Stock Code: 1805

Better Life Group Co., Ltd.

Parent Company Only Financial Statements and Independent Auditors' Report

For the Years Ended December 31, 2021 and 2020

Address: 4F, No. 303, Xinhu 1st Road, Neihu District, Taipei City
Tel.: (02)2791-5688

Table of Contents

Independent Auditors' Report

To Better Life Group Co., Ltd.,

Audit opinion

We have audited the accompanying financial statements of Better Life Group Co., LTD., which comprise the balance sheet as of December 31, 2021 and 2020, and the Statements of Comprehensive Income, the statement of changes in equity and the statement of cash flows from January 1, 2021 to December 31, 2021 and from January 1, 2020 to December 31, 2020, as well as the 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 financial position of the Better Life Group Co., LTD. as of December 31, 2021 and 2020 and for the years then ended, and its financial performance and cash flows for the years then ended in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for the audit opinion

We conducted our audits in accordance with the Regulations Governing the Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. We explain further our responsibility under the standards in the section concerning the auditor's responsibility in the audit of parent company only financial statements. The personnel in our firm, subject to independence requirements, maintains independence from Better Life Group Co., LTD. and fulfills other responsibilities in accordance with the Norm of Professional Ethics for Certified Public Accountant and under the norms. We are convinced that we have acquired enough and appropriate audit evidence to serve as the basis of audit opinion.

Key audit matters

Key audit matters are the matters of most significance based on our professional judgement and audits of parent company only financial statements for 2021. These matters have been dealt with in the audit of the parent company only financial statements as a whole and during the process of forming the audit opinion. Hence, we do not issue opinions separately on such matters. Key audit matters of the parent company only financial statements of the Company are stated as follows:

I. Revenue recognition

Please refer to Note 4 (15) to the parent company only financial statements regarding the accounting policy of revenue recognition. Please refer to Note 6 (18) for the detailed breakdown of contract revenue.

Description:

The primary operating revenue for Better Life Group Co., LTD. in 2021 were from the sale of real estate. The risk of material misstatement lies in the truthfulness of revenue. As operating revenue are concerned with the operating performance of management, it is possible that management seeks to achieve expected net profits with early or deferred operating revenue recognition and causes material misstatement of operating revenue. Hence, the testing of revenue recognition was one of the significant assessments for our audits of Better Life Group Co., LTD.'s financial statements.

Audit procedures

The audit procedures we have implemented for the specific aspects described in the abovementioned key audit matters include:

- Performed a control test on sales and payment collection cycles to evaluate how the control prevents and detects errors and fraud in revenue recognition;
- Performed a cut-off test on revenue from the sale of property to assess whether the revenue in the preceding paragraph is recognized in an appropriate period.
- Substantive tests on revenue recognition by sampling and cross referencing the documents in relation to real estate sale contracts and property ownership registrations and by inspecting the sale system data and general ledger entries, in order to assess whether Better Life Group Co., LTD. recognized revenue according to relevant standards and regulations.

II. Inventory valuation

Please refer to Note 4 (7) to the parent company only financial statements for the accounting policy of inventory valuation. Please refer to Note 5 to the parent company only financial statements for the uncertainties in relation to the accounting estimates and assumptions of inventory valuation and to Note 6 (4) to the parent company only financial statements for inventory details.

Description:

Inventory is an important operating asset for Better Life Group Co., LTD. It accounted for approximately 58% of the total assets. Inventory valuation is based on International Financial Reporting Standards No. 2. The net realizable value of Better Life Group Co., LTD.'s inventory is based on future selling prices and construction costs estimated by management and subject to the influence of the political and economic environments. Inappropriate estimates of the net realizable value will result in a misstatement of financial reports. Hence, the testing of inventory valuation was one of the significant assessments for our audits of Better Life Group Co.,LTD.'s financial statements.

Audit procedures:

Our main inspection procedures on the above key audit matter include the acquisition of Better Life Group Co., LTD.'s data for estimates of the net realizable value of inventory, sampling of such data to check against the contracts sold, reference to the Ministry of Interior's most recently published actual transaction prices of real estate or the transaction prices in the same proximity so as to evaluate the next realizable value of properties available for sale. To assess whether the net realizable value of buildings under construction is reasonable, we sampled and inspected the return-on-investment analysis by the Company, compared the return-on-investment data and market prices and, where necessary, obtained the appraisal reports.

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

The responsibilities of the management are to prepare the parent company only financial statements with fair presentation in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and to maintain necessary internal control associated with the preparation in order to ensure that the financial statements are free from material misstatement arising from fraud or error.

When preparing the parent company only financial statements, management is also responsible for the assessment of Better Life Group Co., LTD.'s ability to continue as a going concern, disclosure of relevant matters and the adoption of the going concern basis of accounting unless management either intends to liquidate Better Life Group Co., LTD. or cease operations or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee) in Better Life Group Co., LTD. are responsible for overseeing the financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted will always detect a material misstatement when it exists. Untruthful expressions might have been caused by frauds or errors. Misstatements individually or in aggregate are considered material, if they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

We have utilized our professional judgment and maintained professional doubt when performing the audit work in accordance with the auditing standards generally accepted in the Republic of China. We also performed the following tasks:

1. Identify and assess the risks of material misstatement of the parent company only financial statements 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. Fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Therefore, the risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error.
2. Obtain a necessary understanding of internal control relevant to the audit in order to design audit procedures appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Better Life Group Co., LTD.'s internal control.
3. Evaluated the adequacy of accounting policies adopted by the management and the reasonability of accounting estimates and related disclosures made.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Better Life Group Co., LTD.'s ability to continue as a going concern. If we conclude that a material uncertainty exists with such events or conditions, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inappropriate, to modify our opinion. Conclusions made by the CPAs are based on the audit findings obtained as of the date of audit report. However, future events or conditions may render Better Life Group Co., LTD. unable to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the notes, and whether the parent company only financial statements fairly represent the underlying transactions and events.
6. Obtained sufficient and appropriate audit evidence concerning the financial information of investees using the equity method, to express an opinion on the parent company only financial statements. We were responsible for guiding, supervising, and performing the audit and forming an audit opinion about Better Life Group Co., LTD.

The matters communicated between us and the governing bodies included the planned scope and times of the audit and material audit findings (including any material defects in internal control identified during the audit).

We also provided the governing bodies with a declaration that we have complied with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China regarding independence and communicated with them all relations and other matters that may possibly be regarded as detrimental to our independence (including relevant protective measures).

We determined the key audit matters for Better Life Group Co., LTD.'s 2021 parent company only financial statements based on our communication with those charged with governance. We have clearly indicated such matters in the auditors' report. unless legal regulations prohibit the public disclosure of specific matters, or in extremely rare cases, where we decided not to communicate over specific items in the auditors' report for it could be reasonably anticipated that the negative effects of such disclosure would be greater than the public interest it brings forth.

KPMG Taiwan

CPA: CHANG SHU YING
TZENG GUO YANG

Competent Security Authority Approval Document No. : Jin-Guan-Zheng-VI No. 0940100754
Jin-Guan-Zheng-VI No. 0940129108

March 16, 2022

Notes to Readers

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

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

(English Translation of Balance Sheets Originally Issued in Chinese)

Better Life Group Co., Ltd.

Balance Sheets

For the Year Ended December 31, 2021 and 2020

Unit: In Thousand New Taiwan Dollars

		2021.12.31		2020.12.31	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (Note 6(1))	$ 34,481	2	10,432	1
1150	Notes receivable, net (Notes 6(3) and (18))	394	-	1,269	-
1170	Accounts receivable, net (Notes 6(3) and (18))	43,050	3	-	-
1320	Inventories (for construction industry) (Notes 6(4), 7, 8, and 9)	836,516	58	890,219	66
1410	Prepayments (Note 6(5))	61,716	4	76,467	6
1424	Excess business tax paid	20,996	2	19,430	2
1476	Other financial assets - current (Note 8)	29,063	2	11,679	1
1478	Construction deposits paid (Notes 7 and 9)	219,817	15	192,170	14
1480	Incremental cost of obtaining contracts - current (Note 7)	15,472	1	3,356	-
		1,261,505	87	1,205,022	90
	Non-current assets:				
1517	Financial assets at fair value through other comprehensive income - non-current (Note 6(2))	17,944	2	18,628	1
1550	Investments using the equity method (Note 6(6))	53,686	4	41,608	3
1600	Property, plant and equipment (Notes 6(7) and 8)	196	-	65,169	5
1755	Right-of-use assets (Note 6(9))	13,549	1	10,558	1
1760	Net investment property (Notes 6(8) and 8)	83,047	6	-	-
1780	Intangible assets	163	-	342	-
1980	Other financial assets - non-current (Note 7)	1,154	-	1,724	-
		169,739	13	138,029	10
	Total assets	**$ 1,431,244**	**100**	**1,343,051**	**100**

(English Translation of Balance Sheets Originally Issued in Chinese)

Better Life Group Co., Ltd.

Balance Sheets (Continued)

For the Year Ended December 31, 2021 and 2020

Unit: In Thousand New Taiwan Dollars

		2021.12.31		2020.12.31	
	Liabilities and equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2100	Short-term borrowings (Note 6(10))	$ 423,053	30	606,684	45
2110	Short-term notes payable (Note 6(11))	-	-	26,989	2
2130	Contract liabilities - current (Notes 6(18) and 9)	48,776	3	21,934	2
2150	Notes payable (Note 7)	6,100	-	10,137	-
2170	Accounts payable (Note 7)	32,142	2	33,960	3
2200	Other payables (Note 7)	7,870	1	6,963	-
2280	Lease liabilities - current (Notes 6(13) and 7)	2,919	-	3,527	-
2305	Other financial liabilities - current	3	-	-	-
2399	Other current liabilities - other (Note 9)	26,925	2	20,583	2
		547,788	38	730,777	54
	Non-current liabilities:				
2530	Corporate bonds payable (Notes 6(12) and 7)	276,030	19	-	-
2580	Lease liabilities - non-current (Notes 6(13) and 7)	11,100	1	7,437	-
	Total liabilities	834,918	58	738,214	54
	Equity (Note 6(16)):				
3110	Common stock	1,002,654	70	1,002,654	75
3200	Capital surplus	21,938	2	110	-
3310	Legal reserve	4,320	-	4,320	-
3350	Undistributed earnings (or deficit to be compensated)	(416,218)	(29)	(382,541)	(28)
3400	Other equity interests	(16,368)	(1)	(19,706)	(1)
	Total equity	596,326	42	604,837	46
	Total liabilities and equity	**$ 1,431,244**	**100**	**1,343,051**	**100**

(Please refer to the notes to parent company only financial statements)

Chairman: Chung, Hsi-Chi   Manager: Lin, Jui-Shan   Accounting Manager: Huang, Wen-Cheng

(English Translation of Statements of Comprehensive Income Originally Issued in Chinese)

Better Life Group Co., Ltd.

Statements of Comprehensive Income

For the Years Ended December 31, 2021 and 2020

Unit: NTD thousands

		2021 Amount	2021 %	2020 Amount	2020 %
4000	**Operating income (Note 6(18))**	$ 136,378	100	205,278	100
5000	**Operating costs (Note 6(4))**	130,332	96	190,102	93
	Gross profit	6,046	4	15,176	7
6000	**Operating expenses (Notes 6(13), (14), and 7):**				
6100	Selling expenses	16,112	12	17,169	8
6200	General and administrative expenses	36,976	27	38,964	19
		53,088	39	56,133	27
	Net operating loss	(47,042)	(35)	(40,957)	(20)
	Non-operating income and expenses (Notes 6(13), (20), and 7):				
7100	Interest income	3,197	2	3,864	2
7010	Other income	4,301	3	2,703	1
7020	Other gains and losses	9,611	7	(3)	-
7050	Financial costs	(14,776)	(11)	(13,311)	(6)
7070	Share of profit or loss of subsidiaries, associates, and joint ventures recognized using equity method (Note 13)	12,154	9	(14,071)	(7)
	Total non-operating income and expenses	14,487	10	(20,818)	(10)
7900	**Net loss before tax**	(32,555)	(25)	(61,775)	(30)
7950	**Less: Income tax expenses (Note 6(15)**	1,122	1	-	-
8200	**Net loss for the period**	(33,677)	(26)	(61,775)	(30)
8300	**Other comprehensive income (Note 6(16))**				
8310	**Items that will not be reclassified subsequently to profit or loss**				
8316	Unrealized gains or losses on equity instrument investments at fair value through other comprehensive income	3,414	3	-	-
8349	Less: Income tax related to items not reclassified	-	-	-	-
	Total items that will not be reclassified subsequently to profit or loss	3,414	3	-	-
8360	**Items that may subsequently be reclassified to profit or loss**				
8380	Share of other comprehensive income of subsidiaries, associates, and joint ventures recognized using equity method - items that may be reclassified to profit or loss	(76)	-	525	-
8399	Less: Income tax related to items that may be reclassified to profit or loss	-	-	-	-
	Total items that may subsequently be reclassified to profit or loss	(76)	-	525	-
8300	**Other comprehensive income for the current period**	3,338	3	525	-
	Total comprehensive income for the current period	**$ (30,339)**	**(23)**	**(61,250)**	**(30)**
	Loss per share (Note 6(17))				
9750	**Basic loss per share (NTD)**	**$**	**(0.34)**		**(0.62)**
9850	**Diluted loss per share (NTD)**	**$**	**(0.34)**		**(0.62)**

(Please refer to the notes to parent company only financial statements)

Chairman: Chung, Hsi-Chi Manager: Lin, Jui-Shan Accounting Manager: Huang, Wen-Cheng

(English Translation of Statements of Changes in Equity Originally Issued in Chinese)

Better Life Group Co., Ltd.

Statements of Changes in Equity

For the Years Ended December 31, 2021 and 2020

Unit: In Thousand New Taiwan Dollars

	Share capital		Retained earnings		Other equity items		
	Common stock	**Capital surplus**	**Legal reserve**	**Undistributed earnings**	**Exchange difference on translation of financial statements of foreign operations**	**Unrealized gain (loss) on financial assets at fair value through other comprehensive income**	**Total equity**
Balance on January 1, 2020	$ 1,002,654	110	4,320	(320,766)	(435)	(19,796)	666,087
Net loss for the period	-	-	-	(61,775)	-	-	(61,775)
Other comprehensive income for the current period	-	-	-	-	525	-	525
Total comprehensive income for the current period	-	-	-	(61,775)	525	-	(61,250)
Balance on December 31, 2020	1,002,654	110	4,320	(382,541)	90	(19,796)	604,837
Net loss for the period	-	-	-	(33,677)	-	-	(33,677)
Other comprehensive income for the current period	-	-	-	-	(76)	3,414	3,338
Total comprehensive income for the current period	-	-	-	(33,677)	(76)	3,414	(30,339)
Items recognized as equity components due to the issuance of convertible bonds - from stock options	-	21,828	-	-	-	-	21,828
Balance on December 31, 2021	**$ 1,002,654**	**21,938**	**4,320**	**(416,218)**	**14**	**(16,382)**	**596,326**

(Please refer to the notes to parent company only financial statements)

Chairman: Chung, Hsi-Chi **Manager: Lin, Jui-Shan** **Accounting Manager: Huang, Wen-Cheng**

(English Translation of Statements of Cash Flows Originally Issued in Chinese)

Better Life Group Co., Ltd.

Statements of Cash Flows

For the Years Ended December 31, 2021 and 2020

Unit: NTD thousands

		2021	2020
Cash flow from operating activities:			
Net loss before tax for the current period	$	(32,555)	(61,775)
Adjustments:			
Income and expenses			
Depreciation expense		3,610	5,167
Amortization expense		179	135
Interest expense		14,776	13,311
Interest income		(3,197)	(3,864)
Share of (profit) loss of subsidiaries, associates, and joint ventures recognized using equity method		(12,154)	14,071
Loss on disposal and scrapping of property, plant and equipment		205	-
Gain on reversal of property, plant and equipment		(11,787)	-
Gain on lease modifications		(400)	(1)
Total income and expenses		(8,768)	28,819
Changes in assets/liabilities related to operating activities:			
Net change in assets related to operating activities:			
Notes receivable		875	850
Accounts receivable		(43,050)	-
Inventories		55,329	16,811
Prepayments		13,184	(16,305)
Other financial assets		(20,531)	4,503
Construction deposits paid		(27,647)	(3,308)
Incremental cost of obtaining contracts		(12,116)	3,381
Total net change in assets related to operating activities		(33,956)	5,932
Net change in liabilities related to operating activities:			
Contract liabilities		26,842	6,135
Notes payable		(4,037)	10,137
Accounts payable		(8,218)	(2,141)
Other payables		765	1,803
Non-current liabilities		6,342	20,395
Other financial liabilities - current		3	(18,846)
Total net change in liabilities related to operating activities		21,697	17,483
Total net change in assets and liabilities related to operating activities		(12,259)	23,415
Total adjustments		(21,027)	52,234
Cash outflow from operations		(53,582)	(9,541)
Interest received		3,197	3,864
Interest paid		(13,087)	(11,221)
Income tax paid		(1,122)	-
Net cash outflow from operating activities		(64,594)	(16,898)

(English Translation of Statements of Cash Flows Originally Issued in Chinese)

Better Life Group Co., Ltd.

Statements of Cash Flows (Continued)

For the Years Ended December 31, 2021 and 2020

Unit: NTD thousands

	2021	2020
Cash flow from investing activities:		
Financial assets (payment returned due to capital reduction) at fair value through other comprehensive income - non-current	4,098	2,820
Acquisition of investment using the equity method	-	(61,826)
Acquisition of property, plant and equipment	(205)	-
Guarantee deposits paid	570	1,758
Other receivables - related parties	-	18,193
Acquisition of intangible assets	-	(267)
Other financial assets	3,147	3,307
Net cash inflows (outflows) from investing activities	7,610	(36,015)
Cash flow from financing activities:		
Increase (decrease) in short-term borrowings	(183,631)	377,424
Increase (decrease) in short-term notes payable	(27,304)	(459,594)
Lease principal repaid	(3,032)	(4,967)
Corporate bonds issued	295,000	-
Net cash inflows (outflows) from financing activities	81,033	(87,137)
Increase (decrease) in cash and cash equivalents in the current period	24,049	(140,050)
Balance of cash and cash equivalents at the beginning of the period	10,432	150,482
Balance of cash and cash equivalents at the end of the period	$ **34,481**	**10,432**

(Please refer to the notes to parent company only financial statements)

Chairman: Chung, Hsi-Chi Manager: Lin, Jui-Shan Accounting Manager: Huang, Wen-Cheng

Better Life Group Co., Ltd.
Notes to parent company only Financial Statements
For the Years Ended December 31, 2021 and 2020
(NTD thousands unless otherwise specified)

I. Organization and Operations

Better Life Group Co., Ltd. (hereinafter referred to as the "Company") was established on June 30, 1978 after approved by the Ministry of Economic Affairs. Its registered address is 4F, No. 303, Xinhu 1st Road, Neihu District, Taipei City. In October 1989, its stock was approved for being listed on the Taiwan Stock Exchange for trading. The Company's original name was Kaiju Co., Ltd. and it was renamed Better Life Group Co., Ltd. as approved by the shareholders' meeting on June 26, 2009, referenced Letter Shou-Shang No. 09801153160 from the Ministry of Economic Affairs.

The Company's principal business is to contract construction companies to build public housing projects and commercial buildings for lease out and sales.

II. The Authorization of Financial Statements

The parent company only financial statements have been approved and released by the Board of Directors on March 16, 2022.

III. Application of New and Revised International Financial Reporting Standards

(I) Impact of adoption of new and revised standards and interpretations endorsed by the FSC

The Company has adopted the new and revised IFRS since January 1, 2021, which has not caused a material impact on the parent company only financial statements.

- Amendments to IFRS 4 (Deferral of effective date of IFRS 9)
- Interest Rate Benchmark Reform—Phase 2—Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

  The Company has adopted the new and revised IFRS since April 1, 2021, which has not caused a material impact on the parent company only financial statements.
- Amendment to IFRS 16 (COVID-19-Related Rent Concessions After June 30, 2021)

(II) Impact of not adopting the IFRSs endorsed by the FSC

The Company has assessed the application of the newly revised IFRS that have taken effect on January 1, 2022, which will not cause a material impact on the parent company only financial statements.

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

(III) New and revised standards and interpretations not yet endorsed by the FSC

The standards and interpretations that have been issued and revised by the International Accounting Standards Board (IASB) but have not yet been endorsed by the FSC and may be relevant to the Company are as follows:

New and revised standards	Major revisions	Effective date announced by IASB
Amendments to IAS 1 (Classification of Liabilities as Current or Non-current)	The amendments aim to improve consistency in the application of the standard to assist companies in determining whether debts or other liabilities with uncertain settlement dates shall be classified as current (or likely to be due within one year) or non-current on the balance sheet. The amendments also clarify the requirement for classification of debts that may be settled by an enterprise through conversion into equity.	January 1, 2023

The Company is currently evaluating the impact of the above standards and interpretations on the Company's financial position and operating results and will disclose relevant impacts when completing the evaluation.

The Company does not expect that other new and revised standards that have not yet been endorsed will have a material impact on the parent company only financial statements.

IV. Summary of Significant Accounting Policies

A summary of the significant accounting policies adopted in the parent company only financial statements is as follows. Except for the description of accounting changes in Note 3, the accounting policies below have been applied consistently throughout the reporting period presented in the parent company only financial statements.

(I) Statement of compliance

The parent company only financial statements have been prepared in accordance with the Regulations

Governing the Preparation of Financial Reports by Securities Issuers.

(II) Basis of preparation

1. Basis for measurement

   Except for financial assets at fair value through other comprehensive income, the parent company only financial statements has been prepared at historical cost:

2. Functional currency and currency presented

   The Company adopts the currency used in the main economic environment in which it operates as its functional currency. The parent company only financial statements are presented in the Company's functional currency, namely New Taiwan dollars (NTD). All financial information presented in NTD is in the unit of thousands of NTD.

(III) Foreign currency

1. Foreign currency transactions

   Foreign currency transactions are translated into functional currency at the exchange rate prevailing on the transaction date. On the end date of each reporting period (hereinafter referred to as the "balance sheet date"), foreign currency monetary items are translated into the functional currency at the exchange rate prevailing on the balance sheet date, and foreign currency non-monetary items measured at fair value are translated into the functional currency at the exchange rate prevailing on the day of measurement. Foreign currency non-monetary items measured at historical cost are translated at the exchange rate prevailing on the transaction date.

   Foreign currency translation differences arising from a translation are normally recognized in profit or loss, except for the circumstances below where such differences are recognized in other comprehensive income:

   (1) Equity instrument designated at fair value through other comprehensive income;
   (2) Financial liabilities designated as net investment hedge for foreign operations, which are within the effective scope of hedging; or
   (3) Qualified cash flow hedge, which within the effective scope of hedging.

2. Foreign operations

   Assets and liabilities of foreign operations, including goodwill arising from acquisition and fair value adjustments, are translated into NTD at the exchange rate prevailing on the balance sheet date; income and expense items are translated into NTD at the average exchange rate in the current period. Resulting exchange differences are recognized in other comprehensive income

   When the disposal of a foreign operation results in the loss of control, joint control, or material impact, the cumulative exchange differences related to the foreign operation are fully reclassified to profit or loss. In the event of a partial disposal of a subsidiary with foreign operations, the relevant cumulative exchange differences are re-attributed to non-controlling interests on a pro-rata basis. In the event of a partial disposal of an investment involving an associate or a joint venture of a foreign operation, the relevant cumulative exchange differences are reclassified to profit or loss on a pro rata basis.

   If there is no repayment plan for the monetary receivables or payables of an foreign operation and it is impossible to settle the receivables or payables in the foreseeable future, the foreign exchange gains and losses incurred shall be regarded as a part of the net investment in the foreign operation and recognized in other comprehensive income.

(IV) Criteria for classification of current and non-current assets and liabilities

Assets that meet one of the following criteria are classified as current assets; all other assets that are not current assets are classified as non-current assets:

1. Assets expected to be realized in the ordinary course of business (usually longer than one year for the construction industry), or intended to be sold or consumed;
2. Assets held primarily for the purpose of trading;
3. Assets expected to be realized within 12 months after the balance sheet date; or
4. Assets that are cash or cash equivalents, excluding assets restricted from being exchanged or used to settle a liability for at least 12 months after the balance sheet date.

Liabilities that meet one of the following criteria are classified as current liabilities; all other liabilities that are not current liabilities are classified as non-current liabilities:

1. Liabilities expected to be settled in the ordinary course of business (usually longer than one year for the construction industry);
2. Liabilities held primarily for the purpose of trading;

3. Liabilities expected to be settled within 12 months after the balance sheet date; or
4. Liabilities with a repayment deadline that cannot be unconditionally deferred for at least 12 months after the balance sheet date. However, the terms of a liability that could, at the option of the counterparty, result in its settlement by issue of equity instruments do not affect its classification.

(V) Cash and cash equivalents

Cash includes cash on hand and demand deposits. Cash equivalents refer to short-term and highly liquid investments that can be converted into a certain amount of cash at any time and the risk of value changes is very small. Time deposits that meet the aforementioned definition and whose purpose is to satisfy short-term cash commitments in operations are classified as cash equivalents.

(VI) Financial instruments

Accounts receivable and debt securities issued are initially recognized when incurred. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual terms of the financial instruments. Financial assets (except receivables that do not contain significant financial components) or financial liabilities that are not measured at fair value through profit or loss are initially measured at fair value plus transaction costs directly attributable to the acquisition or issuance. Accounts receivable that do not contain significant financial components are initially measured at transaction prices.

1. Financial assets

   If the purchase or sale of financial assets conforms to the regular way purchase or sale , the Company shall adopt trade date accounting or settlement date accounting consistently to recognize the purchase or sale of the financial assets in the same category.

   Financial assets are classified as financial assets at amortized cost and equity instrument investments at fair value through other comprehensive income upon initial recognition. The Company only reclassifies all affected financial assets from the first day of next reporting period when changing the financial assets management model.

   (1) Financial assets at amortized cost

   If the financial assets are in alignment with the following criteria and not designated as at fair value through profit or loss, such assets are measured at amortized cost:

   - Held under a certain business model, of which the objective is to collect contractual cash flows by holding the financial assets3
   - The cash flows on specific dates specified in the contractual terms are solely payments for the principal and interest on the principal amount outstanding.

   Such assets are subsequently amortized by the effective interest method plus or less the initially recognized amount using the effective interest method, adjusted for the allowance for losses measured at amortized cost. Interest income, foreign exchange gains or losses, and impairment losses are recognized in profit or loss. Upon derecognition, the gain or loss is included in profit or loss.

   (2) Financial assets at fair value through other comprehensive income

   Upon initial recognition, the Company may make an irrevocable election to recognize subsequent changes in fair value of equity instrument investments not held for trading in other comprehensive income. The foregoing election is made as per each instrument.

   Equity instrument investments are subsequently measured at fair value. Dividend income (unless it clearly represents a recovery of part of the investment) is recognized in profit or loss. The remaining net gain or loss is recognized in other comprehensive income and is not reclassified to profit or loss.

Dividend income from equity investments is recognized on the date when the Company is entitled to receive dividends (usually the ex-dividend date).

(3) Impairment of financial assets

The Company recognizes financial assets at amortized cost (including cash and cash equivalents, financial assets at amortized cost, notes and accounts receivable, other receivables, guarantee deposits paid, and other financial assets), debt instrument investments at fair value through other comprehensive income, and expected credit losses on contract assets in allowance for losses.

The allowance for losses for the financial assets below are measured at 12-month expected credit losses, and the allowance for losses for the rest are measured at the lifetime expected credit losses:

- · Debt securities are judged to be of low credit risk on the balance sheet date; and
- ·The credit risk of other debt securities and bank deposits (i.e. the risk of default during the expected duration of the financial instruments) has not increased significantly since the initial recognition.

Allowance for losses on accounts receivable and contract assets are measured at lifetime expected credit losses.

When determining whether the credit risk has increased significantly since the initial recognition, the Company takes into account reasonable and corroborative information (obtainable without undue cost or effort), including qualitative and quantitative information, and analyzes it based on the Company's historical experience,credit assessments, and forward-looking information.

If the credit risk rating of an financial instrument is equivalent to the globally defined "investment grade" (BBB in Standard & Poor's, Baa3 in Moody's, or twA in Taiwan Ratings, or higher than such levels), the Company regards that the credit risk of the debt securities is low.

If a contract payment is overdue for more than 30 days, the Company assumes that the credit risk of an financial asset has increased significantly.

If a contract payment is overdue for more than 360 days, or the borrower is unlikely to fulfill its credit obligations and pay the full amount to the Company, the Company will deem the financial asset in default.

Lifetime expected credit losses refer to the expected credit losses arising from all possible default events during the expected duration of a financial instrument.

Twelve-month expected credit losses are expected credit losses on a financial instrument arising from possible default events within 12 months after the balance sheet date (or a shorter period if the expected duration of the financial instrument is less than 12 months).

The maximum period over which expected credit losses are measured is the maximum contract period over which the Company is exposed to credit risk.

Expected credit losses are an estimate of weighted probability of credit losses over the expected lifetime of a financial instrument. Credit losses are measured at the present value of all cash shortfalls, that is the difference between the cash flows that the Company can receive as per the contract and the cash flows that the Company expects to receive. Expected credit losses are discounted at the effective interest rate on the financial asset.

The Company assesses whether financial assets at amortized cost are credit-impaired on each balance sheet date. A financial asset is credit-impaired when one or more events have occurred with an adverse effect on the estimated future cash flows of the financial asset. Evidence that indicates a financial asset is credit-impaired includes the observable information below:

- The borrower or issuer encountered significant financial difficulties;
- Default, such as delayed or overdue payment for more than 360 days;
- The Company, for financial or contractual reasons related to the borrower's financial difficulties, grants the borrower a concession that the borrower would not otherwise consider
- The borrower is likely to file for bankruptcy or other financial restructuring; or
- The active market for the financial asset disappears due to financial difficulties.

The allowance for losses for a financial asset measured at amortized cost is deducted from the carrying amount of the asset. The allowance for losses on investment in debt instruments at fair value through other comprehensive income is with profit or loss adjusted and recognized in other comprehensive income (without reducing the carrying amount of the asset)

When the Company cannot reasonably expect to recover the whole or part of an financial asset, it directly reduces the total carrying amount of the financial asset. For individuals, the Company's policy is to write off the total carrying amount of an financial asset when it is overdue for more than 360 days based on the past experience of similar assets. For companies, the Company analyzes the timing and amount of write-off for each company on the basis of whether it can reasonably expect to recover the financial asset. The Company does not expect a material reversal of an amount written off. However, financial assets that have been written off are still enforceable to be aligned with the Company's procedures for recovering overdue amounts.

(4) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash inflow from the financial asset expire, when it transfers the financial assets and substantially all the risks and rewards of ownership of the asset to another party, or when it has not transferred, retained substantially all the risks and rewards of ownership, and retained control over the financial asset

For transfer of transfer financial assets, if the Company has retained all or substantially all the risks and rewards of ownership of the asset to be transferred, it continues to recognize the asset on the balance sheet.

2. Financial liabilities and equity instruments

(1) Classification of liabilities and equity

Debt and equity instruments issued by the Company are classified as financial liabilities or equity as per the substance of a contractual agreement and the definition of financial liabilities and equity instruments.

(2) Equity transactions

Equity instrument refers to any contract that demonstrates the Company's remaining interest in assets less all of its liabilities. Equity instruments issued by the Company are recognized at the acquisition price less direct issue costs.

(3) Financial liabilities

Financial liabilities are classified as those at amortized cost or at fair value through profit or loss. Financial liabilities are classified at fair value through profit or loss if they are held for trading, derivatives, or designated upon initial recognition. Financial liabilities at fair value through profit or loss are measured at fair value and the relevant net gain and loss, including any interest expense, is recognized in profit or loss.

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

(4) Derecognition of financial liabilities

The Company derecognizes financial liabilities when contractual obligations have been fulfilled, cancelled, or expired. When the terms of financial liabilities are revised and the cash flow of the revised liabilities is significantly different, the initial financial liabilities are derecognized, and new financial liabilities are recognized at fair value as per the revised terms.

When a financial liability is derecognized, the difference between its carrying amount and the total consideration paid or payable (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(5) Offset of financial assets and liabilities

Financial assets and financial liabilities are offset and presented in an net amount on the balance sheet only when the Company has legally enforceable rights to offset financial assets and financial liabilities and intends to settle on a net basis or to realize assets and settle liabilities simultaneously .

(VII) Inventories

The initial cost of inventories is the expenditure necessary to bring inventories to a condition and location ready for sale or construction. Development costs of property include construction, land, borrowing, and project costs incurred during the development period. Upon completion, the construction in progress will be reclassified to the buildings and land held for sale, and the operating costs will be reclassified as per the proportion of sales to the development costs of the property. Subsequently, it will be measured at the lower of cost or net realizable value. When the cost of inventory is higher than the net realizable value, the cost should be written down to the net realizable value, and the amount written down should be recognized in cost of sales in the current period. The methods for determining the net realizable value are as follows:

1. Construction land: Net realizable value is calculated based on replacement cost or estimated selling price (as per the market condition at the time) less estimated selling expenses.
2. Construction in progress: The net realizable value is calculated based on the estimated selling price (according to the market condition at the time) less the costs and selling expenses required till completion.
3. Buildings and land held for sale: Net realizable value is calculated based on estimated selling price (as per the market condition at the time) less estimated selling expenses.

(VIII) Investment in subsidiaries

When preparing the parent company only financial statements, the Company adopts the equity mthod to valuate the investees over which the Company has control. With the equity method, the current profit or loss and other comprehensive income in the parent company only financial statements are the same as the current profit or loss and other comprehensive income attributable to the owners of the parent company in the consolidated financial statements. The owner's equity in the parent company only financial statements is the same as the equity attributable to the owners of the parent company in the consolidated financial statements.

Changes in the Company's ownership interests in subsidiaries that do not result in the loss of its control over them are treated as equity transactions with the owners.

(IX) Investment property

Investment property refers to property held for earning rents or asset appreciation or both, but not for sale in normal business activities, production, provision of goods or services, or for administrative purposes. Investment property is initially measured at cost, and subsequently measured at cost less accumulated depreciation and accumulated impairment. The depreciation method, useful life, and residual value are handled in accordance with the rules of property, plant and equipment.

Gains or losses on the disposal of investment property (calculated as the difference between the net proceed from the disposal and the carrying amount of the property) are recognized in profit or loss.

Rent income from investment property is recognized in operating income on a straight-line basis over the lease term. The lease incentives are recognized as part of the rent income over the lease term.

(X) Property, plant and equipment

1. Recognition and measurement

   Property, plant and equipment are measured at cost (including capitalized borrowing costs) less accumulated depreciation and any accumulated impairment.

   When the useful lives of material components of property, plant and equipment are different, they are treated as separate items (major components) of property, plant and equipment.

   Gain or loss on disposal of property, plant and equipment is recognized in profit or loss.

2. Subsequent cost

   Subsequent expenditures are capitalized only when it is probable that the future economic benefits will flow to the Company.

3. Depreciation

   Depreciation is calculated at the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful life of each component. Land is not depreciated.

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

   Leasehold improvement 5 years

   The Company reviews the depreciation method, useful life, and residual value on each balance sheet date and makes appropriate adjustments if necessary.

4. Reclassification to investment property

   When the property for self-use is changed into investment property, the property is reclassified as investment property at the carrying amount upon the change of use.

(XI) Lease

The Company assesses whether a contract is or contains a lease on the date of the establishment the contract and determines a contract is or contains a lease if the contract transfers control over the use of the identified asset for a period of time in exchange for consideration.

1. Lessee

   The Company recognizes the right-of-use asset and lease liability on the lease commencement date. The right-of-use asset is initially measured at cost, which includes the initially measured amount of the lease liability, adjusted for any lease payments paid on or before the lease commencement date, plus the initial direct costs incurred and the estimated costs for dismantling, removing the asset, or restoring its location or the asset, and less any lease incentives received.

The right-of-use asset is subsequently depreciated on a straight-line basis from the lease commencement date to the end of the useful life of the right-of-use asset or the end of the lease term, whichever is earlier. In addition, the Company regularly assesses whether the right-of-use asset is impaired and accounts for any impairment loss that has occurred, and adjusts the right-of-use asset if the lease liability is remeasured.

The lease liability is initially measured at the present value of the unpaid lease payments at the lease commencement date. If the interest rate implicit in a lease is easy to be determined, the discount rate is said rate; if it is not easy to determine such a rate, the Company's incremental borrowing rate is adopted. Generally speaking, the Company adopts its incremental borrowing rate as the discount rate.

Lease payments included in the lease liability measurement include:

(1) Fixed payments, including substantive fixed payments;
(2) The lease payment depends on the change in an index or rate, and the index or rate on the lease commencement date is adopted for the initial measurement;
(3) The residual value guarantee amount expected to be paid; and
(4) The exercise price or penalty to be paid when it is reasonably ascertain that the purchase or lease termination will be executed.

Interest on lease liabilities is subsequently accrued using the effective interest method, and the amount is re-measured under each of the circumstances below:

(1) Changes in the index or rate used to determine lease payments result in changes in future lease payments;
(2) There is a change in the residual value guarantee amount expected to be paid;
(3) There is a change in the evaluation of the option of purchasing the asset;
(4) A change in the evaluation of whether to extend or terminate a lease has resulted in a change in the evaluation of the lease term;
(5) The subject leased, scope of lease, or other terms are modified.

When the lease liability is re-measured due to the aforementioned changes in the index or rate used to determine the lease payment, changes in the residual value guarantee amount, and changes in the evaluation of the purchase, extension, or termination, the carrying amount of the right-of-use asset is adjusted accordingly. When the carrying amount of the right-of-use asset has been reduced to zero, the remaining remeasured amount is recognized in profit or loss.

For lease modifications with a reduced scope of the lease, the carrying amount of the right-of-use asset is reduced to reflect the partial or full termination of the lease, and the difference between said amount and the remeasured amount of the lease liability is recognized in profit or loss.

The Company presents right-of-use assets and lease liabilities not in alignment with the definition of investment property on a separate line in the balance sheet.

For short-term leases of buildings and transportation equipment and leases of low-value assets, the Company elects not to recognize right-of-use assets and lease liabilities and recognizes relevant lease payments in expenses on a straight-line basis over the lease term instead.

2. Lessor

Transactions in which the Company is the lessor are classified on the lease commencement date as per whether a lease contract is with substantially all risks and rewards attached to the ownership of the asset transferred; if so, such a contract is classified as a finance lease, otherwise it is classified as an operating lease. During evaluation, the Company considers relevant specific indicators, including whether the lease term covers a major part of the economic life of the asset.

If the Company is a sublessor, it accounts for headlease and sublease transactions separately and classifies sublease transactions based on the right-of-use assets derived from a headlease. If a headlease is a short-term lease to which recognition exemption applies, the sublease transaction derived therefrom should be classified as an operating lease.

If an agreement contains lease and non-lease components, the Company allocates the consideration in the agreement as per IFRS 15.

(XII) Intangible assets

1. Recognition and measurement

The Company acquires other intangible assets with finite useful life, including computer software, which are measured at the cost less accumulated amortization and accumulated impairment.

2. Subsequent expenditure

Subsequent expenditure is capitalized only to the extent that the future economic benefits of a specific asset will increase. All other expenditures are recognized in profit or loss as incurred.

3. Amortization

Amortization is calculated at the cost of the asset less the estimated residual value and is recognized in profit or loss using the straight-line method over the estimated useful life from when an intangible asset becomes available for use.

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

Computer software	3 years

The Company reviews the amortization method, useful life, and residual value of intangible assets on each balance sheet date and makes appropriate adjustments if necessary.

(XIII) Impairment of non-financial assets

The Company evaluates if there is any sign of impairment of non-financial assets at the balance sheet date. The Company estimates the recoverable amount of such assets with a sign of impairment. The Company test the impairment of good will.

Impairment testing aims at the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Goodwill acquired in a business combination is allocated to each cash-generating unit or group of cash-generating units that is expected to benefit from the synergies of the combination.

The recoverable amount is the higher of the individual asset or the air value of the cash-generating unit less cost of disposal and its value in use. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects present market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognized when the recoverable amount of an individual asset or cash-generating unit is lower than the carrying amount thereof.

Impairment losses are recognized immediately in current profit or loss with the carrying amount of the cash-generating unit's amortized goodwill reduced first; then the carrying amount of each asset in proportion to the carrying amount thereof in the unit reduced.

Goodwill impairment losses are not reversed. Non-financial assets other than goodwill are reversed only when it does not exceed the carrying amount (less depreciation or amortization) that would have been determined if such assets had not been recognized for impairment losses in prior years.

(XIV) Provision for warranty liability

The recognition of provision is a present obligation due to past events, which makes it probable that the economic resources may flow out from the Company to settle the obligation in the future and the amount of the obligation can be estimated reliably. The provision is discounted at a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the liability, and the amortization of the discount is recognized in interest expense.

Provision for warranty liability is recognized when goods or services are sold and is measured based on historical warranty information and all probable outcomes weighted by respective probabilities.

(XV) Revenue recognition

1. Revenue from customer contracts

Revenue is measured as the consideration to which the transfer of goods or services is expected to be entitled. The Company recognizes revenue when the control over goods or services is transferred to customers and its performance obligations are fulfilled. The Company's main revenue items are described as follows:

(1) Land development and property sales

The Company develops and sells residential property and often launches pre-sale property projects during or before construction. The Company recognizes revenue when control over property is transferred. Due to contractual restrictions, property usually has no other uses for the Company. However, after the legal ownership of property is transferred to a customer, the Company has an enforceable right to receive a payment for the contract performed so far. Therefore, the Company recognizes revenue when the legal ownership of property is transferred or handed over to a customer.

Revenue is measured at the transaction price in the contractual agreement. If it is a sale of a finished property project, the consideration, in most cases, can be collected when the legal ownership of property is transferred. In a few cases, the payment can be deferred as per the contractual agreement but cannot be deferred for over 12 months. Thus, transaction prices are not adjusted to reflect the effect of significant financial components. In the case of a pre-sale property project, the payment is usually collected in installments during the period from when the contract is signed to when the property is transferred to a customer. If the contract contains a significant financial component, the transaction price is adjusted as per the borrowing rate for the project during said period to reflect the effect of time value of money. Advance receipts are recognized in contract liabilities, and interest expenses and contract liabilities are recognized when it is determined that the effect of the time value of money needs to be adjusted. The cumulative contract liabilities are reclassified to revenue when the property is transferred to a customer.

Some contracts include multiple items to be delivered, such as the sale of residential property and interior design services, which are regarded as a separate performance obligation and the transaction price is amortized on a stand-alone selling price basis. If no directly observable price is available, the stand-alone selling price is estimated based on expected cost plus margin. The interior design service is recognized in revenue when the service is completed.

(2) Significant financial components - advance receipts for property

Revenue is measured at the transaction price in the contractual agreement. If it is a sale of a finished property project, the consideration, in most cases, can be collected when the legal ownership of property is transferred. In a few cases, the payment can be deferred as per the contractual agreement but cannot be deferred for over 12 months. In the case of a pre-sale property project, the payment is usually collected in installments during the period from when the contract is signed to when the property is transferred to a customer. The Company evaluates whether the contract consideration is different from the current selling price and whether the aforementioned advance consideration received includes financing factors per contract. The advance consideration received by the Company is mainly to provide protection for contract performance by customers, thereby reducing the resale price risk and subsidy caused by any customer's non-performance of the contract to the Company. Therefore, it is not a significant financial component of obtaining financial financing from customers. Thus, the time value of money of the transaction consideration is not adjusted.

2. Cost of customer contracts

(1) Incremental cost of obtaining contracts

If the Company expects to recover its incremental costs of obtaining customer contracts, it recognizes such costs in assets. Incremental costs of obtaining a contract are costs incurred when a customer contract is obtained that would not have been incurred if the contract had not been obtained. Costs of obtaining a contract that will be incurred regardless of whether the contract is obtained are recognized in expenses when incurred, unless such costs are clearly chargeable to customers regardless of whether a contract has been obtained.

The Company recognizes in assets the incremental costs incurred in obtaining customer contracts, which are expected to be recovered through the sale of property and amortizes them on a systematic basis consistent with that adopted for the transfer of pre-sale property to customers.

(XVI) Employee benefits

1. Defined contribution plan

Contribution obligations to the defined contribution plan are recognized in expenses in the period during which the employee provides service.

2. Short-term employee benefits

Short-term employee benefits are recognized as expenses when the relevant services are provided. If the Company has a present legal or constructive payment obligation due to an employee's past services and the obligation can be estimated reliably, the amount of benefits is recognized in liabilities.

(XVII) Income tax

Income tax includes current income and deferred taxes. Current income tax and deferred tax are recognized in profit or loss, except in relation to business combinations or items directly recognized in equity or other comprehensive income.

Current income tax includes the expected income tax payable or tax refund receivable based on the taxable income (loss) for the year and any adjustments to income tax payable or tax refund receivable in prior years. The amount is the best estimate of the amount expected to be paid or received based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is recognized based on the temporary differences between the carrying amounts of an asset and liability for financial reporting purposes and its tax base. Temporary differences arising from the circumstances below are not recognized in deferred tax:

1. Assets or liabilities are initially recognized for a transaction that is not a business combination, and such assets or liabilities does not affect accounting profit and taxable income (loss) at the time of the transaction;
2. For temporary differences arising from investments in subsidiaries, associates, and joint venture interests, the Company can control the timing of the reversal of such temporary differences and it is likely that they will not be reversed in the foreseeable future; and
3. Taxable temporary differences arises from the initial recognition of goodwill.

Unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilized, as well as deductible temporary differences are recognized in deferred tax assets. It is reassessed at each balance sheet date to reduce the relevant income tax benefits to the extent that it is not probable that they will be realized; or to reverse the previously reduced amount to the extent that it becomes probable that sufficient taxable income will be available.

Deferred tax is measured at the tax rate at which the temporary difference is expected to reverse, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date, with tax-related uncertainties reflected.

The Company will offset deferred tax assets and deferred tax liabilities only when the criteria below are met at the same time:

1. Has the statutory enforcement power to offset current income tax assets and current income tax liabilities; and
2. Deferred tax assets and deferred tax liabilities are related to one of the following taxpayers with income tax levied by the same tax authority:
   (1) The same taxpayer; or
   (2) Different taxpayers but each taxpayer intends to settle the current tax liabilities and assets on a net basis or to realize both in each future period, in which significant amounts of deferred tax assets are expected to be recovered and deferred tax liabilities are expected to be settled.

(XVIII) Earnings per share

The Company presents basic and diluted earnings per share attributable to holders of the Company's ordinary shares. The Company's basic earnings per share is calculated by dividing the profit or loss attributable to the equity holders of the Company's ordinary shares by the weighted average number of ordinary shares outstanding in the current period. Diluted earnings per share is calculated by having the profit or loss attributable to the equity holders of the Company's ordinary shares and the weighted average number of ordinary shares outstanding adjusted for the effect of all potential dilutive ordinary shares.

(XIX) Segment information

The Company has disclosed segment information in the consolidated financial statements, so does not disclose such information in the parent company only financial statements.

V. Critical Accounting Judgements and Key Sources of Estimation and Uncertainty

When the management prepares the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, it shall make judgments, estimates, and assumptions, which will affect the accounting policies adopted and the amounts of assets, liabilities, income, and expenses presented. Actual results may differ from estimates.

The management continues to review estimates and basic assumptions, and changes in accounting estimates are recognized in the period in which they are changed and future periods affected.

The accounting policies involve significant judgement, and the information with a material impact on the amounts recognized in this parent company only financial statements is as follows: None.

The uncertainties in the following assumptions and estimates with significant risks of causing the carrying amount of assets and liabilities to be adjusted significantly in the next fiscal year and the impact of the COVID-19 pandemic has been reflected. The relevant information is as follows:

Inventory valuation

As inventories should be measured at the lower of cost or net realizable value, the Company's assessment of the net realizable value of inventories on the balance sheet date is an estimate based on future selling prices in the market and construction costs. Being susceptible to political and economic environments, the net realizable value may undergo significant changes. Please refer to Note 6(4) for details of inventory valuation.

VI. Summary of Significant Accounting Items

(I) Cash and cash equivalents

		2021.12.31	2020.12.31
Cash on hand	$	142	167
Demand deposit		34,321	4,271
Checking deposit		18	5,994
Cash and cash equivalents listed in the statements of cash flows	$	34,481	10,432

Please refer to Note 6(21) for the information on the interest rate risk and sensitivity analysis of the Company's financial assets and liabilities.

(II) Financial assets at fair value through other comprehensive income (FVTOCI)

		2021.12.31	2020.12.31
Equity instrument at fair value through other comprehensive income:			
Domestic unlisted stock - Tech Alliance Corp.	$	3,667	3,784
Domestic unlisted stock - Technology Associates Corporation		274	612
Domestic unlisted stock - Shin Kong Real Estate Management Co., Ltd.		1,890	2,300
Foreign unlisted stock - World Join International Ltd.		12,113	11,932
Total	$	17,944	18,628

1. Equity instrument investments at fair value through other comprehensive income:
   These equity instrument investments held by the Company are for long-term strategic investment and are not held for trading purposes, so they have been designated as measured at fair value through other comprehensive income.
   Tech Alliance Corp. and Technology Associates Corporation invested by the Company had the cash capital reduction proposals passed at their general meeting of shareholders on July 6, 2021 and June 30, 2020, respectively, and set August 2, 2021 and September 1, 2020 as the record date of capital reduction, respectively; the capital refunded for the capital reduction was NT$4,098,000 and NT$2,820,000, respectively. As of December 31, 2021, all the capital refund receivable had been recovered.
   The Company did not dispose of its strategic investments in 2021 and 2020, and the cumulative profits or losses during these periods were not reclassified in equity.
2. Please refer to Note 6(21) for market risk information.
3. The Company’s above financial assets have not been pledged as collateral.

(III) Notes and accounts receivable

		2021.12.31	2020.12.31
Notes receivable - from operations	$	394	1,269
Accounts receivable at amortized cost		47,262	4,212
Less: Allowance for losses		(4,212)	(4,212)
	$	43,444	1,269

The Company adopts a simplified approach to estimate expected credit losses for all notes and accounts receivables, which are measured at lifetime expected credit losses. To this end, such notes and accounts receivables are grouped by common credit risk characteristics that represent a customer's ability to pay all amounts due as per the contract terms with forward-looking information incorporated. The Company's expected credit loss analysis for the notes and accounts receivable is as follows:

	2021.12.31		
	Carrying amounts of notes and accounts receivable	**Weighted average expected credit loss rate**	**Allowance for lifetime expected credit losses**
Not past due	$ 43,444	-	-
Overdue for more than 360 days	4,212	100%	4,212
	$ 47,656		4,212

	2020.12.31		
	Carrying amounts of notes and accounts receivable	**Weighted average expected credit loss rate**	**Allowance for lifetime expected credit losses**
Not past due	$ 1,269	-	-
Overdue for more than 360 days	4,212	100%	4,212
	$ 5,481		4,212

The changes in allowances for losses on the Company's notes and accounts receivable are as follows:

	2021	2020
Opening balance (ending balance)	$ 4,212	4,212

As of December 31, 2021 and 2020, the Company's notes and accounts receivable were not pledge as collateral.

(IV) Inventories

	2021.12.31	2020.12.31
Construction business:		
Buildings and land held for sale	$ 622,620	709,920
Construction in progress	213,896	49,296
Land held for construction site	-	131,003
	$ 836,516	890,219
Inventory expected to be recovered after more than 12 months	$ 441,049	559,943

The details of operating costs are as follows:

	2021	2020
Buildings and land held for sale reclassified after sold	$ 130,332	190,102

1. In 2021 and 2020, please refer to Note 6(20) for information on the Company's interest capitalization.
2. As of December 31, 2021 and 2020, the Company's inventories were not pledge as collateral. See Note 8.

(V) Prepayments

		2021.12.31	2020.12.31
Construction business - Sample house interior design cost	$	7,029	21,746
Construction business - Pre-construction development costs		52,422	53,993
Others		2,265	728
	$	61,716	76,467

(VI) Investment using the equity method

The Company's investments using the equity method at the balance sheet date are listed below:

		2021.12.31	2020.12.31
Subsidiaries	$	53,686	41,608

1. Please refer to the 2021 consolidated financial statements for information on subsidiaries.
2. As of December 31, 2021 and 2020, the Company's investments using the equity method were not pledged as collateral.

(VII) Property, plant and equipment

The details of the changes in cost, depreciation, and impairment losses of the Company's property, plant and equipment in 2021 and 2020 are as follows:

		Land	Leasehold improvements	Other equipment	Total
Cost or deemed cost:					
Balance on January 1, 2021	$	82,029	632	-	82,661
Addition		-	-	205	205
Reclassification to investment property		(76,647)	-	-	(76,647)
Disposal		-	(632)	-	(632)
Balance on December 31, 2021	$	5,382	-	205	5,587
Balance on January 1, 2020	$	82,029	632	-	82,661
Balance on December 31, 2020	$	82,029	632	-	82,661
Depreciation and impairment losses:					
Balance on January 1, 2021	$	17,169	323	-	17,492
Depreciation for the current period		-	104	9	113
Impairment loss reversed		(11,787)	-	-	(11,787)
Disposal		-	(427)	-	(427)
Balance on December 31, 2021	$	5,382	-	9	5,391
Balance on January 1, 2020	$	17,169	195	-	17,364
Depreciation for the current period		-	128	-	128

		Land	Leasehold improvements	Other equipment	Total
Balance on December 31, 2020	$	17,169	323	-	17,492
Book value:					
December 31, 2021	$	-	-	196	196
December 31, 2020	$	64,860	309	-	65,169
January 1, 2020	$	64,860	437	-	65,297

1. Please refer to Note 8 for details of the collateral for bank loans and financing facilities as of December 31, 2021 and 2020.
2. As part of the land is agricultural land, and the land use should be changed before the ownership can be obtained, such a part of the land was registered in the name of an individual. At present, the protection measures, including an entrustment contract and a trust deed have been signed with said individual, and the land parcel will be transferred to the Company at an appropriate time. Said agricultural land has been reclassified to investment property.
3. Reclassification to investment property
   The Company signed a land lease agreement with the lessee on November 25, 2021 to establish a solar power zone, and reclassified the property as investment property at the carrying amount upon change of use. As the fair value was higher than the book value on the date of change of use, the initially recognized impairment loss reversed amounted to NT$11,787,000. The comparative method was mainly adopted, supplemented by the land development analysis method, to compare the price and analyze and adjust the fair value, which belongs to Level 3.

(VIII) Investment property

Investment property includes land leased out by the Company to lessees under operating leases. The initial period of the leased investment property is 20 years. At the end of a lease term, the Company will negotiate subsequent lease terms with a lessee.

The details of the changes in the Company's investment property in 2021 are as follows:

		Land and improvements	Total
Cost or deemed cost:			
Balance on January 1, 2021	$	-	-
Addition		6,400	6,400
Reclassified from property, plant and equipment		76,647	76,647
Balance on December 31, 2021	$	83,047	83,047
Depreciation and impairment losses:			
Balance on January 1, 2021	$	-	-
Balance on December 31, 2021	$	-	-
Carrying amount:			
December 31, 2021	$	83,047	83,047
Fair value:			
December 31, 2021			$ 208,099

The fair value of investment property is based on independent appraisers' valuation (who possess relevant recognized professional qualifications and recent experience related to the investment property valuated in terms of location and type). The input used in the fair value valuation technique is level 3 input.

To improve the use efficiency of land, the Company decided to lease the land to others to set up solar power system facilities, so it was reclassified from property, plant and equipment to investment property (please refer to Note 6(7) for details). Said lease contract includes the initial lease term, and the subsequent lease term is negotiated with the lessee, and no contingent rent is charged.

Please refer to Note 8 for details of the Company's investment property pledged as collateral.

(IX) Right-of-use assets

The details of cost and depreciation of the Company's leased land, buildings, machinery and equipment, and transportation equipment are as follows:

	Land	Buildings	Transportation equipment	Office equipment	Total
Cost of right-of-use assets:					
Balance on January 1, 2021	$ 547	16,317	1,107	225	18,196
Addition	-	13,198	-	-	13,198
Decrease	(547)	(16,317)	-	-	(16,864)
Balance on December 31, 2021	$ -	13,198	1,107	225	14,530
Balance on January 1, 2020	$ 681	19,904	3,162	234	23,981
Addition	-	-	1,107	-	1,107
Decrease	-	-	(3,162)	-	(3,162)
Rent modification	(134)	(3,587)	-	(9)	(3,730)
Balance on December 31, 2020	$ 547	16,317	1,107	225	18,196
Depreciation and impairment losses of right-of-use assets:					
Balance on January 1, 2021	$ 221	7,310	15	92	7,638
Depreciation	45	3,038	369	45	3,497
Decrease	(266)	(9,888)	-	-	(10,154)
Balance on December 31, 2021	$ -	460	384	137	981
Balance on January 1, 2020	$ 136	3,981	1,620	47	5,784
Depreciation for the current period	108	3,329	1,557	45	5,039
Decrease	-	-	(3,162)	-	(3,162)
Rent modification	(23)	-	-	-	(23)
Balance on December 31, 2020	$ 221	7,310	15	92	7,638
Book value:					
December 31, 2021	$ -	12,738	723	88	13,549
December 31, 2020	$ 326	9,007	1,092	133	10,558
January 1, 2020	$ 545	15,923	1,542	187	18,197

(X) Short-term borrowings

The details of the Company's short-term borrowings are as follows:

	2021.12.31	2020.12.31
Unsecured bank borrowings	$ -	10,000
Secured bank borrowings	423,053	596,684
Total	$ 423,053	606,684
Facilities not yet drawn	$ 415,207	290,576
Interest rate range	1.85%~2.09%	1.85%~2.12%

Please refer to Note 8 for the details of the Company's assets pledged for bank borrowings.

(XI) Short-term notes payable

The details of the Company's short-term notes payable are as follows:

	2020.12.31		
	Guarantee or acceptance institution	Interest rate range	Amount
	Bills Company A	1.94%	$ 27,000
Less: Discounted short-term notes payable			(11)
Total			$ 26,989

Please refer to Note 8 for the details of the Company's short-term notes payable pledged for bank borrowings.

(XII) Corporate bonds payable

The information on the Company's corporate bonds payable is as follows:

	2021.12.31
Amount of ordinary corporate bonds issued	$ 300,000
Unamortized balance of discounted corporate bonds payable	(23,970)
Cumulative amount of redemption	-
Cumulative amount of conversion	-
Balance of corporate bonds payable at the end of the period	$ 276,030

Equity components - conversion right (recognized in capital surplus- stock options): Please refer to Note 6(16) for details.

Interest expenses: Please refer to Note 6(20) for details.

The main rights and obligations attached to the Company's issued and outstanding secured convertible corporate bonds are as follows:

Item	The first issue of secured convertible corporate bonds in 2021
Total issue amount	NT$300,000,000
Issue date	2021.9.24
Issue period	2021.9.24~2024.9.24
Coupon rate	0%
Trustee	Land Bank of Taiwan Co., Ltd.

Item	The first issue of secured convertible corporate bonds in 2021
Repayment method	Unless the bondholders apply for conversion into the Company's ordinary shares as per the Company's conversion method, or the Company redeems them in advance as per the conversion method, or securities firms buy back and cancel them, the Company will redeem the bonds in cash in a lump sum upon maturity.
Redemption method	From the day following the full three months after the issue of the convertible corporate bonds (December 25, 2021) to 40 days before the end of the issue period (August 15, 2024), if the closing price of the Company's ordinary shares exceeds the current conversion price by 30% or higher for 30 consecutive business days, or when the balance of the outstanding convertible corporate bonds is lower than 10% of the initial total issue amount, the Company may redeem the bonds in advance.
Conversion method	Conversion period From the day following the full three months after the issue date of the convertible corporate bonds (December 25, 2021) to the maturity date (September 24, 2024), the bondholders shall convert the bonds into the Company's ordinary shares as per the conversion method.
Conversion price	NT$15.8

(XIII) Lease liabilities

The Company's lease liabilities are as follows:

	2021.12.31	2020.12.31
Current	$ 2,919	3,527
Non-current	$ 11,100	7,437

Please refer to Note 6(21) on financial instruments for maturity analysis,

The amounts recognized in profit or loss are as follows:

	2021	2020
Interest expense on lease liabilities	$ 329	497
Expense on short-term leases	$ 412	647

Amounts recognized in the statements of cash flows are as follows:

	2021	2020
Total cash outflow from leases	$ 3,773	6,111

The Company leases in buildings as offices, and the lease terms of the offices range from one to five years. In addition, the Company leases in parking space, machinery, and transportation equipment, with the lease terms ranging from one to three years.

The above lease contracts contain an option for lease extension, which is only enforceable by the Company and not by the lessor. When it is not reasonably certain that an option to extend the lease term will be exercised, payments related to the period covered by the option are not included in the lease liabilities.

Also, the lease term of some transportation equipment leased by the Company is three years, and these leases are short-term leases. The Company elects to apply the exemption from recognition and does not recognize the relevant right-of-use assets and lease liabilities.

(XIV) Employee benefits

Defined contribution plan

The Company's defined contribution plan is as per the Labor Pension Act, and the Company makes a contribution equal to 6% of each employee’s monthly salary to employees’ individual pension accounts under the Bureau of Labor Insurance. Under this plan, after the Company has provided a fixed amount to the Bureau of Labor Insurance, it has no legal or constructive obligation to pay additional amounts.

The Company’s pension expenses under the defined contribution plan in 2021 and 2020 were NT$698,000 and NT$780,000, respectively, which have been contributed to the Bureau of Labor Insurance.

(XV) Income tax

1. Income tax expense

The details of the Company's income tax expenses for 2021 and 2020 are as follows:

	2021	2020
Current income tax expense	$ -	-
Land value increment tax	1,122	-
Deferred tax expense	-	-
	$ 1,122	**-**

The reconciliation between the Company's income tax expense and net loss before tax in 2021 and 2020 is as follows:

	2021	2020
Net loss before tax	$ (32,555)	(61,775)
Income tax calculated at the domestic tax rate where the Company is located	(6,735)	(12,355)
Land value increment tax	1,122	-
Book-tax difference	639	410
Unrealized investment (income) loss	(2,431)	2,814
Book-tax difference in capitalized interest	1,109	1,347
Current tax losses on unrecognized deferred tax assets	7,505	7,852
Changes in unrecognized temporary differences	(87)	(68)
Total	**$ 1,122**	**-**

2. Deferred tax assets

Unrecognized deferred tax assets

Items not recognized in deferred tax assets by the Company are as follows:

	2021.12.31	2020.12.31
Deductible temporary differences	$ 747	833
Tax loss	95,464	87,695
	$ 96,211	**88,528**

Taxable losses are determined in accordance with the Income Tax Act, and the losses for the previous ten years may be deducted from the net income for the year after being approved by the tax authority before the income is taxed. Such an item is not recognized in deferred tax assets because it is not highly probable that the Company will have sufficient taxable income in the future for the temporary differences.

As of December 31, 2021, the deadlines for using the tax losses that the Company has not recognized in deferred tax assets are as follows:

Year	Losses not yet used		Last valid year
Approved amount in 2013	$	62,773	2023
Approved amount in 2014		53,343	2024
Approved amount in 2015		78,675	2025
Approved amount in 2016		75,403	2026
Approved amount in 2018		80,915	2028
Approved amount in 2019		48,108	2029
Amount filed in 2020		40,580	2030
Estimated amount in 2021		37,524	2031
	$	**477,321**	

3. The Company's profit-seeking enterprise income tax returns filed have been approved by the tax authority up to the year 2019.

(XVI) Capital and other interests

The total amount of the Company's authorized capital as of December 31, 2021 and 2020 was both NT$6,750,000,000, divided into 675,000,000 shares in both years, with a par value of NT$10 per share. The paid-in capital is NT$1,002,654,000, with a par value of NT$10 per share, and all the capital funds for the outstanding shares have been received.

1. Issue of ordinary shares

On August 4, 2021, the Company’s shareholders' meeting passed a resolution to conduct capital increase in cash through a private placement to increase its working capital and enhance future development and authorized the Board of Directors, within a scope of not more than 30,000,000 shares, to conduct capital increase in cash by issuing ordinary shares in one or two tranches through private placement within one year after the resolution was adopted by the shareholders' meeting.

2. Capital surplus

he balance of the Company's capital surplus is as follows:

		2021.12.31	2020.12.31
Gain on disposal of assets	$	110	110
Stock options - issue of convertible corporate bonds		21,828	-
	$	**21,938**	**110**

Pursuant to the Company Act, the Company shall issue new shares or pay out cash in proportion to the existing shareholders' shares from the realized capital surplus after the capital surplus is used to compensate the deficit first. The realized capital surplus referred to in the preceding paragraph includes the premium from the shares issued at par and the income from gifts. Pursuant to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the total amount of capital surplus to be used as capital shall not exceed 10% of the paid-in capital.

3. Retained earnings

   Under the earnings distribution policy as set forth in the Company's Articles of Incorporation, where the Company made a profit in a fiscal year, the profit shall be first used for paying taxes, offsetting the cumulative deficit, setting aside 10% of the remaining profit as a legal reserve unless it has reached the total amount of the Company's paid-in capital, setting aside an amount for or reversing a special reserve in accordance with operational needs and the laws and regulations, and then any remaining profit, together with any undistributed retained earnings at the beginning of the period, shall be adopted by the Company's Board of Directors as the basis for making a distribution proposal, which shall then be submitted to the shareholders' meeting for a resolved before distribution.

   (1) Legal reserve

   When the Company suffers no losses, it may, upon a resolution by the shareholders' meeting, issue new shares or pay out cash from the legal reserve, but only to the extent that such reserve exceeds 25% of the paid-in capital.

   (2) Earnings distribution

   The Company's shareholders' meeting passed a resolution on August 4, 2021 and June 18, 2020 to compensate the 2020 and 2019 losses.

4. Other interests (net of tax)

	Exchange difference on translation of financial statements of foreign operations	Unrealized gain (loss) on financial assets at fair value through other comprehensive income	Total
Balance on January 1, 2021	$ 90	(19,796)	(19,706)
Share of exchange difference on translation from subsidiaries using the equity method	(76)	-	(76)
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	-	3,414	3,414
Balance on December 31, 2021	**$ 14**	**(16,382)**	**(16,368)**
Balance on January 1, 2020	$ (435)	(19,796)	(20,231)
Share of exchange difference on translation from subsidiaries using the equity method	525	-	525
Balance on December 31, 2020	**$ 90**	**(19,796)**	**(19,706)**

(XVII) Loss per share

The Company's basic earnings per share in 2021 and 2020 were calculated based on the net loss attributable to the equity holders of the Company's ordinary shares and the weighted average number of outstanding ordinary shares. The relevant numbers are as follows:

1. Basic loss per share

   (1) Net loss attributable to equity holders of the Company's ordinary shares

	2021	2020
Net loss attributable to equity holders of the Company's ordinary shares for the current period	**$ (33,677)**	**(61,775)**

(2) Weighted average number of outstanding ordinary shares

		2021	2020
Weighted average number of outstanding ordinary shares		100,265	100,265
Basic loss per share (NTD)	$	(0.34)	(0.62)

2. Diluted loss per share

The Company's diluted earnings per share in 2021 and 2020 were calculated based on the net income attributable to the equity holders of the Company's ordinary shares and the weighted average number of outstanding ordinary shares, adjusted for the effect of all potential dilutive ordinary shares. The relevant numbers are as follows:

(1) Net loss attributable to equity holders of the Company's ordinary shares (diluted)

		2021	2020
Net loss attributable to equity holders of the Company's ordinary shares (basic)	$	(33,677)	(61,775)
Interest expense on convertible corporate bonds		(Note)	-
Net loss attributable to equity holders of the Company's ordinary shares (diluted)	$	(33,677)	(61,775)

(2) Weighted average number of outstanding ordinary shares (diluted)

		2021	2020
Weighted average number of outstanding ordinary shares (basic)		100,265	100,265
Effect of conversion of convertible corporate bonds		(Note)	-
Weighted average number of outstanding ordinary shares (diluted)		100,265	100,265
Loss per share (NTD)	$	(0.34)	(0.62)

Note: It is not included in the calculation of diluted earnings per share due to its anti-dilution effect.

(XVIII) Revenue from customer contracts

1. Details of revenue

		2021	2020
Revenue from customer contracts recognized	$	136,276	205,141
Rent income		102	137
	$	136,378	205,278

2. Details of revenue

		2021	2020
Main region/market:			
Taiwan	$	136,276	205,141
Main product/service line:			
Product sales (sales of property)	$	136,276	205,141
Contract type:			
Fixed-price contract	$	136,276	205,141

Time point of revenue recognition:			
Goods and services transferred at a point in time	$	136,276	205,141

3. Contract balance

	2021.12.31	2020.12.31	2020.1.1
Notes receivable	$ 394	1,269	2,119
Accounts receivable	47,262	4,212	4,212
Less: Allowance for losses	(4,212)	(4,212)	(4,212)
	$ 43,444	1,269	2,119
Contract liabilities -Sales of property	$ 48,776	21,934	15,799

Please refer to Note 6(3) for the information on notes receivable, accounts receivable, and impairment thereof.

The opening balances of contract liabilities on January 1, 2021 and 2020 were recognized in income in the amounts of NT$0 and NT$6,565,000 in 2021 and 2020, respectively.

Changes in contract liabilities are mainly from the difference between the time when the Company transfers goods or services to customers to meet performance obligations (that is, when contract liabilities are recognized in revenue) and the time when customers make a payment. The amounts of refunds due to changes in contract liabilities as a result of contract cancellation by customers were NT$0 and NT$2,576,000, respectively, and the amounts reclassified to income of liquidated damages were NT$0 and NT$765,000.

(XIX) Remuneration to employees, directors, and supervisors

As per the Company's Articles of Incorporation, where it makes a profit in a year, it shall distribute no less than 4% of the balance as employees’ remuneration and no more than 4% as directors’ and supervisor's remuneration. However, when the Company still has a cumulative deficit, it shall reserve an amount in advance to compensate it.

The Company suffered pre-tax losses in 2021 and 2020, so there was no need to estimate the remuneration to employees, directors, and supervisors. Relevant information is available on the Market Observation Post System (MOPS).

(XX) Non-operating income and expenses

1. Interest income

The details of the Company's interest income for 2021 and 2020 are as follows:

	2021	2020
Interest income		
Interest on bank deposits	$ 11	34
Imputed interest on security deposits	9	26
Borrowings - related parties	-	402
Guarantee deposits paid	3,147	3,340
Other interest income	30	62
	$ 3,197	3,864

2. Other income

The details of the Company's other income for 2021 and 2020 are as follows:

	2021	2020
Management fees income	$ 4,024	929
Rent income	50	614
Income of liquidated damages	-	765
Others	227	395
	$ 4,301	2,703

3. Other gains and losses

The details of the Company's other gains and losses for 2021 and 2020 are as follows:

	2021	2020
Foreign currency exchange gain	$ 1	-
Gain on lease modifications	400	1
Gain on reversal of impairment of property, plant and equipment	11,787	-
Others	(2,577)	(4)
	$ 9,611	(3)

4. Financial costs

The details of the Company's financial costs for 2021 and 2020 are as follows:

	2021	2020
Interest expense		
Interest on bank borrowings and bills and notes	$ 11,841	9,022
Interest on lease liabilities	329	497
Financial costs	1,374	3,800
Discounted and amortized convertible corporate bonds	2,858	-
Less: Capitalized interest	(1,626)	(8)
	$ 14,776	13,311
Capitalized interest rate	1.85%~2.01%	1.91%~2%

(XXI) Financial instruments

1. Credit risk

(1) Maximum exposure to credit risk

The carrying amount of financial assets represents the maximum exposure to credit risk.

(2) Credit concentration risk

As the Company has a large customer base and does not have significant customer concentration in transactions, there is no significant credit concentration risk of accounts receivable.

(3) Credit risk of receivables and debt securities

Please refer to Appendix 6(3) for the information on credit risk exposure of notes and accounts receivable.

Other financial assets at amortized cost include other receivables (listed in other financial assets - current). Allowances for overdue receivables for 2021 and 2020 have been provided.

Said financial assets are with low credit risk, so the allowance for losses for the periods was measured at the amount of 12-month expected credit loss (please refer to Note 4(6) for information on how the Company determines the credit risk as low).

2. Liquidity risk

The table below shows the maturity dates of contractual financial liabilities, including estimated interest but excluding the effect of netting arrangement.

	Carrying amount	Contractual cash flow	Within 6 months	6–12 months	1–2 years	2–5 years	More than 5 years
December 31, 2021							
Non-derivative financial liabilities							
Floating-rate instruments	$ 423,053	434,835	139,195	2,736	201,655	91,249	-
Fixed-rate instruments	276,030	300,000	-	-	-	300,000	-
Non-interest bearing liabilities	46,115	46,115	46,115	-	-	-	-
Lease liabilities	14,019	14,625	1,523	1,604	3,193	8,305	-
	$ 759,217	**795,575**	**186,833**	**4,340**	**204,848**	**399,554**	**-**
December 31, 2020							
Non-derivative financial liabilities							
Floating-rate instruments	$ 606,684	623,887	350,246	2,473	179,919	91,249	-
Fixed-rate instruments	26,989	27,436	262	27,174	-	-	-
Non-interest bearing liabilities	51,060	51,060	51,060	-	-	-	-
Lease liabilities	10,964	11,547	1,924	1,928	3,855	3,840	-
	$ 695,697	**713,930**	**403,492**	**31,575**	**183,774**	**95,089**	**-**

The Company does not expect that the timing of the cash flows for the maturity analysis will occur significantly earlier or that the actual amounts will be significantly different.

3. Interest rate analysis

The exposure of the Company's financial assets and financial liabilities to interest rate risk is described in liquidity risk management in this note.

The sensitivity analysis below is based on the exposure of derivative and non-derivative instruments to interest rate risk at the balance sheet date. For floating-rate liabilities, the analysis is based on an assumption that the amount of a liability outstanding at the balance sheet date is outstanding throughout the year. The sensitivity to a 1% change in interest rate is used when reporting the interest rate risk internally to key management personnel and also represents the management’s assessment of the reasonably possible change in interest rates.

If the interest rate increased/decreased by 1% and all other variables remain unchanged, the Company’s net income before tax for 2021 and 2020 would have decreased/increased by NT$3,615,000 and NT$5,934,000, respectively, mainly due to the Company’s borrowings at variable interest rates.

4. Information on fair value
   (1) Valuation process of fair value of financial instruments
   The Company's accounting policies and disclosures include the adoption of fair value to measure its financial and non-financial assets and liabilities. The Company has established relevant internal control systems for fair value measurement. Of them, a valuation team has been established to be responsible for reviewing all significant fair value measurements (including Level 3 fair value) and reporting directly to the Chief Financial Officer. The team regularly reviews significant unobservable inputs and adjustments. If an input used to measure fair value is based on external third-party information (such as a broker or pricing service institution), the valuation team will assess the evidence provided by the third party in support of the input to confirm that the valuation and its fair value level are aligned with the requirements of IFRS.
   The Company adopts observable inputs in the market wherever possible when measuring its assets and liabilities. The fair value levels are based on the inputsused in the valuation techniques and are classified as follows:
   - Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
   - Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
   - Level 3 inputs are not based on observable inputs (unobservable inputs) for the asset or liability.

   (2) Types and fair values of financial instruments
   The Company's financial assets at FVTOCI are measured at fair value on a recurring basis. The carrying amounts and fair values of various types of financial assets and financial liabilities (including fair value level information, but the carrying amounts of financial instruments not measured by fair value is a reasonable approximation of fair value, and the fair values of lease liabilities, as per regulations, are not required to be disclosed) are listed below:

	2021.12.31				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income					
Domestic and foreign unlisted stocks	$ 17,944	-	-	17,944	17,944

	2020.12.31				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income					
Domestic and foreign unlisted stocks	$ 18,628	-	-	18,628	18,628

   (3) Fair value valuation techniques for financial instruments not at fair value
   The methods and assumptions adopted by the Company to estimate instruments not at fair value are as follows:

(3.1) Financial assets and liabilities at amortized cost

If there is information on quoted prices from transactions or market makers, the latest transaction price and quoted price should be adopted as the basis for valuating the fair value. If there is no information on market prices for reference, the valuation method is adopted for estimation. The estimates and assumptions used in the valuation method are the discounted value of cash flows to estimate the fair value.

(4) Fair value valuation techniques for financial instruments at fair value

(4.1) Non-derivative financial instruments

When a financial instrument is quoted in an active market, the quoted price in the active market is the fair value. The market prices announced by major exchanges and Taipei Exchange that sells popular bonds are the basis for the fair value of listed equity instruments and debt instruments with quoted prices in the active markets.

A financial instrument is deemed to be with quoted prices in the active markets if its quoted prices can be obtained from exchanges, brokers, underwriters, industry associations, pricing services institutions, or competent authorities in a timely and regular manner, and the prices represent the prices in actual fair market transactions that occur frequently. If the above criteria are not met, the market is deemed inactive. Generally speaking, a large bid-ask spread, a significant increase in the bid-ask spread, or a low trading volume are all indicators of an inactive market.

Except for the above financial instruments with active markets, the fair values of other financial instruments are obtained through valuation techniques or with reference to the quoted prices by counterparties. The fair value obtained through valuation techniques may be calculated and obtained with reference to the present fair value of other financial instruments with substantively similar criteria and characteristics, discounted cash flow method, or other valuation techniques, including the use of models based on market information available at the balance sheet date.

If a financial instrument held by the Company is with no active market and its fair value is in the category of equity instruments without quoted prices based on the type and attribute, its fair value is measured using the asset method with the main assumption based on the balance sheet of the investee. The estimate has been adjusted for the effect of the discount on the control premium and liquidity of the equity securities.

(5) Transfer between Levels 1 and 2: None.

(6) Details of changes in Level 3

	At fair value through other comprehensive income Equity instruments without quoted prices
January 1, 2021	$ 18,628
Total gain or loss	
Recognized in other comprehensive income	3,414
Capital refunded for capital reduction	(4,098)
December 31, 2021	**$ 17,944**
January 1, 2020	$ 21,448
Capital refunded for capital reduction	(2,820)
December 31, 2020	**$ 18,628**

(7) Quantitative information on measurement of significant unobservable fair value input (Level 3)

The Company's fair value classified as Level 3 mainly includes financial assets at FVTOCI - equity securities investment.

Most of the Company's fair values are classified as Level 3 (with only a single significant unobservable input), and there are multiple, significant unobservable inputs only in investments in equity instruments without active markets. Significant unobservable inputs for investments in equity instruments with no active market are independent of each other and therefore do not correlate.

Quantitative information on significant unobservable inputs is listed as follows:

Item	Valuation technique	Significant unobservable input	Significant unobservable input and relations with fair value
Financial assets at FVTOCI – investments in equity instruments without active markets	Asset method	·Discount on liquidity (32.30% on both December 31, 2021 and 2020) ·Discount on non-controlling interests (6.45% on December 31, 2021 and 17.87% on December 31, 2020)	·The higher the liquidity discount, the lower the fair value ·The higher the non-controlling interest discount, the lower the fair value

(8) Analysis of sensitivity of Level 3 fair value to reasonably possible alternative assumptions

The measurement of fair values of financial instruments by the Company is reasonable, but the use of different valuation models or valuation parameters may result in different valuation results. For financial instruments classified as Level 3, if the valuation parameters change, the effect on the current profit or loss or other comprehensive income is as follows:

		Increase or decrease	Changes in fair value reflected in other comprehensive income	
	Input	**Change**	**Favorable change**	**Unfavorable change**
December 31, 2021				
Financial assets at fair value through other comprehensive income				
Investment in equity instruments without active markets	**Non-controlling interest discount**	+10%	-	(1,870)
	Non-controlling interest discount	-10%	1,870	-
	Liquidity discount	+10%	-	(2,583)
	Liquidity discount	-10%	2,583	-
December 31, 2020				
Financial assets at fair value through other comprehensive income				
Investment in equity instruments without active markets	**Non-controlling interest discount**	+10%	-	(2,186)
	Non-controlling interest discount	-10%	2,186	-
	Liquidity discount	+10%	-	(2,652)
	Liquidity discount	-10%	2,652	-

The Company’s favorable and unfavorable changes refer to the fluctuations of fair values, and fair values are calculated with the valuation techniques based on different unobservable inputs. If the fair value of a financial instrument is affected by more than one input, the above table only reflects the effect of changes in a single input without taking into account the correlation and variability between the inputs

(XXII) Financial risk management

1. Summary

   The Company is exposed to the risks below due to the use of financial instruments:

   (1) Credit risk

   (2) Liquidity risk

   (3) Market risk

   This note indicates the Company's exposure to each of the above risks and its objectives, policies, and procedures for risk measurement and management. Please refer to the notes to the parent company only financial statements for more quantitative information.

2. Risk management framework

   The Board of Directors is responsible for establishing and supervising the Company’s risk management structure at its discretion. The Board of Directors has fully delegated the management to be responsible for the development and management of the Company's risk management policy, and it shall regularly report on the operations to the Board of Directors. The formulation of the Company's risk management policy aims to identify and analyze the risks faced by the Company, set appropriate risk limits and control, and monitor risks and observance of risk limits. The risk management policy and system are regularly reviewed to reflect changes in market conditions and the Company's operations. The Company develops a disciplined and constructive control environment through training, management guidelines, and operating procedures, enabling all employees to understand their roles and responsibilities.

   The Company's Audit Committee supervises how the management monitors compliance with the Company's risk management policy and procedures and reviews the appropriateness of the Company's risk management framework governing the risks faced. Internal auditors assist the Company's Audit Committee with its supervisory role. These personnel conduct regular and exception reviews of risk management controls and procedures and report the review results to the Board and Audit Committee.

3. Credit risk

   The Company’s credit risk is the risk of financial loss suffered by the Company arising from the failure of customers or counterparties of financial instruments to fulfill contractual obligations, mainly from the Company's accounts receivable from customers.

   (1) Accounts receivable and other receivables

   The a credit policy has been established in the Company's internal control system, according to which the Company should analyze the credit rating of each new customer before making a standard payment or formulating shipping terms and conditions. The Company's review and control mechanism includes customers’ historical transaction records and external credit ratings. Maximum procurement amounts are set on a customer-by-customer basis and represent the maximum outstanding amount that does not require the management team’s approval. Such maximum amounts are under regular review.

   As the Company has a large customer base for the construction business with customers distributed over different areas, there is no significant customer concentration and the credit concentration risk of accounts receivable is not likely to be significant. As most of the counterparties engaging in real estate development and sales business are generally individuals, the funds received are mainly paid by remittance, bills or notes, and mortgage, so the relevant credit risk is relatively low.

In addition, the Company's construction projects are based on its operating regulations on project contracting. Its contracting and construction technology conforms to the regulations with a positive reputation. Therefore, it can ensure the quality and progress of its construction projects. When necessary, it requires the construction companies to make a security deposit to ensure the construction quality. Other receivables are mainly from landowners, other joint construction partners, and subsidiaries. After assessment, the debtors should be able to repay the debts, so the credit risk of the Company's other receivables is not significant.

(2) Investment

The credit risk of bank deposits, fixed-income investments, and other financial instruments is measured and monitored by the Company’s finance department. As the Company's transaction counterparties and contract counterparties are all creditworthy banks, financial institutions rated at investment grade and above, corporate organizations, and government agencies, there is no significant doubts over contract performance, hence no significant credit risk.

(3) Guarantee

As of the end of 2021 and 2020, the Company and other co-builders, in joint investment in construction projects or joint construction projects, provide endorsements and guarantees to each other. Please refer to Note 13 for details of such endorsements and guarantees.

4. Liquidity risk

Liquidity risk is the risk arising when the Company cannot deliver cash or other financial assets to settle financial liabilities and fails to fulfill relevant obligations. The Company's approach to managing liquidity is to ensure, as much as possible, that the Company, under normal circumstances and pressure, has sufficient liquidity to cover its liabilities as they fall due, without resulting in a risk of incurring unacceptable losses or causing damage to the Company's reputation.

The Company calculates the funds required for the cost of each development and construction project, payments that can be collected from customers during the sales period, and the construction loans from banks and properly plans the times of receipts of funds to ensure that it has sufficient working capital to cover the liabilities that are due. As part of the funds required for the development and construction projects can be financed by banks, and customers can also obtain mortgages from banks to cover most of the payment when housing units are handed over to customers; thus, the Company is not susceptible to the risk of material losses or reputational damage.

5. Market risk

Market risk refers to the risk that affects the Company's revenue or the value of financial instruments held due to changes in market prices, such as changes in exchange rates, interest rates, or equity instrument prices. The purpose of market risk management is to control the exposure to market risks within a range of tolerance and optimize return on investment. The Company does not engage in transactions in financial instruments (including derivative financial instruments) for the main purpose of speculation.

(1) Exchange rate risk

The Group’s functional currency is mainly in NTD. The Company's main business transactions (including receivables, payables, loans, or financing) are mainly denominated in NTD, so there is no risk of significant fluctuations in foreign exchange rates.

(2) Interest rate risk

The Company's policy is to have the management review and control the optimal interest rate portfolio of financial liabilities, in order to control the risk of interest rate fluctuations in the Company's finance.

The Company’s interest rate risk mainly comes from bank borrowings. As per the Company’s assessment, the interest rate level is stable in its operating environment in recent years, and there should not be significant interest rate risk.

(XXIII) Capital management

The Company's capital management aims to ensure the ability to continue as a going concern, continue to provide bonuses to shareholders and interests to other stakeholders, and maintain an optimal capital structure to reduce capital costs.

To maintain or adjust the capital structure, the Company may adjust the dividends paid to shareholders, reduce capital and refund capital to shareholders, issue new shares, or sell assets to settle liabilities.

The Company controls capital based on the debt-to-equity ratio. The ratio is calculated with net debt divided by total capital. Net debt is the total debt on the balance sheet less cash and cash equivalents. Total capital refers to all components of equity (i.e. share capital, capital surplus, retained earnings, and other equity) plus net debt.

The Company’s capital management strategy in 2021 was the same as in 2020, that is, to maintain the debt-to-equity ratio at a certain level to ensure financing at a reasonable cost.

The debt-to-equity ratios as of December 31, 2021 and 2020 were as follows:

		2021.12.31	2020.12.31
Total liabilities	$	834,918	738,214
Less: Cash and cash equivalents		(34,481)	(10,432)
Net liability		800,437	727,782
Total equity		596,326	604,837
Adjusted capital	$	1,396,763	1,332,619
Debt-to-equity ratio		57.31%	54.61%

(XXIII) Non-cash transactions and investments and financing activities

The Company's non-cash transactions and investments and financing activities in 2021 and 2020 are as follows:

1. Please refer to Note 6(9) for details of the right-of-use assets obtained through leases.
2. The reconciliation of liabilities from financing activities is as follows:

		2021.1.1	Cash flows	Non-cash movement Others	2021.12.31
Short-term borrowings	$	606,684	(183,631)	-	423,053
Short-term notes payable		26,989	(27,304)	(Note 1) 315	-
Corporate bonds payable		-	295,000	(Note 4) (18,970)	276,030
Lease liabilities		10,964	(3,032)	(Note 2) 6,087	14,019
Total amount of liabilities from financing activities	$	644,637	81,033	(12,568)	713,102
Short-term borrowings	$	229,260	377,424	-	606,684
Short-term notes payable		484,485	(459,594)	(Note 1) 2,098	26,989
Lease liabilities		18,532	(4,967)	(Note 3) (2,601)	10,964
Total amount of liabilities from financing activities	$	732,277	(87,137)	(503)	644,637

Note 1: It is the discounted amortized short-term notes payable.
Note 2: It is an increase of NT$13,198,000 and a decrease of NT$7,111,000 in rent.
Note 3: It is an increase of NT$1,107,000 and a decrease of NT$3,708,000 in rent.
Note 4: It is the stock options for convertible corporate bonds recognized in the amount of NT$21,828,000 less discount amortization of NT$2,858,000.

VII. Related Party Transactions

(I) Name of related party and relations

During the periods covered by the parent company only financial statements, the Company's subsidiaries and other related parties with transactions with the Company are as follows:

Name of related party	Relations with the Company
Better Life Green Energy Technology Co., Ltd.	Subsidiary of the Company
Better Life Real Estate Co., Ltd.	Subsidiary of the Company
Better Life Jinxia (Xiamen) Tourism Management Service Co., Ltd.	Subsidiary of the Company
Better Life Group Travel Service Co., Ltd.	Subsidiary of the Company
Puyuan Development Co., Ltd.	A supervisor at the company is a member of the key management personnel of the Company
Puyuan Advertising Co., Ltd.	A director at the company is a member of the key management personnel of the Company
Puqun Advertising Co., Ltd.	A director at the company is a member of the key management personnel of the Company
Puyi Interior Design Co., Ltd.	A director at the company is a member of the key management personnel of the Company
Puyuan Construction Co., Ltd.	A director at the company is a member of the key management personnel of the Company
Puxu Advertising Co., Ltd.	A director at the company is a member of the key management personnel of the Company
Pushi Construction Co., Ltd.	A director at the company is a member of the key management personnel of the Company
Puquan Advertising Co., Ltd.	A director at the Company
Pucheng Construction Co., Ltd.	Substantive related party
Chang, Chia-Sheng	Substantive related party
Chang, Chun-Kuei	A relative within first degree of kinship of a director at the Company

(II) Significant transactions with related parties

1. Purchase of goods from related parties

(1) The amount of goods purchased by the Company from other related parties for contracting of projects is as follows:

	Purchases	
	2021	**2020**
Pucheng Construction Co., Ltd.	$ 28,108	22,640
Belongs to other related parties	2,286	1,739
	$ 30,394	**24,379**

The price of a project outsourced by the Company to a related party is determined through price comparison and negotiation between both parties, and the payment is made as per the agreed payment terms. Please refer to Note 9 for details of the construction contracts signed by the Company and related parties as of December 31, 2021 and 2020.

(2) The Company purchased land from a related party, - Chang, Chia-Sheng, in June 2020 to facilitate the construction and development business. The total contract price was NT$130,800,000, and the ownership transfer was completed on November 30, 2020. This transaction was recognized in construction in progress. Said acquisition price is based on a real property appraisal report.

2. Payables to related parties

The details of the Company's payables to related parties are as follows:

Account	**Related party category**	**2021.12.31**	**2020.12.31**
Notes payable	Pucheng Construction Co., Ltd.	$ 6,100	8,871
Accounts payable	Pucheng Construction Co., Ltd.	-	8,872
Accounts payable	Puqun Advertising Co., Ltd.	10,361	-
Accounts payable	Subsidiaries	9,554	745
Accounts payable	Belongs to other related parties	200	200
Other payables	Subsidiaries	-	1,429
		$ 26,215	**20,117**

3. Leases

(1) Lease-out

The Company leased an office to its subsidiary in 2021 and 2020 and signed a two-year lease contract as per the rental market in nearby areas. The rental income in 2021 and 2020 was both NT$91,000.

(2) Lease-in

In June 2018 and November 2021, the Company leased in office buildings as the headquarters from a related party and signed two-year and five-year lease contracts with reference to the office rental market in nearby areas. The interest expenses recognized for 2021 and 2020 were NT$256,000 and NT$40,000 as well as NT$448,000 and NT$0, respectively. As of December 31, 2021 and 2020, the balance of lease liabilities was NT$12,612,000 and NT$9,401,000, respectively In addition, the guarantee deposits paid due to the above leases as of December 31, 2021 and 2020 were NT$0 and NT$579,000, respectively.

4. Others

(1) The Company signed an marketing agency contract with its subsidiary Better Life Real Estate Co., Ltd. for the sale of the Kang Chiao Villa project. See Note 9. In 2021 and 2020, the Company paid the marketing agency service fee to the subsidiary, in the

amounts of NT$7,993,000 and NT$11,481,000, respectively, recognized in operating expenses, and the incremental cost of obtaining contracts was recognized in the amounts of NT$5,605,000 and NT$3,356,000, respectively.

(2) The Company signed an marketing agency contract with Puqun Advertising Co., Ltd. and Puyuan Advertising Co., Ltd. Better Life Real Estate Co., Ltd., respectively, for the sale of property. See Note 9. In 2021 and 2020, the Company paid the marketing agency service fee to the related parties, in the amounts of NT$0 and NT$413,000, respectively, recognized in operating expenses, and the incremental cost of obtaining contracts was recognized in the amounts of NT$9,867,000 and NT$0, respectively.

(3) The Company received guarantee notes from Pucheng Construction Co., Ltd. for construction projects and other business needs as of December 31, 2021 and 2020, both in the amount of NT$28,612,000.

(4) The Company paid guarantee deposits and notes to the related party, Chang, Chun-Kuei, in the amounts of NT$24,500,000 and NT$24,500,000 as of December 31, 2021 for a joint construction and separate sale project in the Huaya Section in Guishan District. In addition, it engaged in a joint investment in a construction project with Puyuan Development Co., Ltd. and Pushi Construction Co., Ltd.

(5) The Company and Puyuan Construction Co., Ltd. jointly invested in a construction project in the Meiren Section in Songshan District.

(6) The company and its subsidiary, Better Life Green Energy Technology Co., Ltd., signed a solar power management contract in 2021. It is agreed that the Company has to pay a monthly management service fee of NT$60,000 to the subsidiary and the necessary costs for the construction of a solar power zone in a solar power project till a development permit is obtained and the category of land use is changed. As of December 31, 2021, the estimated accounts payable amounted to NT$6,400,000.

(III) Transactions with key management personnel

Key management personnel's remuneration includes:

	2021	2020
Short-term employee benefits	$ 9,824	9,559

VIII. Assets Pledged

The details of the book value of the assets pledged by the Company as collateral are as follows:

Name of asset	Asset pledged as collateral	2021.12.31	2020.12.31
Inventories -Construction industry	Bank borrowings and short-term notes payable	$ 836,516	890,219
Other financial assets-current	Reserve account	5,890	9,037
Other financial assets-current	Trust account	21,347	-
Investment property (initially listed in property, plant and equipment)	Bank deposits and corporate bonds payable	83,047	-
		$ 946,800	899,256

IX. Significant Contingent Liabilities and Unrecognized Commitments

(I) Significant unrecognized commitments:

1. The information on the sales contracts signed between the Company and the customers for the projects launched is as follows:

	2021.12.31	2020.12.31
Total contract price	$ 304,292	68,248
Advance receipts	$ 48,776	21,934

2. The construction contracting contracts signed and payments made by the Company for the construction projects it invests are as follows:

	2021.12.31	2020.12.31
Payables not yet priced as per contract	$ 224,335	277,474
Payables to related parties that have not been priced as per contract	$ 221,990	257,917

3. The situation of joint construction contract and joint investment contract on construction projects signed by the Company and the landlords is as follows:

		Joint construction deposits paid (construction deposits paid)	
Project name or land lot	**Joint construction method**	**2021.12.31**	**2020.12.31**
Xinyi Section, Xinyi District	Joint investment in construction and joint construction and allocation of housing units	$ 195,317	192,170
Zhongshan Section, Zhongshan District	Joint investment in construction and joint construction and allocation of housing units	-	-
Meiren Section, Songshan District	Joint investment in construction and joint construction and allocation of housing units	-	-
Huaya Section, Guishan District	Joint investment in construction and joint construction and separate sale	24,500	-
		$ 219,817	192,170

4. The Company paid the guarantee notes for business needs as of December 31, 2021 and 2020 in the amounts of NT$24,500,000 and NT$0, respectively.
5. The Company signed an marketing agency contract with its subsidiary Better Life Real Estate Co., Ltd. for the sale of the Kang Chiao Villa project from November 17, 2017 to December 31, 2021.
6. As of December 31, 2021, the Company's advance receipts for the authorization of a third party to integrate and dispose of a project under development amounted to NT$20,000,000, recognized in other current liabilities.
7. The Company signed a contract with other related parties to assist with the sale of the Puyuan project from January 15, 2021.
8. The Company leased a parcel of land in Miaoli to a non-related party on November 25, 2021 to install a solar power system. As per the contract, the Company will charge a special business commission fee of NT$36,000,000 when the project is completed and will charge a monthly rent at the agreed rate. Said land has been reclassified from property, plant and equipment to investment property. See Note 6(8).

X. Major Disaster Loss: None.

XI. Material Events After the Balance Sheet Date: None.

XII. Others

The statement of employee benefits, depreciation, depletion, and amortization expenses of the year by function is as follows:

By function / By nature	2021			2020		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefit expenses						
Salary and wages	-	18,764	18,764	-	20,517	20,517
Labor and health insurance	-	1,358	1,358	-	1,407	1,407
Pension	-	698	698	-	780	780
Directors' remuneration	-	3,960	3,960	-	3,695	3,695
Other employee benefit expenses	-	634	634	-	608	608
Depreciation expense	-	3,610	3,610	-	5,167	5,167
Depletion expense	-	-	-	-	-	-
Amortization expense	-	179	179	-	135	135

Additional information on the Company's number of employees and employee benefit expenses for 2021 and 2020 is as follows:

	2021	2020
Number of employees	25	24
Number of directors who do not serve as employees concurrently	7	7
Average employee benefit expenses	$ 1,192	1,371
Average employee salary and wages	$ 1,042	1,207
Average adjustment to employee salary and wages	(13.67)%	(0.41)%
Supervisors' remuneration	$ -	230

The Company's remuneration policy (including directors, supervisors, managers, and employees) information is as follows:

(I) The Company's remuneration policy for directors and supervisors is that when directors and supervisors perform their duties at the Company, the Company may pay them remuneration when either making a profit or suffering a loss. Please refer to Note 6(19) for the rules of the remuneration to directors and supervisors.

(II) The employees' salary and remuneration is determined based on their regular performance evaluation results, which serve as the basis for the amounts of their salaries, bonuses, and annual salary adjustments or promotions. Please refer to Note 6(19) for the rules of the remuneration to employees.

XIII. Additional Disclosures

(I) Information on significant transactions

In 2021, the relevant information on significant transactions that the Company shall disclose in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers is as follows:

1. Loans to others: None.
2. Endorsements/Guarantees provided to others:

Unit: In Thousand New Taiwan Dollars

Code	Endorser / Guarantor	Endorsed / Guaranteed party		Maximum endorsement / guarantee amount to a single enterprise	Maximum endorsement / guarantee balance for the current period	Endorsement/ Guarantee balance at the end of the period	Amount drawn	Dndorsement / Guarantee amount with assets pledged	Ratio of cumulative endorsement / guarantee to net worth as in the latest financial statements	Maximum endorsement / guarantee amount	Endorsement / guarantee form parent to subsidiary	Endorsement / guarantee form subsidiary to parent	Endorsement / guarantee to entity in mainland China
		Company name	Relations										
0	The Company	Yunpeng Construction Co., Ltd.	5	596,326	388,800	388,800	203,094	-	65.20%	1,196,652	N	N	N
0	The Company	Tianyi Construction Co., Ltd.	5	596,326	453,600	453,600	236,943	-	76.07%	1,196,652	N	N	N

Note 1: The Company is coded “0”.

Note 2: There are 7 types of relations between the endorser/guarantor and the endorsed/guaranteed party as follows; just indicate the type:

(1) Companies with business dealings.
(2) A company in which the Company directly or indirectly holds more than 50% of the voting shares.
(3) A company directly or indirectly holds more than 50% of the voting shares of the Company.
(4) A company in which the Company directly or indirectly holds more than 90% of the voting shares.
(5) Companies that need to purchase insurance for each other in the same industry or as co-builders in accordance with contractual provisions based on the needs for contracting construction projects.
(6) A company that is endorsed and guaranteed by all shareholders of the Company based on their ownership percentage due to a joint investment relationship.
(7) The companies that are engaged in joint and several guarantees for the performance of a pre-sale property contract in accordance with the Consumer Protection Act.

Note 3: The maximum amount of all endorsements/guarantees shall not exceed 40% of the net worth as in the most recent financial statements; the maximum amount of the endorsement/guarantee to a single enterprise shall not exceed 10% of the net worth as in the most recent financial statements except for subsidiaries that directly hold more than 90% of the Company’s ordinary shares, to which the maximum amount of the endorsement/guarantee shall not exceed 20% of the net worth of the net worth as in the most recent financial statements. The net worth in the most recent financial statements audited or reviewed by the CPAs shall prevail.

Note 4: For joint investment in construction or joint construction, the Company and co-builders should provide endorsements and guarantees to each other as per contracts; mutual endorsements and guarantees are required for contracting of construction projects as per contracts; however, for a joint-and-several guarantor engaging in the performance of a pre-sale housing project contract with a partner as per the Consumer Protection Act, when the total amount of endorsement/guarantee may not exceed 200% of the net worth in the current period and the total amount of endorsement/guarantee to a single enterprise may not exceed 100% of the net worth in the current period, the restrictions in the preceding paragraph does not apply.

3. Securities held at the end of the period (excluding investment in subsidiaries, associates, and joint ventures):

Unit: In Thousand New Taiwan Dollars

Holding company	Type and name of securities	Relations with holding company	Account	End of period				Remarks
				Number of shares	Carrying amount	Shareholding	Fair value	
The Company	Stock - Technology Associates Corporation	-	Financial assets at fair value through other comprehensive income - non-current	482,505	3,667	4.95 %	3,667	
The Company	Stock - Tech Alliance Corp.	-	〃	100,000	274	2.50 %	274	
The Company	Stock - Nexcell Battery Co., Ltd.	-	〃	200,000	-	0.20 %	-	
The Company	Stock - Nexcell Battery Co., Ltd.	-	〃	15	-	- %	-	
The Company	Stock - World Join International Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	547,103	12,113	7.50 %	12,113	
The Company	Stock -Shin Kong Real Estate Management Co., Ltd.	-	〃	500,000	1,890	1.67 %	1,890	

4. Securities acquired or sold amounting to at least NT$300 million or 20% of the paid-in capital: None.
5. Acquisition of real estate amounting to at least NT$300 million or 20% of the paid-in capital: None.
6. Disposal of real estate amounting to at least NT$300 million or 20% of the paid-in capital: None.
7. Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: None.
8. Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: None.
9. Trading in derivative instruments: None.

(II) Information on investees:

Information on the Company's investees in 2021 is as follows (excluding the investees in mainland China):

Unit: In Thousand New Taiwan Dollars

Investor	Investee	Region	Principal business	Initial investment amount		Holdings at the end of period			Profit or loss on investee for the current period	Profit or loss recognized for the current period	Remarks
				End of the current period	Last year	Number of shares	Percentage	Carrying amount			
The Company	Better Life Green Energy Technology Co., Ltd.	Taiwan	Trade	91,000	91,000	9,100,000	100.00%	9,537	(17)	(17)	Subsidiaries
The Company	Better Life Real Estate Co., Ltd.	Taiwan	Marketing agency for the sale of real estate	110,000	110,000	11,000,000	100.00%	33,333	16,741	15,372	Subsidiaries
The Company	Better Life Group Travel Service Co., Ltd.	Taiwan	Travel agency	9,000	9,000	-	100.00%	1,740	(1,337)	(1,337)	Subsidiaries

(III) Information on investments in mainland China

1. The name of the investee in mainland China, principal business, and other relevant information:

Unit: In Thousand New Taiwan Dollars

Investee	Principal business	Paid-in capital	Investment method	Cumulative investment remitted from Taiwan at the beginning of period	Cumulative amount of investment remitted or recovered in current period		Cumulative outward remittance from Taiwan at the end of current period	Profit or loss on investee for the current period	Shareholding in direct or indirect investment	Profit or loss recognized for the current period	Carrying amount of investment at the end of period	Cumulative repatriation of investment income at the end of current period
					Outward remitted	Repatriated						
Better Life Jinxia (Xiamen) Tourism Management Service Co., Ltd.	Metal (non-metal) product wholesale and tourism management services	29,064 (USD1,050)	(Note 1)	29,064 (Note 2) (USD1,050)	-	-	29,064 (Note 2) (USD1,050)	(1,864) (RMB427)	100.00%	(1,864) (Note 3) (RMB427)	9,076 (RMB2,089)	-

Note 1: The investment method used is direct investment in Mainland China.

Note 2: It is translated with the investment amount in subsidiary in the original currency multiplied by the exchange rate at the end of the period.

Note 3: The basis for recognition of investment income and losses is the financial statements audited by CPAs appointed by the parent company in Taiwan.

2. Maximum investment amount in mainland China:

Company name	Cumulative outward remittance for investment in mainland China at the end of current period	Investment amount authorized by Investment Commission, MOEA	Maximum investment amount stipulated by Investment Commission, MOEA
The Company	29,064 (USD1,050)	248,428 (USD8,975)	357,796 (Note 4)

Note 4: Maximum amount: Net worth of equity for current period × 60% = NT$596,326,000 × 60% = NT$357,796,000.

3. Significant transactions with investees in mainland China: None.

(IV) Information on major shareholders:

Unit: Shares

Shares **Name of major shareholder**	**Number of shares held**	**Shareholding**
Puquan Advertising Co., Ltd.	9,067,200	9.04%
Sant Law International Corporation	8,626,910	8.60%
Tsai, Hung-Chien	8,458,744	8.43%
Liao, Heng-I	6,496,000	6.47%

XIV. Information on Operating Segments

Please refer to the 2021 consolidated financial statements for information on subsidiaries.

Better Life Group Co., Ltd.

Statement of Cash and Cash Equivalents

As of December 31, 2021

Unit: In Thousand New Taiwan Dollars

Item	Summary	Amount
Cash on hand		$ 142
Demand deposit		34,321
Checking deposit		18
		$ 34,481

Statement of Inventories

Item	Summary	Amount	Net realizable value	Remarks (pledge)
Buildings and land held for sale	Qingpu Section, Taoyuan	$ 34,997	36,797	Short-term notes payable
Buildings and land held for sale	Xiugang Section, Xindian	587,623	613,752	Bank borrowings
Construction in progress	Xinyi Subsection 3	81,524	215,015	Bank borrowings
Construction in progress	Meiren Section, Songshan District	132,372	158,880	Bank borrowings
Total		**$ 836,516**	**1,024,444**	

Better Life Group Co., Ltd.

Statement of Construction Deposits Paid

As of December 31, 2021

Unit: In Thousand New Taiwan Dollars

Please refer to Note 9(1) for relevant information.

Statement of Movement in Investment Property

For the Years Ended December 31, 2021 and 2020

Please refer to Note 6(8) for relevant information.

Better Life Group Co., Ltd.

Statement of Movement in Investment Under Equity Method

For the Years Ended December 31, 2021 and 2020

Unit: In Thousand New Taiwan Dollars

Name	Opening balance		Increase in current period		Decrease in current period		Ending balance			Market price or net worth of equity		Collateral or pledge	Remarks
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Shareholding	Amount	Unit price	Total price		
Investment using the equity method:													
Better Life Green Energy Technology Co., Ltd.	9,100,000	$ 9,554	-	-	-	(17)	9,100,000	100.00%	9,537	1.05	9,537	None	
Better Life Real Estate Co., Ltd.	11,000,000	17,961	-	15,372	-	-	11,000,000	100.00%	33,333	3.03	33,333	None	
Better Life Group Travel Service Co., Ltd.	-	3,077	-	-	-	(1,337)	-	100.00%	1,740	-	1,740	None	
Better Life Jinxia (Xiamen) Tourism Management Service Co., Ltd.	-	11,016	-	-	-	(1,940)	-	100.00%	9,076	-	9,076	None	
		$ 41,608		15,372		(3,294)			53,686		53,686		

The details of the increase and decrease of long-term equity investment using the equity method in the current period are as follows:

Investee	Income (loss) on investment recognized under the equity method	Exchange difference on translation of financial statements of foreign operations	Total
Better Life Green Energy Technology Co., Ltd.	$ (17)	-	(17)
Better Life Real Estate Co., Ltd.	15,372	-	15,372
Better Life Group Travel Service Co., Ltd.	(1,337)	-	(1,337)
Better Life Jinxia (Xiamen) Tourism Management Service Co., Ltd.	(1,864)	(76)	(1,940)
	$ 12,154	(76)	12,078

Better Life Group Co., Ltd.
Statement of Short-Term Borrowings
As of December 31, 2021

Unit: In Thousand New Taiwan Dollars

Type of borrowings	Lender	Ending balance	Contract period	Interest rate range	Financing facility	Mortgage or collateral	Remarks
Secured bank borrowings	Financial institution A	$ 225,600	2020.09.01~2024.09.01	1.85%~1.9%	410,260	Construction in progress and buildings and land held for sale	
〃	Financial institution B	197,453	107.09.18~112.08.09	1.91%~2.01%	378,000	Construction in progress	
Unsecured borrowings	Financial institution C	-	2021.05.29~111.05.28	2.09%	50,000		
	Total	$ 423,053			838,260		

Statement of Corporate Bonds Payable

Please refer to Note 6(12) for relevant information.

Better Life Group Co., Ltd.

Statement of Operating Income

For the Years Ended December 31, 2021 and 2020

Unit: In Thousand New Taiwan Dollars

Please refer to Note 6(18) for relevant information.

Statement of Operating Costs

Please refer to Note 6(14) for relevant information.

Better Life Group Co., Ltd.

Statement of General and Administrative Expenses

For the Years Ended December 31, 2021 and 2020

Unit: In Thousand New Taiwan Dollars

Item	Selling expenses	Administrative and general expenses	Remarks
Salary and wages (including directors' remuneration and pensions)	$ 96	23,326	
Commission expense	4,091	-	
Advertisement	9,352	22	
Service expense	69	4,608	
Other expenses	2,504	9,019	Note
Total	**$ 16,112**	**36,975**	

Note: Those who did not reach 10% or more of the amount

Statement of Non-Operating Income and Expenses

Please refer to Note 6(20) for relevant information.