,703	80,907
			148,131	203,251
Other receivables－related parties	Associates		-	292
Total		$	**148,131**	**203,543**

Provision for bad debts of the above-mentioned receivables were not necessary for the Company as of December 31, 2022 and 2021.

(vi) Loans to Related Parties

Account	Relationship		December 31, 2022	December 31, 2021
Other receivables	Subsidiaries			
	PAM	$	-	69,225
	PGL		-	83,070
	CRL		153,540	138,450
Total		$	**153,540**	**290,745**

Account	Relationship		2022	2021
Interest revenue	Subsidiaries			
	PAM	$	448	271
	PGL		175	5
	CRL		3,023	351
Total		$	**3,646**	**627**

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During 2022 and 2021, the annual interest rates of loans to subsidiaries—PAM, PGL, and CRL, with the approval of the Board of Directors, were1.20% to 5.50% and 1.00% to 1.20%, respectively. As of December 31, 2022, interest receivable, due from PAM, PGL and CRL, amounted to $0 thousand, $0 thousand, $1,785 thousand, respectively. As of December 31, 2021, interest receivable, due from PAM, PGL and CRL, amounted to $271 thousand, $5 thousand, $351 thousand, respectively. The above-mentioned interest receivable was included in other receivables due from related parties.

(vii) Payables

The amounts of payables to related parties generated from purchases, legal and marketing services were as follows:

Account	Relationship	December 31, 2022	December 31, 2021
Accounts payable－related parties	Parent company－Acer	$ 262,434	144,320
	Subsidiaries	15,786	3,937
	Other related parties	13,078	998
Subtotal		291,298	149,255
Other payable－related parties	Parent company	730	491
	Other related parties	694	826
Subtotal		1,424	1,317
Total		**$ 555,156**	**294,892**

(viii) Guarantee deposits paid

As of December 31, 2022 and 2021, guarantee deposits paid to the parent company's Repair and Maintenance Center for management of repair and maintenance materials amounted to $100 thousand and $332 thousand, respectively.

WEBLINK INTERNATIONAL INC.
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(ix) Contract liabilities

Details of prepayments received by the Company generated from sales to related parties were as follow :

	December 31, 2022	December 31, 2021
Other related parties	$ 329	-

(x) Guarantees and endorsements provided to related parties

For details of the guarantees and endorsements provided to subsidiaries as of December 31, 2022 and 2021, please refer to note 13.

(xi) Other

Remunerations received arising from being the director of associate in the year 2022 and 2021 were $666 thousand and $662 thousand, respectively.

(d) Management personnel compensation

	2022	2021
Short-term employee benefits	$ 29,308	24,313
Post-employment benefits	457	444
	$ 29,765	24,757

(8) Pledged assets:None

(9) Significant commitments and contingencies:

(a) As of December 31, 2022 and 2021, the promissory notes issued by the Company to secure short-term credit lines amounted to $3,002,7444 thousand and $2,566,140 thousand, respectively. As of both dates, the guarantees provided to suppliers for purchases amounted to $376,000 thousand.

(b) Unrecognized contractual commitments

In June 2022, the Group entered into a contract to lease offices, and it expected to recognize right-of-use assets and lease liabilities of $94,556 thousand when the lessor made the underlying subject available for use.

(10) Losses due to major disasters:None

(11) Subsequent events:None

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(12) Other:

A summary of personnel benefit costs, depreciation, depletion and amortization is as follows:

Function / Account	2022 Operating cost	2022 Operating expenses	2022 Total	2021 Operating cost	2021 Operating expenses	2021 Total
Personnel benefit costs						
Salaries	-	320,802	320,802	-	327,998	327,998
Health insurance	-	24,154	24,154	-	22,767	22,767
Pension	-	11,800	11,800	-	11,248	11,248
Renumeration to directors	-	4,440	4,440	-	3,400	3,400
Other personnel expense	-	34,475	34,475	-	33,156	33,156
Depreciation	-	36,944	36,944	-	37,228	37,228
Amortization	-	3,685	3,685	-	2,763	2,763

The number of employee and the expense on employees' benefits were as follow:

	2022	2021
Number of employees	294	282
Directors not in concurrent employment	6	6
Average employee benefits	$ 1,358	1,432
Average employee salaries	$ 1,114	1,188
Adjustment of average employee salaries	(6.23)%	
Supervisor's remuneration	$ -	-

The Company's remuneration policies (for directors, executive officers, and employees) are as follows:

(a) Remuneration of the Company’s Directors is divided into:

(i) Fixed compensation:

Fixed compensation shall be determined based on extent of participation in the Company’s operation, value of contribution, and industry average. The amount shall be proposed by the Remuneration Committee, resolved by the Board of Directors, and reported to the shareholders’ general meeting.

(ii) Director remuneration:

As stipulated by Article 22 of the Company’s Articles of Incorporation, the annual profits, if there is any, shall be set aside to offset accumulated losses first. Of the remaining portion, a maximum of 0.8% shall be appropriated as director remuneration. In addition, the distribution method shall be submitted by the Remuneration Committee to the Board of Directors for finalization and be reported in a shareholders’ meeting.

(iii) General expenses (including travel allowances) and other expenses.

(Continued)

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(b) Remuneration of the Company’s executive officers is divided into:

(i) Fixed salary:

Salaries are not only determined based on responsibilities, overall industry environment, and market standards but also distributed in the months agreed by employees.

(ii) Variable bonus:

Variable bonus: Variable bonus refers to the incentive for achieving goals and performance taking into consideration both performance and contribution during the year. The amount shall be proposed by the Remuneration Committee, approved by the Board of Directors, and distributed in accordance with the frequency and dates of the Company's bonus announcement during the year.

(iii) As stipulated by Article 22 of the Company’s Articles of Incorporation, annual profits, if there is any, shall be set aside to offset accumulated losses first. Of the remaining portion, a minimum of 2% shall be appropriated as employee remuneration. The amount of employee remuneration that is actually distributed shall be agreed upon by the Board of Directors, reported to the shareholders’ meeting, and be consistent with the annual budget approved by the Board of Directors.

(iv) Employee remuneration is governed by laws and regulations and distributed based on the year’ s operating results. Related standards, structures and systems are adjusted and reviewed in accordance with actual operating conditions and changes in relevant laws and regulations.In addition, the Company’ s Remuneration Committee periodically assesses executive officers’ remunerations. Furthermore, it provides advice for the Board of Directors’ reference and discussion, so as to ascertain reasonableness of the overall remuneration.

(13) Other disclosures:

(a) Information on significant transactions:

The following were the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Group for the year ended December 31, 2022:

(i) Loans to other parties:

No.	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower (note 1)	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits (note 2)	Maximum limit of fund financing (note 2)
													Item	Value		
0	The Company	PGL	Receivables from related parties	Yes	84,063	-	-	1~1.2	2	-	operating turnover	-		-	202,585	810,339
0	The Company	PAM	Receivables from related parties	Yes	74,315	-	-	1~1.2	2	-	operating turnover	-		-	202,585	810,339
0	The Company	CRI	Receivables from related parties	Yes	190,458	153,540	153,540	1.2~5.5	2	-	operating turnover	-		-	202,585	810,339
1	PGL	CRI	Receivables from related parties	Yes	16,945	-	-	1.2~1.5	2	-	operating turnover	-		-	(note 3)	(note 3)
1	PGL	PAM	Receivable from related parties	Yes	16,945	-	-	1.2~1.5	2	-	operating turnover	-		-	(note 3)	(note 3)
2	PAL	CRI	Receivable from related parties	Yes	9,634	-	-	1.2~1.5	2	-	operating turnover	-		-	3,926	15,704
2	PAL	PAM	Receivable from related parties	Yes	9,634	-	-	1.2~1.5	2	-	operating turnover	-		-	3,926	15,704
2	PAL	PGL	Receivables from related parties	Yes	9,634	-	-	1.2~1.5	2	-	operating turnover	-		-	3,926	15,704
2	PAL	PST	Receivables from related parties	Yes	9,634	-	-	1.2~1.5	2	-	operating turnover	-		-	3,926	15,704

Note 1: The purposes of loans are numbered as follows:

1. For a transaction counterparty, please filled in "1".
2. For an entity with necessary short-term financing requirement, please fill in "2".

Note 2: 1. The aggregate amount of loans to other parties shall not exceed 40% of the Company's net value; the aggregate amount of loans to a subsidiary or associate shall not exceed 10% of the Company's net value.

2. The aggregate amount of loans made by any of the Company's subsidiaries to other parties shall not exceed 40% of that subsidiary's net value; the aggregate amount of loans to a single party shall not exceed 10% of net value that subsidiary's net value.

Note 3: The above-mentioned intercompany transactions have been eliminated in the consolidated financial statements.

(ii) Guarantees and endorsements for other parties:

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise (note 2)	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements (note 2)	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company (note 1)										
0	The Company	CRI	1	405,169	266,756	142,844	-	-	7.05 %	1,012,923	Y	N	N
0	The Company	PAM	1	405,169	337,333	180,935	-	-	8.93 %	1,012,923	Y	N	N
0	The Company	PST	1	405,169	293,834	168,238	25,251	-	8.30 %	1,012,923	Y	N	Y
1	PGL	CRI	1	(note 3)	9,523	-	-	-	(note 3)	(note 3)	N	N	N

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Note 1: 1. An entity wherein the Company owned more than 50% voting rights, directly or indirectly.

2. An entity wherein the Company owned at least 90% voting rights, directly or indirectly.

Note 2: The "Regulations Governing Endorsements and Guarantees" of the Company and its subsidiaries were as follows:

1. The aggregate amount of guarantees/endorsements provided for other parties shall not exceed 50% of the net value stated in the most recent financial statements. The guarantees/endorsements provided for a single entity shall not exceed 20% of net value.

2. The aggregate amount guarantees/endorsements provided by the Company and its subsidiaries shall not exceed 50% of the Company's net value stated in the most recent financial statements. The aggregate amount of guarantees/ endorsements provided for a single entity shall not exceed 20% of the Company's net value.

Note 3: As of December 31, 2022, PGL has been liquidated.

(iii) Securities held as of December 31, 2022 (excluding investment in subsidiaries, associates and joint ventures):

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
The Company	Stock: Bluechip Infotech Pty Ltd	-	Financial assets measured at fair value through other comprehensive income－non-current	434	22,719	7.59	22,719	

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NTD300 million or 20% of the capital stock:

Unit: in thousand shares

Name of company	Category and name of security	Account name	Name of counter-party	Relationship with the company	Beginning Balance		Purchases		Sales				Ending Balance	
					Shares	Amount	Shares	Amount	Shares	Price	Cost	Gain (loss) on disposal	Shares	Amount
The Company	PAM	Investment accounted by equity method	(note 1)	Parent/ Subsidiary	-	-	14,340	579,464 (note 1)	-	-	-	-	14,340	591,945 (note 2)

Note 1: The amount includes both the equity interest acquired through reorganization and the shares subscribed for cash capital increase.

Note 2: The amount includes the share of profits of $53,949 thousand recognized by equity-accounted subsidiaries, exchange differences on translation of foreign financial statements of $867 thousand, amortized customer relationships of $(10,236) thousand, and adjustments of $(32,099) thousand to capital surplus and retained earnings for share subscription not in proportion to shareholding.

(v) Acquisition of individual real estate with amount exceeding the lower of NTD300 million or 20% of the capital stock: None.

(vi) Disposal of individual real estate with amount exceeding NTD300 million or 20% of the capital stock: None.

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NTD100 million or 20% of the capital stock:

Company name	Counterparty	Nature of relationship (note 2)	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Remarks
			Purchase /Sale	Amount	Percentage of total purchases (sales) (%)	Credit terms (days)	Unit price	Payment terms	Ending balance of notes and accounts receivable (payable)	Percentage of total notes and accounts receivable (payable) (%)	
The Company	Acer	Parent company of the Company	Purchases	1,845,817	10.80 %	OA45	(note 1)		(262,434)	(11.95)%	
The Company	WELL	Subsidiary of the Company	(Sales)	(510,187)	(2.81)%	OA45			42,376	1.76 %	
The Company	AEB	Other related parties of the Company	(Sales)	(249,242)	(1.37)%	OA60			63,638	2.64 %	
PAM	CRI	Parent/ subsidiary	(Sales)	(876,523)	40.00 %	OA60	(Note 2)		152,244	46.31 %	

Note 1: The Company has not purchased similar products from other suppliers, hence no comparative transaction prices.

Note 2: Agreed by both parties.

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(viii) Receivables from related parties with amounts exceeding the lower of NTD100 million or 20% of the capital stock:

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period (note 2)	Allowance for bad debts
					Amount	Action taken		
The Company	CRI	Parent/ subsidiary	155,325	(note 1)	-		-	-
PAM	CRI	Parent/ subsidiary	152,244	6.36	-		38,947	-

Note 1: Receivables comprise both loans to other parties and interest receivable, and are therefore not applicable.

Note 2: As of March 6, 2023.

(ix) Information regarding trading in derivative financial instruments: Please refer to note 6(b).

(b) Information on investees:

The following is the information on investees for the years ended December 31, 2022:

(In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2022			Net income (losses) of investee	Share of profits/ losses of investee (note 1)	Note
				December 31, 2022	December 31, 2021	Shares (thousands)	Percentage of ownership	Carrying value (note 1)			
The Company	Wellife	Taiwan	Retail of household appliances and 3C products	10,000	10,000	1,000	100.00	26,616	16,737	16,737	Subsidiary
The Company	Pecer Bio-medical Technology Incorporated	Taiwan	Healthcare product distribution and biotechnology services	750	750	75	75.00	704	(7)	(6)	Subsidiary
The Company	Piovision International Inc.	Taiwan	Software retail and services	26,820	26,820	882	30.22	16,899	9,210	2,784	Associates
The Company	Antung Trading Corporation	Taiwan	Agency service, sales, and OEM of components of heavy machinery, automobiles, and motorcycles	203,052	203,052	6,000	20.00	317,502	394,843	75,730 (note 2)	Associates
The Company	PGL	The British Cayman Islands	Investment	-	337,906	-	-	-	64,986	27,590 (note 3)	(note 6)
The Company	PAM	Taiwan	Trading of rubber and various rubber products	628,483	-	14,340	62.53	591,945	4,486	(3,736) (note 4)	Subsidiary (notes 6 and 8)
PGL	Snoqualmie Company Ltd. (SCL)	The British Virgin Islands	Investment	-	30,888	-	-	-	196	-	(note 5)
PGL	PAL	The British Virgin Islands	Trading of rubber and various rubber products	-	76,076	-	-	-	-	-	(notes 6 and 7)
PGL	Dakota Co., Ltd(DCL)	Samoa	Investment	-	21,385	-	-	-	-	-	(notes 6 and 7)
PGL	CRI	USA	Trading of rubber and various rubber products	-	3	-	-	-	-	-	(notes 6 and 7)
SCL	PAM	Taiwan	Trading of rubber and various rubber products	-	30,000	-	-	-	-	-	(note 5)
PAM	PAL	The British Virgin Islands	Trading of rubber and various rubber products	36,979	-	70	100.00	39,259	16,488	-	Sub-subsidiary (note 7)
PAM	DCL	Samoa	Investment	135,924	-	650	100.00	123,915	(11,221)	-	Sub-subsidiary (note 7)
PAM	CRI	USA	Trading of rubber and various rubber products	99,087	-	2,000	100.00	133,279	71,915	-	Sub-subsidiary (note 7)
PAM	Protrade Resoures Vietnam Company Limited. (PRV)	Vietnam	Trading of rubber and various rubber products	2,880	2,880	-	100.00	2,128	(652)	-	Sub-subsidiary

(Continued)

WEBLINK INTERNATIONAL INC.
Notes to Interim Financial Statements

Note 1: Equity-accounted investment gains (losses) and carrying amount, recognized by the investee based on financial statements audited by the parent company's auditors, have been eliminated in the consolidated financial statements. The profits (losses) of sub-subsidiaries have been included in those of subsidiaries.

Note 2: The amount includes investment gains of $78,969 thousand and amortized customer relationships of $(3,239) thousand.

Note 3: The amount includes investment gains of $33,255 thousand and amortization of customer relationships o$(5,665) thousand.

Note 4: The amount includes investment gains of $835 thousand and amortized customer relationships of $(4,571) thousand.

Note 5: In 2022, SCL was liquidated, and the profits (losses) presented for the current period present those prior to the liquidation.

Note 6: PGL has been liquidated in 2022. The profits (losses) and invest gains (losses) presented for the period represent the amounts recognized for before liquidation.

Note 7: In July 2022, PAM acquired equity interests of 100% in PAL, DCL and CRI by subscribing for new shares issued. The original investment amounts at the end of period represent the carrying amounts of the respective investees on the record dates of the capital increase.

Note 8: After the liquidation of PGL, the Company held equity interest in PAM directly. The original investment amount in PAM at the end of the period represents the carrying amount of the Company's shareholding in PAM on the date of liquidation.

(c) Information on investment in China:

(i) The names of investees in China, the main businesses and products, and other information:

Unit: in thousands of dollars

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2022	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2022	Net income (losses) of the investee	Percentage of ownership	Investment income (losses)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow						
PST	Supply Chain integration	19,960	2	-	-	-	-	(10,743)	100.00 %	(10,743) (note 2)	120,897 (note 2)	-

Note 1: There are 3 investment methods:

1.Direct investment in Mainland China.

2.Indirect investment in Mainland China through DCL.

3.Other methods.

Note 2: Equity-accounted investment gains (losses) and carrying amount, recognized by the investee based on financial statements audited by the parent company's auditors, have been eliminated in the consolidated financial statements.

(ii) Limitation on investment in China:

Accumulated Investment in Mainland China as of December 31, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
(note)	(note)	(note)

Note: The amount represents indirect investments in Mainland China as a result of acquiring PGL rather than the Company's direct investment.

(iii) Significant transactions in China: None.

WEBLINK INTERNATIONAL INC.
Notes to the Financial Statements

(d) Major shareholders:

Unit: share

Shareholding / Shareholder's Name	Shares	Percentage
Acer Incorporated (Acer)	48,073,116	58.92 %

Note: (1) The table shows major shareholders owning more than 5% shares in the Company, with delivered uncertificated/scripless ordinary shares and preference shares combined (including treasury shares) according to calculation made by Taiwan Depository & Clearing Corporation (TDCC) on each quarter's last business day. As a result of different calculation basis, there may be inconsistency between share capital stated in the financial statements and the scripless shares that have actually been delivered.

(2) If the above-mentioned shares have been entrusted, the numbers of shares are disclosed separately according to the sub-accounts opened by the trustees for the trustors.In accordance with the Securities and Exchange Act, significant shareholders reported insider holdings of more than 10% in the Company's total shares, including individual holdings plus entrusted shares whose use was at discretion of the owners. For information on the reported insider holdings, please refer to the website of Public Information Observatory.

(3) Shareholdings are rounded down to 2 decimal places.

(14) Segment information:

Weblink International Inc.

Statement of cash and cash equivalents

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Item		Amount
Cash	Working capitals	$ 20
Bank deposits	Cheque deposits	110
	Time deposits	33,779
	Demand deposits	355,170
	Foreign currency deposits	
	USD430,509.21@30.708)	10,149
	Subtotal	399,208
		$ 399,228

Weblink International Inc.

Statement of notes receivable

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Client name	Descriptiom	Amount	Note
Notes receivable			
Company A		$ 11,247	
Company B		9,675	
Other (individual amounts that are less than 5% of the account balance)		169,131	
Subtotal		190,053	
Account receivabels			
Company C		251,415	
Company D		121,534	
Other (individual amounts that are less than 5% of the account balance)		1,679,267	
Subtotal		2,052,216	
Installment receivables			
Company E		21,210	
Company F		12,075	
Subtotal		33,285	
Less: Provision for bad debts		13,435	
Unrealized interest revenue		35	
Subtotal		13,470	
Total		**$ 2,262,084**	

Weblink International Inc.

Statement of accounts receivable－related parties

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Client name		Amount	Note
Acer Incorporated (Acer)		$ 33,769	
Acer e-Enabling Service Business Inc. (AEB)		63,638	
Wellife Inc. (WELL)		42,376	
Other (individual amounts that are less than 5% of the account balance)		8,348	
		$ 148,131	

Statement of others receivable－related parties

Item	Description	Amount	Note
Financing provided to other parties		$ 153,540	
Other (individual amounts that are less than 5% of the account balance)		1,785	
		$ 155,325	

Weblink International Inc.

Statement of inventories

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Item	Amount		Note
	Cost	Net realizable value	
Goods in stock	$ 1,521,468	2,230,264	Market value at net realizable value
Spare parts	29,360	33,235	〃
Goods in transit	69,767	69,767	〃
Total	1,620,595	**2,333,266**	
Less: Provision for inventory write-down	158,805		
	$ 1,461,790		

Weblink International Inc.

Statement of changes in investments accounted for using the equity method

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

	Beginning balance		Addition (note 1)		Deduction (note 2)		Ending balance			Market value or net assets value			
Name of Investee	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Percentage of ownership	Amount	Unit price	Total	Collateral	Note
Wellife Inc.(WELL)	1,000	$ 16,576	-	16,940	-	6,900	1,000	100.00 %	26,616	27.50	27,503	None	
Pecer Bio-medical Technology Incorporated (PBT)	75	730	-	-	-	26	75	75.00 %	704	10.19	764	None	
Piovision International Inc.(HPT)	882	16,568	-	2,784	-	2,453	882	30.22 %	16,899	19.16	16,899	None	
Antung Trading Corporation	6,000	275,656	-	81,085	-	39,239	6,000	20.00 %	317,502	47.71	286,284	None	
Protrade Global Limited.	2,550	335,224	-	-	2,550	335,224	-	- %	-	-	-	None	
Protrade Applied Materials Corp.(PAM)	-	-	14,340	634,280	-	42,335	14,340	62.53 %	591,945	22.67	325,136	None	
		$ 644,754		**735,089**		**426,177**			**953,666**		**656,586**		

Note 1: Including equity interests of $335,224 thousand obtained through reorganization, cash capital increase of $244,240 thousand, realized gross sales profit of $203 thousand, accumulated translation adjustments of $2,349 thousand, changes in equity-accounted associates of $635 thousand, adjustments of $19,858 thousand to capital surplus for the difference between equity interests and book values of subsidiaries acquired through reorganization, and investment gains of $132,580 thousand.

Note 2: Including unrealized gross sales profit of $(20) thousand, equity interest in derecognized subsidiaries of $(335,224) thousand, amortized customer relationships of $(13,475) thousand, investment losses of $(6) thousand, adjustments of $(32,099) thousand to capital surplus and retained earnings for subscription for shares issued by subsidiaries not in proportion to shareholding, and cash dividends distributed by investees of $(45,353) thousand.

Weblink International Inc.

Statement of short-term borrowings

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Type of loans	Description	Ending balance	Period of contract	Rang of interest	Credit line	Collateral	Note
Unsecured loan	Taiwan Business Bank Co., Ltd.	$ 200,000	December 2022~ December 2023	1.76	200,000	Note	
Unsecured loan	Bank SinoPac Co., Ltd.	200,000	December 2022~ December 2023	2.00	200,000	Note	
		$ 400,000					

Note: For promissory notes issued by the Company for credit lines, please refer to note 9.

Statement of trade payables

Client name	Description	Amount	Note
Notes payable			
Comapny A		$ 10,301	
Accounts payable			
Comapny B		126,669	
Comapny C		142,658	
Comapny D		144,013	
Comapny E		159,794	
Limted company F		195,209	
Other (individual amounts that are less than 5% of the account balance)		1,126,230	
		1,894,573	
		$ 1,904,874	

Weblink International Inc.

Statement of account payable－related parties

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Client name	Description	Amount	Note
Acer Incorporated Inc.(Acer)		$ 262,434	
Other (individual amounts that are less than 5% of the account balance)		28,864	
		$ 291,298	

Statement of operating revenue

Item	Quantity	Amount	Note
Sales revenue of products			
Computer software		$ 3,943,025	
System information and digital entertainment products		13,960,012	
		17,903,037	
Other sales and operating revenue		263,805	
		$ 18,166,842	

Weblink International Inc.

Statement of operating costs

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Item	Amount Subtotal	Amount Total
Cost of goods sold for purchased items	$	17,152,210
Beginning inventory	1,697,484	
Net purchases	17,091,614	
Ending inventory	(1,620,595)	
Others	(16,293)	
Cost of maintenance		24,228
Losses on inventory write-down		22,825
Total operating costs		$ **17,199,263**

Statement of selling expenses

Item	Description	Amount	Note
Salaries expense		$ 245,906	
Freight expense		87,389	
Other (individual amounts that are less than 5% of the account balance)		121,615	
		$ **454,910**	

Weblink International Inc.

Statement of administrative expenses

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Salaries expense		$ 74,896	
Depreciation expense		24,594	
Other (individual amounts that are less than 5% of the account balance)		38,491	
		$ 137,981	

For statement of changes in property, plant and equipment, please refer to note 6(i) of the financial report.

For statement of changes in accumulated depreciation of property, plant and equipment, please refer to note 6(i) of the financial report.

For statement of changes in right-of-use assets, please refer to note 6(j) of the financial report.

For statement of changes in accumulated depreciation of right-of-use assets, please refer to note 6(j) of the financial report.

For statment of other payable, please refer to note 6(p) of the financial report.

For statment of interest revenue, please refer to note 6(v) of the financial report.

For statment of other revenue, please refer to note 6(v) of the financial report.

For statment of other gains and losses, please refer to note 6(v) of the financial report.

For statment of financial costs, please refer to note 6(v) of the financial report.