Stock Code:6776

WEBLINK INTERNATIONAL INC. AND SUBSIDIARIES

Consolidated Financial Statements

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

Address: 2-4F, 39, sec. Chung Hsiao W. Rd. Taipei 100, Taiwan (R.O.C)
Telephone: (02)2371-6000

Table of contents

Representation Letter

The entities that are required to be included in the combined financial statements of Weblink International Inc. as of and for the year ended December 31, 2022 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 by the Financial Supervisory Commission, "Consolidated Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Weblink International Inc. and Subsidiaries do not prepare a separate set of combined financial statements.

Hereby declare

Company name: Weblink International Inc.
Chairman: Jason Chen
Date: March 15, 2023

安侯建業聯合會計師事務所
KPMG
台北市110615信義路5段7號68樓(台北101大樓)
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,
Xinyi Road, Taipei City 110615, Taiwan (R.O.C.)
電 話 Tel + 886 2 8101 6666
傳 真 Fax + 886 2 8101 6667
網 址 Web kpmg.com/tw

Independent Auditors' Report

To the Board of Directors of Weblink International Inc.:

Opinion

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing 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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Account 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Revenue recognition

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

Description of key audit matter

The Group'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 false representation. 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(h) "Inventories" for accounting policy related to valuation of inventories, note 5(a) 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 Group 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 $2,327,538 thousands consisted of 34% of the total consolidated 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 Group's subsequent measurement of inventories has been evaluated in accordance with the Group's provision policy on a consistent basis.
- Understanding the reasonableness of sales prices adopted by the Group'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 Group's valuation on provision on obsolete stock.

3. Business combination

Please refer to note 4(m) “Impairment of Non-financial Assets” in the consolidated financial statements for accounting policies on goodwill impairment, note 5(b) for uncertainties over accounting assumptions and estimation regarding goodwill impairment, and note 6(l) “Intangible Assets” for estimate of goodwill impairment.

Description of key audit matter:

The Weblink Group has generated goodwill through merger. Assessing impairment of goodwill involves assumptions regarding the Company's estimates of future cash flows and the discounted value thereof. Besides, such assumptions and assessment not only involve management’s subjective judgment and but also have a high degree of uncertainty. Therefore, we considered impairment of goodwill to be a key audit matter.

How the matter was addressed in our audit:

Our audit procedures included:

- Assessing cash generating units (CGUs) identified by management.
- Ascertaining the completeness of the book values attributable to assets of CGUs.
- Evaluating both the estimation basis and key assumptions adopted by management in the measurement of recoverable amounts, including the reasonableness of discount rates, projected revenue growth rates and forecasted future cash flows;
- appointing internal experts to assess the reasonableness of important assumptions; and
- reviewing whether the Group had disclosed information about assessment of goodwill impairment appropriately.

Other Matter

Weblink International Inc. has prepared its parent-company-only financial statements as of and for the years ended December 31, 2022 and 2021, on which we have issued an unmodified opinion.

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

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

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

Those charged with governance are responsible for overseeing the Group’s financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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 consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

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

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

WEBLINK INTERNATIONAL INC. AND SUBSIDIARIES

Consolidated 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))	$ 579,668	8	483,068	7
1110	Financial assets at fair value through profit or loss－current (note 6(b))	-	-	261	-
1150	Notes receivable, net (notes 6(d) and (v))	217,385	3	189,321	3
1170	Accounts receivable, net (notes 6(d) and (v))	2,518,986	37	2,450,357	37
1180	Accounts receivable－related parties (notes 6(d), (v) and 7)	105,599	2	102,365	2
1200	Other receivables (notes 6(e) and 7)	15,330	-	5,093	-
1220	Current income tax asset	8	-	1,076	-
130x	Inventories (note 6(f))	2,327,538	34	2,153,116	33
1410	Prepayments	98,400	2	206,752	3
1476	Other financial assets－current (notes 6(m) and 8)	-	-	5,538	-
1479	Other current assets	19,946	-	9,654	-
	Total current assets	5,882,860	86	5,606,601	85
15xx	**Non-current assets:**				
1517	Financial assets at fair value through other comprehensive income－non-current (note 6(c))	22,719	-	-	-
1550	Investments accounted for using equity method (note 6(g))	334,401	5	292,224	5
1600	Property, plant and equipment (notes 6(h), (j), (m) and 8)	141,648	2	144,567	2
1755	Right-of-use assets (notes 6(h), (k), (o) and 7)	67,871	1	84,836	1
1780	Intangible assets (notes 6(h), (i) and (l))	332,710	5	327,654	5
1840	Deferred tax assets (note 6(q))	62,051	1	59,758	1
1920	Refundable deposits (note 7)	31,970	-	18,352	-
1930	Long-term receivables (notes 6(d) and (v))	-	-	33,250	1
	Total non-current assets	993,370	14	960,641	15
1xxx	**Total assets**	**$ 6,876,230**	**100**	**6,567,242**	**100**

		December 31, 2022		December 31, 2021	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
21xx	**Current liabilities:**				
2100	Short-term borrowings (notes 6(j), (m), 8 and 9)	$ 1,208,485	18	922,641	14
2110	Short-term notes and bills payable (note 6(n))	-	-	99,994	2
2120	Financial liabilities at fair value through profit or loss－current (notes 6(b) and 6(h))	3,582	-	32,769	-
2130	Contract liabilities－current (notes 6(v) and 7)	31,448	-	58,311	1
2150	Notes payable	10,324	-	854	-
2170	Accounts payable	2,053,163	30	2,182,158	33
2180	Accounts payable－related parties (note 7)	275,512	4	145,318	2
2200	Other payables (notes 6(r) and (w))	734,973	11	767,980	11
2220	Other payables－related parties (note 7)	1,424	-	1,317	-
2230	Current tax liabilities	46,875	1	51,749	1
2280	Lease liabilities－current (notes 6(o) and 7)	31,748	-	42,292	1
2365	Refund liabilities－current	43,251	1	41,964	1
2399	Other current liabilities	802	-	1,701	-
	Total current liabilities	4,441,587	65	4,349,048	66
25xx	**Non-Current liabilities:**				
2503	Financial liabilities measured at fair value through profit or loss－non-current (notes 6(b) and 6(h))	-	-	3,066	-
2570	Deferred tax liabilities (note 6(q))	10,042	-	939	-
2580	Lease liabilities－non-current (notes 6(o) and 7)	38,222	1	43,487	1
2640	Defined benefit liabilities－non-current (note 6(p))	69,987	1	94,478	2
2645	Guarantee deposits received	30,150	-	30,150	-
2670	Other non-current liabilities	3,048	-	3,048	-
	Total non-current liabilities	151,449	2	175,168	3
2xxx	**Total liabilities**	4,593,036	67	4,524,216	69
31xx	**Equity attributable to owners of parent (notes 6(g), (h), (i), (s) and (t)):**				
3110	Common stock	815,814	12	815,814	13
3200	Capital surplus	629,750	9	609,294	9
3300	Retained earnings:				
3310	Legal reserve	179,667	3	151,267	2
3320	Special reserve	54,882	1	29,588	-
3350	Unappropriated retained earnings	384,641	5	316,409	5
		619,190	9	497,264	7
3400	Other equity	(38,908)	(1)	(54,882)	(1)
	Total equity attributable to owners of parent	2,025,846	29	1,867,490	28
36XX	**Non-controlling interests (note 6(i))**	257,348	4	175,536	3
3xxx	**Total equity**	2,283,194	33	2,043,026	31
2-3xx	**Total liabilities and equity**	**$ 6,876,230**	**100**	**6,567,242**	**100**

See accompanying notes to consolidated financial statements.

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

WEBLINK INTERNATIONAL INC. AND SUBSIDIARIES

Consolidated 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(v) and 7)**	$ 23,281,994	100	21,299,939	100
5000	**Operating costs (notes 6(f) and 7)**	21,583,134	93	20,064,965	94
5900	**Gross profit from operations**	1,698,860	7	1,234,974	6
6000	**Operating expenses (notes 6(d), (j), (k), (l), (o), (p), (t), (w), 7 and 12):**				
6100	Selling expenses	945,768	4	698,379	3
6200	Administrative expenses	229,919	1	220,195	1
6450	Expected credit losses (reversal gains)	293	-	(982)	-
	Total operating expenses	1,175,980	5	917,592	4
6900	**Operating income**	522,880	2	317,382	2
7000	**Non-operating income and expenses (notes 6(b), (g), (j), (k), (o), (x) and 7):**				
7100	Interest income	1,721	-	1,564	-
7010	Other income	16,091	-	42,587	-
7020	Other gains and losses	(29,601)	-	3,160	-
7050	Finance costs	(46,489)	-	(16,218)	-
7060	Share of profits of associates	78,514	-	63,610	-
	Total non-operating income and expenses	20,236	-	94,703	-
7900	**Profit from continuing operations before tax**	543,116	2	412,085	2
7950	**Less: Income tax expenses (note 6(q))**	101,666	-	51,892	-
8200	**Net profit**	441,450	2	360,193	2
8300	**Other comprehensive income (notes 6(g), (i), (p), (q) and (s)):**				
8310	**Components of other comprehensive income that will not be reclassified 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	Less: 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	**Components of other comprehensive income (loss) that will be reclassified to profit or loss**				
8361	Exchange differences on translation of foreign financial statements	4,030	-	(3,448)	-
8370	Share of other comprehensive income of associates and joint ventures accounted for using the equity method	1,481	-	-	-
8399	Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	680	-	-	-
	Components of other comprehensive income that will be reclassified to profit or loss	4,831	-	(3,448)	-
8300	**Other comprehensive income (loss)**	18,456	-	(83,717)	(1)
8500	**Total comprehensive income (loss)**	**$ 459,906**	**2**	**276,476**	**1**
	Profit attributable to:				
8610	Owners of parent	$ 415,049	2	340,918	2
8620	Non-controlling interests	26,401	-	19,275	-
		$ 441,450	**2**	**360,193**	**2**
	Comprehensive income (loss) attributable to:				
8710	Owners of parent	$ 431,023	2	258,710	1
8720	Non-controlling interests	28,883	-	17,766	-
		$ 459,906	**2**	**276,476**	**1**
	Earnings per share (expressed in New Taiwan dollars) (note 6(u))				
9750	Basic earnings per share	**$**	**5.09**		**4.28**
9850	Diluted earnings per share	**$**	**4.99**		**4.22**

See accompanying notes to consolidated financial statements.

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

WEBLINK INTERNATIONAL INC. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent												
			Retained earnings										
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Foreign currency translation differences	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 attributable to owners of parent	Non-controlling interests	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	242	1,526,454
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)	-	(163,163)
Net profit for the year	-	-	-	-	340,918	340,918	-	-	-	-	340,918	19,275	360,193
Other comprehensive income for the year	-	-	-	-	-	-	(1,939)	(70,726)	(9,543)	(82,208)	(82,208)	(1,509)	(83,717)
Total comprehensive income for the year	-	-	-	-	340,918	340,918	(1,939)	(70,726)	(9,543)	(82,208)	258,710	17,766	276,476
Issue of shares	78,330	166,219	-	-	-	-	-	-	-	-	244,549	-	244,549
Share-based payments transactions	-	1,699	-	-	-	-	-	-	-	-	1,699	-	1,699
Share of changes in equity of associate	-	(517)	-	-	-	-	-	-	-	-	(517)	-	(517)
Disposal of investments in equity instruments measured at fair value through other comprehensive income	-	-	-	-	(56,915)	(56,915)	-	56,915	-	56,915	-	-	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	157,528	157,528
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	175,536	2,043,026
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)	-	(261,061)
Net profit	-	-	-	-	415,049	415,049	-	-	-	-	415,049	26,401	441,450
Other comprehensive income	-	-	-	-	-	-	2,349	309	13,316	15,974	15,974	2,482	18,456
Total comprehensive income	-	-	-	-	415,049	415,049	2,349	309	13,316	15,974	431,023	28,883	459,906
Changes in ownership interests in subsidiaries	-	635	-	-	-	-	-	-	-	-	635	-	635
Share of changes in equity of associate	-	(37)	-	-	(32,062)	(32,062)	-	-	-	-	(32,099)	-	(32,099)
Subsidlary organizational restructuring	-	19,858	-	-	-	-	-	-	-	-	19,858	-	19,858
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	52,929	52,929
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**	**257,348**	**2,283,194**

See accompanying notes to consolidated financial statements.

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

WEBLINK INTERNATIONAL INC. AND SUBSIDIARIES

Consolidated 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	$ 543,116	412,085
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	52,540	49,007
Amortization expense	23,972	13,960
Expected credit losses (reversal gains)	293	(982)
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	18,230	(184)
Interest expense	46,489	16,218
Interest income	(1,721)	(1,564)
Dividend income	-	(34,949)
Compensation costs of share-based payments	-	1,699
Shares of profits of associates accounted for using equity method	(78,514)	(63,610)
Loss on disposal of property, plant and equipment	(357)	(1,570)
Loss on incident	-	10,110
Gain on lease modification	(46)	-
Total adjustments to reconcile profit	60,886	(11,865)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes receivable	(28,064)	270
Accounts receivable	(68,922)	36,343
Accounts receivable－related parties	(3,234)	(233,838)
Other receivables	(10,237)	(35,855)
Other receivables－related parties	-	8
Inventories	(174,422)	64,531
Prepayments	108,352	20,056
Other current assets	(10,292)	(5,702)
Long-term receivables	33,250	44,922
Total changes in operating assets	(153,569)	(109,265)
Changes in operating liabilities:		
Financial liabilities at fair value through profit or loss	(12,687)	-
Contract liabilities	(26,863)	(123,444)
Notes payable	9,470	(1,317)
Accounts payable	(128,995)	300,380
Accounts payable－related parties	130,194	(32,742)
Other payables	(33,977)	(108,458)
Other payables－related parties	107	605
Refund liabilities	1,287	8,498
Other current liabilities	(899)	720
Net defined benefit liability	(7,846)	(5,732)
Total changes in operating liabilities	(70,209)	38,510
Total changes in operating assets and liabilities	(223,778)	(70,755)
Total adjustments	(162,892)	(82,620)
Cash inflow generated from operations	380,224	329,465
Interest received	1,721	1,564
Income taxes paid	(102,346)	(54,568)
Net cash flows from operating activities	279,599	276,461
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(22,410)	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	46,504
Proceeds from acquisition of subsidiaries	(37,535)	-
Cash acquired fomr acquisition (net of cash paid)	-	189,038
Acquisition of property, plant and equipment	(3,420)	(5,448)
Proceeds from disposal of property, plant and equipment	581	1,692
Increase in refundable deposits	(13,618)	(881)
Acquisition of intangible assets	(4,311)	(1,689)
Decrease in other financial assets－non-current	5,538	157,544
Dividends received	38,453	61,307
Net cash flows used in investing activities	(36,722)	448,067
Cash flows from (used in) financing activities:		
Increase (decrease) in short-term loans	285,844	(464,593)
Increase in short-term notes and bills payable	(99,994)	111
Increase in guarantee deposits received	-	400
Decrease in other payables	-	(29,359)
Payment of lease liabilities	(44,451)	(42,584)
Cash dividends paid	(261,061)	(163,163)
Proceeds from issuing shares	-	244,549
Interest paid	(45,519)	(14,195)
Net cash flows from financing activities	(165,181)	(468,834)
Effect of exchange rate changes on cash and cash equivalents	18,904	(1,125)
Net increase in cash and cash equivalents	96,600	254,569
Cash and cash equivalents at beginning of period	483,068	228,499
Cash and cash equivalents at end of period	$ **579,668**	**483,068**

See accompanying notes to consolidated 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 as well as rubber products.

(2) Authorization of the consolidated financial statements:

The consolidated 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 Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated 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 Group’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. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group is continuing on evaluating and reviewing the accounting policies that should be disclosed in the consolidated financial statements to comply with the amendment.

The following amendments are not expected to have a significant impact on the Group' 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 Group, 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

WEBLINK INTERNATIONAL INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

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

- 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 consolidated financial statements are summarized below. The following accounting policies were applied consistently throughout the periods presented in the consolidated financial statements.

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as "the Regulations") and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to as the IFRSs endorsed by the FSC).

(b) Basis of preparation

(i) Basis of measurement

Except for the following significant accounts, the consolidated 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 Group entity is determined based on the primary economic environment in which the entity operates. The consolidated 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 otherwrise stated.

WEBLINK INTERNATIONAL INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(c) Basis of consolidation

(i) Principles of preparation of the consolidated financial statements

The consolidated financial statements comprise the Company and subsidiaries.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The Group attributes the profits (losses) of subsidiaries' non-controlling interests (NCIs) to NCIs, even if this results in the non-controlling interests having a deficit balance. When the Group loses control over a subsidiary, it derecognizes the carrying amount of the assets, liabilities, and any non-controlling interests of the subsidiary on the date when the control is lost. Any investment retained in the former subsidiary is measured at fair value on the date when the control is lost, with the resulting difference being recognized in profits (losses attributable to the Company.

Intragroup balances and transactions, and any unrealized income and expenses arising from Intragroup transactions are eliminated in preparing the consolidated financial statements.

Changes in the Group'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.

(ii) List of subsidiaries in the consolidated financial statements

List of the subsidiaries included in the consolidated financial statements:

			Shareholding		
Name investor	**Name of investee**	**Pricipal activity**	**December 31, 2022**	**December 31, 2021**	**Description**
The Company	Wellife Inc. (WELL)	Retail of household appliances and 3C products	100.00 %	100.00 %	
The Company	Pecer Bio-medical Technology Incorporated (PBT)	Healthcare product distribution and biotechnology services	75.00 %	75.00 %	
The Company	Protrade Global Limited(PGL)	Investment	- %	51.00 %	note 1 and 3
The Company	Protrade Applied Materials (PAM)	Trading of rubber and various rubber products	62.53 %	- %	note 3 and 4
PGL	Snoqualmie Company Ltd.(SCL)	Investment	- %	100.00 %	note 1

(Continued)

WEBLINK INTERNATIONAL INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

			Shareholding		
Name investor	Name of investee	Pricipal activity	December 31, 2022	December 31, 2021	Description
PGL	Protrade Asia Limited(PAL)	Trading of rubber and various rubber products	- %	100.00 %	note 1, 2 and 3
PGL	Dakota Co., Ltd.(DCL)	Investment	- %	100.00 %	note 1
PGL	Cascadia Resources, Inc.(CRI)	Trading of rubber and various rubber products	- %	100.00 %	note 1
SCL	PAM	Trading of rubber and various rubber products	- %	100.00 %	note 1
PAM	PAL	Trading of rubber and various rubber products	100.00 %	- %	note 1
PAM	DCL	Investment	100.00 %	- %	note 1
PAM	CRI	Trading of rubber and various rubber products	100.00 %	- %	note 1 and 5
PAM	Protrade Resources Vietnam Company Limited(PRV)	Trading of rubber and various rubber products	100.00 %	100.00 %	note 6
DCL	Protrade (Shanghai) Trading Co., Ltd.(PST)	Trading of rubber and various rubber products	100.00 %	100.00 %	

Note 1： In October 2021, the Board of Directors of PGL, the Group's subsidiary, resolved to:

(i) Liquidate SCL, its subsidiary. The liquidation procedures have been completed.

(ii) Undergo a reorganization by having PAM hold the equity interests in PAL, DCL and CRI directly. In July 2022, the above-mentioned reorganization has been completed.

Note 2： In 2022, PAL’s Board of Directors resolved to decrease its capital and refund the share payments of USD 1,900 thousand; relevant procedures have been completed.

Note 3： In July 2022, PGL, a subsidiary of the Group, passed a resolution in a shareholders' meeting to undergo liquidation. On August 1, 2022, the residual assets have been appropriated. Upon liquidation, the Company held a direct shareholding in PAM.

Note 4： On November 1, 2022, the Company's Board of Directors resolved to subscribe for new shares issued by PAM in the amount not exceeding $256,022 thousand. The actual capital increase amounted to $244,240 thousand and the record date thereof is November 15, 2022.

Note 5： On October 14, 2022, PAM's Board of Directors resolved to increase cash capital of CRI, its American subsidiary, by US$2,000 thousand. The aforementioned procedures have been completed.

Note 6： On October 14, 2022, PAM’s Board of Directors resolved to subscribe for new shares of US$400 thousand issued by the Company's Vietnamese subsidiary, PRV. As of December 31, 2022, no share payment has been made for the aforementioned capital increase.

(iii) Subsidiaries excluded from the consolidated financial statements: None.

(d) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group 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.

(e) 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

(iv) The Group 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.

(f) Cash and cash equivalents

Cash comprises cash on hand, demand deposits and cheque deposits. 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.

(g) Financial instruments

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group 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 and loss.

Financial assets are not reclassified subsequent to their initial recognition unless the Group 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.

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 Group's right to receive payment is established.

(Continued)

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

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

Impairment for 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 initial recognition.

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 months 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 Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group 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 Group’s historical experience and informed credit assessment as well as forward-looking information.

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

(Continued)

The Group 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 Group in accordance with the contract and the cash flows that the Group 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 Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

5) Derecognition of financial assets

The Group 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.

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 Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group 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.

(Continued)

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 Group 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 Group 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.

(h) 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.

(i) Investment in associates

Associates are those entities in which the Group 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.

The consolidated financial statements include the Group' 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 Group, from the date on which significant influence commences until the date on which significant influence ceases.

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

When the Group' 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 Group has incurred legal or constructive obligations or made payments on behalf of the associate.

(Continued)

(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.

(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 Group.

(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)	Buildings	45~50 years
2)	Computer equipment	3~5 years
3)	Transportation equipment	2~5 years
4)	Office equipment	3~10 years
5)	Machinery equipment	3~5 years
6)	Lease assets	3 years
7)	Leasehold improvement	3 years

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

(k) Lease－as a leasee

At inception of a contract, the Group 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.

(i) As a leasee

The Group 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 Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

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 Group's estimate of the amount expected to be payable under a residual value guarantee; or
- there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or
- there is a change of its assessment on whether it will exercise a extension or termination option; or
- there is 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 Group 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 Group presents right-of-use assets that do not meet the definition of investment property and lease liabilities as a separate line item respectively in the statement of financial position.

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

(ii) As a leasor

When the Group acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

(l) Intangible assets

(i) Goodwill and customer relationships

Goodwill arising on the acquisition of subsidiaries is measured at cost, less accumulated impairment losses. Customer relationship obtained by the Group is measured at cost, less accumulated amortization and impairment.

(ii) Computer software

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

(iii) 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.

(iv) 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, other than goodwill, from the date that they are available for use.

WEBLINK INTERNATIONAL INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The estimated useful lives for current and comparative periods are as follows:

1)	Customer relationships	10 years
2)	Computer software	1~5 years

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 Group 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. Goodwill is tested annually for impairment.

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）. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

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. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined which is the net of depreciation or amortization, if no impairment loss had been recognized in the past.

(n) Recognition of Revenue

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The Group 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 Group's main types of revenue are explained below.

(Continued)

(i) Sale of goods

The Group 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 Group has objective evidence that all criteria for acceptance have been satisfied.

The Group 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 Group has a right to an amount of consideration that is unconditional.

(ii) Customer loyalty program

The Group operates a customer loyalty program to its customers. Customers obtain points for purchases made, which entitle them to discount on future purchases. The Group 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 Group 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 Group 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 Group 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.

(Continued)

WEBLINK INTERNATIONAL INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(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.

(ii) Defined benefit plans

The Group'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 Group, 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 Group 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 Group 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 Group 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.

WEBLINK INTERNATIONAL INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(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 Group notified the employees about the subscription price and the number of shares to be subscribed.

(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.

(Continued)

WEBLINK INTERNATIONAL INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

(i) the Group 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.

(r) Business combination

The Group 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 Group 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 Group’s net assets in the event of liquidation.

The Group 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 Group recognizes have been made after the acquisition date. Measurement period adjustments is the result of additional information that the Group 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 Group 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 Group discloses the Company’s basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share of the Group 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 remuneration.

(Continued)

(t) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance. Each operating segment consists of standalone financial information.

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

In preparing these consolidated 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.

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

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows:

(a) Valuation of inventories

As inventories are stated at the lower of cost or net realizable value, the Group 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 changes in the net note 6(f) for further description of the subsequent measurements of inventories.

(b) Impairment of goodwill

The assessment of impairment of goodwill requires the Group to make subjective judgments to identify CGUs, allocate the goodwill to relevant CGUs, and determine the recoverable amount of the relevant CGUs. Please refer to note 6(l) for further description of the impairment assessment of goodwill.

(Continued)

WEBLINK INTERNATIONAL INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	December 31, 2022	December 31, 2021
Cash	$ 425	319
Demand and cheque deposits	545,464	482,749
Time deposits	33,779	-
Cash and cash equivalents in the consolidated statement of cash flows	**$ 579,668**	**483,068**

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

(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-current:		
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
Non-hedging derivatives instruments- forward exchange contracts	14	-
Contingent consideration in business combination	1,199	32,692
Subtotal	3,582	32,769
Financial liabilities at fair value through profit or loss-non-current:		
Contingent consideration in business combination	-	3,066
Total	**$ 3,582**	**35,835**

The Group uses derivative financial instruments to hedge the certain foreign exchange risk that the Group 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:

Currency swap contracts:

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

Forward exchange contract:

December 31, 2022		
Contract amount (USD in thousand)	**Currency**	**Maturity period**
$ 400	Sold in USD/ buy in NTD	March 20, 2023

In June 2021, the Group acquired control over Protade 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(x) for the amounts recognized in other gains and losses that resulted from remeasured at fair value.

(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.

WEBLINK INTERNATIONAL INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group designated the investments shown above as equity securities at fair value through other comprehensive income because these equity securities represent those investments that the Group 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(z).

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

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

	December 31, 2022	December 31, 2021
Notes receivable	$ 217,385	189,321
Accounts receivable	2,504,458	2,425,828
Installment receivables	33,285	45,360
Accounts receivable－related parties	105,599	102,365
Long-term receivables	-	33,285
Less: loss allowance－accounts receivable	(18,722)	(20,392)
Less: unrealized interest revenue－installment receivables	(35)	(439)
Less: unrealized interest revenue－long-term receivables	-	(35)
	$ 2,841,970	2,775,293

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, as well as the incorporated forward-looking information.

As of December 31, 2022, analysis of expected credit losses on notes receivable, accounts receivable and long-term receivables arising from operating consumer electronics and healthcare products were as follows:

	December 31, 2022		
	Gross carrying amount	Weighted average loss rate (%)	Loss Allowance
Current	$ 2,024,787	0~0.11	2,238
Past due 1-30 days	355,311	1.06	3,750
Past due 31-60 days	16,747	38.13	6,386
Past due over 61 days	1,084	100.00	1,084
	$ 2,397,929		13,458

WEBLINK INTERNATIONAL INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

As of December 31, 2022, analysis of expected credit losses on notes receivable, accounts receivable and long-term receivables arising from operating rubber and plastic products were as follows:

	December 31, 2022		
	Gross carrying amount	**Weighted average loss rate (%)**	**Loss Allowance**
Current	$ 328,740	0~0.10	105
Past due 1-30 days	108,974	0~1.32	758
Past due 31-60 days	11,910	0~2.30	103
Past due 61-90 days	9,693	7.07~10.99	817
Past due over 91 days	3,481	100.00	3,481
	$ 462,798		**5,264**

As of December 31, 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	$ 2,369,638	0~0.65	4,242
Past due 1-30 days	408,601	0~8.81	6,790
Past due 31-60 days	9,877	0~61.45	2,126
Past due over 61 days	8,043	0~100.00	7,234
	$ 2,796,159		**20,392**

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

	2022	**2021**
Balance at January 1	$ 20,392	14,611
Acquisition through business combination	-	6,911
Impairment losses (gains on reversal)	293	(982)
Amounts written-off	(2,368)	-
Effect of movement in exchange rates	405	(148)
Balance at December 31	**$ 18,722**	**20,392**

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

(e) Other receivables

	December 31, 2022	December 31, 2021
Other receivables	$ 15,330	5,093
Less: Loss allowance	-	-
	$ 15,330	5,093

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(y).

(f) Inventories

	December 31, 2022	December 31, 2021
Goods in stock	$ 2,228,411	2,052,423
Space parts	29,360	35,276
Goods in transit	69,767	65,417
	$ 2,327,538	2,153,116

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

	2022	2021
Cost of inventories sold	$ 21,533,636	19,992,476
Write-down of inventories	25,270	34,267
Shortage of inventories	-	29
Cost of maintenance	24,228	38,193
	$ 21,583,134	20,064,965

(g) Investments accounted for using equity method

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

(i) Associate which is material

Name of Associates	Nature of Relationship with the Group	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 %

(Continued)

WEBLINK INTERNATIONAL INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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**

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**

(ii) 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) Acquisitions of subsidiaries

(i) Acquisitions of subsidiaries

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%.

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 $3,279,739 thousand and $39,306 thousand respectively to the Group from the date of acquisition.. If the acquisition had occurred on January 1, 2021, management estimates that consolidated revenue and profit after income tax would have been $23,320,162 thousand and $445,949 thousand respectively. 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.

WEBLINK INTERNATIONAL INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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:

1) 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 USD 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 USD 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(y) 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(y) “Statement of changes in level 3".

WEBLINK INTERNATIONAL INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) 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 (note 6(j))		134,224
Right-of-use assets (note 6(k))		24,211
Intangible assets (note 6(l))		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.

3) Goodwill

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 (reported as intangible assets)	**$**	**152,790**

The Group 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.

(Continued)

WEBLINK INTERNATIONAL INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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) Material non-controlling interests of subsidiaries

The material non-controlling interests of subsidiaries were as follows:

Subsidiaries	Main operationplace	Percentage of non-controlling interests December 31, 2022	Percentage of non-controlling interests December 31, 2021
PGL Group	Cayman	- %	49.000 %
PAM and subsdiaries (PAM Group)	Taiwan	37.474 %	- %

Note: Subsidiaries of the Group restructured its organization in the year 2022, please refer to note 4(c) for more details.

The following information on the aforementioned subsidiaries has been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. Included in this information are the fair value adjustments made during the acquisition and relevant differences in accounting principles as of the acquisition date. Such financial information represents amounts before elimination of inter-company transactions.

Collective financial information for PAM Group and PGL Group:

	PAM Group December 31, 2022	PGL Group December 31, 2021
Current assets	$ 1,581,237	1,413,631
Non-current assets	175,608	163,479
Current liabilities	(1,209,512)	(1,375,460)
Non- current liabilities	(27,331)	(14,793)
Net assets	**$ 520,002**	**186,857**
Net assets attributable to non-controlling interests	$ 194,865	91,560
Add: Customer relation	62,227	83,733
Carrying amounts of non-controlling interests	**$ 257,092**	**175,293**

(Continued)

WEBLINK INTERNATIONAL INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

		2022	June 1, 2021to December 31, 2021
Sales revenue	$	**5,098,158**	**3,279,739**
Net income	$	72,449	50,012
Other comprehensive income		7,079	(3,078)
Comprehensive income	$	**79,528**	**46,934**
Profit, attributable to non-controlling interests	$	**35,494**	**24,506**
Comprehensive income, attributable to non-controlling interests	$	**37,976**	**22,998**
Net cash flows from operating activities	$	(223,360)	(130,241)
Net cash flows from investing activities		(303)	205,598
Net cash flows from financing activities		131,296	(235,695)
Net decrease in cash and cash equivalents	$	**(92,367)**	**(160,338)**

(j) Property, plant and equipment

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

		Land	Buildings	Computer equipment	Transportation equipment	Office equipment	Machinery and equipment	Leased equipment	Leasehold improvement	Total
Cost:										
Balance at January 1, 2022	$	103,224	36,454	24,041	17,846	15,770	3,342	301	-	200,978
Additions		-	-	123	1,647	352	759	-	539	3,420
Disposals		-	-	(220)	(1,457)	(2,124)	-	(40)	-	(3,841)
Effect of movements in exchange rates		-	-	191	-	31	-	-	4	226
Balance at December 31, 2022	$	**103,224**	**36,454**	**24,135**	**18,036**	**14,029**	**4,101**	**261**	**543**	**200,783**
Balance at January 1, 2021	$	-	-	19,940	14,856	8,977	3,264	219	-	47,256
Acquisition through business combination		103,224	35,644	3,739	4,516	4,493	-	-	-	151,616
Additions		-	-	635	2,654	1,939	138	82	-	5,448
Reclassification (note)		-	810	-	-	544	-	-	-	1,354
Disposals		-	-	(288)	(4,180)	(193)	(60)	-	-	(4,721)
Effect of movements in exchange rates		-	-	15	-	10	-	-	-	25
Balance at December 31, 2021	$	**103,224**	**36,454**	**24,041**	**17,846**	**15,770**	**3,342**	**301**	**-**	**200,978**
Accumulated depreciation:										
Balance at January 1, 2022	$	-	8,411	21,800	11,553	11,378	3,034	235	-	56,411
Depreciation		-	886	946	1,910	2,102	271	36	45	6,196
Disposals		-	-	(220)	(1,233)	(2,124)	-	(40)	-	(3,617)
Reclassification		-	-	(15)	-	15	-	-	-	-
Effect of movements in exchange rates		-	-	124	-	21	-	-	-	145
Balance at December 31, 2022	$	**-**	**9,297**	**22,635**	**12,230**	**11,392**	**3,305**	**231**	**45**	**59,135**

WEBLINK INTERNATIONAL INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	Land	Buildings	Computer equipment	Transportation equipment	Office equipment	Machinery and equipment	Leased equipment	Leasehold improvement	Total
Balance at January 1, 2021	$ -	-	18,274	10,173	5,922	2,611	150	-	37,130
Acquisition through business combination	-	7,544	2,732	3,743	3,373	-	-	-	17,392
Depreciation	-	584	1,052	1,695	2,109	483	85	-	6,008
Reclassification (note)	-	283	-	-	173	-	-	-	456
Disposals	-	-	(288)	(4,058)	(193)	(60)	-	-	(4,599)
Effect of movements in exchange rates	-	-	30	-	(6)	-	-	-	24
Balance at December 31, 2021	**$ -**	**8,411**	**21,800**	**11,553**	**11,378**	**3,034**	**235**	**-**	**56,411**
Carrying amounts									
Balance at December 31, 2022	**$ 103,224**	**27,157**	**1,500**	**5,806**	**2,637**	**796**	**30**	**498**	**141,648**
Balance at December 31, 2021	**$ 103,224**	**28,043**	**2,241**	**6,293**	**4,392**	**308**	**66**	**-**	**144,567**

Note: Reclassified from other non-current assets.

Please refer to note 8 for details regarding the Group pledge property, plant and equipment as collateral.

(k) Right-of-use assets

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

		Buildings
Cost:		
Balance at January 1, 2022	$	146,733
Additions		30,509
Disposals (end of contract and early termination of contract)		(19,273)
Translation effect		1,060
Balance at December 31, 2022	**$**	**159,029**
Balance at January 1, 2021	$	107,590
Acquisition through business combination		28,784
Additions		55,723
Disposals (end of contract)		(45,529)
Translation effect		165
Balance at December 31, 2021	**$**	**146,733**
Accumulated depreciation of right-of-use asset:		
Balance at January 1, 2022	$	61,897
Depreciation		46,344
Disposals (end of contract and early termination of contract)		(17,452)
Translation effect		369
Balance at December 31, 2022	**$**	**91,158**

WEBLINK INTERNATIONAL INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

		Buildings
Balance at January 1, 2021	$	59,857
Acquisition through business combination		4,573
Depreciation		42,999
Disposals (end of contract)		(45,529)
Translation effect		(3)
Balance at December 31, 2021	$	**61,897**
Carrying amount:		
Balance at December 31, 2022	$	**67,871**
Balance at December 31, 2021	$	**84,836**

(l) Intangible assets

		Goodwill	Customer relationship	Computer software	Total
Costs:					
Balance at January 1, 2022	$	151,814	182,477	19,469	353,760
Addition		-	-	4,311	4,311
Disposal		-	-	(2,399)	(2,399)
Translation effect		11,169	14,814	-	25,983
Balance at December 31, 2022	$	**162,983**	**197,291**	**21,381**	**381,655**
Balance at January 1, 2021	$	-	-	13,882	13,882
Acquisition through business combinations		152,790	183,663	-	336,453
Addition		-	-	1,689	1,689
Reclassification (note)		-	-	3,898	3,898
Translation effect		(976)	(1,186)	-	(2,162)
Balance at December 31, 2021	$	**151,814**	**182,477**	**19,469**	**353,760**
Amortization and impairment loss:					
Balance at January 1, 2022	$	-	10,644	15,462	26,106
Amortization		-	19,328	4,644	23,972
Disposals		-	-	(2,399)	(2,399)
Translation effect		-	1,266	-	1,266
Balance at December 31, 2022	$	**-**	**31,238**	**17,707**	**48,945**
Balance at January 1, 2021	$	-	-	11,323	11,323
Amortization		-	10,705	3,255	13,960
Reclassification (note)		-	-	884	884
Translation effect		-	(61)	-	(61)
Balance at December 31, 2021	$	**-**	**10,644**	**15,462**	**26,106**

(Continued)

	Goodwill	Customer relationship	Computer software	Total
Carrying amount:				
Balance at December 31, 2022	$ **162,983**	**166,053**	**3,674**	**332,710**
Balance at December 31, 2021	$ **151,814**	**171,833**	**4,007**	**327,654**

Note: Reclassified from other non-current assets.

In June 2021, the Group obtained control over PGL by acquiring shares. Goodwill arising from the acquisition is the consideration paid, which included the expected synergy of consolidation. Customer relationships are recognized as intangible assets due to characteristics such as being identifiable, controllable by entities, and able to generate future economic benefits. As of December 31, 2022, the book value of the customer relationship was $166,053 thousand and the remaining useful life was 8.4 years.

As stipulated by IAS 36, goodwill acquired through business combination shall be tested for impairment at least annually. The impairment test for goodwill is to allocate goodwill to CGUs that are expected to benefit from the synergy of combination. The PGL Group itself is a CGU that generates cash flows independently. Therefore, impairment of goodwill is assessed by calculating the PGL Group's value in use and the book value of net assets, so as to determine whether it is necessary to recognize impairment.

The recoverable amount of the cash generating unit is based on value in use. Value in use is discounted based on future cash flows arising from ongoing access to the unit. The value in use (including goodwill) was calculated based on the following key assumptions:

(i) Cash flows are estimated based on past experience, actual operating result, and a 5-year operating scheme. Cash flows after 5 years are forecasted using a growth rate of 0%.

(ii) The Group calculates pre-tax discount rate according to weighted-average cost of capital. As of December 31, 2022, the discount rate was 11.15%.

(m) Short-term loans

The short-term loans of the Group were summarized as follows:

	December 31, 2022	December 31, 2021
Secured bank loans	$ 20,000	-
Unsecured bank loans	1,188,485	922,641
Total	$ **1,208,485**	**922,641**
Unused credit line	$ **3,819,127**	**3,218,895**
Range of interest rate (%)	**1.76~6.87**	**0.70~3.30**

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

WEBLINK INTERNATIONAL INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Please refer to note 8 for details regarding the Group pledge assets as collateral for bank loans as of December 31, 2022. However, the Group did not pledge assets as collateral for bank loans as of December 31, 2021.

(n) 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 Group did not pledge assets as collateral for short-term notes and bills payable

(o) Lease liabilities

The amounts of leased liability were as follows:

	December 31, 2022	**December 31, 2021**
Current	$ 31,748	42,292
Non-current	38,222	43,487
Total	**$ 69,970**	**85,779**

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

The amounts recognized in profit or loss were as follows:

	2022	**2021**
Interest on lease liabilities	**$ 1,111**	**1,415**
Variable lease payments not included in the measurement of lease liabilities	**$ 51,547**	**19,999**
Expenses relating to short-term leases	**$ 2,094**	**1,673**
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	**$ 95**	**82**

WEBLINK INTERNATIONAL INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

		2022	2021
Total cash outflow from operating activities	$	53,736	21,754
Total cash outflow from financing activities- lease principal		44,451	42,584
Total cash outflow from financing activities- interest expense		1,111	1,415
Total cash outflow for leases	**$**	**99,298**	**65,753**

The Group leases buildings for its office space, warehouse and retail stores as of December 31, 2022 and 2021. The lease of office and warehouse typically run for a period of 1 to 5 years and of retail stores for 5 years.

Some leases of warehouses contain variable lease payments that are based on monthly actual usage area of the Group. According to the lease contract, the fixed and variable lease payments for the Group in 2022 were as follows:

		2022	
		Variable payments	**Estimated annual impact on rent of a 1% increase in actual usage area**
Leases with lease payments based on usage area	**$**	**51,547**	**515**

(p) Employee benefits

(i) Defined benefit plans

The reconciliation between the present value of defined benefit obligation 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 Group 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.

WEBLINK INTERNATIONAL INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

1) Composition of plan assets

The Group 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 Group 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 Group, 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.

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**

WEBLINK INTERNATIONAL INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

3) Movements of defined benefit plan assets

The movements in the present value of the defined benefit plan assets for the Group 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 Group 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**

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

The Group'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 Group 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 sensitivity analysis is the same as in the prior year.

(ii) Defined contribution plans

The Group 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.

WEBLINK INTERNATIONAL INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

According to the deifned contribution plans policy of the Company and its subsidiaries, the reported pension expense were as follows:

	2022	2021
Operating expense	$ **13,623**	**11,693**

The Group's pension expense under the defined contribution method were $4,260 thousand and $1,770 thousand for 2022 and 2021, respectively. Payment was made to the Bureau of Labor Insurance.

(q) Income taxes

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

	2022	2021
Current tax expense (benefit)		
Current period	$ 98,771	74,593
Adjustments for prior year	(348)	(11,007)
Additional tax on undistributed earnings	117	161
	98,540	63,747
Deferred tax expense (benefit)		
Occurrence and reversal of temporary differences	3,126	(11,855)
Income tax expense	$ **101,666**	**51,892**

Income tax (benefit) recognized under other comprehensive income for 2022 and 2021 was as follows:

	2022	2021
Items that will not reclassified into profit and loss		
Remeasurements of defined benefit liability	$ **3,329**	**(2,386)**
Items that will reclassified into profit and loss		
Exchange differences on translation	$ **680**	**-**

WEBLINK INTERNATIONAL INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

	2022	2021
Profit before income tax	$ **543,116**	**412,085**
Income tax calculated by a statutory tax rate applied by subsidiaries	$ 108,623	82,417
Effect of tax rates in foreign jurisdiction	6,831	(1,221)
Underestimation of deferred tax assets in previous years	-	(1,993)
Underestimation of deferred tax liabilities in previous year	-	74
Effect of non-deductible amounts	174	91
Gains on investment	(15,703)	(12,722)
Prior year tax adjustment	(348)	(11,007)
Additional tax on undistributed earnings	117	161
Effect of unrecognized temporary differences on deferred income tax assets	888	-
Current-year losses for which no deferred tax asset was recognized	1,825	-
Usage of tax loss carryforward	-	(3,965)
Other	(741)	57
Total	$ **101,666**	**51,892**

(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax assets

Deductible temporary difference and tax losses in relation to unrecognized deferred income tax assets. As of December 31, 2022, deductible temporary difference and tax losses in relation to unrecognized deferred tax assets amounted to $9,394 thousand and $7,299 thousand, respectively. As of December 31, 2021, the Company did not recognize any deductible temporary difference and tax losses.

In accordance with the P.R.C. Enterprise Income Tax Law, tax losses of PST, a subsidiary of the Company, may be carried forward to subsequent years and recovered using income generated during subsequent years. However, the carry forward period shall not be longer than 5 years. Deferred tax assets have not been recognized in respect of the aforementioned tax losses because it is not probable that future taxable profit will be available against which PST can utilize the benefits therefrom.

The Group's estimated unused loss carry-forwards are not recognized ended at December 31, 2022, deduction period were as follows:

Year of loss	Unused amount	Year of expiry
2022	$ **7,299**	2027

WEBLINK INTERNATIONAL INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Recognized 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 inventories write-down	Others	Total
Balance at January 1, 2022	$ 19,508	28,432	11,818	59,758
Recognized in profit (loss)	(2,182)	4,345	3,105	5,268
Recognised in other comprehensive income (loss)	(3,329)	-	-	(3,329)
Effect in exchange rate	-	104	250	354
Balance at December 31, 2022	**$ 13,997**	**32,881**	**15,173**	**62,051**
Balance at January 1, 2021	$ 18,268	21,302	8,185	47,755
Recognized in profit (loss)	(1,146)	7,142	3,660	9,656
Recognised in other comprehensive income	2,386	-	-	2,386
Effect in exchange rate	-	(12)	(27)	(39)
Balance at December 31, 2021	**$ 19,508**	**28,432**	**11,818**	**59,758**

Deferred tax liabilities:

	Gain on foreign exchange	Unrealized gain	Share of profit of accociates	Deferred revenue	Exchange differences on translation	Others	Total
Balance at January 1, 2022	$ 204	-	-	-	-	735	939
Recognized in profit	1,314	1,025	4,693	-	-	1,362	8,394
Recognized in other comprehensive income	-	-	-	-	680	-	680
Effect in exchange rate	-	-	-	-	-	29	29
Balance at December 31, 2022	**$ 1,518**	**1,025**	**4,693**		**680**	**2,126**	**10,042**
Balance at January 1, 2021	$ 225	-	-	1,332	-	612	2,169
Acquisition through business combination	835	-	-	-	-	134	969
Recognized in profit (loss)	(856)	-	-	(1,332)	-	(11)	(2,199)
Balance at December 31, 2021	**$ 204**	**-**	**-**	**-**	**-**	**735**	**939**

(iii) Examination and approval

The Company and its subsidiaries－WELL, PBT and PAM’s tax returns for the year through 2020 were assessed by the Taipei National Tax Administration.

(r) Other payable

	December 31, 2022	December 31, 2021
Salary payable	$ 110,000	125,189
Marketing expenses	418,015	406,403
Royalties payable	10,633	20,372
Freight payable	33,258	40,061
Wages payable	6,066	4,929
Employees' and directors' remuneration	58,035	45,817
Account payable for financing	-	55,380
Others	98,966	69,829
Total	**$ 734,973**	**767,980**

The Group borrowed USD 2,000 thousand from non financing institution for short term funding purposes as of December 31, 2021, with an interest rate of 3.50%. The aforementioned borrowings are unsecured.

(s) Share capital 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 as of December 31, 2022 and 2021 were as follows:

Unit: thousand shares

	2022	2021
Balance on January 1	81,581	73,748
Issued for cash	-	7,833
Balance on 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.

WEBLINK INTERNATIONAL INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(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 Group, underwent both reorganization and liquidation. In accordance with letter Ji-Mi-Tzu No. 033, the Group 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 Group did not subscribe for shares in subsidiaries in proportion to shareholding, causing changes in ownership interests in subsidiaries. Consequently, the Group wrote down capital surplus by $37 thousand and retained earnings by $32,062 thousand, respectively.

Pursuant to the Company Act, any realized capital surplus is initially used to cover accumulated deficit, and the balance, if any, could be transferred to common stock as stock dividends or distributed by cash based on the original shareholding ratio. Realized capital surplus includes the premium derived from the issuance of shares of stock in excess of par value and donations received by the Company. In accordance with the “Regulations Governing the Offering and Issuance of Securities by Securities Issuers”, distribution of stock dividends from capital surplus in any one year shall not exceed 10% of paid-in capital.

(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. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

1) Legal reserve

If 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. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(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)**

(Continued)

WEBLINK INTERNATIONAL INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(t) Share-based payment

The Group's share-based payment transactions for 2022 and 2021 was as follows:

	PAM－ New shares reserved for employee subscription	The Company－ New shares reserved for employee subscription
Grant	October 19, 2022	March 17, 2021
Number of shares granted	893,100	1,174,000
Contract term (year)	0.016	0.0082
Recipients	All employees	All employees
Vesting conditions	Immediately vested	Immediately vested

(i) Determining the fair value of equity instruments granted

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

	PAM－ New shares reserved for employee subscription	The Company－ New shares reserved for employee subscription
Fair value at grant date (stock option)	-	1.60
Exercise price	43.00	25.00
Expected life (years)	0.0016	0.0082
Expected dividend (%)	-	-
Risk-free interest rate (%)	1.325	0.35

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

	2022		2021	
	PAM		The Company	
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
Outstanding at January 1	$ -	-	-	-
Granted during the year (number)	43.00	893,000	25.00	1,174,000
Exercised during the year (number)	43.00	(144,000)	25.00	(1,062,000)
Expired during the year (number)	-	(749,000)	-	(112,000)
Outstanding at December 31	-	-	-	-
Exercisable at December 31	-	-	-	-

(Continued)

WEBLINK INTERNATIONAL INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) Employee expenses

The cash injection for share-based payments to the Group's employees in 2022 and 2021 resulted in the expense of $0 and $1,699 thousand to be recognized, respectively.

(u) Earnings per share

Unit: in thousands 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

WEBLINK INTERNATIONAL INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(v) Revenues from contracts with customers

(i) Disaggregation of revenue

	2022			
	The Company	**PGL Group**	**Others**	**Total**
Primary geographical markets:				
Taiwan	$ 17,589,612	236,072	527,693	18,353,377
China	16,010	1,554,603	-	1,570,613
Hong Kong	7,874	62,457	-	70,331
Vietnam	-	321,164	-	321,164
Thailand	-	182,619	-	182,619
India	-	284,021	-	284,021
Indonesia	-	57,309	-	57,309
USA	2,340	1,647,130	-	1,649,470
Canada	-	164,001	-	164,001
Other	40,307	588,782	-	629,089
	$ 17,656,143	**5,098,158**	**527,693**	**23,281,994**
Major products/services lines:				
Computer software	$ 3,935,153	-	-	3,935,153
System information and digital entertainment products	13,457,442	-	518,680	13,976,122
Rubber products	-	4,162,390	-	4,162,390
Plastic products	-	630,231	-	630,231
Other	263,548	305,537	9,013	578,098
	$ 17,656,143	**5,098,158**	**527,693**	**23,281,994**

WEBLINK INTERNATIONAL INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	2021			
	The Company	**PGL Group**	**Others**	**Total**
Primary geographical markets:				
Taiwan	$ 17,507,314	181,748	403,375	18,092,437
China	21,763	980,080	-	1,001,843
Vietnam	-	222,950	-	222,950
Korea	20,875	67,963	-	88,838
India	-	128,298	-	128,298
Thailand	-	81,637	-	81,637
USA	6,978	918,964	-	925,942
Chile	-	382,649	-	382,649
Other	59,895	315,450	-	375,345
	$ 17,616,825	**3,279,739**	**403,375**	**21,299,939**
Major products/services lines:				
Computer software	$ 4,162,564	-	-	4,162,564
System information and digital entertainment products	13,189,380	-	400,433	13,589,813
Rubber products	-	2,431,586	-	2,431,586
Plastic products	-	748,534	-	748,534
Other	264,881	99,619	2,942	367,442
	$ 17,616,825	**3,279,739**	**403,375**	**21,299,939**

(Continued)

(ii) Contract balances

	December 31, 2022	December 31, 2021	January 1, 2021
Notes receivable	$ 217,385	189,321	214,057
Accounts receivable	2,504,458	2,425,828	1,788,459
Installment receivables	33,285	45,360	45,360
Accounts receivable－related parties	105,599	102,365	66,509
Long-term receivables	-	33,285	78,645
Less: loss allowance－accounts receivable	(18,722)	(20,392)	(14,611)
unrealized interest revenue－installment receivables	(35)	(439)	(988)
unrealized interest revenue－long-term receivables	-	(35)	(473)
Total	$ **2,841,970**	**2,775,293**	**2,176,958**
Contract liabilities	$ **31,448**	**58,311**	**19,291**

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 $57,374 thousand and $11,630 thousand, respectively.

(w) Employees and directors' remuneration

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, directors and supervisors, multiplied by the proposed distribution ratio of remuneration to employees, directors and supervisors. 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.

WEBLINK INTERNATIONAL INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

(x) Non-operating income and expenses

(i) Interest revenue

	2022	2021
Interest arising from bank deposits	$ 1,237	530
Interest income arising from guarantee deposits paid	45	46
Interest income arising from installment sales	439	988
	$ 1,721	**1,564**

(ii) Other revenue

	2022	2021
Dividend revenue	$ -	34,949
Government grants	1,314	-
Income transferred from recovered doubtful debts	98	1,638
Income transferred from temporary credits of more than 2 years	1,407	2,107
Revenue arising from insurance claim	6,698	86
Directors' remuneration	666	662
Other	5,908	3,145
	$ 16,091	**42,587**

(iii) Other gains and losses

	2022	2021
Net gains (losses) on foreign exchange	$ (3,116)	6,493
Net gains (losses) on financial assets and liabilities measured at fair value through profit and loss	(18,230)	5,365
Recognition of Loss on prepayments	(6,617)	-
Gains on disposal of property, plant and equipment	357	1,570
Loss on disaster	-	(10,110)
Other	(1,995)	(158)
	$ (29,601)	**3,160**

In July 2021, a fire broke out in the same off site warehouse shared by CRI and PAM, which are the subsidiaries of the Group, causing partial damage to the inventory. The estimated amount of loss due to disaster was $10,110 thousand, which has been fully recognized under other gains and losses for the fiscal year 2021. The Group had taken out the relevant property insurance for the aforementioned inventory and received a total insurance claim revenue of $6,679 thousand in 2022, which has been fully recognized under other income for the fiscal year 2022.

(iv) Financial cost

		2022	2021
Interest expense:			
Bank loans	$	45,378	14,803
Lease liabilities		1,111	1,415
	$	**46,489**	**16,218**

(y) 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 Group'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 Group, please refer to note 4(g).

WEBLINK INTERNATIONAL INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Liquidity risk

The following table shows the maturity of the financial liabilities including estimated interest:

	Carrying amount	Contractual cash flows	Less than 1 year	1-2 years	2-5years
December 31, 2022					
Non-derivative financial liabilities					
Short-term loans	$ 1,208,485	1,224,545	1,224,545	-	-
Financial liabilities measured at fair value through profit and loss－current－contingent consideration of business combination	1,199	1,228	1,228	-	-
Notes and accounts payable (including related parties)	2,338,999	2,338,999	2,338,999	-	-
Other payables (including related parties)	736,397	736,397	736,397	-	-
Lease liabilities	69,970	72,287	32,879	21,469	17,939
Guarantee deposits	30,150	31,150	-	-	31,150
	4,385,200	4,404,606	4,334,048	21,469	49,089
Derivative financial liabilities					
Interest rate swap and forward exchange contracts					
Inflow	-	(40,262)	(40,262)	-	-
Outflow	2,383	42,653	42,653	-	-
	2,383	2,391	2,391	-	-
	$ 4,387,583	**4,406,997**	**4,336,439**	**21,469**	**49,089**

WEBLINK INTERNATIONAL INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	Carrying amount	Contractual cash flows	Less than 1 year	1-2 years	2-5years
December 31, 2021					
Non-derivative financial liabilities					
Short-term loans	$ 922,641	925,922	925,922	-	-
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)－contingent consideration of business combination	35,758	39,075	35,415	3,660	-
Notes and accounts payable (including related parties)	2,328,330	2,328,330	2,328,330	-	-
Other payables (including related parties)	769,297	769,297	769,297	-	-
Lease liabilities	85,779	88,191	43,533	25,484	19,174
Guarantee deposits	30,150	30,150	-	-	30,150
	4,271,949	4,280,965	4,202,497	29,144	49,324
Derivative financial liabilities					
Interest rate swap contracts					
Inflow	-	(82,800)	(82,800)	-	-
Outflow	77	82,877	82,877	-	-
	77	77	77	-	-
	$ 4,272,026	**4,281,042**	**4,202,574**	**29,144**	**49,324**

The Group 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 Group'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	$ 13,125	30.7100	403,069	23,828	27.6900	659,786
EUR	1,324	32.8700	43,527	711	31.4800	22,394
Financial liabilities						
Monetary items						
USD	14,484	30.7100	444,765	21,744	27.6900	602,093
	600	22.9200	13,762	506	20.5300	10,383

2) Sensitivity analysis

The Group'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 of December 31, 2022 and 2021, would have decreased the net profit before tax for the years ended December 31, 2022 by $119 thousand and increased by $697 thousand for the year ended December 31, 2021. The analysis is performed on the same basis.

3) Foreign exchange gain and loss on monetary items

Due to the numerous types of functional currencies of the Group, the Group discloses its exchange gains and losses of monetary items aggregately. The Group's exchange gains (losses), including realized and unrealized, were $(3,116) thousand and $6,493 thousand for the years ended December 31, 2022 and 2021, respectively.

(iv) Market risk

Please refer to note 6(e)- Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions, for details on the price changes of the Level 3 equity securities.

(v) Interest rate risk

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

If the interest rate had increased / decreased by 1% basis points, the Group's net income before tax would have decreased by $6,355 thousand for the fiscal year 2022 and increased by $5,050 thousand for the fiscal year 2021 with all other variable factors remaining constant which is mainly due to the Group's borrowing at variable rates.

(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	579,668	-	-	-	-
Notes receivables and accounts receivables (including related parties)	2,841,970	-	-	-	-
Other receivables	15,330	-	-	-	-
Refundable deposits	31,970	-	-	-	-
Subtotal	3,468,938	-	-	-	-
Total	**$ 3,491,657**	**-**	**-**	**22,719**	**22,719**
Financial liabilities at fair value through profit or loss					
Derivative financial liabilities	$ 2,383	-	2,383	-	2,383
Non-derivative financial liabilities	1,199	-	-	1,199	1,199
Subtotal	3,582	-	2,383	1,199	3,582

WEBLINK INTERNATIONAL INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	December 31, 2022				
		Fair value			
	Amount	Level 1	Level 2	Level 3	Total
Financial liabilities measured at amortized cost					
Bank loan	$ 1,208,485	-	-	-	-
Note payable and accounts payable (including related parties)	2,338,999	-	-	-	-
Other payables (including related parties)	736,397	-	-	-	-
Lease liabilities	69,970	-	-	-	-
Guarantee deposits	30,150	-	-	-	-
Subtotal	4,384,001	-	-	-	-
Total	**$ 4,387,583**	**-**	**2,383**	**1,199**	**3,582**

	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	483,068	-	-	-	-
Notes receivables and accounts receivables (including related parties)	2,742,043	-	-	-	-
Other receivables	5,093	-	-	-	-
Other financial assets-current	5,538	-	-	-	-
Refundable deposits	18,352	-	-	-	-
Long-term receivables	33,250	-	-	-	-
Subtotal	3,287,344	-	-	-	-
Total	**$ 3,287,605**	**-**	**261**	**-**	**261**

WEBLINK INTERNATIONAL INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	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	922,641	-	-	-	-
Short-term notes and bills payable	99,994	-	-	-	-
Note payable and accounts payable (including related parties)	2,328,330	-	-	-	-
Other payables (including related parties)	769,297	-	-	-	-
Lease liabilities	85,779	-	-	-	-
Guarantee deposits	30,150	-	-	-	-
Subtotal	4,236,191	-	-	-	-
Total	**$ 4,272,026**	**-**	**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 Group'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. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

b) Derivative financial instruments

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

3) Reconciliation of level 3 fair values

Financial assets measured at 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	**$ -**

Financial liabilities measured at fair value through profit or loss	**Contingent consideration arising from acquisition**
Balance at January 1, 2022	$ 35,758
Total gains and losses	
Recognized in other comprehensive income	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 Group uses level 3 inputs to measure fair value include "financial assets measured through other comprehensive income" and "financial liabilities measured at fair value through profit and loss".

Investment in equity instruments and contingent consideration arising from business combination without an active market contains multiple significant unobservable inputs which are not interrelated since they are independent of one another.

WEBLINK INTERNATIONAL INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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 used, it may result in a different outcome. In regards of the financial instruments classified as Level 3, when there is a change in the 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	**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	Changes in fair value that reflects on profit or loss	
			favorable	**unfavorable**
Contingent consideration arising from acquisition				
Balance at December 31, 2022	Discount rate	5%	1	(1)
Balance at December 31, 2021	Discount rate	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.

(z) Financial risk management

(i) Overview

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

1) Credit risk

2) Liquidity risk

3) Market risk

The following likewise discusses the Group'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 Group's risk management policies. Risk management policies are established to identify and analyze the risks faced by the Group, 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 Group's activities.

The Group's management monitors and reviews the financial activities in accordance with procedures required by relevant regulations and internal controls. Internal auditors undertake reviews of risk management controls and procedures, 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 Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group'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 Group has a broad customer base. As of December 31, 2022 and 2021, the balances of the Group's notes and accounts receivable were not concentrated within few customers, hence no significant concentration of credit risk associated with accounts receivable. The Group 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 Group 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 of the Group are banks with good credit, which do not give rise to significant credit risk.

(Continued)

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 Group 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 $3,819,127 thousand and $3,218,895 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 Group' 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 Group 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 Group is exposed to currency risk arising from purchases denominated in currencies other than the Group' s functional currencies, and the primary functional currency is USD. The Group'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 interest rate risk associated with the Group primarily arises from loaning with variable rates. The management team of the Group periodically reviews interest rate fluctuations and, depending on the financial situation, proactively repays loans to manage the interest rate risk.

3) Other price risks

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

WEBLINK INTERNATIONAL INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(aa) Capital management

In consideration of industry dynamics and future developments, as well as external environment factors, the Group makes plans to meet the requirements of working capital, capital expenditure, dividend expenditure, as well as ensures that the Group 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 Group 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 Group'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	$ 4,593,036	4,524,216
Less: Cash and cash equivalents	(579,668)	(483,068)
Net liabilities	**$ 4,013,368**	**4,041,148**
Total equity	**$ 2,283,194**	**2,043,026**
Debt-to-equity ratio	**175.78 %**	**197.80 %**

(ab) Non-cash investing and financing activities

The non-cash transaction investments and financing activities of the Group were acquisitions of right-to-use assets through leasing arrangements in the fiscal year of 2022 and 2021. Please refer to notes 6(k) and (o) for details.

Reconciliation of liabilities arising from financing activities of the Group 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	$ 922,641	285,844	-	-	-	-	-	1,208,485
Short-term notes and bills payables	99,994	(99,994)	-	-	-	-	-	-
Lease liabilities	85,779	(44,451)	-	30,509	(1,867)	-	-	69,970
Total liabilities from financing activities	**$ 1,108,414**	**141,399**	**-**	**30,509**	**(1,867)**	**-**	**-**	**1,278,455**

(Continued)

	January 1, 2021	Cash flows	Non-cash movements: Addition	Deduction	Changes in rates	Changes in fair value	December 31, 2021
Short-term loans	$ 560,000	(464,593)	827,234	-	-	-	922,641
Short-term notes and bills payable	99,883	111	-	-	-	-	99,994
Lease liabilities	48,147	(42,584)	24,503	55,723	(10)	-	85,779
Total liabilities from financing activities	$ 708,030	(507,066)	851,737	55,723	(10)	-	1,108,414

(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 Groupand its subsidiaries who owns 58.92% of all shares outstanding of the Company as of December 31, 2022.

(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 Group
Acer Incorporated (Acer)	The parent company
Piovision International Inc. (HPT)	Associate
Antung Trading Corporation	Associate
Acer Synergy Tech Corp. (AST)	Other related party (subsidiary of Acer)
Acer Gaming Inc. (AGM)	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)
Acer Beverage Inc. (ABI)	Other related party (subsidiary of Acer)
ISU Service Corp. (ISU)	Other related party (subsidiary of Acer)
Altos Computing Inc. (ALT)	Other related party (subsidiary of Acer)
AOPEN Inc. (AOI)	Other related party (subsidiary of Acer)

Name of related party	Relationship with the Group
Acer Gadget Inc. (AGT)	Other related party (subsidiary of Acer)
Aopen SmartVision Incorporated (AOSV)	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 Group to related parties were as follows:

	2022	2021
Parent company	$ 96,626	60,734
Associate	6,806	7,142
Other related parties	307,948	306,783
Total	**$ 411,380**	**374,659**

The payment terms of sales to subsidiaries are 30 to 60 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 Group has not sold similar products to other related parties, hence no comparable price of transactions with other customers. The payment terms of the Group’s sales to other related parties and associates are not significantly different from those of arm's length transactions..

(ii) Purchase

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

		2022	2021
Parent company－Acer	$	1,845,817	1,667,404
Other related parties		33,022	4,465
Total	**$**	**1,878,839**	**1,671,869**

The Group 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 expenses

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

Account	Relationship		2022	2021
Operating costs	Parent company	$	233	336
Operating costs	Other related parties		1,395	804
			1,628	1,140
Operating expenses	Parent company		943	451
Operating expenses	Other related parties		2,930	2,766
			3,873	3,217
Total		**$**	**5,501**	**4,357**

(iv) Leases

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

(v) Receivables from Related Parties

The receivables from related parties generated from sales and service rendered were as follows:

Account	Relationship	December 31, 2022	December 31, 2021
Net accounts receivable－related parties	Parent company	$ 33,769	-
	Associates	1,127	-
	Other related parties	70,703	-
		105,599	-
Other receivables－related parties	Associates	-	292
Total		$ **105,599**	**292**

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

(vi) Payables

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

Account	Relationship	December 31, 2022	December 31, 2021
Accounts payable－related parties	Parent company－Acer	$ 262,434	144,320
Accounts payable－related parties	Other related parties	13,078	998
		275,512	145,318
Other payable－related parties	Parent company	730	491
Other payable－related parties	Other related parties	694	826
		1,424	1,317
Total		$ **539,370**	**290,955**

WEBLINK INTERNATIONAL INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(vii) 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.

(viii) Contract liabilities

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

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

(ix) Other

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

(d) Management personnel compensation

Key management personnel compensation comprised:

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

(8) Pledged assets:

The carrying values of pledged assets were as follows:

Pledged assets	Object	December 31, 2022	December 31, 2021
Other financial assets－current:			
Restricted bank deposits	Short-term loans	$ -	5,338
Property, plant, and equipment:			
Land	Short-term loans	103,223	-
Buildings	Short-term loans	17,568	-
Total		**$ 120,791**	**5,338**

WEBLINK INTERNATIONAL INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(9) Significant commitments and contingencies:

(a) As of December 31, 2022 and 2021, the promissory notes issued by the Group to secure short-term credit lines amounted to $6,274,686 thousand and $4,691,133 thousand, respectively. As of both dates, the guarantees provided to suppliers for purchases amounted to $376,000 thousand.

(b) Unused letter of credits established by the Group

	December 31, 2022	December 31, 2021
Unused letter of credits established	$ 2,315	2,904

(c) 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

(12) Other:

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

Function / Account	2022			2021		
	Operating cost	Operating expenses	Total	Operating cost	Operating expenses	Total
Personnel benefit costs						
Salaries	-	428,341	428,341	-	405,957	405,957
Health insurance	-	33,765	33,765	-	27,741	27,741
Pension	-	18,900	18,900	-	14,578	14,578
Other personnel expense	-	42,005	42,005	-	24,770	24,770
Depreciation	-	52,540	52,540	-	49,007	49,007
Amortization	-	23,972	23,972	-	13,960	13,960

WEBLINK INTERNATIONAL INC.
Notes to Consolidated Interim Financial Statements

(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	Receivables from related parties	Yes	16,945	-	-	1.2~1.5	2	-	Operating turnover	-		-	- (note 3)	- (note 3)
2	PAL	CRI	Receivables from related parties	Yes	9,634	-	-	1.2~1.5	2	-	Operating turnover	-		-	3,926	15,704
2	PAL	PAM	Receivables 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: As of December 31, 2022, PGL has been liquidated.

Note 4: The above-mentioned intercompany transactions have been eliminated in the consolidated financial statements.

(Continued)

WEBLINK INTERNATIONAL INC.
Notes to Consolidated Interim 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

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				Highest	Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	Percentage of ownership (%)	
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	434	

(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.

WEBLINK INTERNATIONAL INC.
Notes to Consolidated Interim Financial Statements

(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.

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

(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	Associate	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.

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

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

(x) Business relationships and significant intercompany transactions: There were no significant transactions.

No. (note 1)	Name of company	Name of counter-party	Nature of relationship (note 2)	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	The Company	WELL	1	Sales Revenue	510,187	No significant different	2.19%
0	The Company	CRI	1	Other receivables	155,325	Agreed by both parties	2.26%
1	PAM	CRI	3	Sales Revenue	876,523	Agreed by both parties	3.76%
1	PAM	CRI	3	Accounts receivable	152,224	Agreed by both parties	2.21%

Note 1: Entities are numbered as follows:

1.“0” represents the parent company.

2.Subsidiaries are sequentially numbered starting from “1”.

Note 2: Relationships with transaction counterparties are numbered as follows:

1.Parent and subsidiary.

2.Subsidiary and parent.

3.Associates. ◦

Note 3: Disclosure only covers balance sheet accounts that amounted to more than 1% of the total consolidated assets and comprehensive income statement accounts that amounted to more than 1% of the total consolidated revenues.

Note 4: The above-mentioned intercompany transactions have been eliminated in the consolidated financial statements.

WEBLINK INTERNATIONAL INC.
Notes to Consolidated Interim Financial Statements

(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 December 31, 2022	Original investment amount December 31, 2021	Balance as of December 31, 2022 Shares (thousands)	Balance as of December 31, 2022 Percentage of ownership	Balance as of December 31, 2022 Carrying value (note 1)	Highest Percentage of ownership	Net income (losses) of investee	Share of profits/ losses of investee (note 1)	Note
The Company	WELL	Taiwan	Retail of household appliances and 3C products	10,000	10,000	1,000	100.00	26,616	1,000	16,737	16,737	Subsidiary
The Company	PBT	Taiwan	Healthcare product distribution and biotechnology services	750	750	75	75.00	704	75	(7)	(6)	Subsidiary
The Company	Piovision International Inc.	Taiwan	Software retail and services	26,820	26,820	882	30.22	16,899	882	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	6,000	394,843	75,730 (note 2)	Associates
The Company	PGL	The British Cayman Islands	Investment	-	337,906	-	-	-	2,550	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	14,340	4,486	(3,736) (note 4)	Subsidiary (notes 6 and 8)
PGL	SCL	The British Virgin Islands	Investment	-	30,888	-	-	-	143	196	-	(note 5)
PGL	PAL	The British Virgin Islands	Trading of rubber and various rubber products	-	76,076	-	-	-	260	-	-	(notes 6 and 7)
PGL	DCL	Samoa	Investment	-	21,385	-	-	-	650	-	-	(notes 6 and 7)
PGL	CRI	USA	Trading of rubber and various rubber products	-	3	-	-	-	1,000	-	-	(notes 6 and 7)
SCL	PAM	Taiwan	Trading of rubber and various rubber products	-	30,000	-	-	-	3,000	-	-	(note 5)
PAM	PAL	The British Virgin Islands	Trading of rubber and various rubber products	36,979	-	70	100.00	39,259	70	16,488	-	Sub-subsidiary (note 7)
PAM	DCL	Samoa	Investment	135,924	-	650	100.00	123,915	650	(11,221)	-	Sub-subsidiary (note 7)
PAM	CRI	USA	Trading of rubber and various rubber products	99,087	-	2,000	100.00	133,279	2,000	71,915	-	Sub-subsidiary (note 7)
PAM	PRV	Vietnam	Trading of rubber and various rubber products	2,880	2,880	-	100.00	2,128	2,880	(652)	-	Sub-subsidiary

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$33,2555 thousand and amortization of customer relationships of$(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.

WEBLINK INTERNATIONAL INC.
Notes to Consolidated Interim Financial Statements

(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	Highest 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 %	100 %	(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 auditor s, 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: Please refer to note 13(a) Information on significant transactions for details.

WEBLINK INTERNATIONAL INC. AND SUBSIDIARIES
Notes to the Consolidated 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:

(a) General information

In June, the Group acquired control over PGL by purchasing shares, hence an additional reportable segment. The Company mainly engages in distribution of computer and communications products, while the PGL Group mainly engages in sales of rubber and related products. During 2022, the Group's subsidiaries underwent a reorganization, and PAM would hold equity interests in PGL's former subsidiaries directly thereafter; please refer to note 4(c) for details. The Group did not adjust reportable segments for the reorganization; instead, it merely renamed the reportable segment as the PAM Group.

The Group's other operating segments mainly engage in sales of computer and communications products, matching of expert services, and rendering of services through customer service platform. During 2022 and 2021, none of these operating segments met the quantitative thresholds for reportable segments.

(b) Information about reportable segments and their measurement and reconciliations

The Group uses the internal management report which consists of the net operating profit of each segment that the chief operating decision maker reviews as the basis to determine resource allocation and make a performance evaluation. The Group did not allocate income tax expense and unusual profit and loss to the reportable segments. The reportable amount is similar to that in the report used by the chief operating decision maker.

WEBLINK INTERNATIONAL INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

	2022				
	The Company	PGL Group	Others	Adjustments and eliminations	Total
Revenue:					
Revenue from external customers	$ 17,656,143	5,098,158	527,693	-	23,281,994
Revenue from transactions with other operating segments	510,699	-	145	(510,844)	-
Total revenue	$ 18,166,842	5,098,158	527,838	(510,844)	23,281,994
Depreciation and amortization	$ 40,629	30,490	5,393	-	76,512
Segment's profit or loss	$ 375,385	129,229	18,266	-	522,880

	2022				
	The Company	PGL Group	Others	Adjustments and eliminations	Total
Revenue:					
Revenue from external customers	$ 17,616,825	3,279,739	403,375	-	21,299,939
Revenue from transactions with other operating segments	357,376	-	476	(357,852)	-
Total revenue	$ 17,974,201	3,279,739	403,851	(357,852)	21,299,939
Depreciation and amortization	$ 39,991	17,592	5,384	-	62,967
Segment's profit or loss	$ 245,241	59,986	12,155	-	317,382

Reconciliation of profit before tax of reportable operating segments and continuing operation segments of the Group were as follows:

	2022	2021
Reportable operation segments' profit or loss	$ 522,880	317,382
Non-operating revenues and expenses	20,236	94,703
Profit before tax of continuing operation segments	$ 543,116	412,085

	The Company	PAM/PGL Group (note)	Others	Adjustments and eliminations	Total
Segment's assets					
December 31, 2022	$ 5,515,907	2,079,861	108,297	(827,835)	6,876,230
December 31, 2021	$ 5,275,549	1,899,687	140,733	(748,727)	6,567,242
Segment's liabilities					
December 31, 2022	$ 3,490,061	1,236,844	79,774	(213,643)	4,593,036
December 31, 2021	$ 3,408,059	1,390,253	122,040	(396,136)	4,524,216

Note: As of December 31, 2022 and 2021, the reportable segments were PAM Group and PGL Group respectively.

(Continued)

WEBLINK INTERNATIONAL INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(c) Information of revenue and service

Revenue from the external customers of the Group was as follows:

Products and services		2022	2021
Computer software	$	3,935,153	4,162,564
System information and digital entertainment products		13,976,122	13,589,813
Rubber products		4,162,390	2,431,586
Plastic products		630,231	748,534
Other		578,098	367,442
Total	**$**	**23,281,994**	**21,299,939**

(d) Geographic financial information

In presenting information on the basis of geography, segment revenue is based on the geographical location of customers and segment assets are based on the geographical location of the assets.

For information about revenue from external customers, please refer to note 6(v).

Information on non-current assets were as follows:

Region		December 31, 2022	December 31, 2021
Taiwan	$	517,001	537,452
China		14,604	18,497
America		10,624	1,108
Total	**$**	**542,229**	**557,057**

Non-current assets include property, plant and equipment, right-of-use assets and intangible assets while financial instruments, deferred tax assets and refundable deposits were excluded.

(e) Information on major customers

None of the customer of the Group made up of 10% and about of sales in the income statement in the fiscal year of 2022 and 2021.