Stock Code 1805

寶徠建設

Better Life

2023 ANNUAL REPORT

Printed on March 29, 2024

The contents of this annual report and relevant information regarding the Company are available on the following websites.

Market Observation Post System. https://mops.twse.com.tw

I. Name, title, phone number and e-mail address of the spokesperson and acting spokesperson:

Spokesperson: CFO Huang, Wen-Cheng
Phone: (02) 2791-5688
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Acting spokesperson:Assistant General Manager Hsu, Tzu-Fang
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II. Address and phone number of the company's head office and branch offices:

The Company: 4F, No. 303, Xinhu 1st Road, Neihu District, Taipei City 114
Phone: (02) 2791-5688

III. Name, address, website, and phone number of the agent handling shares transfer:

Name: Agency division of The Capital Securities Co., Ltd.
Address: B2F., No. 97, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City 106
Website: www.capital.com.tw
Phone: (02) 2702-3999

IV. Name of the certified public accountant who audited the company's annual financial report for the most recent fiscal year, and the name, address and phone number of the accounting firm:

Name of CPAs: Pan, Chun-Ming, Chen, Tsung-Che
Name of CPA firm: KPMG Taiwan
Address: 68F., No. 7, Sec. 5, Xinyi Rd., Taipei City 110
Website: www.kpmg.com.tw
Phone: (02) 8101-6666

V. Name of any exchanges where the company's securities are traded offshore, and the method by which to access information on said offshore securities: nil

VI. Company Website:https://blgroup.com.tw/

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One. Letter to Shareholders

Dear Shareholders:
Thank you to all shareholders for the support! We will operate under the philosophy of creating the best interests of our customers, employees and shareholders and look forward to having a better performance. The following is a summary of the Company's results of operations and future operating plans for the year ended December 31, 2023.

I. 2023 Operating Results

(I) 2023 Operating Results

The 2023 consolidated operating revenue of the Company is NT$145,516 thousand, a decrease of NT$203,327 thousand from the last year's consolidated operating revenue of NT$348,843 thousand. The 2023 parent-only operating revenue is NT$139,621 thousand, a decrease of NT$178,349 thousand from the last year's parent-only operating revenue of NT$317,970 thousand.
The 2023 consolidated comprehensive income (loss) for the year is at a loss of NT$110,235 thousand, and the consolidated net loss for the period is NT$110,116 thousand, and the loss per share is NT$1.55.

(II) Budget Implementation Status: Not applicable.

(III) Financial Revenue/Expenditure and Profitability Analysis

The consolidated financial revenue/expenditure and profitability analysis of the Company in the last two years are as follows:

Unit: NT$ thousand, %

Item \ Year		2023	2022 (Restated)
Financial revenue/ expenditure	Net operating income	145,516	348,843
	Gross profit	665	1,949
	Net loss for the period	(110,116)	(110,655)
Profitability	Return on assets (ROA) (%)	(6.37)	(6.46)
	Return on shareholders' equity (%)	(16.58)	(18.19)
	Operating income to paid-in capital ratio (%)	(5.18)	(7.27)
	Net income before tax to paid-in capital ratio (%)	(10.40)	(10.48)
	Net profit margin (%)	(75.67)	(31.72)
	Earnings per share (EPS) (NT$)	(1.55)	(1.58)

(IV) Research and Development

To thoroughly understand the real estate market, the Company has actively collected various land and real estate market information, in order to plan and design the most quality product and to satisfy consumer demands. In addition, the Company also implements rigorous control on the construction quality, project progress and cost, in order to achieve both profit and quality at the same time.

II. 2024 Business Plan Overview

(I) Operational Directives

The Company will continue to uphold the philosophy of "Commitment, Style, Perfection" and establish professional team with extensive construction experience, in order to achieve the corporation mission of sustainable operation.

(II) Important Production and Sales Policies

The "Song Yong" project, located in the Xinyi Project District, Taipei City, has reached the completion period and is expected to be delivered in 2024Q3.

The "Pauian Pau-Garden" project, located in Songshan District, Taipei City, is currently under construction and is expected to be completed and delivered in the first half of 2025, and the sale will continue in 2024.

"Yongjing Park" urban renewal project, located at Zhongshan District, Taipei City, is currently under the review of urban renewal business plan.

The "Hwa Ya Science Park" project, located in Guishan District, Taoyuan City, is currently in the process of permitting, and it is expected to obtain the construction permit and launch the project in 2024.

The "Shitan Section, Neihu District" urban renewal project, located in Neihu District of Taipei City, is currently under review and approval.

One store of "Qingpu-Better Life Garden" will continue to be sold in 2024.

"Kang ChiaoAsahi Villa" located at Huacheng area of Xindian District, New Taipei City, will continue to be sold in 2024.

III. Impacts of External Competitive Environment, Legal Environment and Overall Operating Environment on the Company’s Future Development Strategy:

(I) Future Development Strategy:

(1) Through in-depth study of individual project characteristics, the Company will focus on the construction quality and after-sale service, in order to improve product differentiation and elaboration, thereby achieving irreplaceability of products.

(2) Strengthen the Company's brand value and competitiveness, in order to increase profit margin and to achieve maximum profit for the Company.

(3) Cooperate with the asset revitalization policy of the Company along with the consideration of the industrial development trend, the Company will continue to evaluate the feasibility for investing in the green energy industry.

(II) Analysis of Impacts of External Competitive Environment, Legal Environment and Overall Operating Environment:

(1) In response to the government’s promotion in urban renewal policy, the Company will continue to promote urban renewal projects.

(2) Pay attention to industrial latest news, any changes to regulations and overall political and economic environment and formulate the most appropriate course of actions.

(3) Focus on construction quality, enhance customer service, in order to improve customer satisfaction. In addition, the Company expects to establish quality brand image and provide high quality products in order to achieve win-win situation for both customers and the Company.

Thank you to all shareholders for the support.We will continue to strive for high-quality growth in the industry and diversified operation in order to enhance the Company’s competitiveness. and aim to generate maximum profit. Maximizing profits is our goal, and we look forward to the continued support of our shareholders.

Wish you all

good health and all the best!

Chairman: LIN, JUI-SHAN

Two. Company Profile

I. Date of incorporation: The Company was established on May 2, 1978 and was approved for registration on June 30, 1978.

II. Company's history:

1978:

- The three companies, *i.e.,* Kuo Hua Ceramic Company, Pi Yu Electronic Industry Company and Shan Chu Company, as well as the directors and supervisors of each company, *i.e.,* Pan, Chih-Chia, Chen, Han-Chun and Lu, Chih-Chao initiated the preparation and formulated a share subscription plan for the construction of a factory and production and sales, which were approved by the Ministry of Economic Affairs on June 30. The registered capital was NT$ 50,000,000

1980:

- In April, our products were exported to Japan, which is the Taiwanese tile industry's first export to Japan and is proof that the quality of our products has reached international standards. In May, the equity increased by $10,000,000 and the capital amounted to $60,000,000.

1981:

- In May, the equity increased by $70,000,000 and the capital amounted to $130,000,000.

1983:

- In March, the Company was awarded as a grade A quality control factory by the Ministry of Economic Affairs and its products were approved to be labeled with the CNS Mark for magnetic, stone wall tiles and floor tiles. It is the only factory in Taiwan that met the national standards for magnetic, stone, wall tiles and floor tiles at that time.

1984:

- In February, the location of the company was changed to Zhunan Township, Miaoli County due to business needs. In September, a computer center was established in order to actively develop computerization. In November, the Company donated to establish the Chih Yuan Research and Development Foundation

1988:

- On January 1, the capital was increased to NT$195,007,200 by officially merging with Kuo Hua Ceramic Company, On October 31, the equity increased by $58,502,160. On December 21, the Company was approved by the FSC of the Ministry of Finance for public offering.

1989:

- In February, the Ministry of Economic Affairs approved the registration of alteration. The capital was $253,509,360. In August, the equity increased and the capital was $600,000,000. The Ministry of Economic Affairs approved the registration of alteration in October. The shares started to be listed on October 20.

1990:

- On November 1, the Ministry of Economic Affairs approved the registration of alteration and the capital was $810,000,000.

1991:

- In August, the FSC of the Ministry of Finance approved —letter of Tai-Tsai (1) no. 0197—the Company to issue 8,100,000 new shares and the capital reached $891,000,000.

1992:

- On July 3, the Ministry of Economic Affairs approved the registration of alteration, and the capital was $891,000,000. In October 27, the FSC of the Ministry of Finance approved —letter of Tai-Tsai (1) no. 02748—the Company to issue 8,910,000 new preferred shares and common shares from cash of $300,000,000 and capital surplus of $89,100,000. The par value of each share is NT$10, totaling NT$389,100,000. On December 10— the ex-dividends basis date— the Company issued $300,000,000 of preferred shares for cash and issued $89,100,000 of shares by capital surplus.

1993:

- On February 19, the Ministry of Economic Affairs approved the registration of alteration and the capital was $906,760,480. The Ministry of Economic Affairs approved the registration of alteration, and the capital was $1,295,860,480.

1994:

- On February 25, the Ministry of Economic Affairs approved the registration of alteration and the paid-in capital was $1,295,918,050. $57,570 of common shares were exchanged from the certificates of conversion to shares of 1993.

1995:

- On February 11, the Ministry of Economic Affairs approved the registration of alteration, and the paid-in capital was $1,717,200,710. In 1994, the certificates of conversion to shares was $35,028,130, the certificates of right to re-issue was $13,123,270, the gains of common shares transferred to shares was $219,101,960, the capital surplus of common shares transferred to shares was $99,591,800, the earnings of preferred shares transferred to common shares was $24,437,500, and the capital surplus of preferred shares transferred to common shares was $30,000,000.
- On August 17, the Ministry of Economic Affairs approved the registration of alteration, and the paid-in capital was $2,661,956,010. The gains of common shares transferred to shares was $623,568,310, employee share subscription was $11,934,890, the capital surplus of common shares transferred to shares was $226,752,100, the earnings of preferred shares transferred to common shares was $34,500,000, and the capital surplus of preferred shares transferred to common shares was $48,000,000.

1996:

- On January 17, the Ministry of Economic Affairs approved the registration of alteration, and the paid-in capital was $2,679,092,750.

1997:

- On October 14, the 8th board of directors and supervisors were elected, and Fu, Chao-Lin was elected as the chairperson of the board, and Hu, Hsiang-Chi was reappointed as president.

1998:

- On April 8, the Taipei liaison office was moved to 14F., No. 51, Sec. 2, Keelung Rd., Xinyi Dist., Taipei City

1999:

- On May 15, the Ministry of Economic Affairs approved the registration of alteration, and the paid-in capital was $3,500,000,000.

2000:

- On September 28, the 9th directors and supervisors were elected in the annual shareholders meeting, and Fu Liu, Man-Lan was elected as the chairperson and Fu, Chao-Lin was elected as the vice chairperson in the board meeting held on the same day.

2001:

- On October 24, the company completed a capital reduction from NT$3.5 billion to NT$1.75 billion.

2003:

- On June 30, the 10th directors and supervisors were elected in the shareholders meeting, and Fu, Hsien-Kuei was elected as the chairman and Fu, Chao-Lin was elected as the vice chairman in the board meeting held on the same day.

2004:

- On September 21, the board of directors approved to replace the Company’s chairperson from Fu, Hsien-Kuei to Fu, Chao-Lin.
- On December 15, the Company stopped trading its securities on the centralized securities exchange market.

2005:

- On January 10, the Company's restarted trading its securities on the centralized securities exchange market.
- On May 16, the board of directors approved to replace the Company’s chairperson from Fu, Chao-Lini to Kao, Che-Hsiung.
- On October 14, the directors and supervisors were elected in the special meeting of shareholders, and Yang, Ke-Cheng was elected as chairman by the board of directors on the same day.
- On November 22, the Ministry of Economic Affairs approved the registration of alteration, and the paid-in capital was $4,250,000,000.

2006:

- On October 18, the Ministry of Economic Affairs approved the registration of alteration, and the paid-in capital was $531,250,000 after capital reduction.
- On June 30, 2012, Medtecs Co., Ltd. changed its director delegate from Liu, Pi-Liang to Tseng, Wen-Kuei and elected Liu, Pi-Liang as vice chairperson of the board.

2008:

- On February 5, the Ministry of Economic Affairs approved—letter of Shou-Shang-Zi No. 09701032660—the addresses to be change to 5-6, Dapuding, Zhunan Township, Miaoli County.
- On June 25, the 12th directors and supervisors were elected in the shareholders meeting. Directors: delegates of Medtecs Co., Ltd.:Yang, Ke-Cheng, Liu, Pi-Liang, Li, I-Jen, and Kao, Che-Hsiung, and delegate of Sant Law International Co., Ltd.: Chen ,Kun-Wei. Supervisors: delegates of Chung Yu Investment Co., Ltd.: Lin, Yao-Peng and Chen, Chien-He

- On June 30, the first private placement of shares issuance of 2008 for cash was completed. Besides, on August 6, with the approval—letter of Shou-Shang-Zi No. 09701194110— the paid-in capital changed to NT$602,750,000.
- On August 29, the board of directors approved to replace the chairperson from Yang, Ke-Cheng to Li, Tso-Chun.
- On October 24, the 13th directors and supervisors were elected in the shareholders meeting. Directors:Li, Tso-Chun, Tsai, Hung-Chien; delegates of Sant Law International Corporation: Kang, Yen-Chiang, Yeh, Wen-Kuang, Hsu, Yu-Shan. Supervisers: Li, Yu-Chun, and Huang, Chung-Kai.

2009:
- On July 24, the Ministry of Economic Affairs approved—letter of Shou-Shang-Zi No. 09801153160— the Company to change its name to Better Life Group Co., Ltd., and the business address was changed to 27F.-3, No. 508, Sec. 5, Zhongxiao E. Rd., Xinyi Dist., Taipei City.
- On September 23, the Company invested in the establishment of Kai Chu Co., Ltd., which was approved by the Taipei City Government and registered on October 7 with a total capital of NT$1,000,000.
- On December 28, the first private placement of shares issuance of 2009 for cash was completed. Besides, on January 18, 2010, with the approval—letter of Shou-Shang-Zi No. 09901011040— the paid-in capital changed to NT$948,750,000.

2010:
- On February 26, the Ministry of Economic Affairs approved—letter of Shou-Shang-Zi No. 09901357770—the Company to change its business address to 17F., No. 167, Dunhua N. Rd., Songshan Dist., Taipei City.
- On March 3, the registration of share issuance for cash of Kai Chu Co., Ltd. were approved by Taipei City Government, and the paid-in capital reached $28,000,000 after the capital increase.
- On March 31, the Board of Directors approved the appointment of Mr. Chen, Chien-Hung as the Manager, and he assumed the position on April 1.
- On June 30, the registration of alteration of capital reduction was completed, and the Company's paid-in capital decreased from NT$948,750,000 to NT$500,000,000.

2011:
- On March 3, the first private placement of shares issuance of 2010 for cash was completed. Besides, on March 18, 2011, with the approval—letter of Shou-Shang-Zi No. 10001052430— the paid-in capital changed to NT$602,654,000.
- On July 25, registration of alteration of capital reduction was completed, and the Company's capital decreased to NT$502,654,000.

2012:
- On November 9, the Financial Supervisory Commission approved—letter of Jin-Guan-Zheng-Fa-Zi No.1010047576— to issue 30,000,000 common shares for cash.

2013:
- On February 27, after the approval—letter of Shou-Shang-Zi No. 10201029380— t of Ministry of Economic Affairs, the capital increase was completed, and paid-in capital reached NT$802,654,000.
- On July 16, the registration of distributing share dividends by cash of Kai Chu Co., Ltd. were approved by Taipei City Government. 650,000 new shares were issued, and the paid-in capital reached $34,500,000 after the capital increase.

2014:
- On June 24, the 15th directors and supervisors were elected in the shareholders meeting. Directors: Tsai, Hung-Chien; delegates of Sant Law International Corporation: Li, Tso-Chun; Nien Mei Investment Co., Ltd.: Chen, Chien-Hung, Wan, Chia-Chun. Supervisors: Huang, Chung-Kai and Chen, Hsing-Fu.
- On July 1, the Board of Directors approved the replacement of the president from Mr. Chen, Chien-Hung to Mr. Tsai, Hung-Chien and the replacement became effective from that date.

2015:
- On July 15, the Company invested in the establishment of Better Life Real Estate Co., Ltd., which was approved by the Taipei City Government and registered on July 23 with a total capital of NT$80,000,000.
- On August 7, the Board of Directors approved to appoint Director Chen, Chien-Hung as the vice chairman of the Company.
- On September 18, the board of directors approved the disposal of land and factory buildings in Zhunan Township, Miaoli County.
- On September 21, upon the approval of Taipei City Government, the registration of alteration of issuing shares for cash of Kai Chu Co., Ltd. was completed. two million new shares were issued, and the paid-in capital reached $54,500,000 after the capital increase.
- On December 23, upon the approval of Taipei City Government, the registration of alteration of issuing shares for cash of Kai Chu Co., Ltd. was completed. Seven million five hundred fifty thousand new shares were issued, and the paid-in capital reached $7,550,000 after the capital increase.

2016:

- On September 26, the Financial Supervisory Commission approved—letter of Jin-Guan-Zheng-Fa-Zi No.1050038794—to issue 26,913,827 common shares through private placement and conduct supplementary public offering afterwards.

2017:

- On June 27, the 16th directors and supervisors were elected in the shareholders meeting. Juristic person director: delegates of Nien Mei Investment Co., Ltd.: Li, Tso-Chun, Chung Hsi-Chi, Yao ,Kuo-An, Chang, Yuan-Chun, Shih, Hao-Chi; independent directors: Huang, Kuo-Shih, Li, Pei-Chang; supervisors: Kuo, Yen-Chun, delegate of Sant Law International Corporation: Chang, Yu-Ching. On the same day, Director Li, Tso-Chun was elected as chairperson and Director Chung Hsi-Chi, was elected as vice chairperson in the board meeting.
- On October 23, The Company invested and established Better Life Jinxia (Xiamen) Trading Service Co., Ltd. in China.
- On October 30, Li, Tso-Chun, resigned his Chairman position; nevertheless, he was still a director.
- On November 7, the Board of Directors approved the appointment of Vice Chairman Chung Hsi-Chi as the Chairman of the Company and Director Shih, Hao-Chi as the Vice Chairman of the Company.

2018:

- On January 3, Director Lai, Ta-Wei resigned. the juristic person director—Nien Mei Investment Co., Ltd.—reappointed Director Lai, Ta-Wei as its delegate.
- On February 27, Supervisor Kuo, Yen-Chun resigned, which became effective on February 28.
- On March 15, the Company invested in the establishment of Better Life Group Travel Service Co., Ltd. which was approved by the Ministry of Economic Affairs and registered on March 28 with a total capital of NT$1,000,000.
- On March 23, Investment Commission of the Ministry of Economic Affairs approved the Company to invest and establish Better Life Jinxia (Xiamen) Trading Service Co., Ltd. in China.
- On March 30, General Manager Tsai, Hung-Chien resigned, which became effective from April 1.
- On May 10, juristic person supervisor—delegate of Sant Law International Corporation: Chang, Yu-Ching and juristic person director—delegates of Nien Mei Investment Co., Ltd.: Yao ,Kuo-An and Lai, Ta-Wei resigned.
- On May 18, the Board of Directors approved the appointment of Lin, Jui-Shan as the manager.
- On June 27, two directors and two supervisors were elected in the shareholders' meeting—juristic person directors: delegates of Sant Law International Corporation: Lin, Jui-Shan and Chen, Chun-Liang; supervisors: Chang, Yu-Ching and Su, Li-Yu.
- On July 5, Better Life Jinxia (Xiamen) Trading Service Co., Ltd. was approved to change its name to Better Life Jinxia (Xiamen) Tourism Management Service Co., Ltd.
- On July 6, Better Life Group Travel Service Co., Ltd. was approved by the Ministry of Economic Affairs to register a capital increase in cash of NT$3,000,000, resulting in a total capital of NT$4,000,000.
- On July 17, the Ministry of Economic Affairs approved—letter of Shou-Shang-Zi No. 10701080820—the Company to change its business address to No. 218, Xinhu 1st Rd., Neihu Dist., Taipei City. Kai Chu Co., Ltd. and Better Life Real Estate Co., Ltd. have also been relocated to the aforesaid address and the alteration of address has been registered.
- On July 23, Kai Chu Co., Ltd. was approved by the Taipei City Government to complete the change of registration for the capital reduction and return of share capital of NT$49,000,000, which reduced the capital of the Company to NT$81,000,000.

2019

- On February 22, Kai Chu Co., Ltd. changed its name to Better Life Green Energy Technology Co., Ltd. after approval from Taipei City Government.
- On April 25, Supervisor Su, Li-Yu resigned, which became effective when the new supervisor was elected.
- On June 28, the new juristic person supervisor—delegate of Puquan Advertising Co., Ltd.: Su, Li-Yu—was elected at the shareholders' meeting.
- On December 25, the first issuance of private placement of common shares of 200○9 was fully paid up in cash in the amount of NT$144,000,000 at a price of NT$7.2 per share, and 20,000,000 shares (par value of NT$10 per share) were issued.

2020

- On January 8, The Company's first private placement of common shares for cash in 201○9 was approved by the Ministry of Economic Affairs through letter of Shou-Shang-Zi No. 10901000730, and the registration of alteration in the issuance of shares for cash was completed. The paid-in capital was increased to NT$1,002,654,000.
- On January 9, Better Life Group Travel Service Co., Ltd. was approved by the Ministry of Economic Affairs to register a capital increase in cash of NT$1,000,000, resulting in a total capital of NT$5,000,000.
- On April 24, the Company’s juristic person director Nien Mei Investment Co., Ltd. changed its delegate, and Director Liao, Yu-Hsin assumed the position immediately(The former delegate was Director Chang, Yuan-Chun).

- On April 24, Better Life Real Estate Co., Ltd. was approved by Taipei City Government to register a capital increase in cash of NT$30,000,000, resulting in a total capital of NT$110,000,000.
- On June 18, the shareholders' meeting elected the 9 juristic person director of 17th Board of Directors: Representatives of Nien Mei Investment Co., Ltd.: Chung Hsi-Chi, Shih, Hao-Chi, Liao, Yu-Hsin; Representatives of Puquan Advertising Co., Ltd.: Lin, Jui-Shan, Chen,Chun-Liang, and Su, Li-Yu; Independent Directors: Huang, Kuo-Shih, Li, Pei-Chang, and Kuo, Yu-Hsin; a board meeting was held on the same day to elect Director Chung Hsi-Chi as Chairman; Director Shih, Hao-Chi as Vice Chairman. In addition, the fourth remuneration committee and the first audit committee were formed by the three independent directors.
- On December 9, Better Life Group Travel Service Co., Ltd. was approved by the Ministry of Economic Affairs to register a capital increase in cash of NT$4,000,000, resulting in a total capital of NT$9,000,000.
- On December 11, Better Life Green Energy Technology Co., Ltd. was approved by Taipei City Government to register a capital increase in cash of NT$10,000,000, resulting in a total capital of NT$91,000,000.

2021:
- On April 29, the Financial Supervisory Commission approved —letter of Jin-Guan-Zheng-Fa-Zi No. 1100338191— the Company to issue its first secured convertible bonds; On September 24, 2009, the Company issued 3,000 bonds with a par value of NT$10,000,000 each and a coupon rate of 0% for a period of 3 years (2021.9.24–2024.9.24). The issue price was equivalent to the par value and, the total amount raised was NT$300,000,000.
- On November 25, the Ministry of Economic Affairs approved—letter of Shou-Shang-Zi No. 11001219080—the Company to change its business address to 4F, No. 303, Xinhu 1st Rd., Neihu Dist., Taipei City. Better Life Green Energy Technology Co., Ltd. and Better Life Real Estate Co., Ltd. have also been relocated to the aforesaid address and the alteration of address has been registered.

2022:
- On September 2, Better Life Group Travel Service Co., Ltd. changed its business address to 4F, No. 303, Xinhu 1st Road, Neihu District, Taipei City after the approval of the Taipei City Government.

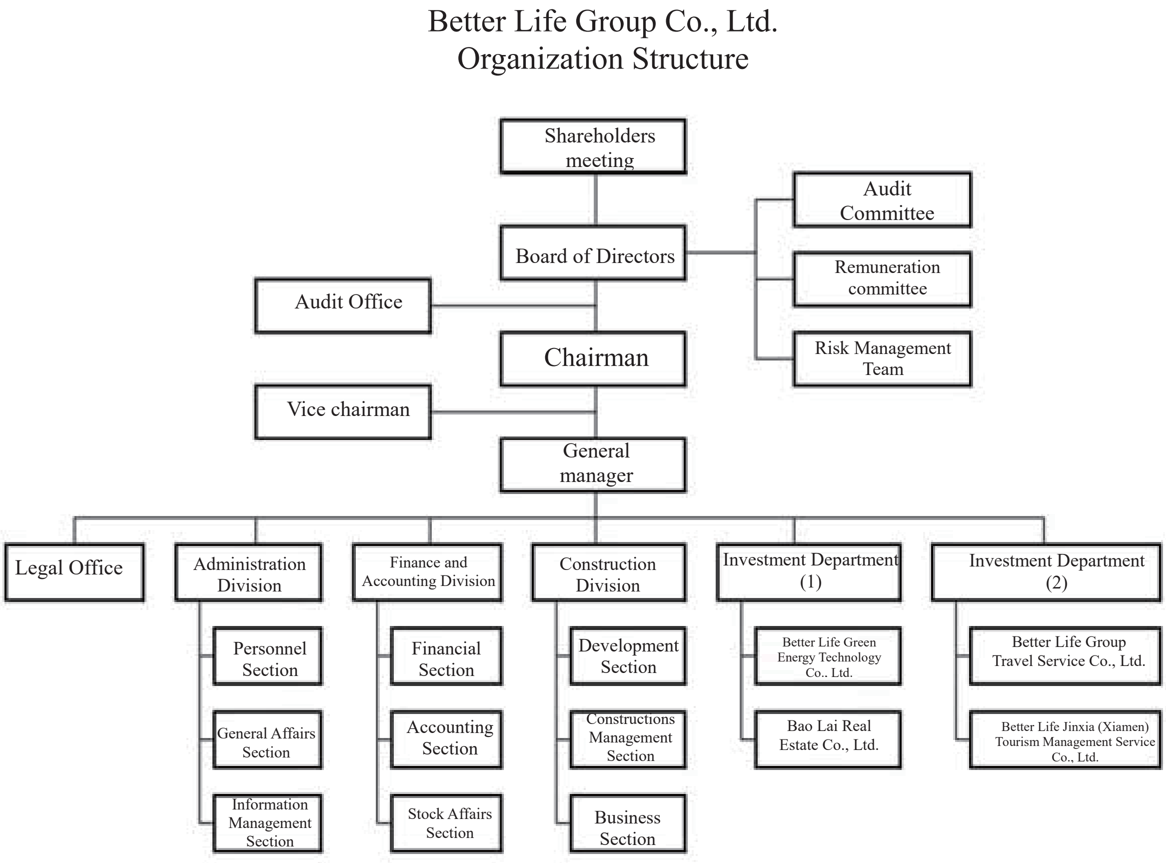
2023:
- On June 21, the shareholders' meeting elected 9 juristic person director of the 18th Board of Directors: Representative of Nien Mei Investment Co., Ltd.: Chung Hsi-Chi; Representatives of NOON GLORY MANAGEMENT & TRADING CO., LTD.: Chang Chun-Kuei and Liao, Yu-Hsin ; Representative of Puquan Advertising Co., Ltd. Lin, Jui-Shan, Chen, Chun-Liang, and Su, Li-Yu; Independent Directors: Huang, Kuo-Shih, Li, Pei-Chang, and Kuo, Yu-Hsin; a board meeting was held on the same day to elect Director Chung Hsi-Chi as Chairman. In addition, the fifth Remuneration Committee and the second Audit Committee were formed by the three independent directors.
- On July 31, the Company’s juristic person director NOON GLORY MANAGEMENT & TRADING CO., LTD. changed its delegate, and Director Cheng Yuan-Kai assumed the position immediately (The former delegate was Director Liao, Yu-Hsin).
- On August 24, the registration for capital reduction was completed upon approval from the Ministry of Economic Affairs under Official Letter Shou-Shang-Zi No.11230151840 dated, reducing the capital of the Company from NT$1,002,654,000 to NT$701,857,800.

2024:
- On January 4, the registration for the capital increase in cash completed, with the approval of Ministry of Economic Affairs Letter Shou-Shang-Zi No.11230247970; the paid-in capital amounted to NT$1,001,857,800.
- On March 20, Director Chung Hsi-Chi resigned, and the Juristic person director of Nien Mei Investment Co., Ltd. appointed a representative, with Director Liao, Wan-long taking over. On the same day, Puquan Advertising Co., Ltd. also appointed a new director representative, with Director Li, Chung-Shu taking over.
- On March 21, the Board of Directors approved Director Lin, Jui-Shan to serve as the Company's Chairman; General manager Lin, Jui-Shan resigned as general manager on the same day.

Three. Corporate governance report

I. Organizational system

(I) Organizational structure of the Company.



(II) Businesses of each major unit

Units	Main Duties
Audit Office	The Audit Office is responsible for assisting the board of directors in reviewing the effectiveness of the internal control system and the self-assessment process, inspecting and improving the operation, and following up on the matters.
Chairman's Office	Chairman's Office is responsible for the formulation and administration of the management goals, policies and strategies of the Company.
Vice Chairman's Office	The Vice Chairman's Office assists in the implementation of the company's business goals and policies.
General Manager's Office	The General Manager's Office implements the company's operating goals and coordinates the business of each department
Legal Office	The Legal Office is responsible for the Company's legal affairs
Administration Division	The Administration Division is responsible for human resources requirements, recruitment, assessment, general affairs, information management and maintenance.
Finance and Accounting Division	The Finance and Accounting Division is responsible for accounting, taxation, treasury, fund management, investment and operation analysis, financial analysis, annual budgeting and share affairs.
Construction Division	The Construction Division is responsible for sales-related operations, customer consultation services, architectural design, planning and construction supervision, etc.
Investment Department	Investment Department is responsible of business regarding the Subsidiaries

II. Information on the company's directors, general manager, assistant general managers, and the managers of all the Company's divisions and branch units

(I) Directors and independent directors

1. Information on all directors

Number of shares: March 5, 2024

Title	Nationality or place of registration	Name	Gender Age	Date elected	Term of office	Date elected	Shareholding when Elected		Current shareholdings		Current spouse & minor shareholding		Shareholding by nominee arrangement		Experience(education)	Position held in other companies	Executives, directors or supervisors who are Spouses or within Two Degrees of Kinship			Remarks
							Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding			Title	Name	Relations	
Juristic person director	R.O.C.	Puquan Advertising Co., Ltd.		2020.06.18	3 years	2019.06.28	9,067,200	9.04	21,407,872	21.37							-	-	-	
Delegate of juristic person board chairperson	R.O.C.	Lin, Jui-Shan	Male 51~60 years old	2020.06.18	3 years	2018.05.18	-	-	-	-	-	-	-	-	China University of Technology/General Manager the Company	Subsidiaries-Person in charge for Better Life Green Energy Technology, Better Life Real Estate, Better Life Group Travel Service/Director of Yung Hsin Construction Co., Ltd., Puyuan Construction Co., Ltd.	-	-	-	
Delegate of juristic person director	R.O.C.	Li, Chung-Shu	Male 61~70 years old	2024.03.20	3 years	2024.03.20	-	-	-	-	-	-	-	-	EMBA, Peking University	Chairman, Pauian Construction Team	-	-	-	
Delegate of juristic person director	R.O.C.	Su, Li-Yu	Female 51~60 years old	2020.06.18	3 years	2018.06.27	-	-	-	-	-	-	-	-	Department of public finance, Taipei University/ assistant general manager of Pu Yuan Development, Pu Shih Construction, and Pu Yuan Construction's finance division	Vice Manager, Finance Division, Pauian Development, Pushi Construction, and Puyuan Construction's	-	-	-	
Juristic person director	R.O.C.	Nien Mei Investment Co., Ltd.		2020.06.18	3 years	2014.06.24	4,122,000	4.11	1,985,400	1.98										
Delegate of juristic person director	R.O.C.	Liao, Wan-long	Male 71~80 years old	2024.03.20	3 years	2024.03.20	-	-	-	-	4,630,856	4.62	-	-	PhD, Regional Economics, Xiamen University	Chairman of CB-CERATIZIT Group/Chairman of inhouse Hotels Group	Director	Chang, Chun-Kuei	Spouse	
Juristic person director	R.O.C.	NOON GLORY MANAGEMENT & TRADING CO., LTD.		2023.06.21	3 years	2023.06.21	1,241,000	1.24	8,586,318	8.57							-	-	-	
Delegate of juristic person director	R.O.C.	Chang, Chun-Kuei	Female 71~80 years old	2023.06.21	3 years	2023.06.21	1,800,000	1.80	4,630,856	4.62	-	-	-	-	East–West University-MBA	President of CB-CERATIZIT Group and inhouse Hotels Group	Director	Liao, Wan-long	Spouse	

Title	Nationality or place of registration	Name	Gender Age	Date elected	Term of office	Date elected	Shareholding when Elected		Current shareholdings		Current spouse & minor shareholding		Shareholding by nominee arrangement		Experience(education）	Position held in other companies	Executives, directors or supervisors who are Spouses or within Two Degrees of Kinship			Remarks
							Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding			Title	Name	Relations	
Delegate of juristic person director	R.O.C.	Cheng Yuan-Kai	Male 31~40 years old	2023.07.31	3 years	2023.07.31	-	-	-	-	-	-	-	-	Chihlee University of Technology	Project Manager-CB-CERATIZIT Group	-	-	-	
Independent director	R.O.C.	Huang, Kuo-Shih	Male 51~60 years old	2020.06.18	3 years	2017.06.27	-	-	-	-	-	-	-	-	Master of Accounting, National Taiwan University/partner of Baker Tilly Clock & CO	Partner of Kang Chu CPA Firm/ Independent director of CARILEX MEDICAL INC., G-TECH Optoelectronics Co., Ltd., and Trust-Search Co., Ltd.	-	-	-	
Independent director	R.O.C.	Li, Pei-Chang	Male 51~60 years old	2020.06.18	3 years	2017.06.27	-	-	-	-	-	-	-	-	Master of Law, Taipei University / Director of Taiwan Trust Association	New Hope Law Firm Leading attorney and partner	-	-	-	
Independent director	R.O.C.	Kuo, Yu-Hsin	Male 51~60 years old	2020.06.18	3 years	2020.06.18	-	-	-	-	-	-	-	-	Master of Electrical Engineering, University of Southern California Executive director of Tayih Optical Energy of Tayih Group Executive director of MINIWIZ Sustainable Energy Development	Chairman of Wiser Co., Ltd., ViewEC Co., Ltd. and Qingyu Marketing Co., Ltd.	-	-	-	

2. Major shareholders of juristic person shareholders (Table 1)

Name of juristic person shareholders (note 1)	Major shareholders of juristic person shareholders (note2)	
Nien Mei Investment Co., Ltd.	Pu Chuan Advertising Co., Ltd.	100.00%
Pu Chuan Advertising Co., Ltd.	Pu Meng Investment Co., Ltd.	19.96%
	Chun Fu Investment Co., Ltd.	12.39%
	Pu Jui Investment Co., Ltd.	11.09%
	Yang Che Investment Co., Ltd.	8.42%
	Pu Kuan Investment Co., Ltd.	11.38%
	Ho Chung Investment Co., Ltd.	6.12%
	Pu Ying Investment Co., Ltd.	10.45%
	Pu Kuan Investment Co., Ltd.	3.71%
	Ching Hsiang Investment Co., Ltd.	4.61%
	Pu Ching Investment Co., Ltd.	2.88%

Note1:For directors and supervisors acting as the delegate of juristic person shareholders, the section shall indicate the names of the juristic person shareholders

Note2:The section shall further indicate the names of the juristic persons' 10 largest shareholders and the holding percentage of each. If the major shareholders are juristic persons, the following table 2 shall be filled in.

3. If the major shareholders in Table 1 are juristic persons, their major shareholders (Table 2)

Name of juristic person (note 1)	Major shareholders of juristic person (note2)
Pu Meng Investment Co., Ltd.	Li, Chung-Shu 80.00% Lin, Wan-Lin 20.00%
Chun Fu Investment Co., Ltd.	Chang, Huang-Kuei 72.28% Wu, Ling-Chun 22.28% Chang, Fei-Yen 2.72% Chang, Hsuan-Hao 2.72%
Pu Jui Investment Co., Ltd.	Lin, Jui-Shan 100%
Yang Che Investment Co., Ltd.	Seychelles RABBIT FOOT CO.,LTD. 100%
Pu Kuan Investment Co., Ltd.	Li, Chung-Shu 80.00% Pu Meng Investment Co., Ltd. 15.00% Pu Ying Investment Co., Ltd. 5.00%
Ho Chung Investment Co., Ltd.	Yang, Hao-Lin 34.00% Li, I-Chen 17.00% Li, Chun-Shu 17.00% Li, Hung-Hao 17.00%
Pu Ying Investment Co., Ltd.	Li, Chung-Shu 90.00% Yuan, Mei-Hui 10.00%
Pu Kuan Investment Co., Ltd.	Lo, Li-Kuan 25.00%
Ching Hsiang Investment Co., Ltd.	Chang, Chia-Sheng 25.00%
Pu Ching Investment Co., Ltd.	Chiang, Ching-Ching 35.00%

Note 1: If the major shareholders in Table 1 above are juristic persons, the names of the juristic persons shall be filled in.
Note2: The section shall further indicate the names of the juristic person’s 10 largest shareholders and the holding percentage of each.

4. Disclosure of professional qualifications of directors and independence of independent directors

March 29, 2024

Qualifications / Name	Professional qualifications and experience	Independence	Number of other public companies in which the individual is concurrently serving as an independent director
Lin, Jui-Shan	Practical work experience in the industry Not a person as described in each paragraph of Article 30 of the Company Act.	Not a spouse or a relative within the second degree of kinship with the directors.	-
Li, Chung-Shu	Practical work experience in the industry Not a person as described in each paragraph of Article 30 of the Company Act.	Not a spouse or a relative within the second degree of kinship with the directors.	-
Su, Li-Yu	Practical work experience in the industry Not a person as described in each paragraph of Article 30 of the Company Act.	Not a spouse or a relative within the second degree of kinship with the directors.	-
Liao, Wan-long	Practical work experience in the industry Not a person as described in each paragraph of Article 30 of the Company Act.	Spouse with Director Chang Chun-Kuei	-
Chang, Chun-Kuei	Practical work experience in the industry Not a person as described in each paragraph of Article 30 of the Company Act.	Spouse with Director Liao, Wan-long	-
Cheng Yuan-Kai	Practical work experience in the industry Not a person as described in each paragraph of Article 30 of the Company Act.	Not a spouse or a relative within the second degree of kinship with the directors.	-
Huang, Kuo-Shih	Certified Public Accountants Not a person as described in each paragraph of Article 30 of the Company Act.	The independence requirements of an independent director have been met.	3
Li, Pei-Chang	Practicing attorney Not a person as described in each paragraph of Article 30 of the Company Act.	The independence requirements of an independent director have been met.	-
Kuo, Yu-Hsin	Practical work experience in the industry Not a person as described in each paragraph of Article 30 of the Company Act.	The independence requirements of an independent director have been met.	-

5. Diversity and Independence of the Board of Directors

(1) Diversity of the Board of Directors:

In accordance with Article 20 of the Company's corporate governance best practice principles, the "Diversity Policy" stipulates as follows:

The composition of the board of directors shall be determined by taking diversity into consideration. It is advisable that directors concurrently serving as company officers not exceed one-third of the total number of the board members, and that an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs be formulated and include, without being limited to, the following two general standards:

I. Basic requirements and values: Gender, age, nationality, and culture.

II. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

All members of the board shall have the knowledge, skills, and experience necessary to perform their duties. To achieve the ideal goal of corporate governance, the board of directors shall possess the following skills:

I. Operational judgement skills
II Accounting and financial analysis skills
III. Operational management skills
IV. Crisis management skills
V. Industry knowledge
VI. Global market insight
VII. Leadership skills
VIII. Decision making skills

"Objectives of Diversity Management"

1. The Company's board of directors shall provide guidance of the corporate strategies, supervise the management, and be responsible to the Company and shareholders. The operations and arrangements of the corporate governance system shall ensure that the board of directors exercises its powers in accordance with laws, regulations of the Company's Articles of Incorporation, or resolutions of the shareholders' meeting.
2. The structure of the Company's board of directors shall determine the appropriate number of seats of directors with more than five members based on the Company's scale of business development and the shareholding of major shareholders, as well as taking into account the needs of practical operations.
3. Except for those approved by the competent authority, more than half of the seats of directors of the Company shall not have relationships of spouses or relatives within the second degree of kinship.
4. The responsibilities of the chairman and general manager of the Company shall be clearly divided. The same person shall not concurrently serve as the chairman of the board and the general manager or any equivalent positions.
5. It is recommended that members of the board of directors shall continue to participate in seminars on finance, risk management, business, business, accounting, laws, or corporate social responsibilities and other refresher courses related to corporate governance issues organized by institutions designated for the promotion of directors and supervisors of listed/OTC companies when being newly appointed or during their tenure, and employees at all levels are instructed to strengthen their professional and legal expertise.

Implementation of Diversity Policy

Title	Name	Gender	Operational judgement skills	Accounting and financial analysis skills	Operational management skills	Crisis management skills	Industry knowledge	Global market insight	Leadership skills	Decision making skills	Concurrently serving as company manger	Background in law	Background in accounting or finance	Background in construction	Background in sales or technology
Chairman	Lin, Jui-Shan	Male	V	V	V	V	V	V	V	V				V	V
Director	Li, Chung-Shu	Male	V	V	V	V	V	V	V	V				V	V
Director	Su, Li-Yu	**Female**	V	V	V	V	V	V	V	V			V	V	
Director	Liao, Wan-long	Male	V	V	V	V	V	V	V	V			V		
Director	Chang, Chun-Kuei	**Female**	V	V	V	V	V	V	V	V			V		
Director	Cheng Yuan-Kai	Male	V	V	V	V	V	V	V	V			V		
Independent director	Huang, Kuo-Shih	Male	V	V	V	V	V	V	V	V			V		
Independent director	Li, Pei-Chang	Male	V	V	V	V	V	V	V	V		V			
Independent director	Kuo, Yu-Hsin	Male	V	V	V	V	V	V	V	V					V

- The Company's important management level has set up a system of substitute to cultivate diverse and comprehensive management capabilities, so as to facilitate the planning of succession and development of successors, and to practice the concept of corporate sustainable management.
- There was one new female director (corporate representative) as a result of the full re-election of directors in 2023. Currently, there are two female directors out of the nine directors, which is a step towards the diversification of the Board of Directors.

(2) Independence of the Board of Directors:
Except for directors Liao, Wan-long and Chang Chun-Kuei who are spouses, other directors are not spouses or relatives within the second degree of kinship. All three independent directors also meet the qualifications for independence as independent directors.

(II) Information on the general manager, assistant general managers, and the managers of all the Company's divisions and branch units

Number of shares: March 5, 2024

Title	Nationality	Name	Gender	Date elected	Shareholding		Spouse & minor shareholding		Shareholding by nominee arrangement		Experience(education)	Position held in other companies	Managers who are spouses or within two degrees of kinship			Remarks
					Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding			Title	Name	Relationships	
General manager	R.O.C.	Lin, Jui-Shan	Male	2018.05.18	-	-	-	-	-	-	China University of Technology	Chairman of Yung Hsin Construction Co., Ltd. and Puyuan Construction Co., Ltd., etc.	-	-	-	
Chief legal officer	R.O.C.	Chang, Pan	Male	2009.07.06	-	-	-	-	-	-	Law department, Chung Hsing University/ Vice president of Medtecs Company	-	-	-	-	
Chief financial officer (concurrent corporate governance officer)	R.O.C.	Huang, Wen-Cheng	Male	2018.12.05	50,000	0.05	-	-	-	-	Master of Accounting, National Chengchi University/ Practicing CPA of Bai Chun CPA Firm CFO of Jsl Construction & Development Co., Ltd.	-	-	-	-	
Assistant general manager	R.O.C.	Hsiung, Yu-Yu	Male	2022.02.11	30,000	0.03	-	-	-	-	Department of Architecture, Hwa Hsia College of Technology/ assistant general manager of Pu Pao Construction Co., Ltd. and Puyuan Construction Co., Ltd.	-	-	-	-	
Assistant general manager	R.O.C.	Hsu, Tzu-Fang	Female	2017.11.07	60,000	0.06	-	-	-	-	Department of Accounting and Statistics, Ling Tung University / vice president of Cheng Te Construction Co., Ltd.	-	-	-	-	

Explanation: President Lin, Jui-Shan resigned on March 21, 2024.

III. Remuneration paid during the most recent fiscal year to directors, the general manager and assistant general managers

(I) Remuneration to directors and independent directors

2023 Unit:NT$ thousand/share/%

Title	Name(note)	Directors' remuneration								Ratio of total remuneration (A+B+C+D) to net income after tax (%)		Remuneration to part-time employees								Ratio of total remuneration(A+B+C+D+E+F+G) to net income after tax (%)		Remuneration from ventures other than subsidiaries or from the parent company
		Base remuneration(A)		Pension(B)		Directors remuneration(C)		Business execution expenses(D)				Salary, bonuses, and allowances (E)		Pension(B)		Employee remuneration(G)						
																The Company		Companies in the financial statements				
		The Company	Companies in the financial statements	The Company	Companies in the financial statements	The Company	Companies in the financial statements	The Company	Companies in the financial statements	The Company	Companies in the financial statements	The Company	Companies in the financial statements	The Company	Companies in the financial statements	Cash amount	Share amount	Cash amount	Share amount	The Company	Companies in the financial statements	
Chairman	Nien Mei Investment Co., Ltd. Delegate of juristic person: Chung, Hsi-Chi	-	-	-	-	-	-	360	360	0.33	0.33	2,867	2,867	-	-	-	-	-	-	2.93	2.93	-
Vice chairman	Nien Mei Investment Co., Ltd. Delegate of juristic person: Shih, Hao-Chi	-	-	-	-	-	-	360	360	0.33	0.33	-	-	-	-	-	-	-	-	0.33	0.33	-
Director	NOON GLORY MANAGEMENT & TRADING CO., LTD., Corporate Representative : Chang Chun-Kuei	-	-	-	-	-	-	180	180	0.16	0.16	-	-	-	-	-	-	-	-	0.16	0.16	-
Director	NOON GLORY MANAGEMENT & TRADING CO., LTD., Corporate Representative : Liao, Yu-Hsin	-	-	-	-	-	-	210	210	0.19	0.19	-	-	-	-	-	-	-	-	0.19	0.19	-
Director	NOON GLORY MANAGEMENT & TRADING CO., LTD., Corporate Representative : Cheng Yuan-Kai	-	-	-	-	-	-	150	150	0.14	0.14	-	-	-	-	-	-	-	-	0.14	0.14	-
Director	Puquan Advertising Co., Ltd. Delegate of juristic person: Lin, Jui-Shan	-	-	-	-	-	-	360	360	0.33	0.33	2,997	2,997	-	-	-	-	-	-	3.05	3.05	-
Director	Puquan Advertising Co., Ltd. Delegate of juristic person: Chen,Chun-Liang	-	-	-	-	-	-	360	360	0.33	0.33	-	-	-	-	-	-	-	-	0.33	0.33	-
Director	Puquan Advertising Co., Ltd. Delegate of juristic person: Su, Li-Yu	-	-	-	-	-	-	360	360	0.33	0.33	-	-	-	-	-	-	-	-	0.33	0.33	-

Title	Name(note)	Directors' remuneration								Ratio of total remuneration (A+B+C+D) to net income after tax (%)		Remuneration to part-time employees								Ratio of total remuneration(A+B+C+D+E+F+G) to net income after tax (%)		Remuneration from ventures other than subsidiaries or from the parent company
		Base remuneration(A)		Pension(B)		Directors remuneration(C)		Business execution expenses(D)				Salary, bonuses, and allowances (E)		Pension(B)		Employee remuneration(G)						
		The Company	Companies in the financial statements	The Company	Companies in the financial statements	The Company	Companies in the financial statements	The Company	Companies in the financial statements	The Company	Companies in the financial statements	The Company	Companies in the financial statements	The Company	Companies in the financial statements	The Company		Companies in the financial statements		The Company	Companies in the financial statements	
																Cash amount	Share amount	Cash amount	Share amount			
Independent director	Huang, Kuo-Shih	-	-	-	-	-	-	480	480	0.44	0.44	-	-	-	-	-	-	-	-	0.44	0.44	-
Independent director	Li, Pei-Chang	-	-	-	-	-	-	480	480	0.44	0.44	-	-	-	-	-	-	-	-	0.44	0.44	-
Independent director	Kuo, Yu-Hsin	-	-	-	-	-	-	480	480	0.44	0.44	-	-	-	-	-	-	-	-	0.44	0.44	-

1.Please specify the policy, system, criteria and structure for the payment of remuneration to independent directors, and the relationship between the amount of remuneration paid and the responsibilities, risks and time commitment of the directors.

(1) Description of changes in directors' remuneration for the year ended December 31, 2023: During the shareholders' meeting on June 21, 2023, a thorough election of directors took place. The corporate representative of Nian Mei Investment Co., Ltd., Shih, Hao-Chi, was removed from his position as director on that date. In his place, Chang Chun-Kuei of NOON GLORY MANAGEMENT & TRADING CO., LTD. was appointed. Cheng Yuan-Kai, representing NOON GLORY MANAGEMENT & TRADING CO., LTD., assumed the position of representative director on July 31, 2023 (previously Liao, Yu-Hsin).

(2) According to the Company's articles of incorporation, when directors of the Company are performing duties of the Company, regardless whether the Company is operating at a loss or profit, the Company may pay remuneration to directors, and the board of directors is authorized to handle the remuneration according to the common standard adopted in the same industry and relevant laws.

(3) The remuneration of the Company's directors only includes transportation allowance and fixed remuneration, and no variable remuneration is paid; therefore,the directors' remuneration is not related to their performance.

2.Except as disclosed in the table above, the remuneration received by the directors of the Company for services(such as serving as non-employee consultants, etc.) rendered to all companies in the financial statements in the most recent year: nil.

(II) Remuneration to the general manager and assistant general managers

2023 Unit:NT$ thousand/share/%

Title	Name	Remuneration(A)		Pension(B)		Bonuses, allowances, etc. (C)		Employee remuneration (D)				Ratio of Total remuneration(A+B+C+D) to Net Income after tax (%)		Remuneration from ventures other than subsidiaries or from the parent company
		The Company	Companies in the financial statements	The Company	Companies in the financial statements	The Company	Companies in the financial statements	The Company		Companies in the financial statements		The Company	Companies in the financial statements	
								Cash amount	Share amount	Cash amount	Share amount			
General manager	Lin, Jui-Shan	2,760	2,760	-	-	237	237	-	-	-	-	2.72	2.72	-

Explanation: President Lin, Jui-Shan resigned on March 21, 2024.

(III) Managerial officers with the top five highest remuneration amounts

2023 Unit: NT$ thousand/%

Title	Name	Remuneration(A)		Pension(B) (Note)		Bonuses, allowances, etc. (C)		Employee remuneration (D)				Ratio of total remuneration (A+B+C+D) to net income after tax (%)		Remuneration from ventures other than subsidiaries
		The Company	Companies in the financial statements	The Company	Companies in the financial statements	The Company	Companies in the financial statements	The Company		Companies in the financial statements		The Company	Companies in the financial statements	
								Cash amount	Share amount	Cash amount	Share amount			
General manager	Lin, Jui-Shan	2,760	2,760	-	-	237	237	-	-	-	-	2.72	2.72	-
Chief legal officer	Chang, Pan	1,206	1,206	-	-	124	124	-	-	-	-	1.21	1.21	-
Chief financial officer(concurrent corporate governance officer)	Huang, Wen-Cheng	2,136	2,136	-	-	394	394	-	-	-	-	2.30	2.30	-
Assistant general manager	Hsiung, Yu-Yu	1,608	1,608	-	-	292	292	-	-	-	-	1.73	1.73	-
Assistant general manager	Hsu, Tzu-Fang	1,200	1,200	-	-	154	154	-	-	-	-	1.23	1.23	-

Explanation: President Lin, Jui-Shan resigned on March 21, 2024.

(IV) Total remuneration, as a percentage of net income stated in the parent company only financial reports during the past 2 fiscal years to directors, supervisors, general managers, and assistant general managers, and analyze and describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure.

1. An analysis of the proportion of the aggregate amount of remuneration paid to the directors, general manager and assistant general managers, of the Company and all companies in the consolidated financial statements for the last two years to the net income after tax of the parent company only financial statements:

Unit: thousand/%

		2023	2022 (Note)
The Company	Total remuneration	9,644	9,674
	Proportion of net income after tax	8.76	8.74
All companies in the consolidated financial statements	Total remuneration	9,644	9,674
	Proportion of net income after tax	8.76	8.74

(Note) For ease of comparison, the net profit after tax at the subsidiary is calculated based on the reclassified amount for 2022.

Remuneration paid to directors, presidents, and vice presidents by the Company and all companies in the consolidated financial statements, as a percentage of net income (loss) after tax in the individual financial reports: 8.74% for 2022 and 8.76% for 2023; The difference in the remuneration of directors between the two years is very small, so it should be reasonable.

2. Remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure:

(1) Article 24 of the Company’s articles of incorporation: When directors of the Company are performing duties of the Company, regardless whether the Company is operating at a loss or profit, the Company may pay remuneration to directors, and the board of directors is authorized to handle the remuneration according to the common standard adopted in the same industry and relevant laws.

(2) Article 28 of the Articles of Incorporation: The Company installs managerial officers according to the provisions of the Company Act, and the appointment, dismissal and the remuneration of the managerial officers shall be handled in accordance with Article 29 of the Company Act and relevant laws and regulations. For the rest of the employees, the president determines the employment or dismissal of the employees based on the negotiation with the chairman.

(3) The remuneration of the Company's directors only includes transportation allowance and fixed remuneration, and no variable remuneration is paid. therefore,the directors' remuneration is not related to their performance. Although performance is evaluated annually, the directors' remuneration is not related to performance.

IV. State of the Company's implementation of corporate governance:

(I) Operations of the board of directors

(1) Information on operations of the board of directors

During the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, 9 (A) meetings of the board of directors were held, and the attendance of the directors was as follows:

March 29, 2024

Title	Name	Attendance in person	Attendance by proxy	Attendance rate (%) 【B/A】	Remarks
Juristic person director	Nien Mei Investment Co., Ltd.				
Delegate of juristic person board chairperson	Chung, Hsi-Chi	8	-	88.89	Resigned on March 20, 2024, actual attendance is 100%
Delegate of juristic person board vice-chairperson	Shih, Hao-Chi	2	-	22.22	Resigned on June 21, 2023, actual attendance rate is 100%
Delegate of juristic person director	Liao, Wan-long	1	-	11.11	Inaugurated on March 20, 2024, actual attendance is 100%
Juristic person director	NOON GLORY MANAGEMENT & TRADING CO., LTD.				
Delegate of juristic person director	Chang, Chun-Kuei	7	-	77.78	Inaugurated on June 21, 2023, actual attendance is 100%
Delegate of juristic person director	Liao, Yu-Hsin	2	-	22.22	Resigned on July 31, 2023, actual attendance rate is 66.67%
Delegate of juristic person director	Cheng Yuan-Kai	6	-	66.67	Inaugurated on July 31, 2023, actual attendance is 100%
Juristic person director	Puquan Advertising Co., Ltd.				
Delegate of juristic person director	Lin, Jui-Shan	9	-	100.00	
Delegate of juristic person director	Li, Chung-Shu	1	-	11.11	Inaugurated on March 20, 2024, actual attendance is 100%
Delegate of juristic person director	Chen,Chun-Liang	8	-	88.89	Resigned on March 20, 2024, actual attendance is 100%
Delegate of juristic person director	Su, Li-Yu	9	-	100.00	
Independent director	Huang, Kuo-Shih	7	2	77.78	
Independent director	Li, Pei-Chang	9	-	100.00	
Independent director	Kuo, Yu-Hsin	9	-	100.00	

Other mentionable items:

I. Matters referred to in Article 14-3 of the Securities and Exchange Act, and if matters involving objections or expressed reservations by independent directors that were recorded or stated in writing that require a resolution by the board of directors occur, the dates of the meetings, sessions, contents of motion, all independent directors' opinions and the company's response shall be specified: no such matter.

II. If directors recuse themselves from the motion that involve conflict of interest, the names of the directors, contents of motions, the reason for recusal, and actual participation in the voting process shall be clearly stated:

- ●On November 3, 2023, the Board of Directors approved the appropriation of new shares granted from the capital increase in cash for 2023 and employee stock subscription amount. Since this case involved the managerial officer, Director Lin, Jui-Shan, and Chief Financial Officer, Huang Wen-Cheng, they recused themselves during the discussion and voting, and passed without objection from attending directors.
- ●On December 28, 2023, the Board of Directors approved the 2024 estimated remuneration to directors and managers. all present directors recused themselves for the motion, and the motions were approved without any objection after the chairperson and the acting chairperson consulted all directors present.
- ●On March 14, 2024, the Board of Directors approved the transaction with the related party, with the relevant directors (Lin Jui-Shan, Chen Jun-Liang, Su Li-Yu, Chang Chun-Kuei, and Cheng Yuan-Kai) recusing themselves separately, and the proposal was approved by all directors attending the meeting without objection, after being consulted by the chairperson.

III. TWSE/GTSM Listed Companies shall disclose information on the frequency and period of evaluation, the scope, manner and content of evaluation of the self-(or peer) evaluation of the board of directors, and shall fill in the "Table 2(2) Implementation status of the board of directors evaluation": The Company has conducted its 2023 Board of Directors' self-(or peer) evaluation in 2024, and the results of the evaluation rated as Excellent.

IV. Objectives(e.g. to establish an audit committee, to enhance information transparency, etc.) and performance evaluation of the enhancement of the board of directors' functions for the current and most recent years: The Company has established an audit committee in 2020; to enhance information transparency, a dedicated staff is responsible for the disclosure of monthly revenue and material information, and the information is uploaded to the Market Observation Post System in accordance with the regulations.

(2) Implementation status of the board of directors evaluation

Evaluation frequency	Evaluation period	Evaluation scope	Evaluation method	Content of evaluation
Annually	2022.12.01 to 2023.11.30	Board of Directors	Self evaluation of the performance of board of directors, "Questionnaire of self evaluation of the performance of board of directors "	1. The degree of participation in the company's operations 2. Improvement of board decision quality 3. The composition and structure of the board of directors 4. The selection and continuing education of directors 5. Internal control
		Board members	Self evaluation of each board member "Questionnaire of self evaluation of the performance of board members"	1. Understanding of the Company's goals and mission 2. Awareness of directors' duties 3. The degree of participation in the company's operations 4. Internal relationship management and communication 5. Continuing education of directors 6. Internal control
		Functional committees (Audit committee and remuneration committee	Members' self-assessment "Questionnaire of self evaluation of performance of functional committees"	1. The degree of participation in the company's operations 2. Awareness of the functional committees' responsibilities 3. Improvement of board decision quality 4. Functional committee composition and member selection. 5. Internal control

Explanation: The Company has conducted the self- (or peer) assessment to the 2023 board of directors (including functional committees) in January 2024, and the assessment results are all excellent, and have been submitted to the board of directors on January 26, 2024. The assessment status are as follows:

Self evaluation of the performance of Board of Directors:

Assessment items	Proportion(%)	Score/Result	Remarks
1. The degree of participation in the Company's operations	20%	20	
2. Improving the quality of the Board's decision-making	20%	20	
3. The composition and structure of the Board of Directors	20%	20	
4. The selection and continuing education of Directors	20%	20	
5. Internal control	20%	20	
Score (total out of 100)		100	
Self-assessment results		Excellent	

●Self evaluation of each board member:

Committee members / Assessment items	Chung, Hsi-Chi	Chang, Chun-Kuei	Cheng Yuan-Kai	Lin, Jui-Shan	Chen,Chun-Liang	Su, Li-Yu	Huang, Kuo-Shih	Li, Pei-Chang	Kuo, Yu-Hsin	Average score/Result
1. Understanding of the Company’s goals and mission	12	12	12	12	12	12	12	12	12	12.00
2. Awareness of directors' duties	12	12	12	12	12	12	12	12	12	12.00
3. The degree of participation in the Company's operations	40	40	40	38	39	40	39	37	40	39.22
4. Internal relationship management and communication	12	12	12	12	12	12	12	12	12	12.00
5. Continuing education of directors	12	12	12	12	12	12	12	12	12	12.00
6. Internal control	12	12	12	12	11	12	12	12	12	11.89
Score (total out of 100)	100	100	100	98	98	100	99	97	100	99.11
Self-assessment results										Excellent

●The results of the self-evaluation of the members of the "Audit Committee":

Committee members / Assessment items	Huang, Kuo-Shih	Li, Pei-Chang	Kuo, Yu-Hsin	Average score/Result
1. The degree of participation in the Company's operations	24	23	24	23.67
2. Awareness of the functional committees’ responsibilities	20	19	20	19.67
3. Improvement of board decision quality	28	27	28	27.67
4. Functional committee composition and member selection.	12	11	12	11.67
5. Internal control	16	16	16	16.00
Score (total out of 100)	100	96	100	98.68
Self-assessment results				Excellent

●The results of the self-evaluation of the members of the "Remuneration Committee":

Committee members / Assessment items	Huang, Kuo-Shih	Li, Pei-Chang	Kuo, Yu-Hsin	Average score/Result
1. The degree of participation in the Company's operations	24	23	24	23.33
2. Awareness of the functional committees’ responsibilities	20	19	20	19.67
3. Improvement of board decision quality	28	27	28	27.67
4. Functional committee composition and member selection.	12	11	12	15.67
5. Internal control	16	16	16	11.66
Score (total out of 100)	100	96	100	98.00
Self-assessment results				Excellent

(II) Audit Committee Operations

(1) The matters discussed and reviewed by the Company's audit committee mainly include:

1. To establish or amend the internal control system and the assessment of the effectiveness of the internal control system.
2. To establish or amend procedures for handling significant financial transactions involving the acquisition or disposal of assets, derivative transactions, lending money to others, or endorsements or guarantees for others.
3. Matters involving the director's own interests.
4. Major asset or derivative transactions.
5. Significant monetary loans, endorsements or guarantees.
6. To raise, issue or private placement of equity securities
7. Appointment, termination or payment of the attesting CPAs and evaluation of their independence.
8. Appointment and termination of the head of finance, accounting or internal audit.
9. Financial statements
10. Other significant matters stipulated by the Company or the competent authorities.

(2) During the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, seven (A) meetings of the audit committee were held, and the attendance of the directors was as follows:

March 29, 2024

Title	Name	Number of attendance in person (B)	Attendance by proxy	Percentage of attendance in person(%) (B/A)	Remarks
Independent director	Huang, Kuo-Shih	6	1	85.71	
Independent director	Li, Pei-Chang	7	-	100.00	
Independent director	Kuo, Yu-Hsin	7	-	100.00	

Other mentionable items:

I. For matters listed in article 14-5 of the Securities and Exchange Act, and matters not approved by the audit committee but approved by at least two-thirds of all the directors, the meeting date, sessions, contents of motion, all independent directors' adverse opinions or qualified opinion, content of major deliberation, resolutions of the audit committee and the company's response to audit committee's opinions shall be specified.

(I) Matters listed in Article 14-5 of the Securities and Exchange Act

Meeting date	Contents of motion	Opinions of all the independent directors and the Company's response to the independents directors' opinions
March 16, 2023	1. Motion of 2022 business report and financial statement 2. Motion of 2022 deficit compensation 3. Report in accordance with Article 211 of the Company Act. 4. Motion of the 2022 effectiveness assessment of internal control system and the statement of the internal control system. 5. Motion of the change of CPAs since Q1 of 2023 and assessment to their independence. 6. Motion of accounting policy for the follow-up measurement of the Company's investment proposal to be changed from the cost method model to the fair value model.	Approved by all the attending independent directors.

2023.05.11	1. Motion of the 2023 consolidated financial statements. 2. For the issuance of common shares by private placement in 2022, the outstanding amount by the date of the shareholders meeting in 2023 is proposed to not be executed. 3. Motion to issue common shares for cash by private placement. 4. Proposal of capital reduction to make up for losses. 5. Review of the Company's business plan for sound operation (planned capital reduction in 2023). 6. Proposal for authorizing the signing of construction project contracts with related parties. 7. Proposal to increase the capital of 100% owned subsidiaries in China	Approved by all the attending independent directors.
2023.08.09	1. Motion of the Q2 2023 consolidated financial statements. 2. Plan to apply for renewal of financing contract with Taipei Fubon Bank (Song-Yong Project), and joint-guarantee with the joint-constructor for each other. 3. Proposal to issue common shares for cash by issuing new shares.	Approved by all the attending independent directors.
2023.11.03	1. Motion of the Q3 2023 consolidated financial statements. 2. Proposal for authorizing the Chairman to sign a joint construction contract for the land development project in Taipei City.	Approved by all the attending independent directors.
2023.12.28	1. Motion to set up the 2024 internal audit plans. 2. Amendment to the Company's "Organization Chart," "Guidelines of Information Security Policy and Risk Management," and addition of "Risk Management Policies and Procedures."	Approved by all the attending independent directors.
2024.01.26	1. Proposal for authorizing the Chairman to sign a joint construction contract for a land development project in Taipei City's Nangang District. 2. Motion of evaluation on independence of attesting CPAs of 2024. 3. To amend the "Articles of Incorporation".	Approved by all the attending independent directors.
2024.03.14	1. Motion of 2023 business report and financial statement. 2. Motion of the 2023 effectiveness assessment of internal control system and the statement of the internal control system. 3. The proposal for 2023 profit or loss appropriation. 4. For the issuance of common shares by private placement in 2023, the outstanding amount by the date of the shareholders meeting in 2024 will not be executed. 5. Motion to issue common shares for cash by private placement. 6. Proposal for authorizing the signing of construction project contracts with related parties. 7. Proposal to purchase construction land from related party. 8. Proposal to sign a joint construction contract for 12 pieces of land, including a small section of Zhengyi section, Zhongshan District, Taipei City.	Approved by all the attending independent directors.

(II) Decisions that have not been approved by the Audit Committee but more than two-thirds of all directors: None.

II. If independent directors recuse themselves from the motion that involve conflict of interest, the names of the independent directors, contents of motions, the reason for recusal, and actual participation in the voting process shall be clearly stated: nil

III Communication among the independent directors and the internal auditors and the CPAs(significant matters, manner and results of communication regarding the Company's financial and business status shall be included):

(I) Meetings of the audit committee are held regularly, and the audit supervisor and other officers or CPAs are invited to attend the meetings based on the conditions. During the meetings, the independent directors conduct communication and discussion on the Company's financial and business conditions: On March 14, 2024, the audit supervisor, independent directors and CPA have met and communicated with each other.

(II) In addition to sending audit reports and follow-up reports to the independent directors for review on a regular basis, the audit supervisor also attends the audit committee meetings on a regular basis to report on the implementation status of the audit plan and the improvement of deficiencies, and to respond to the directors' questions regarding the audit operations in a timely manner. When there is a need to consult or report on matters in the daily business, the independent directors are available to be communicated with by letter, telephone or other electronic means. The independent directors are able to inspect or evaluate the implementation of the Company's internal control at any time.

(III) In addition to regular communication with the attesting CPAs on the audit results of the annual financial report and key audit matters, the independent directors also discuss the Company's financial and operational conditions from time to time; the audit committee also conducts regular audits (at least once a year) on the independence of the CPAs: The evaluation of the CPAs' independence was approved on January 26, 2024, and the CPAs were notified of the decision on March 14, 2024.

(III) Difference between the Company's corporate governance operation and the Corporate governance Best Practice Principles for TWSE/GTSM Listed Companies and reasons

Assessment items	Implementation status(note1)			Difference from Coporate Governance Best Practice Principles for WSE/GTSM Listed Companies and reasons
	Yes	No	Description	
I. Does the Company set and disclose corporate governance code of practice according to corporate governance practice principles for TWSE/GTSM-Listed companies?	V		The Company has formulated its "corporate governance best practice principles," which has been upload to the Market Observation Post System.	No difference
II. Equity structure and shareholder rights. (I) Has the Company set internal operating procedures to deal with shareholder proposals, doubts,disputes and litigation matters,and does it implement these in accordance with its procedures? (II) Does the Company have a list of those who ultimately control the major shareholders of the Company? (II) Does the Company establish its risk management mechanism and firewalls involving related enterprises? (IV) Has the Company set internal standards to prohibit the use of undisclosed insider information to trade securities on the market?	 (II) V (III) V (IV) V	(I) V	(I) Internal operating procedures have not yet been established; however, the Company has spokespersons, legal personnel and stockholders' affairs personnel to handle shareholders' suggestions, questions, disputes and litigation. (II) The finance and accounting division keeps track of changes in the shareholdings of major shareholders and insiders and reports on the shareholdings in accordance with the law. (III) The regulations on management of transactions with related parties and information security policy and risk management procedures have been established in the internal control system. (IV) The regulations on prevention of insider trading and information security policy and procedures of significant internal information have been established in the internal control system.	No difference
III. Organization and responsibilities of the board of directors (I) Has the Company established a diversity policy for the composition of its board of directors and has it been implemented accordingly? (II) Has the Company establish other functional committees besides the remuneration committee and audit committee? (III) Has the Company set performance assessment rules and methods for the board of directors and does it perform this evaluation every year? Are the results of the performance evaluation reported to the board of directors and take them into consideration for individual director's remuneration and nomination for reappointment?	(I) V (III) V	(II) V	(I) The Company's corporate governance best practice principles has stipulated that the composition of the board of directors shall be determined by taking diversity into consideration. Currently, the Company's board of directors consists of CPAs, lawyers, and professionals from various industries, and is progressively working toward the goal of diversity; please refer to pages 14-16 for details of the current diversity policy and management objectives of the board of directors and its implementation. (II) The Company currently has only a remuneration committee and an audit committee. (III) Performance assessment rules and methods for the board of directors have been formulated, and are the assessments are conducted on an annual basis. Besides, the performance assessment of the board of directors for 2023 was completed in 2024 and was reported to the board of directors on January 26, 2024. The remuneration of the Company's directors only includes transportation allowance and fixed remuneration, and no variable	No difference

Assessment items	Implementation status(note1)			Difference from Coporate Governance Best Practice Principles for WSE/GTSM Listed Companies and reasons
	Yes	No	Description	
(IV) Does regularly evaluate the its attesting CPAs?	V		remuneration is paid. therefore,the directors' remuneration is not related to their performance. Although performance is evaluated annually, the directors' remuneration is not related to performance. (IV) The Company evaluates the independence and suitability of the CPAs once a year . After discussion and approval by the Audit Committee and the Board of Directors on January 26, 2024, the Company believes that the CPAs are independent and suitable. Please refer to pages 45-46 for the evaluation items.	
IV. Does the Company appoint competent and appropriate corporate governance personnel and corporate governance officer to be in charge of corporate governance affairs (including but not limited to furnishing information required for business execution by directors, assisting directors' compliance of law, handling matters related to board meetings and shareholders' meetings according to law, and recording minutes of board meetings and shareholders' meetings)?	V		Currently the board of directors approved to appoint Mr. Huang Wen-Cheng—the officer of the finance and accounting division—as the officer of corporate governance. Please refer to page 39 for details on the formulation and operation.	No difference
V. Does the Company establish communication channels and dedicate section for stakeholder on its website to respond to important issues of corporate social responsibility concerns? ?	V		A dedicated section for interested parties has been set up on the Company's official site to disclose the communication with interested parties.	No difference
VI. Has the company appointed a professional stock affairs agency for shareholders affairs?	V		The Company authorized The Capital Group Co., Ltd. as stock service agency to handle shareholder transactions.	No difference
VII. Disclosure of information (I) Does the Company set up website to disclose financial operations and corporate governance information? (II) Has the Company adopted other measures (such as English website, a designated person responsible for the collection and disclosure of information, implementation of the spokesman system, the legal entities announcements uploaded to website, etc.) to disclose information? (III) Does the Company announce and report the annual financial statements within two months after the end of the fiscal year, and announce and report the first, second,	 V V V		(I) Company website: https://blgroup.com.tw/ Information regarding finance, operations and corporate governance has been disclosed. (II) The Company has dedicated personnel responsible for information collection and disclosure, and has implemented a spokesperson system in accordance with regulations. (III) The Company announces the relevant information within the due date in accordance with the regulations. However, whether or not to announce and report the annual financial statements within two	No difference

Assessment items	Implementation status(note1)			Difference from Coporate Governance Best Practice Principles for WSE/GTSM Listed Companies and reasons
	Yes	No	Description	
and third quarter financial statements as well as the operating status of each month before the prescribed deadline?			months after the end of the fiscal year is still under planning and evaluation.	
VIII. Does the Company have other important information for better understanding the Company's corporate governance system (including but not limited to interests and rights of employees, care for employees, relation with investors, relation with suppliers and stakeholders, continuing education of directors and supervisors, execution of risk management policies and risk measuring standards, execution of customer policies, liability insurance for the Company's directors and supervisors)?	V		1. Interest and rights of employees and care for employees: The Company has established rules and regulations for personnel management regarding rewards and penalties for attendance, employee benefits, and employee attendance and leave, and has established relevant rules and regulations as basis to govern the matters of the Company. The above rules and regulations are formulated based on the Labor Standards Act, together with consideration of the industry standards and social norms. 2. Relation with investors: In order to protect the rights of investors, the Company honestly discloses information on the Market Observation Post System in accordance with laws and regulations, and provides contact information on the Company's website so as to maintain a healthy and harmonious relationship between the Company and its shareholders. 3. Relation with suppliers and stakeholders: For the conduct related to stakeholders, the execution of business by our managers or employees, the transactions with customers and suppliers, and the dealing with competitors, the Company always requires the upholding of its reputation and the protection of the maximum interests of all employees and shareholders, and acts in accordance with the law, thereby ensuring the highest ethical standards in its business. 4. Continuing education of directors: All directors have completed their continuing education in 2023. 5. Implementation of risk management policies and risk measuring standards: The board of directors approved the "Guidelines of Information Security Policy and Risk Management" on December 29, 2021 (with partial amendments made on December 28, 2023). Additionally, the board of directors approved the amendment to the "Risk Management Policies and Procedures" on December 28, 2023. The aforementioned activities have been conducted in adherence to pertinent legislation and regulations to mitigate and prevent potential risks. The board of directors was provided with an update on the status of implementation on December 28, 2023.	No difference

Assessment items	Implementation status(note1)			Difference from Coporate Governance Best Practice Principles for WSE/GTSM Listed Companies and reasons
	Yes	No	Description	
			6. Execution of customer policies: The company has a sales department available for customer inquiries or product-related problems in order to provide good service and solve various issues. 7. Liability insurance for the Company’s directors: The renewal of insurance was completed on July 13, 2023, and was reported to the board of directors on August 9, 2023.	
IX. Please specify adopted improvement and planned measures for prioritized areas requiring improvement as identified in the most recent corporate governance evaluation carried out by the TWSE Corporate Governance Center: The Company's website (English version) was established at the end of April 2022. Relevant English-language information will be added to the website gradually to enhance the Company's information transparency.				

(IV) If the Company has a remuneration committee, its composition, duties and operation shall be disclosed.

1. Information on members of remuneration committee

March 29, 2024

Title (Note 1)	Qualifications / Name	Professional qualifications and experience(note2)	Independence (note 3)	Concurrent remuneration committee position in other publicly listed companies	Remarks
Independent director (Convener)	Huang, Kuo-Shih	Work experience: more than 10 years Practicing CPA. Please refer to the tables on page 11 and 14 for information regarding independent directors.	The independence requirements of an independent director have been met.	3	
Independent director	Li, Pei-Chang	Work experience: more than 10 years Practicing lawyer. Please refer to the tables on pages 11 and 14 for information regarding independent directors.	The independence requirements of an independent director have been met.	-	
Independent director	Kuo, Yu-Hsin	Work experience: more than 10 years Please refer to the tables on pages 11 and 14 for information regarding independent directors.	The independence requirements of an independent director have been met.	-	

Note 1: Please specify the length of relevant work experience, professional qualifications and experience, and independence of each member of the remuneration committee in the form. For independent directors, a note — i.e. please refer to Table 1 on page 11 for relevant information on directors and supervisors (1)—may be added Please indicate whether the identity is independent director or the others (if the title is convener, please add a note).

Note 2: Professional qualifications and experience: Specify the professional qualifications and experience of each remuneration committee member.

Note3: Compliance to independence requirements: Specify the remuneration committee members' compliance to independence requirements, Including, but not limited to, whether they, their spouse, their relatives within the second degree of kinships, etc. are directors, supervisors or employees of the Company or its affiliates; the number and proportion of shares of the Company held by themselves, their spouse, their relatives, etc. (or nominee arrangement); whether they are directors, supervisors or employees of companies with which the Company has a specific relationship(consulting subparagraph 5 to 8, paragraph 1 article 6 of Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange); the amount of remuneration for providing commercial, legal, financial and accounting services to the Company or its affiliates for the last two years.

2. Information on the operation of the remuneration committee

(1) The Company's remuneration committee consists of three members.

(2) The term of office of the current committee members: June 21, 2023 to June 20, 2026. During the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, 3 (A) meetings of the remuneration committee were held, and the attendance of the directors was as follows:

Title	Name	Number of attendance in person	Attendance by proxy	Attendance rate (%)【B/A】	Remarks
Cnvener	Huang, Kuo-Shih	2	-	66.67	
Member	Li, Pei-Chang	3	-	100.00	
Member	Kuo, Yu-Hsin	3	-	100.00	

Other mentionable items:

I. If the board rejects or revises suggestions submitted by the remuneration committee, the date of the board meeting, the session, the content of the motion, the board resolution, and the response by the Company to the opinions of the remuneration committee members shall be specified (if remunerations and compensations approved by the board are higher than those suggested by the committee, the actual discrepancies and reasons shall be stated clearly): None.

II. If objections or reservations to resolutions by committee members are recorded or declared in writing, the dates of committee meetings, sessions, contents of motions, the opinions of all committee members and responses to such opinions by the Company shall be specified: None.

(3) Significant resolutions and implementation of the remuneration committee during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report.

Remuneration committee	Motion content and follow-up	Resolution	The Company's responses to opinions of the remuneration committee
The 5th session The 1st meeting (2023.08.09)	1. Review of the remuneration of the new directors for the second half of 2023.	Passed by all committee members	Passed by all the attending directors
The 5th session The 2nd meeting (2023.11.03)	1. Amendment to the Company's "Regulations Governing Employee Stock Subscription" and distribution of new shares issued for 2023 to managerial officers and employee stock subscription amount.	Passed by all committee members	Passed by all the attending directors
The 5th session The 3rd meeting (2023.12.28)	1. Motion to estimate the 2024 remuneration to the directors and managers.	Passed by all committee members	Passed by all the attending directors

Performance of sustainable development, and differences to the Sustainable development Best Practice Principles for TWSE/GTSM Listed Companies and reasons:

Promotional items	Implementation status (note1)			Difference from Sustainable development Best Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No	Description	
I. Has the company established a governance structure to promote sustainable development and set up a dedicated (concurrent) unit to promote sustainable development? Has the board of directors authorized senior management to handle and supervise the matters? How is the board of directors' supervision? How did the board of directors supervise the matters?	V		The Company has formulated the "Sustainable Development Best Practice Principles" and it was approved by the Board of Directors on November 3, 2022. (1) At present, the finance and accounting division of the Company is concurrently responsible for promoting sustainable development. (2) The succession plan for the members of the board of directors and important management level has been formulated in 2022 and submitted to the board of directors on December 22, 2022 to practice the concept of corporate sustainable management. (3) One new female director (corporate representative) was added as a result of the full re-election of directors in 2023. Currently, there are two female directors out of the nine, which is a step towards the diversification of the Board of Directors.	No difference
II. Does the Company conducts risk assessments on environmental, social and corporate governance issues related to the company's operations in accordance with the materiality principle, and formulates relevant risk management policies or strategies? (note2)	V		On December 29, 2021, the Board of Directors approved the addition of "Guidelines of Information Security Policy and Risk Management" (partial amendments made on December 28, 2023), and on December 28, 2023, the Board of Directors approved the addition of "Risk Management Policies and Procedures."Please refer to page 67-68 for information security management implementation. The Company designs and launches various construction projects in accordance with the relevant laws and regulations of construction, and the construction projects are contracted to construction companies, therefore the risk is relatively low.	No difference
III. Environment issues (I) Does the Company establish proper environmental management systems based on the characteristics of their industries?	V		The Company is located in an office building, and in line with government policies and the administration of the building, we have been continuously implementing waste classification, recycling and reduction activities, and using recycled paper to reduce the burden on the environment.	No difference
(II) Does the company endeavor to utilize all energy more efficiently and use renewable materials which have low impact on the environment?	V		We have been continuously implementing waste classification, recycling and reduction activities, and using recycled paper to reduce the burden on the environment.	No difference

(III) Does the Company assess the potential risks and opportunities of climate change on its present and future operation, and take measures to respond to climate-related issues?		V	Climate change currently has no significant impact on the Company's operations.	Under planning.
(IV) Does the company conduct assessment on greenhouse gas, water consumption and waste for the last two years, and establish company policy for energy conservation and carbon reduction, greenhouse gas reduction, water saving and waste management?		V	No relevant management policy has been established.	Under planning.
IV. Social Issues (I) Does the Company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	V		The Company has already followed the labor-related laws and regulations, applied for labor insurance and health insurance for employees, and allocated labor pensions so as to ensure labor rights.	No difference
(II) Does the Company formulate and implement reasonable employee benefits measures (including remuneration, vacation and other benefits, etc.), and appropriately reflect operating performance or results in employee remuneration?	V		The Employee Welfare Committee has been established in accordance with the law to process various employee welfare affairs in order to protect the physical and mental health of the employees. In addition, the employee evaluation is based on the performance of each employee.	No difference
(III) Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	V		1. The company is located in an office building with a safe and comfortable working environment, and has taken out group insurance to provide employees with adequate protection. 2. There were no fire incidents or occupational disasters during the year. In 2023, the Company held two fire safety inspections and one fire safety and CPR emergency rescue seminar .	No difference
(IV) Does the company provide its employees with effective career development and training sessions?	V		The Company encourages its employees to undertake further education and improve their own capabilities in order to facilitate their career development.	No difference
(V) Does the company comply with relevant regulations and international standards on the health and safety of customers, customer privacy, marketing and labeling of products and services, and formulates relevant policies and procedures to protect consumer rights and handling complaints?	V		The sales department is available for customers to consult, communicate or solve product-related problems in order to protect the consumer's rights and interests, and the Company has designed and launched various projects in accordance with construction-related laws and regulations, therefore less disputes. Moreover, the grievance procedure has been shown on the Company's website.	No difference
(VI) Does the Company establish a supplier management policy that requires suppliers to follow and implement related issues on environmental protection, occupational safety and health, or labor rights? How is it implemented?	V		The contracts between the Company and its major suppliers do not currently include provisions related to environmental protection, occupational safety and health, or labor human rights compliance; however,there are provisions for restrictions and termination of the contracts. A contractor management process has been established in the internal control system in order to select suitable suppliers.	No difference

V. Does the company comply with international standards or guidelines for preparing corporate social responsibility or non-financial related reports? Has the aforementioned report been verified or certified by a third party?		V	Although the Company has established the best practice policies, which has been disclosed on the Market Observation Post System, the Company has not yet prepared a sustainability report.	Under planning.
VI. If the Company has established the corporate social responsibility principles based on "the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies," please describe any discrepancy between the Principles and their implementation: The Company has formulated the "Sustainable Development Best-Practice Principles" and plans to operate in accordance with the standards, and there are no major differences.				
VII. Other important information that is helpful to understand the implementation of sustainable development: Please refer to page 39 for the succession plan and operation of the members of the board of directors and important management level.				

Note 1: If "Yes" is checked for the status of implementation, please specify the important policies, strategies and measures adopted and the status of implementation; if "No" is checked for the status of implementation, please explain the circumstances and reasons for the differences, and explain the relevant policies to be adopted in the future on the “differences to the Sustainable development Best Practice Principles for TWSE/GTSM Listed Companies and reasons” section.

Note 2: Materiality principles refer to that environmental, social and corporate governance issues have a significant impact on the Company's investors and other stakeholders.

Note 3: Please refer to the best practice examples on the website of the corporate governance center of the TWSE for disclosure methods.

(VI) Difference between the implementation of ethical corporate management and the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons:

Evaluation items	Implementation status			Difference from Ethical Corporate Management Best Practice Principles for WSE/GTSM Listed Companies and reasons
	Yes	No	Description	
I. Establishment of corporate conduct and ethics policy and implementation measures				No difference
(I) Does the Company have a clear ethical corporate management policy approved by its board of directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the board of directors and the supreme management?	V		(I) The Company has established the “procedures for ethical management” which has been approved by the Board of Directors.	
(II) Does the Company establish assessment mechanism for risk arising from unethical conducts, regularly analyze and assess operating activities with higher risk of unethical conduct within its business, and formulate preventive schemes accordingly, which at least contain preventive measures for conducts set forth in Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies"?	V		(II) The “procedures for ethical management” established by the Company have set up a plan to prevent dishonest behavior, and the Company has provided grievance procedures on the Company's website.	
(III) Does the Company have clear statements regarding relevant procedures, conduct guidelines, disciplinary measures and compliant system in the schemes to prevent unethical conduct, and does the Company implement them accordingly and regularly review those schemes?	V		(III) The “procedures for ethical management” established by the Company have set up prevention measures. Besides, the auditors conduct regular inspections and report any abnormal conditions to management immediately.	
II. Implementation of ethical management				No difference
(I) Does the Company review the counter-party's history of ethical conduct and include the compliance of business ethics as a clause in the business contract?	V		(I) Prior to dealing with a contractor, an evaluation and qualification review of the contractor will be conducted to minimize risk.	
(II) Has the Company established a dedicated department under the board to promote ethical conducts and report regularly (at least once every year) its ethics policies and preventive schemes for unethical conducts as well as implementation status to the board of directors?	V		(II) The Legal Office is the dedicated (concurrent) unit to promote the ethical management; the implementation status was reported to the board of directors on December 28, 2023.	
(III) Has the Company established policies to prevent conflicts of interest, provide appropriate communication channels and thoroughly implement the policies?	V		(III) The “procedures for ethical management” formulated by the Company has already stipulated the matters.	

Evaluation items	Implementation status			Difference from Ethical Corporate Management Best Practice Principles for WSE/GTSM Listed Companies and reasons
	Yes	No	Description	
(IV) Has the Company established effective accounting and internal control systems for the implementation of ethics policies and had the internal audit unit formulating relevant audit plans based on the assessment outcome of risk associated with unethical conducts? Has the Company then performed audits on the compliance with the preventive schemes for unethical conducts accordingly, or entrust the CPAs to conduct the audits?	V		(IV) The "procedures for ethical management" has been formulated by the Company, and the internal auditors also conduct audit in a regular basis.	
(V) Has the Company regularly held internal and external training sessions on business ethics?	V		(V) The Company organizes education and training programs from time to time or conducts various promotions at internal meetings.	
III. Implementation of whistleblowing system (I) Has the Company established specific whistleblowing and reward systems, set up conveniently accessible complaint channels, and designated responsible personnel to handle the complaint received?	V		The "procedures for ethical management" formulated by the Company has already stipulated the matters, and grievance procedures have been set up on the website. .	No difference
(II) Has the Company established standard operating procedures for investigating the complaints received, actions to be taken upon the completion of investigation, and mechanisms for confidentiality?	V			
(III) Has the Company established measures to protect whistleblowers from retaliation?	V			
IV. Enhancement on Information disclosure Does the Company disclose its principles of business ethics and information about implementation of such guidelines on its website and MOPS?	V		The "procedures for ethical management" formulated by the Company have been disclosed on the Company's website and the Market Observation Post System, and the Implementation status is also disclosed on the Company's website.	No difference
V. If the Company has established ethical conduct policies based on "Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies", please specify any discrepancy between the policies and their implementation The Company has established its "procedures for ethical management." Currently these procedures are effective and reported to the board of directors on a regular basis (at least once a year). There is no material differences.				
VI. Other important information to facilitate better understanding of the Company's ethical conduct practices (e.g., the Company reviews and revises its Principles of Business Ethics, etc.): The Company regularly reviews its "procedures for ethical management." On December 28, 2023, the implementation status has been reported to the board of directors on a regular basis, and relevant awareness-raising courses are held from time to time.				

(VII) If the Company has established Corporate Governance Best Practice Principles and related regulations, the ways of inquiry shall be disclosed.

The Company's "Corporate Governance Best Practice Principles ", "Sustainable development Best Practice Principles" and " Operation Procedures for Ethical Management " have been disclosed on the Company's website and the Market Observation Post System .

(VIII) Other important information that may enhance the understanding of the operation of corporate governance may be disclosed as well.

1. The Company has appointed a "corporate governance officer" in 2021, the appointment, responsibilities and training of which are as follows:

- **Appointment**

  On December 29, 2021, Mr. Huang Wen-Cheng—the officer of the finance and accounting division—was appointed as the officer of corporate governance at the 10th meeting of the 17th board of directors.

- **Scope of responsibilities:**

  The scope of duties of the Corporate Governance Officer include conducting meetings of the board of directors and shareholders' meetings, preparing minutes of board of directors and shareholders' meetings, assisting directors in their appointment and continuing education, providing information necessary for directors to perform their duties, assisting directors in complying with laws and regulations, and promoting corporate governance in accordance with the law, etc.

- **Continuing education**

Date	Organized by	Course	Hours
2023/3/20~3/22	Taiwan Institute for Sustainable Energy	Climate Action Managerial Training Course for TWSE Listed Companies	20

2. Succession plan and operation of board members and important management level:

(1) Succession plan and operation of board members

- The Company's directors election is handled in accordance with the "Procedures for Election of Directors" and adopts a candidate nomination system; in addition, the Company's "Corporate Governance Best Practice Principles" stipulates that the composition of the board of directors shall be determined by taking diversity into consideration. It is advisable that directors concurrently serving as company officers not exceed one-third of the total number of the board members, and that an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs be formulated and include, without being limited to, the following two general standards:
  I. Basic requirements and values: Gender, age, nationality, and culture.
  II. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

- All members of the board shall have the knowledge, skills, and experience necessary to perform their duties. To achieve the ideal goal of corporate governance, the board of directors shall possess the following skills:
  I. Operational judgement skills
  II. Accounting and financial analysis skills
  III. Operational management skills
  IV. Crisis management skills
  V. Industry knowledge
  VI. Global market insight
  VII. Leadership skills
  VIII. Decision making skills

- The Company's board of directors currently has 9 members (including 3 independent directors), who have the experience and expertise required in business, law, financial accounting and corporate business. The future structure of the board of directors and the experience of the members will continue to be adopted as one of the references for directors succession plan carried out in the following manners, and the confirmed list of director candidates will be submitted to the board of directors for discussion and approval and then submitted to the shareholders' meeting for resolution:

I. Solicitation of suitable professionals with all parties.
II. The current directors recommend suitable candidates.
III. Take reference to candidates recommended by shareholders.
IV. Take reference to the database of independent directors.
V. Adopt the performance evaluation results of the board of directors as the basis for reappointment of directors.

(2) Succession plan and operation of important management level:

- The Company's important management level may participate in internal and external related training or education programs annually according to personal development plans or job needs, so as to cultivate their skills of making judgment, management ability and decision-making capability, which could improve the quality of the whole management level.
- The Company regularly holds executive meetings monthly chaired by the general manager and attended by the vice chairman, and the heads of each unit shall submit business reports to allow communication or learning from each other, so as to enhance innovative thinking, communication and coordination skills and management ability. We also cultivate talents in various aspects to prepare for the high-quality manpower required for the Company's future long-term development.
- The Company's important management level has set up a system of substitute to cultivate diverse and comprehensive management capabilities, so as to facilitate the planning of succession and development of successors, and to practice the concept of corporate sustainable management.

(IX) Status of Implementation of Internal Control System

1. Statement of Internal Control System

Better Life Group Co., Ltd.
Statement of Internal Control System

Date: March 14, 2024

Based on the findings of a self-assessment, the Company states the following with regard to its internal control system during the year **2023**:

I. The Company’s board of directors and management understand their responsibilities of developing, implementing and maintaining the Company’s internal control system, and such system has been established by the Company. Our internal control is designed to provide reasonable assurance over the effectiveness, and efficiency of our operation(including profitability, performance and safeguard of asset), reliability, timeliness, transparency of our reporting and compliance with applicable laws and regulations.

II. An internal control system has inherent limitation. No matter how perfectly designed, an effective internal control system can only provide a reasonable assessment of its stated objectives. Moreover, the effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond our control. Nevertheless, our internal control system contains self-monitoring mechanisms, and the Company takes immediate remedial actions in response to any identified deficiencies.

III. The evaluation of effectiveness of the internal control system design and implementation is made in accordance with the “Regulations Governing Establishment of Internal Control Systems by Public Companies” (the Regulations). The Regulations are made to examine the following five factors during the management and control process: 1. control environment, 2. risk assessment, 3. control activities, 4. information and communication, and 5. monitoring. Each factor also includes several items. Please refer to the regulations for details of the aforesaid items.

IV. The Company has evaluated the design and operating effectiveness of its internal control system according to the aforesaid regulations.

V. Based on the findings of the aforesaid evaluation, the Company believes that, on December 31, 2023, it has maintained a effective internal control system(that includes the supervision and management of its subsidiaries) to provide reasonable assurance over our operational effectiveness and efficiency, reliability, timeliest, transparency of reporting, and compliance with applicable laws and regulations.

VI. This statement is an integral part of the Company’s annual report and prospectus available to the general public. If it contains false information or omits any material content, the Company is in violation of Article 20, Article 32, Article 171 and Article 174 set forth in the Securities and Exchange Act.

VII. This statement was passed by the board of directors in their meeting held on March 14, 2024 with none of the 9 attending director expressing dissenting opinion, and the reminder all affirming the content of this statement.

Better Life Group Co., Ltd.

Chairman :__________________________(signature and seal)

General Manager:__________________________(signature and seal)

2. If the Company hire an CPAs to audit the Company's internal control system the audit report made by the CPAs shall be disclosed: nil

(X) Lawful punishment inflicted on the Company, or disciplinary action taken by the Company against its employees for violating internal regulations during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report. ; punishments that may materially affect shareholder rights of share prices, and correction and improvement procedures: nil

(XI) Significant resolutions of the shareholders meeting and the board of directors meeting during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report.

"Shareholders meeting "

Meeting date	Meeting type	Significant resolutions	Implementation status
2023.06.21	Annual shareholders meeting	1. Proposal for 2022 Business Report and Financial Statement	The 2022 business report and financial statements, in which the net loss after tax was NT$94,628 thousand and the basic loss per share was $0.94 were adopted.
		2. Proposal for 2022 Deficit Compensation	The 2022 Deficit Compensation and that the undistributed earnings at the end of the period amounted to a loss of NT$513,768,663 were adopted.
		3. For the issuance of common shares by private placement in 2022, the outstanding amount as of the shareholders meeting in 2023 will not be executed.	The proposal was passed and the 2022 private placement did not proceed.
		4. Proposal to issue common shares for cash by private placement.	The proposal was passed; however, it had not been conducted up to the date of publication of the annual report.
		5. Proposal of capital reduction to make up for losses.	The proposal was passed, and the capital reduction in 2023 was completed.
		6. Proposal for authorizing the signing of construction project contracts with related parties.	The proposal was passed; however, it had not been conducted up to the date of publication of the annual report.
		7. Election of the 18th board of directors.	Resolution passed, and directors were elected.
		8. Proposal of lifting the non-competition clauses of newly-elected directors and representatives.	The proposal was passed, and the actions were taken as per the resolution.

"Board of directors"

Meeting date	Meeting type	Significant resolutions
March 16, 2023	Board of Directors	1. Motion of 2022 business report and financial statement 2. Motion of 2022 deficit compensation 3. Report in accordance with Article 211 of the Company Act. 4. Motion of the 2022 effectiveness assessment of internal control system and the statement of the internal control system. 5. Motion of the change of CPAs since Q1 of 2023 and assessment to their independence. 6. Motion of accounting policy for the follow-up measurement of the Company's investment proposal to be changed from the cost method model to the fair value model. 3. Planning of schedule for greenhouse gas inventory and verification by subsidiaries. 8. Motion to extend the loan with Far Eastern Commercial Bank by the completed buildings of the Kang ChiaoAsahi Villa project 9. Motion to extend the loan by the stores and parking space of the Qingpu-Better Life Garden project 10. Election of nine directors (including three independent directors) of the 18th session of the Company. 11. Proposal of lifting the non-competition clauses of newly-elected directors and representatives. 12. Setting the affairs related to the Company's 2023 shareholders meeting.
2023.5.11	Board of Directors	1. Motion of the 2023 consolidated financial statements. 2. For the issuance of common shares by private placement in 2022, the outstanding amount by the date of the shareholders meeting in 2023 is proposed to not be executed. 3. Motion to issue common shares for cash by private placement. 4. Proposal of capital reduction to make up for losses. 5. Review of the Company's business plan for sound operation (planned capital reduction in 2023). 6. Proposal for authorizing the signing of construction project contracts with related parties. 7. Proposal to increase the capital of 100% owned subsidiaries in China. 8. Nomination list of candidates for directors (including independent directors) in 2023. 9. New motions for the 2023 shareholders meeting.
2023.6.21	Board of Directors	1. Election of the Company's Chairman. 2. Appointment of 3 independent directors as members of the Company's Audit Committee and Remuneration Committee.
2023.8.09	Board of Directors	1. Motion of the Q2 2023 consolidated financial statements. 2. Motion to apply for renewal of loan from Mega International Commercial Bank. 3. Plan to apply for renewal of financing contract with Taipei Fubon Bank (Song-Yong Project), and joint-guarantee with the joint-constructor for each other. 4. Proposal to issue common shares for cash by issuing new shares.

2023.11.03	Board of Directors	1. Motion of the Q3 2023 consolidated financial statements. 2. Amendment to the Company's "Regulations Governing Employee Stock Subscription" and distribution of new shares issued for 2023 to managerial officers and employee stock subscription amount. 3. Proposal for authorizing the Chairman to sign a joint construction contract for the land development project in Taipei City.
2023.12.28	Board of Directors	1. Motion to set up the Company’s 2024 business plan. 2. Motion to set up the 2024 internal audit plans 3. Motion to estimate the 2024 remuneration to the directors and managers 4. Amendment to the Company's “Organization Chart,” “Guidelines of Information Security Policy and Risk Management,” and addition of “Risk Management Policies and Procedures.”
2024.01.26	Board of Directors	1. Proposal for authorizing the Chairman to sign a joint construction contract for a land development project in Taipei City's Nangang District. 2. Motion of evaluation on independence of attesting CPAs of 2024. 3. To amend the "Articles of Incorporation". 4. Setting the affairs related to the Company’s 2024 shareholders meeting.
2024.03.14	Board of Directors	1. Motion of 2023 business report and financial statement. 2. Motion of the 2023 effectiveness assessment of internal control system and the statement of the internal control system. 3. The proposal for 2023 profit or loss appropriation. 4. Motion to extend the loan with Far Eastern Commercial Bank by the completed buildings of the Kang ChiaoAsahi Villa project 5. For the issuance of common shares by private placement in 2023, the outstanding amount by the date of the shareholders meeting in 2024 will not be executed. 6. Proposal for issue common shares for cash by private placement. 7. Proposal for authorizing the signing of construction project contracts with related parties. 8. Proposal for purchase construction land from related party. 9. Proposal for sign a joint construction contract for 12 pieces of land, including a small section of Zhengyi section, Zhongshan District, Taipei City. 10. Proposal for remove non-competition clauses applicable to directors and representatives of juristic person directors. 11. New motions for the 2024 shareholders meeting.
2024.03.21	Board of Directors	1. Election of the Company's Chairman. 2. Proposal for the removal of non-competition restrictions by directors and corporate director representatives.

(XII) Where, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, a director or supervisor has expressed a dissenting opinion with respect to a material resolution passed by the board of directors, and said dissenting opinion has been recorded or prepared as a written declaration, disclose the principal content thereof: nil

(XIII) A summary of resignations and dismissals, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, of the company's chairperson, general manager, chief accounting officer, chief financial officer, chief internal auditor, chief corporate governance officer, and chief research and development officer:

March 29, 2024

Title	Name	Inauguration date	Date of resignation	Reasons for resignation or dismissal
Chairman	Chung, Hsi-Chi	2017.06.27	2024.03.20	Resignation due to personal factors
General manager	Lin, Jui-Shan	2018.05.18	2024.03.21	He resigned from the position of General manager, as he assumed the position of the Chairman of the Company.

V. Information on the professional fees of the attesting CPAs

Information on the professional fees of the attesting CPAs

Unit: NT$ thousand

Name of CPA firm	Name of CPA	Audit period	Audit fee	Non-audit Fee	Total	Remarks
KPMG Taiwan	Pan, Chun-Ming	2023.01.01 ~ 2023.12.31	2,220	205	2,425	
	Chen, Tsung-Che	2023.01.01 ~ 2023.12.31				

(I) When the Company changes its accounting firm and the audit fees paid for the financial year in which the change took place are lower than those paid for the financial year immediately preceding the change, the amount of the audit fees before and after the change and the reason shall be disclosed: nil

(II) When the audit fees paid for the current financial year are lower than those paid for the preceding financial year by 10 percent or more, the amount and percentage of and reason for the reduction in audit fees shall be disclosed: nil

(III) Evaluation on independence of attesting CPAs

(1) The Company evaluates the independence and suitability of the CPAs annually. In 2023 and as of the printing date of this annual report, the results were discussed and approved by the Audit Committee and the Board of Directors on January 26, 2024, and were considered to be consistent with the independence and suitability of the two CPAs Adaptability.

(2) The Company concluded that the CPAs Pan, Chun-Ming and Chen, Tsung-Che were independent and competent enough to act as CPAs of the Company after the following assessments .

● CPA: Pan, Chun-Ming, Chen, Tsung-Che

Evaluation items	Evaluation Results	Compliance with independence
1. The CPAs have no direct or indirect major financial stake in the Company.	Yes	Yes
2. The CPAs have no actual or potential litigation with the Company.	Yes	Yes
3. The CPAs do not have any potential employment relationship with the Company.	Yes	Yes
4. The CPAs do not hold any shares of the Company.	Yes	Yes
5. The CPAs do not have any borrowings with the Company.	Yes	Yes
6. The CPAs have not provided audit services to the Company for seven consecutive years.	Yes	Yes
7. The CPAs did not hold any positions as directors, managers, or persons with significant influence over the audit case during the audit period or within the last two years.	Yes	Yes
8. The " statement of Independence " issued by the CPAs has been obtained.	Yes	Yes
9. The "audit quality indicators" are provided for the Company's reference.	Yes	Yes

VI. Information on replacement of CPAs: nil

VII. Where the company's chairperson, general manager, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm: nil

VIII. Any transfer of equity interests and pledge of or change in equity interests by a director, supervisor, managerial officer, or shareholder with a stake of more than 10 percent during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report.

(I) Change of shareholding of the directors, supervisors, managers, or shareholder(major shareholder) holding a stake of greater than 10 percent:

Unit: Shares

Title	Name	2023		As of March 29, 2024	
		Increase (decrease) of shareholding	Increase (decrease) of pledged shares	Increase (decrease) of shareholding	Increase (decrease) of pledged shares
Juristic person director	Nien Mei Investment Co., Ltd.	(2,136,600)	(2,140,000)	-	(1,960,000)
Delegate of juristic person director	Chung, Hsi-Chi	-	-	-	-
Delegate of juristic person director	Liao, Wan-long	-	-	-	-
Juristic person director	NOON GLORY MANAGEMENT & TRADING CO., LTD.	6,345,318	-	1,000,000	-
Delegate of juristic person director	Chang, Chun-Kuei	2,830,856	-	-	-
Delegate of juristic person director	Cheng Yuan-Kai	-	-	-	-
Juristic person director	Puquan Advertising Co., Ltd.	12,080,672	(1,890,660)	260,000	453,000
Delegate of juristic person director	Lin, Jui-Shan	-	-	-	-
Delegate of juristic person director	Chen,Chun-Liang	-	-	-	-
Delegate of juristic person director	Li, Chung-Shu	-	-	-	-
Delegate of juristic person director	Su, Li-Yu	-	-	-	-
Independent director	Huang, Kuo-Shih	-	-	-	-
Independent director	Li, Pei-Chang	-	-	-	-
Independent director	Kuo, Yu-Hsin	-	-	-	-
Chief legal officer	Chang, Pan	-	-	-	-
Finance and Accounting Officer/Corporate Governance Officer	Huang, Wen-Cheng	50,000	-	-	-
Assistant general manager	Hsiung, Yu-Yu	40,000	-	(10,000)	-
Assistant general manager	Hsu, Tzu-Fang	60,000	-	-	-

(II) Information on where the counterparty in the transfer of equity is a related party: nil

(III) Information on where the counterparty in the pledge of equity is a related party: nil

IX. Relationship information among the Company's 10 largest shareholders

March 5, 2024 Unit: shares

Name	Shareholding		Spouse & minor shareholding		Shareholding by nominee arrangement		Names and relationship information. (if among the Company's 10 largest shareholders any one is a related party or a relative within the second degree of kinship of another)		Remarks
	Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding	Name	Relations	
Puquan Advertising Co., Ltd.	21,407,872	21.37%	-	-	-	-	-	-	
Delegate Li, Chung-Shu	-	-	-	-	-	-	-	-	
NOON GLORY MANAGEMENT & TRADING CO., LTD.	8,586,318	8.57%	-	-	-	-	-	-	
Delegate Chou, Chun-Yu	-	-	-	-	-	-	-	-	
Liao, Heng-I	6,878,753	6.87%	-	-	-	-	-	-	
Sant Law International Corporation	6,043,983	6.03%	-	-	-	-	-	-	
Delegate Li, Chung-Shu	-	-	-	-	-	-	-	-	
Tsai, Hung-Chien	5,884,120	5.87%	-	-	-	-	-	-	
Chun Hsin Construction Co., Ltd.	5,090,417	5.08%	-	-	-	-	-	-	
Delegate Chang, Chun-Kuei	4,630,856	4.62%	-	-	-	-	Liao, Yu-Hsin	Mother and son	
Chang Chun-Kuei	4,630,856	4.62%	-	-	-	-	-	-	
Yuan, Mei-Hui	2,954,677	2.95%	-	-	-	-	-	-	
Liao, Yu-Hsin	2,946,787	2.94%	-	-	-	-	Chang, Chun-Kuei	Mother and son	
Nien Mei Investment Co., Ltd.	1,985,400	1.98%	-	-	-	-	-	-	
Delegate Li, Chung-Shu	-	-	-	-	-	-	-	-	

X. Total number of shares and total equity stake held in any single enterprise by the Company, its directors and supervisors, managerial officers, and any companies controlled either directly or indirectly by the Company:

Unit: Shares

Reinvested enterprises (note 1)	The Company’s investment		Investment on the enterprises directly or indirectly controlled by the directors, or managers		Combined investment	
	Number of shares (note2)	Shareholding	Number of shares	Shareholding	Number of shares (note2)	Shareholding
Better Life Green Energy Technology Co., Ltd.	9,100,000	100%	0	0%	9,100,000	100%
Better Life Real Estate Co., Ltd.	8,000,000	100%	0	0%	8,000,000	100%
Better Life Group Travel Service Co., Ltd.	Note applicable	100%	0	0%	Note applicable	100%
Better Life Jinxia (Xiamen) Tourism Management Service Co., Ltd.	Note applicable	100%	0	0%	Note applicable	100%

Note1: Long-term equity investment of the Company calculated according to the equity method

Note2: The number of shares matches the number listed in the 2023 financial report audited by the CPAs.

Four. Information on capital raising activities

I. Source of capital stock

Unit: share/NTD

Year Month	Issue price	Authorized capital stock		Paid-in capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Source of capital stock	Property other than cash offset by the number of shares	Others
July 1991	10	120,000,000	1,200,000,000	81,000,000	810,000,000	Issuance by cash upon listing 195,007,200 Capital increase by cash 156,358,620 Capital increase by earnings 274,769,322 Capital surplus $183,864,858	None	Approval letter of the Securities and Futures Commission—(80)Tai -Tsai-Cheng(I) No. 00359 on February 2, 1991
October 1991	10	120,000,000	1,200,000,000	89,100,000	891,000,000	Capital surplus 81,000,000	None	Approval letter of the Securities and Futures Commission—(80)Tai -Tsai-Cheng(I) No. 01973 on July 25, 1991
February 1993	10	120,000,000	1,200,000,000	90,676,048	906,760,480	Common shares converted from convertible securities 15,760,480	None	Approval letter of the Securities and Futures Commission—(82)Tai -Tsai-Cheng(I) No. 84318 on January 8, 1993
March 1993	10	150,000,000	1,500,000,000	129,586,048	1,295,860,480	Capital increase by cash 300,000,000 Capital surplus 89,100,000	None	Approval letter of the Securities and Futures Commission—(81)Tai -Tsai-Cheng(I) No. 02748 on October 27, 1992
February 1994	10	150,000,000	1,500,000,000	129,591,805	1,295,918,050	Common shares converted from convertible securities 57,570	None	Approval letter of the Securities and Futures Commission—(83)Tai -Tsai-Cheng(I) No. 50101 on January 11, 1994
February 1995	10	250,000,000	2,500,000,000	171,720,071	1,717,200,710	Common shares converted from convertible securities 48,151,400 Capital increase by earnings 243,539,460 Capital surplus 129,591,800	None	Approval letter of the Securities and Futures Commission—(84)Tai -Tsai-Cheng(I) No. 55353 on January 10, 1995 Approval letter of the Securities and Futures Commission—(84)Tai -Tsai-Cheng(I) No. 12389 on January 21, 1995 Approval letter of the Securities and Futures Commission—(83)Tai -Tsai-Cheng(I) No. 46957 on December 23, 1994
August 1995	10	350,000,000	3,500,000,000	266,195,601	2,661,956,010	Allotment of shares to employees 11,934,890 Capital increase by earnings 658,068,310 Capital surplus 274,752,100	None	Approval letter of the Securities and Futures Commission—(84)Tai -Tsai-Cheng(I) No. 29188 on May 22, 1995
January 1996	10	350,000,000	3,500,000,000	267,909,275	2,679,092,750	Common shares converted from convertible securities 17,136,740	None	Approval letter of the Securities and Futures Commission—(85)Tai -Tsai-Cheng(I) No. 67267 on January 5, 1996
May 1999	10	350,000,000	3,500,000,000	350,000,000	3,500,000,000	Capital increase by cash 820,907,250	None	Approval letter of the Securities and Futures Commission—(88)Tai -Tsai-Cheng(I) No. 16322 on February 10, 1999

Year Month	Issue price	Authorized capital stock		Paid-in capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Source of capital stock	Property other than cash offset by the number of shares	Others
October 2001	10	175,000,000	1,750,000,000	175,000,000	1,750,000,000	Capital reduction 175,000,000	None	Approval letter of the Securities and Futures Commission—(90)Tai-Tsai-Cheng(I) No. 144625 on August 13, 2001
September 2005	**1**	675,000,000	6,750,000,000	425,000,000	4,250,000,000	Private placement Capital increase by cash 2,500,000,000	None	**Private placement of 250 million shares at NT$1 per share**
October 2006	10	675,000,000	6,750,000,000	53,125,000	531,250,000	Capital reduction 3,718,750,000	None	Approval letter of the Financial Supervisory Commission—Jin-Guan-Zheng(I) Zi No. 0950138035 on September 28, 2006
August 2008	**7**	675,000,000	6,750,000,000	60,275,000	602,750,000	Private placement Capital increase by cash 71,500,000	None	**Private placement of 7.15 million shares at NT$7 per share**
December 2009	**5.5**	675,000,000	6,750,000,000	94,875,000	948,750,000	Private placement Capital increase by cash 346,000,000	None	**Private placement of 34.60 million shares at NT$5.5 per share**
June 2010	10	675,000,000	6,750,000,000	50,000,000	500,000,000	Capital reduction 448,750,000	None	Approved by FSC—letter of Jin-Guan-Zheng-Fa-Zi No.0990029642—on June 15, 2010
March 2011	**13.3**	675,000,000	6,750,000,000	60,265,400	602,654,000	Private placement Capital increase by cash 102,654,000	None	**Private placement of 10.2654 million shares at NT$13.3 per share**
July 2011	10	675,000,000	6,750,000,000	50,265,400	502,654,000	Capital reduction 100,000,000	None	Approved by FSC—letter of Jin-Guan-Zheng-Fa-Zi No.1000030508—on July 8, 2011
November 2012	10.5	675,000,000	6,750,000,000	80,265,400	802,654,000	Capital increase by cash 300,000,000	None	Approved by FSC—letter of Jin-Guan-Zheng-Fa-Zi No.1010047576—on November 9, 2012
December 2019	**7.2**	675,000,000	6,750,000,000	100,265,400	1,002,654,000	Private placement Capital increase by cash 200,000,000	None	**Private placement of 20 million shares at NT$7.2 per share**
August 2023	**10**	675,000,000	6,750,000,000	70,185,780	701,857,800	Capital reduction 300,796,200	None	TWSE 2023.7.25 Tai-Cheng-Shang-Yi-Zi No. 1121803346
December 2023	**11**	675,000,000	6,750,000,000	100,185,780	1,001,857,800	Capital increase by cash 300,000,000	None	Approved by FSC—letter of Jin-Guan-Zheng-Fa-Zi No.1120354677—on September 22, 2023

March 5, 2024 Unit: shares

Type	Authorized capital stock			Remarks
	Shares outstanding	Unissued shares	Total	
Common share	100,185,780 (Note)	574,814,220	675,000,000	Listed company shares

(Note) 14,000,000 shares are issued by private placement.

Relevant information on shelf registration: n/a

II. Shareholder structure

March 5, 2024; Unit: person; shares

Shareholder structure / Number	Governments	Financial institutions	Other institutions	Individuals	Foreign Institutions & Individuals	Total
Number of persons	0	2	31	12,753	18	12,804
Number of shareholding	0	20	46,571,637	52,683,999	930,124	100,185,780
Percentage of shareholding	0.00%	0.00%	46.49%	52.59%	0.92%	100%

III. Diffusion of ownership

Diffusion status of ownership

March 5, 2024; Unit: person; shares

Shareholding range			Number of Shareholders	Number of shares held	Percentage of shareholding (%)
1	to	999	10,919	1,122,966	1.12%
1,000	to	5,000	1,306	2,573,534	2.57%
5,001	to	10,000	191	1,446,820	1.44%
10,001	to	15,000	101	1,273,926	1.27%
15,001	to	20,000	67	1,221,555	1.22%
20,001	to	30,000	55	1,435,153	1.43%
30,001	to	40,000	30	1,075,806	1.07%
40,001	to	50,000	25	1,147,851	1.15%
50,001	to	100,000	53	3,692,499	3.69%
100,001	to	200,000	26	3,632,746	3.63%
200,001	to	400,000	7	1,762,805	1.76%
400,001	to	600,000	6	3,001,629	3.00%
600,001	to	800,000	1	730,800	0.73%
800,001	to	1,000,000	1	980,000	0.98%
Above 1,000,001			16	75,087,690	74.94%
Total			12,804	100,185,780	100.00%

Note: The Company does not issue preferred stocks

IV. List of Major Shareholders(Shareholders with more than 5% of the shares or the top 10 shareholders)

March 5, 2024 Unit: shares, %

Shares / Name of major shareholder	Number of shareholding	Percentage of shareholding
Puquan Advertising Co., Ltd.	21,407,872	21.37%
NOON GLORY MANAGEMENT & TRADING CO., LTD.	8,586,318	8.57%
Liao, Heng-I	6,878,753	6.87%
Sant Law International Corporation	6,043,983	6.03%
Tsai, Hung-Chien	5,884,120	5.87%
Chun Hsin Construction Co., Ltd.	5,090,417	5.08%
Chang Chun-Kuei	4,630,856	4.62%
Yuan, Mei-Hui	2,954,677	2.95%
Liao, Yu-Hsin	2,946,787	2.94%
Nien Mei Investment Co., Ltd.	1,985,400	1.98%

V. Market price per share, net worth per share, earnings per share, dividends per share for the past 2 fiscal years, and related information.

Unit: NTD

Item		Year	2022	2023	As of March 29, 2024
Market price per share	Highest		14.70	16.60	20.45
	Lowest		10.20	8.80	13.00
	Average		12.17	11.04	17.33
Net value per share(dollar)	Before distribution		5.53	7.73	-
	After distribution		5.53	7.73	-
Earnings per share	Weighted average shares (thousand shares)		70,186	71,186	-
	Earnings per share		(1.58)	(1.55)	-
Dividends per share	Cash dividend		-	-	-
	Stock dividends	Stock dividends appropriated from earnings	-	-	-
		Stock dividends appropriated from capital surplus	-	-	-
	Accumulated unappropriated dividends		-	-	-
Investment return analyses	Price-to-earnings ratio		-	-	-
	Price-dividend ratio		-	-	-
	Cash dividend yield		-	-	-

Note1: Price-to-earnings ratio = Average closing price per share for the year／earnings per share

Note2: Price-dividend ratio= Average closing price per share for the year／cash dividend per share

Note3: Cash dividend yield= cash dividend per share／average closing price per share for the year

Note4: For net value per share, earnings per share, the information audited(reviewed)by the CPAs during the most recent season during the current year up to the date of publication of the annual report shall be listed; for the remaining column, the information during the current year up to the date of publication of the annual report shall be listed.

VI. Company's dividend policy and implementation thereof

(I) Company’s dividend policy

In accordance with the provisions of the Company's Articles of Incorporation.

Regarding the determination on the proposal of earnings distribution, the board of directors of the Company shall consider the future capital expense budget and demand of fund of the Company and shall also evaluate the necessity to fulfill the demand of fund with the surplus earnings in order to determine the amount of earnings to be reserved or distributed as well as the amount of distribution of dividends or bonuses in cash or stock to shareholders.

For the net profit before tax of the current period before deduction of the remuneration of employees and remuneration of directors of the Company, not less than 4% of such profit shall be appropriated as the remuneration of employees, and no higher than 4% of such profit shall be appropriated as the remuneration of directors and supervisors. However, if the Company still has accumulated losses (including adjustment of undistributed earnings amount), an amount shall be reserved for making up the accumulated loss first. The subjects for the issuance of remunerations may include employees of a holding or subordinate company satisfy certain criteria, and the board of directors is authorized to specify such criteria.

Where the Company has a net profit after tax in the final accounts of the current year, amount shall be appropriated to compensate accumulated losses (including adjustment of undistributed earnings amount) first, followed by appropriating 10% of such profit as the legal reserve; provided that the aggregate of the legal reserve has reached the paid-in capital of the Company, such requirement shall not be applied. In addition, special reserve may be set aside or reversed depending upon the business needs or according to the regulations of the competent authority. For the remaining earnings together with the initial undistributed earnings (including adjustment of undistributed earnings amount), the board of directors may establish the proposal for distribution of earnings, and when it is performed via the method of issuance of new shares, it shall be reported to the shareholders' meeting for resolution before the distribution thereof.

The distribution of earnings described in the preceding paragraph may be made in the form of stock or cash; provided that the issuance of cash bonus shall not be lower than 10% of the total dividend distribution amount for the current year.

When all or a portion of the dividends and bonuses or legal reserve and capital reserve distributed by the Company are made in the form of cash, the board of directors may be authorized to execute the distribution in accordance with the resolution of the board of directors' meeting attended by more than two thirds of the directors and the consents of a majority of the attending directors. In addition, report to the shareholders' meeting shall also be made.

(II) Distribution status of dividends proposed at the shareholders' meeting: n/a (as resolved by the board of directors, the Company does not intend to distribute the dividends).

VII. Effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted at the most recent shareholders' meeting: n/a(no stock dividends motion at the shareholders' meeting)

VIII. Remunerations to employees and directors

(I) The percentages or ranges of remuneration to employees and directors as set forth in the articles of incorporation are as follows.

For the net profit before tax of the current period before deduction of the remuneration of employees and remuneration of directors of the Company, not less than 4% of such profit shall be appropriated as the remuneration of employees, and no higher than 4% of such profit shall be appropriated as the remuneration of directors and supervisors. However, if the Company still has accumulated losses (including adjustment of undistributed earnings amount), an amount shall be reserved for making up the accumulated loss first. The subjects for the issuance of remunerations may include employees of a holding or subordinate company satisfy certain criteria, and the board of directors is authorized to specify such criteria.

(II) The allocation of employees', directors' and supervisors' remuneration of this period, the calculation basis for the employee's remuneration by stock and the accounting handlings if there is discrepancy between the allocation amount and distributed amount: Since the Company had a loss in 2023, the above remuneration has not been estimated.

(III) Information on the remuneration for distribution approved by the board of directors

1. Distribution of cash bonus and stock bonus for employees and remuneration for directors and supervisors: None.
2. Employees' remuneration by stock and ratio of this accounted for the net profit after tax in the individual or financial statement during the period and the ratio of the total employees' remuneration: nil

(IV) The actual distribution of employees', directors' and supervisors' remuneration for the preceding year: nil

IX. The Company's share repurchase: nil

X. Issuance of Corporate Bonds:

<table>
<tr><th colspan="2">Corporate bond type</th><th>2021 first issuance of domestic secured convertible corporate bonds</th></tr>
<tr><td colspan="2">Issuance (processing) date</td><td>September 24, 2021</td></tr>
<tr><td colspan="2">Par value</td><td>Par value of NT$100 thousand</td></tr>
<tr><td colspan="2">Issuance and transaction place (Note)</td><td>Note applicable</td></tr>
<tr><td colspan="2">Issuance price</td><td>Issue in full at par value</td></tr>
<tr><td colspan="2">Total</td><td>Total par value of NT$300 million</td></tr>
<tr><td colspan="2">Interest rate</td><td>Face interest rate 0%</td></tr>
<tr><td colspan="2">Period</td><td>Three years, Maturity date: September 24, 2024</td></tr>
<tr><td colspan="2">Guaranteed institution</td><td>Taichung Commercial Bank Co., Ltd.</td></tr>
<tr><td colspan="2">Trustor</td><td>Land Bank of Taiwan Co., Ltd.</td></tr>
<tr><td colspan="2">Underwriting Institution</td><td>Taichung Bank Securities Co., Ltd.</td></tr>
<tr><td colspan="2">Certified Attorney</td><td>Attorney-at-law Yang-Wen Chiu</td></tr>
<tr><td colspan="2">Certified Public Accountant</td><td>CPA Shu-Ying Chang and CPA Kuo-Yang Tseng</td></tr>
<tr><td colspan="2">Repayment method</td><td>In addition to the conversion into the Company's common shares applied by the secures holder according to the conversion method of the Company, or early redemption by the Company according to the conversion method, or retirement after the Company’s buy back from the over-the-counter market, within ten business days after the maturity of the convertible bonds, the Company may redeem all at once according to the face value of the bond at that time.</td></tr>
<tr><td colspan="2">Outstanding Principle</td><td>NT$300 million</td></tr>
<tr><td colspan="2">Terms of redemption or early settlement</td><td>For the period from the next day (December 25, 2021) of three months after the issuance of convertible bond to the date of forty days (August 15, 2024) before the maturity of the issuance period, if the common stock closing price of the Company continues to reach 30% (inclusive) of the conversion price for thirty business days ; or the balance of the outstanding convertible bond is lower than 10% of the total original issuance amount, the Company may redeem the bond.</td></tr>
<tr><td colspan="2">Restrictive clause</td><td>None</td></tr>
<tr><td colspan="2">Name of credit rating agency, rating date, rating result of corporate bonds</td><td>Note applicable</td></tr>
<tr><td rowspan="2">Other rights attached</td><td>Converted amount of (exchanged or subscribed) ordinary shares, GDRs or other securities up to the date of publication of the annual report.</td><td>As of the date of publication of the annual report (March 29, 2024), the accumulated number of ordinary shares that have been converted is 0.</td></tr>
<tr><td>Issuance and conversion (exchange or subscription) method</td><td>Please refer to the Prospectus.</td></tr>
<tr><td colspan="2">Issuance and conversion, exchange or subscription method, issuing condition dilution on equity and impact on existing shareholders’ equity</td><td>Please refer to the Prospectus.</td></tr>
<tr><td colspan="2">Name of transfer agent for the transfer subject matter</td><td>Note applicable</td></tr>
</table>

Note: It is for information of overseas corporate bonds.

XI. Status of implementation of preferred shares, global depository receipts, employee stock warrants, issuance of new shares in connection with mergers or acquisitions or with acquisitions of shares of other companies: nil

XII. Status of implementation of capital allocation plans:

The 2023 cash capital increase with the capital utilization of common shares issued and the execution status are as follows:

(I) Project content:

1. Date and document number of approval by the competent authority: Letter Jin-Guan-Zheng-Fa-Zi No. 1120354677 dated September 22, 2023 from FSC.
2. Source of capital: 30,000 thousand new shares were issued for cash capital increase, at face value of NT$10 per share and issue price at NT$11.00 per share. Total capital raised was NT$330,000 thousand.
3. Projects planned, the progress of the planned use of funds, and the expected benefits:

Unit: NT$ thousand

Project Item	Expected date of completion	Total funds required	Progress of scheduled fund utilization
			2023 Q4
Repayment of debts	2023 Q4	230,000	230,000
Expected benefits	Based on the expected bank interest rate of 2.98% - 3.08% and the repayment date, it is expected that the interest expense will be saved at about NT$576 thousand in 2023 and about NT$6,910 thousand in the following years.		

Project Item	Expected date of completion	Funds required Total	Progress of scheduled fund utilization			
			2023	2024	2024	2024
			Q4	Q1	Q2	Q3
Enrich working capital	2024 Q3	100,000	10,000	20,000	30,000	40,000
Expected benefits	The funds raised through this cash capital increase will be used to supplement working capital, reducing reliance on bank loans, increasing financial management flexibility, and maintaining the competitiveness of the Company's future growth, all of which will be beneficial to the Company's long-term operation and development.					

(II) Implementation status:

Unit: NT$ thousand

Year/quarter	Use of the funds	Expected amount to be spent	Amount actually spent	Implementation progress
2023/4	Repayment of debts	230,000	230,000	100%
It was fully used in Q4 of 2023 (the bank loan of NT$230,000 thousand was repaid).				

Year/quarter	Use of the funds	Expected amount to be spent	Amount actually spent	Implementation progress
2023/4	Enrich working capital	10,000	5,165	5.17%
(1) Q4 2023 was not fully utilized because fundraising was completed near the end of the year and payment was delayed in time. According to the underwriter's assessment, there was no significant abnormality.				

(III) Financial structure analysis: The full amount of common shares issued by cash capital increase in 2023 was received on December 19, 2023, and has not been fully utilized as of the publication date of the annual report.

Unit: NT$ thousand

Item	2023.9.30 Amount	2023.12.31 Amount	Difference	Explanation
Current assets	1,130,571	1,233,594	103,023	Mainly due to the cash capital increase in Q4 of 2023, resulting in an increase in the balance of cash and cash equivalents, plus the increase in inventory due to the investment in construction in progress.
Current liabilities	828,084	676,183	(151,901)	Mainly due to repayment of short-term bank loans and due to the increase in contract liabilities for collection of pre-sale construction projects.
Total liabilities	915,983	763,698	(152,285)	Same as above.
Operating revenue	144,028	145,516	1,488	Mainly due to the fact that only rental income was recognized due to no sale of buildings and land in 2023 Q4.
Interest expense	14,666	19,816	5,150	Mainly for payment of financial expenses related to borrowings and corporate bonds.
Earnings per share (NT$)	(0.66)	(1.55)	(0.89)	Mainly due to administrative expenses in Q4 of 2023 and recognition of losses due to suspension of development of construction projects.

Five. Overview of operations.

I. Description of the business

(I) Description of the business

1. The Company's principal business: to contract construction companies to build public housing projects and commercial buildings for lease out and sales.
2. The Subsidiaries' principal business
   Better Life Green Energy Technology Co., Ltd.: Solar energy application business.
   Better Life Real Estate Co., Ltd.: Real estate agency.
   Better Life Jinxia (Xiamen) Tourism Management Service Co., Ltd.: Travel management and real estate rental services, etc.
   Better Life Group Travel Service Co., Ltd.: Travel agency, etc.
3. Current products and the relative weight of each

Year / Products	2023	
	Consolidated amount (thousand dollars)	Proportion(%)
Construction revenue	138,990	95.52
Rent income	6,526	4.48
Total	145,516	100.00

4. New products or services planned for development: Continue the businessi including land development, solar energy application business, travel agency, travel management and rental services, etc.

(II) Industry Overview

1. Current status and development of the industry,
   - Construction business

     The "Song Yong" project, located in the Xinyi Project District, Taipei City, has reached the completion period and is expected to be delivered in 2024Q3.

     The "Pauian Pau-Garden" project, located in Songshan District, Taipei City, is currently under construction and is expected to be completed and delivered in the first half of 2025, and the sale will continue in 2024.

     "Yongjing Park" urban renewal project, located at Zhongshan District, Taipei City, is currently under the review of urban renewal business plan.

     The "Hwa Ya Science Park" project, located in Guishan District, Taoyuan City, is currently in the process of permitting, and it is expected to obtain the construction permit and launch the project in 2024.

     The "Shitan Section, Neihu District" urban renewal project, located in Neihu District of Taipei City, is currently under review and approval.

     One store of "Qingpu-Better Life Garden" will continue to be sold in 2024.

     "Kang ChiaoAsahi Villa" located at Huacheng area of Xindian District, New Taipei City, will continue to be sold in 2024.
   - Real estate agency services

     Evaluate whether to accept new projects according to the Company's projects and market conditions.
   - Travel agency, management and rental services

     Currently, the rental service business duties are mainly in Xiamen.
   - Solar energy applications business

     The Company's land located in Miaoli County to build solar energy facilities is currently in the planning and related pre-operation works.
2. links between the upstream, midstream, and downstream segments of the industry:
   The upstream of the real estate market is mainly about land and building materials. Land is mainly supplied by private landowners, which is released through sale or joint construction, and by redeveloping land in old areas through urban renewal. Regarding building materials, with the development of new technologies, such as nano-technology building materials, green buildings, and the internet of things, the proportion of applications will gradually increase. The downstream is mainly composed of agencies and brokers.

3. Development trends and competition for the products.

- Construction--As home buyers pay more and more attention to the quality of living, the design and construction quality of our projects have become an important consideration for home buyers. Therefore, the Company is actively working on the design of each project in order to maintain its competitive edge and gain the approval of consumers in the industry.
  (1) keen strategies for land acquisition development
  The Company’s management team members have keen abilities to develop land, and they pay close attention to public preferences and trends. Before purchasing land, they conducted thorough market assessment and developed in the local area; they collect buyers' opinions, budgets and preferences in order to understand the market demand, consider the development of the surrounding areas and the cultural characteristics. Furthermore, they actively plan for the development and construction after the purchase is made.
  (2) Construction management and rigorous quality
  Prior to launching a project, the company has gone through prudent planning, perfect estimation of funds, and has maintained good credit with the bank. In order to control the quality of the construction, the company has chosen contractors that have professional technique and excellent construction equipment, and strictly controls the construction progress and product quality; therefore the company is able to meet the customer's expectations for timely completion and quality, thus creating stable profits.
- Consignment-- Evaluate whether to accept new projects according to the Company's projects and market conditions .
- Travel agency, management and rental servicesCurrently, the focus is on rental services business.
- Solar energy application business - Currently, the construction of solar energy facilities on the Miaoli land is under planning and related pre-operations.

(III) Overview of the technologies, research and development work: During 2023 or during current year up the publication date of the annual report, the Company has invested $0 in research and development, and has no future research and development plans.

(IV) Long- and short-term business development plans

1. Short-term development plans:
   Considering the current scope, the return on investment and the capital turnover efficiency of each project, the company will continue to invest in the construction and sell its projects in the Greater Taipei and Taoyuan area in the short term, so that it can achieve the best operating efficiency and accumulate capital quickly through profits from each project, thus enabling the Company to grow continuously.

2. Long-term development plans:
   (1) In the future, through in-depth exploration of project characteristics, we will create product value, enhance product differentiation and irreplaceability, improve the Company's brand value, and strengthen product quality and after-sales service, in order to achieve the Company's competitiveness in the construction market and further increase gross profit, thereby creating maximum profitability for the Company.
   (2) Regarding the development of travel and rental service business, the main objective is to stabilize the company's income in the long term.
   (3) Regarding the development of solar energy application business, in addition to the revitalization of the Company's assets, it can also lead the Company to the goal of business diversification.

II. Market, production and sales overview

(I) Analysis of the market

1. Areas where the main products are provided
   - Construction business
     We mainly sell houses in the Greater Taipei and Taoyuan areas.
   - Real estate agency services
     Evaluate whether to accept new projects according to the Company's projects and market conditions.
   - Travel agency, management and rental services
     Currently, the rental service business duties are mainly in Xiamen.
   - Solar energy applications business
     Currently, the planning of solar energy facilities construction project on land in Miaoli and related pre-operations are in progress.
2. Market share, demand and supply conditions for the market in the future
   - Construction and real estate agency business
     In terms of brand, product quality and after-sales service, the Company has stringent requirements, and the market acceptance is quite high. It is expected to bring the demand for real estate.
   - Travel agency, management and rental services
     Currently, the main focus is on the continuous and stable rental service business.
   - Solar energy applications business
     With the continuous growth of the green energy market, we expect to develop new businesses in addition to the business in Miaoli.
3. The Company's competitive niche, positive and negative factors for future development, and the Company's response to such factors.
   - Construction and real estate agency business
     First-time homebuyers and the Inelastic demand for home replacement are the favorable factors for the development; the difficulty in obtaining the prime areas, limited developable land, rising raw materials and wages are the unfavorable factors for the development of real estate. The response strategy of the Company is to choose the location of the project carefully and to plan the project in a way that better meets the needs of the consumers. Besides, the Company has never hoarded land and will continue to pursue the business strategy of reducing the inventory of remaining houses in order to reduce the impact of government policies and market fluctuations.
   - Travel agency, management and rental services
     The tourism and travel business has been affected by Covid-19 in recent years, which has severely hurt the tourism industry, and therefore currently the focus is on the Xiamen rental business.
   - Solar energy applications business
     With the continuous growth of the green energy market, we expect to develop new businesses in addition to the business in Miaoli.

(II) Usage and manufacturing processes for the main products.

- Construction and real estate agency business

Market research→Land development→Planning and design→Marketing planning→Sales promotion→Construction→Completion and handover of the houses→Building management→After-sales service→Asset management

- Travel agency, management and rental services
  It belongs to the service industry, not the production business; therefore, there is no production procedure.
- Solar energy applications business
  The main department is responsible for planning integration Business , which is a service industry.

(III) Supply situation for the major raw materials

- Construction and real estate agency business
  Land: The Company is actively engaged in land development in order to maintain the supply of land.
  Construction: The Company controls the quality and progress of the project by strict contracting regulations and construction rules.
  Material: Contracting prices are adjusted in accordance with market price fluctuations.
- Travel agency, management and rental services
  It belongs to the service industry, not the production business; therefore, there is no raw material supply status.
- Solar energy applications business
  The main department is responsible for planning integration Business , which is a service industry.

(IV) List of any suppliers and clients accounting for 10 percent or more of the company's total procurement (sales) amount in either of the 2 most recent fiscal years (consolidated information):

Information on major suppliers in the 2 most recent years

Unit: thousand dollars

	2022				2023			
Item	Name	Amount	Proportion of net purchases of the year 〔%〕	Relationship with the issuer	Name	Amount	Proportion of net purchases of the year 〔%〕	Relationship with the issuer
1	Pucheng Construction Co., Ltd.	67,945	71.34	Substantive related party	Pucheng Construction Co., Ltd.	84,802	54.70	Substantive related party
2	Others	27,293	28.66		Others	70,236	45.30	
3								
4								
	Net purchase	95,238	100.00		Net purchase	155,038	100.00	

Information on major customer in the 2 most recent years

Unit: thousand dollars

	2022				2023			
Item	Name	Amount	Proportion of net sales of the year 〔%〕	Relationship with the issuer	Name	Amount	Proportion of net sales of the year 〔%〕	Relationship with the issuer
1	Fang, X-Chen	58,251	16.70	None	Global Resources Ltd.	61,500	42.26	None
2	Liao, X-Chuan	44,710	12.82	None	Ke, X -Ling	39,907	27.42	None
3	You, X-Wen	44,007	12.62	None	Hsu, X -Ting	37,583	25.83	None
4	Chen, O-Wen	43,929	12.59	None	Others	6,526	4.49	None
5	Tsou, X-Sheng, and Hsieh, X-Ling	43,733	12.54	None				None
6	Lin, X-Wei	41,859	12.00	None				None
7	Li, X-Shan	38,735	11.10	None				None
	Others	33,619	9.63					
	Net sales	348,843	100.00		Net sales	145,516	100.00	

(V) Table of production value in the 2 most recent years(consolidated information): it is not applicable, since the Company does not belong to production industry. n/a

(VI) Table of sales value in the 2 most recent years(consolidated information):

Table of sales value in the 2 most recent years

Unit: property, thousand/%

Year / Sales value / Major project	2022					2023				
	Domestic sales			Export		Domestic sales			Export	
	Buildings	Parking spaces	Value	Quantity	Value	Buildings	Parking spaces	Value	Quantity	Value
Qingpu-Better Life Garden	-	-	-	-	-	-	-	-	-	-
Kang ChiaoAsahi Villa(note)	7		315,156	-	-	3		138,990	-	-
Others			33,687	-	-			6,526	-	-
Total			348,843	-	-			145,516		

Note:The "Kang ChiaoAsahi Villa" project is about detached villas with landscape and an elevator, and no separate parking space is available for sale.

III. Information on employees for the 2 most recent fiscal years, and during the current fiscal year up to the date of publication of the annual report(consolidated information)

March 29, 2024

Year		2023	End of 2023	As of March 29, 2024
Number of employees	Managers	8	9	8
	staff	12	12	12
	Total	20	21	20
Average age		49.32	50.09	48.28
Average seniority		5.36	5.96	6.10
Education distribution ration	PhD degree	0	0	0
	Master degree	2	4	5
	College	16	15	13
	High school	2	2	2
	Below high school	0	0	0

IV. Disbursements for environmental protection

(I) The loss caused by environmental pollution during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: $0

(II) Estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken

The construction projects launched are contracted to the construction enterprises, and the maintenance of the worksite environment and waste disposal are undertaken by the enterprises, and the Company is responsible for supervising them; hence no significant environmental expenses are expected for the future.

V. Labor relations

(I) The Company’s and the subsidiaries’ employee benefit plans, continuing education, training, retirement systems, and the status of their implementation, and the status of labor-management agreements and measures for preserving employees' rights and interests.

1. Welfare measures for employees:
   Employees are the most important assets of the Company. In addition to providing the fundamental protection for employees in accordance with the Labor Standards Act, we have established an employee welfare committee to allocate employee welfare funds every month according to the laws. Welfare committee members are elected by employees and regularly hold welfare committee meetings to coordinate and handle various employee welfare activities. All current employees may participate in the election. Welfare measures of the Company are as follows:
   (1) Welfare measures of the Company:
   ◎ Employees will enjoy Labor Insurance, National Health Insurance and group insurance upon onboarding.
   ◎ Year-end performance bonus.
   ◎ Holiday bonus.
   ◎ Marriage and funeral subsidies, maternity subsidies, and hospitalization condolences.
   ◎ Staff education and training subsidies.
   ◎ Year-end party and lottery activities.
   (2) Welfare measures of employee welfare committee
   ◎ Birthday party and gifts.
   ◎ New Year’s gifts.
   ◎ Dinner party and meetup.
   ◎ Travel subsidies
2. Continuing education and training
   (1) To improve our learning and development and talent cultivation system, and enhance the professional ability and competitiveness of colleagues, the company has formulated "Guidelines of Education and Training Programs Management" to provide training for new employees and internal and external professional training and education. Colleagues may take the initiative to apply or supervisors may propose internal training or participate in external training courses according to business needs.
   (2) The company's management staff or professional staff at all levels maintain proficiency in fundamental professional skills. Professional trainings are conducted every year in accordance with the regulations to improve personal qualifications and work skills, and the details of the training are listed below (only those required to be reported).

Name	Training in 2023	Organization that hold the course	Hours	Report or not
Huang, Wen-Cheng (Finance and Accounting Officer)	Accounting Officers' Continuing Education Course	Accounting Research and Development Foundation	12	Yes
Huang, Wen-Cheng (corporate governance officer)	Climate Action Managerial Training Course for TWSE Listed Companies	Taiwan Institute for Sustainable Energy	20	Yes
Chen, Pi-Chen (Audit officer)	Analysis of Regulations and Practice on Loaning Funds, Endorsement and Guarantee, and Acquisition and Disposal of Assets Seminar of Stock Affairs Regulations and Practice of Shareholders’ Meeting	The institute of internal auditors	12	Yes
Huang, Chiung-Hui (Acting audit officer)	Case Study of Corporate Governance and Audit - Focusing on the Board of Directors and Shareholders' Meeting Combining practical operations, from labor law compliance to ESG corporate governance	Securities and Future Institute	12	Yes

3. Pension system and implementation

The Company adopts a new version of pension system in accordance with the "Labor Standards Act" and the "Labor Pension Act" promulgated since July 1, 2005.

The Company contributes 6% as monthly pension: According to the "Monthly Contribution Classification of Labor Pension" issued by the Bureau of Labor Insurance, 6% of the employee's salary will be contributed to the respective employee's personal pension account every month.

Self-contribution of pension by employees: Employees may also voluntarily contribute to pension within the range of 6% of their monthly salary according to their personal wishes.

4. Employee personal safety and working environment protection measures

(1) Access control: The Company is located in an administrative building, and the building management committee has security personnel assigned to manage and maintain the security of the building 24/7; CCYV systems and elevator access control card systems are installed inside and outside the building, and the Company's office is also equipped with access control card and CCTV systems to manage access and personal safety.

(2) Environmental safety: In addition to regular testing and maintenance of fire protection equipment, and maintenance and inspection of various public facilities in the building, the Company regularly implements fire protection inspections and safety report in May every year, cleans the workplace environment every day, and destroys and disinfects sources of vector mosquitoes every quarter; in addition, in accordance with government regulations, a total no smoking policy is implemented in the building.

(3) During the COVID-19 pandemic, regular epidemic prevention meetings were held to formulate relevant measures to create a safe and healthy workplace environment for colleagues. The relevant epidemic prevention measures in the office are still strictly controlled.

5. Other important agreements: None.

(II) Losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to labor disputes and estimate of possible expenses that could be incurred in the future and measures being or to be taken:

The Company and its subsidiaries have always valued the welfare of their employees and have a harmonious labor relations; therefore, no significant labor disputes have occurred. In the future, we will continue to uphold the consistent principle of maintaining harmonious labor relations; therefore, there is probably no possibility of labor disputes and losses.

VI. Management of cyber security

(I) Cyber security risk management framework, cyber security policy, specific management plan and resources invested in cyber security management:

In order to strengthen corporate governance, the board of directors approved the "Guidelines of Information Security Policy and Risk Management" on December 29, 2022. The Company regularly assesses risks every year, and formulates risk management policies for various risks; further, in order to protect the confidentiality, integrity and availability of the Company's computerized planning and data processing, we also attache great importance to the management of information security.

1. Scope: The major risk in the assessment covers information security risk, including the physical environment, software and hardware equipment, network data, and documents, etc. of personnel related to the Company's information operation, which shall be free from improper use, destruction, loss, and leaks from internal or external sources.

2. Objective: Strengthen the Company's information security management, and set annual information security objective items.

(1) Maintain the operation of computer room equipment and the use of office computer equipment.
(2) Network firewall detection and security protection.
(3) Sensitive data access control.
(4) System data backup and restoration operations.
(5) Rehearsal of the disaster recovery plan.
(6) Information security education and promotion.

3. Specific management plan and resources invested:

(1) Information equipment management

- Computer room equipment - Operation of servers and network connection equipment.
- Office equipment - Operation of personal computers and peripheral equipment.'

(2) Data access management

- To maintain information security, implement control by department, job role, and work requirements, and monitor users for access violation events on a regular basis.
- The bank regularly checks account permissions, examines the mapping of account permissions to their users, and disposes of idle accounts.

(3) System backup and restoration management

- Install the NAS for data access, replication and backup.
- The ERP system uses the backup function of the SQL software, and the backup and restore functions are tested regularly.
- The data system is fully protected in accordance with the 3-2-1 backup principle.

(4) Information security management

- Update and scan personal computer anti-virus software regularly.
- The computer room is equipped with network firewall equipment, and IP addresses of phishing websites are added regularly to monitor the network to prevent malicious program intrusions.
- Regularly drill through the disaster recovery plan
- The Company joined the TWCERT information security information sharing organization in 2022 and has established procedures for handling and reporting information security incidents.
- Employee information security education and training: More than half of the employees participated in an information security training course held on June 16, 2023 by the Information Division of the Management Department.

(5) Review and revision of management procedures: In order to be more in line with the Company's actual operation, the Company's “Guidelines of Information Security Policy and Risk Management” and “Risk Management Policies and Procedures” are amended, and it is submitted to the Audit Committee and the Board of Directors for approval on December 28, 2023.

4. Implementation results:

- The Company continues to implement information security and risk management, with regular inspections of system backup and equipment operation, and irregular information security promotions for employees. There were no information security hazards in 2023.
- When the Audit Office conducted the 2023 audit, no major deficiencies or information security incidents were found.
- 2023 implementation status is arranged in the report of the Audit Committee and the Board of Directors on December 28, 2023.

(II) Losses, potential impacts, and countermeasures for major information security accidents in the most recent year and up to the date of publication of the annual report: None.

VII. Important contracts

March 29, 2024

Nature of contract	The contracting parties	Commencement dates and expiration dates	Major content	Restrictive clauses
Secured loan	Taipei Fubon Bank	2023.8.09~2025.2.09	Song Yong project	None
Secured loan	Far Eastern International Bank	2010.9.01~2024.9.01	Pauian Pau-Garden project	None
Secured loan	Mega Bill Co., Ltd.	Mar. 31, 2023-Mar. 30, 2024 (Contract renewal in progress)	Qingpu project	None
Secured loan	Far Eastern International Bank	May 15, 2023-May 15, 2024	Kang ChiaoAsahi Villa project	None
Short-term borrowings	Mega Bank	2021.5.29~2022.5.28	Credit loan	None
Project outsourcing	Pucheng Construction Co., Ltd.	Signed on 2020.06.11	Song Yong project	None
Project outsourcing	Pucheng Construction Co., Ltd.	Signed on 2022.01.10	Pauian Pau-Garden project	None
Agency contract	Puquan Advertising Co., Ltd.	Signed on 2020.11.23	Song Yong project	None

Six. Financial information

I. Condensed balance sheets and statements of comprehensive income for the past 5 fiscal years:

(I) Under International Financial Reporting Standards (IFRS):

1. Consolidated balance sheet-Consolidated

Unit: NT$ thousand

Item / Year		Financial information for the last five years (Note 1)					
		2019	2020	2021	2022	2022 (Restated)	2023
Current assets		1,363,502	1,235,140	1,310,031	1,112,253	1,112,253	1,233,594
Financial assets at fair value through profit or loss-Non-current		-	-	-	87,780	87,780	73,343
Financial assets at fair value through other comprehensive income - non-current		21,448	18,628	17,944	19,718	19,718	19,718
Property, plant and equipment		71,858	84,582	11,266	13,417	13,417	10,357
Right-of-use assets		18,232	35,629	34,877	28,625	28,625	21,621
Investment property		-	-	83,047	84,464	159,840	177,140
Intangible assets		210	342	163	107	107	21
Other assets		4,733	3,450	1,775	2,244	2,244	1,938
Total assets		1,479,983	1,377,771	1,459,103	1,348,608	1,423,984	1,537,732
Current liabilities	Before distribution	800,940	742,110	555,847	490,206	490,206	676,183
	After distribution	800,940	742,110	555,847	490,206	490,206	Note 2
Non-current liabilities		12,956	30,824	306,930	353,918	379,509	87,515
Total liabilities	Before distribution	813,896	772,934	862,777	844,124	869,715	763,698
	After distribution	813,896	772,934	862,777	844,124	869,715	Note 2
Equity attributable to owners of the parent		666,087	604,837	596,326	504,484	554,269	774,034
Share capital		1,002,654	1,002,654	1,002,654	1,002,654	1,002,654	1,001,858
Capital surplus		110	110	21,938	22,097	22,097	52,097
Legal reserve		4,320	4,320	4,320	4,320	4,320	4,320
Undistributed earnings (or deficit to be compensated)	Before distribution	(320,766)	(382,541)	(416,218)	(513,769)	(463,984)	(273,304)
	After distribution	(320,766)	(382,541)	(416,218)	(513,769)	(463,984)	Note 2
Other equity interests		(20,231)	(19,706)	(16,368)	(10,818)	(10,818)	(10,937)
Total equity	Before distribution	666,087	604,837	596,326	504,484	554,269	774,034
	After distribution	666,087	604,837	596,326	504,484	554,269	Note 2

Note 1: The financial information in each year has been audited by CPAs .

Note 2: The Motion of 2023 deficit compensation hasn’t been approved at the shareholders meeting.

2. Condensed comprehensive Income Statement- consolidated

Unit: NT$ thousand

Item \ Year	Financial information for the last five years (Note)					
	2019	2020	2021	2022	2022 (Restated)	2023
Operating revenue	127,168	219,762	185,474	348,843	348,843	145,516
Gross profit(loss)	20,486	20,774	31,983	1,949	1,949	665
Operating profit(loss)	(60,379)	(53,074)	(33,902)	(72,923)	(72,923)	(51,919)
Non-operating revenues and expenses	(11,297)	(8,701)	1,347	(16,174)	(32,201)	(52,231)
Net profit (loss) before income tax	(71,676)	(61,775)	(32,555)	(89,097)	(105,124)	(104,150)
Net profit (Loss) from Continuing Operations for the period	(72,992)	(61,775)	(33,677)	(94,628)	(110,655)	(110,116)
Net income(loss) for the period	(72,992)	(61,775)	(33,677)	(94,628)	(110,655)	(110,116)
Other comprehensive income for the current period (net amount after tax)	(269)	525	3,338	2,627	2,627	(119)
Total comprehensive income for the current period	(73,261)	(61,250)	(30,339)	(92,001)	(108,028)	(110,235)
Net profit attributable to owners of the parent	(72,992)	(61,775)	(33,677)	(94,628)	(110,655)	(110,116)
Equity attributable to owners of the parent	(73,261)	(61,250)	(30,339)	(92,001)	(108,028)	(110,235)
Earnings per share (EPS) (NT$)	(0.91)	(0.62)	(0.34)	(0.94)	(1.58)	(1.55)

Note: The financial information in each year has been audited by CPAs .

3. Consolidated balance sheet (parent company only)

Unit: NT$ thousand

Item \ Year		Financial information for the last five years (Note 1)					
		2019	2020	2021	2022	2022 (Restated)	2023
Current assets		1,372,496	1,205,022	1,261,505	1,061,046	1,061,046	1,204,814
Financial assets at fair value through profit or loss- Non-current		-	-	-	87,780	87,780	73,343
Financial assets at fair value through other comprehensive income - non-current		21,448	18,628	17,944	19,718	19,718	19,718
Investment using the equity method		3,014	41,608	53,686	57,200	57,200	30,485
Property, plant and equipment		65,297	65,169	196	4,056	4,056	3,006
Right-of-use assets		18,197	10,558	13,549	10,590	10,590	7,458
Investment property		-	-	83,047	84,464	159,840	177,140
Intangible assets		210	342	163	107	107	21
Other assets		3,482	1,724	1,154	1,617	1,617	1,317
Total assets		1,484,144	1,343,051	1,431,244	1,326,578	1,401,954	1,517,302
Current liabilities	Before distribution	795,415	730,777	547,788	484,634	484,634	668,162
	After distribution	795,415	730,777	547,788	484,634	484,634	Note 2
Non-current liabilities		22,642	7,437	287,130	337,460	363,051	75,106
Total liabilities	Before distribution	818,057	738,214	834,918	822,094	847,685	743,268
	After distribution	818,057	738,214	834,918	822,094	847,685	Note 2
Share capital		1,002,654	1,002,654	1,002,654	1,002,654	1,002,654	1,001,858
Capital surplus		110	110	21,938	22,097	22,097	52,097
Legal reserve		4,320	4,320	4,320	4,320	4,320	4,320
Undistributed earnings (or accumulated deficit)	Before distribution	(320,766)	(382,541)	(416,218)	(513,769)	(463,984)	(273,304)
	After distribution	(320,766)	(382,541)	(416,218)	(513,769)	(463,984)	Note 2
Other equity interests		(20,231)	(19,706)	(16,368)	(10,818)	(10,818)	(10,937)
Total equity	Before distribution	666,087	604,837	596,326	504,484	554,269	774,034
	After distribution	666,087	604,837	596,326	504,484	554,269	Note 2

Note1: The financial information in each year has been audited by CPAs .

Note 2: The Motion of 2023 deficit compensation hasn’t been approved at the shareholders meeting.

4. Condensed comprehensive Income Statement- parent company only

Unit: NT$ thousand

Item \ Year	Financial information for the last five years (Note)					
	2019	2020	2021	2022	2022 (Restated)	2023
Operating revenue	127,259	205,278	136,378	317,970	317,970	139,621
Gross profit(loss)	20,577	15,176	6,046	(9,813)	(9,813)	1,986
Operating profit(loss)	(36,550)	(40,957)	(47,042)	(77,061)	(77,061)	(52,155)
Non-operating revenues and expenses	(35,126)	(20,818)	14,487	(12,036)	(28,063)	(51,995)
Net profit (loss) before income tax	(71,676)	(61,775)	(32,555)	(89,097)	(105,124)	(104,150)
Net profit (Loss) from Continuing Operations for the period	(72,992)	(61,775)	(33,677)	(94,628)	(110,655)	(110,116)
Net income(loss) for the period	(72,992)	(61,775)	(33,677)	(94,628)	(110,655)	(110,116)
Other comprehensive income for the current period(net value after tax)	(269)	525	3,338	2,627	2,627	(119)
Total comprehensive income for the current period	(73,261)	(61,250)	(30,339)	(92,001)	(108,028)	(110,235)
Earnings per share (EPS) (NT$)	(0.91)	(0.62)	(0.34)	(0.94)	(1.58)	(1.55)

Note: The financial information in each year has been audited by CPAs .

(II) Name and audit opinion of the CPAs for the 5 most recent years

Year	Name of firm	Name of CPA	Audit opinion
2019	KPMG Taiwan	Chang, Shu-Ying, Tseng, Kuo-Yang	Unqualified opinion
2020	KPMG Taiwan	Chang, Shu-Ying, Tseng, Kuo-Yang	Unqualified opinion
2021	KPMG Taiwan	Chang, Shu-Ying, Tseng, Kuo-Yang	Unqualified opinion
2022	KPMG Taiwan	Chang, Shu-Ying, Tseng, Kuo-Yang	Unqualified opinion
2023	KPMG Taiwan	Pan, Chun-Ming, Chen, Tsung-Che	Unqualified opinion

II. Financial analyses for the past 5 fiscal years

Under International Financial Reporting Standards (IFRS):

1. Consolidated

Analysis Items \ Year		Financial analysis for the past 5 years				
		2019	2020	2021	2022	2023
Financial structure(%)	Debt ratio	54.99	56.10	59.13	62.59	49.66
	Long-term capital to Property, plant, and equipment ratio	944.98	751.53	8,017.54	6,397.87	8,318.52
Debt-paying ability%	Current ratio	170.24	166.44	235.68	226.90	182.43
	Quick ratio	46.39	32.83	69.50	86.52	84.91
	Times interest earned	(2.61)	(3.21)	(1.04)	(3.87)	(4.26)
Operating capacity	Receivables turnover(times)	90.87	107.57	5.63	9.88	40.51
	Average collection days	4.01	3.39	64.83	36.94	9.01
	Inventory turnover(times)	0.11	0.22	0.18	0.48	0.24
	Payables turnover(times)	3.67	4.60	3.89	9.39	4.10
	Days' sales in inventory	3,318.18	1,659.09	2,027.77	760.41	1,520.83
	Property, plant and equipment turnover(times)	1.83	2.81	3.87	28.27	12.24
	Total asset turnover(times)	0.09	0.15	0.13	0.25	0.10
Profitability	Return on assets (%)	(3.90)	(3.50)	(1.47)	(5.70)	(6.37)
	Return on equity (%)	(11.57)	(9.72)	(5.61)	(17.19)	(16.58)
	Net profit margin (%)	(57.40)	(28.11)	(18.16)	(27.13)	(75.67)
	Earnings per share (EPS) (NT$)	(0.91)	(0.62)	(0.34)	(0.94)	(1.55)
Cash flows	Cash flow ratio(%)	(0.98)	(3.11)	(11.00)	21.57	0.26
	Cash flow adequacy ratio(%)	(150.18)	(130.08)	(255.25)	(262.35)	54.13
	Cash re-investment ratio(%)	(1.12)	(3.53)	(6.71)	12.17	0.20
Degree of leverage	Degree of operating leverage	0.06	0.06	(0.43)	0.33	0.01
	Degree of financial leverage	0.75	0.78	0.68	0.80	0.72

The reasons for the changes in various financial ratios in the most recent two years (the increase or decrease of less than 20% is exempt from analysis), and the ratios changed little after the restatement of 2022, so it is not calculated separately:

1. Liabilities to assets ratio: Mainly due to the combined effect of the repayment of short-term bank loans in the current period and the pre-sale case collection, resulting in an increase in contractual liabilities.
2. Long-term capital to property, plant and equipment ratio: Mainly due to the decrease in the amount of property, plant and equipment in 2023 from the previous year.
3. Current ratio: Mainly due to the reclassification of corporate bonds payable due within one year into current liabilities.
4. Accounts receivable turnover rate (times) and average collection days: Mainly due to the decrease in the balance of accounts receivable at the end of the current period compared to the previous period.
5. Inventory turnover rate (times), average inventory sales days and accounts payable turnover rate: Mainly due to the decrease in recognized sales revenue of Kang ChiaoAsahi Villa in the current period compared to the previous period, resulting in a corresponding decrease in operating costs recognized.
6. Property, plant and equipment turnover rate and total assets turnover rate and net profit margin: Mainly due to the decrease in revenue from sales of houses in Kang ChiaoAsahi Villa recognized in the current period compared to the previous period.
7. Earnings per share: Mainly due to the recognition of the valuation loss of financial assets and the transfer of loss on the discontinuation of construction projects.
8. Cash flow ratio and cash reinvestment ratio: Mainly due to the decrease in net cash inflow from operating activities this year compared to the previous year.
9. Cash flow adequacy ratio: Mainly due to the net cash flow from operating activities in the past five years has turned from negative to positive.
10. Operating leverage: Mainly due to the decrease in operating revenue, variable operating cost and expense more than the decrease in operating loss.

2. Parent company only

Analysis Items		Year: Financial analysis for the past 5 years 2019	2020	2021	2022	2023
Financial structure(%)	Debt ratio	55.12	54.97	58.34	61.97	48.99
	Long-term capital to Property, plant, and equipment ratio	1,054.76	939.51	450,742.86	20,757.99	28,248.17
Debt-paying ability%	Current ratio	172.55	164.90	230.29	218.94	180.32
	Quick ratio	48.51	29.96	62.48	77.75	82.35
	Times interest earned	(2.61)	(3.64)	(1.20)	(4.17)	(4.51)
Operating capacity	Receivables turnover(times)	90.93	121.18	6.10	12.95	45.68
	Average collection days	4.01	3.01	59.83	28.18	7.99
	Inventory turnover(times)	0.11	0.21	0.15	0.46	0.23
	Payables turnover(times)	3.74	4.74	3.17	7.45	3.28
	Days' sales in inventory	3,318.18	1,738.09	2,433.33	793.47	1,586.95
	Property, plant and equipment turnover(times)	1.93	3.15	4.17	149.56	39.54
	Total asset turnover(times)	0.09	0.15	0.10	0.23	0.10
Profitability	Return on assets (%)	(3.90)	(3.62)	(1.58)	(5.86)	(6.51)
	Return on equity (%)	(11.57)	(9.72)	(5.61)	(17.19)	(16.58)
	Net profit margin (%)	(57.36)	(30.09)	(24.69)	(29.76)	(78.87)
	Earnings per share (EPS) (NT$)	(0.91)	(0.62)	(0.34)	(0.94)	(1.55)
Cash flows	Cash flow ratio(%)	1.88	(2.31)	(11.79)	17.53	(0.42)
	Cash flow adequacy ratio(%)	126.85	(115.29)	(238.17)	(314.52)	179.14
	Cash re-investment ratio(%)	2.12	(2.68)	(7.27)	10.01	(0.33)
Degree of leverage	Degree of operating leverage	(0.29)	0.04	0.21	0.47	0.18
	Degree of financial leverage	0.65	0.75	0.76	0.82	0.73

The reasons for the changes in various financial ratios in the most recent two years (the increase or decrease of less than 20% is exempt from analysis), and the ratios changed little after the restatement of 2022, so it is not calculated separately:

1. Liabilities to assets ratio: Mainly due to the combined effect of the repayment of short-term bank loans in the current period and the pre-sale case collection, resulting in an increase in contractual liabilities.
2. Long-term capital to property, plant and equipment ratio: Mainly due to the decrease in the amount of property, plant and equipment in 2023 from the previous year.
3. Accounts receivable turnover rate (times) and average collection days: Mainly due to the decrease in the balance of accounts receivable at the end of the current period compared to the previous period.
4. Inventory turnover rate (times), average inventory sales days and accounts payable turnover rate: Mainly due to the decrease in recognized sales revenue of Kang ChiaoAsahi Villa in the current period compared to the previous period, resulting in a corresponding decrease in operating costs recognized.
5. Property, plant and equipment turnover rate and total assets turnover rate and net profit margin: Mainly due to the decrease in revenue from sales of houses in Kang ChiaoAsahi Villa recognized in the current period compared to the previous period.
6. Earnings per share: Mainly due to the recognition of the valuation loss of financial assets and the transfer of loss on the discontinuation of construction projects.
7. Cash flow ratio and cash flow reinvestment ratio: Mainly due to net cash flow from operating activities turning negative from the previous year.
8. Cash flow adequacy ratio: Mainly due to the net cash flow from operating activities in the past five years has turned from negative to positive.
9. Operating leverage: Mainly due to the decrease in operating revenue, variable operating cost and expense more than the decrease in operating loss.

Financial analysis calculation methods

1. Financial structure
   (1) Debt ratio = total liabilities / total assets
   (2) Long-term capital to Property, plant, and equipment ratio = (total equity + non-current liabilities) / net property, plant and equipment
2. Debt-paying capacity
   (1) Current ratio =current assets / current liabilities
   (2) Quick ratio= (current - inventory- prepaid expenses) / current liabilities
   (3) Times interest earned = net income before tax and interest expense / interest expense
3. Operating capacity
   (1) Account receivable turnover (including accounts receivable and notes receivable resulted from business operation) = net sales / average balance of account receivable (including accounts receivable and notes receivable resulted from business operation)
   (2) Average collection days = = 365 / account receivable turnover
   (3) Inventory turnover = cost of goods sold / average inventory
   (4) Account payable turnover (including accounts payable and notes payable resulted from business operation) = operating costs / average balance of account payable (including accounts payable and notes payable resulted from business operation)
   (5) Average days in sales = 365 / inventory turnover
   (6) Property, plant and equipment turnover = net sales / average net property, plant and equipment
   (7) Total assets turnover = net sales / average total assets
4. Profitability
   (1) Ratio or return on total assets = [net income + interest expense × (1- tax rate)] / average total assets
   (2) Return on equity = net income / average net equity
   (3) Net profit ratio = net income / net sales
   (4) Earnings per share = (profit or loss attributable to owners of the parent company - preferred stock dividend) / weighted average stock shares issued
5. Cash flows
   (1) Cash flow ratio = net cash flow from operating activity / current liabilities
   (2) Cash flow adequacy ratio = (net cash flow from operating activities within five year / (capital expenditure + inventory increase + cash dividend) within five year
   (3) Cash reinvestment ratio = (net cash flow from operating activity cash dividend) / (total fixed assets + long term investment + other non-current assets + working capital)
6. Degree of leverage
   (1) Degree of operating leverage = (net operating income operating - variable cost and expense) / operating income
   (2) Degree of financial Leverage = operating income / (operating income - interest expense).

III. Audit committee's report for the most recent year's financial statements.

Audit Committee’s Review Report

The Board of Directors has prepared the Company’s 2023 Parent Only and Consolidated Financial Statements (including Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows), which have been audited by KPMG Taiwan CPA Pan, Chun-Ming and CPA Chen, Tsung-Che, and the review report is hereby issued. The aforementioned Financial Statements, Business Report and Business Report, Financial Statements and Loss Make-up Proposal have been reviewed and considered to be complied with relevant rules by the undersigned, the Audit Committee of the Company. Pursuant to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report for review.

To:
Better Life Group Co., Ltd. 2024 Annual General Shareholders’ Meeting

Audit Committee

Convener: Huang, Kuo-Shih _______________

Date: March 14, 2024

IV. Financial report(consolidated) for the most recent year: Please refer to pages 88 to 148.

V. Parent company only financial statements for the most recent fiscal year, certified by CPAs: please refer to pages 149 to 212.

VI. If the Company or its affiliates have experienced financial difficulties in the most recent year and during the current year up to the date of publication of the annual report, how the said difficulties affect the company's financial situation shall be explained: nil

Seven. Review of the financial position and financial performance Analysis and Risk Items

I. Financial position

Analysis of significant changes in assets, liabilities and equity in the most recent two years:

Unit: NT$ thousand

Item \ Year	2023	2022 (Restated)	Difference	
			Amount	%
Current assets	1,233,594	1,112,253	121,341	10.91
Financial assets at fair value through profit or loss- Non-current	73,343	87,780	(14,437)	(16.45)
Financial assets at fair value through other comprehensive income - non-current	19,718	19,718	-	-
Property, plant and equipment	10,357	13,417	(3,060)	(22.81)
Right-of-use assets	21,621	28,625	(7,004)	(24.47)
Investment property	177,140	159,840	17,300	10.82
Intangible assets	21	107	(86)	(80.37)
Other financial assets - non-current	1,938	2,244	(306)	(13.64)
Total assets	1,537,732	1,423,984	113,748	7.99
Current liabilities	676,183	490,206	185,977	37.94
Non-current liabilities	87,515	379,519	(292,004)	(76.94)
Total liabilities	763,698	869,715	(106,017)	(12.19)
Capital	1,001,858	1,002,654	(796)	(0.08)
Capital surplus	52,097	22,097	30,000	135.77
Legal reserve	4,320	4,320	-	-
Undistributed earnings (or deficit to be compensated)	(273,304)	(463,984)	190,680	(41.10)
Other equity interests	(10,937)	(10,818)	(119)	1.10
Total shareholder's equity	774,034	554,269	219,765	39.65

- Explanation of significant changes (increase or decrease of 20% or more and amount exceeding $10 million). If the impact is significant, the future response plan shall be explained.
  1. Current liabilities and non-current liabilities: Mainly due to the transfer of corporate bonds payable due within one year to current liabilities.
  2. Undistributed earnings (or losses to be covered): Mainly due to capital reduction in the current period to make up for losses.
  3. Capital surplus, Total shareholders' equity: Mainly due to the cash capital increase in the current period.
- If the impact is significant, the future response plan shall be stated: There is no significant impact on the Company's financial operations.

II. Financial performance

Analysis of the significant changes in operating revenue, net operating income and net income before tax for the 2 most recent years, the possible impact on the Company's future financial operations and the corresponding plans:

Unit: NT$ thousand

Item \ Year	2023	2022 (Restated)	Difference	
			Amount	%
Operating revenue	145,516	348,843	(203,327)	(58.29)
Operating costs	144,851	346,894	(202,043)	(58.24)
Gross profit(loss)	665	1,949	(1,284)	(65.88)
Operating expenses	52,584	74,872	(22,288)	(29.77)
Net operating profit (loss)	(51,919)	(72,923)	21,004	(28.80)
Non-operating revenues and expenses	(52,231)	(32,201)	(20,030)	62.20
Net profit (loss) before income tax	(104,150)	(105,124)	974	(0.93)
Income tax benefit (expense)	(5,966)	(5,531)	(435)	7.86
Net income (loss) for the period	(110,116)	(110,655)	539	(0.49)
Total comprehensive income for the current period	(110,235)	(108,028)	(2,207)	2.04
Net profit attributable to owners of the parent	(110,116)	(110,655)	539	(0.49)
Equity attributable to owners of the parent	(110,235)	(108,028)	(2,207)	2.04

- The analysis of the changes of 20% or more between the two periods, and the changes amounting to NT$10 million, are as follows
  1. Operating revenues and costs: Mainly due to the recognition of lower revenues and costs from the sale of houses from the Kang ChiaoAsahi Villa project in the current period compared to the previous period.
  2. Operating expenses: Mainly due to the decrease in sales revenue of the Kang ChiaoAsahi Villa project in the current period, and the corresponding sales expenses also decreased.
  3. Net operating income (loss): Mainly due to the recognition of the price loss from unsold households of Kang ChiaoAsahi Villa Project in the previous period.
  4. Earnings per share: Mainly due to the recognition of the valuation loss of financial assets and the transfer of loss on the discontinuation of construction projects.
- Potential impact on the Company's future financial operations and its response plan: The Company will continue to develop and carry out construction projects to ensure the steady growth of its operations.

III.Cash flow

(I) Cash flow of the year:

Beginning cash balance	Net cash flow from operating activities	Cash inflow (outflow) for the year	Cash surplus (deficiency) amount	Remedial measures for cash deficiency	
				Investment Plan	Financial Plan
94,705	1,746	80,969	175,674	-	-

(II) Analysis of changes in cash flows during the current year:

Year / Item	2023	2022 (Restated)	Increase (decrease) ratio and explanation	
			%	Explanation
Operating activities	1,746	105,737	(98.35)	Mainly due to the decrease in the house sales revenue of the Kang ChiaoAsahi Villa Project in this year compared to the previous year.
Investment activities	(15,893)	(2,655)	(498.61)	Mainly due to the payment of the development cost of investment property in the current year.
Financing activities	95,139	(66,677)	(242.69)	Mainly due to the capital increase in cash and repayment of part of the bank loan in the current year .
Effects of changes in foreign exchange rates	(23)	11	(309.09)	Effect of changes in exchange rates of subsidiaries.
Net cash flows	80,969	36,416	122.34	The changes are as described above

(III) Improvement plan for lack of liquidity: n/a

(IV) Cash flow analysis for the coming year:

Beginning cash balance	Net cash flow from operating activities	Cash inflow (outflow) for the year	Cash surplus (deficiency) amount	Remedial measures for cash deficiency	
				Investment Plan	Financial Plan
175,674	305,792	193,897	369,571	-	-

Explanation:

1. Analysis of changes in cash flows during the for the coming year
   (1) Operating activities: it is mainly the net cash inflow from the estimated housing and land sales.
   (2) Investment activities: It is expected that there is no significant cash flow from major investment activities.
   (3) Financing activities: Net cash inflows (outflows) from expected land and construction financing, loan repayment, and corporate bonds payable.
2. Remedial measures for estimated cash shortage and liquidity analysis: nil

IV. Effect upon financial operations of any major capital expenditures during the most recent fiscal year: nil

V. The company's reinvestment policy for the most recent fiscal year, the main reasons for the profits /losses generated thereby, the plan for improving re-investment profitability, and investment plans for the coming year:

1. The company's reinvestment policy

   At this stage, the Company is still focusing on its own business in construction. In order to improve its business and enhance operational performance, in addition to continuous planning and development of new projects to increase profitability, the Company is also investing in property leasing and developing businesses related to solar energy applications in order to diversify its operation and enhance its competitiveness.

2. The company's reinvestment policy for the most recent fiscal year (2023), the main reasons for the profits/losses generated thereby, the plan for improving re-investment profitability, and investment plans for the coming year:

Unit: In Thousand New Taiwan Dollars

Reinvested enterprises	Shareholding	Reasons for the profits/losses		Plan for improvement
		Profit or loss of invested company of 2023	Explanation	
Better Life Green Energy Technology Co., Ltd.	100%	(374)	Currently, the main business is the integration, development and planning of solar power generation sites, which is still in the start-up phase, and therefore a small loss is incurred.	For the future, the main business is to plan and evaluate the solar power plants for the land development of the parent company in Miaoli, to plan and evaluate the work, and to undertake the planning, evaluation and supervision duties of the solar power equipment for other companies in order to reach the aim of turning the loss into profit.
Bao Lai Real Estate Co., Ltd.	100%	270	The principal business activity of Better Life Real Estate is real estate agency This year, the Company made a slight profit due to the sale of Kang ChiaoAsahi Villa Project.	It is expected to based on the Company’s current and scheduled projects and market conditions to evaluate whether to undertake new projects.
Better Life Group Travel Service Co., Ltd.	100%	(15)	The original objective of the establishment of Better Life Group Travel Service was focusing on the development of mini-three-links tourism-related business between Kinmen and Xiamen. However, because of being affected by the policy adjustments of the governments of Taiwan and the mainloand China and the impact of ovid-19 epidemic, such business is currently suspended.	
Better Life Jinxia (Xiamen) Tourism Management Service Co., Ltd.	100%	(4,692) (RMB 1,074)	Better Life Jinxia's housing rental business was affected by Covid-19 and the rental situation was not as expected; therefore, a loss was incurred.	After the pandemic, the real economic activities will resume, and the occupancy rate of the properties operated by the Company will gradually increase, and the operating conditions are expected to improve.

VI. Risks

(I) The effect upon the Company's profits (losses) of interest and exchange rate fluctuations and changes in the inflation rate, and response measures to be taken in the future:

The short-term borrowings of the Company and its subsidiaries are floating-rate debt. Therefore, fluctuations in market interest rates will cause the effective interest rates on short-term borrowings to change accordingly, which will result in fluctuations in future cash flows.

(II) The company's policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future:
The Company and its subsidiaries did not engage in high-risk, highly leveraged investments and derivative transactions in the recent year, and the Company has established ”regulations governing loaning of funds” and “regulations governing endorsements/guarantees” for the Company’s members to follow.

(III) Research and development work to be carried out in the future, and further expenditures expected for research and development work: no research and development plans and expenditures

(IV) Effect on the company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response: nil

(V) Effect on the company's financial operations of developments in science and technology: nil

(VI) Effect on the company's crisis management of changes in the company's corporate image, and measures to be taken in response: nil

(VII) Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being or to be taken: nil

(VIII) Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken.n: nil

(IX) Risks associated with any consolidation of sales or purchasing operations, and mitigation measures being or to be taken: nil

(X) Effect upon and risk to the company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10 percent stake in the Company has been transferred or has otherwise changed hands, and mitigation measures being or to be taken: nil

(XI) Effect upon and risk to company associated with any change in governance personnel or top management, and mitigation measures being or to be taken: nil

(XII) Litigious and non-litigious matters. List major litigious, non-litigious or administrative disputes that: (1) involve the company and/or any company director, any company supervisor, the general manager, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by the company; and (2) have been concluded by means of a final and unappealable judgment, or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the company's securities, the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the date of publication of the annual report: nil

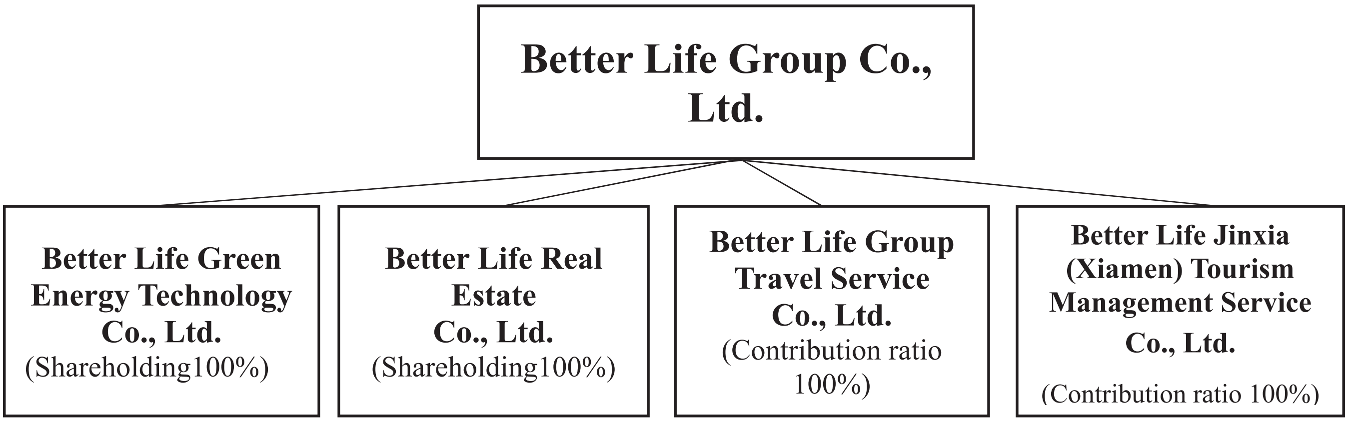
(XIII) Other important risks, and mitigation measures being or to be taken: nil

VII. Other important matters: nil

Eight. Special items to be included

I. Information related to the company's affiliates

(1) Organizational Chart of Affiliates



(2) Information of each affiliated company

Unit: NT$ thousand

Company Name	Date of incorporation.	Address	Paid-in capital (contribution)	Main business or products
Better Life Green Energy Technology Co., Ltd.	October 2009	4F, No. 303, Xinhu 1st Road, Neihu District, Taipei City	91,000	Solar energy applications
Better Life Real Estate Co., Ltd.	July 2015	4F, No. 303, Xinhu 1st Road, Neihu District, Taipei City	80,000	Marketing agency for the sale of real estate
Better Life Group Travel Service Co., Ltd.	March 2018	4F, No. 303, Xinhu 1st Road, Neihu District, Taipei City	9,000	Travel agency
Better Life Jinxia (Xiamen) Travel Management Services Co., Ltd.	October 2017	Unit 2101, No.69, Tainan Road, Siming District, Xiamen	35,311 (USD8,975)	Travel management services and leasing business

(3) Companies presumed to have a relationship of control and subordination

(4) The industries covered by the business operated by the affiliates overall:
The Company's entire affiliates' businesses cover industries such as real estate agency, land development, urban renewal, sales and leasing of land and buildings, solar energy-related businesses, travel agency, management services, etc.

(5) Information on directors, supervisors and general managers of the affiliates.

Unit: share; dollar; %

Company Name	Title	Name or delegate	Shareholding	
			Number of shares (contributed amount)	Shareholding (contribution) ratio
Better Life Green Energy Technology Co., Ltd.	Chairman	Better Life Group Co., Ltd. Delegate: Chung, Hsi-Chi (note)	9,100,000 share	100%
Better Life Real Estate Co., Ltd.	Chairman	Better Life Group Co., Ltd. Delegate: Chung, Hsi-Chi	8,000,000 shares	100%
Better Life Group Travel Service Co., Ltd.	Chairman	Better Life Group Co., Ltd. Delegate: Chung, Hsi-Chi	$9,000,000	100%
Better Life Jinxia (Xiamen) Tourism Management Service Co., Ltd.	Delegate	Chen, Hsueh-Chien	NT$35,311,000 (USD 1,150,000)	100%

Note : The change registration has been submitted for processing ,but has not yet been approved to the date of publication of the annual report (2024.03.29).

(6) Overview of the operations of each affiliated company

Unit: NT$ thousand

Company Name	Capital	Total assets	Total liabilities	Net value	Operating revenue	Operating profit	Current profit and loss (after tax)	Earnings per share ($) after tax
Better Life Green Energy Technology Co., Ltd.	91,000	19,842	10,713	9,129	720	(376)	(374)	(0.04)
Better Life Real Estate Co., Ltd.	80,000	14,639	133	14,506	4	(1,064)	270	0.03
Better Life Group Travel Service Co., Ltd.	9,000	1,715	-	1,715	-	(23)	(15)	
Better Life Jinxia (Xiamen) Tourism Management Service Co., Ltd.	35,311 (USD8,975)	23,240	18,105	5,135 (RM 1,187)	6,009	(4,014)	(4,692)	

(7) Affiliate's Consolidated Financial Statements: Please refer to the statement on page 88.

II. Private placement of securities during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report
Regarding 2023 private placement of common stock, it has not been executed up to the date of publication of the annual report (2024.03.29).

III. Holding or disposal of shares in the Company by the Company's subsidiaries during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: nil

IV. Other matters that require additional description: nil

V. Any matter which has had a significant impact on shareholders rights or the price for the securities" referred to Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act during the most recent year or during the current year up to the date of publication of the annual report:nil

Statement

The entities to be included in the consolidated financial statements of our company and affiliates for 2023 (from January 1, 2023 to December 31, 2023) in accordance with the Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same with the entities to be included for the consolidated financial statement of the parent company and subsidiaries in accordance with International Financial Reporting Standards No. 10 endorsed and issued into effect by the Financial Supervisory Commission. As the relevant information to be disclosed for the consolidated financial statements with affiliates is disclosed in the aforesaid consolidated financial statement of the parent company and subsidiaries, the consolidated financial statements with affiliates are hence not prepared separately.

Declared as above

Company: Better Life Group Co., LTD.

Chairman: Chung, Hsi-Chi

Date: March 14, 2024

Independent Auditors' Report

To Better Life Group Co., Ltd.,

Audit opinion

We have audited the accompanying financial statements of Better Life Group Co., LTD. and the subsidiaries (Better Life Group), which comprise the consolidated balance sheet as of December 31, 2023 and 2022, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated statement of cash flows for the years then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

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

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 of the Republic of China. We explain further our responsibility under the standards in the section concerning the auditor's responsibility in the audit of consolidated financial statements. The personnel in our firm, subject to independence requirements, maintains independence from Better Life Group 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 Better Life Group's consolidated financial statements for 2023. These matters have been dealt with in the audit of the consolidated 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. Inventory valuation

Please refer to Note 4 (8) to the consolidated financial statements for the accounting policy of inventory valuation. Please refer to Note 5 to the consolidated financial statements for the uncertainties in relation to the accounting estimates and assumptions of inventory valuation and to Note 6 (5) to the consolidated financial statements for inventory details.

Description:

Inventory is an important operating asset for Better Life Group, accounting for approximately 39% of the total assets. Inventory valuation is based on International Financial Reporting Standards No. 2. The net realizable value of Better Life Group'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's consolidated financial statements.

Audit procedures

Our main inspection procedures on the above key audit matter include the acquisition of Better Life Group'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 net realizable value of properties available for sale and land for construction. 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.

II. Investment property

On March 16, 2023, the Board of Directors of Better Life Group resolved to change the measurement of investment property from the cost model to the fair value model from January 1, 2023, and make adjustment to affected items with retrospective application of accounting policies.

For the accounting policies related to the fair value valuation of investment property, please refer to Note 4(9) to the consolidated financial statements and Note (20) Reasons and effects of accounting change. Please refer to Note 5 of the consolidated financial statements for the accounting estimates and assumption uncertainties of the investment properties at fair value; please refer to Note 6(8) of the consolidated financial statements for details of investment property.

Description:

The investment property of the Better Life Group is an important asset in its operation, and its amount accounts for about 12% of the total assets; its accounting treatment is in accordance with the provisions of IAS 40, the initial recognition is measured at cost, and the fair value model is adopted for the subsequent measurement. The fair value changes are recognized in the current profit or loss. The Better Life Group used the recommendations of the external property appraiser's report as the basis for evaluating the fair value of the investment property, the nearby market conditions quoted in the appraisal report, and the rent of the investment property provided by the Better Life Group based on the valuation process. The relevant financial information will involve significant judgment and estimation uncertainty. If the assessment of changes in fair value is not appropriate, it may cause misstatements in the financial statements. Therefore, the fair value valuation of the investment property is one of the important evaluation matters in the audit of the consolidated financial statements of the Better Life Group.

Audit procedures

- Evaluating the professionalism, objectivity and experience of the real estate appraiser commissioned by Better Life Group to be responsible for the fair value measurement.
- Review the reasonableness of the significant assumptions adopted in the valuation report, check the lease agreement and compare with relevant market information to assess whether the future cash flow, revenue and discount rate are handled in accordance with the regulations.
- Check the appraisal report with the relevant accounting records to confirm the correctness of the accounting treatment.

Other matters

Better Life Group's has produced its consolidated financial statements for 2023 and 2022 and for which we have issued an audit report and an unqualified opinion.

Responsibility of management and those charged with governance for consolidated financial statements

Management is responsible for the preparation of consolidated financial statements for fair presentation in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission. Management is also responsible for the maintenance of necessary internal control in relation to the preparation of consolidated financial statements, to ensure no material misstatement in consolidated financial statements due to frauds or errors.

When preparing the consolidated financial statements, management is also responsible for the assessment of Better Life Group'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 or cease operations or has no realistic alternative but to do so.

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

Auditors' responsibilities for the audit of the consolidated financial statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated 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's internal control.
3. Evaluated the adequacy of accounting policies adopted by the management and the legitimacy 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'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 consolidated 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 unable to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the notes, and whether the consolidated financial statements fairly represent the underlying transactions and events.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit and for the forming of our audit opinion.

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's 2023 consolidated 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: PAN JIUN MING
CHEN TZUNG JE

Competent Security Authority Approval Document No. : Jin-Guan-Zheng-Shen-Zi #1110333933
Jin-Guan-Zheng-Shen-Zi #1000011652

March 14, 2024

Notes to Readers

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

The independent auditor's audit report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and uesd 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 consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Balance Sheets Originally Issued in Chinese)

Better Life Group Co., LTD. and the Subsidiaries

Consolidated Balance Sheet

December 31, 2023 and 2022 and January 1, 2022

Unit: In Thousand New Taiwan Dollars

	Assets	2023.12.31		2022.12.31 (Restated)		2022.1.1 (Restated)	
		Amount	%	Amount	%	Amount	%
	Current assets:						
1100	Cash and cash equivalents (Note 6(1))	$ 175,674	11	94,705	7	58,289	4
1150	Notes receivable, net (Notes 6(4) and (17))	452	-	6,038	-	5,760	-
1170	Accounts receivable, net (Notes 6(4) and (17))	38	-	656	-	58,156	4
1320	Inventories (for construction industry) (Notes 6(5), 7, 8, and 9)	607,350	39	599,528	42	836,516	54
1410	Prepayments (Notes 6(6), 7, and 9)	31,348	2	67,141	5	61,716	4
1424	Excess business tax paid	20,767	1	21,445	2	25,470	2
1476	Other financial assets - current (Note 8)	129,171	8	56,798	4	29,281	2
1478	Construction deposits paid (Notes 7 and 9)	219,082	15	223,305	16	219,817	14
1480	Incremental cost of obtaining contracts - current (Note 7)	41,212	3	33,850	2	12,069	1
1482	Costs to fulfill contracts, current	8,500	1	8,787	1	2,957	-
		1,233,594	80	1,112,253	79	1,310,031	85
	Non-current assets:						
1510	Financial assets measured at fair value through profit or loss – non-current (Notes 6 (2) and (20) and 8)	73,343	5	87,780	6	-	-
1517	Financial assets measured at fair value through other comprehensive income – non-current (Notes 6 (3) and (20))	19,718	1	19,718	1	17,944	1
1600	Property, plant and equipment (Notes 6(7) and 7)	10,357	1	13,417	1	11,266	1
1755	Right-of-use assets (Note 6(9))	21,621	1	28,625	2	34,877	2
1760	Investment properties (Notes 6 (8) and 8)	177,140	12	159,840	11	174,450	11
1780	Intangible assets	21	-	107	-	163	-
1980	Other financial assets - non-current (Note 7)	1,938	-	2,244	-	1,775	-
		304,138	20	311,731	21	240,475	15
	Total assets	$ 1,537,732	100	1,423,984	100	1,550,506	100

(English Translation of Consolidated Balance Sheets Originally Issued in Chinese)

Better Life Group Co., LTD. and the Subsidiaries

Consolidated balance sheet (continued)

December 31, 2023 and 2022 and January 1, 2022

Unit: In Thousand New Taiwan Dollars

		2023.12.31		2022.12.31 (Restated)		2022.1.1 (Restated)	
	Liabilities and equity	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current liabilities:						
2100	Short-term borrowings (Notes 6(10) and 8)	$ 90,000	6	315,782	23	423,053	28
2130	Contract liabilities – current (Notes 6 (17) and 9)	233,922	15	97,290	7	52,776	3
2150	Notes payable (Note 7)	9,507	1	6,561	-	6,100	-
2170	Accounts payable (Note 7)	19,091	1	35,433	2	25,801	2
2200	Other payables	8,947	1	10,250	1	13,923	1
2280	Lease liabilities - current (Notes 6(13) and 7)	6,038	-	6,728	-	5,957	-
2305	Other financial liabilities - current	613	-	711	-	829	-
2321	Corporate bonds subject to redemption or exercise of sell-back rights within one year or one business cycle (Note 6(12))	293,819	20	-	-	-	-
2322	Long-term borrowings due within one year or one operating cycle (Notes 6(11) and 8)	2,000	-	2,000	-	-	-
2399	Other current liabilities - other (Note 9)	12,246	1	15,451	1	27,408	2
		676,183	45	490,206	34	555,847	36
	Non-current liabilities:						
2530	Corporate bonds payable (Note 6 (12))	-	-	284,786	21	276,030	18
2540	Long-term borrowings (Notes 6(11) and 8)	43,000	3	45,000	3	-	-
2570	Deferred income tax liability (Note 6 (14))	27,104	2	25,591	2	25,591	2
2580	Lease liabilities - non-current (Notes 6(13) and 7)	17,411	1	24,132	2	30,900	2
		87,515	6	379,509	28	332,521	22
	Total liabilities	763,698	51	869,715	62	888,368	58
	Equity attributable to owners of the parent (Note 6(3) and (15))						
3110	Common stock	1,001,858	65	1,002,654	70	1,002,654	65
3200	Capital surplus	52,097	3	22,097	2	21,938	1
3310	Legal reserve	4,320	-	4,320	-	4,320	-
3350	Undistributed earnings (or deficit to be compensated)	(273,304)	(18)	(463,984)	(33)	(350,406)	(23)
3400	Other equity interests	(10,937)	(1)	(10,818)	(1)	(16,368)	(1)
	Total equity	774,034	49	554,269	38	662,138	42
	Total liabilities and equity	$ 1,537,732	100	1,423,984	100	1,550,506	100

(Please refer to the notes to the consolidated financial statements.)

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

__English Translation of Consolidated Statements of Comprehensive Income Originally Issued in Chinese)__

Better Life Group Co., LTD. and the Subsidiaries

Consolidated Statements of Comprehensive Income

January 1 to December 31, 2023 and 2022

Unit: In Thousand New Taiwan Dollars

		2023		2022 (Restated)	
		Amount	%	Amount	%
4000	**Operating income (Note 6 (17))**	$ 145,516	100	348,843	100
5000	**Operating costs (Notes 6 (5) and 7)**	144,851	100	346,894	99
	Gross profit	665	-	1,949	1
6000	**Operating expenses (Notes 6 (13) and 7):**				
6100	Selling expenses	6,722	5	31,633	9
6200	General and administrative expenses	45,862	32	43,648	13
6450	Expected credit impairment gain (Note 6 (4))	-	-	(409)	-
		52,584	37	74,872	22
6900	**Operating losses**	(51,919)	(37)	(72,923)	(21)
	Non-operating Income and expenses (Notes 6 (13), (19), 7 and 9):				
7100	Interest income	6,040	5	3,707	1
7010	Other income	21,821	15	5,346	2
7020	Other gains and losses	(60,276)	(41)	(22,957)	(7)
7050	Financial costs	(19,816)	(14)	(18,297)	(5)
	Total non-operating income and expenses	(52,231)	(35)	(32,201)	(9)
7900	**Net loss before tax**	(104,150)	(72)	(105,124)	(30)
7950	**Less: income taxes (Note 6 (14))**	5,966	4	5,531	2
8200	**Net loss for the period**	(110,116)	(76)	(110,655)	(32)
8300	**Other comprehensive income (Note 6 (15))**				
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	-	-	2,510	1
8349	Less: Income tax related to items not reclassified	-	-	-	-
	Total items that will not be reclassified subsequently to profit or loss	-	-	2,510	1
8360	**Items that may subsequently be reclassified to profit or loss**				
8361	Exchange difference on translation of financial statements of foreign operations	(119)	-	117	-
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	(119)	-	117	-
8300	**Other comprehensive income for the current period**	(119)	-	2,627	1
	Total comprehensive income for the current period	**$ (110,235)**	**(76)**	**(108,028)**	**(31)**
	Net loss attributable to:				
8610	Owners of the parent	**$ (110,116)**	**(76)**	**(110,655)**	**(32)**
	Other comprehensive income attributable to:				
8710	Owners of the parent	**$ (110,235)**	**(76)**	**(108,028)**	**(31)**
	Loss per share (Note 6 (16))				
9750	**Basic loss per share (NTD)**	**$**	**(1.55)**		**(1.58)**
9850	**Diluted loss per share (NTD)**	**$**	**(1.55)**		**(1.58)**

(Please refer to the notes to the consolidated financial statements.)

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

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

Better Life Group Co., LTD. and the Subsidiaries
Consolidated Statement of Changes in Equity
January 1 to December 31, 2023 and 2022

Unit: In Thousand New Taiwan Dollars

	Equity attributable to owners of the parent							
	Share capital		Retained earnings		Other equity items			
	Common stock	Capital surplus	Legal reserve	Undistributed earnings	Exchange differences in translation of foreign financial statements	Unrealized gain (loss) on financial assets at fair value through other comprehensive income	Equity attributable to owners of the parent	Total equity
Balance on January 1, 2022	$ 1,002,654	21,938	4,320	(416,218)	14	(16,382)	596,326	596,326
Effects of retrospective restatements	-	-	-	65,812	-	-	65,812	65,812
Equity at beginning of period after adjustments	1,002,654	21,938	4,320	(350,406)	14	(16,382)	662,138	662,138
Net loss for the period	-	-	-	(110,655)	-	-	(110,655)	(110,655)
Other comprehensive income for the current period	-	-	-	-	117	2,510	2,627	2,627
Total comprehensive income for the current period	-	-	-	(110,655)	117	2,510	(108,028)	(108,028)
Changes in other capital surplus	-	159	-	-	-	-	159	159
Disposal of equity instrument at fair value through other comprehensive income	-	-	-	(2,923)	-	2,923	-	-
Balance on December 31, 2022 after restatement	1,002,654	22,097	4,320	(463,984)	131	(10,949)	554,269	554,269
Net loss for the period	-	-	-	(110,116)	-	-	(110,116)	(110,116)
Other comprehensive income for the current period	-	-	-	-	(119)	-	(119)	(119)
Total comprehensive income for the current period	-	-	-	(110,116)	(119)	-	(110,235)	(110,235)
Capital increase by cash	300,000	30,000	-	-	-	-	330,000	330,000
Reduction in capital to offset losses	(300,796)	-	-	300,796	-	-	-	-
Balance as of December 31, 2023	**$ 1,001,858**	**52,097**	**4,320**	**(273,304)**	**12**	**(10,949)**	**774,034**	**774,034**

(Please refer to the notes to the consolidated financial statements.)

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

(English Translation of Consolidated Statement of Cash Flows Originally Issued in Chinese)

Better Life Group Co., LTD. and the Subsidiaries

Consolidated Statement of Cash Flows

January 1 to December 31, 2023 and 2022

Unit: In Thousand New Taiwan Dollars

		2023	2022 (Restated)
Cash flow from operating activities:			
Net loss before tax for the current period	$	(104,150)	(105,124)
Adjustments:			
Income and expenses			
Depreciation expense		9,611	9,703
Amortization expense		86	140
Expected credit impairment gain		-	(409)
Net loss on financial assets and liabilities at fair value through profit or loss		14,437	6,930
Interest expense		19,816	18,297
Interest income		(6,040)	(3,707)
Dividend income		(1,294)	(294)
Loss (gain) on fair value adjustment of investment property		(2,615)	16,027
Other losses		48,509	-
Total income and expenses		82,510	46,687
Changes in assets/liabilities related to operating activities:			
Net change in assets related to operating activities:			
Financial assets at fair value through profit or loss		-	(94,710)
Notes receivable		5,586	(278)
Accounts receivable		618	57,910
Inventories		(3,602)	240,022
Prepayments		(12,038)	(1,400)
Construction deposits paid		4,223	(3,488)
Other financial assets		(70,869)	(30,998)
Incremental cost of obtaining contracts		(7,362)	(21,781)
Costs to fulfill contracts		287	(5,830)
Total net change in assets related to operating activities		(83,157)	139,447
Net change in liabilities related to operating activities:			
Contract liabilities		136,632	44,514
Notes payable		2,946	461
Accounts payable		(16,330)	9,622
Other payables		(1,297)	(3,573)
Non-current liabilities		(3,203)	(11,960)
Other financial liabilities		(86)	(129)
Total net change in liabilities related to operating activities		118,662	38,935
Total net change in assets and liabilities related to operating activities		35,505	178,382
Total adjustments		118,015	225,069
Cash inflow from operations		13,865	119,945
Interest received		6,040	3,707
Dividend received		1,294	294
Interest paid		(15,000)	(12,678)
Income tax paid		(4,453)	(5,531)
Net cash inflow from operating activities		1,746	105,737

(English Translation of Consolidated Statement of Cash Flows Originally Issued in Chinese)

Better Life Group Co., LTD. and the Subsidiaries

Consolidated statement of cash flows (continued)

January 1 to December 31, 2023 and 2022

Unit: NTD thousands

	2023	2022 (Restated)
Cash flow from investing activities:		
Financial assets (payment returned due to capital reduction) at fair value through other comprehensive income - non-current	-	736
Acquisition of property, plant and equipment	-	(4,910)
Guarantee deposits paid	299	(464)
Acquisition of intangible assets	-	(84)
Acquisition of investment property	(14,685)	(1,417)
Other financial assets	(1,507)	3,484
Net cash outflow from investment activities	(15,893)	(2,655)
Cash flow from financing activities:		
Decrease in short-term borrowings	(225,782)	(107,271)
New long-term borrowings	-	47,000
Repayment of long-term borrowings	(2,000)	-
Lease principal repaid	(7,079)	(6,565)
Capital increase by cash	330,000	-
Other financing activities	-	159
Net cash inflows (outflows) from financing activities	95,139	(66,677)
Effect of exchange rate changes on cash and cash equivalents	(23)	11
Increase in cash and cash equivalents in the current period	80,969	36,416
Balance of cash and cash equivalents at the beginning of the period	94,705	58,289
Balance of cash and cash equivalents at the end of the period	$ 175,674	94,705

(Please refer to the notes to the consolidated financial statements.)

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

Better Life Group Co., LTD. and the Subsidiaries
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2023 and 2022
(NTD thousands unless otherwise specified)

I. Organization and Operations

Better Life Group Co., Ltd. (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 on July 24.

The primary business of the consolidated company is the commissioned construction of public housing and sales/leasing of commercial buildings.

II. The Authorization of Financial Statements

These consolidated financial statements were approved and published by the board of directors on March 14, 2024.

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 adoption of the following amended International Financial Reporting Standards by the consolidated company starting on January 1, 2023 does not have a material influence on the consolidated financial statements.

- Amendments to IAS 1, “Disclosure of Accounting Policies”
- Amendments to IAS 8, “Definition of Accounting Estimates”
- Amendments to IAS 12, “Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction”

The subsequent updates to International Financial Reporting Standards have been implemented by the consolidated company since May 23, 2023, with no substantial effect on the consolidated financial statements.

- Amendments to IAS 12 'International Tax Reform - Pillar Two Model Rules”

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

The consolidated company has ascertained that the consolidated financial reports will not be significantly impacted by the subsequent revisions of International Financial Reporting Standards beginning on January 1, 2024.

- Amendments to IAS 1 “Classification of liabilities as current or non-current”
- Amendments to IAS 1 “Liabilities with covenants”
- Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
- Amendments to IFRS 16, “Lease Liability of After-sale and Leaseback”

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

The following unrecognized new releases and revised standards are not expected to have a substantial impact on the consolidated financial statements, according to the consolidated company.

- Amendments to IFRS 10 and IAS 28, "Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture"
- IFRS 17, "Insurance Contracts" and Amendments to IFRS 17
- Amendment to IAS 21 "Lack of Exchangeability"

IV. Summary of Significant Accounting Policies

The material accounting policies adopted for these consolidated financial statements are as follows. Except for the accounting changes explained in Note 4(20), the following accounting policies have been consistently applied to all the reporting periods in these consolidated financial statements.

(I) Statement of compliance

These consolidated financial statements are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers ("Regulations Governing the Preparation of Financial Reports) and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission ("international financial reporting standards recognized by the Financial Supervisory Commission").

(II) Basis of preparation

1. Basis for measurement

The consolidated financial statements were prepared at historical cost except the important items in the balance sheet below:

(1) Financial assets at fair value through profit or loss that are measured at fair value

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

(3) Investment property measured at fair value

2. Functional currency and currency presented

Each entity within the consolidated company uses the currency of the primary economic environment where operations are located as the functional currency. These consolidated financial statements are expressed in NT dollars, the functional currency of the Company. All financial information presented in NTD is in the unit of thousands of NTD.

(III) Basis of consolidation

1. Principles of consolidated financial statements preparation

These consolidated financial reports cover the Company and the entities controlled by the Company (i.e., the subsidiaries). When the Company is exposed to the variable returns due to participation in the investee or has a claim to such variable returns and the Company can influence such returns by exercising power over the investee, the Company controls the entity.

The financials of a subsidiary are included in the consolidated financial statements from the day the control is obtained until the day the control is lost. The transactions, outstanding balances and any unrealized Income and expenses between and among consolidated companies are completely canceled out in the preparation of consolidated financial statements. The profits and losses of subsidiaries are accounted for the equity attributable to the owners of the parent and to the non-controlling interest. Even the non-controlling interest becomes negative as a result.

The financial statements of subsidiaries are appropriately adjusted so that the accounting policies are consistent with those adopted by the consolidated company.

The change of the consolidated company's ownership in any subsidiary not resulting in a loss of control in that subsidiary is recognized as equity transactions with the owners. The difference between the adjustment to non-controlling interest and the fair value paid or received is directly recognized as equity and attributable to the owner of the Company.

2. Subsidiaries included in the consolidated financial statements

Subsidiaries included in these consolidated financial statements:

Investor	Name of the subsidiary	Nature of business	% 2023.12.31	% 2022.12.31
The Company	Better Life Green Energy Technology Co., Ltd.	Solar energy applications	100%	100%
The Company	Bao Lai Real Estate Co., Ltd.	Marketing agency for the sale of real estate	100%	100%
The Company	Better Life Jinxia (Xiamen) Tourism Management Service Co., Ltd.	Tourism management service and real estate leasing	100%	100%
The Company	Better Life Group Travel Service Co., Ltd.	Travel agency	100%	100%

3. Subsidiaries not included in consolidated financial statements: none

(IV) Foreign currencies

1. Foreign currency transactions

Foreign currency transactions are translated into functional currency at the exchange rate prevailing on the transaction date. Foreign currency entries are translated into the functional currency according to the exchange rates on the final day of each reporting period ("the reporting day"). Non-monetary items measured at fair value are converted into the functional currency with the exchange rates on the day when the fair value is measured. Non-monetary items measured at historical costs are converted into the functional currency with the exchange rates on transaction day.

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.

(V) 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 or intended for sale or consumption within the normal business cycle (typically longer than one year for the construction business)
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. Cash or cash equivalents unless to be exchanged or used to repay liabilities or restricted in other ways within twelve months after the reporting period

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. Expected to be repaid within the normal business cycle (typically longer than one year for the construction business)
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.

(VI) 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.

(VII) Financial instruments

Accounts receivable and debt securities issued are initially recognized when incurred. Any other financial assets and financial liabilities recognized when the consolidated company becomes one of the contract parties for 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

The consolidated company adopts consistent accounting treatments based on settlement days for all the financial assets classified in the same way and purchased or sold at an arm’s length.

Financial assets are classified as financial assets at amortized cost, financial assets at fair value through profit or loss, and equity instrument investments at fair value through other comprehensive income upon initial recognition. The consolidated company only reclassifies the financial assets affected by the change of the way of managing the financial assets starting on the first day of the next reporting period.

(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

The investment in debt instruments meeting the following conditions and not designated at fair value through profit or loss are measured at fair value through other comprehensive income.

- Financial assets are held for the purpose of collecting contracted cash flows and for sale.
- The cash flows on specific dates specified in the contractual terms are solely payments for the principal and interest on the principal amount outstanding.

The consolidated company may make an irrecoverable choice at the original recognition to designate the equity investment instruments not for trading to subsequently measure at fair value through 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 of equity investments are recognized when the day the consolidated company becomes entitled to the dividends (usually the ex-dividend dates).

(3) Financial assets at fair value through profit or loss

Financial assets (e.g., financial assets held for trading or managed at fair value with performance assessed), which are not measured at amortized cost or are measured at fair value through other comprehensive income as above, are measured at fair value through profit or loss, including derivative financial assets. Upon initial recognition, to eliminate or significantly reduce accounting mismatch, the consolidated company may irrevocably designate the financial assets that meet the criteria for being measured at amortized cost or at fair value through other comprehensive income as at fair value through profit or loss.

Such assets are subsequently measured at fair value, and the net gain or loss (including any dividend and interest income) is recognized in profit or loss.

(4) Impairment of financial assets

The consolidated company recognizes an allowance for losses on financial assets measured at amortized cost (including cash and cash equivalents), note receivables, accounts receivables, other receivables, refundable deposits and other financial assets) and expected credit losses on contract assets.

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.

In determining whether credit risks have significantly increased after initial recognition, the consolidated company takes into consideration reasonable and supportable information (available without excess risks or inputs), including qualitative and quantitative information, and the consolidated company's own experience, credit assessments and forward-looking information.

If the credit rating of a financial asset is equivalent to the investment grade globally designed (BBB- by S&P, Baa3 by Moody's or twA by Taiwan Ratings or better), the consolidated company considers the credit risk of the fixed income security is low.

If a contract payment is overdue for more than 30 days, the consolidated company assumes the credit risk of this financial asset has significantly increased.

If a contract payment is overdue for more than 360 days or the borrower is unlikely to honor the credit obligation to pay the full amount to the consolidated company, the consolidated company considers the financial asset is 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 for measuring expected credit losses is the maximum contract period when the consolidated company is exposed to credit risks.

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 cash flow shortages, i.e., the difference between the cash flows collectable by the consolidated company according to contracts and the cash flows expected to be collected by the consolidated company. Expected credit losses are discounted at the effective interest rate on the financial asset.

The consolidated company assesses whether there are credit losses with the financial assets measured at amortized cost on each reporting day. 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;
· Concessions previously not considered but granted by the consolidated company to the borrower due to the borrower's economic or contractual reason caused by financial difficulties
· 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 consolidated company directly reduces the total carrying amount value of a financial asset when the recoverable amount of the financial asset in all or in part cannot be reasonably expected. Based on the experience of recovering similar assets, the consolidated company's policy with private customers is to write-off the entire carrying amount value of the financial asset overdue for more than 360 days. The consolidated company determines the timing and the amount of write-offs for corporate customers according to the individual analysis of reasonably expected recoverability. The consolidated company does not expect material reversals of written-off amounts. However, compulsory execution may still be sought for written-off financial assets, in line with the consolidated company's procedures in recovering overdue amounts. Based on their experience, it is impossible to collect the overdue amount from corporate accounts after 360 days.

(5) Derecognition of financial assets

The consolidated company can only derecognize a financial asset when the right to contracted cash flows from the asset terminates; or the financial asset has been transferred and almost full risks and returns of financial asset ownership have been transferred to other companies; or the asset has not been transferred but almost full risks and returns of ownership are not retained and the control over financial asset is not retained.

In the signing of a contract to transfer a financial asset, if all or almost full risks and returns of ownership of the transferred asset are retained, the asset will continue to be recognized on the balance sheet.

2. Financial liabilities and equity instruments

(1) Classification of liabilities and equity

The debts and equity instruments issued by the consolidated company are recognized as financial liabilities or equity according to the substance of contracts and the definitions of financial liabilities and equity instruments.

(2) Equity transactions

Equity instruments refer to any contract that represents the remaining equity of the consolidated company after assets are deducted from liabilities. Equity instruments issued by the consolidated company are recognized at the amount of proceeds less direct issuance 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

Financial liabilities are recognized when the consolidated company's contractual obligations have been performed, canceled 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 can only be recognized on the balance sheet with the net value after netting off when the consolidated company has the legal right to exercise the netting off, and has the intention to deliver at the net value or concurrently realizes the asset to pay off the liabilities.

(VIII) Inventory

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.

(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 properties are initially measured at cost and subsequently measured at fair value, and any changes are recognized in profit or loss.

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.

(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 expenses are only capitalized when future economic benefits are likely to flow into the consolidated 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 consolidated company reviews depreciation methods, service lives and residual values on each reporting day and makes appropriate adjustments when 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 consolidated company assesses whether a contract is about or including leasing on the day when the contract is established. If the contract entails the transfer of the control for use of the identifiable asset after a period of time for a specific consideration, the contract is about or including leasing.

1. Lessee

The consolidated company recognizes right-of-use assets and lease liabilities on the day when the lease commences. Right-of-use assets are measured initially at costs. The costs include the original measured value of the lease liabilities. These are adjusted with any lease payments at or before the commencement of the lease, added with any initial direct cost incurred and the estimated cost in dismantling and removing the underlying asset, restoring the site it is located or restoring the underlying asset and less any lease incentive 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. Meanwhile, the consolidated company periodically assesses whether the right-of-use assets are impaired and handles any impairment losses already incurred. Adjustments to the right-of-use assets are made when the lease liabilities are remeasured.

The lease liability is initially measured at the present value of the unpaid lease payments at the lease commencement date. If it is easy to ascertain the interest rate implicit in the lease, the discount rate shall be that interest rate. If it is not easy to ascertain the interest rate, the consolidated company's incremental borrowing rate shall be used. In general, the consolidated company uses the 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 consolidating companies present the right-of-use assets and lease liabilities not meeting the definition for investment properties separately on the balance sheet.

The consolidated company chooses not to recognize the short-term leases of low-value underlying assets such as houses, buildings and transportation equipment as right-of-use assets and lease liabilities. Payments for such leases are expensed with the straight line method during the lease periods.

2. Lessor

If the consolidated company is the lessor, the lease contract will be classified on the lease inception date according to whether almost full risks and returns of the underlying asset ownership are transferred. If yes, it is classified as a finance lease. If not, it is an operating lease. During assessments, the consolidated company should take into consideration metrics such as whether the lease period covers the main part of the economic lives of underlying assets.

If the consolidated company is an intermediate lessor, the head lease and the sublease are accounted for separately. The right-of-use asset created by the head lease is used for the classification of the sublease. 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.

The consolidated company adopts International Financial Reporting Standards No. 15 for the separation of a contract into lease and nonlease components.

(XII) Intangible assets

1. Recognition and measurement

Other intangible assets (including computer software) the consolidated company acquires with a definite service life are measured at costs less accumulated depreciation and accumulated impairments.

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 consolidated company reviews amortization methods, service lives and residual values on each reporting day and makes appropriate adjustments when necessary.

(13) Impairment of non-financial assets

The consolidated company assesses on each reporting day where there is an indication of impairments to the carrying amount of financial assets. 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.

An impairment loss is recognized immediately in profit or loss. The carrying amount of goodwill for the cash-generating unit is reduced first. Then the carrying amounts of other assets in the cash-generating unit are reduced pro rata.

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

Liability reserves are recognized for present obligations due to past events. In this instance, the consolidated company is likely to be required to repay the obligation with an outflow of assets with economic benefits and the amount of the obligation can be reliably estimated. 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.

1. Warranty

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. Income are recognized by the consolidated company when the control of products or services is transferred to customers and the contractual obligation is performed. The consolidated company's primary Income are as follows:

(1) Land development and property sales

The consolidated company develops and sells residential properties and often sells off-plan during or before construction. The consolidated company recognizes Income when the control of properties is transferred. Due to contracted restrictions, such properties typically serve no other purposes to the consolidated company. However, only after the legal ownership of properties has been transferred to customers can the consolidated company access the funds for the completed contracts. Hence, the consolidating company recognizes Income when the legal ownership of properties is transferred to customers or the properties are handed over.

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) Real estate agency services

The consolidated company serves as a real estate agency to sell properties for external parties. Relevant Income are recognized during the financial reporting period when the service is rendered. Service Income under fixed-price contacts are recognized according to services actually provided as of the reporting date. Contracts include fixed and variable prices. Customers pay fixed amounts according to contracted schedules. Certain variable fees (such as bonuses above the threshold) are estimated with the most likely amounts. The consolidated company only recognizes Income within the range where the accumulated Income are highly unlikely to be significantly reversed. If the income recognized is not yet invoiced, a corresponding contract asset is recognized. When there is an unconditional right to the amount, the contract asset is transferred to the account receivable.

Customers pay the fixed amounts according to agreed schedules. When the service rendered exceeds the paid amount, a contract asset is recognized. When the paid amount exceeds the service rendered, a contract liability is recognized.

When the consolidating company expects the unavoidable cost for performing the obligation of a service contract exceeds the economic benefit from the contract, a liability reserve is recognized for the loss-making contract.

(3) Construction supervision services

The consolidated company provides construction supervision services for the construction of solar generation equipment and recognizes relevant Income for such services during the reporting periods. Income recognition under fixed-price contracts is based on the services rendered and the contract performance obligation met already as of the reporting date or based on the services already rendered as a percentage of total services expected.

If the circumstance changes, the estimates of Income, costs and degrees of completion will be modified and the resulting increase/decrease will be reflected in profit or loss during the period when management becomes aware of circumstance changes.

Under the fixed price contracts, customers pay fixed amounts according to agreed schedules. When the service rendered exceeds the paid amount, a contract asset is recognized. When the paid amount exceeds the service rendered, a contract liability is recognized.

(4) Management services

The consolidated company offers hotel management services. Profit and loss and fixed management fees are recognized each quarter according to contracts during the period of hotel management. If the income recognized is not yet invoiced, a corresponding contract asset is recognized. When there is an unconditional right to the amount, the contract asset is transferred to the account receivable.

Customers pay the fixed amounts according to agreed schedules. When the service rendered exceeds the paid amount, a contract asset is recognized. When the paid amount exceeds the service rendered, a contract liability is recognized.

(5) Significant financing component - Advance real estate receipts

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. The payments for off-plan real estate projects are typically collected in installments during the period from contract signing to property transfer to customers. The consolidated company assesses whether the promised price is different from the sold price for each contract and whether the prepayment collected contains financing elements. Prepayments are collected by the consolidated company to provide guarantee in contract performance by customers. As the purpose is for the consolidated company to mitigate the risks and subsidies required for reselling in case of the customer's not fulfilling the contract, it is not a significant financing component obtained from major 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 consolidated company expects to recover the incremental cost of obtaining contracts, the cost is recognized as an asset. 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 consolidating company recognizes the incremental cost of obtaining contracts expected to recover through real estate marketing activities as an asset and applies systematic amortization consistent with transfer of off-plan properties to customers.

(2) Cost of fulfilling contracts

If the cost of fulfilling the contract is not covered by standards such as International Accounting Standards (IAS) 2 Inventories, IAS 16 Property, Plant and Equipment, or IAS 38 Intangible Assets, the consolidated company only recognizes such cost as an asset when the cost is directly related to a contract or a specific identifiable expected contract, may generate or enhance the resource to be used in fulfilling (or continuing to fulfill) contract obligations and is expected to be recovered.

General and administrative costs; raw materials, labor or other resource costs wasted for contract fulfillment but not reflected on contract prices; costs related to performed (or partially performed) contract obligations; and costs not identifiable as to contract obligations not yet performed or performed (or partially performed) are recognized as expenses when incurred.

(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 services already provided by employees constitute the consolidated company a current statutory or presumed payment obligation and such obligation can be reliably estimated, the amount is recognized as a liability.

(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 at the reporting date. Temporary differences arising from the circumstances below are not recognized in deferred tax:

1. Assets or liabilities originally recognized in a transaction that is not a business merger, and at the time of the transaction (i) does not affect accounting profits and taxable income (loss) and (ii) does not generate equivalent taxable and deductible temporary difference;
2. Temporary differences due to investments in subsidiaries, associates and joint ventures, the timing of reversal of such temporary differences controlled by the consolidated company and the reversal unlikely to be 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 consolidated company only offsets deferred income tax assets and deferred income tax liabilities when the following conditions 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 consolidated company presents the basic earnings per share and the diluted earnings per share attributable to shareholders of its ordinary stocks. The basic earnings per share of the consolidated company are calculated with the profit or loss attributable to holders of the company’s ordinary shares divided by the weighted average number of ordinary shares outstanding during the 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. The potential dilutive ordinary shares of the consolidated company include convertible corporate bonds.

(XIX) Segment information

Operating departments as the segments of the consolidated company are engaged in operating activities that generate Income and incur expenses (including the Income and expenses with the consolidated company’s other segments). The operating results of all operating departments are reviewed periodically by key decision-makers of the consolidated company, in order to formulate decisions on resource allocations and evaluate the performance of individual departments. All operating departments have independent financial information.

(XX) Reasons and effects of accounting changes

The management of the consolidated company evaluated that in order to more reasonably reflect the value and performance of investment properties, so that financial statements provide reliable and more relevant information on the impact of relevant transactions on the Company's financial position, financial performance or cash flow, on March 16, 2023, its Board of Directors resolved and approved that starting January 1, 2023, the consolidated company changed the subsequent measurement of investment property from the cost model to the fair value model.

According to provisions of the IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, this accounting policy should be applied retrospectively. The comparative information after the restatement and the impact of changes in accounting policies on the 2022 consolidated financial report of the consolidated company is explained as follows:

2022.1.1 Consolidated balance sheet		**Carrying Amount Before Restatement**	**Impact of Change in Accounting Policy**	**Restated Carrying Amount**
Investment property	$	83,047	91,403	174,450
Deferred income tax liabilities		-	25,591	25,591
Retained earnings		(416,218)	65,812	(350,406)

2022.12.31 Consolidated Balance Sheet		Carrying Amount Before Restatement	Impact of Change in Accounting Policy	Restated Carrying Amount
Investment property	$	84,464	75,376	159,840
Deferred income tax liabilities		-	25,591	25,591
Retained earnings		(513,769)	49,785	(463,984)

		2022		
Consolidated Income Statement		Amount reported before restatement	Impact of Change in Accounting Policy	Reported amount after restatement
Gain (loss) on fair value adjustment	$	-	(16,027)	(16,027)

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

When preparing these consolidated financial statements, management must make judgements, estimates and assumptions. Such judgements, estimates and assumptions have influence on the adoption of accounting policies and the reported numbers of assets, liabilities, Income and expenses. 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.

Accounting policy involved material judgements and significant influence on recognized numbers in these consolidated financial statements: None.

The substantial risk of substantial adjustments to the asset and liability balances in the subsequent fiscal year is introduced by the substantial uncertainty surrounding the following assumptions and estimates. Considerable information is presented below:

·Inventory valuation

Inventory is recognized at the lower of costs or net realizable values. The consolidated company evaluates the net realizable value of inventory on the reporting date based on estimates of future selling prices and construction costs, subject to the influence of political and economic environments. Therefore, the net realizable value may experience material changes. Please refer to Note 6(5) for details of inventory valuation.

*Fair value of investment property

The subsequent measurement of the investment properties of the consolidated company is evaluated by the discounted cash flow analysis method under the income approach, and Level 3 inputs are used in the fair value valuation technique.

Valuation process

The consolidated company's accounting policies and disclosure include financial and non-financial assets and liabilities measured at fair value. Among them, the Finance Department is 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.

In the measurement of assets and liabilities, the consolidated company uses inputs observable from the market as much as possible. The fair value levels are based on the inputsused in the valuation techniques and are classified as follows:

* Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
* Level 2: 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 that are not based on observable inputs (unobservable inputs) for the asset or liability.

Transfer policy between levels

If there is a transfer event or situation between the levels of fair value, the consolidated company will recognize the transfer on the reporting date.

Further information on assumptions adopted to measure fair value

Please refer to the following notes for relevant information on the assumptions adopted to measure the fair value:

(I) Note 6 (8) Investment properties

(II) Note 6 (20) Financial instruments

VI. Summary of Significant Accounting Items

(I) Cash and cash equivalents

		2023.12.31	2022.12.31
Cash on hand	$	192	192
Demand deposit		175,467	94,495
Checking deposit		15	18
	$	175,674	94,705

Please refer to Note 6 (20) for interest rate risks and the sensitivity analysis of the consolidated company's financial assets and liabilities.

(II) Financial assets at fair value through profit or loss

		2023.12.31	2022.12.31
Financial assets at fair value through profit or loss:			
TWSE/TPEx listed stocks	$	73,343	87,780

1. The consolidated company participated in Falcon Machine Tools Co., Ltd.'s public offering to acquire 5.01% of its shares, or a total of 3,850,000 shares, in August 2022 in the amount of NT$94,710 thousand, and the transfer of shares was completed on August 19, 2022.
2. Please refer to Note 8 for details of the financial assets at fair value through profit or loss, which were pledged by the consolidated company as collateral as of December 31, 2023 and 2022.

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

	2023.12.31	2022.12.31
Equity instrument at fair value through other comprehensive income:		
Domestic unlisted stock - Eastern Electronics Co., Ltd.	$ 5,715	5,715
Domestic unlisted stock - Shin Kong Real Estate Management Co., Ltd.	1,890	1,890
Foreign unlisted stock - World Join International Ltd.	12,113	12,113
Total	$ 19,718	19,718

1. The consolidated company holds the equity instruments as a long-term strategic investment, not for trading purposes. Hence, these instruments have been designated at fair value through other comprehensive income.
2. Tech Alliance Corp. and Technology Associates Corporation invested by the consolidated company were dissolved and liquidated per resolution rendered by the annual shareholders meeting on November 9, 2021. Meanwhile, May 24, 2022 was set as the date of completion of the liquidation and distribution of residual property. As a result, the stock payments, NT$410 thousand and NT$326 thousand, were returned to the consolidated company, and the consolidated company received 391,000 shares allocated from Eastern Electronics Co., Ltd. The fair value of said liquidated and derecognized financial assets was measured as NT$6,451 thousand based on the cash and stocks as allocated. The accumulated liquidation losses totaled NT$2,923 thousand. Therefore, the liquidation losses have been transferred from other equity interests to retained earnings.
3. Please refer to Note 6(20) for market risk information.
4. None of the consolidated company's financial assets abovementioned has been pledged as collateral.

(IV) Notes and accounts receivable

	2023.12.31	2022.12.31
Notes receivable - from operations	$ 452	6,038
Accounts receivable at amortized cost	38	8,936
Less: Allowance for losses	-	(8,280)
	$ 490	6,694

The consolidated company adopts the simplified approach for the estimates of expected credit losses for all notes receivable and accounts receivables. This approach measures lifetime expected losses. To achieve the measurement purposes, notes receivable and accounts receivable are categorized on the basis of shared credit risk characteristics in terms of customers' ability to pay all due amounts according to contract terms and conditions. Forward-looking information is incorporated. The expected credit loss analysis on the consolidated company's notes receivable and accounts receivable is as follows:

	2023.12.31		
	Carrying amounts of notes and accounts receivable	**Weighted average expected credit loss rate**	**Allowance for lifetime expected credit losses**
Not past due	$ 490	-	-

	2022.12.31		
	Carrying amounts of notes and accounts receivable	Weighted average expected credit loss rate	Allowance for lifetime expected credit losses
Not past due	$ 6,694	-	-
Overdue for more than 360 days	8,280	100%	8,280
	$ 14,974		8,280

Change in loss allowance for the consolidated company's notes receivable and accounts receivable is as follows:

	2023	2022
Opening balance	$ 8,280	8,689
Impairment loss reversed	-	(409)
The irrecoverable amount written off in the current year	(8,280)	-
Ending balance	$ -	8,280

None of the consolidated company's notes receivable and accounts receivables was pledged for collateral as of December 31, 2023 and 2022.

(V) Inventories

	2023.12.31	2022.12.31
Construction business:		
Buildings and land held for sale	$ 173,392	311,027
Construction in progress	383,810	288,501
Land held for construction site	50,148	-
	$ 607,350	599,528
Inventory expected to be recovered after more than 12 months	$ 207,848	288,501

Cost of goods sold is detailed below:

	2023	2022
Buildings and land held for sale reclassified after sold	$ 142,543	315,267
Impairment loss (gain on reversal) of inventories	(4,908)	12,516
Cost related to real estate agency services	-	7,157
Others	7,216	11,954
	$ 144,851	346,894

1. Please refer to Note 6 (19) for the interest capitalization of the consolidated company.
2. Please refer to Note 8 for the consolidated company's pledges on inventory as collateral as of December 31, 2023 and 2022.

(VI) Prepayments

	2023.12.31	2022.12.31
Construction business - Sample house interior design cost	$ -	8,124
Construction business - Pre-construction development costs	28,011	57,249
Others	3,337	1,768
	$ 31,348	**67,141**

(VII) Property, plant and equipment

The change in the consolidated company's property, plant and equipment in 2023 and 2022 is as follows:

	Land	Leasehold improvements	Other equipment	Total
Cost or deemed cost:				
Balance on January 1, 2023	$ 5,382	18,483	243	24,108
Scrapped	-	-	(38)	(38)
Effects of changes in foreign exchange rates	-	(251)	-	(251)
Balance on December 31, 2023	**$ 5,382**	**18,232**	**205**	**23,819**
Balance on January 1, 2022	$ 5,382	13,376	243	19,001
Addition	-	4,910	-	4,910
Effects of changes in foreign exchange rates	-	197	-	197
Balance on December 31, 2022	**$ 5,382**	**18,483**	**243**	**24,108**
Depreciation and impairment losses:				
Balance on January 1, 2023	$ 5,382	5,194	115	10,691
Depreciation during the year	-	2,837	68	2,905
Scrapped	-	-	(38)	(38)
Effects of changes in foreign exchange rates	-	(96)	-	(96)
Balance on December 31, 2023	**$ 5,382**	**7,935**	**145**	**13,462**
Balance on January 1, 2022	$ 5,382	2,306	47	7,735
Depreciation during the year	-	2,841	68	2,909
Effects of changes in foreign exchange rates	-	47	-	47
Balance on December 31, 2022	**$ 5,382**	**5,194**	**115**	**10,691**
Book value:				
December 31, 2023	**$ -**	**10,297**	**60**	**10,357**
December 31, 2022	**$ -**	**13,289**	**128**	**13,417**
January 31, 2022	**$ -**	**11,070**	**196**	**11,266**

As of December 31, 2023 and 2022, none of the consolidated company's property, plant and equipment was provided as collateral.

(VIII) Investment property

Investment properties include the land the consolidated company rents out to the lessee via an operating lease. The initial period of the leased investment property is 24 years. At the end of a lease term, the Company will negotiate subsequent lease terms with a lessee.

The change in the consolidated company's investment properties is as follows:

		Land and improvements
Book value:		
Balance on January 1, 2023 after restatement	$	159,840
Addition		14,685
Net gain due to fair value adjustment		2,615
Balance on December 31, 2023	**$**	**177,140**
Balance on January 1, 2023 after restatement	$	174,450
Addition		1,417
Net loss due to fair value adjustment		(16,027)
Balance on December 31, 2022 (after restatement)	**$**	**159,840**
Carrying amount:		
December 31, 2023	**$**	**177,140**
December 31, 2022 (after restatement)	**$**	**159,840**
January 1, 2022 (after restatement)	**$**	**174,450**

Level 3 inputs are used in the valuation technique of subsequent measurement of the fair value of the investment properties of the consolidated company. For the adjustment between the opening and ending carrying amounts in Level 3, please see the schedule of changes shown above. There are circumstances of transfer in or out of the Level 3 fair value hierarchy in the period.

The subsequent measurement of the investment properties of the consolidated company is evaluated by the discounted cash flow analysis method under the income approach, and the relevant important contract terms and valuation information are as follows:

1. December 31, 2023

Property	**Land in Toufen City in Miaoli County**
Important contract terms	1. Rent: Construction period: NT$500 thousand/year Operation period (1 to 10 years): 2% of the total electricity sales revenue Operation period (11 to 20 years): 6% of the total electricity sales revenue 2. Lease period: 24 years
Current status	Development in progress
Discount rate	3.720%
External or in-house appraisal	External appraisal
Appraisal company	DTZ Cushman & Wakefield Real Estate Appraiser Office
Name of appraiser	Chun-Chun Hu, Chang-Da Yang
Date of appraisal	December 31, 2023
Fair value of external appraisal	$177,140

2. December 31, 2022

Property	Land in Toufen City in Miaoli County
Important contract terms	1. Rent: Construction period: NT$500 thousand/year Operation period (1 to 10 years): 2% of the total electricity sales revenue Operation period (11 to 20 years): 6% of the total electricity sales revenue 2. Lease period: 24 years
Current status	Development in progress
Discount rate	3.595%
External or in-house appraisal	External appraisal
Appraisal company	DTZ Cushman & Wakefield Real Estate Appraiser Office
Name of appraiser	Chun-Chun Hu, Chang-Da Yang
Date of appraisal	January 1, 2023
Fair value of external appraisal	$159,840

3. January 1, 2022

Property	Land in Toufen City in Miaoli County
Important contract terms	1. Rent: Construction period: NT$500 thousand/year Operation period (1 to 10 years): 2% of the total electricity sales revenue Operation period (11 to 20 years): 6% of the total electricity sales revenue 2. Lease period: 24 years
Current status	Development in progress
Discount rate	2.97%
External or in-house appraisal	External appraisal
Appraisal company	DTZ Cushman & Wakefield Real Estate Appraiser Office
Name of appraiser	Chun-Chun Hu, Chang-Da Yang
Date of appraisal	January 1, 2023
Fair value of external appraisal	$174,450

The valuation of the fair value of the investment properties and the changes and decisions of cash inflows and cash outflows in each period in the future are based on the principles of the contract related to the signing of the lease above, and the relevant information is as follows:

(1) Actual rent and the annual growth rent of rent

During the construction period, the income is based on the rent specified in the contract. During the operation period, we apply to Taiwan Power Corporation for the installed capacity of 10MW on the appraised property, based on the average annual power generation of 1,191 kWh from power generation equipment in Miaoli County in 2022, and the 2023 average bulk purchase rate at NT$3.935/kWh for ground-mounted solar equipment announced by the Bureau of Energy of the Ministry of Economic Affairs, added 15% for the subsidies in regions north of Miaoli to calculate the total electricity sales revenue.

With respect to the increase in revenue from electricity sales, the bullk purchase rate of the appraised property adopts the ceiling rate for the establishment permit of the power generation operators based on the "2023 Renewable Energy Electricity Bulk Purchase Rate and the Calculation Formula", and the rate is for the bulk purchase for 20 years, so there is no increase in electricity price.

(2) Estimation of discount rate

The discount rate is determined by the risk premium method, which takes into account factors such as banks' time deposit interest rates, the government's bond interest rates, risks of real estate investments, currency changes and trends of price changes in real properties to select the investment rate of return for general financial instruments, adjusted by the differences in the investment instruments and individual characteristics of the properties. The discount rate is based on Chunghwa Post's two-year postal time deposit variable rate plus excess-3 interest rate on December 31, 2023 and 2022, and January 1, 2022, of 2.345%, 2.220% and 1.595%, respectively, and takes into account the property's income, liquidity, risk, value appreciation and the degree of difficulty in terms of management. The risk premium was added to determine the discount rates of 3.720%, 3.595% and 2.97%, respectively.

(3) Estimation of ending disposal value

The proceeds of real property disposal at the end of the period on December 31, 2023 and 2022, and January 1, 2022 were NT$8,101 thousand per year, NT$5,390 thousand per year, and NT$5,390 thousand per year, respectively, and the calculated ending real property disposal prices were NT$337,624 thousand, NT$276,394 thousand and NT$276,394 thousand, respectively.

(4) The abovementioned fair value valuation techniques and significant unobservable inputs are explained in the following table:

Fair value valuation technique	Significant unobservable input	Relationship between significant unobservable input and fair value evaluation
The discounted cash flow analysis (DCF) using the income approach is adopted to evaluate the contractual rent provided by the consolidated company. Discounted cash flow analysis using the income approach: Refers to the method of estimating the price of the appraised property by summing up the net income of each period and ending value of future discounted cash flow after discounting at an appropriate discount rate. The method is applicable to valuation of real properties for investment purpose.	* Risk-adjusted discount rate on 2023.12.31: 3.720% 2022.12.31：3.595% 2022.1.1: 2.97%	The estimated fair value would increase (or decrease) if: · The risk-adjusted discount rate decreases (increases).

4. Please refer to Note 8 for the pledged on the consolidated company’s investment properties as collateral.
5. Ownership transfer and acquisition of certain agricultural land is only possible after the change of land use according to law. Hence, some land was registered under personal names. An authorization agreement and a trust contrast have been signed with the nominee account holder for the land registration. The land will be transferred to the consolidated company at the right time.

(IX) Right-of-use assets

The costs and depreciation of the consolidated company's rented land, houses and buildings, machinery and transportation equipment are detailed as follows:

	Buildings	Transportation equipment	Office equipment	Total
Cost of right-of-use assets:				
Balance on January 1, 2023	$ 42,056	1,360	225	43,641
Less	-	(1,360)	(225)	(1,585)
Effects of changes in foreign exchange rates	(530)	-	-	(530)
Balance on December 31, 2023	**$ 41,526**	**-**	**-**	**41,526**
Balance on January 1, 2022	$ 41,637	1,106	225	42,968
Addition	-	254	-	254
Effects of changes in foreign exchange rates	419	-	-	419
Balance on December 31, 2022	**$ 42,056**	**1,360**	**225**	**43,641**
Depreciation and impairment losses of right-of-use assets:				
Balance on January 1, 2023	$ 13,923	913	180	15,016
Depreciation	6,214	447	45	6,706
Less	-	(1,360)	(225)	(1,585)
Effects of changes in foreign exchange rates	(232)	-	-	(232)
Balance on December 31, 2023	**$ 19,905**	**-**	**-**	**19,905**
Balance on January 1, 2022	$ 7,571	383	137	8,091
Depreciation	6,221	530	43	6,794
Effects of changes in foreign exchange rates	131	-	-	131
Balance on December 31, 2022	**$ 13,923**	**913**	**180**	**15,016**
Book value:				
December 31, 2023	**$ 21,621**	**-**	**-**	**21,621**
December 31, 2022	**$ 28,133**	**447**	**45**	**28,625**
January 31, 2022	**$ 34,066**	**723**	**88**	**34,877**

(X) Short-term borrowings

The consolidated company’s short-term loans are as follows:

	2023.12.31	2022.12.31
Secured bank borrowings	$ 90,000	315,782
Facilities not yet drawn	$ 273,414	352,028
Interest rate range	2.63%	2.51%~2.94%

Please refer to Note 8 for the pledged on the consolidated company’s assets as collateral for bank loans.

(XI) Long-term loans

The consolidated company’s long-term loans are as follows:

	2023.12.31	2022.12.31
Secured bank loan: Due in August 2025	$ 45,000	47,000
Less: Current portion	(2,000)	(2,000)
Total	$ 43,000	45,000
Facilities not yet drawn	$ -	-
Interest rate range	2.41%	2.19%

Please refer to Attachment 8 for the pledged on the consolidated company’s assets as collateral for bank loans.

(XII) Corporate bonds payable

The information on the consolidated company’s corporate bonds payable is as follows:

	2023.12.31	2022.12.31
Amount of ordinary corporate bonds issued	$ 300,000	300,000
Unamortized balance of discounted corporate bonds payable	(6,181)	(15,214)
Cumulative amount of redemption	-	-
Cumulative amount of conversion	-	-
Less: Portion due within one year or one operating cycle	(293,819)	-
Balance of corporate bonds payable at the end of the period	$ -	284,786

Equity components — conversion rights (under capital reserve — subscription rights): Please refer to Note 6 (15).

Interest expenses: Please refer to Note 6 (19).

The primary rights and obligations of the company's secured convertible bonds outstanding 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.
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$20.9

(XIII) Lease liabilities

The consolidated company's lease liabilities are as follows:

	2023.12.31	2022.12.31
Current	$ 6,038	6,728
Non-current	$ 17,411	24,132

Please refer to Note 6 (20) Financial Instruments for maturity analysis.

The amounts recognized in profit or loss are as follows:

	2023	2022
Interest expense on lease liabilities	$ 1,058	1,299
Gains from sublease of right-of-use assets	$ 6,009	7,764
Expense on short-term leases	$ 472	985

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

	2023	2022
Total cash outflow from leases	$ 8,609	8,849

The consolidated company rents houses and buildings for office spaces and business premises. The leases for office spaces are between one and five years. The leases for business premises are right years. Meanwhile, the consolidated company's leases for car parking spaces and transportation equipment are between one and three years.

Part of the aforesaid lease agreements are accompanied with the option of lease extensions. Such rights are only exercisable by the consolidated company, not by lessors. 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.

(14) Income taxes

1. Income tax expense

The consolidated company's income tax expenses for 2023 and 2022 are detailed as follows:

		2023	2022
Current income tax expense			
Land value increment tax	$	4,453	5,531
Deferred tax expense			
Occurrence and reversal of temporary difference		1,513	-
Income tax expense	$	5,966	5,531

The adjustments of the consolidated company's income tax expenses and earnings before tax for 2023 and 2022 are as follows:

		2023	2022
Net loss before tax	$	(104,150)	(105,124)
Income tax calculated at the domestic tax rate where the Company is located	$	(20,830)	(21,025)
Land value increment tax		4,453	5,531
Book-tax difference		2,626	748
Book-tax difference in capitalized interest		149	947
Recognize unrecognized taxation losses in prior periods		(54)	-
Current tax losses on unrecognized deferred tax assets		19,848	15,392
Changes in unrecognized temporary differences		(146)	(113)
Others		(80)	4,051
Total	$	5,966	5,531

2. Deferred income tax assets and liabilities

(1) Unrecognized deferred tax assets

The consolidated company's unrecognized deferred income tax assets are as follows:

		2023.12.31	2022.12.31
Deductible temporary differences	$	3,890	10,719
Tax loss		135,034	135,769
	$	138,924	146,488

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. The item is not recognized as a deferred income tax asset because the consolidated company is not very likely to generate sufficient taxable Income for deduction of the temporary difference.

As of December 31, 2023, the deduction deadline for the tax loss of deferred income tax assets yet to be recognized by the consolidated company is as follows:

Year		Losses yet to be deducted by the Company	Losses yet to be deducted by subsidiaries	Last valid year
Approved amount in 2014	$	53,343	2,482	2024
Approved amount in 2015		78,675	9,580	2025
Approved amount in 2016		75,403	56,763	2026
Tax assessed for 2017		-	15,169	2027
Approved amount in 2018		80,915	7,092	2028
Approved amount in 2019		48,108	3,226	2029
Approved amount in 2020		40,580	5,694	2030
Approved amount in 2021		46,718	7,441	2031
Amount filed in 2022		5,971	38,769	2032
Estimated amount in 2023		94,839	4,402	2033
	$	524,552	150,618	

(2) Recognized deferred income tax liabilities

2023 and 2022 changes in deferred income tax liabilities are as follows:

		Reserve for land increment tax
Deferred income tax liabilities:		
Balance on January 1, 2023 after restatement	$	25,591
Debit income statement		1,513
Balance on December 31, 2023	$	27,104
Balance on January 1, 2023 after restatement	$	25,591
Balance on December 31, 2022 (after restatement)	$	25,591

3. Income tax assessments

(1) The Company's business income taxes were assessed by the tax authority up to the year 2021.

(2) The business income tax filings from the Company's subsidies in Taiwan were assessed by the tax authority for the following years:

Assessment years	Company name
2021	Better Life Green Energy Technology Co., Ltd.
2021	Bao Lai Real Estate Co., Ltd.
2021	Better Life Group Travel Service Co., Ltd.

(3) The subsidiaries in China have filed income taxes to the local tax authorities for the years up to 2022.

(15) Capital and other equity

The total amount of the Company's authorized capital as of December 31, 2023 and 2022 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$1,001,858 and NT$1,002,654, respectively, and all the capital funds for the outstanding shares have been received.

1. Issue of ordinary shares

The following are the fluctuations in the number of outstanding shares of the company in 2023 and 2022:

	Common stock	
(in thousand)	**2023**	**2022**
Number of outstanding shares issued as of January 1	100,265	100,265
Add: Capital increase in cash	30,000	-
Less: Reduction in capital to offset losses	(30,079)	-
Number of outstanding shares issued as of December 31	**100,186**	**100,265**

On June 21, 2023, the Company's general 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. Furthermore, the general shareholders' meeting dated June 30, 2022 resolved that the amount of capital increase in cash through a private placement which has not yet been executed would not be executed any longer.

A capital reduction of NT$300,796 thousand was approved by the Company's shareholders at a meeting on June 21, 2023, with the intention of enhancing its financial structure and compensating for losses. The aforementioned case was approved and subsequently implemented following its submission to the Taiwan Stock Exchange. In addition to finalizing all statutory registration requirements, the capital reduction base date is set for July 31, 2023.

Additionally, on August 9, 2023, the Company adopted a resolution of the Board of Directors to increase cash capital by 30,000 thousand shares of common stock, issuance price at NT$11 per share. This case has been granted approval and entered into force after its submission to the Financial Supervisory Commission. On December 19, 2023, the relevant statutory registration procedures were completed.

2. Capital surplus

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

	2023.12.31	2022.12.31
Common stock premium	$ 30,000	-
Gain on disposal of assets	110	110
Stock options - issue of convertible corporate bonds	21,828	21,828
Others	159	159
	$ 52,097	**22,097**

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.

The Company recalled the stock dividends which shareholders failed to claim within the specific time limit and recognized the capital surplus, NT$159 thousand, in May 2022.

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) Special reserve

The Company chose the fair value model for the subsequent measurement of the investment property booked in the book. According to the regulations of the Financial Supervisory Commission, for the net increase in fair value measured by the fair value model for the first time, the same amount of special reserve was provided. However, on the conversion date, in order to make up for the deficit, the special reserve may be exempted according to the regulations. Subsequently, the Company may be exempted from the provision of this part of the special reserve. When the Company distributes the distributable earnings each year, the special reserve shall be appropriated in the following order:

For the net increase in fair value due to the continuous adoption of the fair value model for the subsequent accounting of investment property in the current year, the net increase in the current period net profit after tax plus the item other than the undistributed earnings should be set aside as special reserves in the same amount. If it is a net increase accumulated in the fair value in the previous period, the special reserve shall be set aside in the same amount from the undistributed earnings of the previous period and shall not be distributed. When the cumulative net increase listed in investment property decreases or is disposed of, a reversal of earnings distribution may be made for the decreased portion or according to the disposal situation.

For the difference between the net amount debited to the other shareholders' equity in the current year and the balance of the special reserve provided in the preceding paragraph, the items other than the net profit after tax of the current period plus the unappropriated earnings of the current period and the prior undistributed surplus make up the provision of the special reserve. For the deduction amount of other shareholders' equity in the previous period, special reserves shall be set aside from undistributed earnings in the previous period and shall not be distributed. If the amount debited to other shareholders' equity is reversed afterwards, the reversed amount may be distributed as earnings.

(3) Earnings distribution

The general shareholders' meeting of the Company reached resolution on the 2022 and 2021 proposal for compensation of losses on June 21, 2023 and June 30, 2022, respectively.

4. Other interests (net of tax)

	Exchange difference on translation of financial statements of foreign operations	Unrealized valuation profit or loss from financial assets measured at fair value through other comprehensive income	Total
Balance on January 1, 2023	$ 131	(10,949)	(10,818)
Exchange differences in translation of net assets of foreign operations	(119)	-	(119)
Balance on December 31, 2023	$ 12	(10,949)	(10,937)

	Exchange difference on translation of financial statements of foreign operations	Unrealized valuation profit or loss from financial assets measured at fair value through other comprehensive income	Total
Balance on January 1, 2022	$ 14	(16,382)	(16,368)
Exchange differences in translation of net assets of foreign operations	117	-	117
Unrealized profit or loss from financial assets measured at fair value through other comprehensive income	-	2,510	2,510
Disposal of equity instrument at fair value through other comprehensive income	-	2,923	2,923
Balance on December 31, 2022	$ 131	(10,949)	(10,818)

(16) Loss per share

1. Basic loss per share

The Company’s basic loss per share in 2023 and 2022 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) Net loss attributable to equity holders of the Company’s ordinary shares

	2023	2022
Net loss attributable to equity holders of the Company’s ordinary shares for the current period	$ (110,116)	(110,655)

(2) Weighted average number of outstanding ordinary shares

	2023	2022
Weighted average number of outstanding ordinary shares	71,186	70,186
Basic loss per share (NTD)	$ (1.55)	(1.58)

2. Diluted loss per share

The Company’s diluted loss per share in 2023 and 2022 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, 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)

	2023	2022
Net loss attributable to equity holders of the Company’s ordinary shares (basic)	$ (110,116)	(110,655)
Interest expense on convertible corporate bonds	(Note)	(Note)
Net loss attributable to equity holders of the Company’s ordinary shares (diluted)	$ (110,116)	(110,655)

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

		2023	2022
Weighted average number of outstanding ordinary shares (basic)		71,186	70,186
Effect of conversion of convertible corporate bonds		(Note)	(Note)
Weighted average number of outstanding ordinary shares (diluted)		71,186	70,186
Diluted loss per share (NTD)	$	(1.55)	(1.58)

Note 1: It is not included in the calculation of diluted earnings per share due to its anti-dilution effect.

(17) Income from contracts with customers

1. Details of revenue

The consolidated company's income breakdown is as follows:

		2023	2022
Revenue from customer contracts recognized	$	138,990	340,562
Rental Income (Note)		6,526	8,281
	$	145,516	348,843

Note: International Financial Reporting Standards No. 16 are applicable to the consolidated company's rental Income in 2023 and 2022.

2. Details of revenue

		2023	2022
Main region/market:			
Taiwan	$	138,990	340,562
Main product/service line:			
Housing and land sales	$	138,990	317,353
Service income		-	23,209
	$	138,990	340,562
Contract type:			
Fixed-price contract	$	138,990	340,562
Time point of revenue recognition:			
Transfer of goods or services at a certain time point	$	138,990	340,562

3. Contract balance

		2023.12.31	2022.12.31	2022.1.1
Notes receivable	$	452	6,038	5,760
Accounts receivable		38	8,936	66,845
Less: Allowance for losses		-	(8,280)	(8,689)
	$	490	6,694	63,916

	2023.12.31	2022.12.31	2022.1.1
Contract liability －housing and land sales	$ 226,922	90,290	48,776
Contract liability －prepaid Income	7,000	7,000	4,000
Total	$ 233,922	97,290	52,776

Please refer to Note 6(4) for the information on notes receivable, accounts receivable, and impairment thereof.

The opening balances of contract liabilities of NT$13,920 thousand and NT$34,203 at January 1, 2023 and 2022 were recognized as income in 2023 and 2022, respectively.

The change in contract liabilities is mainly due to the timing difference between the time of the consolidated company's transfer of goods or services to customers to fulfill its contractual obligations (i.e., recognizing contract liabilities as revenue) and the time of payment made by the customers.

(18) Remunerations to employees and directors

According to the Company's Articles of Incorporation, no less than 4% and no more than 4% of any profits for the year should be distributed as employees' remuneration and directors' remuneration, respectively. However, when the Company still has a cumulative deficit, it shall reserve an amount in advance to compensate it. The subjects for the issuance of remunerations may include employees of a holding or subordinate company satisfy certain criteria, and the board of directors is authorized to specify such criteria.

The Company suffered pre-tax losses in 2023 and 2022, so there was no need to estimate the remuneration to employees and directors.

The Company reported accumulated losses in both 2022 and 2021, and hence there was no need to distribute remunerations to employees or directors. Relevant information is available at the Market Observation Post System.

(19) Non-operating Income and expenses

1. Interest income

The consolidated company's interest income is detailed as follows:

	2023	2022
Interest on bank deposits	$ 1,008	207
Imputed interest on security deposits	15	8
Guarantee deposits paid	5,017	3,488
Other interest income	-	4
	$ 6,040	3,707

2. Other income

The consolidated company's other Income are detailed below:

	2023	2022
Management fees income	$ 3,714	3,714
Dividend income	1,294	294
Other income	16,813	1,338
	$ 21,821	5,346

3. Other gains and losses

The consolidated company's other Income and losses are detailed as follows:

	2023	2022
Foreign currency exchange gain	$ 55	-
Net loss on financial assets at fair value through profit or loss	(14,437)	(6,930)
Gain (loss) on fair value adjustment - investment property	2,615	(16,027)
Others (Note 9)	(48,509)	-
	$ (60,276)	**(22,957)**

4. Financial costs

The consolidated company's financial costs are detailed below:

	2023	2022
Interest on bank borrowings	$ 10,327	7,576
Interest on lease liabilities	1,058	1,299
Financial costs	3,618	3,700
Discounted and amortized convertible corporate bonds	9,033	8,756
Less: Capitalized interest	(4,220)	(3,034)
	$ 19,816	**18,297**
Capitalized interest rate	**2.38%~3.08%**	**1.85%~2.78%**

(20) 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

The consolidated company has a wide clientele, without trading significantly concentrated with a single customer. Hence, the credit risk of accounts receivable is not significantly concentrated.

(3) Credit risk of receivables and debt securities

Please refer to Note 6 (4) for credit risk exposure of notes receivable and accounts receivable.

Other financial assets measured at amortized cost include other receivables (other financial assets – current). All the aforesaid financial risks have low credit risks and hence the loss allowance is measured with the 12-month expected credit loss. (Please refer to Note 4 (7) for how the consolidated company determines low credit risks.)

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, 2023								
Non-derivative financial liabilities								
Floating-rate instruments	$	135,000	138,273	2,715	91,920	43,638	-	-
Fixed-rate instruments		293,819	300,000	-	300,000	-	-	-
Non-interest bearing liabilities		38,158	38,158	38,158	-	-	-	-
Lease liabilities		23,449	25,240	3,239	3,609	7,219	11,173	-
	$	490,426	501,671	44,112	395,529	50,857	11,173	-
December 31, 2022								
Non-derivative financial liabilities								
Floating-rate instruments	$	362,782	373,575	5,861	229,485	94,649	43,580	-
Fixed-rate instruments		284,786	300,000	-	-	300,000	-	-
Non-interest bearing liabilities		52,955	52,955	52,955	-	-	-	-
Lease liabilities		30,860	33,748	3,931	3,863	7,302	18,652	-
	$	731,383	760,278	62,747	233,348	401,951	62,232	-

The consolidated company does not expect the timing of cash flows to be significantly early or the amount to be significantly different from the maturity analysis.

3. Interest rate analysis

Interest rate exposure of the consolidated company’s financial assets and financial liabilities is explained in this note on liquidity risk management.

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 consolidated company’s internal reporting to management regarding interest rates is based on 1% increase or decrease. It also represents the management’s assessment of the possible and reasonable range of changes in interest rates.

All other variables being equal, any 1% increase (decrease) in interest rates would result in a decrease (increase) by NT$1,568 and by NT$2,138 thousand in the consolidated company's earnings before tax for 2023 and 2022, respectively. This would be primarily due to the consolidation of company loans in variable interest rates.

4. Information on fair value

(1) Types and fair values of financial instruments

The consolidated company measures recurring fair values of the financial assets at fair value through profit or loss and at fair value through other comprehensive income. The carrying amounts and the fair values of all types of financial assets and financial liabilities are listed below: (including fair value levels) (It is not necessary to disclose fair value information if the carrying amount of a financial instrument is not measured at fair value is a reasonable approximation of fair value and if it is a lease liability.)

	2023.12.31				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Non-derivative financial assets at fair value through profit or loss	$ 73,343	73,343	-	-	73,343

	2023.12.31				
		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	$ 19,718	-	-	19,718	19,718

	2022.12.31				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Non-derivative financial assets at fair value through profit or loss	$ 87,780	87,780	-	-	87,780
Financial assets at fair value through other comprehensive income					
Domestic and foreign unlisted stocks	$ 19,718	-	-	19,718	19,718

(2) Fair value valuation techniques for financial instruments not at fair value

The methods and assumptions used by the consolidated company for the instruments not measured at fair value are as follows:

(2.1) 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.

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

(3.1) 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. Market prices of liquid securities on major exchanges and the prices published by the trading center of central government bonds are the basis for fair values of equity instruments listed on TWSE/TPEx and fixed income instruments with active markets and open quotes.

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.

If there is an active market for financial instruments held by the consolidated company, their fair values are determined with reference to the quoted prices in the 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 there is no active market for the financial instruments held by the consolidated company, the asset-based approach is used for the estimation of fair values of equity instruments without open quoted prices according to different categories and characteristics. The primary assumptions are based on the balance sheet of investees. The estimate has been adjusted for the effect of the discount on the control premium and liquidity of the equity securities.

(4) Transfer between Levels 1 and 2: None

(5) Details of changes in Level 3

	At fair value through other comprehensive income
	Equity instruments without quoted prices
January 1, 2023	$ 19,718
December 31, 2023	$ 19,718
January 31, 2022	$ 17,944
Recognized in other comprehensive income	2,510
Stocks allocated due to liquidation of investee	5,715
Liquidation	(6,451)
December 31, 2022	$ 19,718

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

The consolidated company's level 3 fair value measurements are primarily for financial assets measured at fair value through other comprehensive income – equity securities investment.

Most of the fair values classified as level 3 by the consolidated company only contain single, material and unobservable inputs. Only the equity instruments without an active market depend on multiple material and unobservable inputs. 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	Comparable Listed Company Act	· Marketability Discount (30.00% and 32.30% for 2023.12.31, and 2022.12.31) · Discount on non-controlling interests (1.61% and 1.66% for 2023.12.31 and 2022.12.31)	· The higher the liquidity discount, the lower the fair value · The higher the non-controlling interest discount, the lower the fair value

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	· Marketability Discount (30.00% and 32.30% for 2023.12.31, and 2022.12.31) · Discount on non-controlling interests (6.63% and 6.45% for 2023.12.31 and 2022.12.31)	· The higher the liquidity discount, the lower the fair value · The higher the non-controlling interest discount, the lower the fair value

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

The consolidated company's fair value measurements of financial instruments are reasonable. However, the use of different valuation models or parameters may result in different valuation outcomes. 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:

	Input	Up/down movements	Changes in fair value reflected in other comprehensive income	
			Favorable change	Unfavorable change
December 31, 2023				
Financial assets at fair value through other comprehensive income				
	Non-controlling interest discount	±10%	1,500	(1,500)
	Liquidity discount	±10%	2,817	(2,817)
	Book-to-market multiplier	±10%	572	(572)
December 31, 2022				
Financial assets at fair value through other comprehensive income				
	Non-controlling interest discount	±10%	2,108	(2,108)
	Liquidity discount	±10%	2,913	(2,913)
	Book-to-market multiplier	±10%	572	(572)

The favorable and unfavorable movements referred to by the consolidated company indicate the volatility of fair values. Fair values are calculated with valuation techniques with different levels of 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

(21) Financial risk management

1. Summary

The consolidated company is exposed to the following risks due to the use of financial instruments:

(1) Credit risk

(2) Liquidity risk

(3) Market risk

This note represents the consolidated company's exposure to the aforesaid risks, as well as its target, policy and procedures for measuring and managing these risks. Please refer to individual notes to the consolidated financial statements for further quantitative disclosure.

2. Risk management framework

The board of directors is fully responsible for the establishment and supervision of the consolidated company's risk management structure. The board of directors has fully authorized the management of the development and control of the consolidated company's risk management policy. Management is required to report periodically to the board accordingly.

The consolidated company's risk management policies are put in place to identify and analyze the risks the consolidated company is faced with, set up appropriate risk limits and control, monitor risks and supervise the compliance with risk limits. Risk management policies and systems are periodically reviewed, to reflect market conditions and the change in the consolidated company's operation. The consolidating company develops a disciplined and constructive control environment through training, management guidelines and operational procedures, so that all employees understand their roles and obligations.

The Audit Committee of the consolidating company oversees how management monitors the compliance of risk management policies and procedures and reviews the appropriateness of the consolidating company's risk management structure in relation to risks it faces. Internal auditors assist the Audit Committee of the consolidated company in the oversight. 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

Credit risks are the risks of financial losses due to customers or counterparties in financial instrument transactions unable to fulfill contractual obligations and mainly come from the consolidated company's accounts receivable.

(1) Accounts receivable and other receivables

The internal control system of the consolidated company has established a credit policy. The consolidated company adheres to this policy by individually analyzing new customers and assigning credit ratings before providing standard terms and conditions in payments and delivery. The review and control mechanism of the consolidated company consists of the record of customers' transactions and communication with banks regarding external 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. This limit is reviewed regularly.

The consolidated company has a wide clientele and a diversified geographic market for its construction business. There is no significant concentration in transactions with a single customer. Credit risks of accounts receivable are not significantly concentrated either. Most of the dealings for real estate development and sales are for private individuals. Payment collections are primarily via remittances, checks and mortgage loans. Therefore, relevant credit risks are relatively low.

Meanwhile, the consolidated company adheres to the internal regulations on engineering contracting construction works. The contractors are all reputable companies meeting the requirements for construction techniques. Therefore, the consolidated company can stay on top of construction quality and progress. If necessary, contractors are required to deposit guarantees to ensure construction quality. Other receivables are mainly from land owners and other joint developers. Debtors are assessed to have the repayment capability. Hence, there are no material credit risks with the consolidated company's other receivables.

(2) Investment

The credit risks associated with bank deposits, fixed income investments and other financial instruments are measured and monitored by the finance department of the consolidated company. For transactions and contract performance, the consolidating company deals with reputable banks, financial institutions and companies rated as investment grade and government agencies. Hence, there are no material risks in contract performance or credit risks.

(3) Guarantee

Please refer to Note 13 for the mutual endorsements and guarantees in 2023 and 2022 as required by the contracts between the consolidated company and joint builders for joint investment, construction or development.

4. Liquidity risk

Liquidity risks refer to the risks of the consolidated company being unable to pay in cash or with other financial assets to repay financial liabilities or fulfill relevant obligations. The consolidating company manages liquidity in order to ensure, as much as possible, sufficient and liquid capital to fund debts due in general and stressed circumstances, so that there will be no unacceptable loss or reputation risks to the consolidating company.

For each development project, the consolidating company calculates the cost and the capital required, installment payments from customers before delivery, and construction financing from banks, in order to properly plan for payments and receipts and ensure adequate working capital to fund the debts due. The funding required for project development and construction is partially reliant on bank loans. Upon the ownership transfer to customers, most of the payments are from mortgage loans. Hence, the consolidated company is unlikely to incur material losses or reputation risks.

5. Market risk

Market risks refer to the risks of market price changes (e.g., exchange rates, interest rates, prices of equity instruments) that may affect the consolidated company's Income or values of financial instruments held. 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 consolidated company does not engage in transactions of financial instruments (including derivatives) for the 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 consolidated company's management reviews and controls the optimal blended interest rate of financial liabilities, in order to manage the risks of interest rate fluctuations.

The consolidated company's interest rate risks are mainly from its bank loans. According to the consolidated company's assessment of its business environment, the interest rates over recent years have been relatively stable. Hence, material interest rate risks are unlikely.

(22) Capital management

The objective of capital management by the consolidated company is to ensure operations as a going concern, in order to continue to create returns for shareholders and benefits to other stakeholders, maintain the optimal capital structure and lower the cost of capital.

To maintain or modify its capital structure, the consolidated company may adjust dividends to shareholders, make payments to shareholders to reduce share capital, issue new shares or sell assets to repay debts.

The consolidated company manages and control capital based on the debt to capital 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 consolidated company's capital management strategy in 2023 was largely consistent with 2022: maintenance of the debt to capital ratio to ensure financing at a reasonable cost.

The debt-to-equity ratios as of December 31, 2023 and 2022 were as follows:

		2023.12.31	2022.12.31
Total liabilities	$	763,698	869,715
Less: Cash and cash equivalents		(175,674)	(94,705)
Net liability	$	588,024	775,010
Total equity		774,034	554,269
Adjusted capital	$	1,362,058	1,329,279
Debt-to-equity ratio		43.17%	58.30%

The change in the consolidated company's debt capital ratio on December 31, 2023 resulted from the repayment of short-term borrowings and capital increase in cash.

(23) Financing activities with non-cash transactions

The consolidated company's financing activities with non-cash transactions in 2023 and 2022 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:

				Non-cash movement		
		2023.1.1	Cash flows	Exchange rate change	Others	2023.12.31
Short-term borrowings	$	315,782	(225,782)	-	-	90,000
Long -term borrowings		47,000	(2,000)	-	-	45,000
Corporate bonds payable		284,786	-	-	(Note 1) 9,033	293,819
Lease liabilities		30,860	(7,079)	(332)	-	23,449
Total amount of liabilities from financing activities	$	678,428	(234,861)	(332)	9,033	452,268

				Non-cash movement		
		2022.1.1	Cash flows	Exchange rate change	Others	2022.12.31
Short-term borrowings	$	423,053	(107,271)	-	-	315,782
Long -term borrowings		-	47,000	-	-	47,000
Corporate bonds payable		276,030	-	-	(Note 1) 8,756	284,786
Lease liabilities		36,857	(6,565)	314	(Note 2) 254	30,860
Total amount of liabilities from financing activities	$	735,940	(66,836)	314	9,010	678,428

Note 1: Discounted and amortized convertible corporate bonds

Note 2: New lease liabilities arising from the period.

VII. Related Party Transactions

(I) Name of related party and relations

The related parties who transacted with the consolidated company during the periods covered by these consolidated financial statements are as follows:

Name of related party	Relation with the consolidated 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
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
Chang, Chun-Kuei	A director at the Company
Pucheng Construction Co., Ltd.	Substantive related party

(II) Significant transactions with related parties

1. Purchase of goods from related parties

The consolidated company's purchases from other related parties are as follows:

	2023	2022
Puyuan Advertising Co., Ltd.	$ -	6,500
Pucheng Construction Co., Ltd.	84,802	67,945
Belongs to other related parties	3,143	1,572
	$ 87,945	76,017

The consolidated company's purchase prices from related parties are based on price comparisons and negotiations from both parties and payments according to contract terms and conditions. Please refer to Note 9 for the engineering contracts entered into by the consolidated company and related parties as of December 31, 2023 and 2022.

2. Payables to related parties

Account	Related party category	2023.12.31	2022.12.31
Notes payable	Pucheng Construction Co., Ltd.	$ 9,507	6,561
Accounts payable	Pucheng Construction Co., Ltd.	1,223	8,536
Accounts payable	Puquan Advertising Co., Ltd.	3,291	12,014
Accounts payable	Puyuan Advertising Co., Ltd.	-	5,193
Accounts payable	Puyuan Development Co., Ltd.	1,180	-
Accounts payable	Belongs to other related parties	1,657	847
		$ 16,858	33,151

3. Leases

The consolidated company rented from the related party, Puxu Advertising, in the headquarter office building in November 2021 by signing a five-year lease contract in reference to rentals for offices in the neighborhood area. The interest expenses recognized for 2023 and 2022 were NT$164 and NT$215 thousand as well as NT$256 thousand and NT$40 thousand, respectively. As of December 31, 2023 and 2022, the balances of lease liabilities were NT$7,322 thousand and NT$9,805 thousand, respectively In addition, the guarantee deposits paid due to the above leases as of December 31, 2023 and 2022 were NT$463 thousand.

4. Others

(1) The consolidated company signed real estate agency contracts with Puqun Advertising Co., Ltd., Puyuan Advertising Co., Ltd., and Puquan Advertising Co., Ltd. for marketing of development projects in 2023 and 2022. The agency service fees were recognized as an operating expense for NT$2,391 thousand and NT$7,140 thousand, respectively. The incremental cost for contract acquisitions recognized on December 31, 2023 and 2022 was NT$41,212 thousand and NT$33,850 thousand, respectively.

(2) The consolidated company obtained from Pucheng Construction Co., Ltd. a guarantee check of NT$28,612 thousand as of December 31, 2023 and 2022 for construction and engineering works.

(3) The consolidated company provided the related party Chang Chun-Kuei with interest subsidies of NT$9,272 thousand and NT$3,261 thousand (recognized in prepayments), a guarantee deposits paid of NT$24,500 thousand and NT$24,500 thousand and guarantee notes submitted of NT$24,500 thousand and NT$24,500 thousand, respectively, as of December 31, 2023 and 2022, for the joint development and separate sale of the project on the land at Guishan Hwa-Ya. In addition, it engaged in a joint investment in this construction project with Puyuan Development Co., Ltd. and Pushi Construction Co., Ltd.

(4) The consolidated company and Puyuan Construction Co., Ltd. jointly invested in a construction project in the Mei-Ren section, Songshan District, and jointly integrated and developed an urban renewal project in the Shitan section, Neihu District.

(5) The consolidated company entered into a renovation contract with Puxu Advertising Co., Ltd., a related party, for office renovation, and the price was fully paid as of Q1 2022. The leasehold improvements were recognized as $4,733 thousand.

(III) Transactions with key management personnel

Key management personnel's remuneration includes:

		2023	2022
Short-term employee benefits	$	9,644	9,824

VIII. Assets Pledged

The carrying amounts of the assets pledged by the consolidated company as collateral are detailed below:

Name of asset	Asset pledged as collateral		2023.12.31	2022.12.31
Inventory – construction industry	Short-term borrowings and short-term notes payable	$	557,202	599,528
Other financial assets -current	Reserve account		3,913	2,406
Other financial assets -current	Trust account		112,459	52,104
Investment property	Corporate bonds payable		177,140	159,840
Financial assets at fair value through profit or loss - non-current	Long -term borrowings		73,343	87,780
		$	924,057	901,658

IX. Significant Contingent Liabilities and Unrecognized Commitments

(I) Significant unrecognized commitments:

1. The contracts and commitments not recognized by the consolidated company are as follows:

		2023.12.31	2022.12.31
Signed contracts			
Housing and land sales	$	805,290	756,113
Contracts on solar installations and change of land use and relevant development projects		17,500	17,500
Proceeds received			
Housing and land sales		226,922	90,290
Contracts on solar installations and change of land use and relevant development projects		13,250	13,250

2. The contracting by the consolidated company for engineering works of development projects is as follows:

Payables not yet priced as per contract		2023.12.31	2022.12.31
Non-related party	$	38,251	19,206
Related party		136,601	204,362
	$	174,852	223,568

3. The joint development contracts and joint investment and construction contracts signed by the consolidated company and landowners are as follows:

		Joint construction deposits paid (construction deposits paid)		
Project name or land lot	Joint construction method		2023.12.31	2022.12.31
Xinyi Section, Xinyi District	Joint investment in construction and joint construction and allocation of housing units	$	194,582	198,805
Hwa-Ya Section, Guishan District	Joint investment in construction and joint construction and separate sale		24,500	24,500
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		-	-
Shitan Section, Neihu District	Joint investment in construction and joint construction and allocation of housing units		-	-
		$	219,082	223,305

4. The consolidated company's guarantee notes submitted amounted to NT$24,500 thousand and NT$24,500 thousand as of December 31, 2023 and 2022, respectively, for business requirements.
5. The consolidated 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 consolidated 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.
6. The consolidated company paid a net amount of NT$48,509 thousand and recognized this as prepayment as of December 31, 2022, for authorizing third parties in the integration and disposal of projects under development as well as other relevant matters. In December 2023, the consolidated company evaluated the termination of the development and transferred the aforementioned investment of NT$48,509 thousand into loss, under other gains and losses.

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	2023			2022		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefit expenses						
Salary and wages	-	24,368	24,368	-	23,568	23,568
Labor and health insurance	-	1,633	1,633	-	1,607	1,607
Pension	-	1,136	1,136	-	1,153	1,153
Directors' remuneration	-	3,780	3,780	-	3,960	3,960
Other employee benefit expenses	-	840	840	-	947	947
Depreciation expense	5,429	4,182	9,611	5,439	4,264	9,703
Amortization expense	-	86	86	-	140	140

XIII. Additional Disclosures

(I) Information on significant transactions

The material transactions to be disclosed by the consolidated company in 2023 according to the Regulations Governing the Preparation of Financial Reports by Securities Issuers are 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	Endorsement/ 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	774,034	388,800	388,800	305,446	-	50.23%	1,548,068	N	N	N
0	The Company	Tianyi Construction Co., Ltd.	5	774,034	453,600	453,600	314,567	-	58.60%	1,548,068	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				Highest holding or investment during the period	Remarks
				Number of shares	Carrying amount	Shareholding	Fair value		
The Company	Stock - Eastern Electronics Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	390,921	5,715	0.58 %	5,715	0.58%	
The Company	Stock - Nexcell Battery Co., Ltd.	-	〃	200,000	-	0.20 %	-	0.20%	
The Company	Stock - YAMAY INTERNATIONAL DEVELOPMENT CORP.	-	〃	15	-	- %	-	- %	

Holding company	Type and name of securities	Relations with holding company	Account	End of period				Highest holding or investment during the period	Remarks
				Number of shares	Carrying amount	Shareholding	Fair value		
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	7.50%	
The Company	Stock -Shin Kong Real Estate Management Co., Ltd.	-	“	550,000	1,890	1.67 %	1,890	1.67%	
The Company	Stock - Falcon Machine Tools Co.,Ltd.	-	Financial assets at fair value through profit or loss -non-current	3,850,000	73,343	5.01 %	73,343	5.01%	Pledge

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.
10. Business dealings and important transactions between the parent company and subsidiaries:

No.	Name of the counterparty	Counterparty	Relation with the counterparty	Transactions during 2023			
				Item	Amount	Transaction terms and conditions	As % of total revenues or total assets
0	The Company	Better Life Real Estate Co., Ltd.	1	Operating expenses	5,717	Comparable to the industry level	3.93%
0	The Company	Better Life Green Energy Technology Co., Ltd.	1	Accounts payable	8,459	Comparable to the industry level	0.55%
1	Better Life Real Estate Co., Ltd.	The Company	2	Other income	608	Comparable to the industry level	0.42%
2	Better Life Green Energy Technology Co., Ltd.	The Company	2	Other receivables	8,459	Comparable to the industry level	0.55%

Note 1: indication by numbers

1.0: the parent company

2. Subsidies numbered from 1

Note 2: indication of the relations with counterparties

1. Parent company to a subsidiary
2. Subsidiary to the parent company
3. Subsidiary to a subsidiary

Note 3: offset for the preparation of consolidated financial statements

(II) Information on investees:

The consolidated company’s investees (excluding the investees in China) in 2023 were as follows:

Unit: In Thousand New Taiwan Dollars

Investor	Investee	Region	Principal business	Initial investment amount		Holdings at the end of period			Highest holding or investment during the 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	Solar energy applications	91,000	91,000	9,100,000	100.00%	9,129	100.00%	(374)	(374)	Subsidiaries
The Company	Better Life Real Estate Co., Ltd.	Taiwan	Marketing agency for the sale of real estate	80,000	110,000	8,000,000	100.00%	14,506	100.00%	270	5,377	Subsidiaries
The Company	Better Life Group Travel Service Co., Ltd.	Taiwan	Travel agency	9,000	9,000	-	100.00%	1,715	100.00%	(15)	(15)	Subsidiaries

Note: offset for the preparation of consolidated financial statements

(III) Information on investments in mainland China

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

Unit: NT$ Thousand / Foreign Currency Thousand

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	Highest holding or investment during the period	Investment profit or loss for the 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.	Tourism management service and real estate leasing	35,311 (USD8,975)	(Note 1)	32,240 (Note 2) (USD1,050)	3,071 (Note 2) (USD100)	-	35,311 (Note 2) (USD8,975)	(4,692) (RMB(1,074))	100.00%	100.00%	(4,692) (Note 3) (RMB(1,074))	5,135 (RMB1,187)	-

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.

Note 4: offset for the preparation of consolidated financial statements

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	35,311 (USD8,975)	278,648 (USD9,075)	464,420 (Note 5)

Note 5: Calculation of the limit: The equity value for the specified period, divided by 60%, amounts to NT$774,034 thousand x 60% = (total: NT$464,420 thousand).

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.	21,147,872	21.10%
NOON GLORY MANAGEMENT & TRADING CO., LTD.	7,586,318	7.57%
Liao, Heng-I	6,979,753	6.96%
Sant Law International Corporation	6,043,983	6.03%
Tsai, Hung-Chien	5,921,120	5.91%
Chun Hsin Construction Co., Ltd.	5,090,417	5.08%

XIV. Information on Operating Segments

(I) General information

The consolidated company has two reporting segments described below. These segments are the consolidated company's strategic and operating units. Each strategic and operating unit provides different products and services. They are managed separately because of different techniques and marketing strategies required. The key decision-makers of the consolidated company review the internal management reports of each strategic and operating unit at least on a quarterly basis. The operations of the consolidated company's reporting segments are summarized below:

1. Construction Department: development, construction, letting and sale of residential and other properties
2. Real Estate Agency Department: third-party marketing service for leasing and sale of residential properties

The information and adjustment of the consolidated company's operating segments are as follows:

	2023				
	Construction Department	**Real Estate Agency Department**	**Other departments**	**Adjustment and elimination**	**Total**
Income					
Income from external customers	$ 139,507	-	6,009	-	145,516
Inter-department Income	114	4	720	(838)	-
Interest income	5,928	99	13	-	6,040
Total income	$ 145,549	103	6,742	(838)	151,556
Interest expense	$ 18,917	-	899	-	19,816
Depreciation and amortization	$ 4,268	-	5,429	-	9,697
Share of profit or loss of associates and joint ventures under the equity method	$ 296	-	-	(296)	-
Earnings before tax of reporting segments	$ (104,150)	270	(5,080)	4,810	(104,150)

	2022				
	Construction Department	**Real Estate Agency Department**	**Other departments**	**Adjustment and elimination**	**Total**
Income					
Income from external customers	$ 317,870	18,209	12,764	-	348,843
Inter-department Income	100	22,245	720	(23,065)	-
Interest income	3,667	35	5	-	3,707
Total income	$ 321,637	40,489	13,489	(23,065)	352,550
Interest expense	$ 17,221	-	1,076	-	18,297
Depreciation and amortization	$ 4,403	-	5,440	-	9,843
Share of profit or loss of associates and joint ventures under the equity method	$ 3,397	-	-	(3,397)	-
Earnings before tax of reporting segments	$ (105,124)	7,664	(2,399)	(5,265)	(105,124)

(II) Products and services

Please refer to Note 6 (17) for the consolidated company's products and services that generate income from external customers.

(III) Region

The consolidated company's region information is as follows:

By region		2023	2022
Income from external customers			
Taiwan	$	139,507	341,079
China		6,009	7,764
Total	$	145,516	348,843

By region		2023.12.31	2022.12.31
Non-current assets:			
Taiwan	$	189,193	176,460
China		21,884	27,773
Total	$	211,077	204,233

(IV) Major customers

		2023.12.31	2022.12.31
Customer K of Construction Department	$	61,500	-
Customer L of Construction Department		39,907	-
Customer M of Construction Department		37,583	-
Customer D of Construction Department		-	58,251
Customer E of Construction Department		-	44,710
Customer F of Construction Department		-	44,007
Customer G of Construction Department		-	43,929
Customer H of Construction Department		-	43,733
Customer I of Construction Department		-	41,859
Customer J of Construction Department		-	38,735
Total	$	138,990	315,224

Independent Auditors' Report

To Better Life Group Co., Ltd.,

Audit opinion

We have audited the accompanying balance sheets of Better Life Group Co., Ltd., (the "Company") for the years ended December 31, 2023 and 2022, and January 1, 2022 and the relevant statements of comprehensive income, changes in equity and cash flows for the years then ended, and relevant notes, including a summary of significant accounting policies (collectively referred to as the "parent company only financial statements").

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and January 1, 2022 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 of the Republic of China. Our responsibility under those standards are further described in the paragraph "Auditor's responsibilities for the audit of the parent company only financial statements". We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We 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 refer to the most vital matters in our audit of the parent company only financial statements of the Company for the year ended December 31, 2023, based on our professional judgment. These matters were addressed in our audit of the parent company only financial statements as a whole, and in forming our audit opinion. We do not express a separate opinion on these matters. Key audit matters of the parent company only financial statements of the Company are stated as follows:

I. Inventory valuation

Please refer to Note 4 (7) "inventories" to parent company only financial statements for the accounting policy of the inventory values; please refer to Note 5 to the parent company only financial statements for the uncertainty of accounting estimates and assumptions for the inventory values; please refer to Note 6(5) to parent company only financial statements for details of inventories.

Description:

The Company's inventories are an important asset for operations, accounting for about 40% of its total assets; inventory values are handled in accordance with the International Accounting Standards (IAS) 2. As the net realizable value of the Company's inventory based on Management's estimates of future sales prices and construction costs are susceptible to political and economic circumstances. if the net realizable value is not properly appraised, the financial statements will be misstated. Therefore, the test of inventory values is one of our key audit matters during the audit of the Company's financial statements.

Audit procedures

The audit procedures we have implemented for the specific aspects described in the above-mentioned key audit matters include: Obtained the assessment data of the net realizable value of the Company's inventories and randomly examined the contracts related to property sold, referred to the latest property prices registered with the Ministry of the Interior or obtained the information on transactions of nearby property to evaluate the net realizable value of the property held for sale and the land for construction. In addition, for the net realizable value of the property under construction, obtained and randomly examined the Company's return of investment analysis, compared it with the market conditions, and obtained appraisal reports, if necessary, to evaluate whether the net realizable value of inventories was appropriate.

II. Investment property

On March 16, 2023, the Board of Directors of Better Life Group Co., LTD. resolved to change the measurement of investment property from the cost model to the fair value model from January 1, 2023, and make adjustment to affected items with retrospective application of accounting policies.

For the accounting policies related to the fair value valuation of investment property, please refer to Note 4(9) to the parent company only financial statements and Note (12) Reasons and effects of accounting change. Please refer to Note 5 of the parent company only financial statements for the accounting estimates and assumption uncertainties of the investment properties at fair value; please refer to Note 6(8) of the parent company only financial statements for details of investment property.

Description:

The investment property of the Better Life Group Co., LTD. is an important asset in its operation, and its amount accounts for 12% of the total assets; its accounting treatment is in accordance with the provisions of IAS 40, the initial recognition is measured at cost, and the fair value model is adopted for the subsequent measurement, and the fair value changes are recognized in current profit or loss. The Better Life Group Co., LTD. used the recommendations of the external property appraiser's report as the basis for evaluating the fair value of the investment property, the nearby market conditions quoted in the appraisal report, and the rent of the investment property provided by the Better Life Group Co., LTD. based on the valuation process. The relevant financial information will involve significant judgment and estimation uncertainty. If the assessment of changes in fair value is not appropriate, it may cause misstatement in the financial statements. Therefore, the fair value valuation of the investment property is the important evaluation matters in the audit of the consolidated financial statements of the Better Life Group Co., Ltd..

Audit procedures

- Evaluating the professionalism, objectivity and experience of the real estate appraiser commissioned by Better Life Group Co., LTD. to be responsible for the fair value measurement.
- Review the reasonableness of the significant assumptions adopted in the valuation report, check the lease agreement and compare with relevant market information to assess whether the future cash flow, revenue and discount rate are handled in accordance with the regulations.
- Check the appraisal report with the relevant accounting records to confirm the correctness of the accounting treatment.

Responsibilities of the management and the governing bodies for the 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.

In preparing the parent company only financial statements, the management is responsible for assessing the ability of the Company in continuing as a going concern, disclosing relevant matters, and adopting the going concern basis of accounting unless the management intends to liquidate the Company or cease the operations without other viable alternatives.

The Company’s governing bodies (including the Audit Committee) are responsible for supervising the financial reporting process.

Auditor's responsibilities for the audit of the parent company only financial statements

Our objectives are to obtain reasonable assurance on whether the parent company only financial statements as a whole are free from material misstatement arising from fraud or error and to issue an independent auditors' report. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the auditing standards will always detect a material misstatement when it exists. Untruthful expressions might have been caused by frauds or errors. If the amounts of misstatements, either separately or in aggregate, could reasonably be expected to influence the economic decisions of the users of the parent company only financial statements, they are considered material.

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

1. Identified and assessed the risks of material misstatement arising from fraud or error within the parent company only financial statements; designed and executed countermeasures in response to said risks, and obtained sufficient and appropriate audit evidence 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. Understood the internal control related to the audit in order to design appropriate audit procedures under the circumstances, while not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluated the adequacy of accounting policies adopted by the management and the legitimacy of accounting estimates and related disclosures made.
4. Concluded on the appropriateness of the management's adoption of the going concern basis of accounting based on the audit evidence obtained and whether a material uncertainty exists for events or conditions that may cast significant doubt over the Company's ability to continue as a going concern. If we are of the opinion that a material uncertainty exists, we shall remind users of the parent company only financial statements to pay attention to relevant disclosures in said statements within our audit report. If such disclosures are inadequate, we need 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 cause the Company to cease to continue as a going concern.
5. Evaluated the overall presentation, structure, and content of the parent company only financial statements (including relevant notes), and whether the parent company only financial statements adequately present the relevant 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 the Company.

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).

From the matters communicated with the governing bodies, we determined the key audit matters for the audit of the Company's parent company only financial statements for the year ended December 31, 2023. 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: PAN JIUN MING
CHEN TZUNG JE

Competent Security Authority Approval Document No. : Jin-Guan-Zheng-Shen-Zi #1110333933
Jin-Guan-Zheng-Shen-Zi #1000011652

March 14, 2024

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

December 31, 2023 and 2022 and January 1, 2022

Unit: In Thousand New Taiwan Dollars

		2023.12.31		2022.12.31 (Restated)		2022.1.1 (Restated)	
	Assets	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current assets:						
1100	Cash and cash equivalents (Note 6(1))	$ 160,449	11	53,148	4	34,481	2
1150	Notes receivable, net (Notes 6(4) and (18))	452	-	5,490	-	394	-
1170	Accounts receivable, net (Notes 6(4) and (18))	-	-	171	-	43,050	3
1320	Inventories (for construction industry) (Notes 6(5), 7, 8, and 9)	607,350	40	599,528	44	836,516	55
1410	Prepayments (Notes 6(6), 7, and 9)	30,081	2	67,141	5	61,716	4
1424	Excess business tax paid	17,147	1	17,595	1	20,996	1
1476	Other financial assets - current (Note 8)	129,041	9	55,424	4	29,063	2
1478	Construction deposits paid (Notes 7 and 9)	219,082	14	223,305	16	219,817	14
1480	Incremental cost of obtaining contracts - current (Note 7)	41,212	3	39,244	3	15,472	1
		1,204,814	80	1,061,046	77	1,261,505	82
	Non-current assets:						
1510	Financial assets at fair value through profit or loss - non-current (Note 6(2), (21) and 8)	73,343	5	87,780	6	-	-
1517	Financial assets at fair value through other comprehensive income - non-current (Note 6(3) and (21))	19,718	1	19,718	1	17,944	2
1550	Investments using the equity method (Note 6(7))	30,485	2	57,200	4	53,686	4
1600	Property, plant and equipment (Notes 6(8) and 7)	3,006	-	4,056	-	196	-
1755	Right-of-use assets (Note 6(10))	7,458	-	10,590	1	13,549	1
1760	Net investment property (Notes 6(9) and 8)	177,140	12	159,840	11	174,450	11
1780	Intangible assets	21	-	107	-	163	-
1980	Other financial assets - non-current (Note 7)	1,317	-	1,617	-	1,154	-
		312,488	20	340,908	23	261,142	18
	Total assets	$ 1,517,302	100	1,401,954	100	1,522,647	100

(English Translation of Balance Sheets Originally Issued in Chinese)

Better Life Group Co., Ltd.

Balance Sheets (Continued)

December 31, 2023 and 2022 and January 1, 2022

Unit: In Thousand New Taiwan Dollars

		2023.12.31		2022.12.31 (Restated)		2022.1.1 (Restated)	
	Liabilities and equity	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current liabilities:						
2100	Short-term borrowings (Note 6(11) and 8)	$ 90,000	6	315,782	23	423,053	28
2130	Contract liabilities - current (Notes 6(18) and 9)	226,922	15	90,290	6	48,776	3
2150	Notes payable (Note 7)	9,507	1	6,561	-	6,100	-
2170	Accounts payable (Note 7)	24,649	2	43,217	3	32,142	2
2200	Other payables	7,876	1	9,746	1	7,870	1
2280	Lease liabilities - current (Notes 6 (14) and 7)	2,661	-	3,094	-	2,919	-
2321	Corporate bonds subject to redemption or exercise of sell-back rights within one year or one business cycle (Note 6(13))	293,819	19	-	-	-	-
2322	Long-term borrowings due within one year or one operating cycle (Notes 6(12) and 8)	2,000	-	2,000	-	-	-
2399	Other current liabilities - other (Note 9)	10,728	1	13,944	1	26,928	2
		668,162	45	484,634	34	547,788	36
	Non-current liabilities:						
2530	Corporate bonds payable (Note 6 (13))	-	-	284,786	20	276,030	18
2540	Long-term borrowings (Notes 6(12) and 8)	43,000	3	45,000	3	-	-
2570	Deferred income tax liability (Note 6 (15))	27,104	2	25,591	2	25,591	2
2580	Lease liabilities - non-current (Notes 6 (14) and 7)	5,002	-	7,674	1	11,100	1
	Total liabilities	743,268	50	847,685	60	860,509	57
	Equity (Note 6(16)):						
3110	Common stock	1,001,858	66	1,002,654	72	1,002,654	66
3200	Capital surplus	52,097	3	22,097	2	21,938	1
3310	Legal reserve	4,320	-	4,320	-	4,320	-
3350	Undistributed earnings (or deficit to be compensated)	(273,304)	(18)	(463,984)	(33)	(350,406)	(23)
3400	Other equity interests	(10,937)	(1)	(10,818)	(1)	(16,368)	(1)
	Total equity	774,034	50	554,269	40	662,138	43
	Total liabilities and equity	$ 1,517,302	100	1,401,954	100	1,522,647	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

January 1 to December 31, 2023 and 2022

Unit: In Thousand New Taiwan Dollars

Code	Item	2023 Amount	2023 %	2022 (Restated) Amount	2022 (Restated) %
4000	**Operating income (Note 6(18))**	$ 139,621	100	317,970	100
5000	**Operating costs (Notes 6 (5) and 7)**	137,635	99	327,783	103
	Gross profit(loss)	1,986	1	(9,813)	(3)
6000	**Operating expenses (Notes 6 (14) and 7):**				
6100	Selling expenses	11,493	8	26,585	8
6200	General and administrative expenses	42,648	31	40,663	13
		54,141	39	67,248	21
	Net operating loss	(52,155)	(38)	(77,061)	(24)
	Non-operating income and expenses (Note 6(14), (20), 7 and 9):				
7100	Interest income	5,928	4	3,667	1
7010	Other income	21,026	15	5,051	2
7020	Other gains and losses	(60,328)	(43)	(22,957)	(7)
7050	Financial costs	(18,917)	(14)	(17,221)	(5)
7070	Share of profit or loss of subsidiaries, associates, and joint ventures recognized using equity method (Note 13)	296	-	3,397	1
	Total non-operating income and expenses	(51,995)	(38)	(28,063)	(8)
7900	**Net loss before tax**	(104,150)	(76)	(105,124)	(32)
7950	**Less: Income tax expenses (Note 6(15)**	5,966	4	5,531	2
8200	**Net loss for the period**	(110,116)	(80)	(110,655)	(34)
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	-	-	2,510	1
8349	Less: Income tax related to items not reclassified	-	-	-	-
	Total items that will not be reclassified subsequently to profit or loss	-	-	2,510	1
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	(119)	-	117	-
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	(119)	-	117	-
8300	**Other comprehensive income for the current period**	(119)	-	2,627	1
	Total comprehensive income for the current period	$ (110,235)	(80)	(108,028)	(33)
	Loss per share (Note 6(17))				
9750	**Basic loss per share (NTD)**	$	(1.55)		(1.58)
9850	**Diluted loss per share (NTD)**	$	(1.55)		(1.58)

(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

January 1 to December 31, 2023 and 2022

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, 2022	$ 1,002,654	21,938	4,320	(416,218)	14	(16,382)	596,326
Effects of retrospective restatements	-	-	-	65,812	-	-	65,812
Equity at beginning of period after adjustments	1,002,654	21,938	4,320	(350,406)	14	(16,382)	662,138
Net loss for the period	-	-	-	(110,655)	-	-	(110,655)
Other comprehensive income for the current period	-	-	-	-	117	2,510	2,627
Total comprehensive income for the current period	-	-	-	(110,655)	117	2,510	(108,028)
Changes in other capital surplus	-	159	-	-	-	-	159
Disposal of equity instrument at fair value through other comprehensive income	-	-	-	(2,923)	-	2,923	-
Balance on December 31, 2022 after restatement	1,002,654	22,097	4,320	(463,984)	131	(10,949)	554,269
Net loss for the period	-	-	-	(110,116)	-	-	(110,116)
Other comprehensive income for the current period	-	-	-	-	(119)	-	(119)
Total comprehensive income for the current period	-	-	-	(110,116)	(119)	-	(110,235)
Capital increase by cash	300,000	30,000	-	-	-	-	330,000
Reduction in capital to offset losses	(300,796)	-	-	300,796	-	-	-
Balance as of December 31, 2023	$ 1,001,858	52,097	4,320	(273,304)	12	(10,949)	774,034

(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

January 1 to December 31, 2023 and 2022

Unit: In Thousand New Taiwan Dollars

		2023	2022 (Restated)
Cash flow from operating activities:			
Net loss before tax for the current period	$	(104,150)	(105,124)
Adjustments:			
Income and expenses			
Depreciation expense		4,182	4,263
Amortization expense		86	140
Net loss on financial assets and liabilities at fair value through profit or loss		14,437	6,930
Interest expense		18,917	17,221
Interest income		(5,928)	(3,667)
Dividend income		(1,294)	(294)
Share of profit of subsidiaries, associates, and joint ventures recognized using equity method		(296)	(3,397)
Loss (gain) on fair value adjustment of investment property		(2,615)	16,027
Other losses		48,509	-
Total income and expenses		75,998	37,223
Changes in assets/liabilities related to operating activities:			
Net change in assets related to operating activities:			
Financial assets at fair value through profit or loss		-	(94,710)
Notes receivable		5,038	(5,096)
Accounts receivable		171	42,879
Inventories		(3,602)	240,022
Prepayments		(11,001)	(2,024)
Other financial assets		(72,110)	(29,845)
Construction deposits paid		4,223	(3,488)
Incremental cost of obtaining contracts		(1,968)	(23,772)
Total net change in assets related to operating activities		(79,249)	123,966
Net change in liabilities related to operating activities:			
Contract liabilities		136,632	41,514
Notes payable		2,946	461
Accounts payable		(18,568)	11,075
Other payables		(1,873)	1,979
Non-current liabilities		(3,216)	(12,984)
Total net change in liabilities related to operating activities		115,921	42,045
Total net change in assets and liabilities related to operating activities		36,672	166,011
Total adjustments		112,670	203,234
Cash inflow from operations		8,520	98,110
Interest received		5,928	3,667
Dividend received		1,294	294
Interest paid		(14,101)	(11,602)
Income tax paid		(4,453)	(5,531)
Net cash flows generated from (used in) operating activities		(2,812)	84,938

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

Better Life Group Co., Ltd.

Statements of Cash Flows (Continued)

January 1 to December 31, 2023 and 2022

Unit: NTD thousands

	2023	2022 (Restated)
Cash flow from investing activities:		
Financial assets (payment returned due to capital reduction) at fair value through other comprehensive income - non-current	-	736
Acquisition of investment using the equity method	(3,108)	-
Refunds from capital reduction of the invested company under the equity method	30,000	-
Acquisition of property, plant and equipment	-	(4,910)
Guarantee deposits paid	300	(463)
Acquisition of intangible assets	-	(84)
Acquisition of investment property	(14,685)	(1,417)
Other financial assets	(1,507)	3,484
Net cash inflows (outflows) from investing activities	11,000	(2,654)
Cash flow from financing activities:		
Decrease in short-term borrowings	(225,782)	(107,271)
New long-term borrowings	-	47,000
Repayment of long-term borrowings	(2,000)	-
Lease principal repaid	(3,105)	(3,505)
Capital increase by cash	330,000	-
Other financing activities	-	159
Net cash inflows (outflows) from financing activities	99,113	(63,617)
Increase in cash and cash equivalents in the current period	107,301	18,667
Balance of cash and cash equivalents at the beginning of the period	53,148	34,481
Balance of cash and cash equivalents at the end of the period	$ 160,449	53,148

(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, 2023 and 2022
(NTD thousands unless otherwise specified)

I. Organization and Operations

Better Life Group Co., Ltd. (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 on July 24.

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

These parent company only financial statements were approved and published by the board of directors on March 14, 2024.

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, 2023, which has not caused a material impact on the standalone financial statements.

- Amendments to IAS 1, “Disclosure of Accounting Policies”
- Amendments to IAS 8, “Definition of Accounting Estimates”
- Amendments to IAS 12, “Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction”

The subsequent updates to International Financial Reporting Standards have been implemented by the parent company only company since May 23, 2023, with no substantial effect on the parent company only financial statements.

- Amendments to IAS 12 'International Tax Reform - Pillar Two Model Rules”

(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, 2024, which will not cause a material impact on the standalone financial statements.

- Amendments to IAS 1 “Classification of liabilities as current or non-current”
- Amendments to IAS 1 “Liabilities with covenants”
- Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
- Amendments to IFRS 16, “Lease Liability of After-sale and Leaseback”

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

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

- Amendments to IFRS 10 and IAS 28, "Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture"
- IFRS 17, "Insurance Contracts" and Amendments to IFRS 17
- Amendment to IAS 21 "Lack of Exchangeability"

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 accounting changes explained in Note 4(20), the following accounting policies have been consistently applied to all the reporting periods in these parent company only financial statements.

(I) Statement of compliance

The standalone 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

The parent company only financial statements were prepared at historical cost except the important items in the balance sheet below:

(1) Financial assets at fair value through profit or loss that are measured at fair value

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

(3) Investment property measured at fair value

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

The Company adopts consistent accounting treatments based on settlement days for all the financial assets classified in the same way and purchased or sold at an arm's length.

Financial assets are classified as financial assets at amortized cost, financial assets at fair value through profit or loss, 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

The investment in debt instruments meeting the following conditions and not designated at fair value through profit or loss are measured at fair value through other comprehensive income.

· Financial assets are held for the purpose of collecting contracted cash flows and for sale.
· The cash flows on specific dates specified in the contractual terms are solely payments for the principal and interest on the principal amount outstanding.

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) Financial assets at fair value through profit or loss

Financial assets (e.g., financial assets held for trading or managed at fair value with performance assessed), which are not measured at amortized cost or are measured at fair value through other comprehensive income as above, are measured at fair value through profit or loss, including derivative financial assets. Upon initial recognition, to eliminate or significantly reduce accounting mismatch, the Company may irrevocably designate the financial assets that meet the criteria for being measured at amortized cost or at fair value through other comprehensive income as at fair value through profit or loss.

Such assets are subsequently measured at fair value, and the net gain or loss (including any dividend and interest income) is recognized in profit or loss.

(4) Impairment of financial assets

The Company recognizes an allowance for losses on financial assets measured at amortized cost (including cash and cash equivalents), note receivables, accounts receivables, other receivables, refundable deposits and other financial assets) and expected credit losses on contract assets.

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 a 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.

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. Based on their experience, it is impossible to collect the overdue amount from corporate accounts after 360 days.

(5) 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 standalone financial statements, the Company adopts the equity method 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 standalone 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 standalone 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 properties are initially measured at cost and subsequently measured at fair value, and any changes are recognized in profit or loss.

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.

(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.

(13) 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.

An impairment loss is recognized immediately in profit or loss. The carrying amount of goodwill for the cash-generating unit is reduced first. Then the carrying amounts of other assets in the cash-generating unit are reduced pro rata.

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

·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 at the reporting date. Temporary differences arising from the circumstances below are not recognized in deferred tax:

1. Assets or liabilities originally recognized in a transaction that is not a business merger, and at the time of the transaction (i) does not affect accounting profits and taxable income (loss) and (ii) does not generate equivalent taxable and deductible temporary difference;
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. The potential dilutive ordinary shares of the Company include convertible corporate bonds.

(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.

(XX) Reasons and effects of accounting changes

The management of the Company evaluated that in order to more reasonably reflect the value and performance of investment properties, so that financial statements provide reliable and more relevant information on the impact of relevant transactions on the Company's financial position, financial performance or cash flow, on March 16, 2023, its Board of Directors resolved and approved that starting January 1, 2023, the Company changed the subsequent measurement of investment property from the cost model to the fair value model.

According to provisions of the IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, this accounting policy should be applied retrospectively. The comparative information after the restatement and the impact of changes in accounting policies on the 2022 parent company only financial report of the Company is explained as follows:

2022.1.1 Balance Sheets		Carrying Amount Before Restatement	Impact of Change in Accounting Policy	Restated Carrying Amount
Investment property	$	83,047	91,403	174,450
Deferred income tax liabilities		-	25,591	25,591
Retained earnings		(416,218)	65,812	(350,406)

2022.12.31 Balance Sheets		**Carrying Amount Before Restatement**	**Impact of Change in Accounting Policy**	**Restated Carrying Amount**
Investment property	$	84,464	75,376	159,840
Deferred income tax liabilities		-	25,591	25,591
Retained earnings		(513,769)	49,785	(463,984)

Statements of Comprehensive Income	2022 Amount reported before restatement	Impact of Change in Accounting Policy	Reported amount after restatement
Fair value adjustment loss	$ -	(16,027)	(16,027)

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

When preparing these parent company only financial statements, management must make judgements, estimates and assumptions. Such judgements, estimates and assumptions have influence on the adoption of accounting policies and the reported numbers of assets, liabilities, Income and expenses. 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: None.

The substantial risk of substantial adjustments to the asset and liability balances in the subsequent fiscal year is introduced by the substantial uncertainty surrounding the following assumptions and estimates. Considerable information is presented below:

(I) Inventory

Inventory is recognized at the lower of costs or net realizable values. The Company evaluates the net realizable value of inventory on the reporting date based on estimates of future selling prices and construction costs, subject to the influence of political and economic environments. Therefore, the net realizable value may experience material changes. Please refer to Note 6(5) for details of inventory valuation.

(II) Fair value of investment property

The subsequent measurement of the investment properties of the Company is evaluated by the discounted cash flow analysis method under the income approach, and Level 3 inputs are used in the fair value valuation technique.

Valuation process

The Company's accounting policies and disclosures include the adoption of fair value to measure its financial and non-financial assets and liabilities. Among them, the Finance Department is 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: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
* Level 2: 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 that are not based on observable inputs (unobservable inputs) for the asset or liability.

Transfer policy between levels

If there is a transfer event or situation between the levels of fair value, the Company will recognize the transfer on the reporting date.

Further information on assumptions adopted to measure fair value

Please refer to the following notes for relevant information on the assumptions adopted to measure the fair value:

(I) Note 6(9), Investment property

(II) Note 6(21), Financial Instruments

VI. Summary of Significant Accounting Items

(I) Cash and cash equivalents

		2023.12.31	2022.12.31
Cash on hand	$	142	142
Demand deposit		160,305	53,002
Checking deposit		2	4
Cash and cash equivalents listed in the statements of cash flows	$	160,449	53,148

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

(II) Financial assets at fair value through profit or loss

		2023.12.31	2022.12.31
Financial assets at fair value through profit or loss:			
Non-derivative financial assets			
TWSE/TPEx listed stocks	$	73,343	87,780

1. The Company participated in Falcon Machine Tools Co., Ltd.'s public offering to acquire 5.01% of its shares, or a total of 3,850,000 shares, in August 2022 in the amount of NT$94,710 thousand, and the transfer of shares was completed on August 19, 2022.
2. Please refer to Note 8 for details of the financial assets at fair value through profit or loss, which were pledged by the Company as collateral as of December 31, 2023 and 2022.

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

		2023.12.31	2022.12.31
Equity instrument at fair value through other comprehensive income:			
Domestic unlisted stock - Eastern Electronics Co., Ltd.	$	5,715	5,715
Domestic unlisted stock - Shin Kong Real Estate Management Co., Ltd.		1,890	1,890
Foreign unlisted stock - World Join International Ltd.		12,113	12,113
Total	$	19,718	19,718

1. 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.

2. Tech Alliance Corp. and Technology Associates Corporation invested by the Company were dissolved and liquidated per resolution rendered by the annual shareholders meeting on November 9, 2021. Meanwhile, May 24, 2022 was set as the date of completion of the liquidation and distribution of residual property. As a result, the stock payments, NT$410 thousand and NT$326 thousand, were returned to the company, and the company received 391,000 shares allocated from Eastern Electronics Co., Ltd. The fair value of said liquidated and derecognized financial assets was measured as NT$6,451 thousand based on the cash and stocks as allocated. The accumulated liquidation losses totaled NT$2,923 thousand. Therefore, the liquidation losses have been transferred from other equity interests to retained earnings.
3. Please refer to Note 6 (21) for market risk information.
4. The Company's above financial assets have not been pledged as collateral.

(IV) Notes and accounts receivable

	2023.12.31	2022.12.31
Notes receivable - from operations	$ 452	5,490
Accounts receivable at amortized cost	-	4,383
Less: Allowance for losses	-	(4,212)
	$ 452	5,661

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:

	2023.12.31		
	Carrying amounts of notes and accounts receivable	**Weighted average expected credit loss rate**	**Allowance for lifetime expected credit losses**
Not past due	$ 452	-	-

	2022.12.31		
	Carrying amounts of notes and accounts receivable	**Weighted average expected credit loss rate**	**Allowance for lifetime expected credit losses**
Not past due	$ 5,661	-	-
Overdue for more than 360 days	4,212	100%	4,212
	$ 9,873		4,212

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

	2023	2022
Opening balance	$ 4,212	4,212
The irrecoverable amount written off in the current year	(4,212)	-
Ending balance	$ -	4,212

None of the Company's notes receivable and accounts receivables was pledged for collateral as of December 31, 2023 and 2022.

(V) Inventories

		2023.12.31	2022.12.31
Construction business:			
Buildings and land held for sale	$	173,392	311,027
Construction in progress		383,810	288,501
Land held for construction site		50,148	-
	$	607,350	599,528
Inventory expected to be recovered after more than 12 months	$	207,848	288,501

The details of operating costs are as follows:

		2023	2022
Buildings and land held for sale reclassified after sold	$	142,543	315,267
Loss (gain on reversal) on decline in value of inventories		(4,908)	12,516
	$	137,635	327,783

1. In 2023 and 2022, please refer to Note 6(20) for information on the Company's interest capitalization.
2. Please refer to Note 8 for the Company's pledges on inventory as collateral as of December 31, 2023 and 2022.

(VI) Prepayments

		2023.12.31	2022.12.31
Construction business - Sample house interior design cost	$	-	8,124
Construction business - Pre-construction development costs		28,011	57,249
Others		2,070	1,768
	$	30,081	67,141

(VII) Investment using the equity method

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

		2023.12.31	2022.12.31
Subsidiaries	$	30,485	57,200

1. Please refer to the 2023 consolidated financial statements for information on subsidiaries.
2. As of December 31, 2023 and 2022, the Company's investments using the equity method were not pledged as collateral.

(VIII) Property, plant and equipment

The details of the changes in cost, depreciation, and impairment losses of the Company's property, plant and equipment in 2023 and 2022 are as follows:

		Land	Leasehold improvements	Other equipment	Total
Cost or deemed cost:					
Balance on December 31, 2023 (i.e. beginning balance)	$	5,382	4,910	205	10,497
Balance on January 1, 2022	$	5,382	-	205	5,587
Addition		-	4,910	-	4,910
Balance on December 31, 2022	$	5,382	4,910	205	10,497
Depreciation and impairment losses:					
Balance on January 1, 2023	$	5,382	982	77	6,441
Depreciation for the current period		-	982	68	1,050
Balance on December 31, 2023	$	5,382	1,964	145	7,491
Balance on January 1, 2022	$	5,382	-	9	5,391
Depreciation for the current period		-	982	68	1,050
Balance on December 31, 2022	$	5,382	982	77	6,441
Book value:					
December 31, 2023	$	-	2,946	60	3,006
December 31, 2022	$	-	3,928	128	4,056
January 31, 2022	$	-	-	196	196

1. As of December 31, 2023 and 2022, none of the Company's property, plant and equipment was provided as collateral.

(IX) 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 24 years. At the end of a lease term, the Company will negotiate subsequent lease terms with a lessee.

The change in the Company's investment properties is as follows:

		Land and improvements
Cost or deemed cost:		
Balance on January 1, 2023 after restatement	$	159,840
Addition		14,685
Net gain due to fair value adjustment		2,615
Balance on December 31, 2023	$	177,140

	Land and improvements
Balance on January 1, 2023 after restatement	$ 174,450
Addition	1,417
Net loss due to fair value adjustment	(16,027)
Balance on December 31, 2022 (after restatement)	$ 159,840
Carrying amount:	
December 31, 2023	$ 177,140
December 31, 2022 (after restatement)	$ 159,840
January 1, 2022 (after restatement)	$ 174,450

Level 3 inputs are used in the valuation technique of subsequent measurement of the fair value of the investment properties of the Company. For the adjustment between the opening and ending carrying amounts in Level 3, please see the schedule of changes shown above. There are circumstances of transfer in or out of the Level 3 fair value hierarchy in the period.

The subsequent measurement of the investment properties of the Company is evaluated by the discounted cash flow analysis method under the income approach, and the relevant important contract terms and valuation information are as follows:

1. December 31, 2023

Property	Land in Toufen City in Miaoli County
Important contract terms	1. Rent: Construction period: NT$500 thousand/year Operation period (1 to 10 years): 2% of the total electricity sales revenue Operation period (11 to 20 years): 6% of the total electricity sales revenue 2. Lease period: 24 years
Current status	Development in progress
Discount rate	3.720%
External or in-house appraisal	External appraisal
Appraisal company	DTZ Cushman & Wakefield Real Estate Appraiser Office
Name of appraiser	Chun-Chun Hu, Chang-Da Yang
Date of appraisal	December 31, 2023
Fair value of external appraisal	$177,140

2. December 31, 2022

Property	Land in Toufen City in Miaoli County
Important contract terms	1. Rent: Construction period: NT$500 thousand/year Operation period (1 to 10 years): 2% of the total electricity sales revenue Operation period (11 to 20 years): 6% of the total electricity sales revenue 2. Lease period: 24 years
Current status	Development in progress
Discount rate	3.595%
External or in-house appraisal	External appraisal
Appraisal company	DTZ Cushman & Wakefield Real Estate Appraiser Office
Name of appraiser	Chun-Chun Hu, Chang-Da Yang
Date of appraisal	January 1, 2023
Fair value of external appraisal	$159,840

3. January 1, 2022

Property	Land in Toufen City in Miaoli County
Important contract terms	1. Rent: Construction period: NT$500 thousand/year Operation period (1 to 10 years): 2% of the total electricity sales revenue Operation period (11 to 20 years): 6% of the total electricity sales revenue 2. Lease period: 24 years
Current status	Development in progress
Discount rate	2.97%
External or in-house appraisal	External appraisal
Appraisal company	DTZ Cushman & Wakefield Real Estate Appraiser Office
Name of appraiser	Chun-Chun Hu, Chang-Da Yang
Date of appraisal	January 1, 2023
Fair value of external appraisal	$174,450

The valuation of the fair value of the investment properties and the changes and decisions of cash inflows and cash outflows in each period in the future are based on the principles of the contract related to the signing of the lease above, and the relevant information is as follows:

(1) Actual rent and the annual growth rent of rent

During the construction period, the income is based on the rent specified in the contract. During the operation period, we apply to Taiwan Power Corporation for the installed capacity of 10MW on the appraised property, based on the average annual power generation of 1,191 kWh from power generation equipment in Miaoli County in 2022, and the 2023 average bulk purchase rate at NT$3.935/kWh for ground-mounted solar equipment announced by the Bureau of Energy of the Ministry of Economic Affairs, added 15% for the subsidies in regions north of Miaoli to calculate the total electricity sales revenue.

With respect to the increase in revenue from electricity sales, the bullk purchase rate of the appraised property adopts the ceiling rate for the establishment permit of the power generation operators based on the "2023 Renewable Energy Electricity Bulk Purchase Rate and the Calculation Formula", and the rate is for the bulk purchase for 20 years, so there is no increase in electricity price.

(2) Estimation of discount rate

The discount rate is determined by the risk premium method, which takes into account factors such as banks' time deposit interest rates, the government's bond interest rates, risks of real estate investments, currency changes and trends of price changes in real properties to select the investment rate of return for general financial instruments, adjusted by the differences in the investment instruments and individual characteristics of the properties. The discount rate is based on Chunghwa Post's two-year postal time deposit variable rate plus excess-3 interest rate on December 31, 2023 and 2022, and January 1, 2022, of 2.345%, 2.220% and 1.595%, respectively, and takes into account the property's income, liquidity, risk, value appreciation and the degree of difficulty in terms of management. The risk premium was added to determine the discount rates of 3.720%, 3.595% and 2.97%, respectively.

(3) Estimation of ending disposal value

The proceeds of real property disposal at the end of the period on December 31, 2023 and 2022, and January 1, 2022 were NT$8,101 thousand per year, NT$5,390 thousand per year, and NT$5,390 thousand per year, respectively, and the calculated ending real property disposal prices were NT$337,624 thousand, NT$276,394 thousand and NT$276,394 thousand, respectively.

(4) The abovementioned fair value valuation techniques and significant unobservable inputs are explained in the following table:

Fair value valuation technique	**Significant unobservable input**	**Relationship between significant unobservable input and fair value evaluation**
The discounted cash flow analysis (DCF) using the income approach is adopted to evaluate the contractual rent provided by the consolidated company. Discounted cash flow analysis using the income approach: Refers to the method of estimating the price of the appraised property by summing up the net income of each period and ending value of future discounted cash flow after discounting at an appropriate discount rate. The method is applicable to valuation of real properties for investment purpose.	* Risk-adjusted discount rate on 2023.12.31: 3.720% 2022.12.31：3.595% 2022.1.1: 2.97%	The estimated fair value would increase (or decrease) if: · The risk-adjusted discount rate decreases (increases).

4. Please refer to Note 8 for details of the Company's investment property pledged as collateral.
5. Ownership transfer and acquisition of certain agricultural land is only possible after the change of land use according to law. Hence, some land was registered under personal names. 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.

(X) 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:

		Buildings	Transportation equipment	Office equipment	Total
Cost of right-of-use assets:					
Balance on January 1, 2023	$	13,198	1,361	225	14,784
Decrease		-	(1,361)	(225)	(1,586)
Balance on December 31, 2023	$	13,198	-	-	13,198
Balance on January 1, 2022	$	13,198	1,107	225	14,530
Addition		-	254	-	254
Balance on December 31, 2022	$	13,198	1,361	225	14,784
Depreciation and impairment losses of right-of-use assets:					
Balance on January 1, 2023	$	3,100	914	180	4,194
Depreciation		2,640	447	45	3,132
Decrease		-	(1,361)	(225)	(1,586)
Balance on December 31, 2023	$	5,740	-	-	5,740
Balance on January 1, 2022	$	460	384	137	981
Depreciation		2,640	530	43	3,213
Balance on December 31, 2022	$	3,100	914	180	4,194
Book value:					
December 31, 2023	$	7,458	-	-	7,458
December 31, 2022	$	10,098	447	45	10,590
January 31, 2022	$	12,738	723	88	13,549

(XI) Short-term borrowings

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

		2023.12.31	2022.12.31
Secured bank borrowings	$	90,000	315,782
Facilities not yet drawn	$	273,414	352,028
Interest rate range		2.63%	2.51%~2.94%

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

(XII) Long -term borrowings

The Company’s long-term borrowings are as follows:

		2023.12.31	2022.12.31
Secured bank loan- Due in August 2025	$	45,000	47,000
Less: Current portion		(2,000)	(2,000)
Total	$	43,000	45,000
Facilities not yet drawn	$	-	-
Interest rate range		2.41%	2.19%

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

(XIII) Corporate bonds payable

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

		2023.12.31	2022.12.31
Amount of ordinary corporate bonds issued	$	300,000	300,000
Unamortized balance of discounted corporate bonds payable		(6,181)	(15,214)
Cumulative amount of redemption		-	-
Cumulative amount of conversion		-	-
Less: Portion due within one year or one operating cycle		(293,819)	-
Balance of corporate bonds payable at the end of the period	$	-	284,786

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.
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$20.9

(XIV) Lease liabilities

The Company's lease liabilities are as follows:

		2023.12.31	2022.12.31
Current	$	2,661	3,094
Non-current	$	5,002	7,674

Please refer to Note 6 (21) Financial Instruments for maturity analysis.

The amounts recognized in profit or loss are as follows:

		2023	2022
Interest expense on lease liabilities	$	177	244
Expense on short-term leases	$	470	328

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

		2023	2022
Total cash outflow from leases	$	3,752	4,077

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.

(XV) Income tax

1. Income tax expense

The details of the Company's income tax expenses for 2023 and 2022 are as follows:

		2023	2022
Current income tax expense			
Land value increment tax	$	4,453	5,531
Deferred tax expense			
Occurrence and reversal of temporary difference		1,513	-
Income tax expense	$	5,966	5,531

The adjustments of the Company's income tax expenses and earnings before tax for 2023 and 2022 are as follows:

		2023	2022
Net loss before tax	$	(104,150)	(105,124)
Income tax calculated at the domestic tax rate where the Company is located		(20,830)	(21,025)
Land value increment tax		4,453	5,531
Book-tax difference		2,885	748
Tax-exempt income		(318)	(679)
Book-tax difference in capitalized interest		149	947
Current tax losses on unrecognized deferred tax assets		18,968	12,788
Changes in unrecognized temporary differences		659	7,221
Total	$	5,966	5,531

2. Deferred tax assets

Unrecognized deferred tax assets

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

		2023.12.31	2022.12.31
Deductible temporary differences	$	3,890	4,744
Tax loss		104,910	110,091
	$	108,800	114,835

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, 2023, 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 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
Approved amount in 2020		40,580	2030
Approved amount in 2021		46,718	2031
Amount filed in 2022		5,971	2032
Estimated amount in 2023		94,839	2033
	$	524,552	

(2) Recognized deferred income tax liabilities

2023 and 2022 changes in deferred income tax liabilities are as follows:

	Reserve for land increment tax
Deferred income tax liabilities:	
Balance on January 1, 2023 after restatement	$ 25,591
Debit income statement	1,513
Balance on December 31, 2023 (after restatement)	$ 27,104
Balance on January 1, 2023 after restatement	$ 25,591
Balance on December 31, 2022 (after restatement)	$ 25,591

3. The Company's business income taxes were assessed by the tax authority up to the year 2021.

(XVI) Capital and other interests

The total amount of the Company's authorized capital as of December 31, 2023 and 2022 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$1,001,858 and NT$1,002,654, respectively, and all the capital funds for the outstanding shares have been received.

1. Issue of ordinary shares

The following are the reconciliation in the number of outstanding shares of the company in 2023 and 2022:

	Common stock	
(in thousand)	**2023**	**2022**
Number of outstanding shares issued as of January 1	100,265	100,265
Add: Capital increase in cash	30,000	-
Less: Reduction in capital to offset losses	(30,079)	-
Number of outstanding shares issued as of December 31	100,186	100,265

On June 21, 2023, the Company's general 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. Furthermore, the general shareholders' meeting dated June 30, 2022 resolved that the amount of capital increase in cash through a private placement which has not yet been executed would not be executed any longer.

A capital reduction of NT$300,796 thousand was approved by the Company's shareholders at a meeting on June 21, 2023, with the intention of enhancing its financial structure and compensating for losses. The aforementioned case was approved and subsequently implemented following its submission to the Taiwan Stock Exchange. In addition to finalizing all statutory registration requirements, the capital reduction base date is set for July 31, 2023.

Additionally, on August 9, 2023, the Company adopted a resolution of the Board of Directors to increase cash capital by 30,000 thousand shares of common stock, issuance price at NT$11 per share. This case has been granted approval and entered into force after its submission to the Financial Supervisory Commission. On December 19, 2023, the relevant statutory registration procedures were completed.

2. Capital surplus

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

		2023.12.31	2022.12.31
Common stock premium	$	30,000	-
Gain on disposal of assets		110	110
Stock options - issue of convertible corporate bonds		21,828	21,828
Others		159	159
	$	52,097	22,097

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.

The Company recalled the stock dividends which shareholders failed to claim within the specific time limit and recognized the capital surplus, NT$159 thousand, in May 2022.

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) Special reserve

The Company chose the fair value model for the subsequent measurement of the investment property booked in the book. According to the regulations of the Financial Supervisory Commission, for the net increase in fair value measured by the fair value model for the first time, the same amount of special reserve was provided. However, on the conversion date, in order to make up for the deficit, the special reserve may be exempted according to the regulations. Subsequently, the Company may be exempted from the provision of this part of the special reserve. When the Company distributes the distributable earnings each year, the special reserve shall be appropriated in the following order:

For the net increase in fair value due to the continuous adoption of the fair value model for the subsequent accounting of investment property in the current year, the net increase in the current period net profit after tax plus the item other than the undistributed earnings should be set aside as special reserves in the same amount. If it is a net increase accumulated in the fair value in the previous period, the special reserve shall be set aside in the same amount from the undistributed earnings of the previous period and shall not be distributed. When the cumulative net increase listed in investment property decreases or is disposed of, a reversal of earnings distribution may be made for the decreased portion or according to the disposal situation.

For the difference between the net amount debited to the other shareholders' equity in the current year and the balance of the special reserve provided in the preceding paragraph, the items other than the net profit after tax of the current period plus the unappropriated earnings of the current period and the prior undistributed surplus make up the provision of the special reserve. For the deduction amount of other shareholders' equity in the previous period, special reserves shall be set aside from undistributed earnings in the previous period and shall not be distributed. If the amount debited to other shareholders' equity is reversed afterwards, the reversed amount may be distributed as earnings.

(3) Earnings distribution

The general shareholders' meeting of the Company reached resolution on the 2022 and 2021 proposal for compensation of losses on June 21, 2023 and June 30, 2022, respectively.

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, 2023	$ 131	(10,949)	(10,818)
Share of exchange difference on translation from subsidiaries using the equity method	(119)	-	(119)
Balance on December 31, 2023	**$ 12**	**(10,949)**	**(10,937)**
Balance on January 1, 2022	$ 14	(16,382)	(16,368)
Share of exchange difference on translation from subsidiaries using the equity method	117	-	117
Unrealized profit or loss from financial assets measured at fair value through other comprehensive income	-	2,510	2,510
Disposal of equity instrument at fair value through other comprehensive income	-	2,923	2,923
Balance on December 31, 2022	**$ 131**	**(10,949)**	**(10,818)**

(XVII) Loss per share

1. Basic loss per share

The Company's basic loss per share in 2023 and 2022 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) Net loss attributable to equity holders of the Company's ordinary shares

	2023	2022
Net loss attributable to equity holders of the Company's ordinary shares for the current period	$ (110,116)	(110,655)

(2) Weighted average number of outstanding ordinary shares

	2023	2022
Weighted average number of outstanding ordinary shares	71,186	70,186
Basic loss per share (NTD)	$ (1.55)	(1.58)

2. Diluted loss per share

The Company's diluted loss per share in 2023 and 2022 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, 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)

	2023	2022
Net loss attributable to equity holders of the Company's ordinary shares (basic)	$ (110,116)	(110,655)
Interest expense on convertible corporate bonds	(Note)	(Note)
Net loss attributable to equity holders of the Company's ordinary shares (diluted)	$ (110,116)	(110,655)

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

	2023	2022
Weighted average number of outstanding ordinary shares (basic)	71,186	70,186
Effect of conversion of convertible corporate bonds	(Note)	(Note)
Weighted average number of outstanding ordinary shares (diluted)	71,186	70,186
Diluted loss per share (NTD)	$ (1.55)	(1.58)

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

	2023	2022
Revenue from customer contracts recognized	$ 138,990	317,353
Rent income	631	617
	$ 139,621	317,970

2. Details of revenue

	2023	2022
Main region/market:		
Taiwan	$ 138,990	317,353
Main product/service line:		
Product sales (sales of property)	$ 138,990	317,353
Contract type:		
Fixed-price contract	$ 138,990	317,353
Time point of revenue recognition:		
Goods and services transferred at a point in time	$ 138,990	317,353

3. Contract balance

	2023.12.31	2022.12.31	2022.1.1
Notes receivable	$ 452	5,490	394
Accounts receivable	-	4,383	47,262
Less: Allowance for losses	-	(4,212)	(4,212)
	$ 452	**5,661**	**43,444**
Contract liabilities -Sales of property	**$ 226,922**	**90,290**	**48,776**

Please refer to Note 6(4) for the information on notes receivable, accounts receivable, and impairment thereof.

The opening balances of contract liabilities of NT$13,920 thousand and NT$30,203 at January 1, 2023 and 2022 were recognized as income in 2023 and 2022, respectively.

The change in contract liabilities is mainly due to the timing difference between the time of the Company's transfer of goods or services to customers to fulfill its contractual obligations (i.e., recognizing contract liabilities as revenue) and the time of payment made by the customers.

(XIX) Remuneration to employees, directors, and supervisors

According to the Company’s Articles of Incorporation, no less than 4% and no more than 4% of any profits for the year should be distributed as employees’ remuneration and directors’ remuneration, respectively. However, when the Company still has a cumulative deficit, it shall reserve an amount in advance to compensate it. The subjects for the issuance of remunerations may include employees of a holding or subordinate company satisfy certain criteria, and the board of directors is authorized to specify such criteria.

The Company suffered pre-tax losses in 2023 and 2022, so there was no need to estimate the remuneration to employees and directors.

The Company reported accumulated losses in both 2022 and 2021, and hence there was no need to distribute remunerations to employees or directors. Relevant information is available at the Market Observation Post System.

(XX) Non-operating income and expenses

1. Interest income

The details of the Company's interest income for 2023 and 2022 are as follows:

	2023	2022
Interest income		
Interest on bank deposits	$ 896	167
Imputed interest on security deposits	15	8
Guarantee deposits paid	5,017	3,488
Other interest income	-	4
	$ 5,928	**3,667**

2. Other income

The details of the Company's other income for 2023 and 2022 are as follows:

	2023	2022
Management fees income	$ 3,714	3,714
Dividend income	1,294	294
Others	16,018	1,043
	$ 21,026	5,051

3. Other gains and losses

The details of the Company's other gains and losses for 2023 and 2022 are as follows:

	2023	2022
Foreign currency exchange gain	$ 3	-
Net loss on financial assets at fair value through profit or loss	(14,437)	(6,930)
Gain (loss) on fair value adjustment - investment property	2,615	(16,027)
Others (Note 9)	(48,509)	-
	$ (60,328)	(22,957)

4. Financial costs

The details of the Company's financial costs for 2023 and 2022 are as follows:

	2023	2022
Interest expense		
Interest on bank borrowings	$ 10,327	7,576
Interest on lease liabilities	177	244
Financial costs	3,600	3,679
Discounted and amortized convertible corporate bonds	9,033	8,756
Less: Capitalized interest	(4,220)	(3,034)
	$ 18,917	17,221
Capitalized interest rate	2.38%~3.08%	1.85%~2.78%

(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 Note 6 (4) for credit risk exposure of notes receivable and accounts receivable.

Other financial assets measured at amortized cost include other receivables (other financial assets – current). All the aforesaid financial risks have low credit risks and hence the loss allowance is measured with the 12-month expected credit loss. (Please refer to Note 4 (6) for how the Company determines low credit risks.)

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, 2023								
Non-derivative financial liabilities								
Floating-rate instruments	$	135,000	138,273	2,715	91,920	43,638	-	-
Fixed-rate instruments		293,819	300,000	-	300,000	-	-	-
Non-interest bearing liabilities		42,035	42,035	42,035	-	-	-	-
Lease liabilities		7,663	7,853	1,390	1,390	2,779	2,294	-
	$	478,517	488,161	46,140	393,310	46,417	2,294	-
December 31, 2022								
Non-derivative financial liabilities								
Floating-rate instruments	$	362,782	373,575	5,861	229,485	94,649	43,580	-
Fixed-rate instruments		284,786	300,000	-	-	300,000	-	-
Non-interest bearing liabilities		59,527	59,527	59,527	-	-	-	-
Lease liabilities		10,768	11,134	1,669	1,602	2,779	5,084	-
	$	717,863	744,236	67,057	231,087	397,428	48,664	-

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.

All other variables being equal, any 1% increase (decrease) in interest rates would result in a decrease (increase) by NT$1,417 and by NT$2,553 thousand in the Company's earnings before tax for 2023 and 2022, respectively. This would be primarily due to the Company loans in variable interest rates.

4. Information on fair value

(1) Types and fair values of financial instruments

The Company measures recurring fair values of the financial assets at fair value through profit or loss and at fair value through other comprehensive income. 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:

	2023.12.31				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Non-derivative financial assets at fair value through profit or loss	$ 73,343	73,343	-	-	73,343
Financial assets at fair value through other comprehensive income					
Domestic and foreign unlisted stocks	$ 19,718	-	-	19,718	19,718

	2022.12.31				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Non-derivative financial assets at fair value through profit or loss	$ 87,780	87,780	-	-	87,780
Financial assets at fair value through other comprehensive income					
Domestic and foreign unlisted stocks	$ 19,718	-	-	19,718	19,718

(2) 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:

(2.1) 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.

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

(3.1) 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.

If there is an active market for financial instruments held by the Company, their fair values are determined with reference to the quoted prices in the 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.

(4) Transfer between Levels 1 and 2: None

(5) Details of changes in Level 3

	At fair value through other comprehensive income
	Equity instruments without quoted prices
January 1, 2023	$ 19,718
December 31, 2023	$ 19,718
January 31, 2022	$ 17,944
Recognized in other comprehensive income	2,510
Stocks allocated due to liquidation of investee	5,715
Liquidation	(6,451)
December 31, 2022	$ 19,718

(6) 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	Comparable Listed Company Act	· Marketability Discount (30.00% and 32.30% for 2023.12.31, and 2022.12.31) · Book-to-market multiplier (1.61 and 1.66 for 2023.12.31 and 2022.12.31, respectively)	· The higher the liquidity discount, the lower the fair value · The higher the multiplier, the higher the fair value.
Financial assets at FVTOCI – investments in equity instruments without active markets	Asset method	· Marketability Discount (30.00% and 32.30% for 2023.12.31, and 2022.12.31) · Discount on non-controlling interests (6.63% and 6.45% for 2023.12.31 and 2022.12.31)	· The higher the liquidity discount, the lower the fair value · The higher the non-controlling interest discount, the lower the fair value

(7) 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:

	Input	Up/down movements	Changes in fair value reflected in other comprehensive income: Favorable change	Changes in fair value reflected in other comprehensive income: Unfavorable change
December 31, 2023				
Financial assets at fair value through other comprehensive income				
Investment in equity instruments without active markets	Non-controlling interest discount	±10%	1,500	(1,500)
	Liquidity discount	±10%	2,817	(2,817)
	Book-to-market multiplier	±10%	572	(572)
December 31, 2022				
Financial assets at fair value through other comprehensive income				
Investment in equity instruments without active markets	Non-controlling interest discount	±10%	2,108	(2,108)
	Liquidity discount	±10%	2,913	(2,913)
	Book-to-market multiplier	±10%	572	(572)

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 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 2023 and 2022, 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 2023 was largely consistent with 2022: maintenance of the debt to capital ratio to ensure financing at a reasonable cost.

The debt-to-equity ratios as of December 31, 2023 and 2022 were as follows:

		2023.12.31	2022.12.31 (Restated)
Total liabilities	$	743,268	847,685
Less: Cash and cash equivalents		(160,449)	(53,148)
Net liability		582,819	794,537
Total equity		774,034	554,269
Adjusted capital	$	1,356,853	1,348,806
Debt-to-equity ratio		42.95%	58.91%

The change in the Company's debt capital ratio on December 31, 2023 resulted from the repayment of short-term borrowings and capital increase in cash.

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

The Company's non-cash transactions and investments and financing activities in 2023 and 2022 are as follows:

1. Please refer to Note 6(10) for details of the right-of-use assets obtained through leases.
2. The reconciliation of liabilities from financing activities is as follows:

				Non-cash movement	
		2023.1.1	Cash flows	Others	2023.12.31
Short-term borrowings	$	315,782	(225,782)	-	90,000
Long -term borrowings		47,000	(2,000)	-	45,000
Corporate bonds payable		284,786	-	(Note 1) 9,033	293,819
Lease liabilities		10,768	(3,105)	-	7,663
Total amount of liabilities from financing activities	$	658,336	(230,887)	9,033	436,482

				Non-cash movement	
		2022.1.1	Cash flows	Others	2022.12.31
Short-term borrowings	$	423,053	(107,271)	-	315,782
Long -term borrowings		-	47,000	-	47,000
Corporate bonds payable		276,030	-	(Note 1) 8,756	284,786
Lease liabilities		14,019	(3,505)	(Note 2) 254	10,768
Total amount of liabilities from financing activities	$	713,102	(63,776)	9,010	658,336

Note 1: Discounted and amortized convertible corporate bonds

Note 2: New lease liabilities arising from the period.

VII. Related Party Transactions

(I) Name of related party and relations

During the periods covered by the standalone 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
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
Chang, Chun-Kuei	A director at the Company
Pucheng Construction Co., Ltd.	Substantive related party

(II) Significant transactions with related parties

1. Purchase of goods from related parties

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

	Purchases	
	2023	2022
Pucheng Construction Co., Ltd.	$ 84,802	67,945
Belongs to other related parties	3,143	1,572
	$ 87,945	69,517

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 the engineering contracts entered into by the Company and related parties as of December 31, 2023 and 2022.

2. Payables to related parties

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

Account	Related party category	2023.12.31	2022.12.31
Notes payable	Pucheng Construction Co., Ltd.	$ 9,507	6,561
Accounts payable	Pucheng Construction Co., Ltd.	1,223	8,536
Accounts payable	Puquan Advertising Co., Ltd.	3,291	12,014
Accounts payable	Puyuan Development Co., Ltd.	1,180	-
Accounts payable	Subsidiary - Better Life Real Estate Co., Ltd.	-	8,812
Accounts payable	Subsidiary - Better Life Green Energy Technology Co., Ltd.	8,459	6,452
Accounts payable	Belongs to other related parties	1,657	847
		$ 25,317	43,222

3. Leases

(1) Lease-out

The Company leased an office to its subsidiary in 2023 and 2022 and signed a two-year lease contract as per the rental market in nearby areas. The rental income in 2023 and 2022 was NT$114 thousand and NT$100 thousand, respectively.

(2) Lease-in

The Company rented from the related party, Puxu Advertising, in the headquarter office building in November 2021 by signing a five-year lease contract in reference to rentals for offices in the neighborhood area. The interest expenses recognized for 2023 and 2022 were NT$164 and NT$215 thousand as well as NT$256 thousand and NT$40 thousand, respectively. As of December 31, 2023 and 2022, the balances of lease liabilities were NT$7,322 thousand and NT$9,805 thousand, respectively In addition, the guarantee deposits paid due to the above leases as of December 31, 2023 and 2022 were NT$463 thousand.

4. Others

(1) The subsidiary, Better Life Real Estate Co., Ltd., conducted a capital reduction of 3,000 thousand shares in cash in February 2023, and returned NT$30,000 thousand of shares to the Company.

(2) The Company signed a marketing agency contract with its subsidiary Better Life Real Estate Co., Ltd. for the sale of the Kang ChiaoAsahi Villa project. During 2023 and 2022, the Company paid the marketing agency service fee to the subsidiary, in the amounts of NT$8,396 thousand and NT$19,457 thousand, respectively, recognized in operating expenses, and the incremental cost of obtaining contracts was recognized in the amounts of NT$0 and NT$8,392 thousand, respectively.

(3) The Company signed a sales agency contract with Puqun Advertising Co., Ltd. and Puquan Advertising Co., Ltd. for the sale of real estate. The sales service expenses of 2023 and 2022 that the Company paid to related parties were transferred to operating expenses and were all NT$0, and the incremental costs of obtaining contracts were NT$41,212 thousand and NT$30,852 thousand, respectively.

(4) The Company obtained from Pucheng Construction Co., Ltd. a guarantee check of NT$28,612 thousand as of December 31, 2023 and 2022 for construction and engineering works.

(5) The Company provided the related party Chang Chun-Kuei with interest subsidies of NT$9,272 thousand and NT$3,261 thousand (recognized in prepayments), a guarantee deposits paid of NT$24,500 thousand, and guarantee notes submitted of NT$24,500 thousand, respectively, as of December 31, 2023 and 2022, for the joint development and separate sale of the project on the land at Guishan Hwa-Ya. In addition, it engaged in a joint investment in this construction project with Puyuan Development Co., Ltd. and Pushi Construction Co., Ltd.

(6) The Company and Puyuan Construction Co., Ltd. jointly invested in a construction project in the Mei-Ren section, Songshan District, and jointly integrated and developed an urban renewal project in the Shitan section, Neihu District.

(7) 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, that cannot be borne by the subsidiary from the remuneration collected from a third party, 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, 2023 and 2022, NT$12,887 thousand and NT$1,417 thousand were paid and accounted for as investment property; accounts payable were estimated to be NT$8,459 thousand and NT$6,400 thousand, respectively.

(8) The Company entered into a renovation contract with Puxu Advertising Co., Ltd., a related party, for office renovation, and the price was fully paid as of Q1 2022. The leasehold improvements were recognized as $4,733 thousand.

(III) Transactions with key management personnel

Key management personnel’s remuneration includes:

	2023	2022
Short-term employee benefits	$ 9,644	9,824

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	2023.12.31	2022.12.31
Inventories -Construction industry	Short-term borrowings and short-term notes payable	$ 557,202	599,528
Other financial assets-current	Reserve account	3,913	2,406
Other financial assets-current	Trust account	112,459	52,104
Investment property	Corporate bonds payable	177,140	159,840
Financial assets at fair value through profit or loss -non-current	Long -term borrowings	73,343	87,780
		$ 924,057	901,658

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 construction projects launched is as follows:

	2023.12.31	2022.12.31
Total contract price	$ 805,290	756,113
Advance receipts	$ 226,922	90,290

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

Payables not yet priced as per contract	2023.12.31	2022.12.31
Non-related party	$ 3,708	2,341
Related party	$ 136,601	204,362

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	2023.12.31	2022.12.31
Xinyi Section, Xinyi District	Joint investment in construction and joint construction and allocation of housing units	$ 194,582	198,805
Hwa-Ya Section, Guishan District	Joint investment in construction and joint construction and separate sale	24,500	24,500
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	-	-
Shitan Section, Neihu District	Joint investment in construction and joint construction and allocation of housing units	-	-
		$ 219,082	223,305

4. The Company’s guarantee notes submitted amounted to NT$24,500 thousand and NT$24,500 thousand as of December 31, 2023 and 2022, respectively, for business requirements.

5. The Company paid a net amount of NT$48,509 thousand and recognized this as prepayment as of December 31, 2022, for authorizing third parties in the integration and disposal of projects under development as well as other relevant matters. In quarter four of 2023, the Company evaluated the termination of the development and transferred the aforementioned investment of NT$48,509 thousand into loss, under other gains and losses.
6. 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.

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	2023			2022		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefit expenses						
Salary and wages	-	21,361	21,361	-	20,837	20,837
Labor and health insurance	-	1,552	1,552	-	1,517	1,517
Pension	-	837	837	-	820	820
Directors' remuneration	-	3,780	3,780	-	3,960	3,960
Other employee benefit expenses	-	685	685	-	777	777
Depreciation expense	-	4,182	4,182	-	4,263	4,263
Amortization expense	-	86	86	-	140	140

Additional information on the Company's number of employees and employee benefit expenses for 2023 and 2022 is as follows:

	2023	2022
Number of employees	28	25
Number of directors who do not serve as employees concurrently	9	7
Average employee benefit expenses	$ 1,286	1,331
Average employee salary and wages	$ 1,124	1,158
Average adjustment to employee salary and wages	(2.94)%	11.13%
Supervisors' remuneration	$ -	-

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

(I) The Company's remuneration policy for directors is that when directors 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.

(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 2023, 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	Endorsement/ 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	774,034	388,800	388,800	305,446	-	50.23%	1,548,068	N	N	N
0	The Company	Tianyi Construction Co., Ltd.	5	774,034	453,600	453,600	314,567	-	58.60%	1,548,068	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: Number of shares	Carrying amount	Shareholding	Fair value	Remarks
The Company	Stock - Eastern Electronics Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	390,921	5,715	0.58 %	5,715	
The Company	Stock - Nexcell Battery Co., Ltd.	-	〃	200,000	-	0.20 %	-	
The Company	Stock - YAMAY INTERNATIONAL DEVELOPMENT CORP.	-	〃	15	-	- %	-	
The Company	Stock - World Join International Ltd.	-	〃	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	
The Company	Stock - Falcon Machine Tools Co., Ltd.		Financial assets at fair value through profit or loss -non-current	3,850,000	73,343	5.01 %	73,343	Pledge

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 2023 is as follows (excluding the investees in mainland China):

Unit: In Thousand New Taiwan Dollars

Investor	Investee	Region	Principal business	Initial investment amount: End of the current period	Initial investment amount: Last year	Holdings at the end of period: Number of shares	Percentage	Carrying amount	Profit or loss on investee for the current period	Profit or loss recognized for the current period	Remarks
The Company	Better Life Green Energy Technology Co.,Ltd.	Taiwan	Solar energy applications	91,000	91,000	9,100,000	100.00%	9,129	(374)	(374)	Subsidiaries
The Company	Better Life Real Estate Co.,Ltd.	Taiwan	Marketing agency for the sale of real estate	80,000	110,000	8,000,000	100.00%	14,506	270	5,377	Subsidiaries
The Company	Better Life Group Travel Service Co.,Ltd.	Taiwan	Travel agency	9,000	9,000	-	100.00%	1,715	(15)	(15)	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: Outward remitted	Repatriated	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
Better Life Jinxia (Xiamen) Tourism Management Service Co., Ltd.	Tourism management service and real estate leasing	35,311 (USD8,975)	(Note 1)	32,240 (Note 2) (USD1,050)	3,071 (Note 2) (USD100)	-	35,311 (Note 2) (USD8,975)	(4,692) (RMB(1,074))	100.00%	(4,692) (Note 3) (RMB(1,074))	5,135 (RMB1,187)	-

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.

Notes to Parent Company Only Financial Statements of Better Life Group Co., Ltd. (Continued)

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	35,311 (USD8,975)	278,648 (USD9,075)	464,420 (Note 4)

Note 4: Maximum amount: Net worth of equity for current period × 60% = NT$774,034 thousand × 60% = NT$464,420 thousand.

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.	21,147,872	21.10%
NOON GLORY MANAGEMENT & TRADING CO., LTD.	7,586,318	7.57%
Liao, Heng-I	6,979,753	6.96%
Sant Law International Corporation	6,043,983	6.03%
Tsai, Hung-Chien	5,921,120	5.91%
Chun Hsin Construction Co., Ltd.	5,090,417	5.08%

XIV. Information on Operating Segments

Please refer to the 2023 consolidated financial statements for information on subsidiaries.

Better Life Group Co., Ltd.

Statement of Cash and Cash Equivalents

December 31, 2023

Unit: In Thousand New Taiwan Dollars

Please refer to Note 6(1) for relevant information.

Statement of Inventories

Item	Summary	Amount	Net realizable value	Remarks (pledge)
Buildings and land held for sale	Qingpu Better Life Garden	$ 34,997		Short-term notes payable
Buildings and land held for sale	Kang ChiaoAsahi Villa	146,003		Bank borrowings
Construction in progress	Song Yong	226,110		Bank borrowings
Construction in progress	Pauian Pau-Garden	157,700		Bank borrowings
Land held for construction site	Yongjing II	50,148		
Less: Allowance for inventory valuation losses		(7,608)		
Total		$ 607,350	929,617	

Better Life Group Co., Ltd.

Statement of Construction Deposits Paid

December 31, 2023

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, 2023

Please refer to Note 6(9) for relevant information.

Better Life Group Co., Ltd.

Statement of Movement in Investment Under Equity Method

For the Years Ended December 31, 2023

Unit: In Thousand New Taiwan Dollars

Name	Opening balance: Number of shares	Opening balance: Amount	Increase in current period: Number of shares	Increase in current period: Amount	Decrease in current period: Number of shares	Decrease in current period: Amount	Ending balance: Number of shares	Ending balance: Shareholding	Ending balance: Amount	Market price or net worth of equity: Unit price (NTD)	Market price or net worth of equity: Total price	Collateral or pledge	Remarks
Investment using the equity method:													
Better Life Green Energy Technology Co., Ltd.	9,100,000	$ 9,503	-	-	-	(374)	9,100,000	100.00%	9,129	1.01	9,129	None	
Better Life Real Estate Co., Ltd.	11,000,000	39,129	-	5,377	3,000,000	(30,000)	8,000,000	100.00%	14,506	1.81	14,506	None	
Better Life Group Travel Service Co., Ltd.	-	1,730	-	-	-	(15)	-	100.00%	1,715	-	1,715	None	
Better Life Jinxia (Xiamen) Tourism Management Service Co., Ltd.	-	6,838	-	3,108	-	(4,811)	-	100.00%	5,135	-	5,135	None	
		$ 57,200		8,485		(35,200)			30,485		30,485		

The details of the increase and decrease of 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	New in current period	Refunds due to capital reduction in the current period	Total
Better Life Green Energy Technology Co., Ltd.	$ (374)	-	-	-	(374)
Better Life Real Estate Co., Ltd.	5,377	-	-	(30,000)	(24,623)
Better Life Group Travel Service Co., Ltd.	(15)	-	-	-	(15)
Better Life Jinxia (Xiamen) Tourism Management Service Co., Ltd.	(4,692)	(119)	3,108	-	(1,703)
	$ 296	(119)	3,108	(30,000)	(26,715)

Better Life Group Co., Ltd.

Statement of Short-Term Borrowings

December 31, 2023

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	$ 90,000	2020.09.01~2024.09.01	2.63%	167,705	Construction in progress and buildings and land held for sale	
〃	Financial institution B	-	2018.09.18~2025.02.09	-	145,709	Construction in progress	
Unsecured borrowings	Financial institution C	-	2023.05.29~2024.05.28	-	50,000		
	Total	$ 90,000			363,414		

Statement of Corporate Bonds Payable

Please refer to Note 6(13) for relevant information.

Statement of Operating Income

For the Years Ended December 31, 2023

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

Better Life Group Co., Ltd.

Statement of Operating Costs

For the Years Ended December 31, 2023

Unit: In Thousand New Taiwan Dollars

Please refer to Note 6(5) for relevant information.

Statement of Operating Expenses

Item	Selling expenses		General and administrative expenses	Remarks
Salary and wages (including directors' remuneration and pensions)	$	96	25,882	
Commission expense		4,198	-	
Depreciation		-	4,182	
Advertisement		4,742	7	
Other expenses		2,457	12,577	te
Total	$	11,493	42,648	

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.

Better Life Group Co., Ltd.

Chairman: Lin, Jui-Shan

寶徠建設
BETTER LIFE GROUP