Stock Code: 6170

# WELLDONE COMPANY

# 2023
# Annual Report

This Annual Report is available at:

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(I) Contact Information of the Spokesperson and Deputy Spokesperson

| | |
|---|---|
| Spokesperson: | Ho, Ming-Che, President |
| Tel: | (02)2796-5959 |
| Email: | Li, Po-Yang, Chief Financial Officer |
| Deputy Spokesperson: | stevenho@welldone.com.tw |
| Tel: | (02) 2796-5959 |
| Email: | brian_li@welldone.com.tw |

(II) Contact Information of the Headquarters, Branches and Plants

| | |
|---|---|
| Headquarters | |
| Address: | No. 181, Anmei St., Neihu Dist., Taipei City |
| Tel: | (02) 2796-5959 |
| Branches | None |

(III) Contact Information of the Stock Transfer Agency

| | |
|---|---|
| Name: | Grand Fortune Securities |
| Address: | 6F., No. 6, Sec. 1, Zhongxiao W. Rd., Zhongzheng Dist., Taipei City |
| Website: | http://www.gfortune.com.tw/ |
| Tel: | (02)2371-1658 |

(IV) Contact Information of the CPAs for the Latest Financial Statements

| | |
|---|---|
| CPAs: | Chiu, Yung-Ming, Liu, Shu-Lin |
| Accounting Firm: | Deloitte Taiwan |
| Address: | 20F., No. 100, Songren Rd., Xinyi Dist., Taipei City |
| Website: | www.deloitte.com.tw |
| Tel: | (02)2725-9988 |

(V) Name of the Offshore Stock Exchange and Method for Accessing Information on Offshore Securities:

None.

(VI) Company Website:

www.welldone.com.tw

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# I. Letter to Shareholders

Welldone Company obtained its first license as a small amount remittance service for foreign migrant workers in October 2021. The Company adheres to the philosophy of “customer-oriented remittance application design”, and continues to strengthen fund security, customer services, and marketing and service efficiency. The number of remittances via Q pay is increasing with the stable growth of valid registered members, and the Company provides timely, convenient, and reliable small amount remittance services for migrant workers via an app. In recent years, two peers obtained licenses to enter the small amount remittance market for foreign migrant workers, which could directly help the domestic migrant worker remittance market and be conducive to our business development. The prepaid card business performance was stable last year, and continuous growth of the prepaid business is expected with the growing number of migrant workers and merger of TSTAR and Taiwan Mobile.

With respect to re-investment, the Beauty Business Department of the subsidiary Life Link Co., Ltd. acts as an agent of a German cosmetics makeup brand, as a new agent of personal cleaning supplies, such as COTY ADIDAS’ antiperspirant, and OPAL’s hair shampoo and care products, and introduces makeup products from Korea. The Medical and Healthcare Business Department acts as an agent of German healthcare products and pursues intensive development online, offline, and in group buying, and expands sales in Ever Rich airport duty-free shops. Additionally, the Battery Division, after being authorized as the sole distributor of Duracell, has achieved remarkable growth in the sales of Toshiba batteries with Toshiba's dual-brand strategy, and introduced the hypermarket PX Mart access, and Duracell has realized the mission of being the first brand of alkaline battery sales in Taiwan.

(I) **Result of the implementation of the business plan**

A. 2023 Business plan implementation results

The Company’s operating revenue in 2023 was NT$2.26 billion, down 8.4% compared with NT$2.47 billion in 2022, mainly resulting from the decreased sales of epidemic prevention products after the COVID-19 pandemic and lack of consolidation of performance of WELLTECH ENERGY from the second quarter of 2022. After-tax net profit was NT$249 million in 2023, higher than the NT$238 million if 2022, mainly resulting from the growth of the remittance business and increase of EPS from NT$2.73 to NT$2.74.

B. Execution of the budget derivative of operating revenue and expenditure

There is no publication of financial forecasts disclosed by the company.

C. Financial Revenue and Profitability Analysis

Financial revenue and expenditure and profitability analysis

Unit: NT$ Thousand

| Item | | 2022 | 2021 |
|---|---|---|---|
| Financial revenue and expenditure | Operating income | 2,261,387 | 2,468,794 |
| | Operating costs | 700,289 | 608,570 |
| | Net Income | 249,117 | 237,876 |
| Profitability | Return on Equity (%) | 15% | 17% |
| | Earnings per share (NT$) | 2.74 | 2.73 |

D. Research and development

The primary task of research and development is the optimization and the development of small amount remittance system applications.

(II) Summary of the 2024 Business Plan

In 2024 the Company will further apply for remittance permission regarding the remittance services for migrant workers in accordance with the relevant regulations, including the Act Governing Electronic Payment Institutions. In the telecommunication business, the Company will continue strengthening sales of prepaid cards and improve physical channel services. In the channel business, the Company will develop and introduce other high-quality products from Europe and the United States.

A. Business guidelines

1. Strengthen remittance services for migrant workers and improve the number of members and usage count.
2. Develop new products and new services.

B. Expected sales volume

In accordance with the business guideline and objectives, the Company is targeting continual growth of small amount remittance and channels this year.

C. Important policies for production and sales

Strengthen talent cultivation and in-service training, and improve the Company's capabilities for business expansion and product development.

(III) Future Development Strategy

For the purpose of responding to market competition, the Company has drafted its future development strategy as follows:

A. Strengthen the expansion and service of businesses related to foreign migrant workers.

B. Expand relevant channel business development.

(IV) Impact of the external competitive environment, regulatory environment, and overall operation environment on the Company

For the migrant worker remittance business, the Company obtained its first license as a small amount remittance service for foreign migrant workers in October

2021. After the release of the Act Governing Electronic Payment Institutions, the market has become more transparent and popularized; the Company will continuously strengthen promotion of its services and adapt to the competition. The Company will also emphasize safety and efficiency to reinforce its competitive advantage. As for telecommunication business, the Company will continue to expand and focus on migrant worker groups and develop diversified services and commodities in consideration of the reduction of telecommunication charges and market competition as well as the decline of operating revenue and profits from prepaid cards year-on-year. This will be the seven years for Life Link Co., Ltd., a subsidiary of the Company, serving as an agent of cosmetics products of Germany. In the last two years, sales have declined due to the pandemic. The Company has also introduced healthcare food from Germany, and launched omni-channel deployment in the hope that market risks can be lowered through product diversity.

As a whole, the Company will profoundly stress customers and diversified product competitiveness, actively expand related fields, continually develop the "New Blue Sea" markets and fields, and strive to realize the goals of maintaining competition and making profits.

Chairman: Chen, Tun-Jen

## II. Company Profile

(I) Date of Incorporation
August 19, 1977

(II) Company History

| | |
|---|---|
| 1977 | The Company focused on the export trade when it first started. The company name was "Welldone Co., Ltd." upon incorporation, and the capital was NT$ 5,000,000. |
| 1986 | The Company obtained agent status for Toshiba disposable batteries, and formally become the eighth Toshiba agent in Taiwan. |
| 1991 | The Company won the grand championship of sales performance of Toshiba Batteries & Cells in overseas markets. |
| 1992 | The Company formally became the general agent of Toshiba Batteries & Cells in Taiwan's consumer market.<br>The Toshiba eco-friendly battery was marketed.<br>The Company ranked first place in overseas sales of Toshiba Batteries & Cells again, and obtained a certificate of gratitude.<br>The capital of the Company was increased to NT$ 15,000,000. |
| 1993 | The Company served as an agent of Toshiba rechargeable batteries.<br>The first issue of the professional battery periodical, Welldone Bimonthly, was published.<br>The capital of the Company was increased to NT$ 25,000,000. |
| 1995 | The rechargeable battery assembly factory was established. |
| 1996 | The factory started to enter planned production stage.<br>The Company launched a battery vending machine to expand a brand-new battery selling channel.<br>The Company changed its organizational name to "Welldone Company".<br>The Company completed the first stage of employee stock subscriptions.<br>The capital of the Company was increased to NT$ 40,000,000. |
| 1997 | The Company relocated to a self-owned factory office building covering an area of approximately 600 pings.<br>The capital of the Company was increased to NT$ 80,000,000. |
| 1998 | The Company created the brand "SAINTOP" to expand the local cellular phone battery and accessory market in Taiwan.<br>The Company passed ISO9002 quality assurance verification.<br>The Company obtained status as an agent of YUASADELTA nickel-metal hydride batteries in Taiwan's consumer market.<br>SAINTOP cellular phone batteries were initially sold in 7-11 convenience stores.<br>The capital of the Company was increased to NT$ 120,000,000. |
| 1999 | The company became an agent of Taiwan Mobile Co., Ltd. consumer channel OK prepaid cards/recharging cards in Taiwan.<br>The company became an agent of MOBITAI Quick Card/Renewal Card consumer channels.<br>The Company obtained status as a general agent of mass network prepaid card consumer channels.<br>The capital of the Company was increased to NT$ 182,000,000. |
| 2000 | The company became an agent of ChungHwa Telecom international prepaid card consumer channels.<br>The capital of the Company was increased to NT$ 202,880,000.<br>The Company was approved by the Securities and Exchange Institute for public offering. |

| | |
|---|---|
| | The Company accepted guidance from relevant securities underwriters for TPEx listing. |
| 2001 | The company became an agent of various fixed line prepaid cards and relevant product consumer channels. |
| | The Company passed the new version of the ISO9001:2000 certification. |
| | The capital of the Company was increased to NT$ 249,000,000. |
| 2002 | The Company was approved by the Securities and Exchange Institute for TPEx listing. The Company was formally listed for trading on April 16. |
| | Welldone (Shanghai) Co., Ltd. was established. |
| | The capital of the Company was increased to NT$ 329,000,000. |
| 2003 | TEKWELLINC, an American subsidiary of the Company, was established. |
| | The company became an agent of ON-LINE GAME sales. |
| | A delivery center bonded warehouse was established. |
| 2004 | The capital of the Company was increased to NT$ 448,877,960. |
| | The Company passed ISO14001 certification and established a bonded factory. |
| | The Company invested in Tung Yung Technology Co., Ltd. |
| | The groundbreaking ceremony of the enterprise headquarters building of Welldone Group. |
| | The high-power rechargeable lithium battery project development plan of the Company through cooperation with the Industrial Technology Research Institute and Giant Manufacturing Co., Ltd. was reviewed and approved by the Ministry of Economic Affairs. |
| | The capital of the Company was increased to NT$ 533,593,470. |
| 2005 | The surplus was converted to increase capital to NT$ 592,289,820. |
| | China Chip Alliance was established. |
| | The ERP system was adopted. |
| | Tung Pang, an affiliated enterprise of the Company, was restructured to Digital Idea Multimedia Co., Ltd. and focused on the value-added service industry for digital content. |
| | The Company established a high-power business division to promote the R&D and marketing of high-power battery modules. |
| 2006 | The surplus was converted to increase capital to NT$ 659,425,460. |
| | The enterprise headquarters buildings in Neihu Districted relocated and each affiliated enterprise settled in new spaces. |
| | The Company established Shanghai Tongxin Trade Co., Ltd. to deploy new channels and the international trade business. |
| | The Company acquired an office building in Lujiazui, Pudong New Area, Shanghai as its operation center. |
| | The Company established GWA ENERGY, INC. through a joint venture with Gold Peak Industries and Amita Technologies to enter the global high-power battery market. |
| | The Company established Taiwan Digi-Com Co., Ltd. to expand 3C channels and the TV shopping business. |
| | Digital Idea Multimedia Co., Ltd., an affiliated enterprise of the Company, established Lehai Shengshi International Record Brokerage Co., Ltd. and DIGITALIDEA to enter the added-value service market of digital contents in mainland China. |
| 2007 | The surplus was converted to increase capital to NT$ 734,087,080. |
| | In response to demand for production capacity, the Company purchased land in Damaiwan Industrial Zone, Hangtou Town, Nanhui District, |

| | |
|---|---|
| | Shanghai, to construct a second factory and expand production capacity. |
| 2008 | The surplus was converted to increase capital to NT$ 816,245,790.<br>The Company signed a "Power Management System Design Technology and Patent Authorization" contract with Material and Chemical Research Laboratories, the Industrial Technology Research Institute, and obtained a power management system technical patent.<br>The Company invested in the establishment of WELLTECH ENERGY INC. to divide its electric energy business.<br>WELLTECH ENERGY INC. was established, and August 1 was determined as the base day of division. The initial capital reached NT$ 360,000,000. |
| 2009 | The surplus was converted to increase capital to NT$ 897,870,370.<br>To strengthen the integration of channel business of the Group, the Company sold Shanghai Tongxin Trade Co., Ltd. to its affiliated enterprise Taiwan Digi-Com Co., Ltd. in April 2009.<br>The Company established a game operation department which launched the first proxy game called "Da Sia" in December 2009. The Company formally transformed its original game agency marketing business to a game agency operator business. |
| 2010 | To integrate overall resources, lower operating costs, expand business scale, and improve market competitiveness, Taiwan Digi-Com Co., Ltd., an affiliate enterprise in the channel business of the Company, merged with Tekwell International Co., Ltd. on June 30, 2010. After the merger, Taiwan Digi-Com Co., Ltd. became the official name of the company, while Tekwell International Co., Ltd. was eliminated. |
| 2011 | To strengthen the full-time labor division of the corporate organization and give play to industry division and segmentation, WELLTECH ENERGY INC., an affiliated enterprise in the Company's manufacturing business, transferred its electric vehicle battery module business division to TD HITECH ENERGY INC., a wholly-owned subsidiary of the Company, and was completed on January 1, 2011. |
| 2012 | To expand production capacity, WELLTECH ENERGY INC. acquired Changzhou Soaring Technology Co., Ltd. |
| 2012 | Corporate bonds were converted to shares and the share capital was increased to NT$ 899,239,640.<br>The surplus was converted to increase capital to NT$ 949,520,380. |
| 2013 | Welldone established a strategic cooperation with major supermarkets and malls in Taiwan with its i-money service. In addition to cooperation with OK, Hi-Life, and FamilyMart, the Company launched a unified super channel system at the end of October, and a major business breakthrough was made in sales stores. A complete layout of supermarket and mall channels in Taiwan was finished, and the Company was prepared for the development of the "Third-party Payment" mechanism. |
| 2014 | The Company disposed of Evertop International (SAMOA) Co., Ltd.<br>The Company disposed of IME Production (M) SDN.BHD.<br>Taiwan Digi-Com Co., Ltd., an affiliated enterprise, disposed Welltech Group Co., (SAMOA) Ltd., Techcharm Trading Limited, and Shanghai Tongxin Trade Co., Ltd.<br>The Company repurchased and canceled treasury stock for capital decrease. The paid-in capital after capital decrease was NT$ 936,700,380. |
| 2015 | Digital Idea Multimedia Co., Ltd., an affiliated enterprise, disposed of Idea Music Entertainment Co., Ltd., and Beijing Lehai Shengshi International |

Music Culture Development Co., Ltd.
The Company repurchased and canceled treasury stock for capital decrease. The paid-in capital after capital decrease was NT$ 916,700,380.

2016 The Company repurchased and canceled treasury stock for capital decrease. The paid-in capital after capital decrease was NT$ 896,700,380.
The Company set up prepaid card sales shops in Kaohsiung Siaogang Airport and Taoyuan International Airport.
The Company cooperated with CMC for the development of and agent status of switched battery electric motor cars.
The Company established Green Easy Leasing Co., Ltd. to promote the electric motor leasing business.

2017 Welldone expanded the foreign migrant worker related business and increased international human resources intermediary service projects.
Taiwan Digi-Com Co., Ltd., an affiliated enterprise, developed the cosmetics agency business of international brands.

2019 The Financial Supervisory Commission approved Welldone to handle a FinTech innovative experiment concerning salary remittance for foreign migrant workers.

2020 To expand production capacity in response to order demand, TD HITECH ENERGY INC. was relocated to the Hukou Industrial Zone, Hsinchu County.
To strengthen its competitive advantage and based on the green energy sources of Darfon to create synergies, the Company sold 8,122,000 shares of TD HITECH ENERGY INC., resulting in a decrease of shareholding from 62.16% to 22.78%.
To strengthen capital structure and introduce a strategic partner, the Company waived the subscription of number of shares involved in the proposal for capital increase by cash of WELLTECH ENERGY INC. in 2020, resulting in a decrease of shareholding from 68.32% to 52.26%.

2021 The Company disposed of Digital Idea Multimedia Co., Ltd. It obtained the first domestic license of small amount remittance service for foreign migrant workers from Indonesia, Philippines and Vietnam.

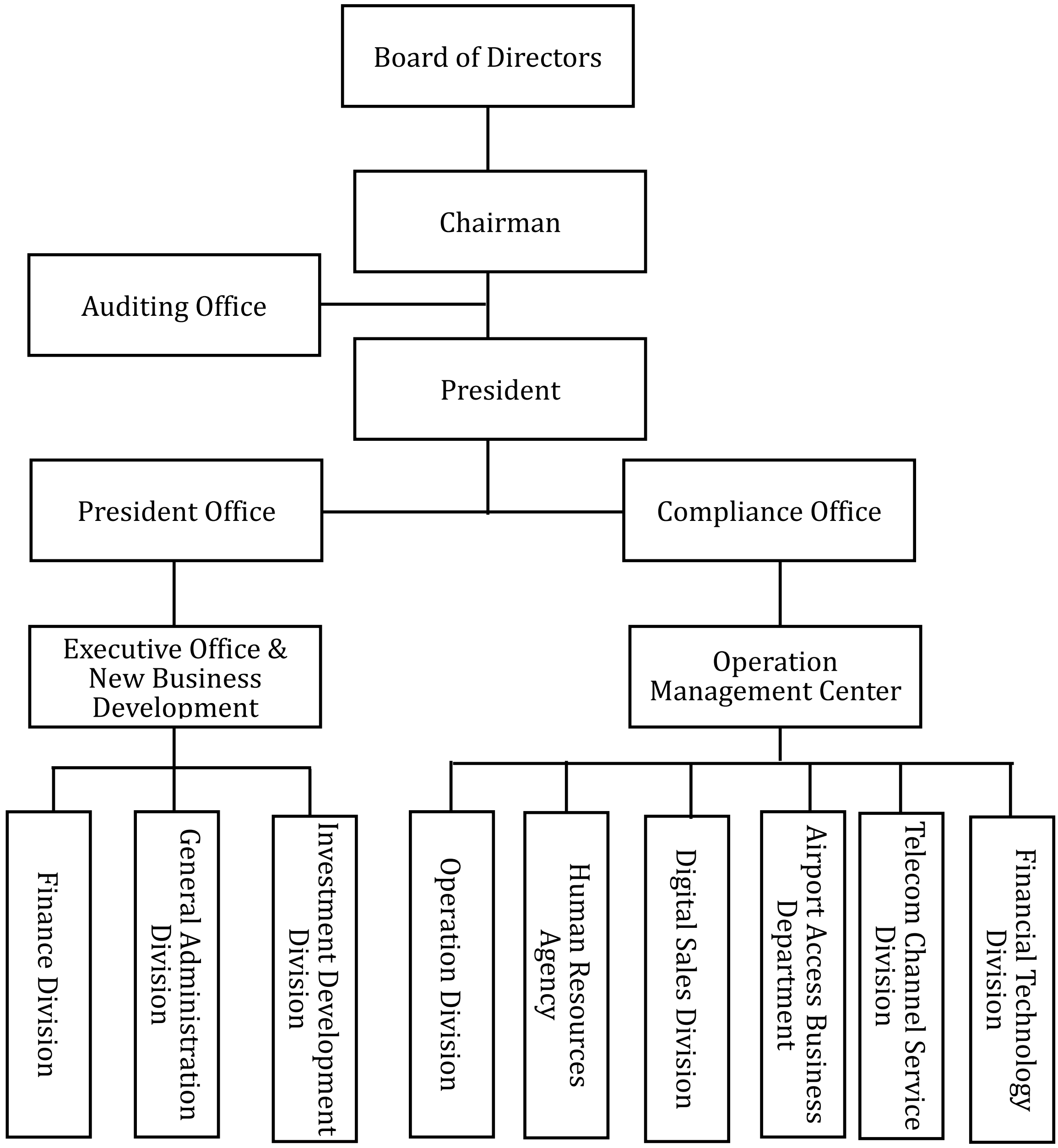
2022 To create operation synergies in the battery business of WELLTECH ENERGY INC., the Company transferred some shares of WELLTECH ENERGY INC. to Ritdisplay Corporation which then held the majority of equity, while the Company lost the control power.

2023 The Company was permitted to expand its small amount remittance service for foreign migrant workers to those from Thailand.

# III. Corporate Governance Report

## (I) Organizational system

A. Organizational chart



B. Business activities of main divisions

| | |
|---|---|
| Auditing Office | Check and evaluate the internal control system, execute auditing in each department, and investigate, evaluate, improve, and track auditing matters. |
| President Office | Draft plans and promote the implementation of projects assigned, and maintain public relations according to the general manager's instructions. |
| Compliance Office | Abide by relevant laws and regulations governing remittance to migrant workers and prevent money laundering. |
| Executive Office & New Business Development | Take charge of overall arrangement of administrative affairs of the group and planning of new businesses, as well as establish a Finance Division, General Administration Division, and Investment Development Division. |
| Finance Division | (1) Take charge of planning capital management, preparing financial management statements, and providing supervisors' decision-making.<br>(2) Plan and execute stock related work and capital increase projects.<br>(3) Execute accounting treatment, and handle tax-related affairs. |
| General Administration Division | (1) Take charge of establishing and promoting each management system of the Company.<br>(2) Manage the network and computer information system.<br>(3) Human resource management, plan and execute general administrative affairs, and building management affairs. |
| Investment Development Division | Investment management and evaluation, and new business development. |
| Operational management Center | Take charge of business operations of the Company, and make overall arrangements for the telecommunication product business, international human resources business, digital entertainment business, airport channel business, and fulfillment of operational performance of the FinTech business. |
| Operation Division | Take charge of and support the Operational management work of each business division, sales cycles, purchasing, and other relevant matters, as well as execute market planning and analysis. |
| Telecom Channel Service Division | (1) Agent for sales of mobile phone prepaid cards<br>(2) Take charge of market channel management of foreign migrant workers, customer communication, and marketing. |
| Human Resources Agency | (1) Transnational human resources intermediary business development; Operational management.<br>(2) Operational management of exchange settlement agent work for foreign migrant workers. |
| Digital Sales Division | (1) Operation of various kinds of digital entertainment commodities and channels, such as game video products.<br>(2) Operation of small amount payment virtual platforms. |
| Airport Access Business Department | Operational management of telecommunication shops in international markets. |
| Financial Technology Division | Operational management of the foreign migrant worker service platform |

## (II) Profile of the Company's directors, supervisors, president, vice-presidents, associate managers, and the heads of all Company divisions and branch units

### A. Directors and supervisors

1. Profile of directors and supervisors

April 14, 2024

| Title | Nationality / place of incorporation | Name | Gender Age | Date elected | Term (years) | Date first elected | Shareholding when elected | | Current shareholding | | Spouse & minor shareholding | | Shareholding by nominee arrangement | | Experience (education) | Other position | Executives, Directors or Supervisors who are spouses or within the second degree of kinship | | | Remarks |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Shares | % | Shares | % | Shares | % | Shares | % | | | Title | Name | Relation | |
| Chairman | R.O.C. | Chen, Tun-Jen | Male 71~80 | 2023.06.14 | 3 | 2002.04.26 | 3,570,158 | 3.98% | 3,570,158 | 3.58% | 5,255,000 | 5.27% | 0 | 0.00% | National Chengchi University EMBA Advanced Business Class<br>Da-Yeh University EMBA<br>National Association of Small & Medium Enterprises, R.O.C./Council member | Life Link Co., Ltd./ Chairman | Director | Xinlai Investment Co., Ltd. | The person in charge is the spouse | None |
| | | | | | | | | | | | | | | | | | Vice-President | Chen, Alexander | Father-son | None |
| Director | R.O.C. | Ho, Ming-Che | Male 51~60 | 2023.06.14 | 3 | 2002.04.26 | 1,333,525 | 1.49% | 1,336,525 | 1.34% | 0 | 0.00% | 1,501,000 | 1.51% | National Chengchi University EMBA Advanced Business Class<br>National Yang Ming Chiao Tung University Department of Management Sciences<br>XIAO MEI FOOD INDUSTRY CO., LTD./Assistant business manager | Welldone Company/President | None | None | None | None |
| Director | R.O.C. | Xinlai Investment Co., Ltd. | N/A | 2023.06.14 | 3 | 2008.06.13 | 8,958,000 | 9.99% | 8,967,000 | 9.00% | 0 | 0.00% | 0 | 0.00% | None | None | Chairman | Chen, Tun-Jen | Spouse of the person in charge | None |
| | R.O.C. | Chen, Alexander | Male 31~40 | | | 2014.06.12 | 0 | 0.00% | 6,000,000 | 6.02% | 0 | 0.00% | 2,548,000 | 2.56% | Sophia University<br>Fengyi Global Co., Ltd./ Chairman | Welldone Company/Executive Office & New Business Development Vice-President<br>Wei Feng Technology Co., Ltd./Chairman | Chairman | Chen, Tun-Jen | Father-son | None |
| Director | R.O.C. | Yang, Chiao-Feng | Female 31-40 | 2023.06.14 | 3 | 2023.06.14 | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | Taipei Medical University/ Data Research Assistant<br>Keck Hospital of USC/Process Analysis Assistant<br>Keck Hospital of USC/Business Analyst | Iqvia Solutions Taiwan Ltd./Market Consultant | None | None | None | None |
| Independent Director | R.O.C. | Wang, Shen-Huei | Male 61~70 | 2023.06.14 | 3 | 2020.06.16 | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | Master of Science, EE, Virginia Polytechnic Institute & State University<br>Coretronic Corporation/ President<br>YMA Corporation/Supervisor | YMA Corporation/ Supervisor: | None | None | None | None |
| Independent Director | R.O.C. | Tsai, Yu-Ping | Male 61~70 | 2023.06.14 | 3 | 2020.06.16 | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | Santa Clara University, School of Law<br>Doctor of Law<br>Baoli Wealth Management Co., Ltd./ Chairman<br>Allianz Life Taiwan/President<br>Uni-President Asset Management Corp./President | Baoli Wealth Management Co., Ltd./ Chairman<br>Hydroionic Technologies Co., Ltd./ Director & President<br>Cellmax Taiwan Co. Ltd./ Director<br>Weikeng Industrial Co., Ltd. / Independent Director<br>Cipherlab Co., Ltd./ Independent Director<br>Chinese Association of Valuation/Vice-president | None | None | None | None |
| Independent Director | R.O.C. | Wang, Teng-Yue | Male 51-60 | 2023.06.14 | 3 | 2023.06.14 | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% | Department of Applied Mathematics, National Yang Ming Chiao Tung University<br>Gorilla Technology/Senior Associate Manager | PacketX Technology Co., Ltd./Chairman | None | None | None | None |

2-1. Major shareholders of corporate shareholders

April 14, 2024

| Name of corporate shareholder | Major shareholder of corporate shareholder |
|---|---|
| Xinlai Investment Co., Ltd. | Yu, Hui-Chin (59.71%) |
| | Chen, Alexander (40.29%) |

2-2. Major Shareholders of Corporate Shareholders

April 8, 2023

| Name of corporate shareholder | Major shareholders of the corporate shareholder |
|---|---|
| Acer Inc. | Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF (7.64%) |
| | Hongrong Investment Co., Ltd. (2.24%) |
| | JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Emerging Markets Stock Index Fund, a series of Vanguard International Equity Index Funds (1.31%) |
| | Standard Chartered Bank in Custody for iShares ESG Aware MSCI Emerging Markets ETF (1.26%) |
| | JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds (1.23%) |
| | Stan Shih (1.15%) |
| | Labor Pension Fund (The New Fund) (0.97%) |
| | Citibank Taiwan in Custody for Acer GDR (0.93%) |
| | JPMorgan Chase Bank N.A. Taipei Branch in Custody for J.P. Morgan Asset Management Authority (0.88%) |
| | Citibank Taiwan custody for Investment account of Norges Bank (0.86%) |

(3) Directors' professional knowledge and independence status:

(1) Professional qualifications and independence analysis of directors and supervisors

| Condition / Name | Professional qualifications and experience | Independence status | Number of other public companies where the director holds a concurrent post of independent director |
|---|---|---|---|
| Chairman Chen, Tun-Jen | Executive MBA National Chengchi University; Da-Yeh University EMBA<br>As the founder, Chen is in charge of Welldone Company and its subsidiaries. | (See the table below for details) | |
| Director Ho, Ming-Che | Department of Management Science, National Yang Ming Chiao Tung University<br>National Chengchi University EMBA Advanced Business Class<br>Ho served as assistant business manager of Xiao Mei Food Industry Co., Ltd., and Chairmanof Digital Idea Multimedia Co., Ltd. and has experience in business marketing and management.<br>Ho currently serves as the president of Welldone Company. | (See the table below for details) | |

| | | | |
|---|---|---|---|
| Director<br>Chen, Alexander | Chen was in charge of the marketing business of Life Link Co., Ltd., and currently serves as vice-president of the Executive Office & New Business Development of Welldone Company, and has experience in business marketing and management. | (See the table below for details) | |
| Director<br>Yang, Chiao-Feng | Yang served as data research assistant at Taipei Medical University, process analysis assistant and business analyst at Keck Hospital of USC, and market consultant at Iqvia Solutions Taiwan Ltd. | (See the table below for details) | |
| Independent Director/Audit Committee member<br>Wang, Shen-Huei | Wang served as president of Coretronic Corporation, and now serves as a supervisor of YMA Corporation, and has management experience in the science and technology industry. | The director, his/her spouse, and relatives within the second degree of kinship have not served as director, supervisor, or employee of the Company or its affiliated companies; the director, his/her spouse, and relatives within the second degree of kinship do not hold any shares of the Company themselves (or in the name of others); the director has not served as director, supervisor, or employee of any other company that has a specific relation with the Company; the director hasn't provided the Company or its affiliated companies with commerce, legal affairs, finance, accounting and other relevant services within the last two years.<br>(See the table below for details) | |
| Independent Director/Audit Committee member<br>Tsai, Yu-Ping | Holding a doctorate in law from the School of Law, Santa Clara University, Tsai served as president of Allianz Life Taiwan, president of Uni-President Asset Management Corp., etc., and is currently Chairman of Baoli Wealth Management Co., Ltd., and has experience and expertise of management and law in the financial insurance field. | The director, his/her spouse, and relatives within the second degree of kinship have not served as director, supervisor, or employee of the Company or its affiliated companies; the director, his/her spouse, and relatives within the second degree of kinship do not hold any shares of the Company themselves (or in the name of others); the director hasn't served as director, supervisor, or employee of any other company that has a specific relation with the Company; the director has not provided the Company or its affiliated companies with commerce, legal affairs, finance, accounting and other relevant services within the last two years.<br>(See the table below for details) | Weikeng Industrial Co., Ltd./ Independent Director<br>Cipherlab Co., Ltd./ Independent Director |

| | | | |
|---|---|---|---|
| Independent Director/Audit Committee member<br>Wang, Teng-Yue | Department of Applied Mathematics, National Yang Ming Chiao Tung University<br>Wang served as senior associate manager at Gorilla Technology and is currently serving as the Chairman of PacketX Technology Co., Ltd. | The director, his/her spouse, and relatives within the second degree of kinship have not served as director, supervisor, or employee of the Company or its affiliated companies; the director, his/her spouse, and relatives within the second degree of kinship do not hold any shares of the Company themselves (or in the name of others); the director hasn't served as director, supervisor, or employee of any other company that has a specific relation with the Company; the director has not provided the Company or its affiliated companies with commerce, legal affairs, finance, accounting and other relevant services within the last two years.<br>(See the table below for details) | |

| Condition / Name | Does the director have more than five years' work experience and the following professional qualifications? | | | Independence status (Note) | | | | | | | | | | | | Number of other public companies where the director holds a concurrent post of independent |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | An instructor or higher in a department of commerce, law, finance, accounting, or other academic department related to the business needs of the company in a public or private junior college, college, or university | Judge, public prosecutor, attorney, certified public accountant, or other professional or technical specialist who has passed a national examination and been awarded a certificate in a profession necessary for the business of the company | Have work experience in the area of commerce, law, finance, or accounting, or otherwise necessary for the business of the company | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | |
| Chen, Tun-Jen | | | V | V | | | | | V | V | V | V | | V | V | 0 |
| Ho, Ming-Che | | | V | | V | | V | V | V | V | V | V | V | V | V | 0 |
| Chen, Alexander | | | V | | V | | | | V | V | V | V | | V | V | 0 |
| Yang, Chiao-Feng | | | | V | V | V | V | V | V | V | V | V | V | V | V | 0 |
| Wang, Shen-Huei | | | V | V | V | V | V | V | V | V | V | V | V | V | V | 0 |
| Tsai, Yu-Ping | | V | V | V | V | V | V | V | V | V | V | V | V | V | V | 2 |
| Wang, Teng-Yue | | | | V | V | V | V | V | V | V | V | V | V | V | V | 0 |

Note: If each director and supervisor complied with the following conditions two years before they were elected and during their tenure, please mark "√" in the blank below the code of each condition.

(a) Not an employee of the Company or an affiliated company.

(b) Not a director or supervisor of the Company or an affiliated company (however, it does not apply to the concurrent officeholding of an independent director in the Company and its parent company or subsidiary or subsidiaries belonging to the same parent company according to this law or other local laws and regulations).

(c) Not an individual shareholder holding or with his/her spouse, underage children or others holding more than 1% of the total shares already issued by the Company or ranking in the top 10 in terms of shareholding ratio.

(d) Not a manager listed in (1), or the spouse, a relative within second degree of kinship, or direct relative within third degree of kinship of the personnel listed in (2) and (3).

(e) Not a director, supervisor or employee of a corporate shareholder directly holding more than 5% of the total shares issued by the Company, ranking in the top 5 in terms of shareholding ratio, or assigning a representative to serve as the director or supervisor of the Company according to Article 27-1 or Article 27-2 of the Company Act (however, it does not apply to concurrent officeholding of an independent director in the Company and its parent company or subsidiary or subsidiaries belonging to a same parent company according to this law or other local laws and regulations).

(f) Not a director, supervisor, or employee of another company with more than half of the director seats of the Company or shares with voting rights controlled by a same person (however, it does not apply to the concurrent officeholding of an independent director in the Company and its parent company or subsidiary or subsidiaries belonging to a same parent company according to this law or other local laws and regulations).

(g) Not a director (council member), supervisor or employee of another company or institution who is the same as or the spouse of the chair, president, or person with an equivalent position of the Company (however, it does not apply to the concurrent officeholding of an independent director in the Company and its parent company or subsidiary or subsidiaries belonging to a same parent company according to this law or other local laws and regulations).

(h) Not a director (council member), supervisor or manager or shareholder with shareholding ratio above 5% of a specific company or institution that has financial or business contact with the Company (however, it does not apply to the situation in which the specific company or institution holds more than 20% but less than 50% of the total shares already issued by the company, and concurrently serving as an independent director in the Company and its parent company or subsidiary or subsidiaries belonging to a same parent company according to this law or other local laws and regulations).

(i) Not a professional, or owner, partner, director (council member), supervisor, or manager of sole proprietorship, partnership, company, or institution providing auditing services for the Company or affiliated companies or relevant commercial, legal, financial, and accounting services with the accumulated compensation amount not exceeding NT$500,000 in the past two years, as well as their spouses. However, it does not apply to members of the remuneration committee, public acquisition deliberation committee. or the M&A special committee that performs its duties in accordance with relevant laws and regulations, including the Securities and Exchange Act or the Business Mergers and Acquisitions Act.

(j) Not the spouse or a relative within the second degree of kinship to any other director.

(k) Not having any of the circumstances stipulated in Article 30 of the Company Act.

(l) Not elected as government, legal person, or its representative according to Article 27 of the Company Act.

(2) Diversity and Independence of the Board of Directors:

A. Diversity of the Board of Directors:

Diversity policy of the Board of Directors

To strengthen corporate governance and promote the sound development of the composition and structure of the Board of Directors, the members of the Board of Directors of the Company are selected and appointed following the principle of talent orientation with diversified complementary capabilities in cross-industry fields, including basic composition (e.g., age, gender, etc.). They must also have industrial experience and relevant skills in fields like manufacturing, technology, channel, biotechnology, and insurance finance, as well as operation judgment capabilities, leadership, and crisis handling capabilities, etc. to benefit the improvement of the overall performance of the Company. The diversity objectives of the Board of Directors and the fulfillment status are as follows:

(a) The current Board of Directors of the Company comprises seven members (including three independent directors) with operation judgment capabilities, leadership, decision-making capabilities, operational management capabilities, awareness of the international market, and crisis handling capabilities, etc. overall, and have industrial experience and professional competence; Chairman Chen, Tun-Jen has led and managed Welldone and its subsidiaries for many years; Directors Ho, Ming-Che and Chen, Alexander excel at channel marketing; Director Lo, Hsueh-Yu specializes in the securities finance industry; Independent Director Lo, Li-Chu is an expert in the field of biotechnology; Independent Director Wang, Shen-Huei has many years of experience in the technology industry; Director Yang, Chiao-Feng is skilled in the field of medicine, and Independent Directors Wang, Teng-Yue and Wang, Sheng-Huei have many years of experience in the technology industry; Independent Director Tsai, Yu-Ping is excels in the field of insurance finance and holds a doctorate in law.

(b) All board members are Taiwanese, and two directors are also employees of the Company. The age groups of board members are as follows: one director is aged 31-40; one director is aged 51-60; four directors are aged 61-70; and one director is aged 71-80. One board member is female (independent director). In the future, the Company will continue to focus on improving the ratio of female directors among the board members.

In the future, the Company will, in consideration of the operation, business type, and development demand of the Board of Directors, amend the diversity policy as appropriate, including, but not limited to, the standards in basic conditions and values, and professional knowledge and skills, to ensure that board members universally possess the knowledge, skills, and qualities required to execute their duties.

B. Independence of the Board of Directors:

The current Board of Directors of the Company comprises seven members, including three independent directors who account for 43% of the total director seats.

Except for Chairman Chen, Tun-Jen and Director Chen, Alexander, who have a second degree of kinship, all other directors, including independent directors, do not have any spousal relationship, or kinship with the second degree. Therefore, the directors are not involved in any of the situations stipulated in subparagraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act.

B. Profile of the Company's president, vice-presidents, associate managers, and the heads of all Company divisions and branch units

April 14, 2024

| Title | Nationality | Name | Gender | Date elected | Shareholding | | Spouse & minor shareholding | | Shareholding by nominee arrangement | | Experience (education) | Other position | Managers who are spouses or within two degrees of kinship | | | Remark |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Shares | % | Shares | % | Shares | % | | | Title | Name | Relation | |
| President | R.O.C. | Ho, Ming-Che | Male | 2006.3 | 1,336,525 | 1.34% | 0 | 0.00% | 1,501,000 | 1.51% | National Yang Ming Chiao Tung University Department of Management Sciences<br>Xiao Mei Food Industry Co., Ltd./Business associate manager | None | None | None | None | None |
| Operational management Center President | R.O.C. | Li, Li-Hsiang | Female | 2005.5 | 55,652 | 0.06% | 0 | 0.00% | 0 | 0.00% | Da-Yeh University EMAB<br>EAGLE HOLDING CORPORATION/Chief of planning division | None | None | None | None | None |
| Executive Office & New Business Development Vice present | R.O.C. | Chen, Alexander | Male | 2020.2 | 6,000,000 | 6.02% | 0 | 0.00% | 2,548,000 | 2.56% | Sophia University | None | None | None | None | None |
| Telecom Channel Service Division Business vice-president | R.O.C. | Chan, Shih-Jen | Male | 2014.1 | 38,752 | 0.04% | 678 | 0.00% | 0 | 0.00% | Feng Chia University Department of Water Resources Engineering and Conservation | None | None | None | None | None |
| Financial Technology Division Senior associate manager | R.O.C. | Lu, Chi-Wei | Male | 2014.1 | 25,853 | 0.03% | 22,848 | 0.02% | 0 | 0.00% | Feng Chia University Department of Business Administration<br>Daodi International Co., Ltd./ Director<br>DaChan Food (Asia) Limited/ Product marketing<br>HUNYA FOODS CO., LTD./ Product marketing | None | None | None | None | None |
| Chief Financial Officer | R.O.C. | Li, Po-Yang | Male | 2022.3 | 70,000 | 0.07% | 0 | 0.00% | 0 | 0.00% | MSc in Finance, Lancaster University, UK)<br>Welldone Company/Financial manager | None | None | None | None | None |

C. Remuneration of directors, supervisors, president, and vice-presidents

1. Remuneration of directors and independent directors

Unit: NT$ Thousand; Share(s) December 31, 2023

| Title | Name | Base compensation (A) | | | | | | | | Ratio of total remuneration (A+B+C+D) to net income (%) (Note 10) | | Relevant remuneration received by directors who are also employees | | | | | | | | Ratio of Total Remuneration (A+B+C+D+E+F+G) to net income (%) (Note 10) | | Compensation paid to directors from an invested company other than the Company's subsidiaries or parent company (Note 11) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Base compensation (A) (Note 2) | | Severance pay (B) | | Directors' compensation (C) (Note 3) | | Allowance (D) (Note 4) | | | | Salary, bonuses, and allowances (E) (Note 5) | | Severance pay (F) | | Employee compensation (G) (Note 6) | | | | | | |
| | | The Company | Companies in the consolidated financial statements (Note 7) | The Company | Companies in the consolidated financial statements (Note 7) | The Company | Companies in the consolidated financial statements (Note 7) | The Company | Companies in the consolidated financial statements (Note 7) | The Company | Companies in the consolidated financial statements (Note 7) | The Company | Companies in the consolidated financial statements (Note 7) | The Company | Companies in the consolidated financial statements (Note 7) | The Company | | Companies in the consolidated financial statements (Note 7) | | The Company | Companies in the consolidated financial statements | |
| | | | | | | | | | | | | | | | | Cash | Stock | Cash | Stock | | | |
| Chairman | Chen, Tun Jen | 7,744 | 8,380 | 0 | 0 | 5,369 | 5,369 | 8 | 18 | 5.27% | 5.53% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5.27% | 5.53% | None |
| Director | Ho, Ming Che | 0 | 0 | 0 | 0 | 2,684 | 2,684 | 8 | 8 | 1.08% | 1.08% | 8,587 | 8,587 | 0 | 0 | 3,720 | 0 | 3,720 | 0 | 6.02% | 6.02% | None |
| Director | Xinlai Investment Co., Ltd. | 0 | 0 | 0 | 0 | 1,342 | 1,342 | 8 | 8 | 0.54% | 0.54% | 2,734 | 2,734 | 108 | 108 | 2,580 | 0 | 2,580 | 0 | 2.72% | 2.72% | None |
| Director | Lo, Hsueh-Yu | 0 | 0 | 0 | 0 | 671 | 671 | 113 | 113 | 0.31% | 0.31% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.31% | 0.31% | None |
| Director | Yang, Chiao Feng | 0 | 0 | 0 | 0 | 671 | 671 | 135 | 135 | 0.32% | 0.32% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.32% | 0.32% | None |
| Independent Director | Lo, Li-Chu | 0 | 0 | 0 | 0 | 671 | 671 | 117 | 117 | 0.32% | 0.32% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.32% | 0.32% | None |
| Independent Director | Wang, Shen Huei | 0 | 0 | 0 | 0 | 1,342 | 1,342 | 256 | 256 | 0.64% | 0.64% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.64% | 0.64% | None |
| Independent Director | Tsai, Yu-Ping | 0 | 0 | 0 | 0 | 1,342 | 1,342 | 255 | 255 | 0.64% | 0.64% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.64% | 0.64% | None |
| Independent Director | Wang, Teng Yue | 0 | 0 | 0 | 0 | 671 | 671 | 139 | 139 | 0.33% | 0.33% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.33% | 0.33% | None |

(1) Please explain the remuneration payment policy, system, standard and structure for independent directors, as well as the relevancy of factors including responsibilities assumed, risks, and input time to the amount of remuneration paid:
The remuneration of directors of the Company is determined in accordance with the provisions of the Measures for the Payment of Remuneration to Directors and Supervisors.

(2) Except for information disclosed in the preceding table, remuneration received by directors of the Company in the most recent fiscal year for the provision of services to all companies in the financial statements (e.g., serving as consultant other than employee): None.

2. Remuneration Range Table

| Range of remuneration | Name of directors | | | |
|---|---|---|---|---|
| | Total remuneration (A+B+C+D) | | Total remuneration (A+B+C+D+E+F+G) | |
| | The Company (Note 8) | Companies in the consolidated financial statements (Note 9) H | The Company (Note 8) | Companies in the consolidated financial statements (Note 9) I |
| Under NT$1,000,000 | Lo, Hsueh-Yu, Lo, Li-Chu, Wang, Teng-Yue, Yang, Chiao-Feng | Lo, Hsueh-Yu, Lo, Li-Chu, Wang, Teng-Yue, Yang, Chiao-Feng | Lo, Hsueh-Yu, Lo, Li-Chu, Wang, Teng-Yue, Yang, Chiao-Feng | Lo, Hsueh-Yu, Lo, Li-Chu, Wang, Teng-Yue, Yang, Chiao-Feng |
| NT$1,000,000 (inclusive) ~ NT$2,000,000 (exclusive) | Wang, Shen-Huei, Tsai, Yu-Ping, Xinlai Investment Co., Ltd. | Wang, Shen-Huei, Tsai, Yu-Ping, Xinlai Investment Co., Ltd. | Wang, Shen-Huei, Tsai, Yu-Ping | Wang, Shen-Huei, Tsai, Yu-Ping |
| NT$2,000,000 (inclusive) ~ NT$3,500,000 (exclusive) | Ho, Ming-Che | Ho, Ming-Che | | |
| NT$3,500,000 (inclusive) ~ NT$5,000,000 (exclusive) | | | | |
| NT$5,000,000 (inclusive) ~ NT$10,000,000 (exclusive) | | | Xinlai Investment Co., Ltd. | Xinlai Investment Co., Ltd. |
| NT$10,000,000 (inclusive) ~ NT$15,000,000 (exclusive) | Chen, Tun-Jen | Chen, Tun-Jen | Chen, Tun-Jen, Ho, Ming-Che | Chen, Tun-Jen, Ho, Ming-Che |
| NT$15,000,000 (inclusive) ~ NT$30,000,000 (exclusive) | | | | |
| NT$30,000,000 (inclusive) ~ NT$50,000,000 (exclusive) | | | | |
| NT$50,000,000 (inclusive) ~ NT$100,000,000 (exclusive) | | | | |
| Over NT$100,000,000 | | | | |
| Total | | | | |

Note 1 Directors' names shall be presented separately (the names of corporate shareholders and the names of their representative shall be presented separately). General directors and independent directors shall also be presented separately, and each amount paid to them shall be summarized and disclosed. If a director holds a concurrent post of president or vice-president, he/she shall fill out this table and the following Table (3-1) or Table (3-2-1).

Note 2 Refers to the salary paid to directors in the most recent fiscal year (including directors' remuneration, position bonus, severance pay, various bonuses and rewards, etc.).

Note 3 Refers to the amount of directors' compensation distributed in the most recent fiscal year with the approval of the Board of Directors.

Note 4 Refers to relevant business execution fees incurred by directors in the most recent fiscal year (including travel expenses, special disbursement, various allowances, dormitory expenses, car provisions, and other expenses in kind). If housing, cars, or other transport means or exclusive individual expenditure are provided, the nature and cost of the assets provided, the actual rent or rent calculated according to fair market price, gasoline expenses, and other payments shall be disclosed. If a driver is allocated, please note the relevant reward paid by the Company to the driver, but this shall not be included in the remuneration.

Note 5 Refers to payments received by directors as concurrent employees (including concurrent posts of president, vice-president, other manager, and employees), including salary, position bonus, severance pay, various bonuses and rewards, travel expenses, special disbursement, various subsidies, dormitories, car provisions, and other expenses in kind. If housing, cars, or other transport means or exclusive individual expenditure are provided, the nature and cost of the assets provided, the actual rent or rent calculated according to fair market price, gasoline expenses, and other payments shall be disclosed. If a driver is allocated, please note the relevant reward paid by the Company to the driver, but this shall not be included in remuneration.

Note 6 Refers to employee compensation (including stock and cash) received by directors as concurrent employees (including concurrent posts of president, vice-president, other manager, and employees). The amount of employee compensation distributed with the approval of the Board of Directors in the most recent fiscal year shall be disclosed. If this amount is impossible to predict, the amount proposed for distribution in the current year shall be proportionally calculated according to the actual amount distributed in the previous year. In this case, Schedule 1-3 shall be filled out separately.

Note 7 The total amount of remuneration paid by all companies (including the Company) in the consolidated statements to the directors of the Company shall be disclosed.

Note 8 In the range of the total amount of remuneration paid by the Company to each director, the names of the directors shall be disclosed.

Note 9 The total amount of remuneration paid by all companies (including the Company) in the consolidated statements to the directors of the Company shall be disclosed, together with the names of directors in the corresponding Remuneration Range Table.

Note 10 Net income after tax refers to the net income after tax in the most recent fiscal year; if the IFRS has already been adopted, net income after tax refers to the net income after tax indicated in the individual or separate financial statements in the most recent fiscal year.

Note 11 a. The amount of relevant remuneration received by directors of the Company from invested companies beyond subsidiaries or the parent company shall be clearly filled out in this column.
b. The amount of relevant remuneration received by directors of the Company from invested companies beyond subsidiaries shall be incorporated in column J of the Remuneration Range Table, if any, and the name of the column shall be changed to "All invested companies".
c. Remuneration refers to salary and compensation (including compensation of employees, directors, and supervisors) and business execution fees as well as other relevant remuneration received by directors of the Company with the identity of director, supervisor, or manager of invested companies beyond subsidiaries.

3. Remuneration of president and vice-presidents

Unit: NT$ Thousand; Share(s) December 31, 2023

| Title | Name | Salary (A) (Note 2) | | Severance pay (B) | | Bonuses and allowances (C) (Note 3) | | Employee compensation (D) (Note 4) | | | | Ratio of total compensation (A+B+C+D) to net income (%) (Note 9) | | Amount of employee stock options acquired (Note 5) | | Compensation paid to directors from an invested company or from the Company's subsidiary (Note 10) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | The Company | Companies in the consolidated financial statements (Note 6) | The Company | Companies in the consolidated financial statements (Note 6) | The Company | Companies in the consolidated financial statements (Note 6) | The Company | | Companies in the consolidated financial statements (Note5) | | The Company | Companies in the consolidated financial statements (Note 6) | The Company | Companies in the consolidated financial statements (Note 6) | |
| | | | | | | | | Cash | Stock | Cash | Stock | | | | | |
| President | Ho, Ming-Che | 12,409 | 12,409 | 324 | 324 | 8,335 | 8,335 | 11,479 | 0 | 11,479 | 0 | 13.06% | 13.06% | 0 | 0 | None |
| Operational management Center President | Li, Li-Hsiang | | | | | | | | | | | | | | | |
| Executive Office & New Business Development Vice-President | Chen, Alexander | | | | | | | | | | | | | | | |
| Telecom Channel Service Division Business vice-president | Chan, Shih-Jen | | | | | | | | | | | | | | | |

Remuneration Range Table

| Range of remuneration paid to president and vice-presidents | Name of presidents and vice-presidents | |
|---|---|---|
| | The Company (Note 6) | Companies in the consolidated financial statements(Note 7) E |
| Under NT$1,000,000 | | |
| NT$1,000,000 (inclusive) ~ NT$2,000,000 (exclusive) | | |
| NT$2,000,000 (inclusive) ~ NT$3,500,000 (exclusive) | | |
| NT$3,500,000 (inclusive) ~ NT$5,000,000 (exclusive) | Chan, Shih-Jen | Chan, Shih-Jen |
| NT$5,000,000 (inclusive) ~ NT$10,000,000 (exclusive) | Chen, Alexander | Chen, Alexander |
| NT$10,000,000 (inclusive) ~ NT$15,000,000 (exclusive) | Ho, Ming-Che, Li, Li-Hsiang | Ho, Ming-Che, Li, Li-Hsiang |
| NT$15,000,000 (inclusive) ~ NT$30,000,000 (exclusive) | | |
| NT$30,000,000 (inclusive) ~ NT$50,000,000 (exclusive) | | |
| NT$50,000,000(inclusive)~ NT$100,000,000 (exclusive) | | |
| Over NT$100,000,000 | | |
| Total | | |

Note 1 The names of the president and vice-presidents shall be presented separately, and the amount paid shall be summarized and disclosed. If a director holds a concurrent post of president or vice-president, he/she shall fill out this table as well as Table (1-1) or Table (1-2) above.

Note 2 The salary, position bonus, and severance pay of the president and vice-presidents in the most recent fiscal year shall be filled out.

Note 3 Various bonuses, rewards, travel expenses, special disbursements, various subsidies, dormitory expenses, car provisions, and other expenses in kind as well as other rewards for the president and vice-presidents in the most recent fiscal year shall be filled out. If housing, cars, or other transport means or exclusive individual expenditures are provided, the nature and cost of the assets provided, the actual rent or rent calculated according to fair market price, gasoline expenses, and other payments shall be disclosed. If a driver is allocated, please note the relevant reward paid by the Company to the driver, but this shall not be included in remuneration. In addition, salary expenses recognized according to IFRS 2 "Share-based Payment", including employee stock options, new restricted employee shares, and participation in the share subscription by cash capital increase, shall also be included in remuneration.

Note 4 The amount of employee compensation distributed to the president and vice-presidents with the approval of the Board of Directors in the most recent fiscal year shall be filled out. If this amount is impossible to predict, the amount proposed for distribution in the current year shall be proportionally calculated according to the actual amount distributed last year. In this case, Schedule 1-3 shall be filled out separately. Net income after tax refers to the net income after tax in the most recent fiscal year; if the IFRS is already adopted, net income after tax refers to the net income after tax indicated in the individual or separate financial statements in the most recent fiscal year.

Note 5 The total amount of remuneration paid by all companies (including the Company) in the consolidated statements to the president and vice-presidents of the Company shall be disclosed.

Note 6 The total amount of remuneration paid by the Company to the president and vice-presidents shall be disclosed, together with the names of the president and vice-presidents in the corresponding Remuneration Range Table.

Note 7 The total amount of remuneration paid by all companies (including the Company) in the consolidated statements to the president and vice-presidents of the Company shall be disclosed, together with the names of the president and vice-presidents in the corresponding Remuneration Range Table.

Note 8 Net income after tax refers to the net income after tax in the most recent fiscal year; if the IFRS is already adopted, net income after tax refers to the net income after tax indicated in the individual or separate financial statements in the most recent fiscal year.

Note 9 a. The amount of relevant remuneration received by the president and vice-presidents of the Company from invested companies beyond subsidiaries shall be clearly filled out in this column.

b. The amount of relevant remuneration received by the president and vice-presidents of the Company from invested companies beyond subsidiaries shall be incorporated into column E of the Remuneration Range Table if any, and the name of the column shall be changed to "All invested companies".

c. Remuneration refers to salary and compensation (including compensation of employees, directors, and supervisors) and business execution fees as well as other relevant remuneration received by the president and vice-presidents of the Company with the identity of director, supervisor, or manager of invested companies beyond subsidiaries.

4. Remuneration of the management team

Unit: NT$ Thousand/Share(s) December 31, 2023

| | Title | Name | Stock | Cash | Total | Ratio of total amount to net income (%) |
|---|---|---|---|---|---|---|
| Managerial officers | President | Ho, Ming-Che | 0 | 14,801 | 14,801 | 5.94% |
| | Operational management Center President | Li, Li-Hsiang | | | | |
| | Executive Office & New Business Development Vice-President | Chen, Alexander | | | | |
| | Telecom Channel Service Division Business vice-president | Chan, Shih-Jen | | | | |
| | Financial Technology Division Senior associate manager | Lu, Chi-Wei | | | | |
| | Finance Division Senior manager | Li, Po-Yang | | | | |
| | Finance Division Accounting manager | Chu, Chen-Ju | | | | |

Note 1 The names and titles shall be presented separately, and the amount paid shall be summarized and disclosed.

Note 2 The amount of employee compensation (including stock and cash) distributed to managers with the approval of the Board of Directors in the most recent fiscal year shall be filled out. If this amount is impossible to predict, the amount proposed for distribution in the current year shall be proportionally calculated according to the actual amount distributed last year. Net income after tax refers to the net income after tax indicated in the individual or separate financial statements in the most recent fiscal year.

Note 3 The scope of application of managers is as follows in accordance with the provisions of Order Tai-Tsai-Cheng-San-Tzu No. 0920001301 issued by the Commission on March 27, 2003:

(1) President and officers of equivalent rank
(2) Vice-presidents and officers of equivalent rank
(3) Associate managers and officers of equivalent rank
(4) Head of the finance division
(5) Head of the accounting division
(6) Other personnel in charge of the managerial affairs of the Company with signing rights.

Note 4 If chairman, president and vice-presidents receive employee compensation (including stock and cash), he/she shall fill out this table as well as Table (1-2).

4-1. Remuneration paid to the top five executives with the highest remuneration in a TWSE/TPEx listed company (names and remuneration form disclosed individually) (Note 1)

| Title | Name | Salary (A) (Note 2) | | Severance pay (B) | | Bonuses and allowances (C) (Note 3) | | Employee compensation (D) (Note 4) | | | | Ratio of total compensation (A+B+C+D) to net income (%) (Note 6) | | Compensation paid to directors from an invested company or from the Company's subsidiary (Note 7) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | The Company | Companies in the consolidated financial statements | The Company | Companies in the consolidated financial statements | The Company | Companies in the consolidated financial statements | The Company | | Companies in the consolidated financial statements | | The Company | Companies in the consolidated financial statements | |
| | | | | | | | | Cash | Stock | Cash | Stock | | | |
| Manager | Executive A | 5,000 | 5,000 | 0 | 0 | 3,595 | 3,595 | 3,700 | 0 | 3,700 | 0 | 4.94% | 4.94% | None |
| Manager | Executive B | 3,456 | 3,456 | 108 | 108 | 3,158 | 3,158 | 3,600 | 0 | 3,600 | 0 | 4.14% | 4.14% | None |
| Manager | Executive C | 2,000 | 2,000 | 108 | 108 | 743 | 743 | 2,583 | 0 | 2,583 | 0 | 2.18% | 2.18% | None |
| Manager | Executive D | 1,953 | 1,953 | 108 | 108 | 2,565 | 2,565 | 1,845 | 0 | 1,845 | 0 | 2.60% | 2.60% | None |
| Manager | Executive E | 1,953 | 1,953 | 108 | 108 | 855 | 855 | 1,476 | 0 | 1,476 | 0 | 1.76% | 1.76% | None |

Note 1 "The top five executives with the highest remuneration" refers to managers of the Company. The standards for recognition of managers shall align with the scope of application of "Managers" stipulated in Order Tai-Tsai-Cheng-San-Tzu No. 0920001301 issued by former Securities and Futures Commission, the Ministry of Finance on March 27, 2003. The principles of the calculation and recognition of "the top five executives with the highest remuneration" refers to the total amount of salary, severance pay and pension, bonus, and allowances, etc. received by managers of the Company from all companies in the consolidated financial statements as well as the amount of employee compensation (i.e., total of items A+B+C+D); the top five are then sorted and recognized based on said amount. If a director serves as a preceding executive, this table and the preceding Table (1-1) shall be filled out.

Note 2 The salary, position bonus, and severance pay of the top five executives with the highest remuneration in the most recent fiscal year shall be filled out.

Note 3 Various bonuses, rewards, travel expenses, allowances, various subsidies, dormitory expenses, car provisions, and other expenses in kind, as well as other rewards for the top five executives with the highest remuneration in the most recent fiscal year shall be filled out. If housing, cars, or other transport means or exclusive individual expenditure are provided, the nature and cost of the assets provided, the actual rent or rent calculated according to fair market price, gasoline expenses, and other payments shall be disclosed. If a driver is allocated, please note the relevant reward paid by the Company to the driver, but this shall not be included in remuneration. In addition, salary expenses recognized according to IFRS 2 "Share-based Payment", including employee stock options, new restricted employee shares, and participation in the share subscription by cash capital increase, shall also be included in remuneration.

Note 4 The amount of employee compensation distributed to the top five executives with the highest remuneration with the approval of the Board of Directors in the most recent fiscal year shall be filled out. If this amount is impossible to predict, the amount proposed for distribution in the current year shall be proportionally calculated according to the actual amount distributed last year. In this case, Schedule 1-3 shall be filled out separately.

Note 5 The total amount of remuneration paid by all companies (including the Company) in the consolidated statements to the top five executives with the highest remuneration of the Company shall be disclosed.

Note 6 Net income after tax refers to the net income after tax indicated in the individual or separate financial statements in the most recent fiscal year.

Note 7 a. The amount of relevant remuneration received by the top five executives with the highest remuneration of the Company from invested companies beyond subsidiaries or the parent company shall be clearly filled out in this column (please indicate "None" if not applicable).

b. Remuneration refers to salary and compensation (including compensation of employees, directors, and supervisors) and business execution fees as well as other relevant remuneration received by the top five executives with the highest remuneration of the Company with the identity of director, supervisor, or manager of invested companies beyond subsidiaries or the parent company.

* The content of the remuneration disclosed in this table is different from the income specified in the Income Tax Act, and therefore the purpose of this table is for information disclosure instead of taxation.

D. Ratio of total remuneration for president and vice-presidents of the Company and all the companies in the consolidated Financial Statements in net profit of the individual financial report after tax shall be illustrated, and remuneration payment policy, standard and combination, establishment procedure of remuneration, relevance between performance and future risk shall be stated.

1. Analysis of the ratio of the total amount of remuneration paid in net income after tax

Unit: NT$ Thousand

| | 2022 | | 2023 | |
|---|---|---|---|---|
| | The Company | Companies in the consolidated financial statements | The Company | Companies in the consolidated financial statements |
| Director | 32,215 | 33,043 | 41,277 | 41,940 |
| Supervisors | 0 | 0 | 0 | 0 |
| President and Vice-President | 24,885 | 24,901 | 31,438 | 31,438 |
| Ratio of the total amount in net income after tax | 19.13% | 19.47% | 29.19% | 29.46% |

2. Remuneration payment policy, standard and combination:
   (1) The Company sets aside no more than 4% of the surplus distributed in the current year as compensation for directors and supervisors in accordance with the relevant provisions of the Articles of Association.
   (2) The remuneration of the president and vice-presidents is paid according to relevant measures of the Company for personnel remuneration and based on their seniority and rank. Bonuses and dividends are paid according to the annual operating performance and individual performance.
3. Remuneration procedure:
   (1) The compensation of directors and supervisors distributed from the surplus shall be paid based on the participation of directors and supervisors in corporate operations as well as the value contributed after deliberation of the Remuneration Committee, and submitted to the Board of Directors and relevant Shareholders' Meeting with relevant resolutions.
   (2) The remuneration of the president and heads of departments of the Company shall be established in accordance with the relevant measures of the Company for personnel remuneration, and based on their positions and responsibilities with reference to the remuneration level of the same positions in the industry. Remuneration is applied after deliberation of the Remuneration Committee, and verification and approval by the Board of Directors.
4. Relevancy to operating performance and future risks:
   (1) The compensation of directors and supervisors is a surplus distribution in nature, with the Company's operating position and financial performance already fully considered.
   (2) The remuneration of the president and vice-presidents is determined in full consideration of their professional competency, as well as the corporate operation and financial position. The performance of these officers is evaluated according to the scores obtained in daily assessments and the fulfillment status of tracked key performance indicators continually. Furthermore, future possible risks have already been fully considered.

## (III) Implementation of corporate governance

A. Operations of the Board of Directors

The Company re-elected its directors, and set up an Audit Committee in replacement of supervisors in the regular Shareholders' Meeting held on June 14, 2023. A total of 11 meetings (A) were held in the most recent fiscal year. The attendance records of directors are as follows:

| Title | Name | Attendance in person(B) | By proxy | Attendance rate (%) 【B/A】 | Remarks |
|---|---|---|---|---|---|
| Chairman | Chen, Tun-Jen | 8 | 0 | 100% | |
| Director | Ho, Ming-Che | 8 | 0 | 100% | |
| Director | Xinlai Investment Co., Ltd. Chen, Alexander | 8 | 0 | 100% | |
| Director | Lo, Hsueh-Yu | 3 | 0 | 100% | Resigned on 6/14 |
| Director | Yang, Chiao-Feng | 5 | 0 | 100% | Newly-elected on 6/14 |
| Independent Director | Lo, Li-Chu | 3 | 0 | 100% | Resigned on 6/14 |
| Independent Director | Wang, Shen-Huei | 8 | 0 | 100% | |
| Independent Director | Tsai, Yu-Ping | 7 | 1 | 88% | |
| Independent Director | Wang, Teng-Yue | 5 | 0 | 100% | Newly-elected on 6/14 |

Other mentionable items:

1. If any of the following circumstances occurs, the dates of the meetings, sessions, contents of proposals, all independent directors' opinions, and the Company's response to these opinions shall be described:
   (1) Matters referred to in Article 14-3 of the Securities and Exchange Act.
   (2) Matters involving objections or expressed reservations by independent directors mentioned in records or written statements, and requiring resolution by the Board of Directors in addition to the preceding matters:

   In the meetings of the Board of Directors held in 2023, no independent director raised any objection or reservation.
2. For the execution of the recusal of directors from relevant proposals due to conflicts of interest, the names of directors, contents of proposals, reason for recusal, and participation in voting shall be described: None.
3. Implementation status of evaluations of the Board of Directors and functional committees:

| Frequency | Period | Scope | Method | Content |
|---|---|---|---|---|
| Once a year | January 1, 2023 to December 31, 2023 | Performance of the Board of Directors, individual board members, and functional committees (Remuneration Committee; Audit Committee) | Self-evaluation by board members | The performance evaluation of the Board of Directors includes participation in the Company's operations, improvement in the Board of Directors' decision-making quality, composition and structure of the Board of Directors, election and continuing education of directors, and internal control.<br>The performance evaluations of individual board members include understanding of the Company's goals and missions, understanding of the directors' responsibilities, participation in the Company's operations, management and communication of internal relations, expertise and continuing education of directors, and internal control.<br>The performance evaluations of functional committees include participation in the Company's operations, understanding of the functional committees' responsibilities, |

| | | | | |
|---|---|---|---|---|
| | | | | improvement in the functional committees' decision-making quality, composition of the functional committees and election of members, election of members of the committees, and internal control. |

4. Should any of the following circumstances occur at the Board of Directors Meeting, the date of the Board of Directors, the stage, contents proposed, opinions of all independent directors, and the Company's handling of independent directors' opinions, should any exist, shall be specified:
   (1) Matters as stipulated in Paragraph 3 of Article 14 of the Securities Exchange Act.
   (2) Apart from the above-mentioned matters, other board resolution matters on which an independent director has an adverse or expertise opinion recorded or in the form of a written statement.

B. Operation of the Audit Committee

The Company set up an Audit Committee in replacement of supervisors in 2020. A total of six meetings (A) were convened by the Board of Directors in the most recent fiscal year. The attendance of committee members is as follows:

Term of former committee members: from June 16, 2020 to June 13, 2023; the Audit Committee held 3 meetings (A) in the first half year;

Term of new committee members: from June 14, 2023 to June 13, 2026; the Audit Committee is about to hold 3 meetings (A) in the second half year.

| Title | Name | Attendance in person(B) | By Proxy | Attendance rate (%) [B/A] | Remarks |
|---|---|---|---|---|---|
| Independent Director | Lo, Li-Chu | 3 | 0 | 100% | Resigned |
| Independent Director | Wang, Shen-Huei | 6 | 0 | 100% | Re-elected |
| Independent Director | Tsai, Yu-Ping | 6 | 0 | 100% | Re-elected |
| Independent Director | Wang, Teng-Yue | 3 | 0 | 100% | Newly-elected |

Other matters to be recorded:

1. If any of the following circumstances occurs, the dates of the meetings, sessions, contents of proposals, contents of suggestions or objections from independent directors, results of resolutions of the Audit Committee, and the Company's response to these opinions shall be described:
   (1) Matters listed in Article 14-5 of the Securities and Exchange Act.
   (2) Resolution matters not passed by the Audit Committee but approved by more than two thirds of all directors in addition to the preceding matters:

   No preceding matters have occurred in the most recent fiscal year.
2. For the implementation of recusal of independent directors from voting on relevant proposals due to conflicts of interest, the names of directors, contents of proposals, reason of recusal, and participation in voting shall be described: None.
3. Communication of independent directors with internal audit officers and CPAs (including major events, methods, results, etc. of communication regarding corporate finance and business conditions):

   CPAs communicate periodically and respectively with the internal audit officer and independent directors concerning financial auditing matters, and corporate finance and business conditions.

C. Corporate Governance implementation status and deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof

| Item | Implementation status | | | Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof |
|---|---|---|---|---|
| | Yes | No | Description | |
| 1. Has the Company established and does it disclose its Corporate Governance Best Practice Principles based on the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies? | | ✓ | The Company has not yet established Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies; however, it implements corporate governance following the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies in practice. | In line with the Corporate Governance Best Practice Principles. |
| 2. Shareholding structure & shareholders' rights | | | | |
| (1) Has the Company established internal operating procedures to deal with shareholders' suggestions, concerns, disputes and litigation, and does the Company implement such procedures in accordance with the procedures? | | ✓ | (1) The Company has appointed a spokesperson and deputy spokesperson to handle related matters. The legal department handles any legal issues that arise. | (1) In line with the Corporate Governance Best Practice Principles. |
| (2) Does the Company keep a list of its major shareholders with controlling power as well as the ultimate owners of those major shareholders? | ✓ | | (2) The Company keeps a list of its major shareholders as well as the ultimate owners of those major shareholders at any time, and discloses it periodically according to the provisions of relevant laws and regulations. | (2) In line with the Corporate Governance Best Practice Principles. |
| (3) Has the Company established and does it execute a risk management and firewall system within its affiliated companies? | ✓ | | (3) The Company has established an appropriate risk control mechanism and firewall in accordance with the Regulations Governing Supervision Work of Subsidiaries, the Regulations Governing Transactions with Related Parties, the Procedures for Lending of Funds and Endorsement of Guarantees, and the Procedures for the Acquisition or Disposal of Assets. | (3) In line with the Corporate Governance Best Practice Principles. |
| (4) Has the Company established internal rules against insider trading and the use of undisclosed information in securities trading? | ✓ | | (4) The Company has already established Procedures for the Prevention of Insider Trading to prohibit insiders from trading valuable securities using information not disclosed in the market. | (4) In line with the Corporate Governance Best Practice Principles. |

| Item | Implementation status | | | Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof |
| --- | --- | --- | --- | --- |
| | Yes | No | Description | |
| 3. Composition and responsibilities of the Board of Directors<br>(1) Does the Board of Directors develop and implement a diversity policy for the composition of its members? | ✓ | | (1) The Company has recruited people with different professional backgrounds to form the Board of Directors according to the existing business model and actual needs, and to make suggestions for the Company's decision-making as appropriate. | (1) In line with the Corporate Governance Best Practice Principles. |
| (2) In addition to the legally required Remuneration Committee and Audit Committee, has the Company voluntarily established other functional committees? | | ✓ | (2) In addition to the legally established Remuneration Committee and Audit Committee, the Company has not established any other functional committees, but will evaluate and set up relevant committee(s) in the future as needed. | (2) In line with the Corporate Governance Best Practice Principles. |
| (3) Has the Company established standards and methods to evaluate the performance of the Board of Directors, conduct evaluations annually and regularly, report the evaluation results to the Board of Directors, and use them as a reference for individual directors' remuneration, nomination and renewal? | ✓ | | (3) The Company has already established the Regulations Governing the Performance of the Board of Directors and Functional Committee to implement periodical performance evaluations and submit the results of performance evaluations to the Board of Directors. This regulation is subsequently applied as reference for the remuneration and nomination of individual board members. | (3) In line with the Corporate Governance Best Practice Principles. |
| (4) Does the Company regularly evaluate the independence of the CPAs? | ✓ | | (4) The company has entrusted CPAs from a large accounting firm in Taiwan for certification who have no stake in the Company. CPAs also independently audit the Company's financials according to relevant laws and regulations. | (4) In line with the Corporate Governance Best Practice Principles. |
| 4. Does the Company appoint adequate persons and a chief governance officer in charge of corporate governance matters (including, but not limited to, providing directors and supervisors with the required information for business execution, assisting directors and supervisors in following laws and regulations, handling | ✓ | | The Company has not yet appointed a corporate governance officer. However, the President's Office, Finance Division, General Administration Division, Auditing Office, and Compliance Office are jointly responsible for corporate governance related affairs. | In line with the Corporate Governance Best Practice Principles. |

| Item | Implementation status | | | Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof |
| --- | --- | --- | --- | --- |
| | Yes | No | Description | |
| matters in relation to Board Meetings and Shareholders' Meetings and keep minutes at Board Meetings and Shareholders' Meetings as required by law)? | | | In addition, the Company has established the Standard Operating Procedures for Dealing with Directors' Requirements. The Finance Division is responsible for making overall arrangements and providing the data needed for the business execution of directors and independent directors, assisting directors in regulatory compliance, handling matters related to meetings of the Board of Directors and Shareholders' Meetings according to law, and taking minutes of Board of Directors and Shareholders' Meetings. | |
| 5. Has the Company established communication channels and build a dedicated section on its website for stakeholders (including, but not limited to, shareholders, employees, customers, and suppliers) to respond to material corporate social responsibility issues in a proper manner? | ✓ | | The Company has appointed a spokesperson and deputy spokesperson, and announced relevant information on the MOPS as stipulated. The Company also announces information regarding its finances and stock affairs on its website and the MOPS to establish a good communication channel with stakeholders. | In line with the Corporate Governance Best Practice Principles. |
| 6. Does the Company appoint a professional shareholder service agency to deal with shareholder affairs? | ✓ | | The Company has entrusted the Stock Agency Department of Grand Fortune Securities Co., Ltd. with the handling of affairs related to Shareholders' Meetings. | In line with the Corporate Governance Best Practice Principles. |
| 7. Information disclosure<br>(1) Does the Company have a corporate website to disclose both the Company's financial standing and corporate governance status? | ✓ | | (1) The Company has already set up a website and periodically discloses information related to the Company's finances, business operations, and corporate governance. | (1) In line with the Corporate Governance Best Practice Principles. |
| (2) Does the Company have other information disclosure channels (e.g., an English website, appointing designated people to handle information collection and disclosure, a spokesperson system, and webcasting investor conferences)? | ✓ | | (2) The Company's website is www.welldone.com.tw. Special personnel are assigned to take charge of collecting and disclosing corporate information. The Company has also appointed a spokesperson and deputy spokesperson, and announces relevant | (2) In line with the Corporate Governance Best Practice Principles. |

| Item | Implementation status | | | Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof |
|---|---|---|---|---|
| | Yes | No | Description | |
| (3) Does the Company announce and file annual financial reports within two months after the close of the given fiscal year and publicly announce and file the first, second, and third quarterly financial reports and the operation of each month ahead of the required deadline? | ✓ | | information on the MOPS as stipulated. The Company also announces information regarding its finances and stock affairs on its website and the MOPS.<br>(3) The Company's annual financial reports, financial reports of each quarter, and operation status each month are announced and declared by the finance and accounting division within the stipulated time limit according to relevant laws, regulations and the competent authority's specifications. | (3) In line with the Corporate Governance Best Practice Principles. |
| 8. Is there any other important information to facilitate a better understanding of the Company's corporate governance practices (including, but not limited to, employee rights, employee wellness, investor relations, supplier relations, stakeholder rights, directors' and supervisors' training records, implementation of risk management policies and risk evaluation measures, implementation of customer policies, and participation in liability insurance by directors and supervisors)? | ✓ | | (1) Employee rights: The Company has established personnel rules and regulations according to the relevant provisions of the Labor Standards Act to ensure employees' rights.<br>(2) Employee wellness: The Company actively establishes and provides its employees with a safe and comfortable work environment, e.g., an employee dining hall, an Employee Welfare Committee, group insurance for employees, and education, training, and health checkups, etc.<br>(3) Investor relations: The Company has appointed a spokesperson and deputy spokesperson to handle relevant matters.<br>(4) Supplier relations: The Company has always maintained good relations with suppliers.<br>(5) Stakeholder rights: Stakeholders may communicate with the Company, and provide suggestions to safeguard their legitimate rights and interests.<br>(6) Directors' and supervisors' training records: The Company arranges for directors and independent directors to attend continuing | In line with the Corporate Governance Best Practice Principles. |

| Item | Implementation status | | | Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof |
|---|---|---|---|---|
| | Yes | No | Description | |
| | | | education courses with a good attendance rate.<br>(7) Implementation of risk management policies and risk evaluation measures: The Company has legally established an internal control system and various internal regulations to control various risks.<br>(8) Implementation of customer policies: The Company strictly follows contracts signed with customers as well as relevant regulations, and set up a customer complaint management system to ensure customers' rights and favorable relations.<br>(9) Liability insurance for directors and independent directors: The Company purchases liability insurance for directors and independent directors every year. | |
| 9. Please explain the improvements made in accordance with the Corporate Governance Evaluation results released by the Taiwan Stock Exchange's Corporate Governance Center, and provide the priorities and plans for improvement with items yet to be improved (not applicable for companies excluded from evaluation).<br>The Company will continue to evaluate the feasibility of future improvements of parts not scored yet. | | | | |

D. Composition, duties and operations of the Remuneration Committee

1. Members of the Remuneration Committee: Convener, Independent Director Wang, Shen-Huei, Member, Independent Director Tsai, Yu-Ping, and Member, Independent Director Wang, Teng-Yue.
   Members of the Remuneration Committee comprise independent directors. For the relevant working seniority of each member of the Remuneration Committee, professional qualifications, and independent status, please refer to the relevant contents indicated in the schedule of information of directors and independent directors on page 10.
2. Status: The Board of Directors approved the establishment of the Rules of Organization of the Remuneration Committee, and elected members of the Remuneration Committee on December 15, 2011. Now it is the fifth Remuneration Committee with three independent directors as members whose term of office is from June 14, 2023 to June 13, 2026.
3. Responsibilities: The Remuneration Committee aims to assist the Board of Directors in executing and evaluating the Company's overall remuneration and welfare policies as well as the managers' remuneration.
4. Operational status of the Remuneration Committee
   The Remuneration Committee of the Company comprises three members.
   A total of two meetings (A) were held by the Remuneration Committee in the most recent fiscal year.
   Term of former committee members (the 4th): from June 16, 2020 to June 13, 2023; the Remuneration Committee held 1 meeting (A) in the first half year;
   Term of new committee members (the 5th): from June 14, 2023 to June 13, 2026; the Audit Committee is about to hold 1 meeting (A) in the second half year.
   The qualifications and attendance of committee members are as follows:

| Title | Name | Attendance in person(B) | By Proxy | Attendance rate (%) (B /A) (Note) | Remarks |
|---|---|---|---|---|---|
| Convener | Wang, Shen-Huei | 2 | 0 | 100% | Re-elected |
| Committee member | Lo, Li-Chu | 1 | 0 | 100% | Resigned |
| Committee member | Tsai, Yu-Ping | 2 | 0 | 100% | Re-elected |
| Committee member | Wang, Teng-Yue | 1 | 0 | 100% | Resigned |
| Other matters to be recorded:<br>1. If the Board of Directors does not adopt or correct the suggestions made by the Remuneration Committee, it shall explain date and session of meeting of the Board of Directors, content of proposal, resolution results of the Board of Directors as well as the Company's response to the opinions of the Remuneration Committee (if the remuneration passed by the Board of Directors is superior to that suggested by the Remuneration Committee, the deviation and reason shall be explained): None.<br>2. As for resolution matters of the Remuneration Committee, if any member raises an opposing or qualified opinion with a relevant written statement, the date and session of the Remuneration Committee as well as the content of the proposal, all members' opinions, and handling of these opinions shall be explained: None. | | | | | |

Note:

(1) If any member of the Remuneration Committee resigns before the end of the year, the date of resignation shall be specified in the remark's column. The actual attendance (%) of this resigning member shall be calculated according to the number of meetings of the Remuneration Committee held in the tenure, and the actual attendance of this member.

(2) If the Remuneration Committee was re-elected before the end of the year, both the new and former members of the Remuneration Committee shall be indicated, and it shall be specified in the remarks column which members are formerly and newly appointed together with the date of re-appointment or re-election. The actual attendance (%) of this resigning member shall be calculated according to the number of meetings of the Remuneration Committee held in the tenure, and the actual attendance of this member.

E. Implementation status of promotion of sustainable development, deviations from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof:

| Evaluation item | Implementation status | | | Deviations from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof |
|---|---|---|---|---|
| | Yes | No | Description | |
| 1. Has the Company established a governance structure to promote sustainable development and set up a full-time (or part-time) unit to promote sustainable development which is handled by senior management authorized by the Board of Directors and supervised and guided by the Board of Directors? | ✓ | | The General Administration Division of the Company is in concurrent charge of the promotion of sustainable development, and each department involved shall also assist with the joint promotion of sustainable development related affairs, and report to the Board of Directors as needed. | In line with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies. |
| 2. Has the Company implemented a risk evaluation of issues related to corporate operations, including environment, society and corporate governance, according to the materiality principle and established relevant risk management policies or strategies? | | ✓ | The Company has not established relevant risk management policies or strategies regarding issues including the environment, society, and corporate governance related to corporate operations. However, the Company already promotes corporate governance in daily operating activities, strictly abides by laws and regulations, and legally established the internal control system and internal management rules and regulations to control each risk. The Company also actively implements environmental protection and energy conservation work, and participates in social welfare activities, etc. | In line with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies. |
| 3. Environmental issues<br>(1) Has the Company established an environmental management system suitable for the industry in which it operates? | ✓ | | (1) The impact of the Company's operating activities on the environment mainly comes from the electric energy and water resources used in the workplace and waste generated. The Company has already reduced the environmental impact through resource reutilization, elevator energy conservation, channel lighting, and management of air-conditioning and water resources. | (1) In line with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies. |
| (2) Does the Company endeavor to utilize all resources more efficiently and use renewable materials that have a low impact on the environment? | ✓ | | (2) The Company has already implemented relevant measures including repeated use of autotype paper, periodically recycling waste toner cartridge and old computers, and use of environmentally friendly bowls and chopsticks at the employees' dining hall. | (2) In line with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies. |
| (3) Does the Company evaluate the potential risks and opportunities in climate change with regard to the present and future of its business, and take | ✓ | | (3) The General Administration Division of the Company is assigned to search and evaluate relevant information concerning the potential risks and opportunities | (3) In line with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed |

| Evaluation item | Implementation status | | | Deviations from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof |
|---|---|---|---|---|
| | Yes | No | Description | |
| appropriate action to counter climate change issues? | | | brought by climate change to the present and future of the enterprise, provide such information to management as a reference for decision-making, and publicize measures taken by the Company to promote environmental protection and energy conservation to the employees through monthly meetings, posting announcements, and via email, etc. | Companies. |
| (4) Has the Company calculated greenhouse gas emissions, water consumption, and the total weight of waste in the last two years, and established policies on energy conservation and carbon reduction, greenhouse gas reduction, water reduction, or waste management? | ✓ | | (4) The Company's premises have already established relevant energy conservation measures, including management of operational efficiency, temperature control on air-conditioning equipment, and efficiency and management of lighting equipment. The Company also advocates for employees to save water and power consumption, and implements waste classification and recovery in the hope that energy conservation and carbon emission reduction can be realized. | (4) In line with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies. |
| 4. Social issues<br>(1) Does the Company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights? | ✓ | | (1) The Company follows relevant labor regulations, safeguards employees' legitimate rights and interests, and establishes appropriate management methods and procedures:<br>a. Provides employees with competitive remuneration and a bonus/dividend system.<br>b. Provides employee education and training.<br>c. Implements insurance plans and a leave system.<br>d. Sets aside pension contributions according to law, and has established an Employee Welfare Committee.<br>e. Established the Regulations Governing Occupational Disaster Compensation and Relief. | (1) In line with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies. |
| (2) Has the Company established and offered proper employee benefits (including compensation, leave, and other benefits) and reflected the business performance or results in employee compensation as appropriate? | ✓ | | (2) a. The Company has established a Remuneration Committee to periodically evaluate the reasonableness of the remuneration policy. The Company has also established a system for assessing the performance of employees as well as reward and punishment, and reflects the operating performance or results in the | (2) In line with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies. |

| Evaluation item | Implementation status | | | Deviations from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof |
|---|---|---|---|---|
| | Yes | No | Description | |
| | | | employees' remuneration as appropriate.<br>b. The Company has established and implemented an employee leave system according to the Labor Standards Act.<br>c. The Company has set up an employee sports and leisure room, established an Employee Welfare Committee, purchased group insurance for employees, and provides education and training as well as employee health checkups, etc.<br>d. The Company emphasizes matching talent to jobs. Currently, male and female employees are split about 50:50 across all employees, while female senior officers account for 1/6 of the workforce. | |
| (3) Does the Company provide a safe and healthy work environment, and does it organize health and safety training for its employees on a regular basis? | ✓ | | (3) The safe and healthy work environment provided by the Company for the employees is as follows:<br>a. Employees are provided with health checkups periodically.<br>b. An employee sports and leisure room has been set up, as well as a rhythm classroom, fitness facilities, basketball game machines, table tennis, and visual/audio reading room, etc.<br>c. The Regulations Governing the Prevention and Control of Sexual Harassment have been established and appeal channels are provided to maintain the order of the work environment.<br>d. Group insurance is purchased for employees, including accident insurance, medical insurance, cancer insurance, and occupational disaster insurance, etc.<br>e. Precautions for the implementation of safety maintenance as well as response measures against disasters are provided, and fire protection lectures and drills are held every year.<br>f. No employee occupational disaster occurred to the Company in the current year. | In line with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies. |
| (4) Has the Company established effective career | ✓ | | (4) The HR unit of the Company is assigned to arrange and | In line with the Corporate Social |

| Evaluation item | Implementation status | | | Deviations from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof |
|---|---|---|---|---|
| | Yes | No | Description | |
| development and training plans for its employees? | | | organize internal and external education and training according to each department's demands:<br>a. Provide new employees with induction training.<br>b. Arrange colleagues and officers at each level to participate in external professional training in accordance with the competent authority's provisions and based on employees' demand.<br>c. Arrange work shifts based on employees' potential to develop in their careers. | Responsibility Best Practice Principles for TWSE/TPEx Listed Companies. |
| (5) Do the Company's products and services comply with related regulations and international rules for customers' health and safety, privacy, sales, labeling and set policies to protect consumers' rights and consumer appeal procedures? | ✓ | | (5) a. The Company has dealt with its products and services regarding customer health and safety, and privacy, marketing, and labeling in accordance with the relevant regulations and international rules.<br>b. The Company values customer after-sales services and has established customer appeal pipelines and procedures. | In line with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies. |
| (6) Has the Company established supplier management policies that require suppliers to comply with relevant laws and regulations related to environmental protection, occupational health and safety or labor rights and supervised its implementation? | | ✓ | (6) a. For the purchasing of products, equipment, and tools, the Company focuses on the energy conservation and carbon reduction functions of products provided by suppliers to improve corporate social responsibility.<br>b. The Company prudently evaluates suppliers and the Company does not partner with those who violate corporate social responsibilities and have a material impact on the environment, society, or human rights. | In line with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies. |
| 5. Has the Company, referring to the international standards or guidelines for the preparation of reports, prepared CSR reports to disclose non-financial information of the Company? Are the reports certified or assured by a third-party accreditation institution? | | ✓ | The Company has not prepared a CRS report. In addition to the disclosure of non-financial information of the Company in the annual report, the Company also discloses relevant information on the corporate website. | In line with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies. |
| 6. If the Company has established corporate social responsibility principles based on the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies, describe the implementation and any discrepancy:<br>The Company has not yet established Sustainable Development Best Practice Principles. | | | | |
| 7. Other important information to facilitate a better understanding of the Company's corporate social responsibility practices: None. | | | | |

F. Ethical corporate management and deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof

| Evaluation item | Implementation status | | | Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof |
|---|---|---|---|---|
| | Yes | No | Description | |
| 1. Establishment of ethical corporate management policies and programs | | | | |
| (1) Has the Company established ethical corporate management policies approved by the Board of Directors and specified in its rules and external documents the ethical corporate management policies and practices and the commitment of the Board of Directors and senior management to rigorous and thorough implementation of such policies? | ✓ | | (1) The Company has established the Ethical Corporate Management Best Practice Principles and follows the Company Act, the Securities and the Exchange Act, relevant rules and regulations governing TWSE/TPEx listed companies, and other relevant laws and regulations as the foundation for the implementation of the ethical corporate management. | (1) In line with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies. |
| (2) Has the Company established a risk assessment mechanism against unethical conduct, and analyze and assess on a regular basis the business activity within its business scope which is at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly, which shall at least include those specified in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies? | ✓ | | (2) The Company has established the Ethical Corporate Management Best Practice Principles, which specify that the Company prohibits the provision or acceptance of illegitimate interests, abides by the procedures for political contributions, and forbids infringements on intellectual property rights and unfair competition. It is also specifically prescribed that the Company and its directors, supervisors, managers, employees, and physical controllers shall not directly or indirectly provide, promise, require, or accept any illegitimate interests, or adopt any other unethical conduct that violates the principles of integrity and legality, or fiduciary duties when executing corporate duties. | (2) In line with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies. |
| (3) Does the Company provide any solutions to prevent unethical conduct, stipulate procedures, conduct guidelines, punishment for violation as well as appeals and put into practice, review and revise on a regular basis the aforesaid solutions? | ✓ | | (3) The Company engages in commercial activities following the principles of fairness, honesty, legal compliance, and transparency. It has already implemented an ethical corporate management policy to actively prevent unethical conduct. Furthermore, the Company has established the Ethical Corporate Management Best Practice Principles and Code of Ethics, which specifically standardizes matters to which to adhere during the execution of business by personnel of the Company. | (3) In line with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies. |

| Evaluation item | Implementation status | | | Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof |
|---|---|---|---|---|
| | Yes | No | Description | |
| | | | The Ethical Corporate Management Best Practice Principles are also advocated regularly through employee education and training. | |
| 2. Fulfillment of ethical corporate management<br>(1) Does the Company evaluate business partners' ethical records and include ethics-related clauses in the business contracts signed with the counterparties? | ✓ | | (1) The Company conducts credit investigation work for external commercial activities as appropriate in consideration of the legality and ethical corporate management status of suppliers, customers, and other counterparties. The legal unit is also responsible for reviewing the contractual terms signed, and avoiding entering into transactions with those with unethical conduct. | (1) In line with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies. |
| (2) Has the Company set up a dedicated unit under the Board of Directors to promote ethical corporate management and regularly (at least once every year) report to the Board of Directors the implementation of ethical corporate management policies and unethical conduct prevention programs? | | ✓ | (2) The Company assigns the President's Office, General Administration Division, and audit unit to jointly promote the operation, supervision, and guidance of corporate ethical management, and report to the Board of Directors as required. | (2) In line with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies. |
| (3) Has the Company established policies to prevent conflicts of interest, provide appropriate communication channels, and implement them accordingly? | ✓ | | (3) The Company has established the Ethical Corporate Management Best Practice Principles, Code of Ethics, and other relevant rules and regulations to implement a policy of recusal due to conflicts of interest to prevent such conflicts. The Company has also provided channels for relevant stakeholders to state and explain important interests and relationships. | (3) In line with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies. |
| (4) Has the Company established effective accounting and internal control systems to implement ethical corporate management and have its internal audit department, based on the results of the assessment of the risk of involvement in unethical conduct, formulate audit plans and audit compliance with prevention programs accordingly or entrusted a CPA to conduct the audit? | ✓ | | (4) The Company has established and implemented a complete accounting policy and internal control system according to the competent authority's provisions to implement ethical corporate management. The internal audit unit is also responsible for implementing compliance audits of the programs used to prevent unethical conduct according to the annual audit plans established. | (4) In line with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies. |
| (5) Does the Company regularly hold internal and external training on ethical corporate management? | ✓ | | (5) The Company advocates ethical corporate management through employee education, training, | (5) In line with the Ethical Corporate Management Best |

| Evaluation item | Implementation status | | | Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof |
|---|---|---|---|---|
| | Yes | No | Description | |
| | | | and meetings. | Practice Principles for TWSE/GTSM Listed Companies. |
| 3. Operation of the whistleblowing system<br>(1) Has the Company established both a reward/whistleblowing system and convenient whistleblowing channels? Are appropriate personnel assigned to investigate the accused party?<br>(2) Has the Company established standard operating procedures for investigating reported misconduct, follow-up measures to be adopted after investigation, and related confidentiality mechanisms?<br>(3) Does the Company protect whistleblowers against improper treatment? | <br><br><br><br>(3) ✓ | (1) ✓<br>(2) ✓ | (1) The Company has not yet established a definite whistleblowing system. However, if employees need to report or communicate relevant matters, they may report anonymously, or report to their line managers, the HR unit, or relevant units in person or via email.<br>(2) The Company has not yet established relevant standard operating procedures and mechanisms. The internal personnel of the Company accept relevant matters reported, and handle such matters with a confidential, prudent, careful, and probative attitude.<br>(3) The Company guarantees the confidentiality of employees' appeals or whistleblowing to protect their rights and interests. | (1) In line with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.<br>(2) In line with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.<br>(3) In line with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies. |
| 4. Strengthening information disclosure<br>Does the Company disclose its ethical corporate management policies and the results of its implementation on the Company's website and MOPS? | ✓ | | The Company has already disclosed some matters related to ethical corporate management, including the Ethical Corporate Management Best Practice Principles and Code of Conduct on the corporate website and MOPS. | In line with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies. |
| 5. If the Company has established its own ethical corporate management policies based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, please describe the implementation and any discrepancies:<br>The Company has already established the Ethical Corporate Management Best Practice Principles to specifically standardize matters to follow by Company personnel during the execution of corporate duties, and no material discrepancy has been found. | | | | |
| 6. Other important information to facilitate a better understanding of the Company's ethical corporate management: (e.g., review and amend its policies)<br>The Company has already established the Ethical Corporate Management Best Practice Principles, and follows the Company Act, the Securities and the Exchange Act, the Business Entity Accounting Act, and other relevant laws and regulations governing TWSE/TPEx listed companies as the foundation for the implementation of ethical corporate management. | | | | |

G. If the Company has adopted corporate governance policies or related bylaws, the inquiry method shall be disclosed

For the relevant rules and regulations regarding the Company's governance, please refer to the Investor Section/Corporate

Governance/Important Internal Rules of the Company on the corporate website (http://www.welldone.com.tw/).

H. Other important information regarding corporate governance

The duration of continuing education of audit officers of the Company in 2023 is as follows:

| Title | Name | Date of continuing education | Sponsor | Name of course | Duration of continuing education |
|---|---|---|---|---|---|
| Auditing manager | Chen, Chieh-Min | 2023/09/22 | Securities and Futures Institute, SFI | Seminar on Latest Regulations and Audit Practices of Cyber Security | 6 |
| | | 2023/10/13 | Securities and Futures Institute, SFI | Case Analysis on Corporate Governance Practice and Audit – Centered on the Board Meeting and Shareholders' Meetings | 6 |
| Auditing agency (accounting manager) | Chu, Chen-Ju | 2023/08/18 | Accounting Research and Development Foundation | Internet Technology Development Trends and Internal Auditors' New Thinking | 6 |
| | | 2023/08/23 | Accounting Research and Development Foundation | Internal Auditors' Corporate Governance Qualities and Financial Reporting Risk Evaluation Practice | 6 |

I. Status of the Internal Control System

1. Statement of the Internal Control System

**Welldone Company**

**Statement of the Internal Control System**

March 15, 2024

Based on the findings of our internal control system evaluation, we hereby declare our internal control system during the period of January 1, 2023 to December 31, 2023 as follows:

1. We are firmly aware that the establishment, enforcement, and maintenance of internal control systems are bound in the duties of our board of directors and management. We have thus satisfactorily established such systems for the purposes of protection and efficiency of our business operations (including profitability, performance, and asset security), and for the reliability of financial statements and to observe relevant laws.
2. The Internal control system is subject to inherent restrictions. No matter how sound and comprehensive we design our internal control system, it can only protect per the three aforementioned targets. Amidst changing environments and situations, the performance of internal control systems vary accordingly. Thanks to the sound self-monitoring systems established inside our Company, we are in a position to take immediate corrective actions as soon as a shortcoming is identified.
3. Based on the Guidelines for the Enforcement of Internal Control Systems by Public Offering Companies promulgated by the Securities & Futures Commission, Ministry of Finance (the "Guidelines"), we have established items for the effective assessment of the internal control system to accurately evaluate whether the designed internal control system has been effectively designed and enforced. The assessment items adopted in the Guidelines divide internal control systems into five components: 1. Control environments. 2. Risk evaluation. 3. Control operation. 4. Information and communications and 5. Supervision. Each and every component includes sub-items. Please refer to the Enforcement Regulations for more details.
4. We have already adopted the aforementioned items to assess the effectiveness of the design and enforcement of our internal control system.
5. Based on the results of the aforementioned evaluations, we hereby confirm the aforementioned internal control systems (including supervision of subsidiaries) established on 31 December 2023 can achieve the following goals, including the degree of goal achievement related to business operations and efficiency, reliability, timeliness, and transparent financial statements that fulfilled the relevant laws and regulations related to the design and execution of internal control systems.
6. This Declaration forms an integral part of our Annual Report and Prospectus and is hereby officially made public. We further declare subject to all legal responsibilities under Articles 20, 32, 171, 174 of the Securities and Exchange Law that the aforementioned

contents made public are absolutely free of misrepresentation, concealment, or irregularities otherwise.

7. This Declaration was officially resolved by Welldone Company's board of directors on March 15 2024. A total of nine directors present extended their full agreement to the contents of this Declaration. There were no voices to the contrary.

Welldone Company
Chairman: Chen, Tun-Jen
President: Ho, Ming-Che

2. For those who commit CPAs to review the internal control system, the CPA review report should be disclosed: None.

J. Penalties imposed upon the Company and its employees in accordance with the law, penalties imposed by the Company upon its employees for violation of the internal control system policy, principal deficiencies, and improvement status during the most recent fiscal year up to the date of publication of the annual report

None.

K. Major resolutions of Shareholders' Meetings and Board Meetings during the most recent fiscal year up to the date of publication of the annual report

1. Important resolutions of Shareholders' Meetings:

<table>
<tr><th>Date of meeting</th><th>Important resolution</th><th>Resolution result</th><th>Execution status</th></tr>
<tr><td rowspan="2">Regular Shareholders' Meeting on June 14, 2023</td><td>Acknowledge matter<br>1. Proposal for closing statements and surplus distribution of the Company in 2022</td><td><table>
<tr><th>Voting result</th><th>Ratio in the number of voting rights held by the attending shareholders %</th></tr>
<tr><td>Number of affirmative rights: 66,665,791 rights (including 18,348,733 rights voted electronically)</td><td>98.49%</td></tr>
<tr><td>Number of dissenting rights: 905 rights (including 905 rights voted electronically)</td><td>0.00%</td></tr>
<tr><td>Number of invalid rights: 0 rights</td><td>0.00%</td></tr>
<tr><td>Number of abstention/unvoted rights: 1,016,05 rights (including 1,016,058 rights voted electronically)</td><td>1.50%</td></tr>
</table></td><td>Already implemented</td></tr>
<tr><td>Discussed matter<br>1. Proposal for share dilution planning of the subsidiary Life Link Co., Ltd.</td><td><table>
<tr><th>Voting result</th><th>Ratio in the number of voting rights held by the attending shareholders %</th></tr>
<tr><td>Number of affirmative rights: 48,650,183 rights (including 333,125 rights voted electronically)</td><td>71.87%</td></tr>
<tr><td>Number of dissenting rights: 18,016,915 rights (including 18,016,915 rights voted electronically)</td><td>26.61%</td></tr>
<tr><td>Number of invalid rights: 0 rights</td><td>0.00%</td></tr>
<tr><td>Number of abstention/unvoted rights: 1,015,656 rights (including 1,015,656 rights voted electronically)</td><td>1.50%</td></tr>
</table></td><td>Already implemented</td></tr>
</table>

<table>
<tr>
<td></td>
<td>2. Proposal for issuing common stock for capital increase by cash through private placement</td>
<td>
<table>
<tr><th>Voting result</th><th>Ratio in the number of voting rights held by the attending shareholders %</th></tr>
<tr><td>Number of affirmative rights: 48,635,133 rights (including 318,075 rights voted electronically)</td><td>71.85%</td></tr>
<tr><td>Number of dissenting rights: 18,031,967 rights (including 18,031,967 rights voted electronically)</td><td>26.64%</td></tr>
<tr><td>Number of invalid rights: 0 rights</td><td>0.00%</td></tr>
<tr><td>Number of abstention/unvoted rights: 1,015,654 rights (including 1,015,654 rights voted electronically)</td><td>1.50%</td></tr>
</table>
</td>
<td>Already implemented</td>
</tr>
<tr>
<td></td>
<td>Election Matter<br>Re-election of directors.</td>
<td>
<table>
<tr><th>Title</th><th>Name</th><th>Elected Weight</th><th>Note</th></tr>
<tr><td>Director</td><td>Chen, Tun-Jen</td><td>110,631,203</td><td>Elected</td></tr>
<tr><td>Director</td><td>Ho, Ming-Che</td><td>76,788,376</td><td>Elected</td></tr>
<tr><td>Director</td><td>Xinlai Investment Co., Ltd. Representative: Chen, Alexander</td><td>75,535,700</td><td>Elected</td></tr>
<tr><td>Director</td><td>Yang, Chiao-Feng</td><td>83,168,551</td><td>Elected</td></tr>
<tr><td>Independent Director</td><td>Wang, Shen-Huei</td><td>19,311,167</td><td>Elected</td></tr>
<tr><td>Independent Director</td><td>Tsai, Yu-Ping</td><td>19,305,668</td><td>Elected</td></tr>
<tr><td>Independent Director</td><td>Wang, Teng-Yue</td><td>81,488,431</td><td>Elected</td></tr>
</table>
</td>
<td>Already implemented</td>
</tr>
<tr>
<td></td>
<td>Other Agenda<br>Release of Restrictions of Competitive Activities of Newly Appointed Directors and Representatives</td>
<td>
<table>
<tr><th>Voting result</th><th>Ratio in the number of voting rights held by the attending shareholders %</th></tr>
<tr><td>Number of affirmative rights: 48,624,612 rights (including 307,554 rights voted electronically)</td><td>71.78%</td></tr>
<tr><td>Number of dissenting rights: 18,020,614 rights (including 18,020,614 rights voted electronically)</td><td>26.60%</td></tr>
<tr><td>Number of invalid rights: 0 rights</td><td>0.00%</td></tr>
<tr><td>Number of abstention/unvoted rights: 1,089,850rights (including 1,037,528 rights voted electronically)</td><td>1.60%</td></tr>
</table>
</td>
<td>Already implemented</td>
</tr>
</table>

## 2. Major resolutions of Board Meetings are summarized as follows:

| Date | Major resolutions | Resolution result | Execution status |
|---|---|---|---|
| 2023/3/24 | (1) Proposal for the approval of closing statements and surplus distribution of the Company in 2022 | All attending directors approved the proposal as submitted without any objection. | Being executed, planned to be proposed to the regular Shareholders' Meeting in 2023 for acknowledgement |
| | (2) Proposal for the employee compensation and directors' compensation of the Company in 2022 | All attending directors approved the proposal as submitted without any objection. | Being executed, planned to be reported to the regular Shareholders' Meeting in 2023 for acknowledgement |

| | | | | |
|---|---|---|---|---|
| | (3) | Proposal for the Effectiveness Assessment of the Internal Control System and Statement of the Internal Control System in 2022 | All attending directors approved the proposal as submitted without any objection. | Already implemented |
| | (4) | Proposal for Statement on Internal AML/CFT Control of 2022. Submitted for discussion | All attending directors approved the proposal as submitted without any objection. | Already implemented |
| | (5) | Proposal for share dilution planning of the subsidiary Life Link Co., Ltd. | All attending directors approved the proposal as submitted without any objection. | Being executed, planned to be reported to the regular Shareholders' Meeting in 2023 for acknowledgement |
| | (6) | Proposal for general re-election of directors | All attending directors approved the proposal as submitted without any objection. | Being executed, planned to be reported to the regular Shareholders' Meeting in 2023 for acknowledgement |
| | (7) | Release of Restrictions of Competitive Activities of Newly Appointed Directors and Representatives | All attending directors approved the proposal as submitted without any objection. | Being executed, planned to be reported to the regular Shareholders' Meeting in 2023 for acknowledgement |
| | (8) | Proposal for holding the Regular Shareholders' Meeting 2023 of the Company | All attending directors approved the proposal as submitted without any objection. | Planned to hold the Regular Shareholders' Meeting on June 14, 2023 |
| 2023/5/4 | (1) | Discussion about the list of directors (Including independent director) candidates nominated by 1% shareholders | On May 2, 2023, the nomination of 7 candidates on the list was withdrawn, leaving no 1% shareholder candidate after withdrawal this time. | Already implemented |
| | (2) | Final list of directors (Including independent director) candidates | All attending directors approved the proposal as submitted without any objection. | Being executed, planned to be reported to the regular Shareholders' Meeting in 2023 for acknowledgement |
| | (3) | Release of Restrictions of Competitive Activities of Newly Appointed Directors and Representatives | All attending directors approved the proposal as submitted without any objection. | Being executed, planned to be reported to the regular Shareholders' Meeting in 2023 for acknowledgement |
| | (4) | Proposal for issuing common stock for capital increase by cash through private placement | All attending directors approved the proposal as submitted without any objection. | Being executed, planned to be reported to the regular Shareholders' Meeting in 2023 for acknowledgement |
| | (5) | Proposal for updating the reasons for holding the General Shareholders' Meeting 2023 | All attending directors approved the proposal as submitted without any objection. | Already implemented |
| 2023/5/11 | (1) | Proposal for approving the Financial Statement of Q1 of 2023 of the Company | All attending directors approved the proposal as submitted without any objection. | Already implemented |
| | (2) | Proposal for the Financial Report on Small-amount Remittance Service Business for Foreign | All attending directors approved the proposal as submitted without any | Already implemented |

| | | | | |
|---|---|---|---|---|
| | | Migrant Workers in 2022 | objection. | |
| | (3) | Investment in establishing new company to expand the trade business of the Group | All attending directors approved the proposal as submitted without any objection. | Already implemented |
| | (4) | Proposal for appointing the Corporate Governance Office of the Company | All attending directors approved the proposal as submitted without any objection. | Already implemented |
| 2023/6/14 | (1) | Proposal for electing the Chairman | All attending directors approved the proposal as submitted without any objection. | Already implemented |
| 2023/8/3 | (1) | Matters relating to setting the 1st privately-placed common stock price and payment periods in 2023 | All attending directors approved the proposal as submitted without any objection. The privately-place common stock price is set at NT$40.05 per share, and the offeree is Acer Inc. | Already implemented |
| 2023/8/10 | (1) | Proposal for approving the Financial Statement of Q2 of 2023 of the Company | All attending directors approved the proposal as submitted without any objection. | Already implemented |
| | (2) | Proposal for disposing of shares held by WELLTECH ENERGY INC. | All attending directors approved the proposal as submitted without any objection. | Already implemented |
| 2023/11/8 | (1) | Proposal for approving the Financial Statement of Q3 of 2023 of the Company | All attending directors approved the proposal as submitted without any objection. | Already implemented |
| | (2) | Evaluation of reasonability and necessity and related risks of the transaction pattern of the subsidiary Wei Feng Technology Co., Ltd. | All attending directors approved the proposal as submitted without any objection. | Already implemented |
| 2023/12/20 | (1) | Proposal for approving the business plan for 2024 | All attending directors approved the proposal as submitted without any objection. | Already implemented |
| | (2) | Audit plan of 2024 | All attending directors approved the proposal as submitted without any objection. | Already implemented |
| 2024/03/15 | (1) | Proposal for the approval of closing statements and surplus distribution of the Company in 2023 | All attending directors approved the proposal as submitted without any objection. | Being executed, planned to be proposed to the regular Shareholders' Meeting in 2024 for acknowledgement |
| | (2) | Proposal for the employee compensation and directors' compensation of the Company in 2023 | All attending directors approved the proposal as submitted without any objection. | Being executed, planned to be proposed to the regular Shareholders' Meeting in 2024 for acknowledgement |
| | (3) | Proposal for the Effectiveness Assessment of the Internal Control System and Statement of the Internal Control System in 2023 | All attending directors approved the proposal as submitted without any objection. | Already implemented |
| | (4) | Proposal for Statement on Internal AML/CFT Control of 2023. | All attending directors approved the proposal as submitted without any objection. | Already implemented |

| | | | |
|---|---|---|---|
| | (5) Amendment to the Company's Articles of Incorporation | All attending directors approved the proposal as submitted without any objection. | Being executed, planned to be proposed to the regular Shareholders' Meeting in 2024 for acknowledgement |
| | (6) Proposal for holding the Regular Shareholders' Meeting 2024 of the Company | All attending directors approved the proposal as submitted without any objection. | Planned to hold the Regular Shareholders' Meeting on June 12, 2024. |
| 2024/04/26 | (1) Proposal for the financial statement on small amount remittance service for foreign migrant workers of 2023 of the Company. Submitted for discussion. | All attending directors approved the proposal as submitted without any objection. | Already implemented |
| | (2) Abandon of recognizing capital increase by cash of the subsidiary Life Link Co., Ltd. Submitted for discussion. | All attending directors approved the proposal as submitted without any objection. | Already implemented |
| | (3) Proposal for ending the operation of the subsidiary Wei Feng Technology Co., Ltd. Submitted for discussion. | All attending directors approved the proposal as submitted without any objection. | Already implemented |
| 2024/05/10 | (1) Proposal for approving the Financial Statement of Q1 of 2024 of the Company | All attending directors approved the proposal as submitted without any objection. | Already implemented |
| | (2) Abandon of recognizing capital increase by cash of the subsidiary Life Link Co., Ltd. Submitted for discussion. | All attending directors approved the proposal as submitted without any objection. | Already implemented |

L. Any dissenting opinion expressed by a director or supervisor with respect to a major resolution passed by the Board of Directors during the most recent fiscal year and up to the date of publication of the annual report, where said dissenting opinion has been recorded or prepared as a written declaration.
None.

M. A summary of the resignations and dismissals of the Company's chair, president, accounting manager, financial manager, chief internal auditor, or research and development officer during the most recent fiscal year and up to the date of publication of the annual report.
None.

## (IV) Information on CPA professional fees

Unit: NT$ Thousand

| Name of accounting firm | Name of CPA | CPA audit period | Audit fee | Non-audit fee (Note) | Total | Remark |
|---|---|---|---|---|---|---|
| Deloitte Taiwan | Chiu, Yung-Ming<br>Liu, Shu-Lin | January 2023 ~ December 2023 | 2,300 | 300 | 2,600 | |

A. When the Company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year, the amounts of the audit fees before and after the change and the reasons shall be disclosed.
None.

B. When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 15% or more, the reduction in the amount of audit fees,

reduction percentage, and reason(s) thereof shall be disclosed.
None.

## (V) Information on the replacement of CPAs

None.

## (VI) The Company's chair, president, or any managerial officer in charge of finance or accounting matters in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm

None.

## (VII) Any transfer of equity interests and pledge of, or change in, equity interests by a director, supervisor, managerial officer, or shareholder with a stake of more than 10%

A. Any transfer of equity interests and/or pledge of or change in equity interests by a director, supervisor, managerial officer

Unit: Share(s)

| Title | Name | 2023 | | As of April 14, 2024 | |
|---|---|---|---|---|---|
| | | Shareholding increase (decrease) | Pledged share increase (decrease) | Shareholding increase (decrease) | Pledged share increase (decrease) |
| Chairman | Chen, Tun-Jen | 0 | 0 | 0 | 0 |
| Director/ President | Ho, Ming-Che | 0 | 0 | 3,000 | 0 |
| Director | Xinlai Investment Co., Ltd. | 9,000 | 0 | 0 | 0 |
| | Representative: Chen, Alexander | 0 | 0 | 0 | 0 |
| Director | Yang, Chiao-Feng (Date of assumption of duty: 2023/06/14) | 0 | 0 | 0 | 0 |
| Independent Director | Tsai, Yu-Ping | 0 | 0 | 0 | 0 |
| Independent Director | Wang, Shen-Huei | 0 | 0 | 0 | 0 |
| Independent Director | Wang, Teng-Yue (Date of assumption of duty: 2023/06/14) | 0 | 0 | 0 | 0 |
| Operational management Center President | Li, Li-Hsiang | 0 | 0 | 0 | 0 |
| Vice-president | Chan, Shih-Jen | 0 | 0 | 0 | 0 |
| Senior associate manager | Lu, Chi-Wei | 0 | 0 | 0 | 0 |
| Financial officer | Li, Po-Yang | 50,000 | 0 | 20,000 | 0 |
| Chief Accountant | Chu, Chen-Ju | 0 | 0 | 0 | 0 |
| Ten percent | Acer Inc. (Date of assumption of duty: 2023/08/17) | 10,000,000 | 0 | 0 | 0 |

B. Information on equity transfers
No counterparty of equity transfer was a related party.

C. Information on equity pledge
No counterparty of equity pledge was a related party.

## (VIII) Information for Top Ten Shareholders Being the Related Party as Defined in Statement of Financial Accounting Standards No. 6.:

| Name | Current Shareholding | | Spouse & minor shareholding | | Shareholding by nominees | | Information on relationship among the top ten shareholders, who are related parties or spouses, relatives within the second degree of kinship of another shareholder | | Remarks |
|---|---|---|---|---|---|---|---|---|---|
| | Shares | % | Shares | % | Shares | % | Name | Relation | |
| Acer Inc. | 10,000,000 | 10.03% | 0 | 0 | 0 | 0 | None | None | — |
| Xinlai Investment Co., Ltd. Representative: Yu, Hui-Chin | 8,967,000 | 9.00% | 0 | 0% | 0 | 0% | Yu, Hui-Chin | Person in charge of the company | — |
| | | | | | | | Chen, Tun-Jen | Spouse of person in charge | — |
| Chen, Alexander | 6,000,000 | 6.02% | 0 | 0% | 2,548,000 | 2.56% | Chen, Tun-Jen | Relative within the first degree of kinship | — |
| | | | | | | | Yu, Hui-Chin | Relative within the first degree of kinship | — |
| | | | | | | | Zhijing Co., Ltd. | Person in charge of the company | |
| Yu, Hui-Chin | 5,255,000 | 5.27% | 3,570,158 | 3.58% | 0 | 0% | Chen, Tun-Jen | Spouse | — |
| | | | | | | | Chen, Alexander | Relative within the first degree of kinship | — |
| | | | | | | | Xinlai Investment Co., Ltd. | Person in charge of the company | — |
| Chen, Tun-Jen | 3,570,158 | 3.58% | 5,255,000 | 5.27% | 0 | 0% | Yu, Hui-Chin | Spouse | — |
| | | | | | | | Chen, Alexander | Relative within the first degree of kinship | — |
| | | | | | | | Xinlai Investment Co., Ltd. | Substantial related party | — |
| Chiang-Yu, Chun-Ying | 3,017,624 | 3.03% | 0 | 0% | 0 | 0% | None | None | Note |
| Zhijing Co., Ltd. | 2,548,000 | 2.56% | 0 | 0% | 0 | 0% | Chen, Alexander | Responsible person | |
| Treasury stock account of Welldone Company | 2,410,000 | 2.42% | 0 | 0% | 0 | 0% | None | None | - |
| Tsao, Chih-Liang | 2,282,624 | 2.29% | 0 | 0% | 0 | 0% | None | None | Note |
| Chiang, Yu-Ping | 2,072,624 | 2.08% | 0 | 0% | 0 | 0% | None | None | Note |

Note: Not a related party of the Company, and no related information is available.

## (IX) Consolidated number of shares owned by the Company, directors, supervisors, managerial officers, and business controlled directly or indirectly by the Company

Consolidated shareholding ratio

April 30, 2024 Unit: Shares

| Invested Company | Investment by the Company | | Investment by directors/supervisors/ managers and by companies directly or indirectly controlled by the Company | | Total investment | |
|---|---|---|---|---|---|---|
| | Shares | % | Shares | % | Shares | % |
| Life Link Co., Ltd. | 9,672,860 | 92.26% | 7,500 | 0.08% | 9,680,360 | 92.34% |
| Wei Feng Technology Co., Ltd. | 5,100,000 | 51.00% | - | - | 5,100,000 | 51.00% |
| TD HITECH ENERGY INC. | 9,587,417 | 22.78% | 1,051,516 | 2.50% | 10,638,933 | 25.28% |

# IV. Capital Overview

## (I) Capital and Shares

### A. Capital and Shares

#### 1. Sources of Capital

| Year/ Month | Issue Price (NT$) | Authorized Capital | | Paid-in Capital | | Remarks | | |
|---|---|---|---|---|---|---|---|---|
| | | Shares | Amount | Shares | Amount | Sources of Capital (NT$) | Capital Increase by Assets Other than Cash | Other |
| 1996.07 | 10 | 4,000,000 | 40,000 | 4,000,000 | 40,000 | Capital increase of NT$ 15,000,000 by cash | None | Not yet publicly issued |
| 1997.03 | 10 | 8,000,000 | 80,000 | 6,600,000 | 66,000 | Capital increase of NT$ 26,000 by cash | None | Not yet publicly issued |
| 1997.06 | 10 | 8,000,000 | 80,000 | 8,000,000 | 80,000 | Capital increase of NT$ 14,000,000 by cash | None | Not yet publicly issued |
| 1998.08 | 10 | 20,000,000 | 200,000 | 12,000,000 | 120,000 | Capital increase of NT$ 40,000,000 by cash | None | Not yet publicly issued |
| 1999.12 | 10 | 20,000,000 | 200,000 | 18,200,000 | 182,000 | Capital increase of NT$ 50,000,000 by cash/capital increase of NT$ 12,000,000 by conversion of capital surplus | None | Not yet publicly issued |
| 2000.11 | 10 | 21,000,000 | 210,000 | 20,288,000 | 202,880 | Capital increase of NT$ 12,740,000 by conversion of capital surplus/capital increase of NT$ 8,140,000 by conversion of surplus | None | Tai-Cai-Zheng No. 90255 dated November 4, 2000 |
| 2001.07 | 10 | 35,000,000 | 350,000 | 24,900,000 | 249,000 | Capital increase of NT$ 1,901,860 by conversion of employee dividends/capital increase of NT$ 44,218,140 by conversion of surplus | None | Tai-Cai-Zheng No 142855 dated July 4, 2001 |
| 2002.05 | 10 | 50,000,000 | 500,000 | 32,900,000 | 329,000 | Capital increase of NT$ 5,000,000 by conversion of employee dividends/capital increase of NT$ 75,000,000 by conversion of surplus | None | Tai-Cai-Zheng No 127096 dated May 17, 2002 |
| 2003.04 | 10 | 50,000,000 | 500,000 | 32,912,021 | 329,120 | Conversion of convertible corporate bonds to share capital of NT$ 120,000 in 2003 | None | Jing-Shou-Shang-Zi No. 09201116210 |
| 2003.08 | 10 | 95,000,000 | 950,000 | 44,426,091 | 444,261 | Capital increase of NT$ 16,217,000 by conversion of employee dividends/capital increase of NT$ 98,924,000 by conversion of surplus | None | Tai-Cai-Zheng-Yi-Zi No. 0920126286 |
| 2003.11 | 10 | 95,000,000 | 950,000 | 44,887,796 | 448,878 | Conversion of convertible corporate bonds to share capital of NT$ 4,617,000 in 2003 | None | Jing-Shang -Shou -Zi No. 09232943850 |
| 2004.09 | 10 | 95,000,000 | 950,000 | 53,359,347 | 533,594 | Capital increase of NT$ 12,895,000 by conversion of employee dividends/capital increase of NT$ 71,821,000 by conversion of surplus | None | Jing-Shang -Shou -Zi No. 0931175930 |
| 2005.09 | 10 | 95,000,000 | 950,000 | 59,228,982 | 592,290 | Capital increase of NT$ 5,337,000 by conversion of employee dividends/capital increase of NT$ 53,359,000 by conversion of surplus | None | Jing-Shang -Shou -Zi No. 09401178330 |
| 2006.09 | 10 | 95,000,000 | 950,000 | 59,305,610 | 593,056 | Conversion of convertible corporate bonds to share capital of NT$ 766,000 in 2003 | None | Jing-Shang -Shou -Zi No. 09501216060 |
| 2006.10 | 10 | 95,000,000 | 950,000 | 65,942,546 | 659,425 | Capital increase of NT$ 7,140,000 by conversion of employee dividends/capital increase | None | Jing-Shang -Shou -Zi No. 09501235620 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | of NT$ 59,229,000 by conversion of surplus | | |
| 2007.09 | 10 | 95,000,000 | 950,000 | 73,408,708 | 734,087 | Capital increase of NT$ 8,719,000 by conversion of employee dividends/capital increase of NT$ 65,943,000 by conversion of surplus | None | Jing-Shang -Shou -Zi No. 09601236070 |
| 2008.08 | 10 | 95,000,000 | 950,000 | 81,624,579 | 816,246 | Capital increase of NT$ 8,750,000 by conversion of employee dividends/capital increase of NT$ 73,409,000 by conversion of surplus | None | Jing-Shang -Shou -Zi No. 09701202950 |
| 2009.11 | 10 | 95,000,000 | 950,000 | 89,787,037 | 897,870 | Capital increase of NT$ 81,624,000 by conversion of surplus | None | Jing-Shang -Shou -Zi No. 09801266490 |
| 2011.7 | 10 | 150,000,000 | 1,500,000 | 89,787,037 | 897,870 | - | None | Jing-Shang -Shou -Zi No. 10001165950 |
| 2012.7 | 10 | 150,000,000 | 1,500,000 | 89,923,964 | 899,240 | Conversion of convertible corporate bonds to 136,927 ordinary shares | None | Jing-Shang -Shou -Zi No. 10101143590 |
| 2012.8 | 10 | 150,000,000 | 1,500,000 | 94,952,038 | 949,520 | Capital increase of NT$ 50,280,000 by conversion of surplus | None | Jing-Shang -Shou -Zi No. 10101167640 |
| 2014.1 | 10 | 150,000,000 | 1,500,000 | 93,670,038 | 936,700 | Cancelation of 1,292,000 treasury stocks | None | Jing-Shang -Shou -Zi No. 10301010270 |
| 2015.12 | 10 | 150,000,000 | 1,500,000 | 91,670,038 | 916,700 | Cancelation of 2,000,000 treasury stocks | None | Jing-Shang -Shou -Zi No. 10401253650 |
| 2016.2 | 10 | 150,000,000 | 1,500,000 | 89,670,038 | 896,700 | Cancelation of 2,000,000 treasury stocks | None | Jing-Shang -Shou -Zi No. 10501029510 |
| 2023.11 | 10 | 150,000,000 | 1,500,000 | 99,670,038 | 996,700 | Capital increase by cash through private placement of NT$ 400,500,000 | None | Jing-Shang -Shou -Zi No. 11230170520 |

2. Type of stock

April 14, 2024 Unit: Share(s)

| Type of stock | Authorized Capital | | | Remarks |
|---|---|---|---|---|
| | Issued Shares | Unissued Shares | Total | |
| Registered ordinary share | 99,670,038 | 50,329,962 | 150,000,000 | TPEx listed company |

Note: Including 2,410,000 treasury stocks

## B. Shareholder structure

April 14, 2024

| Shareholder structure Number | Government Agencies | Financial Institutions | Other Institutional Shareholders | Domestic Natural Persons | Foreign Institutions & Natural Persons | Total |
|---|---|---|---|---|---|---|
| Number of shareholders | 0 | 1 | 173 | 24 | 26,124 | 26,340 |
| Number of shares | 0 | 4,584 | 27,628,465 | 2,389,817 | 69,647,172 | 99,670,038 |
| Percentage (%) | 0.00% | 0.01% | 27.72% | 2.39% | 69.88% | 100.00% |

## C. Shareholding distribution status

April 14, 2024

| Range of Shares | Number of Shareholders | Current Shareholding | Shareholding (%) |
|---|---|---|---|
| 1 - 999 | 18,846 | 532,394 | 0.53% |

| | | | |
|---|---|---|---|
| 1,000 - 5,000 | 6,044 | 11,832,796 | 11.87% |
| 5,001 - 10,000 | 728 | 5,717,869 | 5.74% |
| 10,001 - 15,000 | 231 | 2,998,533 | 3.01% |
| 15,001 - 20,000 | 130 | 2,377,782 | 2.39% |
| 20,001 - 30,000 | 136 | 3,465,103 | 3.48% |
| 30,001 - 40,000 | 58 | 2,092,149 | 2.10% |
| 40,001 - 50,000 | 34 | 1,573,138 | 1.58% |
| 50,001 - 100,000 | 63 | 4,288,138 | 4.30% |
| 100,001 - 200,000 | 37 | 5,138,950 | 5.16% |
| 200,001 - 400,000 | 13 | 3,752,111 | 3.76% |
| 400,001 - 600,000 | 1 | 429,000 | 0.43% |
| 600,001 - 800,000 | 4 | 3,009,624 | 3.02% |
| 800,001 - 1,000,000 | 0 | 0 | 0.00% |
| Above 1,000,001 | 15 | 52,462,451 | 52.63% |
| Total | 26,340 | 99,670,038 | 100.00% |

D. List of major shareholders

April 14, 2024

| Name of Major Shareholders | Current Shareholding | Shareholding (%) |
|---|---|---|
| Acer Inc. | 10,000,000 | 10.03% |
| Xinlai Investment Co., Ltd. | 8,967,000 | 9.00% |
| Chen, Alexander | 6,000,000 | 6.02% |
| Yu, Hui-Chin | 5,255,000 | 5.27% |
| Chen, Tun-Jen | 3,570,158 | 3.58% |
| Chiang-Yu, Chun-Ying | 3,017,624 | 3.03% |
| Zhijing Co., Ltd. | 2,548,000 | 2.56% |
| Treasury stock account of Welldone Company | 2,410,000 | 2.42% |
| Tsao, Chih-Liang | 2,282,624 | 2.29% |
| Chiang, Yu-Ping | 2,072,624 | 2.08% |

E. Market price, net worth, earnings, dividend and related information over the last two years

| Item \ Year | | 2022 | 2023 | As of the publication date of the annual report in the current year |
|---|---|---|---|---|
| Market price per share | Highest | 45.95 | 65.50 | 61.60 |
| | Lowest | 24.25 | 34.10 | 51.70 |
| | Average | 32.42 | 46.28 | 54.57 |
| Net worth per share | Before distribution | 16.00 | 20.74 | - |
| | After distribution | 13.90 | 17.82 | - |
| Earnings per share | Weighted average shares | 87,260 | 90,986 | 97,260 |
| | Earnings per share | 2.73 | 2.74 | 0.94 |
| Dividends per share | Cash dividends | 2.1 | 2.73 | - |
| | Stock dividends | 0 | 0 | - |
| | | 0 | 0 | - |
| | Cumulative unpaid dividends | 0 | 0 | - |
| Return on investment | Price/Earnings ratio (Note 1) | 11.88 | 16.89 | - |

| | | | | |
|---|---|---|---|---|
| | Price/Dividend ratio (Note 2) | 15.44 | 16.95 | - |
| | Cash dividend yield rate (Note 3) | 6.48% | 5.90% | - |

Note 1 Price/earnings ratio = Average closing price per share for the year/Earnings per share

Note 2 Price/dividend ratio = Average closing price per share for the year/Cash dividend per share

Note 3 Cash dividend yield rate = Cash dividends per share/Average closing price per share for the current year

F. Dividend policy and implementation

1. Dividend policy

   If the Company makes a surplus after final accounting of revenue and expenditure, it shall be used to pay taxes, make up for any accumulated loss, and 10% of the remaining amount shall then be appropriated as statutory surplus reserve; however, it does not apply when the accumulated amount of the statutory surplus reserve has already reached the total capital of the Company. A special surplus reserve may also be set aside based on the Company's operating demand and according to the provisions of the relevant laws and regulations. As for the remaining amount, if any, together with the beginning surplus not distributed, the Board of Directors will propose a surplus distribution scheme and submit it to the Shareholders' Meeting for distribution following resolution.

   The dividend policy of the Company is determined according to the Company's profiting status and future operating development and to assure shareholders' interests. Dividends distributed to shareholders shall not be lower than 50% of the surplus available for distribution in the current year. However, if the earnings available for distribution per share is less than NT$ 1 in the current year, it may be retained and not distributed. Dividends can be distributed in either cash or stock, and cash dividends shall not be lower than 30% of the total amount.

2. Distribution of dividends proposed at the Shareholders' Meeting: The Board of Directors made a resolution on March 15, 2024 to set aside shareholders' dividends of NT$ 265,519,904 to distribute as cash dividends with NT$ 2.73 per share. The cash dividends were distributed to NT$ 1, while the amount less than NT$ 1 was omitted. The total amount of odd payments less than NT$ 1.3 was included in other revenue of the Company.

3. Expected major changes to the dividend policy: After the provisions of Article 235 of the Company Act were corrected, employee dividends should be excluded from the profit distribution statement; the compensation of directors and supervisors was also handled with reference to that of employee dividends, and the compensation of directors and supervisors was also executed from the profit distribution statement.

G. Impact on the business performance and earnings per share of the Company resulting from stock dividend distribution proposed at the Shareholders' Meeting

No proposal for stock dividends was discussed in this Shareholders' Meeting.

H. Compensation of employees, directors, and supervisors

1. The percentages or ranges with respect to employees', directors', and supervisors' compensation, as set forth in the Company's Articles of Incorporation.

   If the Company makes a profit in the year, it shall set aside 1%-10% of the profit as employee compensation, and no more than 4% as directors' and supervisors' compensation. However, when the Company still has an accumulated loss, it shall retain the compensation amount in advance.

2. Accounting treatments when differences occur between the estimated and actual distributed number of employees, directors, and supervisors' compensation

   None.

3. Approval of compensation distribution by the Board of Directors

   The Company, in accordance with Article 19 of the Articles of Incorporation, shall contribute 10% of employees' compensation at NT$36,911,339 and 4% of directors' compensation at NT$14,764,535 and distribute such compensation in cash.

4. The actual distribution of employees', directors', and supervisors' compensation for the previous fiscal year

Unit: NT$

| Employee dividends and directors' and supervisors' | Estimated distribution | Amount actually distributed | Discrepancy | Reason for discrepancy |
| --- | --- | --- | --- | --- |

| compensation distributed using surplus in 2022 | amount in the financial report | following resolution of the Board of Directors | | |
|---|---|---|---|---|
| Employee dividends-Stock | 0 | 0 | 0 | - |
| Employee dividends-Cash | 28,120,562 | 28,120,562 | 0 | - |
| Directors' and supervisors' compensation | 11,248,224 | 11,248,224 | 0 | - |

I. Share repurchases

| Time of repurchase | 5th time |
|---|---|
| Purpose of repurchase | Transfer of shares to employees |
| Repurchase period | November 18, 2019-December 19, 2019 |
| Repurchase interval price | NT$ 12- NT$17 |
| Type and number of shares repurchased | 2,410,000 ordinary shares |
| Number of shares repurchased | 36,572,750 |
| Ratio of the number of shares repurchased in the estimated number of shares repurchased (%) | 80.33% |
| Number of shares canceled and transferred | 0 |
| Number of shares of the Company accumulatively held | 2,410,000 |
| Ratio of shares of the Company accumulatively held in the total number of shares issued (%) | 2.42% |

(II) Corporate Bonds

None.

(III) Preferred Shares

None.

(IV) Global Depository Receipts

None.

(V) Employee Stock Options

None.

(VI) New Restricted Employee Shares

None.

(VII) Issuance of New Shares in Connection with Mergers and Acquisitions

None.

(VIII) Finance Plans and Implementation

None.

# V. Operational Highlights

(I) Description of the business

A. Scope of business:

1. The Company operates the following businesses:
   - (1) F113110 Wholesale of Batteries;
   - (2) F213110 Retail Sale of Batteries;
   - (3) F401010 International Trade;
   - (4) CC01090 Manufacture of Batteries and Accumulators;
   - (5) IZ99990 Other Industrial and Commercial Services;
   - (6) F113020 Wholesale of Electrical Appliances;
   - (7) F213010 Retail Sale of Electrical Appliances;
   - (8) F118010 Wholesale of Computer Software;
   - (9) F218010 Retail Sale of Computer Software;
   - (10) F109070 Wholesale of Culture, Education, Musical Instruments and Educational Entertainment Supplies;
   - (11) F209060 Retail Sale of Culture, Education, Musical Instruments and Educational Entertainment Supplies;
   - (12) F113070 Wholesale of Telecommunication Apparatus;
   - (13) F213060 Retail Sale of Telecommunication Apparatus;
   - (14) F119010 Wholesale of Electronic Materials;
   - (15) F219010 Retail Sale of Electronic Materials;
   - (16) F401021 Controlled Telecommunications Radio-Frequency Devices Installation Engineering;
   - (17) E701030 Restrained Telecom Radio Frequency Equipments and Materials Import;
   - (18) G801010 Warehousing;
   - (19) I301010 Information Software Services;
   - (20) I301020 Data Processing Services;
   - (21) I301030 Electronic Information Supply Services;
   - (22) IZ12010 Manpower Dispatched;
   - (23) I701011 Employment Service;
   - (24) F399040 Retail Sale No Storefront;
   - (25) I301040 The Third Party Payment;
   - (26) IE01010 Telecommunications Service Number Agencies;
   - (27) HZ07011 Foreign Migrant Workers Remittances Services;
   - (28) ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

2. Business ratios at present

Unit: NT$ Thousand

| Main Product(s) | Turnover in 2023 | Operating ratio % |
|---|---|---|
| Communication services | 1,734,020 | 76.68% |
| IC and other channel business departments | 527,367 | 23.32% |
| Total | 2,261,387 | 100% |

3. Current products (services) and roadmap
   - (1) Data services

     Agency of mobile phone prepaid cards, international telephone prepaid cards, and telecommunication fee-saving card marketing business, international HR intermediary service project, migrant worker remittance, and other related business.

(2) Channel business

Cosmetics products: Agency of two major German cosmetics brands (i.e. Essence, Catrice), Korean cosmetics brands (i.e. Peach C, 2aN), individual products from Adidas, and perfume brand Coty.

Healthcare food: Agency of healthcare food of Doppel herz of Germany.

Disposable batteries: Agency of battery products of U.S. Duracell and Japanese TOSHIBA.

4. New products planned for development

Constant optimization of small amount remittance system applications.

B. Industry overview

1. Current status and development of the industry

(1) Telecommunication product industry:

With the quick popularization of smartphones and the changes of mobile phone applications, the voice business of telecommunication market is continually declining, while Internet access business has become the mainstream, which leads to the continual decrease of average telecommunication tariff. Therefore, with the increase of mobile phone applications, provision of service types with high added value, including remittance and shopping, becomes the main application and development direction at present.

(2) Cosmetics products

The COVID-19 pandemic generated significant impacts on the beauty makeup industry. On one hand, the lockdown and social restriction during the epidemic made consumers switch to online shopping, promoting the whopping increase in online beauty makeup sales. On the other hand, the COVID-19 pandemic has strengthened people's concerns about health and personal care, and consumers pay more attention to skincare and personal sanitary products and raise higher requirements for product ingredients and quality. As the data from Statista show, the revenue of the beauty makeup industry reached about $93 billion in 2022. The market value of the global beauty makeup industry dropped during 2019-2020 affected by the COVID-19, but the beauty market has been recovering stably since 2021 and is expected to constantly grow at the CAGR of about 6% and even witness an estimated growth of 35% by 2027.

(3) Healthcare products

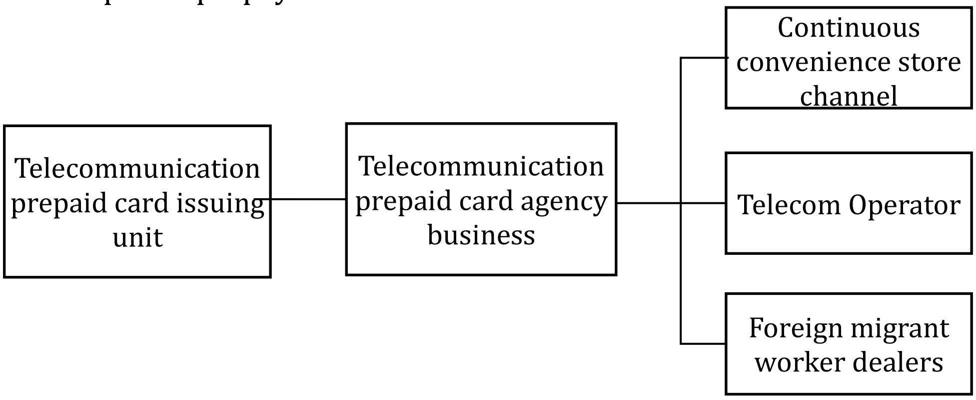
It is projected that the global healthcare food market reached $869.7 billion in 2022 and will exceed $1 trillion by 2026; the Asia Pacific Region will see the most remarkable growth and occupy the market share of over 30% as forecast. With the constant improvement of new product development, about 23,000 new products are launched on the market every year, with main functions of invigorating energy, vitamins and minerals, immunity, digestion and bone health. Under the influence of the COVID-19 pandemic, the E-commerce in the field of personal healthcare grows rapidly. Consumers move to online shopping of healthcare products, creating opportunities for many new brands and products.

2. The relationship between industry supply chains:

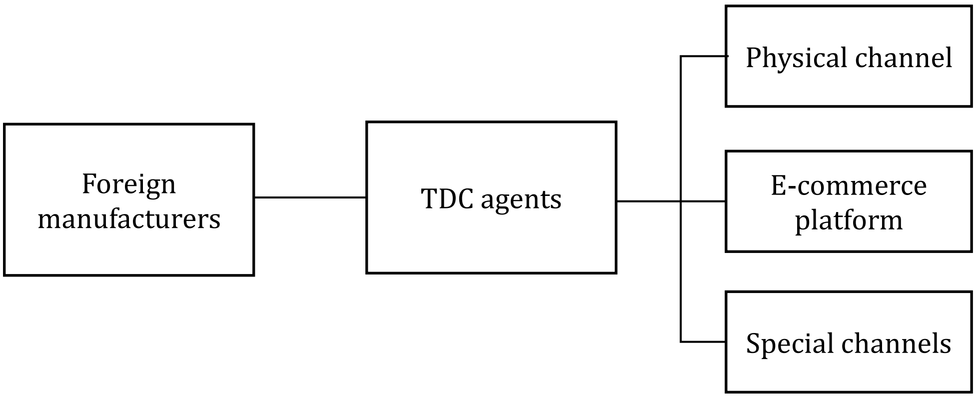
(1) Telecommunication product industry:

Since the market becomes gradually saturated regarding the new telecommunication industry, and the services provided by telecommunication system practitioners differ slightly, the relevancy of upstream, midstream, and downstream is much closer. The channel services provided by agents shall be more professional.

Mobile phone prepayment




(2) Cosmetics channel:




3. Development trend and product competitiveness

(1) Telecommunication product industry

The future development of telecommunication products will focus on broadband, wireless, and mobile trends. The improvement of functions and technologies of smartphones will accelerate the progress of these trends. In the future, mobile phone manufacturers will further speed up the R&D and integration of terminal devices of telecommunication and broadband media to promote the continual development of the industry with telecommunication practitioners. Each telecommunication practitioner will compete more fiercely through combination of mobile phones with telecommunication services.

(2) Small amount remittance business

After the release of the Act Governing Electronic Payment Institutions, the migrant worker small amount remittance market will become more transparent and popularized, and new practitioners will successively apply for licenses of foreign small amount remittance business of foreign migrant workers. The Company will also continually strengthen services, safety, and efficiency to sustain its competitive advantages.

(3) Cosmetics products

The open-shelf makeup market trends of 2024 have revealed the following major directions:

- Natural makeup and sustainability: consumers attach increasing importance to product ingredients and sources, and prefer using natural and organic makeup products with no animal testing. Brands are increasing the amount of environmental-friendly packaging materials, such as recyclable packaging and less use of plastics.

- Bold and diverse color application: color application becomes bolder and more diverse, especially for eye and lip makeups.
- Concise and multifunctional products: a growing number of multifunctional products emerge in the market, such as lip and cheek balms and foundations with the skincare effect, to meet consumers' demands for concise and efficient pursuit.
- Technology and innovation: technologies are more and more widely applied in makeup products, and intelligent and personalized customization is a trend. For example, foundations are customized based on individuals' skin colors and demands and AI technologies are applied for providing personalized makeup suggestions.
- Open-shelf showcasing and interactive experience: the open-shelf makeup brands pay more attention to interactive experience in store design, and provide testers and virtual makeup try-on services to improve consumers' shopping experience and satisfaction.
- To sum up, the open-shelf makeup market will have significant improvement in product innovation, environmental protection awareness and consumer experience in 2024, and all these trends have reflected modern consumers' diverse demands and expectations for makeup products.

(4) Healthcare products

The development trends of the healthcare food market in 2024 have demonstrated several obvious directions and innovation areas. Below are some key trends:

- Immune support supplements: with the growing concern about health, there is an obviously growing demand for immune support supplements. These products are typically rich in high-quality vitamins, minerals and herbal extracts and good for building up resistance.
- Increase in functional drinks: as consumers are seeking convenient nutrition solutions, the functional drink market is rapidly expanding. These drinks are designed to improve physical performance and provide overall health support, and have become an important part of daily supplements.
- Innovation of kids' healthcare food: with parents' growing concern about kids' nutrition, low-sugar and nutrient-rich kids gummy supplements are more and more popular. These products, while maintaining the kid-friendly flavors, provide essential nutrition.
- Protein and amino acid supplements: the demands for protein and amino acid supplements are witnessing a stable growth, especially among sportsmen and fitness enthusiasts. These supplements are beneficial for muscle quality and locomotor performance.
- These trends have presented the diversity and innovativeness of the healthcare food market, and mirrored consumers' ever-growing demands for health, convenience and sustainability. With

the development of these trends, it is predicted that the healthcare food market will continue to expand in the coming years.

C. Technology and research overview

1. R&D expenses engaged in the current year:
   The development expense for small amount remittance applications is about NT$4.91 million in the current year.
2. Technologies and products successfully developed
   Strengthening the convenience and safety of the remittance program.
3. Future research and development direction
   (1) Telecommunication product industry
   The Company has actively developed towards the orientation of "virtual telecommunication company" and achieved considerable accomplishments. In the future, the Company will continually exert efforts in this direction, and apply the marketing and external resource integration capabilities to integrate the resources from the telecommunication system practitioners, communication practitioners, and content service practitioners, and provide customers with more convenient and diversified mobile or network value-added services, to strengthen the competitiveness of its core values.
   (2) Small amount exchange business
   Sticking to the direction of safety and efficiency, the Company will continually strengthen the system software and work processes.

D. Long- and short-term business development plans

Short-term business development plan:

1. Telecommunication product industry
   The COVID-19 pandemic affected the global economic structure and policies, and people's life styles. At present, there are about 700,000 foreign migrant workers in Taiwan. With the increased manpower demand in Taiwan, the government will continue its policy on further introducing foreign migrant workers. The Company will insist on the established policy and broaden the sales services of telecommunication voice service product, mobile phone, mobile network service businesses for the foreign migrant workers.

2. Migrant worker related business
   In addition to the original telecommunication prepaid card products, Welldone will also continue to expand each service for the migrant worker market, including the HR intermediary business and migrant worker small amount remittance business already initiated, with the objective to continually provide better and diversified services, and value and satisfy the migrant workers' demands.
3. Cosmetics products
   The Company, except for the makeup brands from Europe, tried to act as agents of Korean brands. General consumers in Taiwan are very receptive to products from Japan and Korea, and consumers can have more options as makeup products from America and Europe are more diverse and abundant.
4. Healthcare products
   The Company will develop healthcare products in different doses, enhance children healthcare, and strengthen the planning of online channels to pursue development on E-commerce platforms.

Medium- and long-term business development plans:

- The Company will further develop telecommunication business, and strengthen channels and marketing to continually consolidate the market share; for migrant worker related business, the Company will develop more diversified products and services on the existing basis, and strengthen information security and application convenience to continually accumulate the number of members to expand the service coverage in the hope that the Company can become the most profound and solid network innovative service brand in the foreign laborer market, and further drive the business opportunities and flourishing of the overall market.
- As for the channels, based on the existing cosmetics products and channels, the Company will continually develop cosmetics and health related products, expand the product breadth, and improve operating efficiency and profits.

(II) Market and sales overview

A. Market analysis

1. Major sales regions

The products of the Company mainly include telecommunication prepaid cards, cosmetics products, healthcare products, and disposable consumer batteries, etc., and they are mainly sold in Taiwan.

2. Market share

(1) Telecommunication product industry

Currently, there are more than 700,000 foreign migrant workers in Taiwan. Since they are not locals, they have to apply for prepaid mobile telephone cards, and each migrant worker works for 3-6 years in Taiwan. In other words, there will be several tens of thousands of new users of mobile phone prepaid cards every year.

As an agency of prepaid cards of Taiwan Mobile Co., Ltd., the Company has cultivated the foreign migrant worker market for many years and achieved significant accomplishments, and its market share in the migrant worker markets of Thailand, Vietnam and Indonesia is in a leading position. The monthly user contributions of these foreign migrant workers are not inferior to post-paid customers

(2) Foreign migrant worker small amount remittance business:

More than 700,000 foreign migrant workers are working in Taiwan, and many of them find it difficult to handle exchange settlement and remittance of their work income to hometowns in local banks in person due to working time and workplaces. Furthermore, even if these migrant workers visit the banks for the aforesaid operations, they will have obstacle in communicating with the local people. Even intermediary companies can be hired for foreign exchange settlement, problems of uncertain exchange rate and delayed receipt of remittance will be faced, and consequently most migrant workers will choose high-risk illegal remittance. In 2021, after the release of the Act Governing Electronic Payment Institutions, practitioners were able to handle small amount exchange, and provided convenient, quick, and safe remittance services for migrant workers. Although the Company already obtained its first license as a small amount remittance service for foreign migrant workers in Taiwan, it is expected that the future market competition and challenges will come one after another after the opening of the migrant worker cross-border small amount remittance business.

(3) Cosmetics products

The Company is currently operating the makeup business in a more intensive manner rather than opening more stores to increase the economic benefit of unit-point output value.

(4) Disposable consumer battery products

TOSHIBA Batteries & Cells focuses on traditional markets and highlights carbon-zinc batteries; Duracell focuses on the mainstream market and highlights alkaline batteries. The Company adopts a dual-brand operating model. In the traditional markets, carbon-zinc batteries and alkaline batteries are focused, and in the mainstream market, Duracell and Toshiba grow together.

3. Future market supply, demand and growth

(1) Telecommunication prepaid card business:

Currently, the major users of prepaid cards in Taiwan include foreign migrant workers in Taiwan and local Taiwanese. Currently, several tens of thousands of new foreign migrant workers will come to work in Taiwan every year. However, this number was reduced due to the impact of the COVID-19 pandemic in the last two years; as for the local Taiwanese market, the popularization rate of prepaid cards used by teenagers has become increasingly high. Also, children have also used the prepaid cards at an earlier stage. As a result, the market grows stably. In addition, the continuous availability of value-added services and Internet access services of prepaid card products can stimulate the frequency of application. Therefore, there is still development space for the prepaid card market in Taiwan.

(2) Small amount remittance business:

Due to the population structure and industry development, Taiwan has an ever-growing demand for foreign migrant workers, and the government is also gradually opened up to welcome foreign migrant workers. It is anticipated that the small amount remittance business for foreign migrant workers will also develop in parallel with the growing number of foreign migrant workers.

4. Operating goals

The Company is dedicated to the operation of the foreign migrant worker prepaid card market. Based on years' stable growth and expansion of market share, the Company has gradually acquired a leading position in the foreign migrant worker market, and begun to set foot in migrant worker HR intermediary and foreign migrant worker small amount remittance business based on its mastery of the market. In the future, the Company plans to further expand its business to shopping platforms to satisfy foreign migrant workers' living needs in Taiwan. Hopefully, the Company will become the best service partner for the migrant workers.

5. Competitive niches

(1) The product lines are broad and complete with the advantages for horizontal extension and vertical integration:

The business of the Company covers telecommunication prepaid card, small amount payment platform, and foreign migrant worker small amount remittance, etc. With the advantage of complete channels, the Company can horizontally expand the product lines. Also, thanks to resource integration capabilities, the Company can extend its business to upper and lower reaches. The telecommunication prepaid card business of the Company includes two major fields, i.e., mobile phone prepaid card and international call prepaid card, as well as small amount payment business. The completeness of the product lines and the business scale of the Company are far from the reach of other practitioners; in addition, since migrant workers need convenient and real-time remittance services, small amount remittance service rendered through the use of APP will become a trend for migrant workers' remittance. The Company obtained its first license as a small amount remittance service for foreign migrant workers in Taiwan, and will continue to strengthen its service contents to satisfy migrant workers' more comprehensive demands.

(2) Complete channel operation architecture:
The channel operations of the Company differ due to different products. The great breadth and profound cultivation of channels benefit the improvement of the sales energy of existing products. In addition, for the future competition, channel breadth also helps improve the flexibility of strategic applications and win the market competition at the fastest. Secondly, the Company has stably controlled the market prices, to avoid the price competition among different channels, secure the profits of each channel, and realize the stable market growth. Furthermore, it also benefits the Company to acquire trust and support from the upstream suppliers.

6. Advantages, disadvantages and responsive strategy in future development

(1) Advantages

(A) Stable growth of telecommunication services in Taiwan:
The telecommunication business of Taiwan has flourished after liberalization. Although the rates for data services, multimedia services, and broadband applications continue to decline, the number of foreign migrant workers using these services grows, and diversified products are developed. In the future, the telecommunication market will growth towards the same niches with the expansion of the market.

(B) Enlargement of functions of prepaid cards:
In the era of the Internet, a safe payment mechanism has become the most important and most difficult link in e-commerce. Currently, the telecommunication prepaid card accounting system has already developed towards the integration of e-commerce platforms. Therefore, the future telecommunication prepaid cards will be used not only in telephone services but also as an important payment tool for the small amount consumption of e-commerce in the future, e.g., online games, online library, and MP3 downloading. Therefore, the scale of the prepaid card market will grow exponentially due to the expansion of functions.

(2) Disadvantages
Due to the progress of network communication software and the changes of consumers' usage habits, the voice call volume has been reduced, resulting in the decline of the demand for voice prepaid cards. In addition, due to the release of the Act Governing Electronic Payment Institutions, the market will become more transparent and popularized, and market participants will engage in the competition in succession.

(3) Correspondent measures
Give play to the market advantage of the Company, and strengthen the

marketing of Internet cards in the telecommunication product business to sustain market share and profits. Also, services, safety, and efficiency shall be continually strengthened in the small amount remittance business to enhance the Company's competitive advantages.

B. Important purposes and production process

Telecommunication products:

1. Main products and usages

| Main product | Main usage |
|---|---|
| Prepaid Card | Mobile phone number user license and call charge prepayment and recharging, and international and local telephone call charge prepayment and recharging |

2. Production process

No production process is involved since the Company is engaged in the agency of sales of telecommunication prepaid cards.

C. Information of major suppliers and customers in the last two years

1. Information of major customers

Unit: NT$ Thousand

| | 2022 | | | | 2023 | | | | As of 2024 Q1 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Item | Name | Amount | Proportion of net purchase for the year (%) | Relationship with the Issuer | Name | Amount | Proportion of net purchase for the year (%) | Relationship with the Issuer | Name | Amount | Proportion of net purchase for the year (%) | Relationship with the Issuer |
| 1 | Company A | 390,049 | 15.8% | None | Company A | 463,404 | 20.5% | None | Company A | 119,453 | 17.1% | None |
| 2 | Company D | 121,814 | 4.9% | None | Company D | 85,659 | 3.8% | None | Company E | 24,639 | 3.5% | None |
| 3 | Company E | 67,763 | 2.8% | None | Company E | 84,802 | 3.7% | None | Company D | 22,556 | 3.2% | None |
| | Other | 1,889,168 | 76.5% | | Other | 1,627,522 | 72.0% | | Other | 533,709 | 76.2% | |
| | Net purchase | 2,468,794 | 100.0% | | Net purchase | 2,261,387 | 100% | | Net purchase | 700,357 | 100% | |

2. Information of major suppliers

Unit: NT$ Thousand

| | 2022 | | | | 2023 | | | | As of 2024 Q1 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Item | Name | Amount | Proportion of net sales for the year (%) | Relationship with the Issuer | Name | Amount | Proportion of net sales for the year (%) | Relationship with the Issuer | Name | Amount | Proportion of net sales for the year (%) | Relationship with the Issuer |
| 1 | Company X | 1,279,008 | 69.39% | None | Company X | 1,210,286 | 72.64% | None | Company X | 226,784 | 61.75% | None |
| | Other | 564,266 | 30.61% | | Other | 455,792 | 27.36% | | Other | 140,485 | 38.25% | |
| | Net sales | 1,843,274 | 100.00% | | Net sales | 1,666,078 | 100.00% | | Net sales | 367,269 | 100.00% | |

D. Production volume and value in the past two years: None

E. Sales volume and value in the past two years

Unit: 1,000 pcs / NT$ Thousand

| Main Products \ Year / Sales Volume | 2022 | | | | 2023 | | | |
|---|---|---|---|---|---|---|---|---|
| | Domestic sales | | Export sales | | Domestic sales | | Export sales | |
| | Volume | Value | Volume | Value | Volume | Value | Volume | Value |
| Data service department | 2,447 | 1,462,731 | - | - | 2,595 | 1,734,020 | - | - |
| Other electronic component departments | - | 242,861 | - | - | - | - | - | - |
| IC and other channel business departments | 23,486 | 762,986 | 142 | 216 | 20,362 | 527,235 | 18 | 132 |
| Total | 25,933 | 2,468,578 | 142 | 216 | 22,957 | 2,261,255 | 18 | 132 |

Note: Other electronic component departments were already disposed in the first quarter of 2022.

(III) Employees information in the two most recent fiscal years and up to the date of publication of the annual report:

Unit: Person

| FY | | 2022 | 2023 | As of March 31, 2024 |
|---|---|---|---|---|
| No. of Employees | Management personnel | 35 | 29 | 32 |
| | General personnel | 143 | 79 | 82 |
| | Operators | 101 | 0 | 0 |
| | Total | 279 | 108 | 114 |
| Average Age | | 38 | 43 | 43.4 |
| Average experience | | 4.6 | 7.7 | 7.9 |
| Education (%) | PhD | 0% | 0% | 0% |
| | Graduate School | 9.7% | 11.1% | 10.7% |
| | University/ College | 60.1% | 66.3% | 66.6% |
| | Senior High School | 16.5% | 20.6% | 20.7% |
| | Others | 13.7% | 2% | 2% |

(IV) Environmental protection expenditure

The main products of the Company are prepaid cards and game card packs which are agency business and do not involve manufacturing process. The pollution prevention and control of the Company are described as follows:

A. Environmental protection status stipulated in laws and regulations:
   1. Polluting facility establishment license or pollution discharge license that shall be applied: Not applicable.
   2. Payment of pollution prevention and control expenses payable: Not applicable.
   3. Dedicated unit and personnel required for environmental protection: Not applicable.

B. Investments in the main equipment used for prevention and control of environmental protection, and their usage and possible benefits: None.

C. Process of the Company's improvement of environmental pollution in the two past years and as of the publication date of the prospectus: None.

D. Total amount of losses (including compensation) and punishments suffered due to environmental pollution in the last two years and as of the publication date of the prospectus: None.

E. Estimated major environmental protection capital spending of the Company in the next two years: None.

(V) Labor relations

A. The Company attaches great importance to employees' welfare and growth, and promotes employees to hold its shares. Also, it emphasizes on employees' training and development. A harmonious labor-capital relationship is one of the factors that contribute to the business success of an enterprise. The Company has always maintained favorable labor relations since its establishment, and has never been involved in any labor dispute.

1. Employee welfare

The Employee Welfare Committee of the Company was established on January 25, 1999, and approved by the competent authority for filing according to 88 Pei-Hsien-Lao-Fu-Tzu No. 1663 Document.

The workers elect representatives to form an Employee Welfare Committee every year, and the Company sets aside a fixed amount of welfare benefits every month to the Employee Welfare Committee's account. The main welfare items of the Company and the Employee Welfare Committee are as follows:

(1) Library: Prepared with books, magazines, and newspaper for employees to read.
(2) Mid-autumn Festival and Dragon Boat Festival: Gifts and cash gifts are provided for employees on these festivals.
(3) Emergency relief, condolence payments for marriage, funeral, and celebrations, and birth allowance are provided according to the measures for employee welfare as well as the Labor Standards Act.
(4) Employee welfare insurance: In addition to the labor insurance and health insurance stipulated in the government, the Company also purchases employee group insurance including term life insurance, accident insurance, and hospital medical treatment.
(5) Handling of employee health checkups: Organize health checkups periodically.
(6) Handling of various kinds of study and training: Carry out internal and external education and training on an irregular basis according to the training demand of each unit to improve their professional skills.
(7) Employee tourism
(8) Other welfare activities: A cash gift is provided for every employee on their birthdays; lottery drawing activity is convened at the year-end dinner for employees.
(9) An employee dividend subscription system is implemented additionally to practice the ideal of "employees are shareholders". The Company would retain 10% of capital increase by cash for the employees to subscribe to realize the goal of joint management.

2. Retirement mechanism

The Company established "Labor Retirement Reservice Supervisory Committee" on June 15, 1998, to take charge of auditing and supervising the appropriation, storage, and disbursement of pension. Also, 2% of the salaries actually paid by the Company in each month of this year was set aside and deposited to the pension account opened at the Bank of Taiwan. The Company began to implement its pension system since July 1, 2005 to coordinate the latest labor retirement system adopted by the government.

3. Labor agreements

The Company hasn't established a trade union organization at present, but regular labor-capital meetings are held. With emphasis placed on a harmonious labor-capital relationship and employees' interests, the company has not only established reasonable remuneration, leave, and retirement systems according to relevant laws and regulations, but also implemented welfare measures involving safety and health, recreation and leisure, health insurance, in-service education and training, employee stock options and employee dividends, which has been deeply recognized by employees.

4. Employee development:

Implementation status of employee education and training in 2023

| Item | Number of Training | Total participants | Total hours | Total cost |
|---|---|---|---|---|
| Induction training for new employees | 9 | 12 | 9 | 0 |
| Professional functional training | 42 | 103 | 120.5 | 86,107 |
| Officer talent training | 64 | 37 | 324 | 506,000 |
| Training of general knowledge | 8 | 60 | 125.5 | 1,810 |
| Total | 123 | 212 | 579 | 593,917 |

5. Code of professional ethics:

Maintaining the moral values and reputation of the Company is the responsibility of every member of Welldone. The Company requires all colleagues, managers, and members of the Board of Directors to follow and observe its beliefs transparently and honesty, obey the Company's guidelines, rules, and regulations, and follow the reasonable commanding by officers at each level. They may reflect their opinions to the officers at each level and human resources unit at any time if any, and the officers at each level shall take charge of commanding and supervising the work according to the spirit of hierarchical responsibility.

Related disciplines and rules:

(1) All the personnel shall adopt honest behaviors and follow moral principles, especially when a conflict of interest arises between their own interests and their positions.

(2) Maintain the confidentiality of confidential business and information of the Company.

(3) Be fair and selfless when exercising the duties of purchasing and auditing, and avoid any biased behavior.

(4) All the colleagues must cultivate a sense of integrity and pay attention to maintaining the reputation of the Company. None of them may utilize their positions to require treatment and bestowal or accept commission, reward and other improper interests from manufacturers or customers.

(5) The management of the Company must also set a good example; under the supervision of the Board of Directors, the managers of the Company are responsible for clearly disclosing financial information to the competent authority and the investors.

In addition, the Company has established relevant work rules and employee reward and punishment measures. All the regulations are notified to the employees for observation so that they know clearly of the code of conduct. The Company will reward or punish employees in a real-time according to the preceding provisions when employees have deeds that need to be encouraged or disciplined.

6. Protective measures for work environment and employees' personal safety

| Item | Content |
|---|---|
| Physiological hygiene | 1. Health checkups: The new employees are provided with health checkups upon entry, while in-service employees are provided with regular checkups every year or every two years according to the Occupational Safety and Health Act.<br>2. The Company has set up employee sports and leisure room, and allocated a rhythm classroom, fitness facilities, basketball game machines, table tennis, and visual/audio reading room, etc. so that sports and rest places are provided for the employees.<br>3. Work environment health: Smoking is comprehensively prohibited in the workplaces as stipulated, and health lectures, CPR first-aid training are organized periodically. Also, offices and the building are cleaned and disinfected on a regular basis to keep environmental health. |
| Mental health | 1. Provide appeal channels according to the Company's work rules and "Regulations Governing the Prevention and Control of Sexual Harassment" to maintain the order of the work environment. |
| Employee insurance | 1. Purchase labor insurance (including occupational disaster insurance) and health insurance, and appropriate and pay worker's pension according to law.<br>2. Purchase group insurance, accident insurance, medical insurance, cancer insurance, occupational disaster insurance, etc. for employees.<br>3. Purchase travel accident insurance with insured sum of NT$ 5 million for employees during their business travels. |
| Disaster prevention | 1. Organize self-defense fire protection formation training at least twice a year. |
| Building and access control safety | 1. An access control system has been established to control the main entrance and exit.<br>2. Sign a contract with a security company to allocate 24h on-duty security guards and a security system to assure the safety of the building.<br>3. A monitoring system room is set up to check the conditions of the peripheral areas and internal public areas of the building.<br>4. Require the visitors to register and change certificates. |
| Maintenance and inspection of each equipment | 1. Apply for the overhaul of fire safety facilities every year according to the provisions of the Fire Services Act.<br>2. Regularly check, maintain, and preserve the equipment in the building according to relevant regulations or the professional manufacturers' suggestions, including electrical equipment, generators, air-conditioning equipment, water dispensing equipment, water storage facilities, environmental cleaning and disinfection facilities, life equipment, etc. |

7. Employees' code of conduct and code of ethics

   (1) Establishment of work rules:

   The Company has established "Work Rules of Employees" with reference to relevant laws and regulations, in order to clearly stipulate the rights and obligations of the Company and the workers, improve a modern Operational management system, and urge all the employees to work together to seek common development.

   (2) Implementation of hierarchical responsibility system:

   (A) Establishment of "Work Verification and Approval Authority and

Signing Flow Form": Implement work flows and strengthen hierarchical responsibility management to effectively standardize the work authority of each rank.

(B) Establishment of "Post Authorization and Agent System": Implement an authorization mechanism level by level to ensure the normal operation of each business.

(C) Division of work of each department: Clearly standardize each department's work responsibilities and organizational functions per function to implement the professional labor division of each unit and reinforce the core competitiveness of the Company.

(3) Implementation of measures for attendance and leave management:
The Company has established a complete attendance system in "Work Rules of Employees" to make sure that employees establish good disciplines to improve their work quality, and have rules to follow regarding their attendance and leave application.

(4) Establishment and execution of measures for employees' performance as well as reward and punishment:
In order to ensure the work progress, motivate the morale, the Company handles performance assessment for their employees every year as basis for reward and punishment, promotion, salary adjustment, or bonus or dividend distribution.

(5) Implementation of protection of business secrets:
In order to ensure the Company's business interests and competitiveness, employees shall keep business or job secrets externally to maintain the Company's interests and goodwill. Employees need to sign employment contracts, confidentiality contracts, and warranty for use of information equipment. The Company shall provide relevant education, training, and messages to improve employees' awareness of information security.

(6) Measures for prevention, control, and handling of sexual harassment:
In order to prevent the occurrence of sexual harassment in the workplaces and improve the concept of gender equality, the Company has already clearly stipulated relevant standards in "Work Rules of Employees", and announced relevant laws and regulations as well as appeal channels, to standardize employees' behaviors in the workplaces.

B. Losses arising from labor disputes in the most recent year and as of the publication date of this annual report, and disclosure of the potential estimated amount and countermeasures to date and in the future.
None.

(VI) Cybersecurity management

A. Describe the cybersecurity risk management framework, cybersecurity policies, concrete management programs, and investments in resources for cybersecurity management:

**Information security organization:**

1. The Information Department is the unit responsible for the planning, development, maintenance, management, and supporting of the computer information system in the Company. The data sources and users of the information system are each user department.
2. One officer and several information specialists are appointed at the administration office under the Information Department.

3. In addition to reporting to the line manager, the head of the Information Department shall also, in response to each project, convene the head of each department to report the planning and development direction and progress of relevant information system of the Company.

**Cybersecurity policy:**

1. Equipment security control: Ensure the integrity and safety of information equipment.
2. Archives safety control: Establish and execute a backup plan.
3. Data file (database) management: Prevent unauthorized query and change of data.
4. System security monitoring: Ensure the security and continual operation of the information system.
5. Emergency treatment: Implement emergency treatment in case of an emergency.

**Specific management programs:**

1. Equipment security control
   (1) Check the conditions of hardware and air-conditioning equipment on a daily basis.
   (2) Unauthorized personnel are not allowed to enter the computer room.
2. Archives security control
   Data files and database are automatically backed up every day as scheduled.
3. Data file and database management
   (1) The establishment, modification and deletion of database shall go through approval and authorization procedures.
   (2) The auditing function of the database is utilized to check each change of the data files and database every day.
   (3) Those who are not authorized personnel or have no whitelist IP are unable to access the database.
4. System security monitoring
   (1) Antivirus software is automatically updated every day as scheduled.
   (2) Check the status of the firewall every day to see if any abnormality exists.
   (3) The administrators shall replace accounts and passwords periodically.
   (4) Check the system records of network service items every day, and track the abnormal conditions.
5. Emergency treatment
   When a host failure or database error occurs, a recovery plan work will be executed.
   Resources engaged in the cybersecurity management:
   (1) Renew contracts with the manufacturers of firewall and ERP system every year to ensure the cybersecurity and maintain the updating and upgrading of the information system.
   (2) Periodically execute a penetration test to ensure that the system is safe and free from loopholes.
   (3) Periodically execute the drills of recovery plan work to cope with the demand upon emergencies.

B. List any losses suffered by the Company in the most recent fiscal year and up to the publication date of the annual report due to significant cybersecurity incidents, the possible impact therefrom, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of why shall be provided:
The Company hasn't suffered from any business damage resulting from any major information security incident so far.

## (VII) Material Contracts

| Type of Contract | Party | Contract Duration | Major Content | Restriction |
|---|---|---|---|---|
| Prepaid card distribution contract | Taiwan Mobile Co., Ltd. | 2022/01/01-2023/12/31 | Prepaid card and recharging card distribution and sales | None |

# VI. Financial Information

(I) Five-Year Financial Summary and External Auditor's Opinion

A. Condensed Balance Sheets - International Financial Report Standards (Individual)

Unit: NT$ Thousand

| Item | | Financial Analysis for the Most Recent Five Years | | | | | Financial Information as of March 31, 2024 (Note) |
|---|---|---|---|---|---|---|---|
| Item \ Year | | 2019 | 2010 | 2021 | 2022 | 2023 | |
| Current assets | | 779,076 | 1,071,698 | 1,404,090 | 1,942,001 | 2,844,913 | - |
| Property, plant, and equipment | | 278,993 | 274,621 | 256,395 | 296,494 | 296,823 | - |
| Intangible assets | | - | - | - | - | - | |
| Other assets | | 772,886 | 720,743 | 675,854 | 698,979 | 577,200 | - |
| Total assets | | 1,830,955 | 2,067,062 | 2,336,339 | 2,937,474 | 3,718,936 | - |
| Current liabilities | Before distribution | 594,494 | 787,144 | 987,872 | 1,501,851 | 1,796,203 | - |
| | After distribution | 594,494 | 909,308 | 1,127,488 | 1,685,097 | 2,061,723 | - |
| Non-current liabilities | | 77,702 | 37,003 | 42,380 | 39,216 | 36,064 | - |
| Total liabilities | Before distribution | 672,196 | 824,147 | 1,030,252 | 1,541,067 | 1,832,267 | - |
| | After distribution | 672,196 | 946,311 | 1,169,868 | 1,724,313 | 2,097,787 | - |
| Equity attributable to shareholders of the parent company | | 1,158,759 | 1,242,915 | 1,306,087 | 1,396,407 | 1,886,669 | - |
| Share capital | | 896,701 | 896,701 | 896,701 | 896,701 | 996,701 | |
| Capital surplus | | 120,584 | 146,716 | 168,172 | 165,705 | 469,326 | - |
| Retained earnings | Before distribution | 215,589 | 274,323 | 302,663 | 402,088 | 467,643 | - |
| | After distribution | 215,589 | 152,159 | 163,047 | 218,842 | 202,123 | - |
| Other equity interest | | (37,516) | (38,226) | (24,850) | (31,488) | (10,402) | - |
| Treasury stock | | (36,599) | (36,599) | (36,599) | (36,599) | (36,599) | - |
| Non-controlling interest | | - | - | - | - | - | |
| Total equity | Before distribution | 1,158,759 | 1,242,915 | 1,306,087 | 1,396,407 | 1,886,669 | - |
| | After distribution | 1,158,759 | 1,120,751 | 1,166,471 | 1,213,161 | 1,621,149 | - |

Note: Parent Company Only Financial Statements of the first quarter of 2024 haven't been prepared yet.

Condensed Comprehensive Income Statements - International Financial Report Standards (Individual)

Unit: NT$ Thousand

| Year / Item | Financial Analysis for the Most Recent Five Years | | | | | Financial Information as of March 31, 2024 (Note) |
|---|---|---|---|---|---|---|
| | 2019 | 2010 | 2021 | 2022 | 2023 | |
| Operating Revenue | 1,585,066 | 1,491,714 | 1,476,657 | 1,462,731 | 1,734,023 | - |
| Gross Profit | 176,497 | 261,113 | 298,213 | 353,840 | 540,826 | - |
| Operating Profit (Loss) | 14,466 | 54,370 | 77,967 | 88,682 | 188,038 | - |
| Non-Operating Income and Expenses | 71,489 | 88,173 | 93,104 | 153,154 | 129,399 | - |
| Net Income Before Tax | 85,955 | 142,543 | 171,071 | 241,836 | 317,437 | - |
| Net Income from Continuing Operations | 85,502 | 142,000 | 162,124 | 237,876 | 249,117 | - |
| Loss From Discontinued Operations | - | - | - | - | - | - |
| Net Income (Loss) | 85,502 | 142,000 | 162,124 | 237,876 | 249,117 | |
| Other Comprehensive Income (Net Value After Tax) | (4,684) | (6,316) | 2,822 | (7,051) | 14,864 | - |
| Total Comprehensive Income | 80,818 | 135,684 | 164,946 | 230,825 | 263,981 | - |
| Net Income Attributable to Shareholders of The Parent Company | 85,502 | 142,000 | 162,124 | 237,876 | 249,117 | |
| Net Income Attributable to Non- Controlling Interests | - | - | - | - | - | |
| Total Comprehensive Income Attributable to Owners of The Parent Company | (4,684) | (6,316) | 2,822 | (7,051) | 14,864 | |
| Total Comprehensive Income Attributable to Non-Controlling Interests | - | - | - | - | - | |
| Earnings Per Share | 0.96 | 1.63 | 1.86 | 2.73 | 2.74 | - |

Note: Parent Company Only Financial Statements of the first quarter of 2024 haven't been prepared yet.

B. Condensed Balance Sheets - International Financial Report Standards (Consolidated)

Unit: NT$ Thousand

| Item \ Year | | Financial Analysis for the Most Recent Five Years 2019 | 2010 | 2021 | 2022 | 2023 | Financial Information as of March 31, 2024 |
|---|---|---|---|---|---|---|---|
| Current Assets | | 2,296,753 | 2,231,653 | 2,373,095 | 2,304,386 | 3,431,321 | 4,480,728 |
| Property, Plant and Equipment | | 522,606 | 501,373 | 480,447 | 412,935 | 402,916 | 400,936 |
| Intangible Assets | | 6,197 | 5,263 | 2,224 | 150 | 0 | 0 |
| Other Assets | | 291,143 | 336,850 | 345,600 | 448,583 | 285,134 | 293,203 |
| Total Assets | | 3,116,699 | 3,075,139 | 3,201,366 | 3,166,054 | 4,119,371 | 5,174,867 |
| Current Liabilities | Before Distribution | 1,519,915 | 1,486,418 | 1,613,861 | 1,718,444 | 2,131,381 | 3,376,036 |
| | After Distribution | 1,519,915 | 1,608,582 | 1,753,477 | 1,901,690 | 2,396,901 | NA |
| Non-Current Liabilities | | 152,717 | 58,572 | 42,526 | 39,456 | 36,510 | 35,805 |
| Total Liabilities | Before Distribution | 1,672,632 | 1,544,990 | 1,656,387 | 1,757,900 | 2,167,891 | 3,411,841 |
| | After Distribution | 1,672,632 | 1,667,154 | 1,796,003 | 1,941,146 | 2,433,411 | NA |
| Equity Attributable to Shareholders of The Parent Company | | 1,158,759 | 1,242,915 | 1,306,087 | 1,396,407 | 1,886,669 | 1,708,413 |
| Share Capital | | 896,701 | 896,701 | 896,701 | 896,701 | 996,701 | 996,701 |
| Capital Surplus | | 120,584 | 146,716 | 168,172 | 165,705 | 469,326 | 469,326 |
| Retained Earnings | Before Distribution | 215,589 | 274,323 | 302,663 | 402,088 | 467,643 | 293,603 |
| | After Distribution | 215,589 | 152,159 | 163,047 | 218,842 | 202,123 | Note |
| Other Equity Interest | | (37,516) | (38,226) | (24,850) | (31,488) | (10,402) | (14,618) |
| Treasury Stock | | (36,599) | (36,599) | (36,599) | (36,599) | (36,599) | (36,599) |
| Non-Controlling Interest | | 285,308 | 287,234 | 238,892 | 11,747 | 64,811 | 54,613 |
| Total Equity | Before Distribution | 1,444,067 | 1,530,149 | 1,544,979 | 1,408,154 | 1,951,480 | 1,763,026 |
| | After Distribution | 1,444,067 | 1,407,985 | 1,405,363 | 1,224,908 | 1,685,960 | NA |

Note 1: The proposal for surplus distribution of 2023 hasn't been passed by the Shareholders' Meeting yet.

Condensed Comprehensive Income Statements - International Financial Report Standards (Consolidated)

Unit: NT$ Thousand

| Item \ Year | Financial Analysis for the Most Recent Five Years | | | | | Financial Information as of March 31, 2024 |
|---|---|---|---|---|---|---|
| | 2019 | 2010 | 2021 | 2022 | 2023 | |
| Operating Revenue | 3,847,841 | 3,561,509 | 2,976,984 | 2,468,794 | 2,261,387 | 700,357 |
| Gross Profit | 620,064 | 684,929 | 631,613 | 608,570 | 700,289 | 212,837 |
| Operating Profit (Loss) | 121,488 | 168,908 | 143,587 | 153,321 | 223,363 | 50,602 |
| Non-Operating Income and Expenses | 83 | 19,176 | 59,131 | 108,476 | 104,904 | 55,991 |
| Net Income Before Tax | 121,571 | 188,084 | 202,718 | 261,797 | 328,267 | 106,593 |
| Net Income from Continuing Operations | 117,999 | 181,036 | 205,170 | 249,754 | 254,653 | 81,282 |
| Loss From Discontinued Operations | 0 | 0 | 0 | 0 | 0 | 0 |
| Net Income (Loss) | 117,999 | 181,036 | 205,170 | 249,754 | 254,653 | 81,282 |
| Other Comprehensive Income (Net Value After Tax) | (6,783) | (8,023) | 362 | (5,573) | 14,864 | (4,216) |
| Total Comprehensive Income | 111,216 | 173,013 | 205,532 | 244,181 | 269,517 | 77,066 |
| Net Income Attributable to Shareholders of The Parent Company | 85,502 | 142,000 | 162,124 | 237,876 | 249,117 | 91,480 |
| Net Income Attributable to Non-Controlling Interests | 32,497 | 39,036 | 43,046 | 11,878 | 5,536 | (10,198) |
| Total Comprehensive Income Attributable to Owners of The Parent Company | 80,818 | 135,684 | 164,946 | 230,825 | 263,981 | 87,264 |
| Total Comprehensive Income Attributable to Non-Controlling Interests | 30,398 | 37,329 | 40,586 | 13,356 | 5,536 | (10,198) |
| Earnings Per Share | 0.96 | 1.63 | 1.86 | 2.73 | 2.74 | 0.94 |

C. Names and Auditing Opinions of CPAs for the Past Five Fiscal Years

| Year | Accounting Firm | Opinion | Reason for change of CPAs |
|---|---|---|---|
| 2019 | Deloitte Taiwan<br>Liu, Shu-Lin & Lu, Yi-Chen | Qualified opinion | Internal transfer of the accounting firm |
| 2020 | Deloitte Taiwan<br>Liu, Shu-Lin & Lu, Yi-Chen | Qualified opinion | |
| 2021 | Deloitte Taiwan<br>Chiu, Yung-Ming & Liu, Shu-Lin | Qualified opinion | Internal transfer of the accounting firm |
| 2022 | Deloitte Taiwan<br>Chiu, Yung-Ming & Liu, Shu-Lin | Qualified opinion | |
| 2023 | Deloitte Taiwan<br>Chiu, Yung-Ming & Liu, Shu-Lin | Qualified opinion | |

(II) Five-Year Financial Analysis

Individual Financial Analyses - Adopted International Financial Report Standards

| Analysis Item (Note) / Year | | Financial Analysis for the Most Recent Five Years | | | | | Financial Information as of March 31, 2024 (Note) |
|---|---|---|---|---|---|---|---|
| | | 2019 | 2010 | 2021 | 2022 | 2023 | |
| Financial structure | Debt-asset ratio (%) | 36.71 | 39.87 | 44.10 | 52.46 | 49.27 | - |
| | Ratio of long-term capital to property, plant, and equipment (%) | 443.19 | 466.07 | 525.93 | 484.20 | 647.77 | - |
| Solvency | Current ratio (%) | 131.05 | 136.15 | 142.13 | 129.31 | 158.38 | - |
| | Quick ratio (%) | 101.51 | 105.58 | 122.07 | 110.93 | 147.88 | - |
| | Times interest earned ratio | 17.48 | 22.29 | 19.98 | 19.41 | 13.26 | - |
| Operation performance | Accounts receivable turnover rate (times) | 35.18 | 33.36 | 41.77 | 48.86 | 47.82 | - |
| | Average days for cash receipts | 10.38 | 10.94 | 8.74 | 7.47 | 7.63 | - |
| | Inventory turnover rate (times) (Note 2) | 7.56 | 5.74 | 5.22 | 4.83 | 5.43 | - |
| | Payables turnover rate (times) | 28.35 | 27.23 | 539.21 | 693.06 | 140.01 | - |
| | Average days for sale of goods (Note 2) | 48.25 | 63.58 | 69.91 | 75.56 | 67.21 | - |
| | Turnover rate for property, plant and equipment (times) | 5.62 | 5.39 | 5.56 | 5.29 | 5.85 | - |
| | Total asset turnover rate (times) | 0.93 | 0.77 | 0.67 | 0.55 | 0.52 | - |
| Profitability | Return on assets (%) | 5.24 | 7.56 | 7.69 | 9.42 | 8.11 | - |
| | Return on equity (%) | 7.52 | 11.83 | 12.72 | 17.60 | 15.18 | - |
| | Ratio of income before tax to paid-in capital (%) | 9.59 | 15.9 | 19.08 | 26.97 | 31.85 | - |
| | Net profit margin (%) | 5.39 | 9.52 | 10.98 | 16.26 | 14.37 | - |
| | Earnings per share (NT$) | 0.96 | 1.63 | 1.86 | 2.73 | 2.74 | - |
| Cash Flow | Cash Flow ratio (%) | 5.81 | - | 6.05 | 9.39 | 24.12 | - |
| | Cash Flow adequacy ratio (%) | 77.02 | 87.07 | 79.22 | 117.86 | 115.37 | - |
| | Cash reinvestment ratio (%) | 2.68 | -4.35 | -3.44 | 0.09 | 12.87 | - |
| Leverage | Operating leverage | 1.91 | 1.19 | 1.15 | 1.10 | 1.04 | - |
| | Financial leverage | 1.56 | 1.14 | 1.13 | 1.17 | 1.16 | - |

Explain changes in financial ratios over the past two fiscal years. (Not required if the difference does not exceed 20%.)

1. The increase in ratio of long-term capital to property, plant and equipment: was mainly due to the increase in net shareholders' equity.
2. The increase in current ratio/quick ration: was mainly due to the increase in current assets.
3. The decrease in times interest earned ratio: was mainly due to the increase in net profit before tax in the current period.
4. The decrease in the payables turnover rate: was mainly due to the increase in payables in the current period.
5. The increase in cash flow ratio/cash reinvestment ratio: was mainly due to the increase in net cash inflow from operating activities this year.

Note: Parent Company Only Financial Statements of the first quarter of 2023 haven't been prepared yet.

Consolidated Financial Analyses - Adopted International Financial Report Standards

| Analysis Item (Note) | Year | 2019 | 2010 | 2021 | 2022 | 2023 | Financial Information as of March 31, 2024 |
|---|---|---|---|---|---|---|---|
| | | Financial Analysis for the Most Recent Five Years | | | | | |
| Financial structure | Debt ratio (%) | 53.67 | 50.24 | 51.74 | 55.52 | 52.63 | 65.93 |
| | Ratio of long-term capital to property, plant and equipment (%) | 305.54 | 316.87 | 330.42 | 350.57 | 493.40 | 448.66 |
| Solvency | Current ratio (%) | 151.11 | 150.14 | 147.04 | 134.10 | 160.99 | 132.72 |
| | Quick ratio (%) | 106.76 | 111.63 | 109.24 | 109.87 | 136.18 | 118.52 |
| | Times interest earned ratio | 10.92 | 13.43 | 14.41 | 16.23 | 12.17 | 14.32 |
| Operation performance | Accounts receivable turnover rate (times) | 7.68 | 7.21 | 7.84 | 8.89 | 8.91 | 12.85 |
| | Average days for cash receipts | 47.52 | 50.62 | 46.55 | 41.05 | 40.96 | 28.40 |
| | Inventory turnover rate (times) (Note 3) | 5.79 | 4.74 | 4.30 | 3.80 | 4.03 | 8.47 |
| | Payables turnover rate (times) | 9.10 | 7.81 | 10.30 | 17.31 | 24.25 | 43.65 |
| | Average days for sale of goods (Note 2) | 63.03 | 77.00 | 84.88 | 96.05 | 90.57 | 43.09 |
| | Turnover rate for property, plant and equipment (times) | 7.09 | 6.96 | 6.06 | 5.53 | 5.54 | 6.90 |
| | Total asset turnover rate (times) | 1.37 | 1.15 | 0.95 | 0.78 | 0.62 | 0.69 |
| Profitability | Return on assets (%) | 4.54 | 6.24 | 6.93 | 8.28 | 7.64 | 8.60 |
| | Return on equity (%) | 8.25 | 12.17 | 13.34 | 16.91 | 15.16 | 21.36 |
| | Ratio of income before tax to paid-in capital (%) | 13.56 | 20.98 | 22.61 | 29.20 | 32.94 | 42.78 |
| | Net profit margin (%) | 3.07 | 5.08 | 6.89 | 10.12 | 11.26 | 11.61 |
| | Earnings per share (NT$) | 0.96 | 1.63 | 1.86 | 2.73 | 2.74 | 0.94 |
| Cash Flow | Cash Flow ratio (%) | 5.29 | 0 | 0.84 | 11.17 | 7.35 | 26.73 |
| | Cash Flow adequacy ratio (%) | 26.54 | 25.76 | 37.41 | 53.85 | 45.33 | 151.67 |
| | Cash reinvestment ratio (%) | 3.31 | -0.76 | -6.56 | 3.30 | -1.26 | 46.78 |
| Leverage | Operating leverage | 1.54 | 1.31 | 1.28 | 1.14 | 1.05 | 1.06 |
| | Financial leverage | 1.11 | 1.10 | 1.12 | 1.13 | 1.15 | 1.19 |

Explain changes in financial ratios over the past two fiscal years. (Not required if the difference does not exceed 20%.)

1. The increase in ratio of long-term capital to property, plant and equipment: was mainly due to the increase in net shareholders' equity.
2. The increase in current ratio/quick ration: was mainly due to the increase in current assets.
3. The decrease in times interest earned ratio: was mainly due to the increase in net profit before tax in the current period.
4. The increase in the payables turnover rate: was mainly due to the fact that the average payable for every period in 2022 contained the payables at the end of 2021 of WELLTECH ENERGY INC. which was disposed of in April, 2022.
5. The decrease in cash flow ratio: was mainly due to the decrease in net cash inflow from operating activities and the increase in current liabilities this year.
6. The decrease in cash reinvestment ratio: was mainly due to the fact that the cash dividends distributed this year was more than the net cash flow from operating activities.

1. Financial structure
   (1) Debt-asset ratio = total liabilities / total assets.
   (2) Ratio of long-term capital to property, plant and equipment = (Net shareholders' equity + Long-term liabilities)/Net value of property, plant and equipment.
2. Solvency
   (1) Current ratio = Current assets/Current liabilities.
   (2) Quick ratio = (Current assets - Inventory - Prepaid expenses)/Current liabilities.

(3) Times interest earned ratio= Income before income tax and interest expenses/Interest expenses.

3. Operating ability

(1) Accounts receivable turnover rate (including accounts receivable and notes receivable from business operation) = Net sales/Average accounts receivable in each period (including accounts receivable and notes receivable from business operation).

(2) Average days for cash receipts = 365/Accounts receivable turnover rate.

(3) Inventory turnover rate = Cost of goods sold/Average inventory.

(4) Payables turnover rate (including accounts payable and notes payable from business operation) = Cost of sales/Average accounts payable in each period (including accounts payable and notes payable from business operation).

(5) Average days for sale of goods = 365/Inventory turnover rate.

(6) Turnover rate for property, plant and equipment = Net sales/Average property, plant and equipment.

(7) Total assets turnover rate = Net sales/Average total assets.

4. Profitability

(1) Return on assets (ROA) = [Profit or loss after tax + Interest expenses × (1 - Tax rate)]/Average total assets.

(2) Return on equity (ROE) = Profit or loss after tax/Average net shareholder equity.

(3) Net profit margin = Profit or loss after tax/Net sales.

(4) Earnings per share = (Net income after tax - Preferred shares dividends)/Weighted average number of shares issued. (Note 4)

5. Cash Flows

(1) Cash Flow ratio = Net Cash Flows generated from operating activities/Current liabilities.

(2) Cash Flow adequacy ratio = Net Cash Flow from operating activities for the most recent five years/ (Capital expenditures + Inventory increment + Cash dividends) for the most recent five years.

(3) Cash reinvestment ratio = (Net Cash Flow from operating activities - Cash dividends)/ (Gross fixed assets + Long-term investment + Other assets + Operating capital). (Note 5)

6. Leverage

(1) Operating leverage = (Net operating revenue - Variable operating costs and expenses)/Operating income (Note 6)

(2) Financial leverage = Operating income/ (Operating income - Interest expenses).

Note 4 Special attention shall be paid to the following matters upon measurement using the preceding calculation formula of earnings per share:

1. The weighted average number of ordinary shares issued is adopted as basis of number of shares already issued at the end of year.
2. The weighted average number of shares shall be calculated during the circulation period of capital increase in cash or treasury stock trading.
3. As for conversion of earnings or capital reserve to increase capital, during the calculation of earnings per share of previous years and half a year, retroactive adjustment shall be conducted per capital increase ratio. There is no need to consider the issue period of such capital increase.
4. If preferred share is non-convertible accumulated preferred share, dividends in current year (issued or not) shall be deducted from net income after tax, or net loss after tax shall be increased. If the preferred share does not have an accumulated nature, preferred share dividends shall be deducted from net income after tax in case of net income after tax; in case of loss, no adjustment is needed.

Note 5 Special attention shall be paid to the following matters upon measurement in cash flow analysis:

1. Net cash flows from operating activities refer to net cash inflows from operating activities in the cash flow statement.
2. Capital expenditures refer to cash outflows from annual capital investments.
3. The increased amount of inventories is included only when the ending balance exceeds the beginning balance. If the inventories are decreased at the end of year, they will be calculated as zero.
4. Cash dividends include cash dividends of ordinary share and preferred share.
5. Gross amount of property, plant and equipment refers to total amount of property, plant and equipment before deduction of accumulated depreciation.

Note 6 The issuer shall distinguish each operating cost and operating expense as fixed and variable per nature. If estimation or subjective judgment is involved, reasonableness shall be noticed and consistency shall be maintained.

Note 7 The relevant paid-in capital ratio of foreign companies in the preceding paragraph is calculated with ratio in net worth instead.

(III) Audit Committee's Review Report for the Most Recent Fiscal Year's Financial Statement

**Welldone Company**
**2023 Audit Committee Audit Report**

The Business Report, Financial Statement (including Consolidated Financial Statement), and Profit Distribution proposal of the year 2023, in which the financial statement can be found, were prepared and audited by Chiu, Yung-Ming and Liu, Shu-Lin of Deloitte Taiwan under authorization of the Board. The aforementioned reports, the business report, financial statements (including Consolidated Financial Statement), and the earnings distribution proposal have been reviewed by the Committee and were found to be true and correct. The Committee hereby submits the aforementioned reports and proposal for approval in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

To

2024 General Shareholders' meeting

Welldone Company

Convener of the Audit Committee: Wang, Shen-Huei

March 15, 2024

(IV) Financial Statements for the Most Recent Fiscal Year

See pages 92-173 for details.

(V) Consolidated financial statements of parent company and subsidiaries certified by CPAs in the most recent fiscal year

Please see pages 174-253 for details.

(VI) Financial Impact on the Company where the Company and its Affiliated Companies Have Incurred any Financial or Cash Flow Difficulties in the Most Recent Year and as of the Publication Date of the Annual Report

None.

# VII. Review and Analysis of the Company's Financial Position, Performance, and Risk Management

(I) Financial Position

Unit: NT$ Thousand

| Item \ Year | 2023 | 2022 | Difference | |
|---|---|---|---|---|
| | | | Amount | % |
| Current assets | 3,431,321 | 2,304,386 | 1,126,935 | 49% |
| Fixed assets | 402,916 | 412,935 | (10,019) | -2% |
| Other assets | 285,134 | 448,733 | (163,599) | -36% |
| Total assets | 4,119,371 | 3,166,054 | 953,317 | 30% |
| Current liabilities | 2,131,381 | 1,718,444 | 412,937 | 24% |
| Non-current Liabilities | 36,510 | 39,456 | 2,946 | 7% |
| Total liabilities | 2,167,891 | 1,757,900 | 409,991 | 23% |
| Share capital of common stock | 996,701 | 896,701 | 100,000 | 11% |
| Capital surplus | 469,326 | 165,705 | 303,621 | 183% |
| Retained earnings | 467,643 | 402,088 | 65,555 | 16% |
| Other equity interest | (10,402) | (31,488) | 21,086 | -67% |
| Non-controlling interest | 64,811 | 11,747 | 53,064 | 452% |
| Total equity | 1,951,480 | 1,408,154 | 543,326 | 39% |

Notes:

1. Current assets: was mainly due to the growth of migrant work remittance business resulting in the increase in balances of special migrant work remittance account and other receivables of convenience stores, as well as the increase in prepayments and receivables by adding investment in the subsidiary Wei Feng Technology Co., Ltd.
2. Other assets: was mainly due to the disposal of WELLTECH ENERGY INC. recognized using the equity method in August, 2023.
3. Total assets: was mainly due to the increase in current assets.
4. Current liabilities: was mainly due to the growth of migrant work remittance business resulting in the increase in the amount of agency receipts of migrant work remittance.
5. Total liabilities: was mainly due to the increase in current liabilities.
6. Capital surplus: was mainly due to the increase in share premium by handling Acer’s private placement in Aug, 2023.
7. Other equity interest: was mainly due to the increase in ROI of equity instruments measured at fair value through other comprehensive income held by the affiliated enterprise TD HITECH ENERGY INC. accounted for using the equity method.
8. Non-controlling interest: was mainly due to the increase in investment in the subsidiary Wei Feng Technology Co., Ltd. with 51% shareholding in 2023, and the remaining 49% are non-controlling interest.
9. Total equity: was mainly due to the increase in capital stock and capital reserve by handling Acer’s private placement in Aug, 2023.

(II) Financial Performance

Unit: NT$ Thousand

| Year / Item | 2023 | 2022 | Increased (Decreased) Amount | Percent Change |
|---|---|---|---|---|
| Net Operating Revenue | 2,261,387 | 2,468,794 | (207,407) | -8% |
| Operating cost | 1,561,098 | 1,860,224 | (299,126) | -16% |
| Gross profit | 700,289 | 608,570 | 91,719 | 15% |
| Operating expenses | 476,926 | 455,249 | 21,677 | 5% |
| Operating Income | 223,363 | 153,321 | 70,042 | 46% |
| Non-operating income and expenses | 104,904 | 108,476 | (3,572) | -3% |
| Income Before Tax | 328,267 | 261,797 | 66,470 | 25% |
| Income Tax Profit (Expenses) | (73,614) | (12,043) | 61,571 | 511% |
| Net Income | 254,653 | 249,754 | 4,899 | 2% |
| Exchange differences on translation of foreign financial statements. | 0 | 2,294 | -2,294 | -100% |
| Components of other comprehensive income that will not be reclassified to profit or loss | 14,864 | (7,867) | 22,731 | 289% |
| Total amount of comprehensive income in the current period | 269,517 | 244,181 | 25,336 | 10% |

Analysis and description of change (increase/decrease) of the ratio(s):

1. Operating Income: was mainly due to the increase in profit from migrant workers remittance.
2. Income Before Tax: was mainly due to the increase in operating revenue.
3. Income Tax Profit (Expenses)：was mainly due to the run-out of loss deduction amount and adjustment of temporary differences in deferred income tax in 2022.
4. Exchange differences on translation of foreign financial statements: the Company disposed of affiliated enterprises in 2023, and has no overseas operating organizations.
5. Components of other comprehensive income that will not be reclassified to profit or loss: financial assets measured at fair value through other comprehensive income didn’t realize the increase in profit.

Expected sales quantity and basis, possible impact on the Company's future finance and business operations, and responsive plans:

In 2024, the Company will grow continuously and stably, and actively march towards the path of expansion of core business related industries:

1. For the telecommunication business, the Company will further develop the telecommunication business, strengthen channels and marketing, and continue to consolidate the market share;
2. For the migrant worker related business, the Company will develop more diversified products and services, expand the number of service objects, and accumulate the number of members based on the existing services;
3. For the channel business, the Company will, based on the existing products like cosmetics and channels, continue to develop the agency of cosmetics and healthcare food related products, and expand the product breadth and improve the operating efficiency and profits.

(III) Cash Flow

A. Analysis of changes in Cash Flow for the most recent fiscal year and remedial measures for cash inadequacy

Unit: NT$ Thousand

| Opening cash balance (1) | Net Cash Flow from operating activities for the year (2) | Net Cash Flow from other activities for the year (3) | Net cash flow from financing activities for the year (4) | Amount influenced by change in exchange rate (5) | Cash surplus (shortfall) (1)+(2)+(3)+(4)+(5) | Remedial measures for cash inadequacy | |
|---|---|---|---|---|---|---|---|
| | | | | | | Investment plan | Financing plan |
| 472,854 | 156,602 | (613,224) | 171,695 | 0 | 187,927 | - | - |

B. Liquidity analysis in the last two years

| Item \ Year | 2023 | 2022 | Increase (Decrease) ratio |
|---|---|---|---|
| Cash flow ratio | 7.35% | 11.17% | (3.82) % |
| Cash flow adequacy ratio | 45.33% | 53.85% | (8.52) % |
| Cash reinvestment ratio | (1.26) % | 3.3% | (4.56) % |
| Analysis and description of change (increase/decrease) in ratio(s): No significant change occurred in the current period. | | | |

C. Cash Flow analysis for the coming year

Unit: NT$ Thousand

| Opening cash balance (1) | Estimated net Cash Flow from operating activities for the year (2) | Estimated net Cash Flow from other activities for the year (3) | Cash surplus (shortfall) (1)+(2)-(3) | Remedial measures for cash inadequacy | |
|---|---|---|---|---|---|
| | | | | Investment plan | Financing plan |
| 187,927 | 200,000 | -220,000 | 167,927 | - | - |

(IV) The Effect of Major Capital Expenditures on Financials and the Business During the Most Recent Fiscal Year

A. Application of major capital expenditures, capital sources, and nature of capital expenditure planned for investment in the next five years: None.

B. Estimated revenue: None.

(V) Investment Policy, the Main Reasons for Profit or Loss as well as the Improvement Plan Over the Past Year, and an Investment Plan for Next Year

Unit: NT$ Thousand

| Item \ Description | Amount | Policy | Main reason for profit (loss) | Improvement plan | Other investment plans in the future |
|---|---|---|---|---|---|
| Life Link Co., Ltd. | 12,451 | Long-term investment | | | Determined based on the future market status |
| Wei Feng Technology Co., Ltd. | 8,964 | Long-term investment | | | |

(VI) Risk Analysis and Assessment for the Most Recent Fiscal Year and as of the Publication Date of the Annual Report

A. Impact of interest rate and exchange rate fluctuation and inflation on the Company's profitability for the most recent fiscal year and as of the publication date of the annual report, and future countermeasures:

1. Impact of change in interest rate in the most recent fiscal year on the Company's profit or loss, and future countermeasures: The cash flow of the Company is adequate with favorable debt credit. The cost for bank loans is relatively inexpensive. Therefore, the impact of change in interest rate on the Company's profit or loss was insignificant.
2. Impact of change in exchange rate on the Company's profit or loss, and future countermeasures: In 2023, exchange gain recognized by the Company reached NT$ 45,353,000, accounting for 2.01% of the operating revenue in current year. Since the subsidiary was engaged in selling and purchasing transactions valuated using foreign currency, the assets and liabilities affected by the influence of the exchange rate were periodically inspected, and appropriately adjusted to control the risks resulting from the fluctuation of foreign exchange.
3. Impact of inflation in the most recent fiscal year on the Company's profit or loss and future responsive measures: Currently, the main policy of the government is to stimulate economic development and implement low interest rate; it is expected that inflation is not a concern within a short term.

B. Policies, main causes of gains or losses and future measures with respect to high-risk, high-leveraged investments, lending or endorsement guarantees, and derivatives transactions

1. The maximum limit of endorsement guarantees provided by the Company for others reached 50% of the net worth in 2023, i.e., NT$ 937,242,000. As of the end of 2023, the merged company was not involved in the situation regarding provision of endorsement guarantees for others.
2. In 2023, the Company's lending of funds to others was handled in accordance with the provisions of its "Procedures for Lending of Funds and Endorsement Guarantee". The maximum limit of funds lent by the Company to others was 20% of the net worth, i.e., NT$ 374,897,000. As of the end of 2023, the actual amount of the consolidated company’s lending of funds to other was NT$100,000,000, mainly for the operation purpose of subsidiaries.
3. The Company didn't engage in high-risk, high-leveraged investments as of the end of 2023, while the merged company was engaged in the trading of financial derivatives with the purpose of avoiding risk of exchange rate instead of profitability.

C. Future research and development plans, and estimated expenditures

The Company mainly researches and develops APP programs. The future research and development plans focus on the improvement of safety and efficiency. The estimated R&D expenses for the coming year reaches NT$ 5 million.

D. Effect of important policies adopted on the Company's financial operations and changes in the legal environment at home and abroad, and measures to be taken in response

The Company obtained its first license as a small amount remittance service for foreign migrant workers in October 2021. After the release of the Act Governing Electronic Payment Institutions, the market will become more transparent and popularized, and competitors have also set foot in this market. Therefore, the

Company will continue to strengthen its services, safety, and efficiency, to reinforce the competitive advantages.

E. Effect of technological changes and industrial changes on the Company's financial performance and solutions

The Company pays special attention to the technological changes and industrial changes in terms of its network service business. New technological or industrial changes are expected to bring new markets and business opportunities. Through the improvement and integration of services, new added value may be created, and the Company's competitiveness may be strengthened.

F. Effect on the Company's crisis management of changes to the Company's corporate image, and measures to be taken in response

The Company has always maintained a steady and down-to-earth corporate image regarding its operation, and no major impact of changes to the corporate image has been imposed on the Company.

G. Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being or to be taken

As of the publication date of the annual report, the Company didn't have any plan for merger and acquisitions.

H. Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken

As of the publication date of the annual report, the Company didn't have any plan for plant expansion.

I. Risks associated with any consolidation of sales or purchasing operations, and mitigation measures being or to be taken

The telecommunication business of the Company mainly focuses on the agency and sales of telecommunication prepaid cards for foreign migrant workers, and the Company has maintained stable relationships with suppliers and customers, which would result in a phenomenon of centralization. It is mainly resulted from the maturity of the telecommunication market and the industrial characteristics and factors. In order to lower the risk of business simplification, the Company has always continually and actively developed relevant service industries involving telecommunication and network.

J. Effect upon and risk to the Company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10% stake in the Company is transferred or otherwise changes hands, and mitigation measures being or to be taken

All equity transfers or replacements of the directors, supervisors, or shareholders holding greater than a 10% stake in the Company have been handled according to the provisions on pre-approval declaration and after-approval declaration in the most recent fiscal year and as of the publication date of the prospectus. No transfer of massive equity was involved, and no material impact was therefore imposed on the Company.

K. Effect upon and risk to the Company associated with any change in governance personnel or top management, and mitigation measures being or to be taken

The Company was not involved in this situation as of the publication date of the annual report.

L. Disclosure of issues in dispute, monetary amount of claims, filing date, parties involved, and status of any litigation or other legal proceedings within the latest fiscal year and as of the publication date of the annual report where the Company and/or any of its directors, supervisors, President, person in charge, shareholders with 10% or more share ownership, or affiliates involved in pending litigation, legal proceedings or administrative proceedings, or a final judgment or ruling which may have a material adverse effect on the Company's shareholder equity or price of securities

None.

M. Other important risks, and mitigation measures being or to be taken

1. Management of other risks and responsive measures

(1) Market risk

a. Change in consumption pattern: With the emerging of smartphones, the voice call charges of foreign migrant worker prepaid cards decreased accordingly, while the demand for Internet access quickly increased. Therefore, with respect to product planning and strategies, the Company has begun to emphasis the Internet access function in order to maintain its market leading position.

b. Fierce market competition: With the decline of call charge rate, the average telephone traffic consumption expenditure presented a declining trend. Strategically, the Company will divide further niche market segments to promote products with different attributes and thus strengthen the market competitiveness.

(2) Financial risk

a. Interest rate risk

Due to the presence of loans with floating interest rate, the Company has been exposed to the risk of change in interest rate. In 2023, it was measured that the change in interest rate by 5% impacted the profit or loss by NT$ 1,468,000. Also, the Company maintains the loans with floating interest rate as a response to lower the risk of change in interest rate.

b. Exchange rate risk

Due to the engagement in the selling and purchasing transactions valuated using foreign currency, the merged company would be exposed to the risk of fluctuation of market exchange rate. In 2023, the impact of the change in exchange rate by 5% on the profit or loss of the merged company was measured. To be specific, the net income after tax was increased by NT$ 32,003,000 after depreciation of NTD by 5%. To avoid the decrease of value of foreign currency assets and the fluctuation of future cash flows due to change in exchange rate, the merged company periodically checks the assets and liabilities affected by the exchange rate, and makes appropriate adjustments to control the risk resulting from the fluctuation of foreign currency exchange rate.

c. Inflation

The main business of the Company is agency with quick product turnover rate and price elasticity. Therefore, the risk of inflation didn't have a material impact on the Company.

(3) Liquidity risk

To hold fast to the principles of stable operation and sound finance, the Company periodically evaluates the operating status and long-term and short-term capital, maintains appropriate bank limit, and issues convertible corporate bonds, etc. to fully support and respond to the demand of each operating or capital expenditure.

(4) Credit risk

The business type of the Company is mainly about cash collection. The accounts receivable are relatively centralized on several customers which are not related to each other though. In order to sustain the quality of accounts receivable, the Company has implemented a policy to transact with objects of good credit standing, and continually evaluate their financial position and historical transaction records.

(5) Legal risk

The Company has a legal department which emphasizes the review of legal matters at ordinary times. Besides, the nature of the main operation contracts of the Company is sales and agency, and therefore it does not have the concern over disputes or damages regarding fundamental breach.

(6) Information security risk

**System security monitoring**

a. Professionals in the Company are responsible for handling matters related to information system security prevention and crisis handling, to prevent computer network crimes and crises and safeguard the information system.
b. Establish a security control mechanism for the computer network system to ensure the safety of network data transmission, protect network-connected work, and prevent unauthorized system access to result in the disclosure of confidential data.
c. Strengthen the network security management particularly for cross-company computer network systems, and install antivirus software internally and network firewall externally to prevent the invasion of computer viruses and hostile malware from paralyzing the Company's network system.
d. The firewall shall be periodically checked after being established, and firewall software may be reinforced with appropriate approval.

**The information security risks are evaluated as follows:**

a. Loss of database due to virus
b. Abnormality of system operation due to malicious attacks
c. Data tampering due to invasion of hackers
d. Data extraction due to implantation of Trojan

**Responsive measures:**

a. Equipment security control
   (a) Check the conditions of hardware and air-conditioning equipment on a daily basis.
   (b) Unauthorized personnel are not allowed to enter the computer room.
b. Archives security control
   Customer data files and database are automatically backed up every day as scheduled.
c. Data file and database management
   (a) The establishment, modification and deletion of database shall go through approval and authorization procedures.
   (b) The auditing function of the database is utilized to check each change of the data files and database every day.
   (c) Those who are not authorized personnel or have no whitelist IP are unable to access the database.
d. System security monitoring

(a) Antivirus software is automatically updated every day as scheduled.
(b) Check the status of the firewall every day to see if any abnormality exists.
(c) The administrators shall replace accounts and passwords periodically.
(d) Check the system records of network service items every day, and track the abnormal conditions.

e. Emergency treatment
When a host failure or database error occurs, a recovery plan work will be executed.

2. Risk management organization and responsible executing units
Under the aforesaid policy, the top manager of each related department is the person responsible for supervising and controlling the management of each risk, and mastering each risk at any time. The Company has also appointed an Auditing Office to formulate an annual audit plan every year, check and evaluate the implementation status of each control, and provide suggestions on improvement as appropriate, to ensure that the risk management policies are continuously and effectively implemented. The main executing units of each risk matter of the Company are as follows:

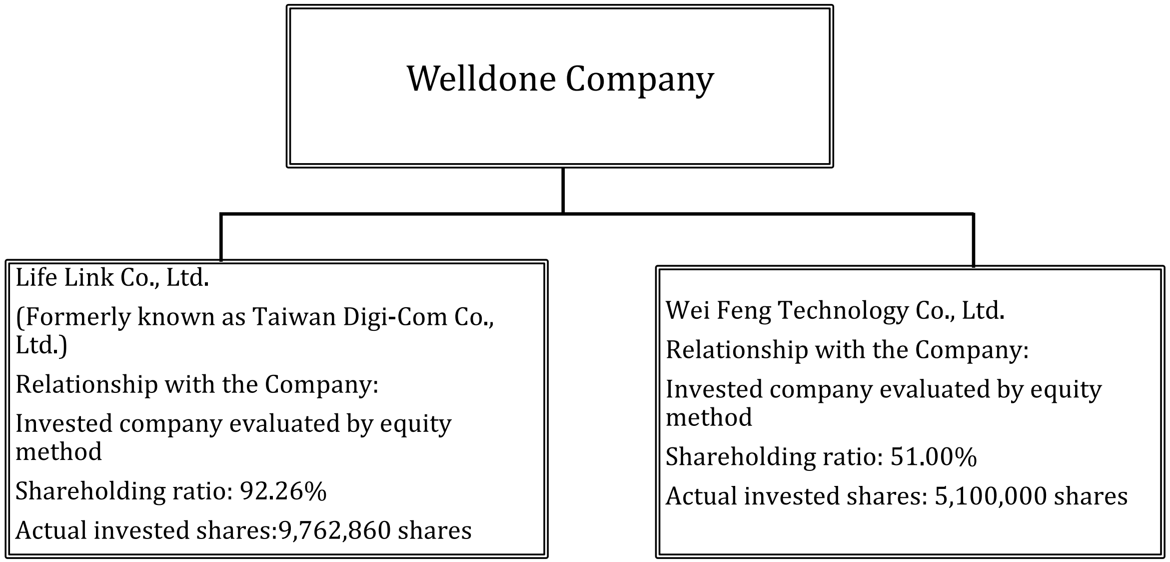
| Risk management | Responsible department | Risk related matters |
|---|---|---|
| Strategy and operating risk | President Office | Be responsible for drafting the Company's operation guidelines and evaluating and analyzing the operating benefits. |
| Market risk | Product Marketing Division | Be responsible for market surveys, competitor analysis, and product strategies and planning. |
| Financial risk | Finance Division | Be responsible for capital dispatching and control, as well as interest rate, and long/short-term capital plans, etc. |
| Liquidity risk | | |
| Legal risk | Compliance Office | Be responsible for litigation and non-litigation matters as well as relevant legal affairs. |
| Information security risk | Information Department | Be responsible for monitoring and managing the equipment, system, and database. |

(VII) Other Major Events
None.

# VIII. Special Disclosure

(I) Information on Affiliated Companies

A. Affiliate company structure



B. Basic information on affiliates

Unit: NT$ Thousand/Foreign currency 1,000

| Name of Affiliate | Date of Incorporation | Address | Paid-in Capital | Primary Business and Production Projects |
|---|---|---|---|---|
| Life Link Co., Ltd. | 2006/12/06 | 7F., No. 148, Sec. 4, Zhongxiao E. Rd., Da'an Dist., Taipei City | NT$105,822 | Agency, retail and wholesale of Duracell alkaline batteries, Toshiba environment-friendly batters, healthcare food and cosmetics |
| Wei Feng Technology Co., Ltd. | 2023/06/13 | 11 F, No. 54, Songjiang Rd., Zhongshan Dist., Taipei City | NT$100,000 | PC plastic wholesale |

C. Where there is a controlled and subordinate relationship, the information of the shareholders shall be provided: None.

D. Scope covered in the business operated by overall affiliated companies, and labor division:
The scope covered by the business operated by the Company and its affiliated companies includes telecommunication, high-power battery energy, handheld product battery energy, channel business, and digital contents which are assigned to the Company and each affiliated company according to different business professions (see P.58 Operational Highlights and P.94 Basic information on affiliates for details).

E. Information on directors, supervisors, and President of affiliates:

March 31, 2024

| Name of Affiliate | Position | Name or Representative | Shareholding | |
|---|---|---|---|---|
| | | | Number of Shares | Percentage of Ownership |
| Life Link Co., Ltd. | Chairman | Welldone Company (Representative: Chen, Tun-Jen) | 9,762,860 | 92.26% |
| | Director | Welldone Company (Representative: Chen, Peng-Yang) | | |
| | Director | Welldone Company (Representative: Lo, Chih-Cheng) | | |
| | Supervisor | Tung, Li-Hua | | |
| Wei Feng Technology Co., Ltd. | Chairman | Welldone Company (Representative: Chen, Alexander) | 5,100,000 | 51.00% |
| | Director | Welldone Company (Representative: Lo, Li-Chu) | | |
| | Director | Gold Lake International Ltd. (Representative: Pai, Kuang-Hui) | | |
| | Supervisor | Lin, Cheng-Sheng | | |

F. Affiliate Business Overview

December 31, 2023; Unit: NT$ Thousand; NT$ 1 for earnings per share

| Name of Affiliate | Capital | Total Assets | Total Liabilities | Net Value | Operating revenue | Operating Profit | Profit or Loss (After Tax) | Earnings per share (after-tax, NT$ 1) |
|---|---|---|---|---|---|---|---|---|
| Welldone Company | 996,701 | 3,718,936 | 1,832,267 | 1,886,669 | 1,734,023 | 188,038 | 249,117 | 2.74 |
| Life Link Co., Ltd. | 105,822 | 453,572 | 306,104 | 147,468 | 514,458 | 17,452 | 14,778 | 1.4 |
| Wei Feng Technology Co., Ltd. | 100,000 | 244,318 | 135,354 | 108,964 | 13,315 | 12,164 | 8,964 | - |

G. Consolidated financial statements of affiliates
Please refer to the consolidated financial statements of parent company and subsidiaries as audited and certified by CPAs in 2023 in Paragraph 5 of "Financial Position" above.

H. Business report of affiliates: N/A.

(II) **Private placement of securities in the most recent fiscal year and as of the publication date of the annual report**

## Private Placements of Securities

| Item | 1st private placement in 2023<br>Issue date: December 12, 2023 |
|---|---|
| Type of private placement securities | Common stock |
| Date of approval by the shareholders meeting and amount approved | Date of shareholder meeting approval: June 14, 2023<br>Private placement limits: Not exceed the range of 100,000,000 shares. The amount of issuance is 100,000,000 shares. |
| The basis and rationality of price setting | According to the "Directions for Public Companies Conducting Private Placements of Securities," for TWSE-listed or TPEx-listed stock, it shall be the higher of the following two calculations:<br>(1) The simple average closing price of common shares of a TWSE listed or TPEx listed company on either the 1, 3, or 5 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends, or capital reduction, or<br>(2) The simple average closing price of common shares of a TWSE listed or TPEx listed company for 30 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends, or capital reduction.<br>(3) The price for privately placed shares may not be lower than 80 percent of the reference price.<br>Thus, the privately placed price is based on NT$47.12, the average closing price of the three business days before the price determination date, and set at 85% of the reference price. The method and conditions comply with the Directions. |
| The way to select specific people | (1) The specific persons selected shall be limited to strategic investors according to Article 43-6 of the Securities and Exchange Act and (2002) Tai-Cai-Zheng-Yi-Zi No. 0910003455 dated June 13, 2002 of the former Securities and Futures Commission under the Ministry of Finance, while the shareholders' meeting is proposed to authorize the board of directors to review the qualification of placees.<br>(2) Selected placee: Acer |
| Necessary reasons for handling private equity | Seek technical cooperation or strategic alliance opportunities with domestic and foreign industry giants, and replenish operating and working capital. |

| Payment Completion Date | 2023/8/17 | | | | |
|---|---|---|---|---|---|
| Information on the placees | Counterparty of the private placement | Qualifications | Subscription quantity | Relationship with the Company | Participation in the Company's operations |
| | Acer Inc. | An issuer shall comply with the preceding of Subparagraph 2 of paragraph 1 of Article 43-6 | 10,000,000 Shares | NA | NA |
| Actual subscription (or conversion) price | NT$ 40.05 | | | | |
| difference between actual subscription (or conversion) price and reference price | The privately placed price is based on NT$47.12, the average closing price of the three business days before the price determination date, and set at 85% of the reference price. The method and conditions comply with the Directions; the price set is not lower than 80 percent of the reference price as resolved by the shareholders meeting. | | | | |
| Impacts of private placement on shareholders' equity (for example, increase of cumulative losses) | Compared with a public offering, privately placed negotiable securities shall not be transferred freely within three years to ensure a long-term partnership between the Company and its strategies investment partners; additionally, the Board of Directors is authorized to deal with private placement according to the Company's actual operation demands, which will also effectively enhance its fund-raising maneuverability and flexibility. As a whole, private placement should positively boost shareholders' equity. | | | | |
| Fund utilization of private placement and project implementation progress | The operating fund was used on August 30, 2023. | | | | |
| Private placement benefits | Lower the Company's business risks to replenish its operating capital, and enhance its future operational performance. | | | | |

Note 1. Adjust the number of columns according to the actual number of private placements conducted. If there were multiple private placements of securities, fill in all the required information separately for each.
Note 2. Fill in the type of private placement securities, e.g., common shares, preferred shares, convertible preferred shares, preferred shares with warrants, straight corporate bonds, convertible corporate bonds, corporate bonds with warrants, overseas convertible corporate bonds, global depositary receipts, or employee share subscription warrants, etc.
Note 3. In the case of a private placement of corporate bonds for which approval by the shareholders meeting is not required, fill in the date of approval by the board of directors and the amount approved.
Note 4. If the placees for a private placement case have already been arranged, the relationship between the placees and the Company should also be described.
Note 5. Adjust the number of cells to match the actual number of the counterparties.
Note 6. Specify whether the counterparty is qualified under subparagraph 1, 2, or 3 of paragraph 1 of Article 43-6 of the Securities and Exchange Act.
Note 7. The actual subscription (or conversion) price refers to the subscription (or conversion) price set at the time of actual issuance of the private placement securities.

(III) Holding or disposal of shares in the Company by the Company's subsidiaries in the most recent fiscal year and as of the publication date of the annual report

None.

(IV) Other necessary statements

None.

## IX. Situations listed in Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act which might materially affect shareholders' equity or the price of the Company's securities occurring in the most recent fiscal year as of the publication date of the annual report: None

Deloitte.

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Fax:+886 (2) 4051-6888
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# Independent Auditors' Report

To Welldone Company:

**Opinion**

We have audited the accompanying parent company only financial statements of Welldone Company ("the Company"), which comprise the parent company only balance sheets as of December 31, 2023 and 2022 and the parent company only statements of comprehensive income, changes in equity and cash flows for the year then ended and notes to the parent company only financial statements, including a summary of significant accounting policies

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2023 and 2022 and its parent company only financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

**Basis for Opinion**

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

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements of the current period. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

The key audit matters for aiming at the Welldone Company's 2023 parent company only financial statements is stated as follows:

<u>Recognition of sales revenue</u>

According to Note 4 of the parent company only financial statements and summary of significant accounting policies (12), the revenue of the Company shall be recognized when obligations are fully performed.    Meanwhile, the biggest customer of Welldone Company is a major source of operation revenue and the credit condition granted is also more favorable than other customers. Therefore, we consider the recognition of such revenues as having a significant effect on the Company's operation and recognition of such revenue shall constitute a key audit matter. Aiming at preceding risks corresponding to such customer, the audit procedures were implemented as follows:

1. We recognized the major design of the internal control system for revenue flow of the consolidated company and implemented relevant control tests.
2. We selected revenue samples aiming at preceding sales customers, and reviewed and checked the certificates and shipping documents for the revenue recognized to confirm if the revenue is recognized properly.
3. We implemented payment tests aiming at the preceding revenue samples selected.

**Responsibilities of Management and Those Charged with Governance for the financial statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and 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 as necessary to ensure the preparation of financial statements is free from material misstatement, whether due to fraud or error.

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

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

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

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on these financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure of 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.

Deloitte Touche

| | |
|---|---|
| Independent Auditor Chiu, Yung-Ming | Independent Auditor Liu, Shu-Lin |
| Approval number of the Financial Supervisory Commission | Approval number of the Financial Supervisory Commission |
| Chin-Kuan-Cheng-Shen-Tzu No. 1100356048 | Chin-Kuan-Cheng-Shen-Tzu No. 1050024633 |

March 15, 2024

Welldone Company

Balance Sheet of Parent Company

December 31, 2023 and 2022

Unit: NT$ Thousand

| Code | Assets | December 31, 2023 Amount | % | December 31, 2022 Amount | % |
|---|---|---|---|---|---|
| | Current assets | | | | |
| 1100 | Cash and cash equivalents (Note 4 & 6) | $ 140,520 | 4 | $ 418,528 | 14 |
| 1110 | Current financial assets at fair value through profit or loss (Note 4 & 7) | 28,646 | 1 | 27,716 | 1 |
| 1150 | Notes receivable, net (Note 4 & 10) | 34,455 | 1 | 22,682 | 1 |
| 1170 | Accounts receivable, net (Note 4 & 10) | 10,086 | - | 5,180 | - |
| 1200 | Other receivables (Note 4, 10 &33) | 549,236 | 15 | 254,513 | 9 |
| 1210 | Other receivables due from related parties (Note 4 & 28) | 100,217 | 2 | 1,019 | - |
| 130X | Current inventories (Note 4 & 11) | 181,378 | 5 | 245,224 | 8 |
| 1476 | Other current financial assets (Note 4, 9 & 29) | 1,793,095 | 48 | 936,324 | 32 |
| 1479 | Other current assets, others | 7,280 | - | 30,815 | 1 |
| 11XX | Total current assets | 2,844,913 | 76 | 1,942,001 | 66 |
| | Non-current assets | | | | |
| 1517 | Non-current financial assets at fair value through other comprehensive income (Note 4 & 8) | 75,515 | 2 | 50,094 | 2 |
| 1550 | Investments accounted for using equity method (Note 4 & 12) | 337,986 | 9 | 451,299 | 15 |
| 1600 | Property, plant and equipment (Note 4, 13 & 29) | 296,823 | 8 | 296,494 | 10 |
| 1755 | Right-of-use assets (Note 4 & 14) | 2,297 | - | 2,239 | - |
| 1760 | Investment property, net (Note 4, 15 & 29) | 152,788 | 4 | 162,496 | 6 |
| 1840 | Deferred tax assets (Note 4 & 23) | 7,272 | 1 | 31,444 | 1 |
| 1920 | Guarantee deposits paid (Note 4) | 1,342 | - | 1,407 | - |
| 15XX | Total non-current assets | 874,023 | 24 | 995,473 | 34 |
| 1XXX | Total assets | $ 3,718,936 | 100 | $ 2,937,474 | 100 |
| **Code** | **Liabilities and equity** | | | | |
| | Current liabilities | | | | |
| 2100 | Current borrowings (Note 16 & 29) | $ 1,008,000 | 27 | $ 1,295,000 | 44 |
| 2110 | Short-term notes and bills payable (Note 16) | 100,000 | 3 | - | - |
| 2150 | Notes payable and Accounts payable (Note 17) | 15,836 | - | 1,209 | - |
| 2200 | Other payables (Note 18 & 28) | 107,390 | 3 | 75,241 | 3 |
| 2230 | Current tax liabilities (Note 4 & 23) | 38,630 | 1 | 9,685 | - |
| 2280 | Current lease liabilities (Note 4 & 14) | 1,339 | - | 1,318 | - |
| 2399 | Other current liabilities (Note 10) | 525,008 | 14 | 119,398 | 4 |
| 21XX | Total current liabilities | 1,796,203 | 48 | 1,501,851 | 51 |
| | Non-current liabilities | | | | |
| 2570 | Deferred tax liabilities (Note 4 & 23) | 11,522 | - | 11,105 | - |
| 2580 | Non-current lease liabilities (Note 4 & 14) | 969 | - | 929 | - |
| 2640 | Net defined benefit liability, non-current (Note 4 & 19) | 22,287 | 1 | 25,896 | 1 |
| 2645 | Guarantee deposits received | 1,286 | - | 1,286 | - |
| 25XX | Total non-current liabilities | 36,064 | 1 | 39,216 | 1 |
| 2XXX | Total liabilities | 1,832,267 | 49 | 1,541,067 | 52 |
| | Equity (Note 4 & 20) | | | | |
| | Share capital | | | | |
| 3110 | Ordinary share | 996,701 | 27 | 896,701 | 30 |
| 3200 | Capital surplus | 469,326 | 13 | 165,705 | 6 |
| | Retained earnings | | | | |
| 3310 | Legal reserve | 90,798 | 2 | 66,887 | 3 |
| 3320 | Special reserve | 53,843 | 1 | 95,393 | 3 |
| 3350 | Unappropriated retained earnings | 323,002 | 9 | 239,808 | 8 |
| 3300 | Total retained earnings | 467,643 | 12 | 402,088 | 14 |
| 3400 | Other equity interest | ( 10,402 ) | - | ( 31,488 ) | ( 1 ) |
| 3500 | Treasury stocks | ( 36,599 ) | ( 1 ) | ( 36,599 ) | ( 1 ) |
| 3XXX | Total equity | 1,886,669 | 51 | 1,396,407 | 48 |
| | Total liabilities and equity | $ 3,718,936 | 100 | $ 2,937,474 | 100 |

The accompanying notes are an integral part of the parent company only financial statements.

Chairman: Chen, Tun-Jen President: Ho, Ming-Che Chief Accountant: Chu, Chen-Ju

Welldone Company

Parent Company Only Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

Unit: NT$ Thousand
Excep EPS

| Code | | 2023 Amount | 2023 % | 2022 Amount | 2022 % |
|---|---|---|---|---|---|
| 4000 | Operating revenue (Note 4 & 21) | $1,734,023 | 100 | $ 1,462,731 | 100 |
| 5000 | Operating costs (Note 11) | 1,193,197 | 69 | 1,108,891 | 76 |
| 5900 | Gross profit from operations | 540,826 | 31 | 353,840 | 24 |
| | Operating expenses (Note 4, 10, 22 & 28) | | | | |
| 6100 | Selling expenses | 229,750 | 13 | 149,119 | 10 |
| 6200 | Administrative expenses | 123,038 | 7 | 116,142 | 8 |
| 6450 | Expected credit reversal benefit (Note 10) | - | - | ( 103) | - |
| 6000 | Total operating expenses | 352,788 | 20 | 265,158 | 18 |
| 6900 | Net operating income | 188,038 | 11 | 88,682 | 6 |
| | Non-operating income and expenses (Note 4, 12, 22 & 28) | | | | |
| 7100 | Interest revenue | 6,017 | - | 2,421 | - |
| 7010 | Other income | 15,952 | 1 | 24,967 | 2 |
| 7020 | Other gains and losses | 95,725 | 6 | 60,817 | 4 |
| 7050 | Finance costs | ( 25,882) | ( 2) | ( 13,134) | ( 1) |
| 7070 | Share of Profit or Loss of Associates & Joint Ventures Accounted for Using Equity Method | 37,587 | 2 | 78,083 | 5 |
| 7000 | Total non-operating income and expenses | 129,399 | 7 | 153,154 | 10 |
| 7900 | Net earnings before tax | 317,437 | 18 | 241,836 | 16 |
| 7950 | Total tax expense (Note 4 & 23) | ( 68,320) | ( 4) | ( 3,960) | - |
| 8200 | Profit | 249,117 | 14 | 237,876 | 16 |

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| Code | | 2023 Amount | 2023 % | 2022 Amount | 2022 % |
|---|---|---|---|---|---|
| | Other comprehensive income (OCI) | | | | |
| 8310 | Items that will not be reclassified subsequently to profit or loss | | | | |
| 8311 | Gains (losses) on remeasurements of defined benefit plans. (Note 4 and Note 19) | ($ 316) | - | $ 1,231 | - |
| 8316 | Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income (Note 4 and Note 20) | 421 | - | ( 7,185) | - |
| 8330 | Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss (Note 4, 12 & 20) | 14,759 | 1 | ( 1,863) | - |
| 8360 | Components of other comprehensive income that will be reclassified to profit or loss | | | | |
| 8361 | Exchange differences arising on translation of foreign (Note 4 & 20) | - | - | 766 | - |
| 8300 | Total Other Comprehensive Income | 14,864 | 1 | ( 7,051) | - |
| 8500 | Total comprehensive income | $ 263,981 | 15 | $ 230,825 | 16 |
| | Earnings per share (Note 24) | | | | |
| | From continuing operations | | | | |
| 9710 | Basic | $ 2.74 | | $ 2.73 | |
| 9810 | Diluted | $ 2.71 | | $ 2.70 | |

The accompanying notes are an integral part of the parent company only financial statements.

Chairman: Chen, Tun-Jen President: Ho, Ming-Che Chief Accountant: Chu, Chen-Ju

WELLDONE COMPANY

Parent Company Only Statements of Changes in Equity

For the years ended December 31, 2023 and 2022

Unit: NT$ Thousand

| Code | | Ordinary Share | Capital surplus | Retained earnings: Legal reserve | Retained earnings: Special reserve | Retained earnings: Unappropriated retained earnings | Other equity interest: Exchange Differences on Translation of Foreign Financial Statements | Other equity interest: Unrealized Gains (Losses) on Financial Assets Measured at Fair Value Through Other Comprehensive Income | Treasury stocks | Total equity. |
|---|---|---|---|---|---|---|---|---|---|---|
| A1 | **Equity at beginning of period (2022/1/1)** | $ 896,701 | $ 168,172 | $ 51,837 | $ 95,393 | $ 155,433 | ($ 8,250) | ($ 16,600) | ($ 36,599) | $1,306,087 |
| | Appropriation and distribution of retained earnings in 2021 | | | | | | | | | |
| B1 | Legal reserve appropriated | - | - | 15,050 | - | (15,050) | - | - | - | - |
| B5 | Cash dividends of ordinary share | - | - | - | - | (139,616) | - | - | - | (139,616) |
| M5 | Difference between consideration and carrying amount of subsidiaries acquired or disposed | - | - | - | - | (66) | 1,578 | 66 | - | 1,578 |
| M7 | Changes in ownership interests in subsidiaries | - | (2,467) | - | - | - | - | - | - | (2,467) |
| D1 | 2022 Profit (loss) | - | - | - | - | 237,876 | - | - | - | 237,876 |
| D3 | 2022 Other comprehensive income | - | - | - | - | 1,231 | 766 | (9,048) | - | (7,051) |
| Z1 | Equity at end of period (2022/12/31) | 896,701 | 165,705 | 66,887 | 95,393 | 239,808 | (5,906) | (25,582) | (36,599) | 1,396,407 |
| | Appropriation and distribution of retained earnings in 2022 | | | | | | | | | |
| B1 | Legal reserve appropriated | - | - | 23,911 | - | (23,911) | - | - | - | - |
| B5 | Cash dividends of ordinary share | - | - | - | - | (183,246) | - | - | - | (183,246) |
| E1 | Proceed from New Issue | 100,000 | 300,500 | - | - | - | - | - | - | 400,500 |
| M3 | Disposal of subsidiaries or investments | - | - | - | (41,550) | 41,550 | 5,906 | - | - | 5,906 |
| M7 | Changes in ownership interests in subsidiaries | - | 3,121 | - | - | - | - | - | - | 3,121 |
| D1 | 2023 Net Profit | - | - | - | - | 249,117 | - | - | - | 249,117 |
| D3 | 2023 Other comprehensive income | - | - | - | - | (316) | - | 15,180 | - | 14,864 |
| Z1 | Equity at end of period (2023/12/31) | $ 996,701 | $ 469,326 | $ 90,798 | $ 53,843 | $ 323,002 | $ - | ($ 10,402) | ($ 36,599) | $1,886,669 |

The accompanying notes are an integral part of the parent company only financial statements.

Chairman: Chen, Tun-Jen President: Ho, Ming-Che Chief Accountant: Chu, Chen-Ju

Welldone Company

Parent Company Only Statements of Cash Flows

For the years ended December 31, 2023 and 2022

Unit: NT$ Thousand

| Code | | 2023 | 2022 |
|---|---|---|---|
| | Cash Flows From Operating Activities | | |
| A10000 | Profit (loss) before tax | $ 317,437 | $ 241,836 |
| A20010 | Total adjustments to reconcile profit (loss) | | |
| A20100 | Depreciation expense (including investment properties and right-of-use assets) | 11,357 | 11,740 |
| A20300 | Expected credit reversal benefit | - | ( 103) |
| A20400 | Net loss (gain) on financial assets or liabilities at fair value through profit or loss | ( 930) | 29,533 |
| A20900 | Finance costs | 25,882 | 13,134 |
| A21200 | Interest revenue | ( 6,017) | ( 2,421) |
| A21300 | Dividend income | ( 1,198) | ( 8,985) |
| A22400 | Share of Profit or Loss of Associates & Joint Ventures Accounted for Using Equity Method | ( 37,587) | ( 78,083) |
| A23200 | Loss (gain) on disposal of investments accounted for using equity method | ( 54,366) | ( 56,903) |
| A30000 | Total changes in operating assets and liabilities | | |
| A31130 | Decrease (increase) in notes receivable | ( 11,773) | 5,483 |
| A31150 | Decrease (increase) in accounts receivable | ( 4,906) | ( 1,414) |
| A31180 | Decrease (increase) in other receivables | ( 293,618) | 15,706 |
| A31200 | Adjustments for decrease (increase) in inventories | 63,846 | ( 48,560) |
| A31240 | Adjustments for decrease (increase) in other current assets | 11,535 | ( 19,090) |
| A32150 | Increase (decrease) in accounts payable | 14,627 | ( 782) |
| A32180 | Increase (decrease) in other payable | 32,178 | 11,309 |
| A32230 | Adjustments for increase (decrease) in other current liabilities | 405,610 | 42,036 |
| A32240 | Increase (decrease) in net defined benefit liability | ( 3,925) | 650 |
| A33000 | Cash inflow (outflow) generated from operations | 468,152 | 155,086 |
| A33100 | Interest received | 5,725 | 2,421 |
| A33300 | Interest paid | ( 25,911) | ( 12,708) |
| A33500 | Income taxes refund (paid) | ( 14,797) | ( 3,821) |
| AAAA | Net cash flows from (used in) operating activities | 433,169 | 140,978 |

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| Code | | 2023 | 2022 |
|---|---|---|---|
| | Cash flows from (used in) investing activities | | |
| B00010 | Acquisition of financial assets at fair value through other comprehensive income | ($ 20,200) | ($ 35,000) |
| B00100 | Acquisition of financial assets at fair value through profit or loss | - | ( 364) |
| B00200 | Proceeds from disposal of financial assets at fair value through profit or loss | - | 1,923 |
| B00030 | Proceeds from capital reduction of financial assets at fair value through other comprehensive income | 7,200 | - |
| B01800 | Acquisition of investments accounted for using equity method. | ( 51,000) | - |
| B02300 | Proceeds from disposal of subsidiaries | - | 39,750 |
| B01900 | Proceeds from disposal of investments accounted for using equity method | 255,792 | 39,615 |
| B02700 | Acquisition of property, plant and equipment | ( 443) | ( 879) |
| B03700 | Decrease in refundable deposits | 65 | 178 |
| B04100 | Decrease (increase) in other receivables | ( 100,000) | 25,000 |
| B06500 | Increase in other financial assets | ( 856,771) | ( 283,425) |
| B07600 | Dividends received | 25,458 | 21,380 |
| BBBB | Net cash flows from (used in) investing activities | ( 739,899) | ( 191,822) |
| | Cash flows from (used in) financing activities | | |
| C00100 | Increase in short-term loans | - | 455,000 |
| C00200 | Repayments of short-term borrowings | ( 287,000) | - |
| C00500 | Increase in short-term notes and bills payable | 100,000 | - |
| C04020 | Payments of lease liabilities | ( 1,532) | ( 1,940) |
| C04500 | Cash dividends paid | ( 183,246) | ( 139,616) |
| C04600 | Proceed from New Issue | 400,500 | - |
| CCCC | Net cash flows from (used in) financing activities | 28,722 | 313,444 |
| EEEE | Net increase (decrease) in cash and cash equivalents | ( 278,008) | 262,600 |
| E00100 | Cash and cash equivalents at beginning of period | 418,528 | 155,928 |
| E00200 | Cash and cash equivalents at end of period | $ 140,520 | $ 418,528 |

The accompanying notes are an integral part of the parent company only financial statements.

Chairman: Chen, Tun-Jen President: Ho, Ming-Che Chief Accountant: Chu, Chen-Ju

Welldone Company

Notes to Parent Company Only Financial Statements

For the years ended December 31, 2023 and 2022

(Expressed in thousands of NEW TAIWAN DOLLARS, unless otherwise specified)

## I. Company History

Welldone Company was founded on Aug 19, 1977, and specializes in sales of OK pre-paid SIM cards and internet game point cards, telecommunication micro payment services, and remittance services for foreign workers.

The issuance of the Welldone's stocks was approved by the Taipei Exchange and the stocks were listed on the Emerging Stock Board on April 16, 2002.

Welldone Company was approved by the Financial Supervisory Commission (FSC) on Oct 20, 2021 to obtain a license for operating micro exchange services for foreign workers.

The financial statements are presented in New Taiwan dollars, the functional currency of the Corporation.

## II. Approval Date and Procedures of the Financial Statements

The financial statements were authorized for issuance by the Board of Directors on March 15, 2024.

## III. New Standards, Amendments and Interpretations Adopted

(I) Initial application of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of the IFRIC and Interpretation Announcements of the SIC ("IFRSs") endorsed and issued into effect by the FSC

The application of the IFRSs recognized and issued into effect by the FSC did not result in significant changes in accounting policies of the Corporation.

(II) Applicable IFRSs endorsed by the FSC for application in 2024.

| New standards/amended standards/amendment rules and interpretations | Effective date per IASB (Note 1) |
|---|---|
| Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback" | January 1, 2024 (Note 2) |
| Amendments to IAS 1 "Classification of Liabilities as Current or Non-current" | January 1, 2024 |
| Amendments to IAS 1 "Non-current Liabilities with Covenants" | January 1, 2024 |
| Amendments to IAS7 and IFRS7 "Supplier Finance Arrangements" | January 1, 2024 (Note 3) |

Note 1. Unless otherwise specified, the aforementioned new standards/amended standards/amendment rules or interpretations are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2. A seller-lessee applies the amendments retrospectively in accordance with IFRS 16 (Sales and Leaseback Transaction) entered into after the date of initial application.

Note 3. Partial disclosure provisions can be waived at the initial application of the amendments.

As of the date the parent company only financial statements were authorized for issue, the consolidated company has evaluated that the aforementioned amendments to standards and interpretations have no significant impact on their financial position or performance.

(III) The IFRSs issued by the IASB but not yet endorsed and issued into effect by the FSC.

| New standards/amended standards/amendment rules and interpretations | Effective date per IASB (Note 1) |
|---|---|
| Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture" | Pending |
| IFRS 17 "Insurance Contracts" | January 1, 2023 |
| Amendments to IFRS 17 | January 1, 2023 |
| Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9—Comparative Information" | January 1, 2023 |
| Amendments to IAS 21 "Lack of Exchangeability" | January 1, 2025 (Note 2) |

Note 1. Unless otherwise specified, the aforementioned new standards/amended standards/amendment rules or interpretations are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2. The amendments apply to the annual reporting periods after January 1, 2025. At the initial application of amendments, the impact number shall be recognized as reserved surplus of the date of initial application. Where the consolidated company use a non-functional currency as presentation currency, the impact number shall be adjusted as the exchange difference of foreign operation institutions under the equity at the date of initial application.

As of the date the parent company only financial statements financial statements were authorized for issue, the consolidated company is continuously evaluating the impact of the aforementioned amendments to the standards and interpretations on their financial position or performance, and will disclose relevant impact when the evaluation is completed.

## IV. Summary of Significant Accounting Policies

(I) Statement of compliance

These financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(II) Basis of preparation

The financial statements have been prepared on a historical cost basis, except for financial instruments that are measured at fair value and net defined benefit liabilities recognized at the present value of the defined benefit obligation less the fair value of plan assets:

The fair value measurements are grouped into Levels 1 to Tier 3 based on the degree to which the fair value measurement inputs are observable and on the significance of the inputs to the fair value measurements:

1. Level-1 input values: quoted prices (unadjusted) in active markets for identical assets or liabilities on the measurement date.
2. Level-2 input values: inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
3. Level-3 input values: unobservable inputs for an asset or liability.

When preparing its financial statements, the Corporation used the equity method to account for its investments in subsidiaries and associates. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in its financial statements to be the same as the amounts attributable to the owners of the Corporation in its individual financial statements, adjustments arising from the differences in accounting treatments between the parent company only basis and the individual basis were made to investments accounted for by using the equity method, share of profit or loss of subsidiaries and associates, share of other comprehensive income of subsidiaries and associates and related equity items, as appropriate, in these financial statements.

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

Current assets include:

1. It is held primarily for the purpose of trading;
2. It is due to be settled within twelve months after the balance sheet date; and
3. The asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the balance sheet date.

Current liabilities include:

1. It is held primarily for the purpose of trading;
2. It is due to be settled within twelve months after the balance sheet date; and
3. The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

Assets and liabilities which are not the aforementioned current assets or liabilities are classified as non-current assets or liabilities.

(IV) Foreign currencies

In preparing the Corporation's financial statements, transactions in currencies other than the Corporation's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each balance sheet date, monetary items denominated in foreign currency are re-exchanged at the closing rates. Exchange differences for monetary items arising from settlement or exchange are recognized in the profit or loss in the period in which they arise.

Non-monetary items measured at fair value are exchange at the rate prevailing on the date the fair value was determined, and exchange differences arising therefrom are included in the profit or loss for the period, except for changes in fair value that are recognized in other comprehensive income; in which case, exchange differences are also recognized in other comprehensive income.

Non-monetary items that are measured at a historical cost in a foreign currency are exchange at the exchange rate on the date of the transaction, and are not recalculated.

In the preparation of parent company only financial statements, the assets and liabilities of foreign operating institutions ((including subsidiaries and associates in other countries that use currencies that are different from the currency of the Corporation)) are converted into NTD at the exchange rate on the date of each balance sheet. Income and expense loss items are converted at the average exchange rate for the period and the resulting exchange difference is recognized as other comprehensive income.

In relation to a partial disposal of a subsidiary that does not result in the Corporation losing control over the subsidiary, the proportionate share of accumulated exchange differences is included in the calculations involved in the equity-method transaction but is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

(V) Inventories

Inventory is commodity inventory and work in process and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted-average cost on the end of reporting period.

(VI) Investment in subsidiaries

The Corporation uses the equity method to account for its investments in subsidiaries.

A subsidiary is an entity that is controlled by the Corporation.

Under the equity method, investments in a subsidiary are initially recognized at cost and adjusted thereafter to recognize the Corporation's share of the profit or loss and other comprehensive income of the subsidiary. The Corporation also recognizes the changes in the Corporation's share of the equity of its subsidiaries.

Changes in the Corporation's ownership interest in a subsidiary that do not result in the Corporation losing control of the subsidiary are equity transactions. The Corporation recognizes directly in equity any difference between the carrying amount of such investments and the fair value of the consideration paid or received.

When the Corporation's share of losses of a subsidiary exceeds its interest in that subsidiary (which includes any carrying amount of the investment accounted for by using the equity method and long-term interests that, in substance, form part of the Corporation's net investment in the subsidiary), the Corporation continues recognizing its share of further losses.

Any excess of the cost of an acquisition over the Corporation's share of the net fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Corporation's share of the net fair value of the identifiable assets and liabilities over the cost of the acquisition is recognized immediately in profit or loss.

The Corporation assesses its investments for any impairment by comparing the respective carrying amounts with the estimated recoverable amounts as assessed based on the entire financial statements of its investee companies. Impairment loss is recognized when the carrying amount of any such investment exceeds the recoverable amount. If the recoverable amount of an investment subsequently increases, the Corporation recognizes a reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

When the Corporation loses control of a subsidiary, it recognizes the investment retained in the former subsidiary at its fair value at the date when control is lost. The difference between the fair value of the retained investment plus any consideration received and the carrying amount of the previous investment at the date when control is lost is recognized as a gain or loss in profit or loss. Besides, the Corporation accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Corporation had directly disposed of the related assets or liabilities.

Profits or losses resulting from downstream transactions are eliminated in full only in the Corporation's parent company only financial statements. Profits and losses resulting from upstream transactions and transactions between subsidiaries are recognized only in the Corporation's financial statements only to the extent of interests in the subsidiaries that are not related to the Corporation.

(VII) Investments in associates and joint ventures

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

The Corporation uses the equity method to account for its investments in associates.

Under the equity method, the original investment in associates is recognized at cost and the carrying amount of the investment after the acquisition date increases or decreases in accordance with the Corporation’s share of earnings and other comprehensive income of associates and profit distribution. In addition, changes in equity interests of associates are recognized in proportion to shareholding.

The amount that acquisition costs outnumbers the net fair value of recognizable assets and liabilities of the associates possessed by the Corporation on the acquisition date are recognized as goodwill; goodwill is included in the carrying amount of the investment and may not be amortized. The amount that acquisition costs outnumbers the net fair value of recognizable assets and liabilities of the associates possessed by the Corporation on the acquisition date is recognized in the profit or loss for the period.

When the Corporation fails to subscribe new shares of an associate in proportion to shareholding, resulting in changes in shareholding ratios and further increases or decreases in net invested equity value, the adjusted capital surplus for the increase or decrease is recognized in the changes in net equity value of an associate and investment in the equity method. If the Corporation’s ownership interest of an associate is reduced due to its failure of subscription for or acquisition of new shares of the associate, the pro-rated reduced amount previously recognized in other comprehensive income in relation to the associate is reclassified on the same accounting treatment basis as would be required for direct disposal of related assets or liabilities by the associate; when the preceding adjustment is debited to capital surplus, but the capital surplus recognized from investments accounted for by the equity method is insufficient, the shortage is debited to retained earnings.

When the Corporation's share of loss in an associate equals or exceeds its interest in the associate (including the carrying amount of its investment in the associate under the equity method, and other long-term interests that are substantially part of the Corporation's net investment in the associate), further loss recognition shall be ceased. Additional losses or liabilities are recognized by the Corporation only to the extent of legal obligations, constructive obligations, or payment on behalf of the associate.

In an impairment assessment, the Corporation regards the overall carrying amount of investments (including goodwill) as single assets, and compares the recoverable amount with the carrying amount for the impairment test; recognized impairment loss is not amortized to any assets of the carrying amount of investments. Any reversal of impairment loss is recognized to the extent of the subsequent increase in the recoverable amount of investments.

The Corporation stops adopting the equity method from the date it stops investing in an associate, and its retained interest in the associate is measured at fair value; the difference between the fair value and disposal proceeds and the carrying amount of investment on the date the equity method is not adopted are recognized in the profit or loss for the period. Additionally, all amounts recognized in other comprehensive income in relation to the associate are on the same accounting treatment basis as would be required for the direct disposal of related assets or liabilities by the associate. If an investment in an associate becomes an investment in a joint venture, or an investment in a joint venture becomes an investment in an associate, the Corporation shall keep adopting the equity method and will not re-measure the retained interest.

Gains or losses resulting from upstream, downstream, and side-stream transactions with associates are recognized in the Corporation' financial statements only to the extent that they are not related to the Corporation's interest in the associates.

(VIII) Property, plant, and equipment

Property, plants, and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

The depreciation of property, plants, and equipment is recognized using the straight-line method, and each significant part is depreciated separately. The Corporation reviews the estimated useful lifespan, residual values, and depreciation methods at least at the end of every year, and defers impacts from changes in applicable accounting estimates.

When de-recognizing a property, plant, or equipment item, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in the profit or loss.

(IX) Investment property

Investment property is property held either to earn Rental revenue, for capital appreciation, or both. Investment property also includes Self-owned land, the future purpose of which has not been decided as of the current date.

Investment property is initially measured at cost (including transaction cost), and subsequently measured at cost less accumulated depreciation and accumulated impairment loss. The depreciation of investment property is recognized using the straight-line method.

Investment property is property, plant, or equipment re-categorized at the carrying amount beginning on the self-use date.

Assets of property, plants, and equipment are recognized in investment property at the carrying amount when they are completed and ready for self-use.

When de-recognizing an investment property item, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in the profit or loss.

(X) Impairment of property, plant and equipment and right-of-use assets

The Corporation assesses on each balance sheet date whether there is any indication that property, plants, or equipment, right-of-use assets may be impaired. If any indication of impairment exists, the recoverable amount of the asset is estimated. If the recoverable amount of an individual asset cannot be estimated, the Corporation estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an individual asset or cash-generating unit is less than it carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, and the impairment loss is recognized in the profit or loss.

When the impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised recoverable amount, provided that the increased carrying amount does not exceed the carrying amount (net of amortization or depreciation) that would have been determined had the impairment loss not been recognized in previous years. Reversal of impairment loss is recognized in the profit or loss.

(XI) Financial instruments

Financial assets and liabilities are recognized in the individual balance sheets when the Corporation becomes party to the contractual provisions of the instrument.

Financial assets and liabilities that are not measured at fair value through profit or loss are measured at fair value plus transaction costs that are directly attributable to the acquisition or issuance of the financial assets or liabilities when the financial assets or liabilities are initially recognized. Transaction costs directly attributable to the acquisition or issuance of financial assets or liabilities at fair value through profit or loss are recognized immediately in the profit or loss.

1. Financial assets

Regular transactions of financial assets are recognized and de-recognized using trade date accounting.

(1) Type of measurements

The types of financial assets held by the Corporation are financial assets measured at fair value through profit or loss, financial assets measured at amortized cost, and investments in equity instruments measured at fair value through other comprehensive income.

A. Fair value through profit or loss (FVTPL)

Financial assets measured at fair value through profit or loss include financial assets measured at fair value through profit or loss on a mandatory basis and financial assets measured at fair value through profit or loss on a designated basis. Financial assets measured at fair value through profit or loss on a mandatory basis include investments in equity instruments that are not designated at fair value through other comprehensive income, and investments in debt instruments which are not qualified to be classified into financial assets measured at amortized cost, or those measured at fair value through other comprehensive income.

Financial assets measured at fair value through profit or loss are measured at fair value with dividends and interest recognized in other revenue and gains or losses arising from remeasurement recognized in other gains and losses. Please refer to Note 27for the determination of fair value.

B. Financial assets measured at amortized cost

When the Corporation invests, financial assets are classified as financial assets carried at amortized cost if both of the following conditions are met:

a. They are held within an operating model whose objective is to hold the financial assets to collect the contractual cash flows; and

b. The contractual terms give rise to cash flows on a specific date, which are solely payments of principal and interest on the principal amount outstanding.

Financial assets carried at amortized cost (including cash, cash equivalents, receivables, other financial assets, and refundable deposits carried at amortized cost) are measured at amortized cost using the effective interest method to determine the total carrying amount less any impairment loss after initial recognition, with any foreign currency exchange gain or loss recognized in the profit or loss.

Interest revenue is calculated by multiplying the effective interest rate by the total carrying amount of the financial assets, except for the following two cases:

a. For credit-impaired financial assets acquired or created, Interest revenue is computed by multiplying the credit-adjusted effective interest rate by the amortized cost of the financial assets.

b. For financial assets that are not credit-impaired acquired or created but subsequently become credit-impaired financial assets acquired or created, Interest revenue is computed by multiplying the effective interest rate by the amortized cost of the financial assets from the next reporting period after the credit impairment is applied.

Credit-impaired financial assets are those for which the issuer or the debtor has experienced significant financial difficulties, defaulted, it is probable that the debtor will declare bankruptcy or other financial reorganization, or the active market for the financial assets has disappeared due to financial difficulties.

Cash equivalents include highly liquid investments that are due within three months from the acquisition date, readily convertible to cash, are subject to an insignificant risk of change in value, and are held for the purpose of meeting short-term cash commitments.

C. Fair value through other comprehensive income (FVOCI)

On initial recognition, the Corporation may make an irrevocable election to designate investments in equity instruments at FVTOCI. The equity investment is not held for trading or is not a contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will be transferred to retained earnings, but not reclassified to profit or loss upon disposal of the equity investments.

Dividends on these investments in equity instruments at FVTOCI are recognized in profit or loss when the Corporation's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

(2) Impairment of financial assets

The Corporation assesses impairment losses on financial assets (including accounts receivable) measured at amortized cost on each balance sheet date based on expected credit losses.

An allowance for impairment is recognized on accounts receivable based on the expected credit loss over the period of the receivable. Other financial assets are evaluated to check whether there is a significant increase in credit risks after initial recognition; if there is no significant increase in credit risk, an allowance for loss is recognized on the basis of expected credit losses over 12 months, and if there is a significant increase, an allowance for loss is recognized on the basis of expected credit losses over the remaining period.

Expected credit losses are weighted as average credit losses based on the risk of default; 12-month expected credit losses represent expected credit losses arising from possible defaults within 12 months after the reporting date of the financial instrument and expected credit losses over the lifespan of the financial instrument represent expected credit losses arising from all possible defaults during the expected lifespan of the financial instrument.

Impairment losses on all financial assets are recognized by reducing the carrying amount of the financial asset through an allowance account, and only the allowance loss for investments in equity instruments measured at FVTOCI is recognized in other comprehensive income, instead of reducing its carrying amount.

(3) Derecognition of financial assets

Financial assets are de-recognized only when the Corporation's contractual rights to the cash flows from the financial assets have lapsed or when the financial assets have been transferred and substantially all the risks and rewards of ownership of the assets have been transferred to other enterprises.

When a financial asset is de-recognized in its entirety at amortized cost, the difference between the carrying amount and the consideration received is recognized in profit or loss. When investments in debt instruments measured at FVTOCI are de-recognized as a whole, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss recognized in other comprehensive income is recognized in the profit or loss. When investments in equity instruments measured at FVTOCI are de-recognized as a whole, the cumulative gain or loss is transferred directly to retained earnings and is not reclassified as profit or loss.

2. Equity instruments

Debt and equity instruments issued by the Corporation are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by the Corporation are recognized as the amount of consideration received, less the direct cost of issuing.

Recovery of an equity instrument of the Corporation is recognition and de-recognition under equity, and the carrying amount is calculated on a weighted basis by type of stock. Purchase, sales, issuance, or write-off of equity instruments of the Corporation are not recognized in the profit or loss.

3. Financial liabilities

(1) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

(2) Derecognition of financial liabilities

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

(XII) Revenue recognition

After recognizing the performance obligations under customer contracts, the Corporation allocates the transaction price to each performance obligation and recognizes revenue when each performance obligation is satisfied.

1. Sale of goods

   Revenue from sale of goods is derived from sales of products of the Communication Service Division, other electronic component divisions, IC, and other access business divisions. The Corporation recognizes revenue and accounts receivable at the point when the customer has the right to set the price and use the products, and has the primary responsibility to re-sell the products, as well as takes the risk of obsolescence when the divisions deliver products to a customer.

2. Services

   Service revenue is derived from the Digital Content Division and Communication Service Division, and recognized at the time-of-service provision.

(XIII) Leases

At inception of a contract, the Corporation assesses whether a contract is, or contains, a lease.

1. As a lessor

   A lease is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the asset to the lessee. All other leases are classified as operating leases.

   Lease payments under operating leases are recognized as income on a straight-line basis over the term of the relevant lease.

2. As a lessee

   Right-of-use assets and lease liabilities are recognized at the lease commencement date for all leases, except for leases of low-value subject assets to which recognition exemptions apply and short-term leases where lease payments are recognized as expenses on a straight-line basis over the lease term.

   Right-of-use assets are measured initially at cost (including the original measurement of the lease liability, lease payments made prior to the lease commencement date less lease incentives received, original direct cost, and estimated cost of restoration of the subject asset) and subsequently measured at cost less accumulated depreciation and accumulated impairment loss, with adjustments for remeasurement of the lease liability.

Right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful lifespan or the end of the lease term.

Lease liabilities are measured initially at the present value of the lease payments (including fixed payments and substantially fixed payments). If the interest rate implied by the lease is readily determinable, the lease payments are discounted using that rate. If the interest rate is not readily determinable, the lessee's incremental borrowing rate is used.

Right-of-use assets are presented separately in individual balance sheets. Subsequently, lease liabilities are measured at amortized cost using the effective interest method, and interest expense is allocated over the lease term. If there is a change in the lease term, the Corporation remeasures the lease liability and adjusts the right-of-use asset accordingly, but if the carrying amount of the right-of-use asset is reduced to zero, the remaining remeasurement amount is recognized in the profit or loss. Lease liabilities are presented separately in individual balance sheets.

(XIV) Employee benefits

1. Short-term employee benefits

   Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2. Retirement benefits

   Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered services entitling them to the contributions.

   Defined benefit costs (including service cost, net interest, and remeasurement) under defined contribution retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefits (assets) are recognized as employee benefits expense in the period in which they occur. Remeasurement (comprising actuarial gains and losses and the return on plan assets excluding interest) is recognized in other comprehensive income in the period in which it occurs and is not reclassified as profit or loss.

   Net defined benefits (assets) represent the actual deficit (surplus) in defined contribution retirement benefit plans. Net defined assets are limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

(XV) Treasury stock

When the Corporation has redeemed the issued stocks but has not yet disposed of or written off them, the stocks are debited to treasury stocks at the buy-back cost and recognized as loss of stockholders' equity. If the disposal price of treasury stocks is higher than the carrying amount, the difference is recognized in capital surplus - treasury stock transactions; if the disposal price is lower than the carrying amount, the difference is used to offset the capital surplus generated from transactions of the same type of treasury stocks, and if it is insufficient, it is used to offset the retained earnings. The carrying amount of treasury stocks is calculated on the weighted average basis and by recovery reason.

When treasury stocks are written off, the capital surplus - issuance premium and capital stock are debited in proportion to equity. If its carrying amount is higher than the sum of the face value and stock issuance premium, the difference is used to offset the capital surplus generated from the same type of treasury stocks, and if it is insufficient, the difference is used to offset retained earnings; if the carrying amount is lower than the sum of the face value and stock issuance premium, it is debited to the capital surplus generated from transactions of the same type of treasury stocks.

(XVI) Income taxes

Income taxes comprise current taxes and deferred taxes.

1. Current income tax

   Income tax on undistributed earnings is recognized in the year when the shareholders' meeting is held in accordance with the Income Tax Act of the Republic of China.

   Adjustments to prior years' income tax payable are included in the current period's income tax.

2. Deferred taxes

   Deferred tax is calculated on temporary differences between the carrying amounts of recorded assets and liabilities and the tax bases used to compute taxable income.

   Deferred tax liabilities are generally recognized for all taxable temporary differences, while deferred income tax assets are recognized to the extent that it is probable that taxable profit will be available against which temporary differences and loss deduction can be utilized.

   Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and affiliates, except where the Corporation can control the timing of the reversal of the temporary difference, and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets are recognized for deductible temporary differences associated with such investments only to the extent that it is probable that sufficient taxable income will be available to allow the temporary differences to be realized and to the extent that reversal is expected in the foreseeable future.

   The carrying amount of deferred tax assets is reviewed on each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the asset to be recovered. Deferred tax assets unrecognized are reviewed at each balance sheet date and the carrying amount is increased to the extent that it is more likely that sufficient tax assets will be available to allow recovery of all or part of the assets in the future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the liability is settled or the asset is realized, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences of the manner in which the company expects to recover or settle the carrying amounts of its assets and liabilities on the balance sheet date.

3. Current taxes and deferred taxes

Current and deferred taxes are recognized in the profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

## V. Significant Accounting Assumptions and Judgments, and Major Sources of Estimation Uncertainty

In the application of the consolidated company's accounting policies, management is required to make judgments, estimations, and assumptions about related information that is not readily apparent from other sources based on historical experience and other factors that are considered relevant. Actual results may differ from these estimate

## VI. Cash and cash equivalents

| | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Cash on hand and petty cash | $ 323 | $ 464 |
| Bank checks and demand deposits | 140,197 | 418,064 |
| | $ 140,520 | $ 418,528 |

## VII. Fair value through profit or loss (FVTPL)

| | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Held-for-trading financial assets | | |
| Non-derivative financial instruments | | |
| Domestic listed stocks | $ 28,646 | $ 27,716 |

## VIII. Fair value through other comprehensive income (FVOCI)

| | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Non-current | | |
| Domestic investments | | |
| Domestic unlisted common shares | $ 75,515 | $ 50,094 |

The Corporation has invested in domestic common stock for its medium- and long-term strategic purposes, and expects to make profits from long-term investment. The Corporation's management believes that it would be inconsistent with the aforementioned long-term investment plan to include short-term fair value fluctuations of these investments in the profit or loss, and has therefore elected to designate these investments as measured at fair value through other comprehensive income.

## IX. Other current financial assets

| | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Financial assets measured at amortized cost | | |
| Current and fixed-term deposit with restricted use | $ 21,089 | $ 10,991 |
| Special account for foreign worker remittance | 1,772,006 | 925,333 |
| | $1,793,095 | $ 936,324 |

The special account for foreign worker remittance is exclusively designed for foreign worker remittance, and shall not be used for other purposes other than foreign worker remittance.

Please refer to Note 29 for information about other pledged financial assets.

## X. Notes receivable, accounts receivable and other receivables

| | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Notes receivable | | |
| Measured at amortized cost | | |
| Total carrying amount | $ 34,455 | $ 22,682 |
| Less: Loss allowance | - | - |
| | $ 34,455 | $ 22,682 |
| | | |
| Accounts receivable | | |
| Measured at amortized cost | | |
| Total carrying amount | $ 10,159 | $ 5,233 |
| Less: Loss allowance | ( 73) | ( 53) |
| | $ 10,086 | $ 5,180 |

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| | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Other receivables | | |
| Other receivables | $ 549,476 | $ 254,753 |
| Less: Loss allowance | ( 240) | ( 240) |
| | $ 549,236 | $ 254,513 |
| | | |
| Overdue receivables | | |
| Overdue receivables | $ - | $ 20 |
| Less: Allowance for bad debt | - | ( 20) |
| | $ - | $ - |

The Corporation authorizes an average credit period for commodity sales from30 to 120 days, and exercises no interest accrual for overdue beyond the credit period. The Corporation adopts the policy of rating main customers based on publicly available financial information or historical transactions, and re-checking the recoverable amounts of accounts receivable one by one on the balance sheet date to ensure that an appropriate amount of loss allowance has been provided for uncollectible receivables.

The Corporation applies the simplified approach of IFRS 9 on the recognition of loss allowance based on expected credit losses over the period, or based on the expected loss ratios by group after dividing individual customers into different risk groups. Additionally, historical experience demonstrates that accounts receivables overdue by over one year cannot be recovered, and the Corporation recognizes 100% bad debt allowance provisions for accounts receivables overdue by over one year and recategorizes them as overdue receivables.

The Corporation writes off an account receivable when there is information indicating that the debtor is experiencing severe financial difficulty and there is no realistic prospect for recovery of the receivable. For accounts receivable that have been written off, the Corporation continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in profit or loss

The aging of Notes receivable and receivables was determined as follows

| | December 31, 2023 | December 31, 2022 |
|---|---|---|
| 0-60 days | $ 41,039 | $ 26,897 |
| 61-90 days | 1,282 | 328 |
| 91-150 days | 2,226 | 416 |
| More than 151 days | 67 | 274 |
| Total | $ 44,614 | $ 27,915 |

Aging analysis aforementioned is based on the book-building benchmark date.

The movement in the allowance for accounts receivable (including other receivables and overdue receivables) was as follows:

| | 2023 | 2022 |
|---|---|---|
| Beginning balance | $ 313 | $ 416 |
| (Less): Reversed bad debt expenses of the current period | - | ( 103 ) |
| Ending Balance | $ 313 | $ 313 |

For the years ended 2023 and December 31, 2022, the Corporation's other receivables and agency funds generating from foreign worker remittance were $510,808,000, $196,606,000, 524,766000, and $116,837,000 respectively.

## XI. Inventories

| | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Finished goods inventories | $ 181,378 | $ 245,224 |

As of 2023 and December 31, 2022, the provisions for loss on inventory valuation were $5,215,000 and $7,615,000 respectively.

For the years ended December 31, 2023 and 2022 the cost of sales related to inventory amounted to $1,193,19,000 and $1,108,891,000, respectively.

The costs of sales in 2023 and 2022, including the gains on inventory value recoveries, were NT$2,400,000 and NT$2,000,000 respectively.

## XII. Investments accounted for using equity method

| | December 31, 2023 | December 31, 2022 |
|---|---|---|
| **Investments in subsidiaries** | $ 191,703 | $ 139,966 |
| Investments in associates and joint ventures | 146,283 | 311,333 |
| | $ 337,986 | $ 451,299 |

| | | |
|---|---|---|
| **Investments** in subsidiaries | | |
| Life Link Co., Ltd. | $ 136,132 | $ 139,966 |
| Wei Feng Technology Co., Ltd. | 55,571 | - |
| **Investments in associates and joint ventures** | | |
| WELLTECH ENERGY INC. | - | 179,969 |
| TD HITECH ENERGY INC. | 146,283 | 131,364 |
| | $ 337,986 | $ 451,299 |

| | Ownership interest and voting proportion | |
|---|---|---|
| Investee’s name | December 31, 2023 | December 31, 2022 |
| Life Link Co., Ltd. | 92.26% | 92.26% |

| | | |
|---|---|---|
| WELLTECH ENERGY INC. | - | 29.98% |
| TD HITECH ENERGY INC. | 22.78% | 22.78% |
| Wei Feng Technology Co., Ltd. | 51.00% | - |

Life Link Co., Ltd. (Formerly known as: Taiwan Digi-Com Co., Ltd.) executed the conversion of employee stock option into common stock in January and November 2022, respectively, decreasing the shareholding ratio for 100.00% to 92.26% and adjusting the changes in net equity value to the decrease in the capital surplus by $2,467,000.

The Company increased investment in Wei Feng Technology Co., Ltd. in June, 2023, with 51.00% shareholding.

Welldone Company disposed of partial stock rights of WELLTECH ENERGY in April 2022, decreasing its shareholding from 43.62% to 36.78%. As another sole shareholder's shareholding ratio is 50.12%, Welldone Company lost its right of control over the company. Welldone Company further disposed of partial stock rights of WELLTECH ENERGY in November 2022, decreasing its shareholding from 36.78% to 29.98%. The Company disposed of the remaining stock rights of WELLTECH ENERGY INC. in August, 2023. In 2023 and 2022, proceeds from disposal of investments of respectively NT$54,366,000 and NT$56,903,000 were recognized from the aforesaid disposal of equity, and included in other profit and loss.

In 2023 and from January 1, 2022 to December 31, 2022, the Subsidiaries and affiliated companies recognized the interest of associates at $37,587,000, 78,083,000, $14,759,000 and (1,863,000) respectively using the equity method and based on the CPAs' audited financial statements of the Subsidiaries and affiliated companies during the same periods.

## XIII. Property, plant and equipment

| | Self-owned land | Building | Machinery Equipment | Total |
|---|---|---|---|---|
| Cost | | | | |
| Balance on January 1, 2022 | $100,596 | $230,126 | $ 2,794 | $333,516 |
| Additions | - | 405 | 474 | 879 |
| Disposal | - | ( 1,509 ) | ( 194 ) | ( 1,703 ) |
| Proceeds from recognition in investment property | 18,206 | 42,042 | - | 60,248 |
| Equity at end of period (2022/12/31) | $118,802 | $271,064 | $ 3,074 | $392,940 |

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| | Self-owned land | Building | Machinery Equipment | Total |
|---|---|---|---|---|
| Accumulated Depreciation | | | | |
| Balance on January 1, 2022 | $ - | $ 76,475 | $ 646 | $ 77,121 |
| Depreciation Expense | - | 5,670 | 981 | 6,651 |
| Disposal | - | ( 1,509 ) | ( 194 ) | ( 1,703 ) |
| Proceeds from recognition in investment property | - | 14,377 | - | 14,377 |
| Equity at end of period (2022/12/31) | $ - | $ 95,013 | $ 1,433 | $ 96,446 |
| Net amount on December 31, 2022 | $118,802 | $176,051 | $ 1,641 | $296,494 |
| Cost | | | | |
| Balance on January 1, 2023 | $118,802 | $271,064 | $ 3,074 | $392,940 |
| Additions | - | 443 | - | 443 |
| Disposal | - | ( 16,095 ) | - | ( 16,095 ) |
| Proceeds from recognition in investment property | 2,765 | 11,633 | - | 14,398 |
| Balance on December 31, 2023 | $121,567 | $267,045 | $ 3,074 | $391,686 |
| Accumulated Depreciation | | | | |
| Balance on January 1, 2023 | $ - | $ 95,013 | $ 1,433 | $ 96,446 |
| Depreciation Expense | - | 5,814 | 1,010 | 6,824 |
| Disposal | - | ( 16,095 ) | - | ( 16,095 ) |
| Proceeds from recognition in investment property | - | 7,688 | - | 7,688 |
| Balance on December 31, 2023 | $ - | $ 92,420 | $ 2,443 | $ 94,863 |
| Net amount on December 31, 2023 | $121,567 | $174,625 | $ 631 | $296,823 |

The net amount of recognition in investment property from property, plants, and equipment was $6,710,000 and 45,871,000 in 2023 and 2022 due to some buildings of the Corporation being rented out.

The Corporation' property, plant, and equipment were assessed in 2022, and on December 31, 2021, there was no indication of impairment.

Depreciation expenses are provided on a straight-line basis over the following useful lifespans:

| | Useful lifespan |
|---|---|
| Buildings | |
| Plant main buildings | 46～50 years |
| Mechanical and power equipment | 10 years |
| Fitting-out works | 3～10 years |
| Machinery Equipment | 3 years |

See Note 29 for the amount of property, plant, and equipment pledged as security for loans by the Company.

The Corporation had no capitalization of interest in 2023 and 2022.

## XIV. Lease contracts

(1). Right-of-use assets

| | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Carrying amount of right-of-use assets | | |
| Buildings | $ 54 | $ 190 |
| Transportation equipment | 2,243 | 2,049 |
| | $ 2,297 | $ 2,239 |

| | 2023 | 2022 |
|---|---|---|
| Additions of right-of-use assets | $ 1,593 | $ 2,888 |
| Depreciation expense of right-of-use assets | | |
| Buildings | $ 243 | $ 800 |
| Transportation equipment | 1,292 | 1,164 |
| | $ 1,535 | $ 1,964 |

Except for the aforementioned depreciation expenses, the Corporation had no significant sub-lease or impairment loss for its right-of-use assets in 2022 and 2021.

(2). Lease liabilities

| | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Carrying amount of lease liabilities | | |
| Current | $ 1,339 | $ 1,318 |
| Non-current | $ 969 | $ 929 |

The discount rate range of the lease liabilities is as follows:

| | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Buildings | 1.83% | 0.81% |
| Transportation equipment | 0.81～1.83% | 0.81% |

(3). Important tenant activities and terms

The Corporation leased buildings, and transportation equipment for plants, retail stores, employee dormitories, and service car use for a term of one to 1-3 years.

(4). Other leasing information

| | 2023 | 2022 |
|---|---|---|
| Short-term lease | $ 161 | $ - |
| Low-value asset leasing expense | $ - | $ 94 |
| Total cash (outflow) used in leasing | ($ 1,714) | ($ 2,054) |

The Corporation has selected to apply the exemption from recognition to income-generating leases that qualify as short-term and low-value asset leases, and does not recognize the related right-of-use assets and lease liabilities for these leases.

## XV. Investment property

| | Self-owned land | Building | Total |
|---|---|---|---|
| Cost | | | |
| Balance on January 1, 2022 | $ 83,679 | $ 191,427 | $ 275,106 |
| Transfer from property, plant and equipment | ( 18,206) | ( 42,042) | ( 60,248) |
| Equity at end of period (2022/12/31) | $ 65,473 | $ 149,385 | $ 214,858 |
| Accumulated Depreciation | | | |
| Balance on January 1, 2022 | $ - | $ 63,614 | $ 63,614 |
| Depreciation Expense | - | 3,125 | 3,125 |
| Transfer from property, plant and equipment | - | ( 14,377) | ( 14,377) |
| Equity at end of period (2022/12/31) | $ - | $ 52,362 | $ 52,362 |
| Net amount on December 31, 2022 | $ 65,473 | $ 97,023 | $ 162,496 |
| Cost | | | |
| Balance on January 1, 2023 | $ 65,473 | $ 149,385 | $ 214,858 |
| Transfer from property, plant and equipment | ( 2,765) | ( 11,633) | ( 14,398) |

| | | | |
|---|---|---|---|
| Balance on December 31, 2023 | $ 62,708 | $ 137,752 | $ 200,460 |
| Accumulated Depreciation | | | |
| Balance on January 1, 2023 | $ - | $ 52,362 | $ 52,362 |
| Depreciation Expense | - | 2,998 | 2,998 |
| Transfer from property, plant and equipment | - | ( 7,688) | ( 7,688) |
| Balance on December 31, 2023 | $ - | $ 47,672 | $ 47,672 |
| Net amount on December 31, 2023 | $ 62,708 | $ 90,080 | $ 152,788 |

Depreciation expenses of investment property buildings are provided on a straight-line basis over the useful lifespans of 3 to 55 year.

The fair value of investment property is not evaluated by independent evaluators, but by the management of the Corporation with reference to adjacent trading market prices, with the evaluated fair value as follows:

| | December 31, 2023 | December 31, 2022 |
|---|---|---|
| **Self-evaluation** | $ 368,279 | $ 262,846 |

For the amount of investment property pledged as security for loans by the Corporation, see Note 29.

## XVI. Borrowings

### (1) Short-term borrowings

| | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Secured loan | | |
| Bank loans | $ 488,000 | $ 500,000 |
| Unsecured loan | | |
| Loan on credit | $ 520,000 | $ 795,000 |

The interest rates of bank loans ranged from 1.67%～1.88% and1.45%～2.63% in 2023 and on December 31, 2022.

### (2) Short-term notes and bills payable

| | December 31, 2023 |
|---|---|
| Commercial papers payable | $100,000 |

Unmatured short-term notes and bills payable are as follows:

December 31, 2023

| Guarantee/accepting house | Face amount | Discount amount | Carrying amount | Interest rate range | Collateral | Collateral Amount |
|---|---|---|---|---|---|---|
| Mega Bills Finance Corporation | $100,000 | $ - | $100,000 | 1.65% | — | $ - |

The commercial papers payable of the company is all short-term bills. As they are issued in a short term, the installment-recognized interest cost has no significant impact, so the difference between the market price at issue and face amount is recognized as the interest cost.

(3) The company's inventory, Self-owned land, and buildings were pledged as collateral. Please refer to Note 29 for the aforementioned secured loans.

## XVII. Accounts payable

| | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Accounts payable | $ 15,836 | $ 1,209 |

The Corporation's notes and accounts payable are mainly trade accounts payable for vendors.

## XVIII. Other payables

| | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Payroll payable and bonus | $ 85,213 | $ 64,433 |
| Service charge payable | 3,637 | 2,900 |
| Commission payable | 2,458 | 240 |
| Other payables | 16,082 | 7,668 |
| | $ 107,390 | $ 75,241 |

## XIX. Retirement Benefit Plans

(1) Defined contribution plan (DC)

The Corporation adopted a pension plan under the Labor Pension Act (the "LPA"), which is a state managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

(2) Defined benefit plans (DB)

The defined benefit plan adopted by the Corporation, which is in accordance with the Labor Standards Law, is operated by the government. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Corporation contributes amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. If the balance of pension account is not enough to pay for the estimated pension amount of the following year by the end of this year, the difference will be appropriate by the end of March of the following year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (“the Bureau”); the Corporation has no right to influence the investment policy and strategy.

The amounts included in the individual balance sheets in respect of the Corporation’s defined benefit plan were as follows:

| | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Present value of defined benefit obligation | $ 31,941 | $ 36,494 |
| Plan assets at fair value | ( 9,654 ) | ( 10,598 ) |
| Net liability of net defined benefit | $ 22,287 | $ 25,896 |

Changes in net defined liabilities (assets) are as follows:

| | Present value of defined benefit obligation | Plan assets at fair value | Net liability of net defined benefit |
|---|---|---|---|
| January 1, 2022 | $ 35,916 | ($ 9,439) | $ 26,477 |
| Service costs | | | |
| Current service costs | 889 | - | 889 |
| Interest expense (income) | 180 | ( 48) | 132 |
| Recognized in profit or loss | 1,069 | ( 48) | 1,021 |
| Remeasurement | | | |
| Planning assets remuneration (in addition to the amount included in net interest) | - | ( 740) | ( 740) |
| Actuarial income - Changes in financial assumptions | ( 85) | - | ( 85) |
| Actuarial income - experience adjustment | ( 406) | - | ( 406) |
| Recognized in other comprehensive income | ( 491) | ( 740) | ( 1,231) |
| Employer's contribution | - | ( 371) | ( 371) |
| December 31, 2022 | $ 36,494 | ($ 10,598) | $ 25,896 |
| | | | |
| January 1, 2023 | $ 36,494 | ($ 10,598) | $ 25,896 |
| Service costs | | | |
| Current service costs | 798 | - | 798 |
| Interest expense (income) | 547 | ( 162) | 385 |
| Recognized in profit or loss | 1,345 | ( 162) | 1,183 |
| Remeasurement | | | |
| Planning assets remuneration (in addition to the amount included in net interest) | - | ( 55) | ( 55) |
| Actuarial income - Changes in financial assumptions | 349 | - | 349 |
| Actuarial income - experience adjustment | 22 | - | 22 |
| Recognized in other comprehensive income | 371 | ( 55) | 316 |
| Employer's contribution | - | ( 356) | ( 356) |
| Planning assets payment | ( 1,517) | 1,517 | - |
| Company account payment | ( 4,752) | - | ( 4,752) |
| December 31, 2023 | $ 31,941 | ($ 9,654) | $ 22,287 |

The Corporation is exposed to the following risks as a result of the pension system of the Labor Standards Act:

1. Investment risk: The Bureau of Labor Funds, Ministry of Labor invests its labor pension funds in domestic (foreign) equity securities, debt securities, and bank deposits through its own use and entrusted operations, but the amount of plan assets allocated to the Corporation is based on the income at an interest rate not lower than the local bank's two-year time deposit rate.
2. Interest risk: The decrease in interest rates on government bonds will increase the current value of the defined benefit obligation, but the return on debt investment in plan assets will also increase, which will have a partially offsetting effect on the net defined benefit obligation.
3. Payroll risk: The present value of the defined benefit obligation is calculated by reference to the future salary of plan members. Therefore, an increase in plan members' salaries will increase the present value of defined benefit obligation.

The present value of the Corporation's defined benefit obligation was actuarially determined by a qualified actuary, and the significant assumptions on the measurement date were as follows:

| | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Discount rate | 1.38% | 1.50% |
| Expected rate of salary increase | 3.00% | 3.00% |

The amounts that would increase (decrease) the present value of the defined benefit obligation if there were reasonably possible changes in significant actuarial assumptions, respectively, with all other assumptions held constant, are as follows:

| | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Discount rate | | |
| Increase 0.25% | ($ 692) | ($ 757) |
| Decrease 0.25% | $ 717 | $ 785 |
| Expected rate of salary increase | | |
| Increase 0.25% | $ 694 | $ 761 |
| Decrease 0.25% | ($ 674) | ($ 738) |

The sensitivity analysis above may not reflect actual changes in the present value of the defined benefit obligation because actuarial assumptions may be correlated with each other and changes in only one assumption are unlikely.

| | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Amount expected to be withdrawn within 1 year | $ 354 | $ 378 |
| Average period of defined benefit obligation expiration | 15.1 Years | 12.1 Years |

**XX. Equity**

(1) Share capital

Ordinary share

| | December 31, 2023 | December 31, 2022 |
|---|---|---|

| | | |
|---|---|---|
| Number of shares authorized (in thousands) | 150,000 | 150,000 |
| Shares authorized | $1,500,000 | $1,500,000 |

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| | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Number of shares issued and fully paid (in thousands) | 99,670 | 89,670 |
| Shares issued | $ 996,701 | $ 896,701 |

The issued ordinary shares have a par value of $10 per share and each share is entitled to one vote and the right to receive dividends.

There are 20,110,000 convertible corporate bonds and 9,500,000 employee stock option certificates respectively in shares authorized.

On June 14, 2023, the shareholders meeting, in accordance with Article 43.6 of Securities and Exchange Act, adopted the resolution of issuing 10,000,000 ordinary shares at par value of NT$10 per share by capital increase in cash in private placement and issued the share at premium at NT$40.05 per share, and the paid-in stock after capital increase is NT$996,701,000. The above program of capital increase in cash was resolved by the Board of Directors on August 3, 2023, and August 17, 2023 was the benchmark date of capital increase.

The rights and obligations of the above privately placed ordinary shares, except that they are restricted in circulation and transfer as stipulated in Securities and Exchange Act and must be publically issued after three years from the date of delivery before being listed, are the same as those of other issued ordinary shares.

(2) Capital surplus

| | December 31, 2023 | December 31, 2022 |
|---|---|---|
| May be used to make up losses, pay cash or capitalize (1) | | |
| Additional paid-in capital | $ 349,335 | $ 48,835 |
| Corporate bond conversion premium | 18,858 | 18,858 |
| Stock options of convertible corporate bond | 19,143 | 19,143 |
| Lapsed employee stock options | 2,055 | 2,055 |
| Treasury stocks transactions | 5,933 | 5,933 |
| Actual acquisition or disposal of subsidiary | 33,153 | 33,153 |
| Difference between the price and carrying amount | | |
| May be used to make up losses | | |
| Recognition of changes in equity of investment in subsidiaries (2) | 35,595 | 32,474 |
| Gains from disposal of fixed assets | 5,242 | 5,242 |

| | | |
|---|---|---|
| Cannot be used for any purpose | | |
| Employee stock options | 12 | 12 |
| | $ 469,326 | $ 165,705 |

1. Such capital surplus may be used to cover losses or, when the Company has no losses, to distribute cash or capitalize capital, provided that such capitalization is limited to a certain percentage of the paid-in capital each year.

2. Such capital surplus arises from the effect of changes in ownership interest in a subsidiary resulting from equity transactions, other than actual disposals or acquisitions, or from changes in capital surplus of subsidiaries accounted for by using the equity method.

(3) Retained earnings and dividend policy

In accordance with the Articles of Incorporation of Welldone Company, if there is any surplus in the annual accounts, it shall first pay taxes and cover the deficits of previous years, then set aside 10% as a legal reserve, and the rest shall be set aside or reversed to a special reserve in accordance with the law. If there is still a surplus, together with the accumulated undistributed earnings of prior years, the Board of Directors shall prepare an earnings distribution proposal, which shall be submitted to the shareholders' meeting for a resolution on distributing dividends to shareholders. The distributable dividends, bonuses, legal reserve, and capital reserve distributed in cash shall be resolved by over two-thirds of the directors present and a majority of the directors present at the board meetings, and shall be reported to the shareholders' meeting. The policies of Welldone Company on the distribution of employee and director remuneration in its Articles of Incorporation are described in Note 22 and Net Profit (7) "Employee Compensation and Director Remuneration".

Additionally, in accordance with the Articles of Incorporation, dividend polices are established based on the profit, future operations development, and shareholders' equity safeguard, etc. The dividends distributed shall not be less than 50% of the distributable earnings of the year, but shall be retained but not be distributed if the distributable EPS of the year is less than $1. Dividend distributions may be by way of stock or cash, and the amount of cash dividends shall not be less than 30% of the total dividend amount.

The legal reserve shall be set aside until the balance reaches the company's total paid-in capital and may be used to cover losses. If the company has no deficit, the excess of the legal reserve over 25% of the total paid-in capital may be distributed in cash.

As stipulated in the Articles of Incorporation of Welldone Company, when it sets aside the special reserve by using the net amount of other prior accumulated equity deductions, and the unappropriated surplus in the previous period is insufficient to set aside, the current net profit after tax plus the other items other than the net profit after tax shall be included in the current unappropriated surplus for setting aside.

The surplus distribution proposals of Welldone Company in 2022 and 2021 are as follows:

| | Earnings distribution proposal | | Dividend per share (NTD) | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| Legal reserve | $ 23,911 | $ 15,050 | $ - | $ - |
| Cash dividend | 183,246 | 139,616 | 2.1 | 1.6 |

The Board of Directors have resolved to distribute the above cash dividends respectively on March 24, 2023 and March 24, 2022, and other surplus distribution items of 2022 and 2021 have been resolved respectively at the General Shareholders' Meetings held on June 14, 2023 and June 14, 2022.

(4) Special reserve

In its initial application of the IFRS, Welldone Company recorded the amount of retained earnings transferred from unrealized appraisal increment and cumulative translation adjustment at $53,843,000 and $41,550,000 respectively, and set aside the special reserves at the same amounts. Welldone Company disposed of WELLTECH ENERGY in August 2023, and transferred the above cumulative translation adjustment and set aside the reserved surplus at NT$41,550,000.

(5) Other equity interest

| | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Exchange differences arising on translation of foreign | $ - | ($ 5,906) |
| Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income | ( 10,402) | ( 25,582) |
| | ($ 10,402) | ($ 31,488) |

1. Exchange differences arising on translation of foreign

| | 2023 | 2022 |
|---|---|---|
| Beginning balance | ($ 5,906) | ($ 8,250) |
| Occurred in the current year | | |
| Exchange differences on foreign operations | - | 766 |
| Proceeds from disposal of partial equity of subsidiaries | - | 1,578 |
| Disposal of investments accounted for using equity method | 5,906 | - |
| Ending Balance | $ - | ($ 5,906) |

2. Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income

| | 2023 | 2022 |
|---|---|---|
| Beginning balance | ($ 25,582) | ($ 16,600) |
| Occurred in the current year | | |
| Unrealized gains or losses | | |
| Equity instruments with unrealized gains or losses | 421 | ( 7,185) |
| Shares of affiliates accounted for using equity method | 14,759 | ( 1,863) |
| Transfer of accumulated gains or losses on disposal of equity instruments to retained earnings | - | 66 |
| Ending Balance | ($ 10,402) | ($ 25,582) |

(6) Treasury stocks

| Reason for repurchase | Return and allowance (Thousand) |
|---|---|
| Number of shares on January 1, 2023 | 2,410 |
| Number of shares on December 31, 2023 | 2,410 |
| | |
| Number of shares on January 1, 2022 | 2,410 |
| Number of shares on December 31, 2022 | 2,410 |

To motivate employees and improve their cohesiveness, the Corporation repurchased 2,410,000 shares as treasury stocks valued at $36,599,000 from November to December, 2019. As of December 31, 2022, the shares have not yet been transferred to employees.

In accordance with the requirements of the Securities and Exchange Act, treasury stocks held by the Corporation should not be pledged, and do not hold rights of dividend distribution or voting. Shares of Corporation held by subsidiaries can be treated as treasury stocks, and hold the same general shareholders' rights except for participating in capital increase by cash and exercising voting rights in Corporation.

## XXI. Revenue

| | 2023 | 2022 |
|---|---|---|
| Revenue from commodity sales | $1,245,521 | $1,148,133 |
| Service revenue | 488,502 | 314,598 |
| | $1,734,023 | $1,462,731 |

## XXII. Net profit

(1) Interest revenue

| | 2023 | 2022 |
|---|---|---|
| Bank Deposit | $ 5,035 | $ 2,091 |
| Lending Funds (Note 28) | 982 | 330 |
| | $ 6,017 | $ 2,421 |

(2) Other income

| | 2023 | 2022 |
|---|---|---|
| Rental revenue | | |
| Investment property | $ 9,439 | $ 10,915 |
| Dividend income | | |
| Investments in equity instrument measured at fair value through profit or loss | 1,198 | 1,645 |
| Investments in equity instrument measured at fair value through other comprehensive income | - | 7,340 |
| Others | 5,315 | 5,067 |
| | $ 15,952 | $ 24,967 |

(3) Other gains and losses

| | 2023 | 2022 |
|---|---|---|
| Net profit or loss on foreign currency exchange | $ 44,245 | $ 36,819 |
| Loss (gain) on disposal of investments accounted for using equity method | 54,366 | 56,903 |
| Disposal of profit on financial assets measured at fair value through profit or loss | - | 262 |
| Disposal of profit or loss on valuation of financial assets measured at fair value through profit or loss | 930 | ( 29,795) |
| Investment property depreciation | ( 2,998) | ( 3,125) |
| Others | ( 818) | ( 247) |
| | $ 95,725 | $ 60,817 |

(4) Finance costs

| | 2023 | 2022 |
|---|---|---|
| Bank loan interest | $ 25,861 | $ 13,114 |
| Interest on the lease liabilities | 21 | 20 |
| Total | $ 25,882 | $ 13,134 |

(V) Depreciation and amortization

| | 2023 | 2022 |
|---|---|---|
| Property, plant and equipment | $ 6,824 | $ 6,651 |
| Investment property | 2,998 | 3,125 |
| Right-of-use assets | 1,535 | 1,964 |
| Total | $ 11,357 | $ 11,740 |
| | | |
| Summary of depreciation expense by function | | |
| Operating expenses | $ 8,359 | $ 8,615 |
| Other gains and losses | 2,998 | 3,125 |
| | $ 11,357 | $ 11,740 |

(VI) Employee benefits

| | 2023 | 2022 |
|---|---|---|
| Post-employment benefits (Note 19) | | |
| Defined benefit plans | $ 2,216 | $ 2,205 |
| Defined contribution plans | 1,183 | 1,021 |
| | 3,399 | 3,226 |
| Short-term employee benefits | | |
| Salary | 140,317 | 116,670 |
| Labor and health insurance | 6,136 | 5,729 |
| Other employee benefits | 3,708 | 3,368 |
| | 150,161 | 125,767 |
| Total employee benefits | $ 153,560 | $ 128,993 |
| | | |
| Summary by function | | |
| Operating expenses | $ 153,560 | $ 128,993 |

(VII) Remuneration to employees and directors

In accordance with the Articles of Incorporation, the Corporation provides for employee remuneration and director remuneration between 1% to 100% and at a rate of not less than 4%, of the pre-tax benefit for the year before the distribution of employee and director remuneration. The 2023 and 2022 employees and directors' remuneration were resolved by the Board of Directors on March 15, 2024 and March 24, 2023, respectively. The resolutions were as follows:

Estimated ratio

| | 2023 | 2022 |
|---|---|---|
| Employee compensation | 10% | 10% |
| Directors' and supervisors' remuneration | 4% | 4% |

Amount

| | 2023 | | 2022 | |
|---|---|---|---|---|
| | Cash | Stocks | Cash | Stocks |
| Remuneration to employees | $ 36,911 | $ - | $ 28,120 | $ - |
| Remuneration to directors | 14,764 | - | 11,248 | - |

If there is any change in the amount after the publication date of the annual Individual financial statements, the change in accounting estimate will be adjusted and recorded the following year.

There is no difference between the actual amount of remuneration to employees and directors for fiscal years 2022 and 2021 and the amount recognized in the Individual financial statements for fiscal years 2022 and 2021.

Please refer to the Market Observation Post System of the Taiwan Stock Exchange Corporation for information on the remuneration to employees and directors of 2023 and 2022 as resolved by the Board of Directors of Welldone Company.

## XXIII. Income taxes

(1) Main components of income tax expenses (benefits) recognized in profit or loss

| | 2023 | 2022 |
|---|---|---|
| Current tax expense | | |
| Current period | $ 43,813 | $ 9,751 |
| Adjustment for prior period | ( 82) | ( 297) |
| Deferred tax expense | | |
| Current period | 24,589 | ( 5,494) |
| Income tax expenses recognized in profit or loss | $ 68,320 | $ 3,960 |

Adjustment of accounting income and income tax expenses was as follows:

| | 2023 | 2022 |
|---|---|---|
| Net earnings before tax | $ 317,437 | $ 241,836 |
| Income tax expenses calculated at statutory tax | $ 63,487 | $ 48,367 |

| | | |
|---|---|---|
| rate on net income before tax | | |
| Tax-exempt income | ( 11,113) | ( 13,230) |
| Unrecognized deductible temporary differences | 16,028 | ( 30,880) |
| Income tax expenses of prior years used for adjustments for the current year | ( 82) | ( 297) |
| Income tax expenses recognized in profit or loss | $ 68,320 | $ 3,960 |

(2) Income tax assets and liabilities in the current period

| | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Income tax assets in the current period | | |
| Income tax refund receivable (recorded under other receivables) | $ 11 | $ - |
| Current tax liabilities | $ 38,630 | $ 9,685 |

(3) Deferred tax assets and liabilities

The movement in deferred tax assets and liabilities was as follows:

2023

| | Beginning balance | Recognized in profit or loss | Ending Balance |
|---|---|---|---|
| Deferred tax assets | | | |
| Temporary differences | | | |
| Share of Profit or Loss of Associates & Joint Ventures Accounted for Using Equity Method | $ 23,520 | ($ 23,520) | $ - |
| Impairment loss | 1,201 | - | 1,201 |
| Allowance for bad debt | 785 | ( 7) | 778 |
| Inventory losses from falling prices | 1,523 | ( 480) | 1,043 |
| Unrealized expense | 644 | ( 73) | 571 |
| Depreciation expense | 995 | 94 | 1,089 |
| Loss on valuation of financial assets measured at fair value through profit or loss | 2,776 | ( 186) | 2,590 |
| | $ 31,444 | ($ 24,172) | $ 7,272 |
| Deferred tax liabilities | | | |
| Temporary differences | | | |
| Land VAT reserve | $ 11,097 | $ - | $ 11,097 |
| Unrealized exchange gains | 8 | 417 | 425 |
| | $ 11,105 | $ 417 | $ 11,522 |

2022

| Deferred tax assets | Beginning balance | Recognized in profit or loss | Ending Balance |
|---|---|---|---|
| Temporary differences | | | |
| Share of Profit or Loss of Associates & Joint Ventures Accounted for Using Equity Method | $ 23,520 | $ - | $ 23,520 |
| Impairment loss | 1,201 | - | 1,201 |
| Allowance for bad debt | 849 | ( 64) | 785 |
| Inventory losses from falling prices | 1,923 | ( 400) | 1,523 |
| Unrealized expense | 614 | 30 | 644 |
| Depreciation Expense | 937 | 58 | 995 |
| Loss on valuation of financial assets measured at fair value through profit or loss | - | 2,776 | 2,776 |
| Unrealized exchange losses | 80 | ( 80) | - |
| | $ 29,124 | $ 2,320 | $ 31,444 |

| Deferred tax liabilities | Beginning balance | Recognized in profit or loss | Ending Balance |
|---|---|---|---|
| Temporary differences | | | |
| Land VAT reserve | $ 11,097 | $ - | $ 11,097 |
| Profit on valuation of financial assets measured at fair value through profit or loss | 3,182 | ( 3,182) | - |
| Unrealized exchange gains | - | 8 | 8 |
| | $ 14,279 | ($ 3,174) | $ 11,105 |

(4) Assessment of income tax

The Corporation' s income tax returns for the years through 2021 were assessed by the tax authority.

## XXIV. Earnings per share

The earnings and weighted average number of common stock that were used in the computation of earnings per share are as follows:

Net profit for the year

| | 2023 | 2022 |
|---|---|---|
| Net profit used to calculate the basic earnings per share | $ 249,117 | $ 237,876 |
| Net profit used to calculate the diluted earnings per share | $ 249,117 | $ 237,876 |

Shares Unit: Thousand Shares

| | 2023 | 2022 |
|---|---|---|
| Weighted-average number of common shares for the purpose of basic earnings per share | 90,986 | 87,260 |
| Effect of dilutive potential common stock: | | |
| Employee dividend | 841 | 942 |
| Weighted-average number of common shares for the purpose of diluted earnings per share | 91,827 | 88,202 |

If Corporation has the option to pay employees in stock or cash, the calculation of diluted earnings per share assumes that employee compensation will be paid in stock and is included in the weighted-average number of common shares outstanding for the purpose of calculating diluted earnings per share when potential common shares have a dilutive effect. The dilutive effect of these potential common shares will continue to be considered in the calculation of diluted earnings per share prior to the issuance of employee compensation in the form of shares the following year.

## XXV. Disposal of subsidiaries

Welldone Company disposed of partial stock rights of WELLTECH ENERGY in April 2022, decreasing its shareholding from 43.62% to 36.78%. As another sole shareholder's shareholding ratio is 50.12%, Welldone Company lost its right of control over the company.

(1) Consideration received

| | 2022 |
|---|---|
| | Disposal of WELLTECH ENERGY |
| Total consideration received | $ 39,750 |

(2) Analysis on out-of-control assets and liabilities

| | 2022 |
|---|---|
| | Disposal of WELLTECH ENERGY |
| Current assets | |
| Cash and cash equivalents | $ 87,121 |
| Net accounts receivable | 210,748 |
| Other receivables | 434 |
| Current inventories | 298,444 |
| Prepayments | 11,217 |
| Other current assets, others | 8,675 |

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| | 2022 |
|---|---|
| | Disposal of WELLTECH ENERGY |
| Financial assets at fair value through profit or loss - current | $ 14,847 |
| Other financial assets | 68,005 |
| Non-current assets | |
| Property, plant and equipment | 56,457 |
| Right-of-use assets | 46,831 |
| Intangible assets | 1,760 |
| Deferred tax assets | 38,284 |
| Prepayments for equipment | 2,098 |
| Guarantee deposits paid | 3,000 |
| Other Non-current assets | 2,777 |
| Current liabilities | |
| Short-term borrowings | ( 224,601) |
| Accounts payable | ( 141,909) |
| Other payables | ( 19,783) |
| Lease liabilities | ( 1,416) |
| Unearned receipts | ( 2,198) |
| Long-term borrowings due within one year or one operation period | ( 6,052) |
| Other current liabilities | ( 9,447) |
| Gains on disposal of net assets | $ 445,292 |

(3) Profit from disposal of subsidiaries

| | 2022 |
|---|---|
| | Disposal of WELLTECH ENERGY |
| Consideration received | $ 39,750 |
| Gains on disposal of net assets | ( 445,292) |
| Non-controlling interests | 251,073 |
| Net assets of subsidiaries reclassified to accumulated exchange differences of profit or loss due to loss of control over subsidiaries | 212,435 |
| Gains on disposal | $ 57,966 |

Recognized profit in 2022 included realized profit of $7,749,000 (disposal amount of $39,750,000 less the carrying amount of a disposed equity investment of $30,423,000 and accumulated exchange differences of $1,578,000), and unrealized profit $50,217,000 (fair value of 36.78% of retained equity investment minus its carrying amount).

## XXVI. Capital Risk Management

The capital management policies of the Corporation are established to safeguard its going-concern ability to provide its shareholders returns and other equity holders benefits as much as possible. To satisfy the aforementioned objectives, the Corporation reviews its capital structures on a regular basis, considers the overall economic situation, current interest rates and adequacy of cash flows from operating activities, and adjusts its capital structure through paying dividends, issuing new shares or new bonds or redeeming existing bonds.

The corporation has no regulation on other external capital.

## XXVII. Financial instruments

(1) Fair value information – financial instruments not measured at fair value

The carrying amount of the Corporation's financial instruments not measured at fair value are financial assets measured at amortized cost, and management of the Corporation believes that the carrying amounts of financial assets and liabilities not measured at fair value are approximate to their fair value, or their fair value cannot be measured reliably.

(2) Fair value information – financial instruments measured at fair value on a recurring basis

1. **Levels of fair value**

December 31, 2023

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Financial asset at fair value through profit | | | | |
| Domestic listed stocks | $ 28,646 | $ - | $ - | $ 28,646 |
| Fair value through other comprehensive income (FVOCI) | | | | |
| Investments in equity instruments | | | | |
| Domestic unlisted common shares | $ - | $ - | $ 75,515 | $ 75,515 |

December 31, 2022

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Financial asset at fair value through profit | | | | |
| Domestic listed stocks | $ 27,716 | $ - | $ - | $ 27,716 |
| Fair value through other comprehensive income (FVOCI) | | | | |
| Investments in equity instruments | | | | |
| Domestic unlisted common shares | $ - | $ - | $ 50,094 | $ 50,094 |

There were no transfers between Level 1 and Level 2 fair value measurements in fiscal years of 2023 and 2022.

2. Adjustment of financial instruments measured at Level 3 fair value

December 31, 2023

| Financial assets | Measured at fair value through profit or loss | | | Fair value through other comprehensive income (FVOCI) | | Total |
|---|---|---|---|---|---|---|
| | Derivatives | Equity Instruments | Liability instruments | Equity Instruments | Liability instruments | |
| Beginning balance | $ - | $ - | $ - | $50,094 | $ - | $50,094 |
| Recognized in other comprehensive income (unrealized profit or loss of financial assets measured at fair value through other comprehensive income) | - | - | - | 421 | - | 421 |
| Purchase | - | - | - | 20,200 | - | 20,200 |
| Reclassification | - | - | - | 12,000 | - | 12,000 |
| Disposal | - | - | - | ( 7,200 ) | - | ( 7,200 ) |
| Ending balance | $ - | $ - | $ - | $75,515 | $ - | $75,515 |
| Other unrealized profit or loss in the year | $ - | $ - | $ - | $ - | $ - | $ - |

December 31, 2022

| Financial assets | Measured at fair value through profit or loss | | | Fair value through other comprehensive income (FVOCI) | | Total |
|---|---|---|---|---|---|---|
| | Derivatives | Equity Instruments | Liability instruments | Equity Instruments | Liability instruments | |
| Beginning balance | $ - | $ - | $ - | $ 22,279 | $ - | $ 22,279 |
| Recognized in other comprehensive income (unrealized profit or loss of financial assets measured at fair value through other comprehensive income) | - | - | - | ( 7,185 ) | - | ( 7,185 ) |
| Purchase | - | - | - | 35,000 | - | 35,000 |
| Ending balance | $ - | $ - | $ - | $50,094 | $ - | $50,094 |
| Other unrealized profit or loss in the year | $ - | $ - | $ - | $ - | $ - | $ - |

3. Level 3 fair value valuation techniques and inputs

The fair values of domestic unlisted stocks and funds are mainly evaluated by the Net Asset Value, Cost approach and income approach.

The net asset value approach is to evaluate the fair value of net assets of privately placed stocks and funds; the asset approach is to evaluate the fair value of net assets by reference to independent experts' evaluation of net asset value measured at fair value, and the unobservable inputs used by the consolidated company in 2023 and on December 31, 2022 were the liquidity discount at 10%; the income approach calculates the present value of expected returns on investment held in the discounted cash flow way.

(3) Type of financial instruments

| | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Financial assets | | |
| Measured at fair value through profit or loss - measured at fair value through profit for loss on a designated basis | $ 28,646 | $ 27,716 |
| Fair value through other comprehensive income (FVOCI) — Investments in equity instruments | 75,515 | 50,094 |
| Financial assets measured at amortized cost (Note 1) | 2,628,951 | 1,639,653 |
| Financial liabilities | | |
| Measured at amortized cost (Note 2) | 1,757,278 | 1,489,573 |

Note 1: Balances include loans and accounts receivable, such as cash and cash equivalents, notes and accounts receivable, other receivables, other receivables- related parties, other financial assets, and guaranteed deposits paid measured at amortized cost.

Note2: Balances include financial liabilities measured at Short-term borrowings, Short-term notes and bills payable, Notes and accounts payable, other payables, receipts under custody and guaranteed deposits received.

(4) Financial risk management objectives and policies

Major financial instruments of the Corporation include cash and cash equivalents, notes receivable and accounts receivable, other receivables, other financial assets-Current, guaranteed deposits received, short-term borrowings, notes payable and accounts payable, other payables, lease liabilities, long-term borrowings, and guaranteed deposits paid. The Corporation's financial management department provides services to each business unit, coordinates access to domestic and international financial markets, and monitors and manages the financial risks associated with the Corporation's operations through internal risk reporting that analyzes risk exposures based on the level and breadth of risk. These risks include market risk, credit risk, and liquidity risk.

The financial management department submits reports to management of the Corporation on an irregular basis, and management monitors risks and executes risk policies as its duty to mitigate the effects of these risks.

1. Market risks

The main financial risks to which the Corporation is exposed as a result of its operating activities are foreign currency exchange rate risks and interest rate risks.

(1) Exchange rate risks

Several subsidiaries of the Corporation engage in foreign currency-denominated sales and import transactions, which expose the Corporation to exchange rate risks. For exchange rate risk management, the Corporation regularly inspects and adjusts as required the assets and liabilities affected by exchange rates to control risks arising from foreign exchange rate fluctuations.

Sensitivity analysis

The Corporation is primarily affected by fluctuations in the USD exchange rate.

The following table details the sensitivity analysis of the Corporation when NTD (the functional currency) strengthens or weakens by 5% against foreign currencies concerned. 5% is the sensitivity ratio used to report exchange rate risks to central management, and also represents the evaluation of the reasonable and possible range of changes in foreign exchange rates by management.

The sensitivity analysis includes only foreign currency items outstanding and adjusts the ending conversion at the exchange rate change by 5%. The range of sensitivity analysis includes the valuation not in the functional currency of the creditor or lender. A positive number in the table below represents the amount by which pre-tax income would increase if the NTD weakened by 5% relative to related foreign currencies; a negative number of the same amount would affect pre-tax income if the NTD strengthened by 5% relative to related foreign currencies.

| Influences from USD | |
|---|---|
| 2023 | 2022 |
| $ 58,496 (i) | $ 23,057 (i) |

(i) This was mainly due to the Corporation's cash and cash equivalents denominated in USD, financial receivables, payables, and short-term borrowings outstanding as of the balance sheet date.

Management does not believe that the sensitivity analysis can represent inherent risks of exchange rates as the foreign currency risk exposure as of the balance sheet date does not reflect risk exposure during the year, and central management managed exchange rate risks based on the policies of the Corporation.

(2) Interest rate risks

The Corporation is exposed to the risk of interest rate changes due to its bank deposits and loans at floating interest rates. The Corporation mitigates interest rate risks by maintaining an appropriate floating interest rate, and has not yet operated any instruments to hedge interest rate risks. Management of the Corporation monitors interest rate risks regularly, and, as needed, takes necessary measures against significant interest rate risks to respond to risks arising from market interest rate changes.

Sensitivity analysis

The following sensitivity analysis is based on the exposure to the interest rate risk of non-derivative financial instruments as of the closing date of the financial reporting period.

The Corporation reports reasonable risk evaluations of interest rate changes to management by strengthening or weakening by 5%. If other conditions remain unchanged and the capitalization of interest is not considered, the increase / decrease of the interest rate by 5% results in the decrease /increase in profit of the Corporation by $1,293,000 and $656,000 respectively in 2023 and 2022.

2. Credit risks

Credit risk refers to the risk of financial loss of the Corporation resulting from the default of the counter-parties to the contracts. As of the balance sheet date, the Corporation's maximum exposure to credit risk (without regard to collateral or other credit enhancement instruments, and irrevocable maximum exposure), which may result from counter-parties' default on their obligations and the Corporation's provision of financial guarantees, is mainly due to:

(1) The carrying amount of financial assets recognized in the individual balance sheets.
(2) The amount that the Corporation may be required to pay as a result of providing financial guarantees, regardless of the likelihood of occurrence.

The Credit risk refers to the risk of financial loss of the Corporation resulting from the default of the counter-parties to the contracts.

The Corporation's accounts receivable are from several enterprise customers which are non-related with each other, and it adopts the policy of trading with creditworthy objects to maintain the quality of accounts receivable, and evaluates financial positions and historical transactions on an ongoing basis. Therefore, the credit risks from expected accounts receivable are limited.

The maximum credit risk amount is the net amount of carrying amount of financial assets net the prescribed offset amount and recognized impairment loss (i.e., carrying amount of financial assets) regardless of collateral and other credit enhancement policies.

3. Liquidity risks

The Corporation manages and maintains sufficient cash and cash equivalents to support operations of the group and mitigate the impact of cash flow fluctuations. The Corporation's management monitors the use of banking facilities and ensures compliance with the terms of borrowing contracts.

Bank loans are important liquidity sources for the Corporation. As of 2023 and December 31, 2022, the banking facilities the Corporation has not yet used are available in the Explanation section in the following (2) Banking Facilities.

(1) Liquidity and interest rate risk of non-derivative financial liabilities

financial liabilities is prepared based on undiscounted cash flows (including principal and estimated interest) of financial liabilities based on the earliest possible date on which the Corporation could be required to make repayment. Accordingly, the Corporation's bank loans that are repayable on demand are listed in the table below at the earliest possible date, regardless of the probability that the bank will immediately enforce the right; the maturity analysis of other non-derivative financial liabilities is prepared based on the contractual repayment dates.

The undiscounted interest amount of interest cash flows paid at floating interest rates is derived from the curve of the yield rate as of the balance sheet date.

December 31, 2023

| | Weighted average effective interest rate (%) | Within 1 year | 1 to 5 years | Over 5 years | Total |
|---|---|---|---|---|---|
| Non-interest-bearing liabilities | | | | | |
| Notes and accounts payable | - | $ 15,836 | $ - | $ - | $ 15,836 |
| Other payables | - | 107,390 | - | - | 107,390 |
| Lease liabilities | - | 1,339 | 969 | - | 2,308 |
| Other current liabilities | - | 525,008 | - | - | 525,008 |
| Interest-bearing liabilities | | | | | |
| Short-term borrowings | 1.67%～1.88% | 1,008,000 | - | - | 1,008,000 |
| Short-term notes and bills payable | 1.65% | 100,000 | - | - | 100,000 |
| | | $1,757,573 | $ 969 | $ - | $1,758,542 |

December 31, 2022

| | Weighted average effective interest rate (%) | Within 1 year | 1 to 5 years | Over 5 years | Total |
|---|---|---|---|---|---|
| Non-interest-bearing liabilities | | | | | |
| Notes and accounts payable | - | $ 1,209 | $ - | $ - | $ 1,209 |
| Other payables | - | 75,241 | - | - | 75,241 |
| Lease liabilities | - | 1,318 | 929 | - | 2,247 |
| Other current liabilities | - | 119,398 | - | - | 119,398 |
| Interest-bearing liabilities | | | | | |
| Short-term borrowings | 1.45%～2.63% | 1,295,000 | - | - | 1,295,000 |
| | | $1,492,166 | $ 929 | $ - | $1,493,095 |

(2) Banking facilities

| | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Bank loans | | |
| - Unused amount | $2,369,000 | $ 832,000 |

## XXVIII. Transactions with related parties

Transactions between the Corporation and other related parties are as follows:

(1) Name of related parties and relationship

| Related party | Relationship with the company |
|---|---|
| WELLTECH ENERGY INC. | Subsidiary (changed into an association since April, 2022, and changed into a non-related party since August, 2023) |
| Life Link Co., Ltd. (Formerly known as: Taiwan Digi-Com Co., Ltd.) | Subsidiary |
| Wei Feng Technology Co., Ltd. | Subsidiary |

(2) Operating transactions

| Category of related party | 2023 | 2022 |
|---|---|---|
| Operating expenses | | |
| Subsidiary | $ 405 | $ 723 |

Terms of transactions between the Corporation and related parties are equivalent to those with common customers.

| Category of related party | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Other receivables | | |
| Subsidiary | $ - | $ 797 |
| Associates | - | 222 |
| | $ - | $ 1,019 |
| Expenses payable | | |
| Subsidiary | $ 49 | $ 560 |

The outstanding balances of payables due to related parties are unsecured and will be settled by cash.

(3) Loans to related parties (recorded in other receivables)

| | 2023 | | | | |
|---|---|---|---|---|---|
| Category of related party | Highest balance of actual expenditures | Closing balance of actual expenditures | Interest rate range | Interest revenue | Interest receivable |
| Subsidiary | | | | | |
| Wei Feng Technology Co., Ltd. | $100,000 | $100,000 | 2.56% | $ 982 | $ 217 |

| | 2022 | | | | |
|---|---|---|---|---|---|
| Category of related party | Highest balance of actual expenditures | Closing balance of actual expenditures | Interest rate range | Interest revenue | Interest receivable |
| Subsidiary | | | | | |
| Life Link Co., Ltd. | $120,000 | $ - | 2.03% | $ 330 | $ - |

(4) Other transactions with related party

1. Lease income

| Category of related party | 2023 | 2022 |
|---|---|---|
| Subsidiary | | |
| Life Link Co., Ltd. | $ 6,124 | $ 5,507 |

| | | |
|---|---|---|
| WELLTECH ENERGY INC. | - | 653 |
| Associates | | |
| WELLTECH ENERGY INC. | - | 1,072 |
| | $ 6,124 | $ 7,232 |

Rentals of the aforementioned lease income with related parties were determined based on market prices of neighboring regions, and had no significant abnormalities.

2. Other income (recorded in other income - others)

| Category of related party | 2023 | 2022 |
|---|---|---|
| Subsidiary | | |
| Life Link Co., Ltd. | $ 1,842 | $ 1,794 |
| WELLTECH ENERGY INC. | - | 377 |
| Associates | | |
| WELLTECH ENERGY INC. | - | 434 |
| | $ 1,842 | $ 2,605 |

It was the management service income from the company's partial management services and counseling services and handling fee to associates.

(5) Compensation of key management personnel

| | 2023 | 2022 |
|---|---|---|
| Short-term employee benefits | $ 52,248 | $ 52,427 |
| Post-employment benefit | 563 | 455 |
| | $ 52,811 | $ 52,882 |

The remuneration of directors and key management is determined by the remuneration committee based on individual performance and market trends.

## XXIX. Assets pledged as collateral or for security

The following assets were pledged or mortgaged as collateral for financing loans:

| | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Pledged bank deposits | $ 21,089 | $ 10,988 |
| Contra account | - | 3 |
| Self-owned land | 121,567 | 118,802 |
| Buildings | 174,625 | 176,051 |
| Investment property | 152,788 | 162,496 |
| | $ 470,069 | $ 468,340 |

## XXX. Significant contingent liabilities and unrecognized contractual commitments

As of 2023 and December 31, 2022, the unused established letters of credit for the Corporation were as follows, respectively:

| | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Guarantee note for short-term borrowings | $ 100,000 | $ 100,000 |
| Performance bond of micro exchange service for foreign workers | 125,000 | 50,000 |

## XXXI. Other matters

The working capital for micro exchange service for foreign workers operated by Welldone Company beyond the financial regulatory sandbox on December 31, 2023 was as follows:

| | December 31, 2023 |
|---|---|
| Assets | |
| Other current financial assets | $1,772,006 |
| Other receivables | 510,808 |
| | $2,282,814 |
| | |
| Liabilities | |
| Short-Term Borrowings | $ 418,000 |
| Estimated Expenses Payable | 6,514 |
| Advances On Sales | 213 |
| Receipts Under Custody | 524,766 |
| Temporary Receipts | 206 |
| Inter-Department Debits | 199,601 |
| | $1,149,300 |

(Continued on next page)

(Continued from previous page)

| | December 31, 2023 |
|---|---|
| Equity | |
| Working Capital | $ 751,994 |
| Unappropriated retained earnings | 381,520 |
| | $1,133,514 |

The working capital of the year increased from NT$351,494,000 to NT$751,994,000, and was the stock capital of privately placed ordinary shares of Welldone Company, please refer to Annex 22, and the remaining is used for migrant worker remittance.

## XXXII. Significant assets and liabilities denominated in foreign currencies

The following information was aggregated by the foreign currencies other than the functional currencies of each company of the corporation and the exchange rates between such foreign currencies and the functional currencies were disclosed. The significant assets and liabilities denominated in foreign currencies were as follows:

December 31, 2023

Unit: in thousands of foreign currencies

| | Foreign currency | Exchange rate (Note) | Carrying amount |
|---|---|---|---|
| Financial assets | | | |
| Monetary items | | | |
| USD | $ 38,096 | 30.71 | $1,169,928 |

December 31, 2022

| | Foreign currency | Exchange rate (Note) | Carrying amount |
|---|---|---|---|
| Financial assets | | | |
| Monetary items | | | |
| USD | $ 15,016 | 30.71 | $ 461,141 |

Note: the exchange rate is the closing rate of NTD against foreign currencies per unit.

The foreign currency exchange profit of the corporation in 2023 was $44,245,000 (including realized exchange profit of $42,117,000 and unrealized exchange profit of $2,128,000); the foreign currency exchange loss was $36,819,000 in 2022 (including realized exchange loss of $36,777,000 and unrealized exchange loss of $42,000).

Matters disclosed in the notes

(1) Information about significant transactions and B. reinvestment:

1. Lending to other parties (Table 1)
2. Guarantees and endorsements for other parties: None
3. Information regarding securities held at balance sheet of the period (excluding investment in subsidiaries, associates and joint ventures) (Table 2)
4. Individual securities acquired or disposed of with accumulated amount exceeding the lower of NTD 300 million or 20% of the Company's paid-in capital: None
5. Acquisition of individual real estate with amount exceeding the lower of NTD 300 million or 20% of the Company's issued capital: None
6. Disposal of individual real estate with amount exceeding the lower of NTD 300 million or 20% of the Company's issued capital: None
7. Related party transactions for purchases and sales with amounts exceeding the lower of NTD 100 million or 20% of the capital stock: None
8. Receivables from related parties with amount exceeding the lower of NTD 100 million or 20% of the Company's paid-in capital: None
9. Derivative instruments transactions: None
10. Information on investees. (Table 4)

(2) Information on investment in Mainland China:

1. Names of investee companies in Mainland China, their principal business items, paid-in capital, methods of investment, inward and outward remittance of funds, shareholding ratios, profit or loss for the period and recognized investment gains or losses, carrying amounts of investments at the end of the period, repatriated profit or loss on investments, and sizes of investment in Mainland China areas. (None)
2. Any of the following significant transactions with investee companies in Mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: None
   (1) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
   (2) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
   (3) The amount of property transactions and the amount of the resultant gains or losses.
   (4) The balance of endorsements or pledges of collateral at the end of the period and their purposes.
   (5) The highest balance, ending balance, interest rate range, and gross interest in the current period with respect to financing of funds.
   (6) Other transactions that have significant effects on the profit or loss for the current period or on the financial position, such as the rendering or receipt of service, etc.

(3) Information about major shareholders: names of shareholders with at least 5% ownership, and amounts and percentage of shared held by them. (Table 5)

Welldone Company

Lending to other parties

2023

Table 1

Unit: NT$ Thousand

| No. | Lender | Borrower | Financial statement account | Related parties | Highest balance for the period (Note 3) | Ending balance (Note 4) | Actual borrowing amount | Interest rate range (%) | Nature of fund | Business transaction amount | Reasons for short-term financing | Allowance for bad debts | Collateral | | Financing limit to each borrower | Aggregate financing limit |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | | | Item | Value | | |
| 0 | Welldone Company | Wei Feng Technology Co., Ltd. | Other receivables due from related parties | Yes | $ 100,000 | $ 100,000 | $ 100,000 | 2.56% | Short-term financing capital | $ - | Assist subsidiaries in operation | $ - | — | $ - | $ 188,667 (Note 1) | $ 377,334 (Note 2) |

Note 1: For short-term financings, the financing limit to each borrower is 10% of net value of Welldone Company = Net value on December 31, 2023 $1,886,669 thousand × 10% =NT$ 188,667 thousand.

Note 2: For short-term financings, the aggregate financing limit is 20% of net value of Welldone Company = Net value on December 31, 2023 $1,886,669 thousand × 20% = NT$377,334 thousand.

Note 3: The highest balance of loaning of funds.

Note 4: A public company shall still record the amount resolved by the Board of Directors in the balance of announcement to disclose the risks if it proposes loaning of funds to the Board of Directors for resolution in writing in accordance with Article 14-1 of Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, even though the fund has not yet been allocated; only when the funds are repaid later, the balance after repayment shall be disclosed to reflect risk adjustment. If it authorizes the chairman with a certain amount and fractional disbursement on loan or circulating utilization within one year resolved by the Board of Directors in accordance with 14-2 of Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, the public company shall still announce the balance based on the amount of loaning of funds approved by the Board of Directors; though the funds are paid later, the possibility of repeated disbursement is considered, so the public company shall still announce the balance based on the amount of loaning of funds approved by the Board of Directors.

Welldone Company

Information regarding securities held at balance sheet of the period

December 31, 2023

Table 2 Unit: NT$ Thousand

| Name of holder | Category and name of security | Relationship with the Company | Account title | Ending balance | | | | Note |
|---|---|---|---|---|---|---|---|---|
| | | | | Number of shares | Book value | Percentage of shares | Market value | |
| Welldone Company | Shares - ordinary share | | | | | | | |
| | EZSWAP NETWORKS TECHNOLOGY CO., LTD. | None | Fair value through other comprehensive income (FVOCI)—Non-current | 2,300,000 | $ - | 13.53 | $ - | |
| | Bailey Biofund (Former：Grand Fortune Venture Capital Corporation) | 〃 | 〃 | 2,000,000 | 19,092 | 1.00 | 19,092 | |
| | Hydroionic Technologies Co., Ltd. | 〃 | 〃 | 500,000 | - | 1.21 | - | |
| | RED SUNRISE CO., LTD. | 〃 | 〃 | 1,200,000 | 31,320 | 8.60 | 31,320 | |
| | Grand Fortune Capital Co., Ltd. | 〃 | 〃 | 21,000,000 | 25,103 | 3.00 | 25,103 | |
| | | | | | $ 75,515 | | $ 75,515 | |
| | PharmaEngine Inc | 〃 | Financial assets at fair value through profit or loss -Current | 10,000 | $ 1,055 | - | $ 1,055 | |
| | TAIWAN FERTILIZER CO., LTD. | 〃 | 〃 | 5,000 | 338 | 0.01 | 338 | |
| | Solid Year Co., Ltd. | 〃 | 〃 | 18,000 | 730 | - | 730 | |
| | Ritdisplay Corporation | 〃 | 〃 | 710,000 | 24,850 | 0.03 | 24,850 | |
| | NAK Sealing Technologies Corporation. | 〃 | 〃 | 2,000 | 269 | 0.95 | 269 | |
| | G-SHANK ENTERPRISE CO., LTD. | 〃 | 〃 | 5,000 | 361 | - | 361 | |
| | WAH LEE INDUSTRIAL CORP. | 〃 | 〃 | 3,060 | 302 | - | 302 | |
| | Thermaltake Technology Co., Ltd. | 〃 | 〃 | 5,498 | 246 | 0.01 | 246 | |
| | WALSIN LIHWA CORPORATION | 〃 | 〃 | 2,000 | 77 | - | 77 | |
| | INPAQ TECHNOLOGY CO., LTD. | 〃 | 〃 | 5,000 | 418 | - | 418 | |
| | | | | | $ 28,646 | | $ 28,646 | |

Welldone Company

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT$300 MILLION OR 20% OF THE SHARE CAPITAL

2023

Table 3 (Expressed in thousands of NEW TAIWAN DOLLARS, unless otherwise specified)

| Company Name | Type and Name of Marketable Securities (Note 1) | Financial statement account | **Counterparty** | **Relationship** | **Beginning Balance** | | **Acquisition** (Note 2) | | **Disposal** (Note 2) | | | | **Ending Balance** | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | **Shares/Units (In Thousands)** | Amount | **Shares/Units (In Thousands)** | Amount | **Shares/Units (In Thousands)** | Price | **Carrying Amount** (Note 3) | **Gain/Loss on Disposal** | **Shares/Units (In Thousands)** | Amount |
| Welldone Company | Non-TWSE-listed or TPEx-listed stock<br>WELLTECH ENERGY INC. | Investments accounted for using equity method | RITWIN CORPORATION<br>Ding Sheng Investment Limited<br>Dejie Investment Co., Ltd.<br>KGI Venture Capital Co. Ltd. | — | 11,627 | $ 179,969 | - | $ - | 11,627 | $ 255,792 | $ 201,426 | $ 54,366 | - | $ - |

Note 1. Marketable securities in the Table refer to stocks, bonds, beneficiary certificates and marketable securities derived from the aforesaid items.

Note 2. The cumulative amounts of acquisition and disposal shall be separately calculated based on the market value whether to reach NT$300,000,000 or 20% of the paid-in capital.

Note 3. The carrying value is the carrying value of disposal of investments accounted for using equity method on the date of disposal.

Note 4. The paid-in capital is the paid-in capital of the parent company. Where there is no face value or the face value per share is not NT$10, the amount at 20% of the paid-in capital shall be at 10%of the equity attributable to owners of the parent company on the balance sheet.

Welldone Company

Information about investee companies, regions

2023

Table 4

Unit: NT$ Thousand

| Name of the investor | Name of investee | Location | Major operations | Initial investment amount | | Balance as of | | | Net income (losses) of the investee | Investment income (loss) | Note |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | At the end of the current period | At the end of the previous period | Shares | Ratio of shares | Book value | | | |
| Welldone Company | WELLTECH ENERGY INC. | Taiwan | Manufacture and wholesales of batteries and electronic parts | $ - | $ 163,440 | - | - | $ - | $ 51,880 | $ 15,551 | |
| | TD HITECH ENERGY INC. | Taiwan | Manufacture and wholesales of batteries and electronic parts | 145,253 | 145,253 | 9,857,417 | 22.78 | 146,283 | 25,956 | 5,913 | |
| | Life Link Co., Ltd. (Formerly known as: Taiwan Digi-Com Co., Ltd.) | Taiwan | Retail and wholesale of photographic and telecommunication apparatus, food and cosmetics | 40,333 | 40,333 | 9,762,860 | 92.26 | 136,132 | 12,451 | 11,552 | Subsidiary |
| | Wei Feng Technology Co., Ltd. | Taiwan | **Wholesale of Electronic Materials** | 51,000 | - | 5,100,000 | 51.00 | 55,571 | 8,964 | 4,571 | Subsidiary |

Welldone Company

Major Shareholders

December 31, 2023

Table 5

| Shareholder's Name | Shareholding | |
|---|---|---|
| | Shares | Percentage |
| Acer Incorporated | 10,000,000 | 10.03% |
| Xinlai Investment Co., Ltd. (Representative: Yu, Hui-Chin) | 8,967,000 | 9.00% |
| Chen, Alexander | 6,000,000 | 6.02% |
| Yu, Hui-Chin | 5,255,000 | 5.27% |

Note 1： The information on major shareholders in the Table is based on the last business day of the quarter in which the shareholders held 5% or more of the company's total common and preferred stocks that have been delivered (including treasury stock) without physical registration. The share capital in the individual financial statements of the Corporation may differ from the actual number of shares delivered without physical registration due to differences in the basis of computation.

## §The Contents of Statements of Major Accounting Items§

Welldone Company

Statement of notes receivable

December 31, 2023

Statement 1 Unit: NT$ Thousand

| Client Name | Description | Amount |
|---|---|---|
| Client A | | $ 34,455 |

Welldone Company

Statement of accounts receivable

December 31, 2023

Statement 2 Unit: NT$ Thousand

| Client Name | Description | Amount |
|---|---|---|
| B | | $ 5,997 |
| C | | 2,057 |
| D | | 528 |
| Others (Note) | | 1,577 |
| | | 10,159 |
| Less: Allowance for bad debt | | ( 73) |
| | | $ 10,086 |

Note: The amount of individual client included in others does not exceed 5% of the account balance.

Welldone Company

Statement of other accounts receivable

December 31, 2023

Statement 3 Unit: NT$ Thousand

| Item | Description | Amount |
| --- | --- | --- |
| Other Accounts Receivable | Interest receivables, foreign worker remittance and rental, etc. | $ 549,476 |
| Less: Allowance for bad debt | | ( 240) |
| | | $ 549,236 |

Welldone Company

Statement of other current assets

December 31, 2023

Statement 4 Unit: NT$ Thousand

| Item | Description | Amount |
|---|---|---|
| Tax Overpaid Retained for Offsetting the Future Tax Payable | | $ 3,450 |
| other prepaid expenses | | 2,943 |
| Others (Note ) | | 887 |
| | | $ 7,280 |

Note： the balance less than 5% of the item amount is included.

Welldone Company

Statement of changes in investments accounted for using equity method

2023

Statement 5

Unit: In Thousands of New Taiwan Dollars, Unless Specified Otherwise

| Investee's name | Beginning balance | | Increase for the period | | Decrease for the period | | Investment (loss) profit | Conversion adjustment | Ending balance | | | Evaluation basis | Guarantee or ledge |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Shares | Amount | Shares | Amount | Shares | Amount | | | Shares | Shareholding ratio % | Amount | | |
| Unlisted company | | | | | | | | | | | | | |
| WELLTECH ENERGY INC. (Note 1) | 11,626,929 | $ 179,969 | - | $ - | ( 11,626,929) | ($ 201,426) | $ 15,551 | $ 5,906 | - | - | $ - | Equity Method | None |
| TD HITECH ENERGY INC. (Note 2) | 9,587,417 | 131,364 | - | 14,759 | - | ( 5,753) | 5,913 | - | 9,587,417 | 22.78 | 146,283 | 〃 | 〃 |
| Life Link Co., Ltd. (Formerly known as: Taiwan Digi-Com Co., Ltd.) (Note 3) | 7,912,185 | 139,966 | 1,850,675 | 3,121 | - | ( 18,507) | 11,552 | - | 9,762,860 | 92.26 | 136,132 | 〃 | 〃 |
| Wei Feng Technology Co., Ltd. (Note 4) | - | - | 5,100,000 | 51,000 | - | - | 4,571 | - | 5,100,000 | 51.00 | 55,571 | 〃 | 〃 |
| | | $ 451,299 | | $ 68,880 | | ($ 225,686) | $ 37,587 | $ 5,906 | | | $ 337,986 | | |

Note 1. The decrease for the period is due to the disposal of all shares of affiliated companies valued NT$201,426,000.

Note 2. The increase for the period is due to the recognition of other comprehensive profit or loss of affiliated companies increasing by NT$14,759,000; the decrease for the period is due to the receiving of cash dividends valued at NT$5,753,000.

Note 3. The increase of 1,850,675 shares for the period is the stock dividends distributed by Life Link Co., Ltd.; the increase for the period is due to the recognition of subsidiaries' changes in capital surplus of NT$3,121,000; the decrease for the period is due to the receiving of cash dividends valued at NT$18,507,000.

Note 4. The increase for the period is due to the increased investment in subsidiaries of NT$51,000,000.

Welldone Company

Statement of changes in right-of-use assets

2023

Statement 6

Unit: NT$ Thousand

| Item | Beginning balance | Additions | Disposal | Ending balance |
|---|---|---|---|---|
| Buildings | $ 516 | $ 107 | ($ 516) | $ 107 |
| Transportation equipment | 3,381 | 1,486 | ( 1,009) | 3,858 |
| | $ 3,897 | $ 1,593 | ($ 1,525) | $ 3,965 |

Welldone Company

Statement of changes in accumulated depreciation of right-of-use assets

2023

Statement 7 Unit: NT$ Thousand

| Item | Beginning balance | Additions | Disposal | Ending balance |
|---|---|---|---|---|
| Buildings | $ 326 | $ 243 | ($ 516) | $ 53 |
| Transportation equipment | 1,332 | 1,292 | ( 1,009) | 1,615 |
| | $ 1,658 | $ 1,535 | ($ 1,525) | $ 1,668 |

Welldone Company

Statement of short-term loans

December 31, 2023

Statement 8

Unit: NT$ Thousand

| Type of Loan | Description | Ending balance | Loan Period | Interval of rate % | Collateral |
|---|---|---|---|---|---|
| Secured loan | Chang Hwa Commercial Bank, Ltd. | $ 488,000 | 2023.12.22~2024.01.26 | 1.83 | Yes |
| Loan on credit | Far Eastern International Bank | 150,000 | 2023.10.19~2024.01.17 | 1.88 | No |
| 〃 | Taipei Fubon Bank | 150,000 | 2023.11.23~2024.03.25 | 1.83 | 〃 |
| 〃 | Yuanta Commercial Bank Co., Ltd. | 120,000 | 2023.11.30~2024.02.27 | 1.67 | 〃 |
| 〃 | Shin Kong Bank Co., Ltd. | 100,000 | 2023.11.30~2024.02.26 | 1.85 | 〃 |
| | | $1,008,000 | | | |

Welldone Company

Statement of notes receivable and accounts receivable

December 31, 2023

Statement 9 Unit: NT$ Thousand

| Supplier Name | Description | Amount |
|---|---|---|
| A | | $ 6,759 |
| B | | 2,547 |
| C | | 2,505 |
| D | | 1,161 |
| E | | 988 |
| Others (Note) | | 1,876 |
| | | $ 15,836 |

Note： individual amounts less than 5% of the item amount shall be included.

Welldone Company

Statement of other current liability

December 31, 2023

Statement 10 Unit: NT$ Thousand

| Item | Description | Amount |
|---|---|---|
| Migrant work remittance collection | | $ 524,766 |
| Others (Note) | | 242 |
| | | $ 525,008 |

Note：individual amounts less than 5% of the item amount shall be included.

Welldone Company

Statement of lease liabilities

December 31, 2023

Statement 11 Unit: NT$ Thousand

| Item | Description | Lease Term | Discount rate | Ending Balance |
|---|---|---|---|---|
| Buildings | | 1 Year | 1.83% | $ 54 |
| Transportation equipment | | 3 Years | 0.81%~1.83% | 2,254 |
| | | | | $ 2,308 |

Welldone Company

Statement of net revenue

2023

Statement 12 Unit: NT$ Thousand

| Item | Amount |
| --- | --- |
| Sales revenue | $1,249,233 |
| Less: Sales returns | ( 445) |
| Less: Sales discounts and allowances | ( 3,267) |
| | 1,245,521 |
| Service revenue | 488,502 |
| | $1,734,023 |

Welldone Company

Statement of operating cost

2023

Statement 13 Unit: NT$ Thousand

| Item | Amount |
|---|---|
| Cost of Goods Sold | |
| Beginning Inventory | $ 252,839 |
| Plus: Purchase | 1,130,770 |
| Other Operating Costs | 493 |
| Less: Gains from Price *Recovery* of Inventory | ( 2,400) |
| Re-recognized in operating expenses | ( 1,912) |
| Closing Inventory | ( 186,593) |
| | $1,193,197 |

Welldone Company

Statement of operating expenses

2023

Statement 14 Unit: NT$ Thousand

| Item | Description | Selling expenses | General & Administrative Expenses | Total |
|---|---|---|---|---|
| Wages and Salaries (Including Pension) | | $ 61,392 | $ 82,324 | $ 143,716 |
| Rent Expense | | 810 | - | 810 |
| Stationery Supplies | | 285 | 130 | 415 |
| Traveling Expense | | 1,384 | 813 | 2,197 |
| Freight | | 833 | 12 | 845 |
| Postage Expenses | | 66,130 | 346 | 66,476 |
| Repairs and Maintenance Expense | | - | 2,121 | 2,121 |
| Advertisement Expense | | 2,633 | 38 | 2,671 |
| Utilities Expense | | 1,493 | 1,603 | 3,096 |
| Insurance Expense | | 3,220 | 3,925 | 7,145 |
| Entertainment Expense | | 196 | 5,088 | 5,284 |
| Donation Expense | | - | 3,040 | 3,040 |
| Taxes | | 1,044 | 7,315 | 8,359 |
| Depreciations | | 1,178 | 478 | 1,656 |
| Meal Expense | | 736 | 307 | 1,043 |
| Employee Benefits/Welfare | | 14,438 | - | 14,438 |
| Commissions Expense | | 148 | 6,984 | 7,132 |
| Services Expense | | 73,830 | 8,514 | 82,344 |
| | | $ 229,750 | $ 123,038 | $ 352,788 |

Welldone Company

Summary statement of employee benefits, depreciation and amortization expenses

For the Years Ended December 31, 2023 and 2022

Statement 15

Unit: NT$ Thousand

| By nature / By function | 2023 Operating costs | 2023 Operating expenses | 2023 Total | 2022 Operating costs | 2022 Operating expenses | 2022 Total |
|---|---|---|---|---|---|---|
| Employee Benefits | | | | | | |
| Salary and Wages | $ - | $ 125,553 | $ 125,553 | $ - | $ 105,422 | $ 105,422 |
| Labor/Health Insurance | - | 6,136 | 6,136 | - | 5,729 | 5,729 |
| Pension | - | 3,399 | 3,399 | - | 3,226 | 3,226 |
| Director's remuneration | - | 14,764 | 14,764 | - | 11,248 | 11,248 |
| Other Employee Benefits | - | 3,708 | 3,708 | - | 3,368 | 3,368 |
| Depreciation Expense | - | 8,359 | 8,359 | - | 8,615 | 8,615 |

1. The number of employees for the current year and the previous year were 64 and 65, respectively, of which the number of directors who were not concurrent employees was 4 in this year.
2. When its stocks have been listed in TWSE or traded in GTSM, the following information shall be additionally disclosed:
   (1) The average employee benefit expense for the year was $2,35200 ("Total employee benefit expense for the year – Total amount of director's remuneration"/ "Number of employees for the year – Number of directors who are not concurrent employees"). The average employee benefit expense for the previous year was $1,962,000 ("Total employee benefit expense for the previous year – Total amount of director's remuneration"/ "Number of employees for the previous year – Number of directors who are not concurrent employees").
   (2) The average employee salary expense for the year was $2,128,000 (Total salary expense for the year/ "Number of employees for the year – Number of directors who are not concurrent employees"). The average employee salary expense for the previous year was $1,757,000 (Total salary expense for the previous year/ "Number of employees for the previous year – Number of directors who are not concurrent employees").
   (3) Change in average employee salary cost adjustment 21% ("Average employee salary cost for the current year – Average employee salary cost for the previous year"/Average employee salary cost for the previous year).
   (4) The supervisor compensation for the year was $0, and the supervisor compensation for the previous year was $0.
   (5) The remuneration for all directors, supervisors and managers of the Corporation is established by the Remuneration Committee based on the level of their individual participation in and contribution to the corporate operation, the actual operating performance of the Corporation and the linkage to the reasonableness of future risks, and also with reference to the normal remuneration levels of the industry peers, and submitted to the Board of Directors. The employee compensation of the Corporation is determined in accordance with its Salary Methods, with reference to employees' education, post nature and category, market standards and internal balance and so on, and approved by an authority supervisor.

## Consolidated Statements of Operation of Affiliated Enterprises

The entities that are required to be included in the combined financial statements of Welldone Company as of and for the year ended December 31, 2023 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, "Consolidated Financial Statements" endorsed by the Financial Supervisory Commission of the Republic of China. In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Welldone Company and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: Welldone Company
Chairman: Chen, Tun-Jen

Date: March 15, 2024

Deloitte.

勤業眾信

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# Independent Auditors' Report

To Welldone Company:

**Opinion**

We have audited the accompanying consolidated financial statements of Welldone Company ("the Company"), which comprise the balance sheets as of December 31, 2023 and 2022, and the statements of comprehensive income, changes in equity and cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

**Basis for Opinion**

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

**Key Audit Matters**

Key audit matters 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

The key audit matters aiming at the Welldone Company's 2023 consolidated financial report are as follows:

Recognition of sales revenue

According to Note 4 of the consolidated financial statements and Summary Explanation of Significant Accounting Policies (14), the revenue of the merged company is recognized when the performance obligations are fully met, and the largest customer of the communication services department of the merged company is the main source of operating revenue of it, with superior credit qualification than other customers; In addition, the customers with special income newly added to IC and business departments of other channels are also the main source of operating income of the merged company. Therefore, as an accountant, I believe that the recognition of these revenue segments has a significant impact on the operation of the merged company, and list the recognition of these revenue segments as a key audit item.

1. We recognized the major design of the internal control system for revenue flow of the consolidated company and implemented relevant control tests.
2. We selected revenue samples aiming at preceding sales customers, and reviewed and checked the certificates and shipping documents for the revenue recognized to confirm if the revenue is recognized properly.
3. We implemented payment tests aiming at the preceding revenue samples selected.

**Other Matter**

We have also audited the parent company only financial statement of Welldone Company as of the years end December 31, 2023 and 2022 on which we have issued an unmodified opinion.

**Responsibilities of Management and Those Charged with Governance for the 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 as necessary to ensure the preparation of consolidated financial statements is free from material misstatement, whether due to fraud or error.

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

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

**Auditors’ Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable ((including 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 for the year December 31, 2023 and are therefore key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure of 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 Chiu, Yung-Ming and Liu, Shu-Lin

Deloitte Touche

| | | | |
|---|---|---|---|
| Independent Auditor | Chiu, Yung-Ming | Independent Auditor | Liu, Shu-Lin |

| | |
|---|---|
| Approval number of the Financial Supervisory Commission | Approval number of the Financial Supervisory Commission |
| Chin-Kuan-Cheng-Shen-Tzu No. 1100356048 | Chin-Kuan-Cheng-Shen-Tzu No. 1050024633 |

March 15, 2024

Welldone Company and Subsidiaries

Consolidated Balance Sheets

December 31, 2023 and 2022

Unit: NT$ Thousands

| Code | Assets | December 31, 2023 Amount | % | December 31, 2022 Amount | % |
|---|---|---|---|---|---|
| | Current assets | | | | |
| 1100 | Cash and cash equivalents (Note 4 & 6) | $ 187,927 | 5 | $ 472,854 | 15 |
| 1110 | Financial assets at fair value through profit or loss -Current (Note 4 & 7) | 28,646 | 1 | 27,716 | 1 |
| 1150 | Notes receivable, net (Note 4 & 10) | 60,552 | 2 | 43,540 | 1 |
| 1170 | Accounts receivable, net (Note 4 & 10) | 259,271 | 6 | 136,731 | 4 |
| 1200 | Other receivables (Note 4, 10, 25 & 32) | 551,311 | 13 | 254,662 | 8 |
| 130X | Current inventories (Note 4 & 11) | 348,445 | 8 | 351,980 | 11 |
| 1410 | Prepayments | 141,851 | 3 | 48,913 | 2 |
| 1476 | Other current financial assets (Note 4, 9 & 33) | 1,814,789 | 44 | 952,634 | 30 |
| 1479 | Other current assets, others | 38,529 | 1 | 15,356 | 1 |
| 11XX | Total current assets | 3,431,321 | 83 | 2,304,386 | 73 |
| | Non-current assets | | | | |
| 1517 | Non-current financial assets at fair value through other comprehensive income (Note 4 & 8) | 75,515 | 2 | 50,094 | 2 |
| 1550 | Investments accounted for using equity method (Note 4 & 13) | 146,283 | 4 | 311,333 | 10 |
| 1600 | Property, plant and equipment (Note 4, 14 & 33) | 402,916 | 10 | 412,935 | 13 |
| 1755 | Right-of-use assets (Note 4 & 15) | 2,831 | - | 2,329 | - |
| 1760 | Investment property, net (Note 4, 16 & 33) | 46,695 | 1 | 46,055 | 1 |
| 1780 | Intangible assets (Note 4 & 17) | - | - | 150 | - |
| 1840 | Deferred tax assets (Note 4 & 25) | 10,723 | - | 35,779 | 1 |
| 1920 | Guarantee deposits paid (Note 4) | 2,574 | - | 2,917 | - |
| 1995 | Long-term prepaid expense | 513 | - | 76 | - |
| 15XX | Total non-current assets | 688,050 | 17 | 861,668 | 27 |
| 1XXX | Total assets | $ 4,119,371 | 100 | $ 3,166,054 | 100 |

| Code | Liabilities and equity | December 31, 2023 Amount | % | December 31, 2022 Amount | % |
|---|---|---|---|---|---|
| | Current liabilities | | | | |
| 2100 | Current borrowings (Note 18 & 33) | $ 1,210,423 | 29 | $ 1,404,481 | 45 |
| 2110 | Short-term notes and bills payable (Note 18) | 100,000 | 3 | - | - |
| 2150 | Accounts payable (Note 19) | 91,470 | 2 | 37,278 | 1 |
| 2200 | Other payables (Note 20) | 160,444 | 4 | 137,461 | 4 |
| 2230 | Current tax liabilities (Note 4 & 25) | 40,890 | 1 | 16,532 | 1 |
| 2280 | Current lease liabilities (Note 4 & 15) | 1,879 | - | 1,408 | - |
| 2399 | Other current liabilities (Note 10) | 526,275 | 13 | 121,284 | 4 |
| 21XX | Total current liabilities | 2,131,381 | 52 | 1,718,444 | 55 |
| | Non-current liabilities | | | | |
| 2570 | Deferred tax liabilities (Note 4 & 25) | 11,968 | - | 11,345 | - |
| 2580 | Non-current lease liabilities (Note 4 & 15) | 969 | - | 929 | - |
| 2640 | Net defined benefit liability, non-current (Note 4 & 21) | 22,287 | 1 | 25,896 | 1 |
| 2670 | Other non-current liabilities | 1,286 | - | 1,286 | - |
| 25XX | Total non-current liabilities | 36,510 | 1 | 39,456 | 1 |
| 2XXX | Total liabilities | 2,167,891 | 53 | 1,757,900 | 56 |
| | Equity attributable to owners of parent (Note 4 & 22) | | | | |
| | Share capital | | | | |
| 3110 | Ordinary share | 996,701 | 24 | 896,701 | 28 |
| 3200 | Capital surplus | 469,326 | 12 | 165,705 | 5 |
| | Retained earnings | | | | |
| 3310 | Legal reserve | 90,798 | 2 | 66,887 | 2 |
| 3320 | Special reserve | 53,843 | 1 | 95,393 | 3 |
| 3350 | Unappropriated retained earnings | 323,002 | 8 | 239,808 | 8 |
| 3300 | Total retained earnings | 467,643 | 11 | 402,088 | 13 |
| 3400 | Other equity interest | (10,402) | - | (31,488) | (1) |
| 3500 | Treasury stocks | (36,599) | (1) | (36,599) | (1) |
| 31XX | Total equity attributable to owners of parent | 1,886,669 | 46 | 1,396,407 | 44 |
| 36XX | Non-controlling interests (Note 4, 22 & 29) | 64,811 | 1 | 11,747 | - |
| 3XXX | Total equity | 1,951,480 | 47 | 1,408,154 | 44 |
| | Total liabilities and equity | $ 4,119,371 | 100 | $ 3,166,054 | 100 |

The accompanying notes are integral part of this consolidated financial report.

Chairman: Chen, Tun-Jen President: Ho, Ming-Che Chief Accountant: Chu, Chen-Ju

Welldone Company and Subsidiaries

Consolidated Statement of Comprehensive Income

For the years ended December 31, 2023 and 2022

Unit: NT$ Thousands

Excep EPS

| Code | | 2023 Amount | 2023 % | 2022 Amount | 2022 % |
|---|---|---|---|---|---|
| 4000 | Operating revenue (Note 4 &23) | $ 2,261,387 | 100 | $ 2,468,794 | 100 |
| 5000 | Operating costs (Note 11 & 24) | 1,561,098 | 69 | 1,860,224 | 75 |
| 5900 | Gross profit from operations | 700,289 | 31 | 608,570 | 25 |
| | Operating expenses (Note 4, 10, 24 & 25) | | | | |
| 6100 | Selling expenses | 325,285 | 14 | 279,360 | 12 |
| 6200 | Administrative expenses | 153,777 | 7 | 169,034 | 7 |
| 6300 | Research and development expenses | - | - | 2,970 | - |
| 6450 | Expected credit (impairment losses) reversal benefit | ( 2,136) | - | 3,885 | - |
| 6000 | Total operating expenses | 476,926 | 21 | 455,249 | 19 |
| 6900 | Net operating income | 223,363 | 10 | 153,321 | 6 |
| | Non-operating income and expenses (Note 4, 13, 24 & 32) | | | | |
| 7100 | Interest revenue | 5,405 | - | 2,227 | - |
| 7190 | Other income | 10,664 | - | 17,244 | 1 |
| 7020 | Other gains and losses | 96,761 | 4 | 82,120 | 4 |
| 7050 | Finance costs | ( 29,390 | ( 1 ) | ( 17,187) | ( 1 ) |
| 7060 | Share of profit (loss) of associates and joint ventures accounted for using equity method, net | 21,464 | 1 | 24,072 | 1 |
| 7000 | Total non-operating income and expenses | 104,904 | 4 | 108,476 | 5 |
| 7900 | Net earnings before tax | 328,267 | 14 | 261,797 | 11 |
| 7950 | Total tax expense (Note 4 & 25) | ( 73,614) | ( 3 ) | ( 12,043) | ( 1 ) |
| 8200 | Profit | 254,653 | 11 | 249,754 | 10 |

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| | | 2023 | | 2022 | |
|---|---|---|---|---|---|
| Code | | Amount | % | Amount | % |
| | Other comprehensive income | | | | |
| 8310 | Items that will not be reclassified subsequently to profit or loss | | | | |
| 8311 | Gains (losses) on remeasurements of defined benefit plans. (Note 4 and Note 21) | ($316) | - | $1,231 | - |
| 8316 | Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income (Note 4 and Note 22) | 421 | - | (7,274) | - |
| 8320 | Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss (Note 4 and Note 22) | 14,759 | 1 | (1,824) | - |
| 8360 | Components of other comprehensive income that will be reclassified to profit or loss | | | | |
| 8361 | Exchange differences arising on translation of foreign (Note 4 and Note 22) | | - | 2,294 | - |
| 8300 | Total Other Comprehensive Income (OCI) | 14,86 | 1 | (5,573) | - |
| 8500 | Total comprehensive income | $ 269,51 | 12 | $244,181 | 10 |
| | Profit attributable to: | | | | |
| 8610 | Owners of parent | $249,117 | 11 | $ 237,8 | 10 |
| 8620 | Non-controlling interests | 5,53 | - | 11,8 | - |
| 8600 | | $254,653 | 11 | $ 249,7 | 10 |
| | Comprehensive income attributable to: | | | | |
| 8710 | Owners of parent | $263,981 | 12 | $230,825 | 9 |
| 8720 | Non-controlling interests | 5,536 | - | 13,356 | 1 |
| 8700 | | $269,517 | 12 | $244,181 | 10 |

(Continued on next page)

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| Code | | 2023 Amount | 2023 % | 2022 Amount | 2022 % |
|---|---|---|---|---|---|
| | Earnings per share (Note 26) | | | | |
| | From continuing operations | | | | |
| 9710 | Basic | $2.74 | | $2.73 | |
| 9810 | Diluted | $2.71 | | $2.70 | |

The accompanying notes are integral part of this consolidated financial report.

Chairman: Chen, Tun-Jen President: Ho, Ming-Che Chief Accountant: Chu, Chen-Ju

Welldone Company and Subsidiaries

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2023 and 2022

Unit: NT$ Thousands

| Code | | Equity Attributable to Shareholders of the Parent | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Other equity interest | | | | | |
| | | Ordinary Share | Capital surplus | Legal reserve | Special reserve | Unappropriated retained earnings | Exchange Differences on Translation of Foreign Financial Statements | Unrealized Gains (Losses) on Financial Assets Measured at Fair Value Through Other Comprehensive Income | Treasury stocks | **Total equity** | Non-controlling interests | Total equity. |
| A1 | **Equity at beginning of period (2022/1/1)** | $ 896,701 | $ 168,172 | $ 51,837 | $ 95,393 | $ 155,433 | ($ 8,250 ) | ($ 16,600 ) | ($ 36,599 ) | $1,306,087 | $ 238,892 | $1,544,979 |
| | Appropriation and distribution of retained earnings in 2021 | | | | | | | | | | | |
| B1 | Legal reserve appropriated | - | - | 15,050 | - | ( 15,050 ) | - | - | - | - | - | - |
| B5 | Cash dividends of ordinary share | - | - | - | - | ( 139,616 ) | - | - | - | ( 139,616 ) | - | ( 139,616) |
| M5 | Difference between consideration and carrying amount of subsidiaries acquired or disposed | - | - | - | - | ( 66 ) | 1,578 | 66 | - | 1,578 | ( 251,073 ) | ( 249,495) |
| M7 | Changes in ownership interests in subsidiaries | - | ( 2,467 ) | - | - | - | - | - | - | ( 2,467 ) | 10,572 | 8,105 |
| D1 | 2022 Profit (loss) | - | - | - | - | 237,876 | - | - | - | 237,876 | 11,878 | 249,754 |
| D3 | 2022 Other comprehensive income | - | - | - | - | 1,231 | 766 | ( 9,048 ) | - | ( 7,051 ) | 1,478 | ( 5,573) |
| Z1 | Equity at end of period (2022/12/31) | 896,701 | 165,705 | 66,887 | 95,393 | 239,808 | ( 5,906 ) | ( 25,582 ) | ( 36,599 ) | 1,396,407 | 11,747 | 1,408,154 |
| | Appropriation and distribution of retained earnings in 2022 | | | | | | | | | | | |
| B1 | Legal reserve appropriated | - | - | 23,911 | - | ( 23,911 ) | - | - | - | - | - | - |
| B5 | Cash dividends of ordinary share | - | - | - | - | ( 183,246 ) | - | - | - | ( 183,246 ) | - | ( 183,246) |
| E1 | Proceed fm New Issue | 100,000 | 300,500 | - | - | - | - | - | - | 400,500 | - | 400,500 |
| M3 | Disposal of subsidiaries or investments | - | - | - | ( 41,550 ) | 41,550 | 5,906 | - | - | 5,906 | - | 5,906 |
| M5 | Difference between consideration and carrying amount of subsidiaries acquired or disposed | - | - | - | - | - | - | - | - | - | 49,000 | 49,000 |
| M7 | Changes in ownership interests in subsidiaries | - | 3,121 | - | - | - | - | - | - | 3,121 | 82 | 3,203 |
| O1 | Cash dividends of ordinary share in subsidiaries | - | - | - | - | - | - | - | - | - | ( 1,554 ) | ( 1,554) |
| D1 | 2023 Net Profit | - | - | - | - | 249,117 | - | - | - | 249,117 | 5,536 | 254,653 |
| D3 | 2023 Other comprehensive income | - | - | - | - | ( 316 ) | - | 15,180 | - | 14,864 | - | 14,864 |
| Z1 | Equity at end of period (2023/12/31) | $ 996,701 | $ 469,326 | $ 90,798 | $ 53,843 | $ 323,002 | $ - | ($ 10,402 ) | ($ 36,599 ) | $1,886,669 | $ 64,811 | $1,951,480 |

The accompanying notes are integral part of this consolidated financial report.

Chairman: Chen, Tun-Jen President: Ho, Ming-Che Chief Accountant: Chu, Chen-Ju

Welldone Company and Subsidiaries

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

For the years ended December 31, 2023 and 2022

Unit: NT$ Thousands

| Code | | 2023 | 2022 |
|---|---|---|---|
| | Cash Flows From Operating Activities | | |
| A10000 | Profit (loss) before tax | $328,267 | $261,797 |
| A20010 | Total adjustments to reconcile profit (loss) | | |
| A20100 | Depreciation expense (including investment properties and right-of-use assets) | 11,981 | 17,384 |
| A20200 | Amortization expense | 425 | 5,118 |
| A20300 | Expected credit (impairment losses) reversal benefit | ( 2,136) | 3,885 |
| A20400 | Net loss (gain) on financial assets or liabilities at fair value through profit or loss | ( 930) | 29,533 |
| A20900 | Finance costs | 29,390 | 17,187 |
| A21200 | Interest revenue | ( 5,405) | ( 2,227 ) |
| A21300 | Dividend income | ( 1,198) | ( 8,985 ) |
| A22300 | Share of loss (profit) of associates and joint ventures accounted for using equity method | ( 21,464) | ( 24,072 ) |
| A22500 | Losses on disposals of property, plant and equipment | - | 638 |
| A23100 | Proceeds from disposal of subsidiaries | - | ( 57,966 ) |
| A23200 | Loss on disposal of investments accounted for using equity method | ( 54,366) | 1,063 |
| A29900 | Provision | - | 25 |
| A30000 | Total changes in operating assets and liabilities | | |
| A31130 | Notes receivable | ( 17,012) | ( 3,267 ) |
| A31150 | Accounts receivable | ( 120,404) | ( 23,199 ) |
| A31180 | Other receivable | ( 294,552) | 39,716 |
| A31200 | Inventories | 3,535 | ( 104,768 ) |
| A31230 | Prepayments | ( 104,938) | ( 14,976 ) |
| A31240 | Other current assets | ( 23,173) | ( 4,749 ) |
| A32150 | Notes payable and accounts payable | 54,192 | 1,509 |
| A32180 | Other payable | 22,820 | 38,500 |
| A32230 | Other current liabilities | 404,991 | 37,653 |
| A32240 | Net defined benefit liability | ( 3,925) | 650 |
| A33000 | Cash generated from operations | 206,098 | 210,449 |
| A33100 | Interest received | 5,405 | 2,227 |

(Continued on next page)

(Continued from previous page)

| Code | | 2023 | 2022 |
|---|---|---|---|
| A33300 | Interest paid | ($ 29,227) | ($ 16,931) |
| A33500 | Income taxes paid | ( 25,674) | ( 3,821) |
| AAAA | Net cash flows from operating activities | 156,602 | 191,924 |
| | Cash flows from (used in) investing activities | | |
| B00010 | Acquisition of financial assets at fair value through other comprehensive income | ( 20,200) | ( 35,000) |
| B00030 | Proceeds from capital reduction of financial assets at fair value through other comprehensive income | 7,200 | - |
| B00100 | Acquisition of financial assets at fair value through profit or loss | - | ( 364) |
| B00200 | Proceeds from disposal of financial assets at fair value through profit or loss | - | 1,923 |
| B01900 | Proceeds from disposal of investments accounted for using equity method | 255,792 | 39,615 |
| B02300 | Cash outflow from disposal of subsidiaries | - | ( 47,371) |
| B02700 | Acquisition of property, plant and equipment | ( 443) | ( 1,351) |
| B03700 | Decrease (Increase) in refundable deposits | 343 | 718 |
| B04500 | Acquisition of intangible assets | - | ( 150) |
| B06500 | Increase in other financial assets | ( 862,155) | ( 272,320) |
| B07100 | Increase in prepayments for business facilities | - | ( 2,098) |
| B07600 | Cash Dividends received | 6,951 | 21,380 |
| B09900 | Increase in long-term prepaid expenses | ( 712) | ( 60) |
| BBBB | Net cash flows used in investing activities | ( 613,224) | ( 295,078) |
| | Cash flows from (used in) financing activities | | |
| C00100 | Short-term Borrowings | - | 421,839 |
| C00200 | Repayments of short-term borrowings | ( 194,058) | - |
| C00500 | Increase in short-term notes and bills payable. | 100,000 | - |
| C01700 | Repayments of long-term debt | - | ( 3,408) |
| C04020 | Payments of lease liabilities | ( 2,150) | ( 2,545) |
| C04500 | Cash dividends | ( 183,246) | ( 139,616) |
| C04600 | Proceed fm New Issue | 400,500 | - |
| C05400 | Subsidiaries' equity acquired. | 49,000 | - |
| C05800 | Change in non-controlling interests | 3,203 | 8,105 |
| C09900 | Dividends paid to non-controlling interest | ( 1,554) | - |
| CCCC | Net cash flows from financing activities | 171,695 | 284,375 |

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| Code | | 2023 | 2022 |
|---|---|---|---|
| DDDD | Effect of exchange rate changes on cash and cash equivalents | $ - | ( $ 993 ) |
| EEEE | Net increase (decrease) in cash and cash equivalents | ( 284,927 ) | 180,228 |
| E00100 | Cash and cash equivalents at beginning of period | 472,854 | 292,626 |
| E00200 | Cash and cash equivalents at end of period | $ 187,927 | $ 472,854 |

The accompanying notes are integral part of this consolidated financial report.

Chairman: Chen, Tun-Jen President: Ho, Ming-Che Chief Accountant: Chu, Chen-Ju

Welldone Company and Subsidiaries

Notes to the Consolidated Financial Statements

For the years ended December 31, 2023 and 2022

(Expressed in thousands of NEW TAIWAN DOLLARS, unless otherwise specified)

# I. Company History and Business Scope

(I) History of the parent company

Welldone Company was founded on Aug 19, 1977, and specializes in sales of OK pre-paid SIM cards and internet game point cards, telecommunication micro payment services, and remittance services for foreign workers.

The issuance of the Welldone’s stocks was approved by the Taipei Exchange and the stocks were listed on the Emerging Stock Board on April 16, 2002.

Welldone Company was approved by the Financial Supervisory Commission ("FSC") on Oct 20, 2021 to obtain a license for operating micro exchange services for foreign workers.

(II) History of subsidiaries

1. WELLTECH ENERGY INC. ("WELLTECH ENERGY") is a subsidiary in which Welldone Company holds 29.98% of shares, and was founded on April 16, 2008. It specializes in the manufacture and wholesale of batteries and electronic components. Welldone Company disposed of some stock rights and lost its right of control over the subsidiary in April 2022.
2. Taiwan Digi-Com Co., Ltd. was renamed to Life Link Co., Ltd. ("Life Link") on September 8, 2022, and is a subsidiary in which Welldone Company holds 92.26% of shares. It was founded on December 6, 2006, and specializes in the wholesale of photographic and telecommunication apparatus; it expanded its scope of business to retail and wholesale of food and cosmetics from the second half of 2012.
3. Saintop Group Co., Ltd. ("Saintop") is a subsidiary 100% owned by WELLTECH ENERGY and reinvested by Welldone Company. The subsidiary was founded on February 22, 2002 and went into operation in December 2002. It was incorporated in the British Virgin Islands and specializes in investment holding activities. Welldone Company disposed of some stock rights of WELLTECH ENERGY in April 2022, thus it lost its right of control over the subsidiary.
4. Formosa Fortune Holding Limited ("Formosa") was 100% obtained by the reinvested WELLTECH ENERGY of Welldone Company from Formosa held by SOARING TECHNOLOGY CO., LTD. in February 2012. Formosa was incorporated in the British Virgin Islands and specializes in investment holding activities. Welldone Company disposed of some stock rights of WELLTECH ENERGY in April 2022, thus it lost its right of control over the subsidiary.
5. Hi-Tech Energy Limited ("Hi-Tech") is a subsidiary 100% held by the reinvested Saintop of WELLTECH ENERGY, was incorporated on April 23, 2009 in Hong Kong, and specializes in investment holding activities. Welldone Company disposed of some stock rights of WELLTECH ENERGY in April 2022, thus it lost its right of control over the subsidiary.
6. Shanghai Welldone Electric Co., Ltd. ("Shanghai Welldone") is a subsidiary 100% held by the reinvested Hi-Tech of Saintop. The subsidiary was founded

in January 2002 with a business term of 20 years, and currently specializes in investment holding activities. Welldone Company disposed of some stock rights of WELLTECH ENERGY in April 2022, thus it lost its right of control over the subsidiary.

7. Global Resources Channel Co., Ltd. ("Global") is a subsidiary 100% held by the reinvested Formosa of WELLTECH ENERGY. The subsidiary was incorporated in the British Virgin Islands and specializes in investment holding activities. Welldone Company disposed of some stock rights of WELLTECH ENERGY in April 2022, thus it lost its right of control over the subsidiary.
8. Changzhou Soaring Technology Co., Ltd. ("Changzhou SOTAC") is a subsidiary in which the reinvested Shanghai Welldone of Saintop holds 45.43% of shares, the reinvested Global of Formosa holds 36.38% of shares, and WELLTECH ENERGY holds 18.19% of shares. The subsidiary mainly specializes in the design and assembly of finished lithium battery products and the manufacture and sale of battery module parts. Welldone Company disposed of some stock rights of WELLTECH ENERGY in April 2022, thus it lost its right of control over the subsidiary.
9. Green Easy Leasing Co., Ltd. ("Green Easy Leasing") was a subsidiary in which Welldone Company held 96.67% of shares, and was founded in July 2016, mainly specializing in electric car and battery leasing, and was liquidated in May 2022.
10. Wei Feng Technology Co., Ltd. ("Wei Feng") was a subsidiary in which Welldone Company held 51% of shares, and was founded in June 2023, mainly specializing in Retail Sale of Electronic Materials.

The Consolidated Financial Statements are expressed in New Taiwan Dollars (NTD), the functional currency of Welldone Company.

## II. Approval Date and Procedures of the Consolidated Financial Statements

The consolidated financial statements were authorized for issuance by the Board of Directors on March 25, 2024.

## III. New Standards, Amendments and Interpretations Adopted

(1). Initial application of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of the IFRIC and Interpretation Announcements of the SIC ("IFRSs") endorsed and issued into effect by the FSC

The application of the IFRSs recognized and issued into effect by the FSC did not result in significant changes in accounting policies of the consolidated company.

(2). Applicable IFRSs endorsed by the FSC for application in 2023.

| New standards/amended standards/amendment rules and interpretations | Effective date per IASB (Note 1) |
|---|---|
| Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback" | January 1, 2024 (Note 2) |
| Amendments to IAS 1 “Classification of Liabilities as Current or Non-current” | January 1, 2024 |
| Amendments to IAS 1 “Non-current Liabilities with Covenants” | January 1, 2024 |

| New standards/amended standards/amendment rules and interpretations | Effective date per IASB (Note 1) |
|---|---|
| Amendments to IAS7 and IFRS7 "Supplier Finance Arrangements" | January 1, 2024 (Note 3) |

Note 1. Unless otherwise specified, the aforementioned new standards/amended standards/amendment rules or interpretations are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2. A seller-lessee applies the amendments retrospectively in accordance with IFRS 16 (Sales and Leaseback Transaction) entered into after the date of initial application.

Note 3. Partial disclosure provisions can be waived at the initial application of the amendments.

As of the date the consolidated financial statements were authorized for issue, the consolidated company has evaluated that the aforementioned amendments to standards and interpretations have no significant impact on their financial position or performance.

(III) The IFRSs issued by the IASB but not yet endorsed and issued into effect by the FSC.

| New standards/amended standards/amendment rules and interpretations | Effective date per IASB (Note 1) |
|---|---|
| Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture" | Pending |
| IFRS 17 "Insurance Contracts" | January 1, 2023 |
| Amendments to IFRS 17 | January 1, 2023 |
| Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9—Comparative Information" | January 1, 2023 |
| Amendments to IAS 21 "Lack of Exchangeability" | January 1, 2025 (Note 2) |

Note 1. Unless otherwise specified, the aforementioned new standards/amended standards/amendment rules or interpretations are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2. The amendments apply to the annual reporting periods after January 1, 2025. At the initial application of amendments, the impact number shall be recognized as reserved surplus of the date of initial application. Where the consolidated company use a non-functional currency as presentation currency, the impact number shall be adjusted as the exchange difference of foreign operation institutions under the equity at the date of initial application.

As of the date the consolidated financial statements were authorized for issue, the consolidated company is continuously evaluating the impact of the aforementioned amendments to the standards and interpretations on their financial position or performance, and will disclose relevant impact when the evaluation is completed.

## IV. Summary of Significant Accounting Policies

(I) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued into effect by the FSC.

(II) Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments that are measured at fair value and net defined benefit liabilities recognized at the present value of the defined benefit obligation less the fair value of plan assets:

The fair value measurements are grouped into Levels 1 to Tier 3 based on the degree to which the fair value measurement inputs are observable and on the significance of the inputs to the fair value measurements:

1. Level-1 input values: quoted prices (unadjusted) in active markets for identical assets or liabilities on the measurement date.
2. Level-2 input values: inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
3. Level-3 input values: unobservable inputs for an asset or liability.

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

Current assets include:

1. It is held primarily for the purpose of trading;
2. It is expected to be realized within twelve months after the reporting period; or
3. The asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Current liabilities include:

1. It is held primarily for the purpose of trading;
2. It is due to be settled within twelve months after the reporting period; or
3. The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

Assets and liabilities which are not the aforementioned current assets or liabilities are classified as non-current assets or liabilities.

(IV) Basis of consolidation

The consolidated financial statements comprise the Company and subsidiaries. Subsidiaries are entities controlled by the Group. The consolidated income statements are included in the operating profit or loss of acquired or disposed companies from the acquisition date until the disposal date of the current period. The financial statements of subsidiaries have been adjusted to make their accounting policies comply with those of merged companies. Inter-entity transactions, account balances, and income and expenses are eliminated when preparing the consolidated financial statements. Subsidiaries attribute their total comprehensive income to the owners of Welldone Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When changes in subsidiary ownership interests of the consolidated company do not result in the loss of control, it is regarded as an equity transaction. The carrying amounts of the consolidated company and non-controlling interests have been adjusted to reflect changes in reciprocal interest of the consolidated company to subsidiaries. The difference between the adjusted amount of the non-controlling interests and the fair value of the consideration paid or received is directly recognized as equity and attributable to the shareholders of Welldone Company.

When the consolidated company loses control over a subsidiary, the to-be-disposed profit or loss is the difference between: (1) the sum of the fair value of consideration received and the fair value of the investment remaining in the former subsidiary from the date of losing the right of control, and (2) the sum of carrying amounts of assets (including goodwill) and liabilities and non-controlling interests of the former subsidiary from the date of losing the right of control. All amounts recognized in the other comprehensive income of the consolidated company in relation to the subsidiary shall fall under accounting treatment on the same basis as would be required for the direct disposal of related assets or liabilities by the consolidated company.

Please refer to Note 12, and Tables 5 for details, shareholding ratios, and business items of subsidiaries.

(V) Foreign currencies

In preparing the financial statements of each individual entity, transactions in currencies other than the entity's functional currency (i.e., foreign currencies) are recognized at the exchange rates prevailing on the dates of transactions.

At the end of each balance sheet date, monetary items denominated in foreign currency are re-exchanged at the closing rates. Exchange differences for monetary items arising from settlement or exchange are recognized in the profit or loss in the period in which they arise.

Non-monetary items measured at fair value are exchange at the rate prevailing on the date the fair value was determined, and exchange differences arising therefrom are included in the profit or loss for the period, except for changes in fair value that are recognized in other comprehensive income; in which case, exchange differences are also recognized in other comprehensive income.

Non-monetary items that are measured at a historical cost in a foreign currency are exchange at the exchange rate on the date of the transaction, and are not recalculated.

In the preparation of consolidated financial reports, the assets and liabilities of foreign operating institutions (including subsidiaries in countries in which they operate or in currencies different from Welldone Company) are converted into NTD at the exchange rate on the date of each balance sheet. Income and expense loss items are converted at the average exchange rate for the period and the resulting exchange difference is recognized as other comprehensive income.

When the disposal of a foreign operating institution causes loss of control, the partial disposal of a subsidiary with a foreign operating institution causes loss of control, or the retained interest from the disposal of joint agreements or affiliates with a foreign operating institution is financial assets and fall under accounting policy treatment of financial instruments, all cumulative exchange differences that are attributable to Welldone Company and such foreign operating institution are to be reclassified as profit or loss.

(VI) Inventory

Merchandise Inventory, also known as inventory. Inventory refers to Merchandise inventory. Inventory consists of raw materials, finished goods, merchandise, and work in progress. Inventory is stated at the lower of cost or net realizable value, and the comparison between cost and net realizable value is based on individual items, except for the same category of inventory. The net realizable value is the estimated selling price of inventory less all estimated costs of completion and estimated costs necessary to make the sale under normal circumstances. Inventory is recorded at the weighted-average cost.

(VII) 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.

The Group uses the equity method to account for its investments in associates and joint ventures

Under the equity method, the original investment in associates is recognized at cost, and the carrying amount of the investment after the acquisition date increases or decreases in accordance with the consolidated company's share of earnings and other comprehensive income of associates and profit distribution. In addition, changes in equity interests of associates are recognized in proportion to shareholding.

The amount that acquisition costs outnumber the net fair value of recognizable assets and liabilities of the associates possessed by the consolidated company on the acquisition date are recognized as goodwill; goodwill is included in the carrying amount of the investment and may not be amortized. The amount that acquisition costs outnumber the net fair value of recognizable assets and liabilities of the associates possessed by the consolidated company on the acquisition date is recognized in the profit or loss for the period.

When the consolidated company fails to subscribe new shares of an associate in proportion to shareholding, resulting in changes in shareholding ratios and further increases or decreases in net invested equity value, the adjusted capital surplus for the increase or decrease is recognized in the changes in net equity value of an associate and investment in the equity method. If the consolidated company's ownership interest of an associate is reduced due to its failure of subscription for or acquisition of new shares of the associate, the pro-rated reduced amount previously recognized in other comprehensive income in relation to the associate is reclassified on the same accounting treatment basis as would be required for direct disposal of related assets or liabilities by the associate; when the preceding adjustment is debited to capital surplus, but the capital surplus recognized from investments accounted for by the equity method is insufficient, the shortage is debited to retained earnings.

When the consolidated company's share of loss in an associate equal or exceeds its interest in the associate (including the carrying amount of its investment in the associate under the equity method, and other long-term interests that are substantially part of the consolidated company's net investment in the associate), further loss recognition shall be ceased. Additional losses or liabilities are recognized by the consolidated company only to the extent of legal obligations, constructive obligations, or payment on behalf of the associate.

In an impairment assessment, the consolidated company regards the overall carrying amount of investments (including goodwill) as single assets, and compares the recoverable amount with the carrying amount for the impairment test; recognized impairment loss is not amortized to any assets of the carrying amount of investments. Any reversal of impairment loss is recognized to the extent of the subsequent increase in the recoverable amount of investments.

The consolidated company stops adopting the equity method from the date it stops investing in an associate, and its retained interest in the associate is measured at fair value; the difference between the fair value and disposal proceeds and the carrying amount of investment on the date the equity method is not adopted are recognized in the profit or loss for the period. Additionally, all amounts recognized in other comprehensive income in relation to the associate are on the same accounting treatment basis as would be required for the direct disposal of related assets or liabilities by the associate. If an investment in an associate becomes an investment in a joint venture, or an investment in a joint venture becomes an investment in an associate, the consolidated company shall keep adopting the equity method and will not re-measure the retained interest.

Gains or losses resulting from upstream, downstream, and side-stream transactions with associates are recognized in the consolidated financial statements only to the extent that they are not related to the consolidated company's interest in the associates.

(VIII) Property, plants, and equipment

Property, plants, and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

The depreciation of property, plants, and equipment is recognized using the straight-line method, and each significant part is depreciated separately. The consolidated company reviews the estimated useful lifespan, residual values, and depreciation methods at least at the end of every year, and defers impacts from changes in applicable accounting estimates. When de-recognizing a property, plant, or equipment item, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in the profit or loss.

(IX) Investment property

Investment property is property held either to earn rental income, for capital appreciation, or both. Investment property also includes Self-owned land, the future purpose of which has not been decided as of the current date.

Investment property is initially measured at cost (including transaction cost), and subsequently measured at cost less accumulated depreciation and accumulated impairment loss. The depreciation of investment property is recognized using the straight-line method. Investment property is property, plant, or equipment re-categorized at the carrying amount beginning on the self-use date.

Assets of property, plants, and equipment are recognized in investment property at the carrying amount when they are completed and ready for self-use.

When de-recognizing an investment property item, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in the profit or loss.

(X) Intangible assets

1. Separate acquisition

   Intangible assets with a limited useful lifespan separately acquired are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. The depreciation of intangible assets is recognized using the straight-line method. The consolidated company reviews the estimated useful lifespan, residual values, and depreciation methods at least at the end of every year, and defers impacts from changes in applicable accounting estimates. Intangible assets with undetermined useful lifespans are presented at cost less accumulated impairment loss.

2. Acquisition from an enterprise merger

   Intangible assets obtained from business mergers are recognized at fair value on the acquisition date and recognized separately from goodwill, and measured in the same way as intangible assets separately acquired.

3. De-recognition

   When de-recognizing an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in the profit or loss.

(XI) Impairment of property, plant and equipment and right-of-use assets

The consolidated company assesses on each balance sheet date whether there is any indication that property, plants, or equipment, right-of-use assets, or intangible assets (excluding goodwill) may be impaired. If any indication of impairment exists, the recoverable amount of the asset is estimated. If the recoverable amount of an individual asset cannot be estimated, the consolidated company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an individual asset or cash-generating unit is less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, and the impairment loss is recognized in the profit or loss.

When the impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised recoverable amount, provided that the increased carrying amount does not exceed the carrying amount (net of amortization or depreciation) that would have been determined had the impairment loss not been recognized in previous years. Reversal of impairment loss is recognized in the profit or loss.

Shared assets are allocated to the smallest group of cash-generating units on a reasonably consistent basis.

(XII) Financial instruments

Financial assets and liabilities are recognized in the consolidated balance sheets when the consolidated company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities that are not measured at fair value through profit or loss are measured at fair value plus transaction costs that are directly attributable to the acquisition or issuance of the financial assets or liabilities when the financial assets or liabilities are initially recognized. Transaction costs directly attributable to the acquisition or issuance of financial assets or liabilities at fair value through profit or loss are recognized immediately in the profit or loss.

1. Financial assets

Regular transactions of financial assets are recognized and de-recognized using trade date accounting.

(1) Type of measurements

The types of financial assets held by the consolidated company are financial assets measured at fair value through profit or loss, financial assets measured at amortized cost, and investments in equity instruments measured at fair value through other comprehensive income.

A. Fair value through profit or loss (FVTPL)

Financial assets measured at fair value through profit or loss include financial assets measured at fair value through profit or loss on a mandatory basis and financial assets measured at fair value through profit or loss on a designated basis. Financial assets measured at fair value through profit or loss on a mandatory basis include investments in equity instruments that are not designated at fair value through other comprehensive income, and investments in debt instruments which are not qualified to be classified into financial assets measured at amortized cost, or those measured at fair value through other comprehensive income.

Financial assets measured at fair value through profit or loss are measured at fair value with dividends and interest recognized in other income and gains or losses arising from remeasurement recognized in other gains and losses. Please refer to Note 31 for the determination of fair value.

B. Financial assets measured at amortized cost

When the consolidated company invests, financial assets are classified as financial assets carried at amortized cost if both of the following conditions are met:

a. They are held within an operating model whose objective is to hold the financial assets to collect the contractual cash flows; and
b. The contractual terms give rise to cash flows on a specific date, which are solely payments of principal and interest on the principal amount outstanding.

Financial assets carried at amortized cost (including cash, cash equivalents, receivables, other financial assets, and refundable deposits carried at amortized cost) are measured at amortized cost using the effective interest method to determine the total carrying amount less any impairment loss after initial recognition, with any foreign currency exchange gain or loss recognized in the profit or loss.

Interest income is calculated by multiplying the effective interest rate by the total carrying amount of the financial assets, except for the following two cases:

a. For credit-impaired financial assets acquired or created, interest income is computed by multiplying the credit-adjusted effective interest rate by the amortized cost of the financial assets.
b. For financial assets that are not credit-impaired acquired or created but subsequently become credit-impaired financial assets acquired or created, interest income is computed by multiplying the effective interest rate by the amortized cost of the financial assets from the next reporting period after the credit impairment is applied.

Credit-impaired financial assets are those for which the issuer or the debtor has experienced significant financial difficulties, defaulted, it is probable that the debtor will declare bankruptcy or other financial reorganization, or the active market for the financial assets has disappeared due to financial difficulties.

Cash equivalents include highly liquid investments that are due within three months from the acquisition date, readily convertible to imprest cash, are subject to an insignificant risk of change in value, and are held for the purpose of meeting short-term cash commitments.

C. Fair value through other comprehensive income (FVOCI)

On initial recognition, the consolidated company may make an irrevocable election to designate investments in equity instruments at FVTOCI. The equity investment is not held for trading or is not a contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will be transferred to retained earnings, but not reclassified to profit or loss upon disposal of the equity investments. Dividends on these investments in equity instruments at FVTOCI are recognized in profit or loss when the consolidated company's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

(2) Impairment of financial assets

The consolidated company assesses impairment losses on financial assets (including accounts receivable) measured at amortized cost on each balance sheet date based on expected credit losses.

An allowance for impairment is recognized on accounts receivable based on the expected credit loss over the period of the receivable. Other financial assets are evaluated to check whether there is a significant increase in credit risks after initial recognition; if there is no significant increase in credit risk, an allowance for loss is recognized on the basis of expected credit losses over 12 months, and if there is a significant increase, an allowance for loss is recognized on the basis of expected credit losses over the remaining period.

Expected credit losses are weighted as average credit losses based on the risk of default; 12-month expected credit losses represent expected credit losses arising from possible defaults within 12 months after the reporting date of the financial instrument and expected credit losses over the lifespan of the financial instrument represent expected credit losses arising from all possible defaults during the expected lifespan of the financial instrument.

Impairment losses on all financial assets are recognized by reducing the carrying amount of the financial asset through an allowance account, and only the allowance loss for investments in equity instruments measured at FVTOCI is recognized in other comprehensive income, instead of reducing its carrying amount.

(3) De-recognition of financial assets

Financial assets are de-recognized only when the consolidated company's contractual rights to the cash flows from the financial assets have lapsed or when the financial assets have been transferred and substantially all the risks and rewards of ownership of the assets have been transferred to other enterprises.

When a financial asset is de-recognized in its entirety at amortized cost, the difference between the carrying amount and the consideration received is recognized in profit or loss. When investments in debt instruments measured at FVTOCI are de-recognized as a whole, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss recognized in other comprehensive income is recognized in the profit or loss. When investments in equity instruments measured at FVTOCI are de-recognized as a whole, the cumulative gain or loss is transferred directly to retained earnings and is not reclassified as profit or loss.

2. Equity instruments

Debt and equity instruments issued by the consolidated company are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by the consolidated company are recognized as the amount of consideration received, less the direct cost of issuing.

Recovery of an equity instrument of the consolidated company is recognition and de-recognition under equity, and the carrying amount is calculated on a weighted basis by type of stock. Purchase, sales, issuance, or write-off of equity instruments of the consolidated company are not recognized in the profit or loss.

3. Financial liabilities

(1) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

(2) De-recognition of financial liabilities

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

(XIII) Provisions

The amount recognized in provisions is subject to obligation risks and uncertainties, and the optimum estimate required for paying off debts on the balance sheet date. The provision is measured at the discounted value of the estimated cash flow for the repayment obligation.

(XIV) Revenue recognition

After recognizing the performance obligations under customer contracts, the consolidated company allocates the transaction price to each performance obligation and recognizes revenue when each performance obligation is satisfied.

1. Sale of goods

Revenue from sale of goods is derived from sales of products of the Communication Service Division, other electronic component divisions, IC, and other access business divisions. The consolidated company recognizes revenue and accounts receivable at the point when the customer has the right to set the price and use the products, and has the primary responsibility to re-sell the products, as well as takes the risk of obsolescence when the divisions deliver products to a customer.

2. Services

Service revenue is derived from the Digital Content Division and Communication

Service Division, and recognized at the time-of-service provision.

(XV) Leases

The consolidated company assesses whether the contract is a lease (or includes) lease at the contract inception date.

1. The consolidated company is a lessor

   A lease is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the asset to the lessee. All other leases are classified as operating leases.

   Lease payments under operating leases are recognized as income on a straight-line basis over the term of the relevant lease.

2. The consolidated company is a lessee

   Right-of-use assets and lease liabilities are recognized at the lease commencement date for all leases, except for leases of low-value subject assets to which recognition exemptions apply and short-term leases where lease payments are recognized as expenses on a straight-line basis over the lease term.

   Right-of-use assets are measured initially at cost (including the original measurement of the lease liability, lease payments made prior to the lease commencement date less lease incentives received, original direct cost, and estimated cost of restoration of the subject asset) and subsequently measured at cost less accumulated depreciation and accumulated impairment loss, with adjustments for remeasurement of the lease liability.

   Right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful lifespan or the end of the lease term.

   Lease liabilities are measured initially at the present value of the lease payments (including fixed payments and substantially fixed payments). If the interest rate implied by the lease is readily determinable, the lease payments are discounted using that rate. If the interest rate is not readily determinable, the lessee's incremental borrowing rate is used.

   Right-of-use assets are presented separately in individual balance sheets. Subsequently, lease liabilities are measured at amortized cost using the effective interest method, and interest expense is allocated over the lease term. If there is a change in the lease term, the consolidated company remeasures the lease liability and adjusts the right-of-use asset accordingly, but if the carrying amount of the right-of-use asset is reduced to zero, the remaining remeasurement amount is recognized in the profit or loss. Lease liabilities are presented separately in consolidated balance sheets.

(XVI) Employee benefits

1. Short-term employee benefits

   Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2. Retirement benefits

Welldone Company, WELLTECH ENERGY and Life Link:

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to contributions.

Defined benefit costs (including service cost, net interest, and remeasurement) under defined contribution retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefits (assets) are recognized as employee benefits expense in the period in which they occur. Remeasurement (comprising actuarial gains and losses and the return on plan assets excluding interest) is recognized in other comprehensive income in the period in which it occurs and is not reclassified as profit or loss.

Net defined benefits (assets) represent the actual deficit (surplus) in defined contribution retirement benefit plans. Net defined assets are limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

Saintop, Formosa, Hi-Tech, Shanghai Welldone, Global and Changzhou SOTAC have not yet established employee retirement methods, and the respective local governments have no mandatory requirement for establishing employment retirement methods. Only Shanghai Welldone and Changzhou SOTAC pay pensions to local social security bureaus monthly in accordance with local regulations.

(XVII) Treasury stocks

When the consolidated company has redeemed the issued stocks but has not yet disposed of or written off them, the stocks are debited to treasury stocks at the buy-back cost and recognized as loss of stockholders' equity. If the disposal price of treasury stocks is higher than the carrying amount, the difference is recognized in capital surplus - treasury stock transactions; if the disposal price is lower than the carrying amount, the difference is used to offset the capital surplus generated from transactions of the same type of treasury stocks, and if it is insufficient, it is used to offset the retained earnings. The carrying amount of treasury stocks is calculated on the weighted average basis and by recovery reason.

When Treasury stocks are written off, the capital surplus - issuance premium and capital stock are debited in proportion to equity. If its carrying amount is higher than the sum of the face value and stock issuance premium, the difference is used to offset the capital surplus generated from the same type of treasury stocks, and if it is insufficient, the difference is used to offset retained earnings; if the carrying amount is lower than the sum of the face value and stock issuance premium, it is debited to the capital surplus generated from transactions of the same type of treasury stocks.

(XVIII) Income taxes

Income tax expense is the sum of current income tax and deferred income tax.

1. Current income tax

   Current income (loss) is determined by the regulations of each jurisdiction in which the consolidated company files income tax returns and is used to calculate the amount of tax payable (recoverable).

   Income tax on undistributed earnings is recognized in the year when the shareholders' meeting is held in accordance with the Income Tax Act of the Republic of China.

   Adjustments to prior years' income tax payable are included in the current period's income tax.

2. Deferred income tax

   Deferred tax is calculated on temporary differences between the carrying amounts of recorded assets and liabilities and the tax bases used to compute taxable income.

   Deferred tax liabilities are generally recognized for all taxable temporary differences, while deferred income tax assets are recognized to the extent that it is probable that taxable profit will be available against which temporary differences and loss deduction can be utilized.

   Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and affiliates, except where the consolidated company can control the timing of the reversal of the temporary difference, and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets are recognized for deductible temporary differences associated with such investments only to the extent that it is probable that sufficient taxable income will be available to allow the temporary differences to be realized and to the extent that reversal is expected in the foreseeable future.

   The carrying amount of deferred tax assets is reviewed on each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the asset to be recovered. Deferred tax assets unrecognized are reviewed at each balance sheet date and the carrying amount is increased to the extent that it is more likely that sufficient tax assets will be available to allow recovery of all or part of the assets in the future.

   Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the liability is settled or the asset is realized, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences of the manner in which the company expects to recover or settle the carrying amounts of its assets and liabilities on the balance sheet date.

3. Current and deferred taxes

   Current and deferred taxes are recognized in the profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

## V. Significant Accounting Assumptions and Judgments, and Major Sources of Estimation Uncertainty

In the application of the consolidated company's accounting policies, management is required to make judgments, estimations, and assumptions about related information that is not readily apparent from other sources based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

## VI. Cash and cash equivalents

| | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Cash on hand and petty cash | $ 506 | $ 735 |
| Bank checks and demand deposits | 187,421 | 472,119 |
| | $187,927 | $472,854 |

## VII. Fair value through profit or loss (FVTPL)

| | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Held-for-trading financial assets | | |
| Non-derivative financial instruments | | |
| Domestic listed stocks | $ 28,646 | $ 27,716 |

## VIII. Fair value through other comprehensive income (FVOCI)

| | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Non-current | | |
| Domestic investments | | |
| Domestic unlisted common shares | $ 75,515 | $ 50,094 |

The consolidated company has invested in domestic common stock for its medium- and long-term strategic purposes, and expects to make profits from long-term investment. The consolidated company's management believes that it would be inconsistent with the aforementioned long-term investment plan to include short-term fair value fluctuations of these investments in the profit or loss, and has therefore elected to designate these investments as measured at fair value through other comprehensive income.

## IX. Other financial assets - current

| | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Financial assets measured at amortized cost | | |
| Current and fixed-term deposit with restricted use | $ 42,783 | $ 27,301 |
| Special account for foreign worker remittance | 1,772,006 | 925,333 |
| | $1,814,789 | $ 952,634 |

The special account for foreign worker remittance is exclusively designed for foreign worker remittance, and shall not be used for other purposes other than foreign worker remittance.

Please refer to Note 33 for information about other pledged financial assets.

## X. Notes receivable, accounts receivable and other receivables

| | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Notes receivable | | |
| Measured at amortized cost | | |
| Total carrying amount | $ 60,552 | $ 43,540 |
| Less: Loss allowance | - | - |
| | $ 60,552 | $ 43,540 |
| Accounts receivable | | |
| Measured at amortized cost | | |
| Total carrying amount | $261,894 | $141,470 |
| Less: Loss allowance | ( 2,623) | ( 4,739) |
| | $259,271 | $136,731 |
| Other receivables | | |
| Other receivables | $551,551 | $254,902 |
| Less: Loss allowance | ( 240) | ( 240) |
| | $551,311 | $254,662 |
| Overdue receivables | | |
| Overdue receivables | $ 5,394 | $ 5,414 |
| Less: Loss allowance | ( 5,394) | ( 5,414) |
| | $ - | $ - |

The consolidated company authorizes an average credit period for commodity sales from 15 to 120 days, and exercises no interest accrual for overdue beyond the credit period. The consolidated company adopts the policy of rating main customers based on publicly available financial information or historical transactions, and re-checking the recoverable amounts of accounts receivable one by one on the balance sheet date to ensure that an appropriate amount of loss allowance has been provided for uncollectible receivables.

The consolidated company applies the simplified approach of IFRS 9 on the recognition of loss allowance based on expected credit losses over the period, or based on the expected loss ratios by group after dividing individual customers into different risk groups. Additionally, historical experience demonstrates that accounts receivables overdue by over one year cannot be recovered, and the consolidated company recognizes 100% bad debt allowance provisions for accounts receivables overdue by over one year and recategorizes them as overdue AR.

The Group writes off an account receivable when there is information indicating that the debtor is experiencing severe financial difficulty and there is no realistic prospect of recovery of the receivable. For accounts receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables which are due. Where recoveries are made, these are recognized in profit or loss.

The aging of Notes receivable and receivables was determined as follows:

| | December 31, 2023 | December 31, 2022 |
|---|---|---|
| 0-60 days | $179,374 | $113,182 |
| 61-90 days | 47,396 | 40,322 |
| 91-150 days | 92,239 | 21,409 |
| More than 151 days | 3,437 | 10,097 |
| Total | $322,446 | $185,010 |

The above aging schedule was based on the book-building benchmark date.

The above aging schedule was based on the past due date.

The movement in the allowance for accounts receivable (including other receivables and overdue receivables) was as follows:

| | 2023 | 2022 |
|---|---|---|
| Beginning balance | $ 10,393 | $ 7,397 |
| (Less) Add: (Reversed) Bad debt expenses of the current period | ( 2,136) | 3,885 |
| Disposal of subsidiaries | - | ( 889) |
| Ending Balance | $ 8,257 | $ 10,393 |

For the years ended 2023 and December 31, 2022, the consolidated company's other receivables and agency funds generating from foreign worker remittance were $510,808,000, $196,60,000, and $524,766,000 and $116,837,000 respectively.

## XI. Inventories

| | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Finished goods inventories | $348,445 | $351,980 |

As of 2023 and December 31, 2022, the provisions for loss on inventory valuation were $32,176,000 and $42,270,000 respectively.

The costs of goods sold in relation to inventory in 2023 and 2022 were $1,561,098,000 and 1,860,22,000 respectively.

The costs of goods sold in 2023 and 2022 included the loss on inventory valuation (gain from price recovery of inventory) of ($10,094,000) and $19,495,000 respectively.

## XII. Subsidiaries

(I) Subsidiaries included in the consolidated financial statements

The subjects for preparing the consolidated financial statements are as follows:

| Investor | Subsidiary | Nature of business | Shareholding percentage December 31, 2023 | Shareholding percentage December 31, 2022 | Explanation |
|---|---|---|---|---|---|
| Welldone Company | WELLTECH ENERGY INC. | Battery manufacture, etc. | - | 29.98% | Note 1 |
| Welldone Company | Life Link Co., Ltd. (Former: Taiwan Digi-Com Co., Ltd.) | Telecom Apparatuss, Retail and wholesale of food and cosmetics | 92.26% | 92.26% | Note 2 |
| Welldone Company | Wei Feng Technology Co., Ltd. | Wholesale of Electronic Materials | 51.00% | - | Note 3 |
| WELLTECH ENERGY INC. | Saintop | Investment holding company | 100.00% | 100.00% | Note 1 |
| WELLTECH ENERGY INC. | Formosa | Investment holding company | 100.00% | 100.00% | Note 1 |
| WELLTECH ENERGY INC. | Changzhou SOTAC | Design and assembly of finished lithium battery products and manufacture and sales of battery module parts | 18.19% | 18.19% | Note 1 |
| Saintop | Hi-Tech | Investment holding company | 100.00% | 100.00% | Note 1 |
| Hi-Tech | Shanghai Welldone Company | Investment holding company | 100.00% | 100.00% | Note 1 |
| Formosa | Global | Investment holding company | 100.00% | 100.00% | Note 1 |
| Global | Changzhou SOTAC | Design and assembly of finished lithium battery products and manufacture and sales of battery module parts | 36.38% | 36.38% | Note 1 |
| Shanghai Welldone Company | Changzhou SOTAC | Design and assembly of finished lithium battery products and manufacture and sales of battery module parts | 45.43% | 45.43% | Note 1 |

Note 1 Welldone Company disposed of partial stock rights of WELLTECH ENERGY in April 2022, decreasing its shareholding from 43.62% to 36.78%. As another sole shareholder's shareholding is 50.12%, the consolidated company lost its right of control over the company, it is not included. Welldone Company further disposed of partial stock rights of WELLTECH ENERGY in November 2022, decreasing its shareholding from 36.78% to 29.98%. Welldone Company disposed of the remaining stock rights of WELLTECH ENERGY in August, 2023, with no shareholding at all.

Note 2 Life Link (formerly known as Taiwan Digi-Com Co., Ltd.) executed the conversion of employee stock options into common stock in January and November 2022 respectively, decreasing the shareholding ratio from 100.00% to 92.26%.

Note 3 Wei Feng Technology Co., Ltd. was incorporated in June, 2023 with 51% shareholding, so it is listed as a subsidiary.

(II) Subsidiaries not included in the consolidated financial statements

The consolidated company has included all its subsidiaries in the consolidated financial statements.

(III) Information about subsidiaries with significant non-controlling interest

WELLTECH ENERGY INC.

| Subsidiary | Main business domicile |
|---|---|
| WELLTECH ENERGY INC. | Taiwan |

| Profit or loss |
|---|

| Subsidiary | distributed to non-controlling interests 2022(Note) |
|---|---|
| WELLTECH ENERGY INC. | $ 10,705 |

The financial information summarized above is prepared as of the amount before intercompany transaction write-offs:

WELLTECH ENERGY INC. and its subsidiaries

| | 2022(Note) |
|---|---|
| Operating revenue | $501,201 |
| | |
| Net profit in the period | $ 28,133 |
| Other comprehensive income | 2,618 |
| The components of the profit (or loss) | $ 30,751 |
| | |
| Profit attributable to: | |
| Owners of parent | $ 11,638 |
| Non-controlling interest of WELLTECH ENERGY INC. | 16,495 |
| | $ 28,133 |
| | |
| Comprehensive income attributable to: | |
| Owners of parent | $ 12,787 |
| Non-controlling interest of WELLTECH ENERGY INC. | 17,964 |
| | $ 30,751 |

Note: the profit or loss in the period before the consolidated company's loss of control over the company.

## XIII. Investments accounted for using equity method

| | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Investment in associates | $146,283 | $311,333 |
| | | |
| TD HITECH ENERGY INC. | $146,283 | $131,364 |
| WELLTECH ENERGY INC. | - | 179,969 |
| | $146,283 | $311,333 |

| Investee | Ownership interest and voting proportion December 31, 2023 | December 31, 2022 |
|---|---|---|
| TD HITECH ENERGY INC. | 22.78% | 22.78% |
| WELLTECH ENERGY INC. | - | 29.98% |

The interest of associates recognized using the equity method was at NT$21,464,000 and NT$24,072,000 respectively in 2023 and 2022, and based on the CPAs' audited financial statements of the company during the same periods.

Welldone Company disposed of the remaining stock rights of WELLTECH ENERGY in August 2023, and included the disposal proceeds from recognition in investment property NT$54,366,000 in other gains and losses.

## XIV. Property, plant and equipment

| | Self-owned land | Building | Machinery Equipment | R&D equipment | Transportation equipment | Office Equipment | Lease improvement | Other equipment | Total |
|---|---|---|---|---|---|---|---|---|---|
| Cost | | | | | | | | | |
| Balance on January 1, 2022 | $ 165,719 | $ 494,893 | $ 137,167 | $ 9,348 | $ 2,917 | $ 24,992 | $ 1,714 | $ 8,416 | $ 845,166 |
| Additions | - | 405 | 349 | - | - | - | - | 474 | 1,228 |
| Disposal | - | ( 1,509) | ( 25) | - | - | ( 6,338) | - | ( 194) | ( 8,066) |
| Proceeds from recognition in investment property | - | 111 | - | - | - | - | - | - | 111 |
| Disposal of subsidiaries | - | ( 120,261) | ( 143,175) | ( 9,348) | ( 3,030) | ( 17,853) | ( 1,714) | ( 5,111) | ( 300,492) |
| Net exchange differences | - | 4,471 | 7,921 | - | 113 | 760 | - | 17 | 13,282 |
| Equity at end of period (2022/12/31) | $ 165,719 | $ 378,110 | $ 2,237 | $ - | $ - | $ 1,561 | $ - | $ 3,602 | $ 551,229 |
| Accumulated depreciation and impairment loss | | | | | | | | | |
| Balance on January 1, 2022 | $ - | $ 212,542 | $ 112,154 | $ 7,653 | $ 2,594 | $ 23,696 | $ 1,714 | $ 4,366 | $ 364,719 |
| Depreciation Expense | - | 9,594 | 2,549 | 115 | 29 | 204 | - | 1,108 | 13,599 |
| Disposal | - | ( 1,509) | ( 21) | - | - | ( 5,704) | - | ( 194) | ( 7,428) |
| Proceeds from recognition in investment property | - | 152 | - | - | - | - | - | - | 152 |
| Disposal of subsidiaries | - | ( 91,624) | ( 119,504) | ( 7,768) | ( 2,724) | ( 17,364) | ( 1,714) | ( 3,337) | ( 244,035) |
| Net exchange differences | - | 3,381 | 7,059 | - | 101 | 729 | - | 17 | 11,287 |
| Balance on December 31, 2022 | $ - | $ 132,536 | $ 2,237 | $ - | $ - | $ 1,561 | $ - | $ 1,960 | $ 138,294 |
| Net amount on December31, 2022 | $ 165,719 | $ 245,574 | $ - | $ - | $ - | $ - | $ - | $ 1,642 | $ 412,935 |
| Cost | | | | | | | | | |
| Balance on January 1, 2023 | $ 165,719 | $ 378,110 | $ 2,237 | $ - | $ - | $ 1,561 | $ - | $ 3,602 | $ 551,229 |
| Additions | - | 443 | - | - | - | - | - | - | 443 |
| Disposal | - | ( 14,421) | ( 2,237) | - | - | ( 1,561) | - | ( 528) | ( 18,747) |
| Investment Property | ( 608) | ( 1,434) | - | - | - | - | - | - | ( 2,042) |
| Balance on December 31, 2023 | $ 165,111 | $ 362,698 | $ - | $ - | $ - | $ - | $ - | $ 3,074 | $ 530,883 |
| Accumulated Depreciation | | | | | | | | | |
| Balance on January 1, 2023 | $ - | $ 132,536 | $ 2,237 | $ - | $ - | $ 1,561 | $ - | $ 1,960 | $ 138,294 |
| Depreciation Expense | - | 7,895 | - | - | - | - | - | 1,011 | 8,906 |
| Disposal | - | ( 14,421) | ( 2,237) | - | - | ( 1,561) | - | ( 528) | ( 18,747) |
| Investment Property | - | ( 486) | - | - | - | - | - | - | ( 486) |
| Balance on December 31, 2023 | $ - | $ 125,524 | $ - | $ - | $ - | $ - | $ - | $ 2,443 | $ 127,967 |
| Net amount on December31, 2023 | $ 165,111 | $ 237,174 | $ - | $ - | $ - | $ - | $ - | $ 631 | $ 402,916 |

The net amount of recognition in investment property from property, plants, and equipment was $41,000 in 2022 due to some buildings of the consolidated company being converted for self-use.

The net amount of recognition in investment property from property, plants, and equipment was $1,556,000 in 2023 due to some buildings of the consolidated company being rented out.

The consolidated company' property, plant, and equipment were assessed in 2023, and on December 31, 2022, there was no indication of impairment.

Depreciation expenses are provided on a straight-line basis over the following useful lifespans:

| | Useful lifespans |
|---|---|
| Buildings | |
| Plant main buildings | 20 to 50 years |
| Mechanical and power equipment | 10 years |
| Fitting-out works | 3 to 10 years |

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| | Useful lifespans |
|---|---|
| Machinery Equipment | 2 to 3 years |
| R&D equipment | 2 to 6 years |
| Transportation equipment | 2 to 5 years |
| Office Equipment | 2 to 5 years |
| Other equipment | 2 to 5 years |

See Note 33 for the amount of property, plant, and equipment pledged as security for loans by the Company.

The consolidated company had no capitalization of interest in 2023 and 2022.

## XV. Leases

### (I) Right-of-use assets

| | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Carrying amount of right-of-use assets | | |
| Buildings | $ 54 | $ 190 |
| Transportation equipment | 2,777 | 2,139 |
| | $ 2,831 | $ 2,329 |

| | 2023 | 2022 |
|---|---|---|
| Additions of right-of-use assets | $ 2,661 | $ 2,888 |
| Depreciation expense of right-of-use asset | | |
| Land | $ - | $ 337 |
| Buildings | 243 | 799 |
| Transportation equipment | 1,916 | 1,763 |
| | $ 2,159 | $ 2,899 |

Except for the aforementioned depreciation expenses, the consolidated company had no significant sub-lease or impairment loss for its right-of-use assets in 2023 and 2022.

### (II) Lease liabilities

| | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Carrying amount of lease liabilities | | |
| Current | $ 1,879 | $ 1,408 |
| Non-current | $ 969 | $ 929 |

The discount rate range of the lease liabilities is as follows:

| | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Buildings | 1.83% | 0.81% |
| Transportation equipment | 0.81%～2.43% | 0.81% |

(III) Important tenant activities and terms

The consolidated company leased certain buildings and transportation equipment for retail stores and service car use for a term of one to 1～3 years.

(IV) Other leasing information

| | 2023 | 2022 |
|---|---|---|
| Short-term leasing expense | $ 226 | $ 94 |
| Low-value asset leasing expense | $ 27 | $ 30 |
| Total cash (outflow) used in leasing | ($ 2,442) | ($ 2,695) |

The consolidated company has selected to apply the exemption from recognition to income-generating leases that qualify as short-term and low-value asset leases, and does not recognize the related right-of-use assets and lease liabilities for these leases.

**XVI.** Investment property

| | Self-owned land | Building | Total |
|---|---|---|---|
| Cost | | | |
| Balance on January 1, 2022 | $ 18,557 | $ 42,450 | $ 61,007 |
| Transfer from property, plant and equipment | - | ( 111) | ( 111) |
| Equity at end of period (2022/12/31) | $ 18,557 | $ 42,339 | $ 60,896 |
| Accumulated Depreciation | | | |
| Balance on January 1, 2022 | $ - | $ 14,107 | $ 14,107 |
| Depreciation Expense | - | 886 | 886 |
| Transfer from property, plant and equipment | - | ( 152) | ( 152) |
| Equity at end of period (2022/12/31) | $ - | $ 14,841 | $ 14,841 |
| Net amount on December 31, 2022 | $ 18,557 | $ 27,498 | $ 46,055 |

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| | Self-owned land | Building | Total |
|---|---|---|---|
| Cost | | | |
| Balance on January 1, 2023 | $ 18,557 | $ 42,339 | $ 60,896 |
| Transfer from property, plant and equipment | 608 | 1,434 | 2,042 |
| Disposal | - | ( 1,674) | ( 1,674) |
| Balance on December 31, 2023 | $ 19,165 | $ 42,099 | $ 61,264 |
| Accumulated Depreciation | | | |
| Balance on January 1, 2023 | $ - | $ 14,841 | $ 14,841 |
| Depreciation Expense | - | 916 | 916 |
| Transfer from property, plant and equipment | - | 486 | 486 |
| Disposal | - | ( 1,674) | ( 1,674) |
| Balance on December 31, 2023 | $ - | $ 14,569 | $ 14,569 |
| Net amount on December31, 2023 | $ 19,165 | $ 27,530 | $ 46,695 |

Depreciation expenses of investment property buildings are provided on a straight-line basis over the useful lifespans of 3～50years:

The fair value of investment property is not evaluated by independent evaluators, but by the management of the consolidated company with reference to adjacent trading market prices, with the evaluated fair value as follows:

| | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Self-evaluation | $112,551 | $ 74,497 |

For the amount of investment property pledged as security for loans by the consolidated company, see Note 33.

**XVII.** Intangible assets

| | Computer software cost |
|---|---|
| Cost | |
| Balance on January 1, 2022 | $ 16,966 |
| Separate acquisition | 150 |
| Net exchange differences | 167 |
| Disposal of subsidiaries | ( 11,669) |
| Equity at end of period (2022/12/31) | $ 5,614 |

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| | Computer software cost |
|---|---|
| Accumulated amortization and impairment loss | |
| Balance on January 1, 2022 | $ 14,742 |
| Amortization expense | 477 |
| Net exchange differences | 154 |
| Disposal of subsidiaries | ( 9,909) |
| Equity at end of period (2022/12/31) | $ 5,464 |
| Net amount on December31, 2022 | $ 150 |
| Cost | |
| Balance on January 1, 2023 | $ 5,614 |
| Balance on December 31, 2023 | $ 5,614 |
| Accumulated amortization and impairment loss | |
| Balance on January 1, 2023 | $ 5,464 |
| Amortization expense | 150 |
| Balance on December 31, 2023 | $ 5,614 |
| Net amount on December31, 2023 | $ - |

Amortization expense is provided on a straight-line basis over the following useful lifespan:

| | Useful lifespans |
|---|---|
| Computer software cost | 2～5 Years |

**XVIII.** Borrowings

(I) Short-term borrowings

Short-term borrowings

| | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Unsecured loan | $ 700,000 | $ 890,000 |
| Secured loan | 488,000 | 500,000 |
| Loan for material purchase | 22,423 | 14,481 |
| | $1,210,423 | $1,404,481 |

The interest rates of bank loans ranged from 1.67%～7.24% and 1.45%～2.63% in 2023 and on December 31, 2022..

(II) Short-term notes and bills payable

| | December 31, 2023 |
|---|---|
| Commercial Paper Payable | $100,000 |

Unmatured short-term notes and bills payable are as follows:

December 31, 2023

| Guarantee/accepting house | Face amount | Discount amount | Carrying amount | Interest rate range | Collateral | Collateral Amount |
|---|---|---|---|---|---|---|
| Mega Bills Finance Corporation | $100,000 | $ - | $100,000 | 1.65% | — | $ - |

The commercial papers payable of the consolidated company are all short-term bills. As they are issued in a short term, the installment-recognized interest cost has no significant impact, so the difference between the market price at issue and face amount is recognized as the interest cost.

(III) The consolidated company's inventory, Self-owned land, and buildings were pledged as collateral. Please refer to Note 33 for the aforementioned secured loans.

**XIX.** Accounts payable

| | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Accounts payable | $ 91,470 | $ 37,278 |

The consolidated company's notes and accounts payable are mainly trade accounts payable for vendors.

**XX.** Other payables

| | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Payroll payable and bonus | $ 98,360 | $ 86,335 |
| Business promotion fee payable | 23,037 | 20,144 |
| Import and export and freight fees payable | 9,194 | 1,710 |
| Service charge payable | 4,703 | 3,673 |
| Advertising fee payable | 3,025 | 7,321 |
| Commission payable | 2,458 | 240 |
| Other payables | 19,667 | 18,038 |
| | $160,444 | $137,461 |

## XXI. Retirement Benefit Plans

(I) Defined contribution plan (DC)

The pension system of the Labor Pension Act (LPA), which is a defined Retirement Benefit Plans administered by the government, is applicable to Welldone Company, WELLTECH ENERGY and Life Link of the consolidated company, which contribute 6% of employees' monthly salaries to the individual accounts of the Labor Insurance Bureau.

Employees of other subsidiaries of the consolidated company in mainland China are members of the retirement benefit plan operated by the mainland Chinese Government. These subsidiaries must contribute a specific proportion of salary costs to the retirement benefit plan to provide plan funds. The consolidated company is only obliged to contribute specific funds for the retirement benefit plan operated by the mainland Chinese Government.

(II) Defined benefit plans (DB)

The pension plan of Welldone Company of the consolidated company under the Labor Standards Act in Taiwan is a government-administered defined-benefit pension plan. The employees' pension payments are based on the length of service and the average salary six months prior to the date of approved retirement. The aforementioned company contributes 2% of employees' monthly salaries to the pension fund, which is deposited in the name of the Labor Pension Fund Supervisory Committee in a special account in the Bank of Taiwan. If the balance of the special account is not sufficient to pay employees who are expected to meet the retirement requirements before the end of the following year, the difference will be withdrawn in one lump sum by the end of March of the following year. Management of the special account is entrusted to the Bureau of Labor Funds, Ministry of Labor, and the consolidated company has no right to influence the investment management strategy.

The amounts of defined benefit plan included in the consolidated financial statements are shown below:

| | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Present value of defined benefit obligation | $ 31,941 | $ 36,494 |
| Plan assets at fair value | ( 9,654) | ( 10,598) |
| Net liability of net defined benefit | $ 22,287 | $ 25,896 |

Net liability of net defined benefit (Assets) as follows:

| | Present value of defined benefit obligation | Plan assets at fair value | Net liability of net defined benefit |
|---|---|---|---|
| January 1, 2022 | $ 35,916 | ($ 9,439) | $ 26,477 |
| Service costs | | | |
| Current service costs | 889 | - | 889 |
| Interest expense (income) | 180 | ( 48) | 132 |
| Recognized in profit or loss | 1,069 | ( 48) | 1,021 |

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| | Present value of defined benefit obligation | Plan assets at fair value | Net liability of net defined benefit |
|---|---|---|---|
| Remeasurement | | | |
| Planning assets remuneration (in addition to the amount included in net interest) | $ - | ($ 740) | ($ 740) |
| Actuarial income - Changes in financial assumptions | ( 85) | - | ( 85) |
| Actuarial income - experience adjustment | ( 406) | - | ( 406) |
| Recognized in other comprehensive income | ( 491) | ( 740) | ( 1,231) |
| Employer's contribution | - | ( 371) | ( 371) |
| December 31, 2022 | $ 36,494 | ($ 10,598) | $ 25,896 |
| | | | |
| January 1, 2023 | $ 36,494 | ($ 10,598) | $ 25,896 |
| Service costs | | | |
| Current service costs | 798 | - | 798 |
| Interest expense (income) | 547 | ( 162) | 385 |
| Recognized in profit or loss | 1,345 | ( 162) | 1,183 |
| Remeasurement | | | |
| Planning assets remuneration (in addition to the amount included in net interest) | - | ( 55) | ( 55) |
| Actuarial income - Changes in financial assumptions | 349 | - | 349 |
| Actuarial income - experience adjustment | 22 | - | 22 |
| Recognized in other comprehensive income | 371 | ( 55) | 316 |
| Employer's contribution | - | ( 356) | ( 356) |
| Planning assets payment | ( 1,517) | 1,517 | - |
| Company account payment | ( 4,752) | - | ( 4,752) |
| December 31, 2023 | $ 31,941 | ($ 9,654) | $ 22,287 |

The consolidated company is exposed to the following risks as a result of the pension system of the Labor Standards Act:

1. Investment risk: The Bureau of Labor Funds, Ministry of Labor invests its labor pension funds in domestic (foreigner) equity securities, debt securities, and bank deposits through its own use and entrusted operations, but the amount of plan assets allocated to the consolidated company is based on the income at an interest rate not lower than the local bank's two-year time deposit rate.
2. Interest risk: The decrease in interest rates on government bonds will increase the current value of the defined benefit obligation, but the return on debt investment in plan assets will also increase, which will have a partially offsetting effect on the net defined benefit obligation.
3. Payroll risk: The present value of the defined benefit obligation is calculated by reference to the future salary of plan members. Therefore, an increase in plan members' salaries will increase the present value of defined benefit obligation.

The present value of the consolidated company's defined benefit obligation was actuarially determined by a

| | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Discount rate | 1.38% | 1.50% |
| Expected rate of salary increase | 3.00% | 3.00% |

The amounts that would increase (decrease) the present value of the defined benefit obligation if there were reasonably possible changes in significant actuarial assumptions, respectively, with all other assumptions held constant, are as follows:

| | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Discount rate | | |
| Increase 0.25% | ($ 692) | ($ 757) |
| Decrease 0.25% | $ 717 | $ 785 |
| Expected rate of salary increase | | |
| Increase 0.25% | $ 694 | $ 761 |
| Decrease 0.25% | ($ 674) | ($ 738) |

The sensitivity analysis above may not reflect actual changes in the present value of the defined benefit obligation because actuarial assumptions may be correlated with each other and changes in only one assumption are unlikely.

| | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Amount expected to be withdrawn within 1 year | $ 354 | $ 378 |
| Average period of defined benefit obligation expiration | 15.1 Years | 12.1 Years |

## XXII. Equity

(I) Share capital

Ordinary share

| | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Number of shares authorized (in thousands) | 150,000 | 150,000 |
| Shares authorized | $1,500,000 | $1,500,000 |
| Number of shares issued and fully paid (in thousands) | 99,670 | 89,670 |
| Shares issued | $ 996,701 | $ 896,701 |

The issued ordinary shares have a par value of $10 per share and each share is entitled to one vote and the right to receive dividends.

There are 20,110,000 convertible corporate bonds and 9,500,000 employee stock option certificates respectively in shares authorized.

On June 14, 2023, the shareholders meeting, in accordance with Article 43.6 of Securities and Exchange Act, adopted the resolution of issuing 10,000,000 ordinary shares at par value of NT$10 per share by capital increase in cash in private placement and issued the share at premium at NT$40.05 per share, and the paid-in stock after capital increase is NT$996,701,000. The above program of capital increase in cash was resolved by the Board of Directors on August 3, 2023, and August 17, 2023 was the benchmark date of capital increase.

The rights and obligations of the above privately placed ordinary shares, except that they are restricted in circulation and transfer as stipulated in Securities and Exchange Act and must be publicly issued after three years from the date of delivery before being listed, are the same as those of other issued ordinary shares.

(II) Capital surplus

| | December 31, 2023 | December 31, 2022 |
|---|---|---|
| May be used to make up losses, pay cash or capitalize (1) | | |
| Additional paid-in capital | $349,335 | $ 48,835 |
| Corporate bond conversion premium | 18,858 | 18,858 |
| Stock options of convertible corporate bond | 19,143 | 19,143 |
| Lapsed employee stock options | 2,055 | 2,055 |
| Treasury stocks transactions | 5,933 | 5,933 |
| Actual acquisition or disposal of subsidiary | 33,153 | 33,153 |

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| | December 31, 2023 | December 31, 2022 |
|---|---|---|
| May be used to make up losses | | |
| Recognition of changes in equity of investment in subsidiaries (2) | $ 35,595 | $ 32,474 |
| Gains from disposal of fixed assets | 5,242 | 5,242 |
| Cannot be used for any purpose | | |
| Employee stock options | 12 | 12 |
| | $469,326 | $165,705 |

1. Such capital surplus may be used to cover losses or, when the Company has no losses, to distribute cash or capitalize capital, provided that such capitalization is limited to a certain percentage of the paid-in capital each year.
2. Such capital surplus is the equity transaction influence number recognized in changes in equity of subsidiaries before actual acquisition or disposal of subsidiaries of Welldone Company, or the adjustment number of capital reserve of subsidiaries recognized by Welldone Company using the equity method.

(III) Retained earnings and dividend policy

In accordance with the Articles of Incorporation of Welldone Company, if there is any surplus in the annual accounts, it shall first pay taxes and cover the deficits of previous years, then set aside 10% as a legal reserve, and the rest shall be set aside or reversed to a special reserve in accordance with the law. If there is still a surplus, together with the accumulated undistributed earnings of prior years, the Board of Directors shall prepare an earnings distribution proposal, which shall be submitted to the shareholders' meeting for a resolution on distributing dividends to shareholders. The distributable dividends, bonuses, legal reserve, and capital reserve distributed in cash shall be resolved by over two-thirds of the directors present and a majority of the directors present at the board meetings, and shall be reported to the shareholders' meeting. The policies of Welldone Company on the distribution of employee and director remuneration in its Articles of Incorporation are described in Note 24 and Net Profit (7) "Employee Compensation and Director Remuneration".

Additionally, in accordance with the Articles of Incorporation, dividend polices are established based on the profit, future operations development, and shareholders' equity safeguard, etc. The dividends distributed shall not be less than 50% of the distributable earnings of the year, but shall be retained but not be distributed if the distributable EPS of the year is less than $1. Dividend distributions may be by way of stock or cash, and the amount of cash dividends shall not be less than 30% of the total dividend amount.

The legal reserve shall be set aside until the balance reaches the company's total paid-in capital and may be used to cover losses. If the company has no deficit, the excess of the legal reserve over 25% of the total paid-in capital may be distributed in cash.

As stipulated in the Articles of Incorporation of Welldone Company, when it sets aside the special reserve by using the net amount of other prior accumulated equity deductions, and the unappropriated surplus in the previous period is insufficient to set aside, the current net profit after tax plus the other items other than the net profit after tax shall be included in the current unappropriated surplus for setting aside.

The surplus distribution proposals of Welldone Company in 2022 and 2021 are as follows:

| | Earnings distribution proposal | | Dividend per share (NTD) | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| Legal reserve | $ 23,911 | $ 15,050 | $ - | $ - |
| Cash dividend | 183,246 | 139,616 | 2.1 | 1.6 |

The Board of Directors have resolved to distribute the above cash dividends respectively on March 24, 2023 and March 24, 2022, and other surplus distribution items of 2022 and 2021 have been resolved respectively at the General Shareholders' Meetings held on June 14, 2023 and June 14, 2022.

(IV) Special reserve

In its initial application of the IFRS, Welldone Company recorded the amount of retained earnings transferred from unrealized appraisal increment and cumulative translation adjustment at $53,843,000 and $41,550,000 respectively, and set aside the special reserves at the same amounts. Welldone Company disposed of WELLTECH ENERGY in August 2023, and transferred the above cumulative translation adjustment and set aside the reserved surplus at NT$41,550,000.

(V) Other equity interest

| | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Exchange differences arising on translation of foreign | $ - | ($ 5,906) |
| Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income | ( 10,402) | ( 25,582) |
| | ($ 10,402) | ($ 31,488) |

1. Exchange differences arising on translation of foreign

| | 2023 | 2022 |
|---|---|---|
| Beginning balance | ($ 5,906) | ($ 8,250) |
| Occurred in the current year | | |
| Exchange differences on foreign operations | - | 766 |
| Proceeds from disposal of partial equity of subsidiaries | - | 1,578 |
| Disposal of subsidiaries or investments | 5,906 | - |
| Ending Balance | $ - | ($ 5,906) |

2. Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income

| | 2023 | 2022 |
|---|---|---|
| Beginning balance | ($ 25,582) | ($ 16,600) |
| Occurred in the current year | | |
| Unrealized gains or losses | | |
| Equity instruments with unrealized gains or losses | 421 | ( 7,185) |
| Shares of affiliates accounted for using equity method | 14,759 | ( 1,863) |
| Transfer of accumulated gains or losses on disposal of equity instruments to retained earnings | - | 66 |
| Ending balance | ($ 10,402) | ($ 25,582) |

(VI) Treasury stocks

| Reason for repurchase | Return and allowance (Thousand) |
|---|---|
| Number of shares on January 1, 2023 | 2,410 |
| Number of shares on December 31, 2023 | 2,410 |
| | |
| Number of shares on January 1, 2022 | 2,410 |
| Number of shares on December 31, 2022 | 2,410 |

To motivate employees and improve their cohesiveness, Welldone Company repurchased 2,410,000 shares as Treasury stocks valued at $36,599,000 from November to December, 2019. As of December 31, 2022, the shares have not yet been transferred to employees.

In accordance with the requirements of the Securities and Exchange Act, Treasury stocks held by Welldone Company should not be pledged, and do not hold rights of dividend distribution or voting. Shares of Welldone Company held by subsidiaries can be treated as Treasury stocks, and hold the same general shareholders' rights except for participating in capital increase by cash and exercising voting rights in Welldone Company.

(VII) Non-controlling interests

| | 2023 | 2022 |
|---|---|---|
| Beginning balance | $ 11,747 | $238,892 |
| Profit | 5,536 | 11,878 |
| Proceeds from disposal of partial equity of subsidiaries | - | ( 251,073) |
| Changes in ownership interests to subsidiaries | 82 | 10,572 |
| Non-controlling interests arising from obtaining subsidiaries | 49,000 | - |
| Exchange differences arising on translation of foreign | - | 1,528 |
| Cash dividends distributed to subsidiaries | ( 1,554) | - |
| Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income | - | ( 50) |
| Ending Balance | $ 64,811 | $ 11,747 |

## XXIII. Income

| | 2023 | 2022 |
|---|---|---|
| Revenue from commodity sales | $1,759,570 | $2,154,196 |
| Service revenue | 501,817 | 314,598 |
| | $2,261,387 | $2,468,794 |

For analysis of main products and departmental revenue, please refer to Note 38.

## XXIV. Net profit

(I) Interest revenue

| | 2023 | 2022 |
|---|---|---|
| Bank deposit | $ 5,405 | $ 2,227 |

(II) Other income

| | 2023 | 2022 |
|---|---|---|
| Rental revenue | | |
| Investment property | $ 3,628 | $ 5,257 |
| Dividend income | | |
| Investments in equity instrument measured at fair value through profit or loss | 1,198 | 1,645 |
| Investments in equity instrument measured at fair value through other comprehensive income | - | 7,340 |
| Others | 5,838 | 3,002 |
| | $ 10,664 | $ 17,244 |

(III) Other gains and losses

| | 2023 | 2022 |
|---|---|---|
| Net profit or loss on foreign currency exchange | $ 45,353 | $ 56,547 |
| Losses on disposals of property, plant and equipment | - | ( 638) |
| Disposal of profit on financial assets measured at fair value through profit or loss | - | 262 |
| Disposal of profit or loss on valuation of financial assets measured at fair value through profit or loss | 930 | ( 29,795) |
| Disposal of partial equity interest of subsidiaries | - | 57,966 |
| Gain on disposal of investments accounted for using equity method (Loss) | 54,366 | ( 1,063) |
| Others | ( 3,888) | ( 1,159) |
| | $ 96,761 | $ 82,120 |

(IV) Finance costs

| | 2023 | 2022 |
|---|---|---|
| Interest on bank loans | $ 29,351 | $ 17,036 |
| Other interest expenses | - | 125 |
| Interest on lease liabilities | 39 | 26 |
| | $ 29,390 | $ 17,187 |

(V) Depreciation and amortization

| | 2023 | 2022 |
|---|---|---|
| Property, plant and equipment | $ 8,906 | $ 13,599 |
| Investment property | 916 | 886 |
| Right-of-use assets | 2,159 | 2,899 |
| Intangible assets | 150 | 477 |
| Long-term prepaid expense | 275 | 4,641 |
| Total | $ 12,406 | $ 22,502 |
| Summary of depreciation expense by function | | |
| Operating costs | $ - | $ 3,432 |
| Operating expenses | 11,065 | 13,066 |
| Other gains and losses | 916 | 886 |
| | $ 11,981 | $ 17,384 |
| Summary of amortization expense by function | | |
| Operating costs | $ - | $ 52 |
| Operating expenses | 425 | 5,066 |
| | $ 425 | $ 5,118 |

(VI) Employee benefit expense

| | 2023 | 2022 |
|---|---|---|
| Post-employment benefits (Note 21) | | |
| Defined contribution plan | $ 3,852 | $ 4,660 |
| Defined benefit plan | 1,183 | 1,021 |
| | 5,035 | 5,681 |
| Other employee benefits | | |
| Salary | 183,198 | 193,496 |
| Share-based payment | 9,839 | 10,387 |
| Employee premium | 5,759 | 7,237 |
| | 198,796 | 211,120 |
| Total employee benefit expenses | $203,831 | $216,801 |
| Summary by function | | |
| Operating costs | $ - | $ 10,967 |
| Operating expenses | 203,831 | 205,834 |
| | $203,831 | $216,801 |

(VII) Remuneration to employees and directors

In accordance with the Articles of Incorporation, Welldone Company provides for employee remuneration and director remuneration between 1% to 100% and at a rate of not less than 4%, of the pre-tax benefit for the year before the distribution of employee and director remuneration. The 2023 and 2022 employees and directors' remuneration were resolved by the Board of Directors on March 24, 2025 and March 24, 2023, respectively. The resolutions were as follows:

Estimated ratio

| | 2023 | 2022 |
|---|---|---|
| Remuneration to employees | 10% | 10% |
| Remuneration to directors | 4% | 4% |

Amount

| | 2023 | | 2022 | |
|---|---|---|---|---|
| | Cash | Stocks | Cash | Stocks |
| Remuneration to employees | $ 36,911 | $ - | $ 28,120 | $ - |
| Remuneration to directors | 14,764 | - | 11,248 | - |

If there is any change in the amount after the publication date of the annual consolidated financial statements, the change in accounting estimate will be adjusted and recorded the following year.

There is no difference between the actual amount of remuneration to employees and directors for fiscal years 2022 and 2021 and the amount recognized in the consolidated financial statements for fiscal years 2022 and 2021.

Please refer to the Market Observation Post System of the Taiwan Stock Exchange Corporation for information on the remuneration to employees and directors of 2023 and 2022 as resolved by the Board of Directors of Welldone Company.

## XXV. Income taxes

(I) Main components of income tax expenses recognized in profit or loss

| | 2023 | 2022 |
|---|---|---|
| Current tax expense | | |
| Current period | $ 47,351 | $ 16,598 |
| Adjustment for prior periods | 584 | ( 297) |
| | 47,935 | 16,301 |
| Deferred tax expense | | |
| Current period | 25,679 | ( 4,258) |
| Income tax expenses recognized in profit or loss | $ 73,614 | $ 12,043 |

Adjustment of accounting income and income tax expenses (benefits) was as follows:

| | 2023 | 2022 |
|---|---|---|
| Net earnings before tax | $328,267 | $261,797 |
| Income tax expenses calculated at statutory tax rate on net income before tax | $ 69,294 | $ 59,364 |
| Nondeductible expenses in determining taxable income | 32 | 6 |
| Tax-exempt income | ( 11,113) | ( 13,230) |
| Unrecognized deductible temporary differences | 14,817 | ( 33,800) |
| Income tax expenses of prior years' used for adjustments for the current year | 584 | ( 297) |
| Income tax expenses (benefits) recognized in profit or loss | $ 73,614 | $ 12,043 |

The profit-seeking business income tax rate in Taiwan is 20%. The applicable tax rate for subsidiaries in mainland China is 25%. Tax amounts in other regions are calculated at applicable local tax rates.

(II) Income tax assets and liabilities in the current period

| | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Income tax assets in the current period | | |
| Income tax refund receivable (recorded under other receivables) | $ 2,097 | $ - |
| Income tax liabilities in the current period | $ 40,890 | $ 16,532 |

(III) Deferred tax assets and liabilities

Changes in deferred tax assets and liabilities were as follows:

2023

| Deferred tax assets | Beginning balance | Recognized in profit or loss | Ending Balance |
|---|---|---|---|
| Temporary differences | | | |
| Shares of subsidiary profit or loss recognized in the equity method | $ 23,520 | ($ 23,520) | $ - |
| Impairment loss | 1,201 | - | 1,201 |
| Provision for bad debts | 785 | ( 7) | 778 |
| Loss on inventory valuation | 4,989 | ( 1,250) | 3,739 |
| Unrealized sales return | 312 | ( 80) | 232 |
| Unrealized expenses | 1,201 | ( 107) | 1,094 |

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| | Beginning balance | Recognized in profit or loss | Ending Balance |
|---|---|---|---|
| Depreciation Expense | $ 995 | $ 94 | $ 1,089 |
| Loss on valuation of financial assets measured at fair value through profit or loss | 2,776 | ( 186 ) | 2,590 |
| | $ 35,779 | ( $ 25,056 ) | $ 10,723 |
| **Deferred tax liabilities** | | | |
| Temporary differences | | | |
| Land VAT reserve | $ 11,097 | $ - | $ 11,097 |
| Unrealized costs on sales | 168 | ( 54 ) | 114 |
| Unrealized exchange gains | 80 | 677 | 757 |
| | $ 11,345 | $ 623 | $ 11,968 |

2022

| Deferred tax assets | Beginning balance | Recognized in profit or loss | Disposal of subsidiaries | Ending Balance |
|---|---|---|---|---|
| Temporary differences | | | | |
| Shares of subsidiary profit or loss recognized in the equity method | $ 42,219 | $ - | ( $ 18,699 ) | $ 23,520 |
| Impairment loss | 3,076 | - | ( 1,875 ) | 1,201 |
| Provision for bad debts | 849 | ( 64 ) | - | 785 |
| Loss on inventory valuation | 3,484 | 1,621 | ( 116 ) | 4,989 |
| Unrealized foreign exchange loss | 338 | ( 104 ) | ( 234 ) | - |
| Unrealized sales return | 104 | 208 | - | 312 |
| Unrealized expenses | 1,232 | 55 | ( 86 ) | 1,201 |
| Unrealized gross profit | 708 | - | ( 708 ) | - |
| Depreciation expense | 937 | 58 | - | 995 |
| Loss allowance | 19,753 | ( 3,282 ) | ( 16,471 ) | - |
| Provisions for liabilities | 95 | - | ( 95 ) | - |
| Loss on valuation of financial assets measured at fair value through profit or loss | - | 2,776 | - | 2,776 |
| | $ 72,795 | $ 1,268 | ( $ 38,284 ) | $ 35,779 |

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| Deferred tax liabilities | Beginning balance | Recognized in profit or loss | Disposal of subsidiaries | Ending Balance |
|---|---|---|---|---|
| Temporary differences | | | | |
| Land VAT reserve | $ 11,097 | $ - | $ - | $ 11,097 |
| Unrealized costs on sales | 56 | ( 3,070 ) | 3,182 | 168 |
| Profit on valuation of financial assets measured at fair value through profit or loss | 3,182 | - | ( 3,182 ) | - |
| Unrealized exchange gains | - | 80 | - | 80 |
| | $ 14,335 | ( $ 2,990 ) | $ - | $ 11,345 |

(IV) Income tax verification status

The cases of profit-seeking business income tax settlement declaration of Welldone Company and Life Link Co., Ltd. have been verified till 2021 by tax collection agencies. Wei Feng Technology Co., Ltd. was incorporated in June, 2023, so it has not been verified by tax collection agencies.

**XXVI.** Earnings per share

The earnings and weighted average number of common stocks that were used in the computation of earnings per share are as follows:

Profit

| | 2023 | 2022 |
|---|---|---|
| Net profit used to calculate the basic earnings per share | $249,117 | $237,876 |
| Net profit used to calculate the diluted earning per share | $249,117 | $237,876 |

Shares

Unit: 1,000 shares

| | 2023 | 2022 |
|---|---|---|
| Weighted-average number of common shares for the purpose of basic earnings per share | 90,986 | 87,260 |
| Effect of dilutive potential common stock: | | |
| Employee dividend | 841 | 942 |
| Weighted-average number of | 91,827 | 88,202 |

common shares for the purpose of diluted earnings per share

If Welldone Company has the option to pay employees in stock or cash, the calculation of diluted earnings per share assumes that employee compensation will be paid in stock and is included in the weighted-average number of common shares outstanding for the purpose of calculating diluted earnings per share when potential common shares have a dilutive effect. The dilutive effect of these potential common shares will continue to be considered in the calculation of diluted earnings per share prior to the issuance of employee compensation in the form of shares the following year.

## XXVII. Share-based payment agreement

Employee stock option plan of WELLTECH ENERGY INC.

WELLTECH ENERGY INC., with the approval of the Board of Directors, issued 876,000 shares and 1,445,000 shares of employee stock options on April 1, 2021 and July 7, 2020 respectively, and each unit was allowed to subscribe to one share of common stock. The stocks are vested to employees who meet specific requirements over the vesting period until 2025 and as of December 31, 2024, and certificate holders can exercise employee stock options vested at a specific proportion from one year from the date of issue. The exercise price of employee stock options is NT$10, and subject to adjustment in the prescribed formula in case of changes in common shares of WELLTECH ENERGY INC. after issuance of employee stock options.

Relevant information about employee stock options is as follows:

| | 2022(Note) | |
|---|---|---|
| Employ stock options | Unit (Thousand) | Weighted average exercise price ($) |
| Employ stock options outstanding at the beginning of the period | 1,422 | $ 10 |
| Employ stock options outstanding at the end of the period | 1,422 | |
| Exercisable employ stock options at the end of the period | 1,422 | |

| | |
|---|---|
| Weighted average fair value of vested employee stock options in the current period (NT$) | $ 0.0434 |

Note: Welldone Company disposed of partial stock rights of WELLTECH ENERGY INC. and lost the right of control over the latter in April, 2022.

WELLTECH ENERGY INC. used the Black-Scholes evaluation model for the employee stock options vested on April 1, 2021 and July 7, 2021, with the input values adopted as follows:

| | April 1, 2021 | July 7, 2020 |
|---|---|---|
| Stock price on the vesting date | 9.86 | 9.51 |
| Exercise price | 10.00 | 10.00 |
| Expected fluctuation rate | 38.51% | 42.45% |
| Duration | 3.75 Years | 3 Years |
| Expected dividend rate | - | - |
| Risk-free interest rate | 0.1871% | 0.2478% |

The expected fluctuation rate is based on the historical stock price volatility of Welldone Company over the past year.

Employee stock option plan of Life Link Co., Ltd. (formerly known as Taiwan Digi-Com Co., Ltd.)

Life Link Co., Ltd. with the approval of the Board of Directors, issued 600 and 500 units of employee stock options on December 20, 2021 and October 30, 2020 respectively, and each unit was allowed to subscribe to 1,000 shares of common stocks. The stocks are vested to employees of Life Link Co., Ltd. who meet specific requirements over the vesting period until 2025 and as of December 31, 2024, and certificate holders can exercise employee stock options vested at a specific proportion from one year from the date of issue. The exercise price of employee stock options is NT$14.90 and NT$13.57 respectively, and subject to adjustment in the prescribed formula in case of changes in common shares of Life Link Co., Ltd. after the issuance of employee stock options.

Relevant information about employee stock options is as follows:

| | 2023 | | 2022 | |
|---|---|---|---|---|
| Employ stock options | Unit | Weighted average exercise price (NT$) | Unit | Weighted average exercise price (NT$) |
| Employ stock options outstanding at the beginning of the period | 469 | $ 12.85 | 500 | $ 13.57 |
| Vested employ stock options in the period | - | - | 600 | 14.90 |
| Exercised employ stock options in the period | - | - | ( 631 ) | 12.85 |
| Exercise abandoned in the period | ( 469) | 12.85 | - | - |
| Employ stock options outstanding at the end of the period | - | | 469 | |
| Exercisable employ stock options at the end of the period | - | | 469 | |

As of the balance sheet date, relevant information about employee stock options outstanding was as follows:

| December 31, 2022 | |
|---|---|
| Range of exercise price (NT$) | Average remaining contractual period (year) |

| | |
|---|---|
| $ 12.85～14.90 | 2～3 |

Life Link Co., Ltd. used the Black-Scholes evaluation model for the employee stock options vested, with the input values adopted as follows:

| | January 28, 2022 | October 30, 2020 |
|---|---|---|
| Stock price on the vesting date | 13.80 | 13.75 |
| Exercise price | 11.94 | 13.57 |
| Expected fluctuation rate | 30.13～31.75% | 25.52～27.56% |
| Duration | 4 Years | 4 Years |
| Expected dividend rate | - | - |
| Risk-free interest rate | 0.46～0.49% | 0.19～0.22% |

## XXVIII. Equity transaction with non-controlling interest

Life Link Co., Ltd. (formerly known as Taiwan Digi-Com Co., Ltd.) exercised the conversion from employee stock options to common stock valued $1,505,000 and $4,805.000 respectively in January 2021 and November 2011, decreasing the shareholding of Welldone Company from 100% to 92.26% and adjusting the changes in net equity value to decrease the capital reserve by $2,467,000.

The above transactions were accounted for as equity transactions since there was no change in the control of Welldone Company over these subsidiaries.

| | 2022 |
|---|---|
| | Life Link Co., Ltd. |
| Cash consideration received | $ - |
| Amount of changes in non-controlling interest of carrying amount of subsidiaries' net assets calculated based on changes in reciprocal interest | ( 2,467) |
| Equity transaction differences | ($ 2,467) |

## XXIX. Disposal of subsidiaries

Welldone Company disposed of partial stock rights of WELLTECH ENERGY in April 2022, decreasing its shareholding from 43.62% to 36.78%. As another sole shareholder's shareholding ratio is 50.12%, Welldone Company lost its right of control over the company.

(I) Consideration received

| | 2022 |
|---|---|
| | Disposal of WELLTECH ENERGY |
| Total consideration received | $ 39,750 |

(II) Analysis on out-of-control assets and liabilities

| | 2022 |
|---|---|
| | Disposal of WELLTECH ENERGY |
| Current assets | |
| Cash and cash equivalents | $ 87,121 |
| Net accounts receivable | 210,748 |
| Other receivables | 434 |
| Current inventories | 298,444 |
| Prepayments | 11,217 |
| Other current assets, others | 8,675 |

(Continued on next page)

(Continued from previous page)

| | 2022 |
|---|---|
| | Disposal of WELLTECH ENERGY |
| Financial assets at fair value through profit or loss - current | $ 14,847 |
| Other financial assets | 68,005 |
| Non-current assets | |
| Property, plant and equipment | 56,457 |
| Right-of-use assets | 46,831 |
| Intangible assets | 1,760 |
| Deferred tax assets | 38,284 |
| Prepayments for equipment | 2,098 |
| Guarantee deposits paid | 3,000 |
| Other non-current assets | 2,777 |
| Current liabilities | |
| Short-term borrowings | ( 224,601) |
| Accounts payable | ( 141,909) |
| Other payables | ( 19,783) |
| Lease liabilities | ( 1,416) |
| Unearned receipts | ( 2,198) |
| Long-term borrowings due within one year or one operation period | ( 6,052) |
| Other current liabilities | ( 9,447) |
| Gains on disposal of net assets | $445,292 |

(III) Profit from disposal of subsidiaries

| | 2022 |
|---|---|
| | Disposal of WELLTECH ENERGY |
| Consideration received | $ 39,750 |
| Gains on disposal of net assets | ( 445,292) |
| Non-controlling interests | 251,073 |
| Net assets of subsidiaries reclassified to accumulated exchange differences of profit or loss due to loss of control over subsidiaries | 212,435 |
| Gains on disposal | $ 57,966 |

Recognized profit in 2022 included realized profit of $7,749,000 (disposal amount of $39,750,000 less the carrying amount of a disposed equity investment of $30,423,000 and accumulated exchange differences of $1,578,000), and unrealized profit $50,217,000 (fair value of 36.78% of retained equity investment minus its carrying amount).

(IV) Net cash outflow for disposal of subsidiaries

| | 2022 |
|---|---|
| | Disposal of WELLTECH ENERGY |
| Net cash outflow for disposal of subsidiaries | $ 39,750 |
| Less: balance of cash and cash equivalents for disposal | ( 87,121) |
| | ($ 47,371) |

## XXX. Capital risk management

The capital management policies of the consolidated company are established to safeguard its going-concern ability to provide its shareholders returns and other equity holders benefits as much as possible. To satisfy the aforementioned objectives, the consolidated company reviews its capital structures on a regular basis, considers the overall economic situation, current interest rates and adequacy of cash flows from operating activities, and adjusts its capital structure through paying dividends, issuing new shares or new bonds or redeeming existing bonds. The consolidated company has no regulation on other external capital.

## XXXI. Financial instruments

(I) Fair value information – financial instruments not measured at fair value

The carrying amount of the consolidated company's financial instruments not measured at fair value are financial assets measured at amortized cost, and management of the consolidated company believes that the carrying amounts of financial assets and liabilities not measured at fair value are approximate to their fair value, or their fair value cannot be measured reliably.

(II) Fair value information – financial instruments measured at fair value on a recurring basis

1. Levels of fair value

December 31, 2023

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Financial asset at fair value through profit | | | | |
| Domestic listed stocks | $ 28,646 | $ - | $ - | $ 28,646 |
| Fair value through other comprehensive income (FVOCI) | | | | |
| Investments in equity instruments | | | | |
| Domestic unlisted common shares | $ - | $ - | $ 75,515 | $ 75,515 |

December 31, 2022

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Financial asset at fair value through profit | | | | |
| Domestic listed stocks | $ 27,716 | $ - | $ - | $ 27,716 |
| Fair value through other comprehensive income (FVOCI) | | | | |
| Investments in equity instruments | | | | |
| Domestic unlisted common shares | $ - | $ - | $ 50,094 | $ 50,094 |

There were no transfers between Level 1 and Level 2 fair value measurements in fiscal years of 2023 and 2022.

2. Adjustment of financial instruments measured at Level 3 fair value

2023

| | Measured at fair value through profit or loss | | | Fair value through other comprehensive income (FVOCI) | | |
|---|---|---|---|---|---|---|
| Financial assets | Derivatives | Equity Instruments | Liability instruments | Equity Instruments | Liability instruments | Total |
| Beginning balance | $ - | $ - | $ - | $50,094 | $ - | $50,094 |
| Recognized in other comprehensive income(Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income) | - | - | - | 421 | - | 421 |
| Purchase | - | - | - | 20,200 | - | 20,200 |
| Reclassification | - | - | - | 12,000 | - | 12,000 |
| Disposal | - | - | - | ( 7,200 ) | - | ( 7,200 ) |
| Ending balance | $ - | $ - | $ - | $75,515 | $ - | $75,515 |
| Other unrealized profit or loss in the year | $ - | $ - | $ - | $ - | $ - | $ - |

2022

| | Measured at fair value through profit or loss | | | Fair value through other comprehensive income (FVOCI) | | |
|---|---|---|---|---|---|---|
| Financial assets | Derivatives | Equity Instruments | Liability instruments | Equity Instruments | Liability instruments | Total |
| Beginning balance | $ - | $ - | $ - | $37,215 | $ - | $37,215 |
| Recognized in other comprehensive income (Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income) | - | - | - | ( 7,274 ) | - | ( 7,274 ) |
| Purchase | - | - | - | 35,000 | - | 35,000 |
| Disposal of subsidiaries | - | - | - | ( 14,847 ) | - | ( 14,847 ) |
| Ending balance | $ - | $ - | $ - | $50,094 | $ - | $50,094 |
| Other unrealized profit or loss in the year | $ - | $ - | $ - | $ - | $ - | $ - |

3. Level 3 fair value valuation techniques and inputs

The fair values of domestic unlisted stocks and funds are mainly evaluated by the Net Asset Value, Cost approach and income approach.

The net asset value approach is to evaluate the fair value of net assets of privately placed stocks and funds; the asset approach is to evaluate the fair value of net assets by reference to independent experts' evaluation of net asset value measured at fair value, and the unobservable inputs used by the consolidated company in 2023 and on December 31, 2022 were the liquidity discount at 10%; the income approach calculates the present value of expected returns on investment held in the discounted cash flow way.

(III) Type of financial instruments

| | December 31, 2023 | December 31, 2022 |
| --- | --- | --- |
| Financial assets | | |
| Measured at fair value through profit or loss - measured at fair value through profit for loss on a designated basis | $ 28,646 | $ 27,716 |
| Fair value through other comprehensive income (FVOCI) — Investments in equity instruments | 75,515 | 50,094 |
| Financial assets measured at amortized cost (Note 1) | 2,876,424 | 1,863,338 |
| Financial liabilities | | |
| Measured at amortized cost (Note 2) | 2,088,389 | 1,697,343 |

Note 1: Balances include loans and accounts receivable, such as cash and cash equivalents, notes and accounts receivable, other receivables, other financial assets, and guaranteed deposits paid measured at amortized cost.

Note 2: Balances include financial liabilities measured at amortized cost, such as short-term borrowings, notes and accounts payable, other payables, guaranteed deposits received, and long-term bank loans which are due within one year or one business period.

(IV) Financial risk management objectives and policies

Major financial instruments of the consolidated company include cash and cash equivalents, Notes receivable and accounts receivable, Other receivables, Other financial assets, Guarantee deposits paid, Short-term borrowings, Short-term notes and bills payable, Accounts payable, Other payables, receipts under custody and guaranteed deposits paid. The consolidated company's financial management department provides services to each business unit, coordinates access to domestic and international financial markets, and monitors and manages the financial risks associated with the consolidated company's operations through internal risk reporting that analyzes risk exposures based on the level and breadth of risk. These risks include market risk, credit risk, and liquidity risk.

The financial management department submits reports to management of the consolidated company on an irregular basis, and management monitors risks and executes risk policies as its duty to mitigate the effects of these risks.

1. Market risks

The main financial risks to which the consolidated company is exposed as a result of its operating activities are foreign currency exchange rate risks and interest rate risks.

(1) Exchange rate risks

Several subsidiaries of the consolidated company engage in foreign currency-denominated sales and import transactions, which expose the consolidated company to exchange rate risks. For exchange rate risk management, the consolidated company regularly inspects and adjusts as required the assets and liabilities affected by exchange rates to control risks arising from foreign exchange rate fluctuations.

Sensitivity analysis

The consolidated company is primarily affected by fluctuations in the USD exchange rate.

The following table details the sensitivity analysis of the consolidated company when NTD (the functional currency) strengthens or weakens by 5% against foreign currencies concerned. 5% is the sensitivity ratio used to report exchange rate risks to central management, and also represents the evaluation of the reasonable and possible range of changes in foreign exchange rates by management.

The sensitivity analysis includes only foreign currency items outstanding and adjusts the ending conversion at the exchange rate change by 5%. The range of sensitivity analysis includes the valuation not in the functional currency of the creditor or lender. A positive number in the table below represents the amount by which pre-tax income would increase if the NTD weakened by 5% relative to related foreign currencies; a negative number of the same amount would affect pre-tax income if the NTD strengthened by 5% relative to related foreign currencies.

| Influences from USD | |
|---|---|
| 2023 | 2022 |
| $ 32,003 (i) | $ 16,742 (i) |

(i) This was mainly due to the consolidated company's cash and cash equivalents denominated in USD, financial receivables, payables, and short-term borrowings outstanding as of the balance sheet date.

Management does not believe that the sensitivity analysis can represent inherent risks of exchange rates as the foreign currency risk exposure as of the balance sheet date does not reflect risk exposure during the year, and central management managed exchange rate risks based on the policies of the consolidated company.

(2) Interest rate risks

The consolidated company is exposed to the risk of interest rate changes due to its bank deposits and loans at floating interest rates. The consolidated company mitigates interest rate risks by maintaining an appropriate floating interest rate, and has not yet operated any instruments to hedge interest rate risks. Management of the consolidated company monitors interest rate risks regularly, and, as needed, takes necessary measures against significant interest rate risks to respond to risks arising from market interest rate changes.

Sensitivity analysis

The following sensitivity analysis is based on the exposure to the interest rate risk of non-derivative financial instruments as of the closing date of the financial reporting period.

The consolidated company reports reasonable risk evaluations of interest rate changes to management by strengthening or weakening by 5%. If other conditions remain unchanged and the capitalization of interest is not considered, the increase / decrease of the interest rate by 5% results in the decrease /increase profit of the consolidated company by $1,468,000 and $846,000 respectively in 2023 and 2022.

2. Credit risks

Credit risk refers to the risk of financial loss of the consolidated company resulting from the default of the counter-parties to the contracts. As of the balance sheet date, the consolidated company's maximum exposure to credit risk (without regard to collateral or other credit enhancement instruments, and irrevocable maximum exposure), which may result from counter-parties' default on their obligations and the consolidated company's provision of financial guarantees, is mainly due to:

(1) The carrying amount of financial assets recognized in the consolidated balance sheets.

(2) The amount that the consolidated company may be required to pay as a result of providing financial guarantees, regardless of the likelihood of occurrence.

The consolidated company's accounts receivable are from several enterprise customers which are non-related with each other, and it adopts the policy of trading with creditworthy objects to maintain the quality of accounts receivable, and evaluates financial positions and historical transactions on an ongoing basis. Therefore, the credit risks from expected accounts receivable are limited.

The maximum credit risk amount is the net amount of carrying amount of financial assets net the prescribed offset amount and recognized impairment loss (i.e., carrying amount of financial assets) regardless of collateral and other credit enhancement policies.

3. Liquidity risks

The consolidated company manages and maintains sufficient cash and cash equivalents to support operations of the group and mitigate the impact of cash flow fluctuations. The consolidated company's management monitors the use of banking facilities and ensures compliance with the terms of borrowing contracts.

Bank loans are important liquidity sources for the consolidated company. As of 2023 and December 31, 2022, the banking facilities the consolidated company has not yet used are available in the Explanation section in the following (2) Banking Facilities.

(1) Liquidity and interest rate risk of non-derivative financial liabilities

The analysis of the remaining contractual maturities of non-derivative financial liabilities is prepared based on undiscounted cash flows (including principal and estimated interest) of financial liabilities based on the earliest possible date on which the consolidated company could be required to make repayment. Accordingly, the consolidated company's bank loans that are repayable on demand are listed in the table below at the earliest possible date, regardless of the probability that the bank will immediately enforce the right; the maturity analysis of other non-derivative financial liabilities is prepared based on the contractual repayment dates.

The undiscounted interest amount of interest cash flows paid at floating interest rates is derived from the curve of the yield rate as of the balance sheet date.

| | December 31, 2023 | | | | |
|---|---|---|---|---|---|
| | Weighted average effective interest rate (%) | Within 1 year | 1 to 5 years | Over 5 years | Total |
| Non-interest-bearing liabilities | | | | | |
| Notes and accounts payable | - | $ 91,470 | $ - | $ - | $ 91,470 |
| Other payables | - | 160,444 | - | - | 160,444 |
| Lease liabilities | - | 1,879 | 969 | - | 2,848 |
| Other current liabilities | - | 526,275 | - | - | 526,275 |
| Interest-bearing liabilities | | | | | |
| Short-term borrowings | 1.67%~7.24% | 1,210,423 | - | - | 1,210,423 |
| Short-term notes and bills payable | 1.65% | 100,000 | - | - | 100,000 |
| | | $ 2,090,491 | $ 969 | $ - | $ 2,091,460 |

| | December 31, 2022 | | | | |
|---|---|---|---|---|---|
| | Weighted average effective interest rate (%) | Within 1 year | 1 to 5 years | Over 5 years | Total |
| Non-interest-bearing liabilities | | | | | |
| Notes and accounts payable | - | $ 37,278 | $ - | $ - | $ 37,278 |
| Other payables | - | 137,461 | - | - | 137,461 |
| Lease liabilities | - | 1,408 | 929 | - | 2,337 |
| Other current liabilities | - | 121,284 | - | - | 121,284 |
| Interest-bearing liabilities | | | | | |
| Short-term borrowings | 1.45%~2.63% | 1,404,481 | - | - | 1,404,481 |
| | | $ 1,701,912 | $ 929 | $ - | $ 1,702,841 |

(2) Banking facilities

| | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Bank loans | | |
| Unused amount | $2,466,577 | $1,022,519 |

## XXXII. Transactions with related parties

Transactions, balances, profit and loss between Welldone Company and its subsidiaries (related parties of the consolidated company) have been all written off at the time of consolidation, so they are not disclosed in the Note. Transactions between the consolidated company and other related parties are as follows:

(I) Name of related parties and relationship

| Related party | Relationship with the company |
|---|---|
| WELLTECH ENERGY INC. | Subsidiary (changed into an association since April, 2022, and changed into a non-related party since August, 2023) |

(II) Operating transactions

| Category of related party | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Other receivables | | |
| Associates | $ - | $ 222 |

(III) Other transactions with related party

1. Rental revenue

| Category of related party | 2023 | 2022 |
|---|---|---|
| Associates | | |

| | | |
|---|---|---|
| WELLTECH ENERGY INC. | $ - | $ 1,072 |

Rentals of the aforementioned lease income with related parties were determined based on market prices of neighboring regions, and had no significant abnormalities.

2. Other income (recorded in other income - others)

| Category of related party | 2023 | 2022 |
|---|---|---|
| Associates | | |
| WELLTECH ENERGY INC. | $ - | $ 434 |

It was the management service income from the company's partial management services and counseling services and handling fee to associates.

(IV) Compensation of key management personnel

| | 2023 | 2022 |
|---|---|---|
| Short-term employee benefits | $ 58,904 | $ 63,876 |
| Post-employment benefits | 671 | 667 |
| | $ 59,575 | $ 64,543 |

The remuneration of directors and other key management personnel is determined by the Remuneration Committee based on individual performance and market trends.

## XXXIII. Assets pledged as collateral or for security

The following assets were pledged or mortgaged as collateral for financing loans:

| | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Pledged bank deposits | $ 26,389 | $ 10,988 |
| Contra account | 16,394 | 16,313 |
| Self-owned land | 165,111 | 165,719 |
| Buildings | 237,174 | 245,574 |
| Investment property | 46,695 | 46,055 |
| | $491,763 | $484,649 |

## XXXIV. Significant or contingent liabilities and unrecognized commitments

(I) As of 2023 and December 31, 2022, the unused established letters of credit for the consolidated company were as follows, respectively:

| | December 31, 2023 | December 31, 2022 |
|---|---|---|
| USD | $ 157 | $ 80 |

(II) As of 2022 and December 31, 2021, the letters of guarantee issued for the consolidated company were as follows, respectively:

| | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Lease guarantee | $ - | $ 739 |
| Guarantee note for short-term borrowings | 100,000 | 100,000 |
| Sales performance guarantee | - | 100 |
| Performance guarantee of small amount remittance for foreign migrant workers | 125,000 | 50,000 |

## XXXV. Other matters

The working capital for micro exchange service for foreign workers operated by Welldone Company beyond the financial regulatory sandbox on December 31, 2023 was as follows:

| | December 31, 2023 |
|---|---|
| Assets | |
| Other financial assets - current | $1,772,006 |
| Other receivables | 510,808 |
| | $2,282,814 |
| | |
| Liabilities | |
| Short-Term Borrowings | $ 418,000 |
| Short-Term Borrowings | 6,514 |
| Estimated Expenses Payable | 213 |
| Receipts Under Custody | 524,766 |
| Temporary Receipts | 206 |
| Inter-Department Debits | 199,601 |
| | $1,149,300 |
| | |
| Equity | |
| Working Capital | $ 751,994 |
| Unappropriated retained earnings | 381,520 |
| | $1,133,514 |

The working capital of the year increased from NT$351,494,000 to NT$751,994,000, and was the stock capital of privately placed ordinary shares of Welldone Company, please refer to Annex 22, and the remaining is used for migrant worker remittance.

## XXXVI. Significant assets and liabilities denominated in foreign currencies

The following information was aggregated by the foreign currencies other than the functional currencies of each company of the consolidated company and the exchange rates between such foreign currencies and the functional currencies were disclosed. The significant assets and liabilities denominated in foreign currencies were as follows:

Unit: in thousands of foreign currencies

December 31, 2023

| | Foreign currency | Functional currency | Exchange rate (Note) | Carrying amount |
|---|---|---|---|---|
| Financial assets | | | | |
| Monetary items | | | | |
| USD | $ 38,924 | NTD | 30.71 | $ 1,195,356 |
| Financial liabilities | | | | |
| Monetary items | | | | |
| USD | $ 18,082 | NTD | 30.71 | $ 555,298 |

December 31, 2022

| | Foreign currency | Functional currency | Exchange rate (Note) | Carrying amount |
|---|---|---|---|---|
| Financial assets | | | | |
| Monetary items | | | | |
| USD | $ 15,183 | NTD | 30.71 | $ 466,270 |
| Financial liabilities | | | | |
| Monetary items | | | | |
| USD | $ 4,280 | NTD | 30.71 | $ 131,439 |

Note: The exchange rate is the closing rate of NTD against foreign currencies per unit.

The foreign currency exchange profit of the consolidated company in 2023 was $45,353,000 (including realized exchange profit of $42,063,000 and unrealized exchange profit of $10,961,000); the foreign currency exchange loss was $56,547,000 in 2022 (including realized exchange loss of $45,586,000 and unrealized exchange loss of $10,961,000); due to a great variety of foreign currency transactions and functional currencies within the group, it is impossible to disclose exchange gains or losses by foreign currency with significant effect.

## XXXVII. Matters disclosed in the notes

(I) Information about significant transactions and

(II) Reinvestment:

1. Lending to other parties. (Table 1)
2. Guarantees and endorsements for other parties. (None)
3. Information regarding securities held at balance sheet date (excluding

investment in subsidiaries, associates and joint ventures). (Table 2)

4. Individual securities acquired or disposed of with accumulated amount exceeding the lower of NTD 300 million or 20% of the Company's paid-in capital. (None)
5. Acquisition of individual real estate with amount exceeding the lower of NTD 300 million or 20% of the Company's issued capital. (None)
6. Disposal of individual real estate with amount exceeding the lower of NTD 300 million or 20% of the Company's issued capital. (None)
7. Related party transactions for purchases and sales with amounts exceeding the lower of NTD 100 million or 20% of the capital stock. (Table 3)
8. Receivables from related parties with amount exceeding the lower of NTD 100 million or 20% of the Company's paid-in capital. (None)
9. Derivative instruments transactions. (None)
10. Others: business relationships between the parent company and its subsidiaries and among the subsidiaries, and important transactions and amounts. (Table 4)
11. Information on investees. (Table 5)

(III) Information about investments in Mainland China:

1. Names of investee companies in Mainland China, their principal business items, paid-in capital, methods of investment, inward and outward remittance of funds, shareholding ratios, profit or loss on investments, carrying amounts of investments at the end of the period, repatriated profit or loss on investments, and sizes of investment in Mainland China areas. (None)
2. Any of the following significant transactions with investee companies in Mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: (None)
   (1) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
   (2) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
   (3) The amount of property transactions and the amount of the resultant gains or losses.
   (4) The balance of endorsements or pledges of collateral at the end of the period and their purposes.
   (5) The highest balance, ending balance, interest rate range, and gross interest in the current period with respect to financing of funds.
   (6) Other transactions that have significant effects on the profit or loss for the current period or on the financial position, such as the rendering or receipt of service, etc.

(IV) Information about major shareholders: names of shareholders with at least 5% ownership, and amounts and percentage of shared held by them. (Table6)

## XXXVIII. Departmental information

Information provided to main operation decision makers for resource allocation or departmental performance assessment highlights types of products or service delivered or provided. The reportable departments of the consolidated company are as follows:

Communication Service Department - sales of mobile phone prepaid SIM cards, trading of Internet game point cards, foreign worker remittance, etc.

Other electronic component departments - manufacture and wholesales of batteries and electronic parts.

IC and other access departments - Manufacture and wholesale of batteries and electronic components.

(I) Departmental revenue and operating results

The revenue and operating results of going-concern units of the consolidated company are analyzed by reportable department as follows:

| | Department revenue | | Department profit or loss | |
|---|---|---|---|---|
| | Department Settlement date | | Department Profit or loss | |
| | 2023 | 2022 | 2023 | 2022 |
| Communication Service Department | $ 1,734,020 | $ 1,462,731 | $ 191,457 | $ 99,598 |
| Other electronic component departments | - | 242,861 | - | 7,749 |
| IC and other access departments | 527,367 | 763,202 | 37,484 | 53,074 |
| Total of going-concern units | $ 2,261,387 | $ 2,468,794 | 228,941 | 160,421 |
| Interest revenue | | | 5,405 | 2,227 |
| Dividend income | | | 1,198 | 8,985 |
| Investment interests recognized using the equity method | | | 21,464 | 24,072 |
| Losses on disposals of property, plant and equipment | | | - | ( 638) |
| Exchange profit or loss | | | 45,353 | 56,547 |
| Profits from disposal of partial stock rights of subsidiaries | | | - | 57,966 |
| Gain on disposal of investments accounted for using equity method (Loss) | | | 54,366 | ( 1,063) |
| Profits from disposal of financial assets | | | - | 262 |
| (Loss) income from evaluation of financial assets. | | | 930 | ( 29,795) |
| Finance costs | | | ( 29,390) | ( 17,187) |
| Net earnings before tax | | | $ 328,267 | $ 261,797 |

The revenue reported above were generated from transactions with external customers. There were no interdepartmental sales in 2023 and 2022.

Departmental revenue refers to the profits earned by departments, excluding Interest revenue, Dividend income, Investment income accounted for using equity method, Losses on disposals of property, plant and equipment, Foreign exchange net gain or loss, Profits from disposal of partial stock rights of subsidiaries, Gain on disposal of investments accounted for using equity method (Loss), Disposal of profit on financial assets measured at fair value through profit or loss, Losses on financial assets (liabilities), Finance costs and income tax expenses. The measurement amounts are provided to main operation decision makers for resource allocation to departments and assessment of department performance.

(II) Departmental assets

| | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Departmental assets | | |
| Communication Service Department | $3,315,571 | $2,687,384 |
| IC and other access departments | 688,916 | 365,081 |
| Total departmental assets | $4,004,487 | $3,052,465 |

For the purposes of monitoring departmental performance and allocating resources to departments, all the assets excluding financial assets, pension assets, and current and deferred tax assets should be apportioned to the reportable departments.

(III) Information by region

The details of non-current assets (excluding financial instruments, investments accounted for using the equity method, guaranteed deposits paid, deferred tax assets, and assets under the retirement method) of the consolidated company in a single foreign country as of 2023 and December 31, 2022 and the details of its income from a single foreign country in 2023 and 2022:

| | Income from external customers | | Non-current assets | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 December 31 | 2022 December 31 |
| Taiwan | $ 2,261,255 | $ 2,336,478 | $ 452,955 | $ 461,545 |
| Asia | 132 | 132,316 | - | - |
| | $ 2,261,387 | $ 2,468,794 | $ 452,955 | $ 461,545 |

(IV) Information about key accounts

Details of the consolidated company's customers who contributed to over 10% of the income to the income statements in 2023 and 2022 were as follows:

| | 2023 | | 2022 | |
|---|---|---|---|---|
| | Sales Amount | % | Sales Amount | % |
| Customer X of Communication Service Department | $463,404 | 20 | $390,049 | 16 |

## Table 1 Financings Provided to Others:

Unit: NT$ Thousands

| No. | Lender | Borrower | Account Title | Related parties | Highest Balance for the Period (Note 3) | Ending balance (Note 4) | Actual borrowing amount | Interest rate range (%) | Nature of fund | Business transaction amount | Reason for Short-term Financing | Allowance for Impairment Loss | Collateral | | Financing Limit for Each Borrower | Aggregate Financing Limit |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | | | Item | Value | | |
| 0 | Welldone Company | Wei Feng Technology Co., Ltd. | Other receivables due from related parties | Yes | $ 100,000 | $ 100,000 | $ 100,000 | 2.56% | Short-term financing capital | $ - | Assist subsidiaries in operation | $ - | — | $ - | $ 188,667 (Note 1) | $ 377,334 (Note 2) |

Note 1: For short-term financings, the financing limit to each borrower is 10% of net value of Welldone Company = Net value on December 31, 2023 $1,886,669 thousand × 10% = NT$188,667 thousand.

Note 2: For short-term financings, the aggregate financing limit is 20% of net value of Welldone Company = Net value on December 31, 2023 $1,886,669 thousand × 20% = NT$ 377,334 thousand.

Note 3: The highest balance of loaning of funds.

Note 4: A public company shall still record the amount resolved by the Board of Directors in the balance of announcement to disclose the risks if it proposes loaning of funds to the Board of Directors for resolution in writing in accordance with Article 14-1 of Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, even though the fund has not yet been allocated; only when the funds are repaid later, the balance after repayment shall be disclosed to reflect risk adjustment. If it authorizes the chairman with a certain amount and fractional disbursement on loan or circulating utilization within one year resolved by the Board of Directors in accordance with 14-2 of Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, the public company shall still announce the balance based on the amount of loaning of funds approved by the Board of Directors; though the funds are paid later, the possibility of repeated disbursement is considered, so the public company shall still announce the balance based on the amount of loaning of funds approved by the Board of Directors.

Table 2　Marketable securities held at the end of the period:

Unit: NT$ Thousands

| Name of holder | Category and name of security | Relationship with the Company | Account Title | Ending balance | | | | Note |
|---|---|---|---|---|---|---|---|---|
| | | | | Number of shares | Book value | Percentage of shares | Market value | |
| | Shares—Ordinary share | | | | | | | |
| Welldone Company | EZSWAP NETWORKS TECHNOLOGY CO., LTD. | None | Fair value through other comprehensive income (FVOCI)—Non-Current | 2,300,000 | $ - | 13,53 | $ - | |
| Welldone Company | Bailey Biofund (Former: Grand Fortune Venture Capital Corporation) | 〃 | 〃 | 2,000,000 | 19,092 | 1.00 | 19,092 | |
| Welldone Company | Hydroionic Technologies Co., Ltd. | 〃 | 〃 | 500,000 | - | 1.21 | - | |
| Welldone Company | RED SUNRISE CO., LTD. | 〃 | 〃 | 1,200,000 | 31,320 | 8.60 | 31,320 | |
| Welldone Company | Grand Fortune Capital Co., Ltd. | 〃 | 〃 | 21,000,000 | 25,103 | 3.00 | 25,103 | |
| | | | | | $ 75,515 | | $ 75,515 | |
| Welldone Company | PharmaEngine Inc | 〃 | Financial assets at fair value through profit or loss - Current | 10,000 | $ 1,055 | - | $ 1,055 | |
| Welldone Company | TAIWAN FERTILIZER CO., LTD. | 〃 | 〃 | 5,000 | 338 | 0.01 | 338 | |
| Welldone Company | Solid Year Co., Ltd. | 〃 | 〃 | 18,000 | 730 | - | 730 | |
| Welldone Company | Ritdisplay Corporation | 〃 | 〃 | 710,000 | 24,850 | 0.03 | 24,850 | |
| Welldone Company | NAK Sealing Technologies Corporation. | 〃 | 〃 | 2,000 | 269 | 0.95 | 269 | |
| Welldone Company | G-SHANK ENTERPRISE CO., LTD. | 〃 | 〃 | 5,000 | 361 | - | 361 | |
| Welldone Company | WAH LEE INDUSTRIAL CORP. | 〃 | 〃 | 3,060 | 302 | - | 302 | |
| Welldone Company | Thermaltake Technology Co., Ltd. | 〃 | 〃 | 5,498 | 246 | 0.01 | 246 | |
| Welldone Company | WALSIN LIHWA CORPORATION | 〃 | 〃 | 2,000 | 77 | - | 77 | |
| Welldone Company | INPAQ TECHNOLOGY CO., LTD. | 〃 | 〃 | 5,000 | 418 | - | 418 | |
| | | | | | $ 28,646 | | $ 28,646 | |

## Table3 Marketable Securities Acquired and Disposed of At Costs or Prices of At Least NT$300 million or 20% of the Share Capital

Unit: in thousands of New Taiwan Dollars

| Company Name | Marketable Securities Type and Name (Note 1) | Account Title | Counterparty | Relationship | Beginning Balance | | Acquisition (Note 2) | | Disposal (Note 2) | | | | Ending Balance | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Shares/Units (In Thousands) | Amount | Shares/Units (In Thousands) | Amount | Shares/Units (In Thousands) | Amount | Carrying Value (Foreign Currencies in Thousands) (Note 3) | Gain/Loss on Disposal | Shares/Units (In Thousands) | Amount |
| Welldone Compa | Non-TWSE-listed or TPEx-listed stock<br>WELLTECH ENERGY INC. | Investments accounted for using equity method | RITWIN CORPORATION<br>Ding Sheng Investment Limited<br>Dejie Investment Co., Ltd.<br>KGI Venture Capital Co. Ltd. | — | 11,627 | $179,969 | - | $ - | 11,627 | $255,792 | $201,426 | $ 54,366 | - | $ - |

Note 1: The marketable securities in the Table refer to stocks, bonds, beneficiary certificate and other marketable securities derived from the above items.

Note 2: The cumulative amounts of acquisition and disposal shall be separately calculated to be up to NT$300,000,000 or at 20% of the paid-in capital.

Note 3: The carrying value is the carrying value for disposal of investments accounted for using equity method on the disposal date .

Note 4: The paid-in capital is the paid-in capital of the parent company. Where there is no carrying value of a stock or the carrying value per share is not NT$10, the transaction amount of 20% of paid-in capital shall be at10% of the equity attributable to owners of parent company as shown on the balance sheet.

Table 4 Business relationships and important transactions between the parent company and its subsidiaries:

Unit: NT$ Thousands

| No. (Note 1) | Trader | Trading partner | Relationship with trader (Note 2) | Transaction details | | | |
|---|---|---|---|---|---|---|---|
| | | | | Account Title | Amount | Terms of transaction | Ratio to consolidated total revenue or total assets (Note 3) |
| 0 | Welldone Company | Wei Feng Technology Co., Ltd. | 1 | Other receivables | $ 100,217 | Periodical settlement or credit-debt offset | 2% |
| 1 | Wei Feng Technology Co., Ltd. | Welldone Company | 2 | Other payables | 100,217 | Periodical settlement or credit-debt offset | 2% |
| 0 | Welldone Company | Wei Feng Technology Co., Ltd. | 1 | Interest revenue | 982 | Homogenous in nature, and no related party available for comparison | 0% |
| 1 | Wei Feng Technology Co., Ltd. | Welldone Company | 2 | Finance costs | 982 | Homogenous in nature, and no related party available for comparison | 0% |

Note 1: Transaction information between the parent company and subsidiaries shall be indicated on the numbering field with the number filling method below:
1. The parent company is numbered 0.
2. Subsidiaries are numbered from Arabic numeral 1 by company.

Note 2: There are three relationships with counter-party, and it is OK to just mark the category:
1. From parent company to subsidiary.
2. From subsidiary to parent company.
3. Between subsidiaries.

Note 3: The ratio of transaction amount to consolidated total revenue or total assets is calculated in the way of ending balance in the consolidated total assets if it is an asset liability, and in the way of interim accumulated amount in the consolidated total revenue if t is an item of profit or loss.

## Table 5 Information about names of reinvested companies and their regions:

Unit: NT$ Thousands

| Investor | Investee | Location | Major operations | Original Investment Amount | | Balance as of | | | Net Income (Loss) of the Investee | Share of Profit (Loss) | Note |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | At the end of the current period | At the end of the previous period | Shares | Rate(%) | Carrying amount | | | |
| Welldone Company | WELLTECH ENERGY INC. | Taiwan | Manufacture and wholesale of batteries and electronic components | $ - | $ 163,440 | - | - | $ - | $ 51,880 | $ 15,551 | |
| | TD HITECH ENERGY INC. | Taiwan | Manufacture and wholesale of batteries and electronic components | 145,253 | 145,253 | 9,857,417 | 22.78 | 146,283 | 25,956 | 5,913 | |
| | Life Link Co., Ltd. (Former: Taiwan Digi-Com Co., Ltd.) | Taiwan | Telecom Apparatuss, Retail and wholesale of food and cosmetics | 40,333 | 40,333 | 9,672,860 | 92.26 | 136,132 | 12,451 | 11,552 | Subsidiaries |
| | Wei Feng Technology Co., Ltd. | Taiwan | Wholesale of Electronic Materials | 51,000 | - | 5,100,000 | 51.00 | 55,571 | 8,964 | 4,571 | Subsidiaries |

Table 6 Major Shareholders:

| Shareholder's Name | Shareholding | |
|---|---|---|
| | Shares | Percentage |
| Acer Incorporated | 10,000,000 | 10.03% |
| Xinlai Investment Co., Ltd. (Representative: Yu, Hui-Chin) | 8,967,000 | 9.00% |
| Chen, Alexander | 6,000,000 | 6.02% |
| Yu, Hui-Chin | 5,255,000 | 5.27% |

Note 1: The information on major shareholders in the Table is based on the last business day of the quarter in which the shareholders held 5% or more of the company's total common and preferred stocks that have been delivered (including treasury stock) without physical registration. The share capital in the consolidated financial statements of the consolidated company may differ from the actual number of shares delivered without physical registration due to differences in the basis of computation.