

**Better Life Group Co., LTD. and the  
Subsidiaries**

**Consolidated Financial Statements and  
Independent Auditors' Review Report**

**Q1 2024 and 2023**

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

**Better Life Group Co., LTD. and the Subsidiaries**

**Consolidated Balance Sheet**

**March 31, 2024, December 31, 2023, and March 31, 2023**

**Unit: In Thousand New Taiwan Dollars**

Assets	2024.3.31		2023.12.31		2023.3.31		
	Amount	%	Amount	%	Amount	%	
<b>Current assets:</b>							
1100	Cash and cash equivalents (Note 6(1))	\$ 137,927	9	175,674	11	81,967	6
1150	Notes receivable, net (Notes 6(4) and (17))	5,902	-	452	-	-	-
1170	Accounts receivable, net (Notes 6(4) and (17))	26	-	38	-	229	-
1320	Inventories (for construction industry) (Notes 6(5), 7, 8, and 9)	629,426	40	607,350	39	615,149	44
1410	Prepayments (Notes 6(6), 7, and 9)	82,658	5	31,348	2	76,075	5
1424	Excess business tax paid	21,863	1	20,767	1	21,302	1
1476	Other financial assets - current (Note 8)	101,847	6	129,171	8	77,336	5
1478	Construction deposits paid (Notes 7 and 9)	220,355	14	219,082	15	224,456	16
1480	Incremental cost of obtaining contracts - current (Note 7)	41,212	3	41,212	3	33,242	2
1482	Costs to fulfill contracts, current	8,500	1	8,500	1	8,787	1
		<u>1,249,716</u>	<u>79</u>	<u>1,233,594</u>	<u>80</u>	<u>1,138,543</u>	<u>80</u>
<b>Non-current assets:</b>							
1510	Financial assets measured at fair value through profit or loss – non-current (Notes 6 (2) and (20) and 8)	107,608	7	73,343	5	71,995	5
1517	Financial assets measured at fair value through other comprehensive income – non-current (Notes 6 (3) and (20))	20,836	1	19,718	1	19,718	1
1600	Property, plant and equipment (Notes 6(7))	9,764	1	10,357	1	12,732	1
1755	Right-of-use assets (Note 6(9))	20,645	1	21,621	1	27,009	2
1760	Investment properties (Notes 6 (8) and 8)	178,447	11	177,140	12	161,638	11
1780	Intangible assets	10	-	21	-	75	-
1980	Other financial assets - non-current (Note 7)	1,865	-	1,938	-	2,246	-
		<u>339,175</u>	<u>21</u>	<u>304,138</u>	<u>20</u>	<u>295,413</u>	<u>20</u>
<b>Total assets</b>		<b><u>\$ 1,588,891</u></b>	<b><u>100</u></b>	<b><u>1,537,732</u></b>	<b><u>100</u></b>	<b><u>1,433,956</u></b>	<b><u>100</u></b>

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

**Better Life Group Co., LTD. and the Subsidiaries**

**Consolidated balance sheet (continued)**

**March 31, 2024, December 31, 2023, and March 31, 2023**

**Unit: In Thousand New Taiwan Dollars**

		2024.3.31		2023.12.31		2023.3.31	
		Amount	%	Amount	%	Amount	%
<b>Liabilities and equity</b>							
<b>Current liabilities:</b>							
2100	Short-term borrowings (Notes 6(10) and 8)	\$ 90,000	6	90,000	6	315,782	22
2130	Contract liabilities – current (Notes 6 (17) and 9)	236,789	15	233,922	15	157,047	11
2150	Notes payable (Note 7)	5,766	-	9,507	1	4,200	-
2170	Accounts payable (Note 7)	51,736	3	19,091	1	12,728	1
2200	Other payables	7,774	-	8,947	1	12,359	1
2280	Lease liabilities - current (Notes 6(13) and 7)	6,344	-	6,038	-	5,999	-
2305	Other financial liabilities - current	658	-	613	-	597	-
2321	Corporate bonds subject to redemption or exercise of sell-back rights within one year or one business cycle (Note 6(12) and 8)	296,122	20	293,819	20	-	-
2322	Long-term borrowings due within one year or one operating cycle (Notes 6(11) and 8)	2,000	-	2,000	-	2,000	-
2399	Other current liabilities - other (Note 9)	10,912	1	12,246	1	20,371	1
		<u>708,101</u>	<u>45</u>	<u>676,183</u>	<u>45</u>	<u>531,083</u>	<u>36</u>
<b>Non-current liabilities:</b>							
2530	Corporate bonds payable (Notes 6(12) and 8)	-	-	-	-	287,018	20
2540	Long-term borrowings (Notes 6(11) and 8)	42,000	3	43,000	3	44,000	3
2570	Deferred income tax liabilities	27,104	2	27,104	2	25,591	2
2580	Lease liabilities - non-current (Notes 6(13) and 7)	16,126	1	17,411	1	22,617	2
		<u>85,230</u>	<u>6</u>	<u>87,515</u>	<u>6</u>	<u>379,226</u>	<u>27</u>
	<b>Total liabilities</b>	<u>793,331</u>	<u>51</u>	<u>763,698</u>	<u>51</u>	<u>910,309</u>	<u>63</u>
<b>Equity attributable to owners of the parent (Note 6 (15))</b>							
3110	Common stock	1,001,858	63	1,001,858	65	1,002,654	70
3200	Capital surplus	52,097	3	52,097	3	22,097	2
3310	Legal reserve	4,320	-	4,320	-	4,320	-
3350	Undistributed earnings (or deficit to be compensated)	(252,984)	(16)	(273,304)	(18)	(494,640)	(34)
3400	Other equity interests	(9,731)	(1)	(10,937)	(1)	(10,784)	(1)
	<b>Total equity</b>	<u>795,560</u>	<u>49</u>	<u>774,034</u>	<u>49</u>	<u>523,647</u>	<u>37</u>
	<b>Total liabilities and equity</b>	<u>\$ 1,588,891</u>	<u>100</u>	<u>1,537,732</u>	<u>100</u>	<u>1,433,956</u>	<u>100</u>

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

Chairman: Lin, Jui-Shan    Manager: Huang, Wen-Cheng    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**  
**For the three months ended March 31, 2024 and 2023**

Unit: In Thousand New Taiwan Dollars

	January to March 2024		January to March 2023	
	Amount	%	Amount	%
4000	<b>Operating income (Note 6 (17))</b>			
	\$ 1,593	100	1,709	100
5000	<b>Operating costs (Notes 6 (5) and 7)</b>			
	1,748	110	1,775	104
	<b>Gross operating loss</b>			
	(155)	(10)	(66)	(4)
6000	<b>Operating expenses (Notes 6 (13) and 7):</b>			
6100	Selling expenses			
	644	40	1,680	98
6200	General and administrative expenses			
	11,828	742	11,366	666
	12,472	782	13,046	764
6900	<b>Operating losses</b>			
	(12,627)	(792)	(13,112)	(768)
	<b>Non-operating Income and expenses (Notes 6 (13), (19) and 7):</b>			
7100	Interest income			
	1,136	71	1,154	68
7010	Other income			
	1,335	84	1,889	111
7020	Other gains and losses			
	34,137	2,142	(15,785)	(924)
7050	Financial costs			
	(3,661)	(230)	(4,802)	(281)
	<b>Total non-operating income and expenses</b>			
	32,947	2,067	(17,544)	(1,026)
7900	<b>Net profit (loss) before income tax</b>			
	20,320	1,275	(30,656)	(1,794)
7950	<b>Less: income taxes (Note 6 (14))</b>			
	-	-	-	-
8200	<b>Net income(loss) for the period</b>			
	20,320	1,275	(30,656)	(1,794)
8300	<b>Other comprehensive income (Note 6 (15))</b>			
8310	<b>Items that will not be reclassified subsequently to profit or loss</b>			
8316	Unrealized gains or losses on equity instrument investments at fair value through other comprehensive income			
	1,118	70	-	-
8349	Less: Income tax related to items not reclassified			
	-	-	-	-
	<b>Total items that will not be reclassified subsequently to profit or loss</b>			
	1,118	70	-	-
8360	<b>Items that may subsequently be reclassified to profit or loss</b>			
8361	Exchange difference on translation of financial statements of foreign operations			
	88	6	34	2
8399	Less: Income tax related to items that may be reclassified to profit or loss			
	-	-	-	-
	<b>Total items that may subsequently be reclassified to profit or loss</b>			
	88	6	34	2
8300	<b>Other comprehensive income for the current period</b>			
	1,206	76	34	2
	<b>Total comprehensive income for the current period</b>			
	<u>\$ 21,526</u>	<u>1,351</u>	<u>(30,622)</u>	<u>(1,792)</u>
	<b>Net income (loss) attributable to:</b>			
8610	Owners of the parent			
	<u>\$ 20,320</u>	<u>1,275</u>	<u>(30,656)</u>	<u>(1,794)</u>
	<b>Other comprehensive income attributable to:</b>			
8710	Owners of the parent			
	<u>\$ 21,526</u>	<u>1,351</u>	<u>(30,622)</u>	<u>(1,792)</u>
	<b>Earnings (losses) per share (Note 6(16))</b>			
9750	<b>Basic earnings (losses) per share (NTD)</b>			
	<u>\$ 0.20</u>		<u>(0.31)</u>	
9850	<b>Diluted earnings (losses) per share (NTD)</b>			
	<u>\$ 0.19</u>		<u>(0.31)</u>	

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

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

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

Better Life Group Co., LTD. and the Subsidiaries

Consolidated Statement of Changes in Equity

For the three months ended March 31, 2024 and 2023

Unit: In Thousand New Taiwan Dollars

	Equity attributable to owners of the parent							
	Share capital				Other equity items			
	Common stock	Capital surplus	Legal reserve	Retained 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
<b>Balance on January 1, 2023</b>	\$ 1,002,654	22,097	4,320	(463,984)	131	(10,949)	554,269	554,269
Net loss for the period	-	-	-	(30,656)	-	-	(30,656)	(30,656)
Other comprehensive income for the current period	-	-	-	-	34	-	34	34
Total comprehensive income for the current period	-	-	-	(30,656)	34	-	(30,622)	(30,622)
<b>Balance on March 31, 2023</b>	<b>\$ 1,002,654</b>	<b>22,097</b>	<b>4,320</b>	<b>(494,640)</b>	<b>165</b>	<b>(10,949)</b>	<b>523,647</b>	<b>523,647</b>
<b>Balance on January 1, 2024</b>	\$ 1,001,858	52,097	4,320	(273,304)	12	(10,949)	774,034	774,034
Net income for the period	-	-	-	20,320	-	-	20,320	20,320
Other comprehensive income for the current period	-	-	-	-	88	1,118	1,206	1,206
Total comprehensive income for the current period	-	-	-	20,320	88	1,118	21,526	21,526
<b>Balance on March 31, 2024</b>	<b>\$ 1,001,858</b>	<b>52,097</b>	<b>4,320</b>	<b>(252,984)</b>	<b>100</b>	<b>(9,831)</b>	<b>795,560</b>	<b>795,560</b>

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

Chairman: Lin, Jui-Shan

Manager: Huang, Wen-Cheng

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

For the three months ended March 31, 2024 and 2023

Unit: In Thousand New Taiwan Dollars

	January to March 2024	January to March 2023
<b>Cash flow from operating activities:</b>		
Net income (loss) before tax for the current period	\$ 20,320	(30,656)
<b>Adjustments:</b>		
Income and expenses		
Depreciation expense	2,326	2,440
Amortization expense	11	32
Net (gain) loss on financial assets and liabilities measured at fair value through profit or loss	(34,265)	15,785
Interest expense	3,661	4,802
Interest income	(1,136)	(1,154)
Total income and expenses	(29,403)	21,905
Changes in assets/liabilities related to operating activities:		
Net change in assets related to operating activities:		
Notes receivable	(5,450)	6,038
Accounts receivable	13	427
Inventories	(21,485)	(14,631)
Prepayments	(52,406)	(8,791)
Construction deposits paid	(1,273)	(1,151)
Other financial assets	27,326	(21,688)
Incremental cost of obtaining contracts	-	608
Total net change in assets related to operating activities	(53,275)	(39,188)
Net change in liabilities related to operating activities:		
Contract liabilities	2,867	59,757
Notes payable	(3,741)	(2,361)
Accounts payable	34,689	(22,707)
Other payables	(3,206)	946
Non-current liabilities	(1,338)	4,919
Other financial liabilities	33	(117)
Total net change in liabilities related to operating activities	29,304	40,437
Total net change in assets and liabilities related to operating activities	(23,971)	1,249
Total adjustments	(53,374)	23,154
Cash outflow from operations	(33,054)	(7,502)
Interest received	1,136	1,154
Interest paid	(1,991)	(3,599)
<b>Net cash outflow from operating activities</b>	(33,909)	(9,947)



**(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)**

**For the three months ended March 31, 2024 and 2023**

**Unit: NTD thousands**

	<u>January to March 2024</u>	<u>January to March of 2023</u>
<b>Cash flow from investing activities:</b>		
Guarantee deposits paid	80	-
Acquisition of investment property	(1,307)	(598)
Other financial assets	-	1,151
<b>Net cash generated (used) in investing activities</b>	<u>(1,227)</u>	<u>553</u>
<b>Cash flow from financing activities:</b>		
Repayment of long-term borrowings	(1,000)	(1,000)
Lease principal repaid	(1,632)	(2,347)
<b>Net cash outflow from financing activities</b>	<u>(2,632)</u>	<u>(3,347)</u>
Effect of exchange rate changes on cash and cash equivalents	21	3
Decrease in cash and cash equivalents in current period	(37,747)	(12,738)
Balance of cash and cash equivalents at the beginning of the period	175,674	94,705
Balance of cash and cash equivalents at the end of the period	<u><b>\$ 137,927</b></u>	<u><b>81,967</b></u>

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

**Chairman: Lin, Jui-Shan**

**Manager: Huang, Wen-Cheng**

**Accounting Manager: Huang,  
Wen-Cheng**

**Better Life Group Co., LTD. and the Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**Q1 2024 and 2023**  
(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, Xinhua 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 May 3, 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, 2024 does not have a material influence on the consolidated 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”

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

The standards and interpretations published and amended by the International Accounting Standards Board (IASB) but yet to be recognized by the Financial Supervisory Commission that may be relevant to the consolidating company are as follows:

<u>New and revised standards</u>	<u>Major revisions</u>	<u>Effective date announced by IASB</u>
IFRS 18 "Presentation and Disclosure in Financial Statements"	The new standard introduces three types of income and expense, two income statement subtotals, and a single note on management's performance measurement. These three amendments and enhanced guidance on how information are divided into financial statements have laid the foundation for better and more consistent information provided to users, and will affect all companies.	January 1, 2027

**Notes to the consolidated financial statements of Better Life Group Co., LTD. and the Subsidiaries (continued)**

<u>New and revised standards</u>	<u>Major revisions</u>	<u>Effective date announced by IASB</u>
IFRS 18 "Presentation and Disclosure in Financial Statements"	<ul style="list-style-type: none"> <li>• More structured income statement: Under existing standards, companies use different formats to present their operating results, making it difficult for investors to compare the financial performance of different companies. The new standard adopts a more structured income statement, introduces a newly defined subtotal of "operating income," and stipulates that all income, expenses and losses are classified into three new different categories based on the company's main operating activities.</li> <li>• Management Performance Measurement (MPM): The new standard introduces the definition of MPM, and requires companies to explain in a single note why the information of each measurement indicator can be provided, its calculation method and how the indicators were adjusted with the amounts recognized in accordance with the IFRSs.</li> <li>• Detailed information: The new standard includes guidance on how to strengthen the grouping of information in the financial statements. This includes guidance on whether the information should be included in the main financial statements or further broken down in notes.</li> </ul>	January 1, 2027

The consolidated company is continuing to assess the impact of the above standards and interpretations on its financial status and operating results and will disclose relevant influence once the assessment has been completed.

The consolidated company expects no material influence on the consolidated financial statements due to other newly published and amended standards yet to be recognized as below.

- 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**

(I) Statement of compliance

The consolidated financial statements have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" (hereinafter referred to as the Regulations) and IAS 34, "Interim Financial Reporting" endorsed by the FSC. The consolidated financial statements do not include all of the information required by International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRS endorsed by the FSC) for a complete set of the annual consolidated financial statements.

Except the following descriptions, the significant accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended 31, 2023. For the related information, please refer to Note 4 of the consolidated financial statements for the year ended December 31, 2023.

## Notes to the consolidated financial statements of Better Life Group Co., LTD. and the Subsidiaries (continued)

### (II) Basis of consolidation

#### 1. Subsidiaries included in the consolidated financial statements

Subsidiaries included in these consolidated financial statements:

Investor	Name of the subsidiary	Nature of business	%		
			2024.3.31	2023.12.31	2023.3.31
The Company	Better Life Green Energy Technology Co., Ltd.	Solar energy applications	100%	100%	100%
The Company	Better Life Real Estate Co., Ltd.	Marketing agency for the sale of real estate	100%	100%	100%
The Company	Better Life Jinxia (Xiamen) Tourism Management Service Co.,Ltd.	Tourism management service and real estate leasing	100%	100%	100%
The Company	Better Life Group Travel Service Co., Ltd.	Travel agency	100%	100%	100%

#### 2. Subsidiaries not included in consolidated financial statements: none

### (III) Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of International Financial Reporting Standards 34 “Interim Reporting” by the consolidated company.

Income tax expenses for the period are best estimated by multiplying pre-tax income for the interim reporting period by the effective annual tax rate as forecasted by management, and they are all recognized as current Income tax expense

Income tax expense recognized directly in equity or other comprehensive income is measured as the temporary difference between the carrying amount of the related assets and liabilities for financial reporting purposes and their tax basis by using the tax rates that are expected to apply when those taxes are realized or paid.

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

The consolidated company's assets that meet one of the following conditions are listed as current assets, and all other assets that are not current assets are listed 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 are realized within 12 months after the balance sheet date; or
4. The assets are cash or cash equivalents (as defined by IAS 7), unless the exchange of the assets or their use to settle liabilities at least twelve months after the reporting period are restricted.

The consolidated company's liabilities that meet one of the following conditions are classified as current liabilities, and all liabilities other than current liabilities are classified as non-current liabilities:

1. Liabilities are expected to be settled within the normal operating cycle;
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. At the end of the reporting period, the Company does not have the right to defer the settlement of the liabilities for at least 12 months after the reporting period.

## Notes to the consolidated financial statements of Better Life Group Co., LTD. and the Subsidiaries (continued)

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

When preparing these consolidated financial statements according to the Regulations Governing the Preparation of Financial Reports and IAS 34, "Interim Financial Reporting", endorsed and issued into effect by the Financial Supervisory Commission, management must make judgments, estimates and assumptions. Such judgments, 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.

Regarding the preparation of the consolidated financial statements, significant judgments made by the management when adopting the accounting policies of the consolidated company and the main sources of estimated uncertainty are consistent with Note 5 of the consolidated financial statements of 2023.

### VI. Summary of Significant Accounting Items

Except the following descriptions, there is no material discrepancy between the explanation of the significant accounting items in the consolidated financial statements and those in the consolidated financial statement for the year ended December 31, 2023. For the related information, please refer to note 6 of the consolidated financial statements for the year ended December 31, 2023.

#### (1) Cash and cash equivalents

	<u>2024.3.31</u>	<u>2023.12.31</u>	<u>2023.3.31</u>
Cash on hand	\$ 192	192	192
Demand deposit	137,720	175,467	81,757
Checking deposit	15	15	18
	<u>\$ 137,927</u>	<u>175,674</u>	<u>81,967</u>

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

#### (2) Financial assets at fair value through profit or loss

	<u>2024.3.31</u>	<u>2023.12.31</u>	<u>2023.3.31</u>
Financial assets at fair value through profit or loss:			
TWSE/TPEX listed stocks	<u>\$ 107,608</u>	<u>73,343</u>	<u>71,995</u>

1. 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 March 31, 2024 and December 31 and March 31, 2023.

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

	<u>2024.3.31</u>	<u>2023.12.31</u>	<u>2023.3.31</u>
Equity instrument at fair value through other comprehensive income:			
Domestic unlisted stock - Eastern Electronics Co., Ltd.	\$ 3,796	5,715	5,715
Domestic unlisted stock - Shin Kong Real Estate Management Co., Ltd.	3,735	1,890	1,890
Foreign unlisted stock - World Join International Ltd.	13,305	12,113	12,113
Total	<u>\$ 20,836</u>	<u>19,718</u>	<u>19,718</u>

**Notes to the consolidated financial statements of Better Life Group Co., LTD. and the Subsidiaries (continued)**

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. Please refer to Note 6 (20) for market risk information.
3. None of the consolidated company's financial assets abovementioned has been pledged as collateral.

(4) Notes and accounts receivable

	<u>2024.3.31</u>	<u>2023.12.31</u>	<u>2023.3.31</u>
Notes receivable - from operations	\$ 5,902	452	-
Accounts receivable at amortized cost	26	38	8,509
Less: Allowance for losses	-	-	(8,280)
	<u>\$ 5,928</u>	<u>490</u>	<u>229</u>

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:

	<u>2024.3.31</u>		
	<u>Carrying amounts of notes and accounts receivable</u>	<u>Weighted average expected credit loss rate</u>	<u>Allowance for lifetime expected credit losses</u>
Not past due	<u>\$ 5,928</u>	-	<u>-</u>
	<u>2023.12.31</u>		
	<u>Carrying amounts of notes and accounts receivable</u>	<u>Weighted average expected credit loss rate</u>	<u>Allowance for lifetime expected credit losses</u>
Not past due	<u>\$ 490</u>	-	<u>-</u>
	<u>2023.3.31</u>		
	<u>Carrying amounts of notes and accounts receivable</u>	<u>Weighted average expected credit loss rate</u>	<u>Allowance for lifetime expected credit losses</u>
Not past due	\$ 229	-	-
Overdue for more than 360 days	8,280	100%	8,280
	<u>\$ 8,509</u>		<u>8,280</u>

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

	<u>January to March 2024</u>	<u>January to March 2023</u>
Opening balance (ending balance)	<u>\$ -</u>	<u>8,280</u>

None of the consolidating company's notes receivable and accounts receivables was pledged for collateral as of March 31, 2024, December 31, 2023, and March 31 2023.

**Notes to the consolidated financial statements of Better Life Group Co., LTD. and the Subsidiaries (continued)**

(5) Inventories

	<u>2024.3.31</u>	<u>2023.12.31</u>	<u>2023.3.31</u>
Construction business:			
Buildings and land held for sale	\$ 173,392	173,392	311,027
Construction in progress	405,616	383,810	304,122
Land held for construction site	50,418	50,148	-
	<u>\$ 629,426</u>	<u>607,350</u>	<u>615,149</u>
Inventory expected to be recovered after more than 12 months	<u>\$ 50,418</u>	<u>207,848</u>	<u>304,122</u>

Cost of goods sold is detailed below:

	<u>January to March 2024</u>	<u>January to March 2023</u>
Lease-related costs	\$ 1,748	1,775

1. Please refer to Note 6 (19) for the interest capitalization of the consolidated company.
2. For the consolidating company's inventory pledged for collateral as of March 31, 2024, December 31, 2023, and March 31 2023. Please refer to Note 8.

(6) Prepayments

	<u>2024.3.31</u>	<u>2023.12.31</u>	<u>2023.3.31</u>
Construction business - Sample house interior design cost	\$ -	-	12,932
Construction business - Pre-construction development costs	78,246	28,011	58,341
Others	4,412	3,337	4,802
	<u>\$ 82,658</u>	<u>31,348</u>	<u>76,075</u>

(7) Property, plant and equipment

Details of the changes in property, plant and equipment of the consolidated company are as follows:

	<u>Land</u>	<u>Leasehold improvements</u>	<u>Other equipment</u>	<u>Total</u>
Cost or deemed cost:				
Balance on January 1, 2024	\$ 5,382	18,232	205	23,819
Effects of changes in foreign exchange rates	-	250	-	250
Balance on March 31, 2024	<u>\$ 5,382</u>	<u>18,482</u>	<u>205</u>	<u>24,069</u>
Balance on January 1, 2023	\$ 5,382	18,483	243	24,108
Effects of changes in foreign exchange rates	-	71	-	71
Balance on March 31, 2023	<u>\$ 5,382</u>	<u>18,554</u>	<u>243</u>	<u>24,179</u>

**Notes to the consolidated financial statements of Better Life Group Co., LTD. and the Subsidiaries (continued)**

	<u>Land</u>	<u>Leasehold improvements</u>	<u>Other equipment</u>	<u>Total</u>
Depreciation and impairment losses:				
Balance on January 1, 2024	\$ 5,382	7,935	145	13,462
Depreciation during the year	-	709	17	726
Effects of changes in foreign exchange rates	-	117	-	117
Balance on March 31, 2024	<u>\$ 5,382</u>	<u>8,761</u>	<u>162</u>	<u>14,305</u>
Balance on January 1, 2023	\$ 5,382	5,194	115	10,691
Depreciation during the year	-	715	17	732
Effects of changes in foreign exchange rates	-	24	-	24
Balance on March 31, 2023	<u>\$ 5,382</u>	<u>5,933</u>	<u>132</u>	<u>11,447</u>
Book value:				
January 1, 2024	<u>\$ -</u>	<u>10,297</u>	<u>60</u>	<u>10,357</u>
March 31, 2024	<u>\$ -</u>	<u>9,721</u>	<u>43</u>	<u>9,764</u>
January 1, 2023	<u>\$ -</u>	<u>13,289</u>	<u>128</u>	<u>13,417</u>
March 31, 2023	<u>\$ -</u>	<u>12,621</u>	<u>111</u>	<u>12,732</u>

None of the consolidating company's PP&E was pledged for collateral as of March 31, 2024, December 31, 2023, and March 31 2023.

(8) 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:

	<u>Land and improvements</u>
Book value:	
Balance on January 1, 2024	\$ 177,140
Addition	<u>1,307</u>
Balance on March 31, 2024	<u>\$ 178,447</u>
Balance on January 1, 2023	\$ 159,840
Addition	<u>1,798</u>
Balance on March 31, 2023	<u>\$ 161,638</u>

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.



**Notes to the consolidated financial statements of Better Life Group Co., LTD. and the Subsidiaries (continued)**

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. Land in Toufen City, Miaoli County

<u>Property</u>	<u>Important contract terms</u>
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	March 31, 2024: 3.720% December 31, 2023: 3.720% March 31, 2023: 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	December 31, 2023 and January 1, 2023
Fair value of external appraisal	March 31, 2024: \$177,140 December 31, 2023: \$177,140 March 31, 2023: \$159,840

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 rate 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 bulk 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.

**Notes to the consolidated financial statements of Better Life Group Co., LTD. and the Subsidiaries (continued)**

(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 March 31, 2024, December 31, 2023, and March 31, 2023, of 2.345%, 2.345% and 2.220%, 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%, 3.720% and 3.595%, respectively.

(3) Estimation of ending disposal value

The proceeds of real property disposal at the end of the period on March 31, 2024, December 31, 2023, and March 31, 2023 were NT\$8,101 thousand per year, NT\$8,101 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\$337,624 thousand and NT\$276,394 thousand, respectively.

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

<u>Fair value valuation technique</u>	<u>Significant unobservable input</u>	<u>Relationship between significant unobservable input and fair value evaluation</u>
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 2023.3.31: 3.720%	· The estimated fair value would increase (or decrease) if:
	2023.12.31 : 3.720%	· The risk-adjusted discount rate decreases (increases).
	2023.3.31 : 3.595%	

2. There is no significant difference between the fair value of the investment properties of the consolidated company on March 31, 2024 and 2023, and that on December 31 and January 1, 2023.
3. Please refer to Note 8 for the pledged on the consolidated company's investment properties as collateral.
4. 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.

**Notes to the consolidated financial statements of Better Life Group Co., LTD. and the Subsidiaries (continued)**

(9) 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:

	<u>Buildings</u>	<u>Transportati on equipment</u>	<u>Office equipment</u>	<u>Total</u>
Cost of right-of-use assets:				
Balance on January 1, 2024	\$ 41,526	-	-	41,526
Addition	-	366	-	366
Effects of changes in foreign exchange rates	530	-	-	530
Balance on March 31, 2024	<u>\$ 42,056</u>	<u>366</u>	<u>-</u>	<u>42,422</u>
Balance on January 1, 2023	\$ 42,056	1,360	225	43,641
Effects of changes in foreign exchange rates	150	-	-	150
Balance on March 31, 2023	<u>\$ 42,206</u>	<u>1,360</u>	<u>225</u>	<u>43,791</u>
Depreciation and impairment losses of right-of-use assets:				
Balance on January 1, 2024	\$ 19,905	-	-	19,905
Depreciation	1,554	46	-	1,600
Effects of changes in foreign exchange rates	272	-	-	272
Balance on March 31, 2024	<u>\$ 21,731</u>	<u>46</u>	<u>-</u>	<u>21,777</u>
Balance on January 1, 2023	\$ 13,923	913	180	15,016
Depreciation	1,565	132	11	1,708
Effects of changes in foreign exchange rates	58	-	-	58
Balance on March 31, 2023	<u>\$ 15,546</u>	<u>1,045</u>	<u>191</u>	<u>16,782</u>
Book value:				
January 1, 2024	<u>\$ 21,621</u>	<u>-</u>	<u>-</u>	<u>21,621</u>
March 31, 2024	<u>\$ 20,325</u>	<u>320</u>	<u>-</u>	<u>20,645</u>
January 1, 2023	<u>\$ 28,133</u>	<u>447</u>	<u>45</u>	<u>28,625</u>
March 31, 2023	<u>\$ 26,660</u>	<u>315</u>	<u>34</u>	<u>27,009</u>

(10) Short-term borrowings

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

	<u>2024.3.31</u>	<u>2023.12.31</u>	<u>2023.3.31</u>
Secured bank borrowings	<u>\$ 90,000</u>	<u>90,000</u>	<u>315,782</u>
Facilities not yet drawn	<u>\$ 273,414</u>	<u>273,414</u>	<u>352,028</u>
Interest rate range	<u>2.76%</u>	<u>2.63%</u>	<u>2.63%~3.08%</u>

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

**Notes to the consolidated financial statements of Better Life Group Co., LTD. and the Subsidiaries (continued)**

(11) Long-term loans

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

	<u>2024.3.31</u>	<u>2023.12.31</u>	<u>2023.3.31</u>
Secured bank loan: Due in August 2025	\$ 44,000	45,000	46,000
Less: Current portion	(2,000)	(2,000)	(2,000)
Total	<u>\$ 42,000</u>	<u>43,000</u>	<u>44,000</u>
Facilities not yet drawn	<u>\$ -</u>	<u>-</u>	<u>-</u>
Interest rate range	<u>2.41%</u>	<u>2.41%</u>	<u>2.29%</u>

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

(12) Corporate bonds payable

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

	<u>2024.3.31</u>	<u>2023.12.31</u>	<u>2023.3.31</u>
Amount of ordinary corporate bonds issued	\$ 300,000	300,000	300,000
Unamortized balance of discounted corporate bonds payable	(3,878)	(6,181)	(12,982)
Cumulative amount of redemption	-	-	-
Cumulative amount of conversion	-	-	-
Less: Portion due within one year or one operating cycle	(296,122)	(293,819)	-
Balance of corporate bonds payable at the end of the period	<u>\$ -</u>	<u>-</u>	<u>287,018</u>

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.

**Notes to the consolidated financial statements of Better Life Group Co., LTD. and the Subsidiaries (continued)**

Item	The first issue of secured convertible corporate bonds in 2021
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

Note 8 contains information regarding the collateralization of assets by the consolidated company in order to secure corporate bonds.

(13) Lease liabilities

The consolidated company's lease liabilities are as follows:

	2024.3.31	2023.12.31	2023.3.31
Current	\$ 6,344	6,038	5,999
Non-current	\$ 16,126	17,411	22,617

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

The amounts recognized in profit or loss are as follows:

	January to March 2024	January to March 2023
Interest expense on lease liabilities	\$ 230	291
Gains from sublease of right-of-use assets	\$ 1,463	1,580
Expense on short-term leases	\$ 122	103

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

	January to March 2024	January to March 2023
Total cash outflow from leases	\$ 1,984	2,741

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. The consolidated company's Income tax expenses are detailed as follows:

	January to March 2024	January to March 2023
Income tax expense	\$ -	-

## Notes to the consolidated financial statements of Better Life Group Co., LTD. and the Subsidiaries (continued)

### 2. 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 subsidiaries in Taiwan were assessed by the tax authority for the following years:

<u>Assessment years</u>	<u>Company name</u>
2022	Better Life Green Energy Technology Co., Ltd.
2022	Better Life Real Estate Co., Ltd.
2022	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

Except as described below, there were no material changes in the consolidating company's capital and other equity from January 1 to March 31, 2024 and 2023. Please refer to Note 6 (15) of the 2023 consolidated financial statements for the relevant information.

#### 1. Issue of ordinary shares

On March 14, 2024 the Company's board meeting passed a resolution to conduct capital increase in cash through a private placement to increase its working capital and enhance future development, within a scope of not more than 50,000,000 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' annual general meeting. In addition, the unexecuted amount in the private placement cash increase as resolved by the shareholders' annual general meeting on June 21, 2023 up till the date of the shareholders' annual general meeting in 2024 will not be executed.

#### 2. Capital surplus

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

	<u>2024.3.31</u>	<u>2023.12.31</u>	<u>2023.3.31</u>
Common stock premium	\$ 30,000	30,000	-
Gain on disposal of assets	110	110	110
Stock options - issue of convertible corporate bonds	21,828	21,828	21,828
Others	159	159	159
	<u>\$ 52,097</u>	<u>52,097</u>	<u>22,097</u>

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.

## Notes to the consolidated financial statements of Better Life Group Co., LTD. and the Subsidiaries (continued)

### 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:

- ① 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.
- ② 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 board proposed the 2023 loss appropriation at the meeting held on March 14, 2024, and the 2022 loss appropriation was resolved at the annual general meeting of shareholders held on June 21, 2023.

**Notes to the consolidated financial statements of Better Life Group Co., LTD. and the Subsidiaries (continued)**

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, 2024	\$ 12	(10,949)	(10,937)
Exchange differences in translation of net assets of foreign operations	88	-	88
Unrealized profit or loss from financial assets measured at fair value through other comprehensive income	-	1,118	1,118
Balance on March 31, 2024	<u>\$ 100</u>	<u>(9,831)</u>	<u>(9,731)</u>
Balance on January 1, 2023	\$ 131	(10,949)	(10,818)
Exchange differences in translation of net assets of foreign operations	34	-	34
Balance on March 31, 2023	<u>\$ 165</u>	<u>(10,949)</u>	<u>(10,784)</u>

(16) Earnings (losses) per share

1. Basic earnings (losses) per share

The Company's basic earning (loss) per share for the three months ended March 31, 2024 and 2023 were calculated based on the net profit (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 profit (loss) attributable to equity holders of the Company's ordinary shares

	January to March 2024	January to March 2023
Net profit (loss) for the period attributable to equity holders of the Company's ordinary shares	<u>\$ 20,320</u>	<u>(30,656)</u>

(2) Weighted average number of outstanding ordinary shares

	January to March 2024	January to March 2023
Weighted average number of outstanding ordinary shares (thousand shares)	<u>100,185</u>	<u>100,265</u>
Basic earnings (losses) per share (NTD)	<u>\$ 0.20</u>	<u>(0.31)</u>

2. Diluted earnings (losses) per share

For the three months ended March 31, 2024 and 2023, the Company's diluted earnings (losses) were calculated based on the net income (loss) attributable to the Company's common stock shareholders. The calculation is based on the weighted average number of outstanding common shares after the potential dilution effects of common shares, and is calculated as follows:

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

	January to March 2024	January to March 2023
Net profit (loss) (basic) attributable to equity holders of the Company's ordinary shares	\$ 20,320	(30,656)
Interest expense on convertible corporate bonds	1,842	(Note)
Net profit (loss) (diluted) attributable to equity holders of the Company's ordinary shares	<u>\$ 22,162</u>	<u>(30,656)</u>



**Notes to the consolidated financial statements of Better Life Group Co., LTD. and the Subsidiaries (continued)**

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

	<u>January to March 2024</u>	<u>January to March 2023</u>
Weighted average number of outstanding ordinary shares (basic) (thousand shares)	100,185	100,265
Effect of conversion of convertible corporate bonds	<u>14,354</u>	<u>(Note)</u>
Weighted average number of outstanding ordinary shares (diluted) (thousand shares)	<u><b>114,539</b></u>	<u><b>100,265</b></u>
Diluted earnings (losses) per share (NTD)	<u><b>\$ 0.19</b></u>	<u><b>(0.31)</b></u>

Note: 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:

	<u>January to March 2024</u>	<u>January to March 2023</u>
Rental Income (Note)	<u><b>\$ 1,593</b></u>	<u><b>1,709</b></u>

Note: International Financial Reporting Standards No. 16 is applicable to the consolidating company's rental Income from January to March of 2024 and 2023.

2. Contract balance

	<u>2024.3.31</u>	<u>2023.12.31</u>	<u>2023.3.31</u>
Notes receivable	\$ 5,902	452	-
Accounts receivable	26	38	8,509
Less: Allowance for losses	-	-	(8,280)
	<u><b>\$ 5,928</b></u>	<u><b>490</b></u>	<u><b>229</b></u>
Contract liability — housing and land sales	\$ 229,789	226,922	150,047
Contract liability — prepaid Income	7,000	7,000	7,000
Total	<u><b>\$ 236,789</b></u>	<u><b>233,922</b></u>	<u><b>157,047</b></u>

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

The opening balances of contract liabilities on January 1, 2024 and 2023 were recognized in income in the amount of NT\$0 from January to March of 2024 and 2023, 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 has accumulated losses from January 1 to March 31, 2024 and 2023; therefore, there is no need to estimate remuneration to the employees and directors.

## Notes to the consolidated financial statements of Better Life Group Co., LTD. and the Subsidiaries (continued)

The Company reported accumulated losses in both 2023 and 2022, 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:

	<u>January to March 2024</u>	<u>January to March 2023</u>
Imputed interest on security deposits	\$ 3	3
Guarantee deposits paid	1,133	1,151
	<u><b>\$ 1,136</b></u>	<u><b>1,154</b></u>

#### 2. Other income

The consolidated company's other Income are detailed below:

	<u>January to March 2024</u>	<u>January to March 2023</u>
Management fees income	\$ 1,251	929
Other income	84	960
	<u><b>\$ 1,335</b></u>	<u><b>1,889</b></u>

#### 3. Other gains and losses

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

	<u>January to March 2024</u>	<u>January to March 2023</u>
Exchange loss	\$ (128)	-
Net gains (losses) on financial assets measured at fair value through profit or loss	34,265	(15,785)
	<u><b>\$ 34,137</b></u>	<u><b>(15,785)</b></u>

#### 4. Financial costs

The consolidated company's financial costs are detailed below:

	<u>January to March 2024</u>	<u>January to March 2023</u>
Interest on bank borrowings	\$ 819	2,365
Interest on lease liabilities	230	291
Financial costs	900	904
Discounted and amortized convertible corporate bonds	2,303	2,232
Less: Capitalized interest	(591)	(990)
	<u><b>\$ 3,661</b></u>	<u><b>4,802</b></u>
Capitalized interest rate	<u><b>2.63%</b></u>	<u><b>2.19%-2.95%</b></u>

## Notes to the consolidated financial statements of Better Life Group Co., LTD. and the Subsidiaries (continued)

### (20) Financial instruments

Except as described below, there is no significant change in the consolidated company's financial instruments and the exposure to credit risk, liquidity risk and market risk caused by financial instruments. Please refer to Note 6 (20) of the 2023 consolidated financial statements for related information.

#### 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

No significant difference. Please refer to Note 6 (20) of the 2023 consolidated financial statements for relevant information.

##### (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) of the 2023 consolidated financial statements 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
<b>March 31, 2024</b>							
Non-derivative financial liabilities							
Floating-rate instruments	\$ 134,000	136,667	92,769	1,513	42,385	-	-
Fixed-rate instruments	296,122	300,000	300,000	-	-	-	-
Non-interest bearing liabilities	65,934	65,934	65,934	-	-	-	-
Lease liabilities	22,470	24,070	3,368	3,745	7,443	9,514	-
	<u>\$ 518,526</u>	<u>526,671</u>	<u>462,071</u>	<u>5,258</u>	<u>49,828</u>	<u>9,514</u>	<u>-</u>
<b>December 31, 2023</b>							
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	-
	<u>\$ 490,426</u>	<u>501,671</u>	<u>44,112</u>	<u>395,529</u>	<u>50,857</u>	<u>11,173</u>	<u>-</u>
<b>March 31, 2023</b>							
Non-derivative financial liabilities							
Floating-rate instruments	\$ 361,782	370,463	231,227	2,695	94,175	42,366	-
Fixed-rate instruments	287,018	300,000	-	-	300,000	-	-
Non-interest bearing liabilities	29,884	29,884	29,884	-	-	-	-
Lease liabilities	28,616	31,224	3,254	3,754	7,325	16,891	-
	<u>\$ 707,300</u>	<u>731,571</u>	<u>264,365</u>	<u>6,449</u>	<u>401,500</u>	<u>59,257</u>	<u>-</u>

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.

## Notes to the consolidated financial statements of Better Life Group Co., LTD. and the Subsidiaries (continued)

### 3. Interest rate risk

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 increase (decrease) by NT\$259 thousand and a decrease (increase) by NT\$511 thousand in the consolidating company's earnings before tax from January 1 to March 31, 2024 and 2023, 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.)

	<b>2024.3.31</b>				
	<b>Carrying amount</b>	<b>Fair value</b>			<b>Total</b>
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
Financial assets at fair value through profit or loss					
Non-derivative financial assets at fair value through profit or loss	\$ 107,608	107,608	-	-	107,608
Financial assets at fair value through other comprehensive income					
Domestic and foreign unlisted stocks	\$ 20,836	-	-	20,836	20,836
	<b>2023.12.31</b>				
	<b>Carrying amount</b>	<b>Fair value</b>			<b>Total</b>
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
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

**Notes to the consolidated financial statements of Better Life Group Co., LTD. and the Subsidiaries (continued)**

	2023.3.31				
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Non-derivative financial assets at fair value through profit or loss	\$ 71,995	71,995	-	-	71,995
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

**Notes to the consolidated financial statements of Better Life Group Co., LTD. and the Subsidiaries (continued)**

(5) Details of changes in Level 3

	<b>At fair value through other comprehensive income</b>
	<b>Equity instruments without quoted prices</b>
January 1, 2024	\$ 19,718
Recognized in other comprehensive income	1,118
March 31, 2024	<b>\$ 20,836</b>
January 1, 2023	<b>\$ 19,718</b>
March 31, 2023	<b>\$ 19,718</b>

(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:

<b>Item</b>	<b>Valuation technique</b>	<b>Significant unobservable input</b>	<b>Significant unobservable input and relations with fair value</b>
Financial assets at FVTOCI – investments in equity instruments without active markets	Comparable Listed Company Act	· Marketability Discount (30.00%, 30.00% and 32.30% for 2024.3.31, 2023.12.31, and 2022.12.31)	· The higher the liquidity discount, the lower the fair value
		· Value of net assets (1.71, 1.61, and 1.44 respectively on 2024.3.31, 2023.12.31, and 2023.3.31)	· 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%, 30.00% and 32.30% for 2024.3.31, 2023.12.31, and 2022.12.31)	· The higher the liquidity discount, the lower the fair value
		· Discounts for non-controlling interests (6.63%, 6.63%, and 6.45% for 2024.3.31, 2023.12.31, and 2023.3.31, respectively)	· The higher the non- controlling interest discount, the lower the fair value

## Notes to the consolidated financial statements of Better Life Group Co., LTD. and the Subsidiaries (continued)

### (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
<b>March 31, 2024</b>				
Financial assets at fair value through other comprehensive income				
	Non-controlling interest discount	±10%	1,825	(1,825)
	Liquidity discount	±10%	2,977	(2,977)
	Book-to-market multiplier	±10%	380	(380)
<b>December 31, 2023</b>				
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)
<b>March 31, 2023</b>				
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

There were no significant changes between the consolidated company's financial risk management objectives and policies and those disclosed in Note 6 (21) of the 2023 Consolidated Financial Statements.

### (22) Capital management

The consolidated company's capital management objectives, policies and procedures are consistent with those disclosed in the 2023 consolidated financial statements, and there are no significant changes between the aggregated quantitative information of the capital management items and those disclosed in the 2023 consolidated financial statements. Please refer to Note 6 (22) of the 2023 consolidated financial statements for relevant information.

### (23) Financing activities with non-cash transactions

The consolidating company's financing activities through non-cash transactions from January 1 to March 31, 2024 and 2023 are as follows.

1. Please refer to Note 6(9) for details of the right-of-use assets obtained through leases.

## Notes to the consolidated financial statements of Better Life Group Co., LTD. and the Subsidiaries (continued)

2. The reconciliation of liabilities from financing activities is as follows:

	2024.1.1	Cash flows	Non-cash movement		2024.3.31
			Exchange rate change	Others	
Short-term borrowings	\$ 90,000	-	-	-	90,000
Long -term borrowings	45,000	(1,000)	-	-	44,000
Corporate bonds payable	293,819	-	-	(Note 1) 2,303	296,122
Lease liabilities	23,449	(1,632)	287	(Note 2) 366	22,470
Total amount of liabilities from financing activities	<u>\$ 452,268</u>	<u>(2,632)</u>	<u>287</u>	<u>2,669</u>	<u>452,592</u>

	2023.1.1	Cash flows	Non-cash movement		2023.3.31
			Exchange rate change	Others	
Short-term borrowings	\$ 315,782	-	-	-	315,782
Long -term borrowings	47,000	(1,000)	-	-	46,000
Corporate bonds payable	284,786	-	-	(Note 1) 2,232	287,018
Lease liabilities	30,860	(2,347)	103	-	28,616
Total amount of liabilities from financing activities	<u>\$ 678,428</u>	<u>(3,347)</u>	<u>103</u>	<u>2,232</u>	<u>677,416</u>

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



**Notes to the consolidated financial statements of Better Life Group Co., LTD. and the Subsidiaries (continued)**

(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:

	<u>January to March 2024</u>	<u>January to March 2023</u>
Pucheng Construction Co., Ltd.	19,607	13,739
Belongs to other related parties	786	786
	<u><b>\$ 20,393</b></u>	<u><b>14,525</b></u>

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 consolidating company and related parties as of March 31, 2024, December 31, 2023 and March 31, 2023.

2. Payables to related parties

<u>Account</u>	<u>Related party category</u>	<u>2024.3.31</u>	<u>2023.12.31</u>	<u>2023.3.31</u>
Notes payable	Pucheng Construction Co., Ltd.	\$ 5,766	9,507	4,200
Accounts payable	Pucheng Construction Co., Ltd.	5,954	1,223	826
Accounts payable	Puquan Advertising Co., Ltd.	-	3,291	2,098
Accounts payable	Puyuan Advertising Co., Ltd.	-	1,180	2,379
Accounts payable	Belongs to other related parties	2,464	1,657	1,054
		<u><b>\$ 14,184</b></u>	<u><b>16,858</b></u>	<u><b>10,557</b></u>

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 from January 1 to March 31, 2024 and 2023 were NT\$34 thousand and NT\$46 thousand, respectively. As of March 31, 2024, December 31, 2023 and March 31, 2023, the balance of lease liabilities was NT\$6,693 thousand, NT\$7,322 thousand, and NT\$8,528 thousand, respectively. In addition, the guarantee deposits paid due to the above leases as of March 31, 2024, December 31, 2023, and March 31, 2023 were all NT\$463 thousand.

4. Others

- (1) The consolidating company signed real estate agency contracts with Puquan Advertising Co., Ltd., Puyuan Advertising Co., Ltd. and Puquan Advertising Co., Ltd. for marketing of development projects from January 1 to March 31 of 2024 and 2023. The agency service fees were recognized as incremental cost for acquired contracts for NT\$41,212 thousand, NT\$41,212 thousand, and NT\$33,242 thousand, respectively.
- (2) The consolidating company obtained from Pucheng Construction a guarantee check of NT\$28,612 thousand as of March 31, 2024, December 31, 2023, and March 31, 2023 for construction and engineering works.

## Notes to the consolidated financial statements of Better Life Group Co., LTD. and the Subsidiaries (continued)

- (3) The consolidated company provided the related party Chang Chun-Kuei with interest subsidies of NT\$10,911 thousand, NT\$9,272 thousand and NT\$4,315 (recognized in prepayments), a guarantee deposits and guarantee notes submitted are both NT\$24,500 thousand, as of March 31, 2024 and December 31 and March 31, 2023, 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.

### (III) Transactions with key management personnel

Key management personnel's remuneration includes:

	<u>January to March 2024</u>	<u>January to March 2023</u>
Short-term employee benefits	<u>\$ 2,350</u>	<u>2,459</u>

## VIII. Assets Pledged

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

<u>Name of asset</u>	<u>Asset pledged as collateral</u>	<u>2024.3.31</u>	<u>2023.12.31</u>	<u>2023.3.31</u>
Inventory – construction industry	Short-term borrowings	\$ 579,008	557,202	615,149
Other financial assets -current	Reserve account	3,913	3,913	1,255
Other financial assets -current	Trust account	95,872	112,459	74,567
Investment property	Corporate bonds payable	178,447	177,140	161,638
Financial assets at fair value through profit or loss - non-current	Long -term borrowings	107,608	73,343	71,995
		<u>\$ 964,848</u>	<u>924,057</u>	<u>924,604</u>

## 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:

	<u>2024.3.31</u>	<u>2023.12.31</u>	<u>2023.3.31</u>
<b>Signed contracts</b>			
Housing and land sales	\$ 805,290	805,290	756,113
Contracts on solar installations and change of land use and relevant development projects	17,500	17,500	17,500
<b>Proceeds received</b>			
Housing and land sales	229,789	226,922	150,047
Contracts on solar installations and change of land use and relevant development projects	13,250	13,250	13,250

**Notes to the consolidated financial statements of Better Life Group Co., LTD. and the Subsidiaries (continued)**

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

<b>Payables not yet priced as per contract</b>	<b>2024.3.31</b>	<b>2023.12.31</b>	<b>2023.3.31</b>
Non-related party	\$ 36,809	38,251	20,305
<b>Related party</b>	<b>116,209</b>	<b>136,601</b>	<b>189,837</b>
	<b>\$ 153,018</b>	<b>174,852</b>	<b>210,142</b>

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

<b>Project name or land lot</b>	<b>Joint construction method</b>	<b>Joint construction deposits paid (construction deposits paid)</b>		
		<b>2024.3.31</b>	<b>2023.12.31</b>	<b>2023.3.31</b>
Xinyi Section, Xinyi District	Joint investment in construction and joint construction and allocation of housing units	\$ 195,855	194,582	199,956
Hwa-Ya Section, Guishan District	Joint investment in construction and joint construction and separate sale	24,500	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	-	-	-
		<b>\$ 220,355</b>	<b>219,082</b>	<b>224,456</b>

4. The consolidating company provided guarantee checks for NT\$24,500 thousand as of March 31, 2024, December 31, 2023, and March 31, 2023 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 March 31, 2023, 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 subsequently 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.**

## Notes to the consolidated financial statements of Better Life Group Co., LTD. and the Subsidiaries (continued)

### XII. Others

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

By function By nature	January to March 2024			January to March 2023		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefit expenses						
Salary and wages	-	6,870	6,870	-	6,375	6,375
Labor and health insurance	-	469	469	-	447	447
Pension	-	274	274	-	280	280
Directors' remuneration	-	900	900	-	990	990
Other employee benefit expenses	-	240	240	-	187	187
Depreciation expense	1,357	969	2,326	1,374	1,066	2,440
Amortization expense	-	11	11	-	32	32

- (II) Seasonality of operation.

The consolidating company's operations are affected by the periodic factors of the timing of the completion and handover of construction projects.

### XIII. Additional Disclosures

- (I) Information on significant transactions

The material transactions to be disclosed by the consolidating company from January 1, 2024 to March 31, 2024 according to the Regulations Governing the Preparation of Financial Reports by Securities Issuers are as follows:

- Loans to others: None.
- 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	795,560	388,800	388,800	315,857	-	48.87%	1,591,120	N	N	N
0	The Company	Tianyi Construction Co., Ltd.	5	795,560	453,600	453,600	314,567	-	57.02%	1,591,120	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:

- Companies with business dealings.
- A company in which the Company directly or indirectly holds more than 50% of the voting shares.
- A company directly or indirectly holds more than 50% of the voting shares of the Company.
- A company in which the Company directly or indirectly holds more than 90% of the voting shares.
- 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.
- A company that is endorsed and guaranteed by all shareholders of the Company based on their ownership percentage due to a joint investment relationship.

## Notes to the consolidated financial statements of Better Life Group Co., LTD. and the Subsidiaries (continued)

(7) The companies that are engaged in joint and several guarantees for the performance of a pre-sale property contract in accordance with the Consumer Protection Act.

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

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

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

Unit: In Thousand New Taiwan Dollars

Holding company	Type and name of securities	Relations with holding company	Account	End of period				Remarks
				Number of shares	Carrying amount	Shareholding	Fair value	
The Company	Stock - Eastern Electronics Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	390,921	3,796	0.58 %	3,796	
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	13,305	7.50 %	13,305	
The Company	Stock -Shin Kong Real Estate Management Co.,Ltd.	-	"	550,000	3,735	1.67 %	3,735	
The Company	Stock - Falcon Machine Tools Co., Ltd.	-	Financial assets at fair value through profit or loss -non-current	3,850,000	107,608	3.60 %	107,608	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 in First Quarter of 2024			
				Item	Amount	Transaction terms and conditions	As % of total revenues or total assets
0	The Company	Better Life Green Energy Technology Co., Ltd.	1	Accounts payable	6,400	Comparable to the industry level	0.40%
1	Better Life Green Energy Technology Co., Ltd.	The Company	2	Other receivables	6,400	Comparable to the industry level	0.40%

Note 1: indication by numbers

1.0: the parent company

## Notes to the consolidated financial statements of Better Life Group Co., LTD. and the Subsidiaries (continued)

2. Subsidiaries 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 consolidating company's investees (excluding the investees in China) from January 1 to March 31, 2024 were as follows:

Unit: In Thousand New Taiwan Dollars

Investor	Investee	Region	Principal business	Initial investment amount		Holdings at the end of period			Profit or loss on investee for the current period	Profit or loss recognized for the current period	Remarks
				End of the current period	Last year	Number of shares	Percentage	Carrying amount			
The Company	Better Life Green Energy Technology Co., Ltd.	Taiwan	Solar energy applications	91,000	91,000	9,100,000	100.00%	8,987	(142)	(142)	Subsidiaries
The Company	Better Life Real Estate Co., Ltd.	Taiwan	Marketing agency for the sale of real estate	80,000	80,000	8,000,000	100.00%	14,393	(113)	(113)	Subsidiaries
The Company	Better Life Group Travel Service Co., Ltd.	Taiwan	Travel agency	9,000	9,000	-	100.00%	1,708	(7)	(7)	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	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	36,800 (USD1,150)	(Note 1)	36,800 (Note 2) (USD1,150)	-	-	36,800 (Note 2) (USD1,150)	(882) (RMB202)	100.00%	(882) (Note 3) (RMB(202))	4,341 (RMB985)	-

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 reviewed 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	36,800 (USD1,150)	290,400 (USD9,075)	477,336 (Note 5)

Note 5: Calculation of the limit: The equity value for the specified period, divided by 60%, amounts to NT\$795,560 thousand x 60% = (total: NT\$477,336 thousand).

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

Notes to the consolidated financial statements of Better Life Group Co., LTD. and the Subsidiaries (continued)

(IV) Information on major shareholders:

Unit: Shares			
Name of major shareholder	Shares	Number of shares held	Shareholding
Puquan Advertising Co., Ltd.		21,407,872	21.36%
NOON GLORY MANAGEMENT & TRADING CO., LTD.		8,586,318	8.57%
Liao, Heng-I		6,906,753	6.89%
Sant Law International Corporation		6,043,983	6.03%
Tsai, Hung-Chien		5,884,120	5.87%
Chunxin Construction Co., Ltd.		5,090,417	5.08%

XIV. Information on Operating Segments

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

	January to March 2024				Total
	Construction Department	Real Estate Agency Department	Other departments	Adjustment and elimination	
Income					
Income from external customers	\$ 129	-	1,464	-	1,593
Inter-department Income	29	-	180	(209)	-
Total income	<u>\$ 158</u>	<u>-</u>	<u>1,644</u>	<u>(209)</u>	<u>1,593</u>
<b>Earnings before tax of reporting segments</b>	<b>\$ 20,320</b>	<b>(113)</b>	<b>(1,031)</b>	<b>1,144</b>	<b>20,320</b>

	January to March 2023				Total
	Construction Department	Real Estate Agency Department	Other departments	Adjustment and elimination	
Income					
Income from external customers	\$ 129	-	1,580	-	1,709
Inter-department Income	29	-	180	(209)	-
Total income	<u>\$ 158</u>	<u>-</u>	<u>1,760</u>	<u>(209)</u>	<u>1,709</u>
<b>Earnings before tax of reporting segments</b>	<b>\$ (30,656)</b>	<b>278</b>	<b>(956)</b>	<b>678</b>	<b>(30,656)</b>