Stock Code: 1805

Better Life Group Co., Ltd.

Parent Company Only Financial Statements and Independent Auditors' Report

For the Years Ended December 31, 2024 and 2023

Address: 4F, No. 303, Xinhu 1st Road, Neihu District, Taipei City
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Independent Auditors' Report

To Better Life Group Co., Ltd.,

Audit opinion

We have audited the accompanying balance sheets of Better Life Group Co., Ltd., (the "Company") for the years ended December 31, 2024 and 2023 and the relevant statements of comprehensive income, changes in equity and cash flows for the years then ended, and relevant notes, including a summary of significant accounting policies (collectively referred to as the "parent company only financial statements").

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company for the years ended December 31, 2024 and 2023, and its financial performance and cash flows for the years then ended in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for the audit opinion

We conducted our audits in accordance with the Regulations Governing the Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards of the Republic of China. Our responsibility under those standards are further described in the paragraph "Auditor's responsibilities for the audit of the parent company only financial statements". We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We are convinced that we have acquired enough and appropriate audit evidence to serve as the basis of audit opinion.

Key audit matters

Key audit matters refer to the most vital matters in our audit of the parent company only financial statements of the Company for the year ended December 31, 2024, based on our professional judgment. These matters were addressed in our audit of the parent company only financial statements as a whole, and in forming our audit opinion. We do not express a separate opinion on these matters. Key audit matters of the parent company only financial statements of the Company are stated as follows:

I. Inventory valuation

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

Description:

The Company’s inventories are an important asset for operations, accounting for about 35% of its total assets; inventory values are handled in accordance with the International Accounting Standards (IAS) 2. As the net realizable value of the Company's inventory based on Management's estimates of future sales prices and construction costs are susceptible to political and economic circumstances. if the net realizable value is not properly appraised, the financial statements will be misstated. Therefore, the test of inventory values is one of our key audit matters during the audit of the Company’s financial statements.

Audit procedures

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

Responsibilities of the management and the governing bodies for the parent company only financial statements

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

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

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

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

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

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

1. Identified and assessed the risks of material misstatement arising from fraud or error within the parent company only financial statements; designed and executed countermeasures in response to said risks, and obtained sufficient and appropriate audit evidence to provide a basis for our opinion. Fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Therefore, the risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error.
2. Understood the internal control related to the audit in order to design appropriate audit procedures under the circumstances, while not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluated the adequacy of accounting policies adopted by the management and the legitimacy of accounting estimates and related disclosures made.

4. Concluded on the appropriateness of the management's adoption of the going concern basis of accounting based on the audit evidence obtained and whether a material uncertainty exists for events or conditions that may cast significant doubt over the Company's ability to continue as a going concern. If we are of the opinion that a material uncertainty exists, we shall remind users of the parent company only financial statements to pay attention to relevant disclosures in said statements within our audit report. If such disclosures are inadequate, we need to modify our opinion. Conclusions made by the CPAs are based on the audit findings obtained as of the date of audit report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluated the overall presentation, structure, and content of the parent company only financial statements (including relevant notes), and whether the parent company only financial statements adequately present the relevant transactions and events.
6. Obtained sufficient and appropriate audit evidence concerning the financial information of investees using the equity method, to express an opinion on the parent company only financial statements. We were responsible for guiding, supervising, and performing the audit and forming an audit opinion about the Company.

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

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

From the matters communicated with the governing bodies, we determined the key audit matters for the audit of the Company's parent company only financial statements for the year ended December 31, 2024. We have clearly indicated such matters in the auditors' report. Unless legal regulations prohibit the public disclosure of specific matters, or in extremely rare cases, where we decided not to communicate over specific items in the auditors' report for it could be reasonably anticipated that the negative effects of such disclosure would be greater than the public interest it brings forth.

KPMG Taiwan

CPA:
PAN JIUN MING
CHEN TZUNG JE

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

March 5, 2025

Notes to Readers

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

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

(English Translation of Balance Sheets Originally Issued in Chinese)

Better Life Group Co., Ltd.

Balance Sheets

December 31, 2024 and 2023

Unit: In Thousand New Taiwan Dollars

		2024.12.31		2023.12.31	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (Note 6(1))	$ 668,600	32	160,449	11
1150	Notes receivable, net (Notes 6(4) and (19))	100,868	5	452	-
1170	Accounts receivable, net (Notes 6(4) and (19))	37,212	2	-	-
1320	Inventories (for construction industry) (Notes 6(5), 7, 8, and 9)	714,906	35	607,350	40
1410	Prepayments (Notes 6(6), 7, and 9)	205,652	10	30,081	2
1424	Excess business tax paid	-	-	17,147	1
1476	Other financial assets - current (Note 8)	31,447	2	129,041	9
1478	Construction deposits paid (Notes 7 and 9)	39,649	2	219,082	14
1480	Incremental cost of obtaining contracts - current (Note 7)	9,868	-	41,212	3
		1,808,202	88	1,204,814	80
	Non-current assets:				
1510	Financial assets measured at fair value through profit or loss – non-current (Notes 6 (2) and (22) and 8)	424	-	73,343	5
1517	Financial assets measured at fair value through other comprehensive income – non-current (Notes 6(3) and (22))	22,540	1	19,718	1
1550	Investments using the equity method (Note 6(7))	25,963	1	30,485	2
1600	Property, plant and equipment (Notes 6(8))	2,421	-	3,006	-
1755	Right-of-use assets (Note 6(10))	5,200	-	7,458	-
1760	Investment property (Note 6(9), 7 and 8)	200,110	10	177,140	12
1780	Intangible assets	-	-	21	-
1980	Other financial assets - non-current (Note 7)	737	-	1,317	-
		257,395	12	312,488	20
	Total assets	**$ 2,065,597**	**100**	**1,517,302**	**100**

(English Translation of Balance Sheets Originally Issued in Chinese)

Better Life Group Co., Ltd.

Balance Sheets (Continued)

December 31, 2024 and 2023

Unit: In Thousand New Taiwan Dollars

		2024.12.31		2023.12.31	
	Liabilities and equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2100	Short-term borrowings (Notes 6(12) and 8)	$ 330,980	16	90,000	6
2110	Short-term notes payable (Note 6(11) and 8)	256,206	12	-	-
2130	Contract liabilities – current (Notes 6(19) and 9)	93,019	5	226,922	15
2150	Notes payable (Note 7)	540	-	9,507	1
2170	Accounts payable (Note 7)	98,846	5	16,190	1
2200	Other payables (Note 6(20) and 7)	54,957	4	16,335	1
2230	Income tax liabilities (Note 6(15))	10,029	-	-	-
2280	Lease liabilities - current (Notes 6(15) and 7)	2,913	-	2,661	-
2321	Corporate bonds subject to redemption or exercise of sell-back rights within one year or one business cycle (Note 6(14) and 8)	-	-	293,819	19
2322	Long-term borrowings due within one year or one operating cycle (Notes 6(13) and 8)	-	-	2,000	-
2399	Other current liabilities - other	6,686	-	10,728	1
		854,176	42	668,162	44
	Non-current liabilities:				
2540	Long-term borrowings (Notes 6(13) and 8)	-	-	43,000	3
2570	Deferred income tax liability (Note 6(16))	26,993	1	27,104	2
2580	Lease liabilities - Non current (Notes 6(15) and 7)	2,464	-	5,002	-
	Total liabilities	883,633	43	743,268	49
	Equity (Note 6(17)):				
3110	Common stock	1,049,705	51	1,001,858	66
3200	Capital surplus	108,353	5	52,097	4
3310	Legal reserve	4,320	-	4,320	-
3350	Undistributed earnings (or deficit to be compensated)	27,652	1	(273,304)	(18)
3400	Other equity interests	(8,066)	-	(10,937)	(1)
	Total equity	1,181,964	57	774,034	51
	Total liabilities and equity	**$ 2,065,597**	**100**	**1,517,302**	**100**

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

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

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

Better Life Group Co., Ltd.

Statements of Comprehensive Income

January 1 to December 31, 2024 and 2023

Unit: In Thousand New Taiwan Dollars

		2024		2023	
		Amount	%	Amount	%
4000	**Operating income (Note 6(19))**	$ 621,276	100	139,621	100
5000	**Operating costs (Notes 6(5) and 7)**	326,988	53	137,635	99
	Gross profit	294,288	47	1,986	1
6000	**Operating expenses (Notes 6 (15), (17), (20) and 7):**				
6100	Selling expenses	42,279	7	11,493	8
6200	General and administrative expenses	47,612	8	42,648	31
		89,891	15	54,141	39
	Net operating profit (loss)	204,397	32	(52,155)	
	Non-operating income and expenses (Note 6(15), (21), 7 and 9):				
7100	Interest income	6,645	1	5,928	4
7010	Other income	5,315	1	21,026	15
7020	Other gains and losses	117,123	19	(60,328)	(43)
7050	Financial costs	(15,475)	(2)	(18,917)	(14)
7070	Share of profit or loss of subsidiaries, associates, and joint ventures recognized using equity method (Note 13)	(6,847)	(1)	296	-
	Total non-operating income and expenses	106,761	18	(51,995)	(38)
7900	**Net profit (loss) before income tax**	311,158	50	(104,150)	(76)
7950	**Less: Income tax expenses (Note 6(16))**	10,202	2	5,966	4
8200	**Net income(loss) for the period**	300,956	48	(110,116)	(80)
8300	**Other comprehensive income (Note 6(17)):**				
8310	**Items that will not be reclassified subsequently to profit or loss**				
8316	Unrealized gains or losses on equity instrument investments at fair value through other comprehensive income	2,822	-	-	-
8349	Less: Income tax related to items not reclassified	-	-	-	-
	Total items that will not be reclassified subsequently to profit or loss	2,822	-	-	-
8360	**Items that may subsequently be reclassified to profit or loss**				
8380	Share of other comprehensive income of subsidiaries, associates, and joint ventures recognized using equity method - items that may be reclassified to profit or loss	49	-	(119)	-
8399	Less: Income tax related to items that may be reclassified to profit or loss	-	-	-	-
	Total items that may subsequently be reclassified to profit or loss	49	-	(119)	-
8300	**Other comprehensive income for the current period**	2,871	-	(119)	-
	Total comprehensive income for the current period	**$ 303,827**	**48**	**(110,235)**	**(80)**
	Earnings (losses) per share (Note 6(18))				
9750	**Basic earnings (losses) per share (NTD)**	**$**	**2.96**		**(1.55)**
9850	**Diluted earnings (losses) per share (NTD)**	**$**	**2.72**		**(1.55)**

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

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

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

Better Life Group Co., Ltd.

Statements of Changes in Equity

January 1 to December 31, 2024 and 2023

Unit: In Thousand New Taiwan Dollars

	Share capital		Retained earnings		Other equity items		
	Common stock	Capital surplus	Legal reserve	Undistributed earnings	Exchange difference on translation of financial statements of foreign operations	Unrealized gain (loss) on financial assets at fair value through other comprehensive income	Total equity
Balance on January 1, 2023	$ 1,002,654	22,097	4,320	(463,984)	131	(10,949)	554,269
Net loss for the period	-	-	-	(110,116)	-	-	(110,116)
Other comprehensive income for the current period	-	-	-	-	(119)	-	(119)
Total comprehensive income for the current period	-	-	-	(110,116)	(119)	-	(110,235)
Capital increase by cash	300,000	30,000	-	-	-	-	330,000
Reduction in capital to offset losses	(300,796)	-	-	300,796	-	-	-
Balance as of December 31, 2023	1,001,858	52,097	4,320	(273,304)	12	(10,949)	774,034
Net income for the period	-	-	-	300,956	-	-	300,956
Other comprehensive income for the current period	-	-	-	-	49	2,822	2,871
Total comprehensive income for the current period	-	-	-	300,956	49	2,822	303,827
Convertible corporate bond conversion	47,847	52,153	-	-	-	-	100,000
Employee share options	-	4,103	-	-	-	-	4,103
Balance on December 31, 2024	**$ 1,049,705**	**108,353**	**4,320**	**27,652**	**61**	**(8,127)**	**1,181,964**

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

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

Better Life Group Co., Ltd.

Statements of Cash Flows

January 1 to December 31, 2024 and 2023

Unit: In Thousand New Taiwan Dollars

		2024	2023
Cash flow from operating activities:			
Income (loss) before tax for the current period	$	311,158	(104,150)
Adjustments:			
Income and expenses			
Depreciation expense		3,811	4,182
Amortization expense		21	86
Net (gain) loss on financial assets and liabilities measured at fair value through profit or loss		(120,421)	14,437
Interest expense		15,475	18,917
Interest income		(6,645)	(5,928)
Dividend income		(245)	(1,294)
Share-based payment for remuneration cost		4,103	-
Share of loss (gain) of subsidiaries, associates and joint ventures accounted for using the equity method		6,847	(296)
(Gain) Loss on change in fair value of investment property		3,305	(2,615)
Gain on lease modifications		(9)	-
Other losses		-	48,509
Total income and expenses		(93,758)	75,998
Changes in assets/liabilities related to operating activities:			
Net change in assets related to operating activities:			
Financial assets at fair value through profit or loss		193,340	-
Notes receivable		(100,416)	5,038
Accounts receivable		(37,212)	171
Inventories		(105,109)	(3,602)
Prepayments		(158,424)	(11,001)
Other financial assets		93,681	(72,110)
Construction deposits paid		179,433	4,223
Incremental cost of obtaining contracts		31,344	(1,968)
Total net change in assets related to operating activities		96,637	(79,249)
Net change in liabilities related to operating activities:			
Contract liabilities		(133,903)	136,632
Notes payable		(8,967)	2,946
Accounts payable		82,656	(27,027)
Other payables		38,235	6,586
Non-current liabilities		(4,042)	(3,216)
Total net change in liabilities related to operating activities		(26,021)	115,921
Total net change in assets and liabilities related to operating activities		70,616	36,672
Total adjustments		(23,142)	112,670
Cash inflow from operations		288,016	8,520
Interest received		6,645	5,928
Dividend received		245	1,294
Interest paid		(9,109)	(14,101)
Income tax paid		(284)	(4,453)
Net cash generated (used) in operating activities		285,513	(2,812)

Better Life Group Co., Ltd.
Statements of Cash Flows (Continued)
January 1 to December 31, 2024 and 2023

Unit: NTD thousands

	2024	2023
Cash flow from investing activities:		
Acquisition of investment using the equity method	(2,276)	(3,108)
Refunds from capital reduction of the invested company under the equity method	-	30,000
Acquisition of property, plant and equipment	(518)	-
Guarantee deposits paid	580	300
Acquisition of investment property	(26,275)	(14,685)
Other financial assets	3,913	(1,507)
Net cash generated (used) in investing activities	(24,576)	11,000
Cash flow from financing activities:		
Short-term borrowings	240,980	(225,782)
Short-term notes payable	253,961	-
Repayment of corporate bonds	(200,000)	-
Repayment of long-term borrowings	(45,000)	(2,000)
Lease principal repaid	(2,727)	(3,105)
Capital increase by cash	-	330,000
Net cash inflow from financing activities	247,214	99,113
Increase in cash and cash equivalents in the current period	508,151	107,301
Balance of cash and cash equivalents at the beginning of the period	160,449	53,148
Balance of cash and cash equivalents at the end of the period	$ 668,600	160,449

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

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

Better Life Group Co., Ltd.
Notes to Parent Company Only Financial Statements
For the Years Ended December 31, 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, Xinhu 1st Road, Neihu District, Taipei City. In October 1989, its stock was approved for being listed on the Taiwan Stock Exchange for trading. The Company's original name was Kaiju Co., Ltd. and it was renamed Better Life Group Co., Ltd. as approved by the shareholders' meeting on June 26, 2009, referenced Letter Shou-Shang No. 09801153160 from the Ministry of Economic Affairs on July 24.

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

II. The Authorization of Financial Statements

These parent company only financial statements were approved and published by the board of directors on March 5, 2025.

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 Company starting on January 1, 2024 does not have a material influence on the parent company only 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) Impact of not adopting Accounting the IFRSs endorsed by the FSC

The Company has assessed the application of the newly revised IFRS that have taken effect on January 1, 2025, which will not cause a material impact on the standalone financial statements.

- Amendment to IAS 21 "Lack of Exchangeability"

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

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

New and revised standards	Major revisions	Effective date announced by IASB
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

New and revised standards	Major revisions	Effective date announced by IASB
IFRS 18 "Presentation and Disclosure in Financial Statements"	• 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. • 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. • 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.	January 1, 2027

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

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

- Amendments to IFRS 10 and IAS 28, “Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture”
- IFRS 17, “Insurance Contracts” and Amendments to IFRS 17
- IFRS 19 “Subsidiaries not with Public Accountability: Disclosures”
- Amendments to IFRS 9 and IFRS 7 “Amendment to the Classification and Measurement of Financial Instruments”
- Annual improvement of IFRS accounting
- Amendments to IFRS 9 and IFRS 7, “Contracts Referencing Nature-dependent Electricity”

IV. Summary of Significant Accounting Policies

A summary of the significant accounting policies adopted in the parent company only financial statements is as follows. The following accounting policies have been consistently applied to all the reporting periods in the parent company only financial statements.

(I) Statement of compliance

The parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(II) Basis of preparation

1. Basis for measurement

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

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

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

(3) Investment property measured at fair value

2. Functional currency and currency presented

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

(III) Foreign currency

1. Foreign currency transactions

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

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

(1) Equity instrument designated at fair value through other comprehensive income;

(2) Financial liabilities designated as net investment hedge for foreign operations, which are within the effective scope of hedging; or

(3) Qualified cash flow hedge, which within the effective scope of hedging.

2. Foreign operations

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

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

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

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

The 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 or intended for sale or consumption within the normal business cycle (typically longer than one year for the construction business)
2. Assets held primarily for the purpose of trading;
3. Assets expected the balance 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 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. Expected to be repaid within the normal business cycle (typically longer than one year for the construction business)
2. Liabilities held primarily for the purpose of trading;
3. The liability is due within 12 months after the reporting period; 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.

(V) Cash and cash equivalents

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

(VI) Financial instruments

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

1. Financial assets

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

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

(1) Financial assets at amortized cost

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

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

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

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

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

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

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

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

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

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

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

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

(4) Impairment of financial assets

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

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

- Debt securities are judged to be of low credit risk on the balance sheet date; and

- The credit risk of other debt securities and bank deposits (i.e. the risk of default during the expected duration of the financial instruments) has not increased significantly since the initial recognition.

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

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

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

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

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

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

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

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

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

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

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

The allowance for losses for a financial asset measured at amortized cost is deducted from the carrying amount of the asset.

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

(5) Derecognition of financial assets

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

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

2. Financial liabilities and equity instruments

(1) Classification of liabilities and equity

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

(2) Equity transactions

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

(3) Financial liabilities

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

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

(4) Derecognition of financial liabilities

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

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

(5) Offset of financial assets and liabilities

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

(VII) Inventories

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

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

(VIII) Investment in subsidiaries

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

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

(IX) Investment property

Investment property refers to property held for earning rents or asset appreciation or both, but not for sale in normal business activities, production, provision of goods or services, or for administrative purposes. Investment properties are initially measured at cost and subsequently measured at fair value, and any changes are recognized in profit or loss.

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

Rent income from investment property is recognized in operating income on a straight-line basis over the lease term.

(X) Property, plant and equipment

1. Recognition and measurement

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

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

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

2. Subsequent cost

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

3. Depreciation

Depreciation is calculated at the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful life of each component.

Land is not depreciated.

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

(1) Leasehold improvement 5 years

(2) Other equipment 3 years

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

4. Reclassification to investment property

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

(XI) Lease

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

1. Lessee

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

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

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

Lease payments included in the lease liability measurement include:

(1) Fixed payments, including substantive fixed payments;

(2) The lease payment depends on the change in an index or rate, and the index or rate on the lease commencement date is adopted for the initial measurement;

(3) The residual value guarantee amount expected to be paid; and

(4) The exercise price or penalty to be paid when it is reasonably ascertain that the purchase or lease termination will be executed.

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

(1) Changes in the index or rate used to determine lease payments result in changes in future lease payments;

(2) There is a change in the residual value guarantee amount expected to be paid;

(3) There is a change in the evaluation of the option of purchasing the asset;

(4) A change in the evaluation of whether to extend or terminate a lease has resulted in a change in the evaluation of the lease term;

(5) The subject leased, scope of lease, or other terms are modified.

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

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

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

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

2. Lessor

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

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

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

(XII) Intangible assets

1. Recognition and measurement

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

2. Subsequent expenditure

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

3. Amortization

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

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

Computer software 3 years

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

(XIII) Impairment of non-financial assets

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

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

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

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

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

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

(XIV) Provision for warranty liability

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

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

(XV) Revenue recognition

1. Revenue from customer contracts

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

(1) Land development and property sales

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

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

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

(2) Significant financial components - advance receipts for property

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

2. Cost of customer contracts

(1)Incremental cost of obtaining contracts

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

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

(2)Cost of fulfilling contracts

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

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

(XVI) Employee benefits

1. Defined contribution plan

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

2. Short-term employee benefits

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

(XVII) Share-based payment transaction

The share-based payment to employees is recognized as remuneration cost and the relative equity is increased when the employees are entitled to the remuneration unconditionally. The amount of remuneration cost recognized is adjusted based on the expected number of rewards that meet the service conditions and the non-market price vested conditions. The amount recognized ultimately is based on the number of rewards that meet the service conditions and the non-market price vested conditions on the vested date.

The non-vested conditions of the share-based payment have been reflected in the measurement of the fair value on the grant date, and the difference between the expected and actual results does not need to be verified and adjusted.

The fair value of the share appreciation right paid to employees for cash settlement should be recognized as expenses and the corresponding liabilities should be increased when the employees are entitled to the remuneration unconditionally. The liabilities are re-measured at the fair value of the share appreciation right on each reporting date and settlement date, and any changes are recognized in profit or loss.

The grant date of the share-based payment of the Company is the date of the capital increase approved by the Board of Directors.

(XVIII) Income taxes

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

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

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

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

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

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

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

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

(XIX) Earnings per share

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

(XX) Department information

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

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

When preparing these parent company only financial statements, management must make judgements, Estimates and assumptions. Such judgements, estimates and assumptions have influence on the adoption of accounting policies and the reported numbers of assets, liabilities, Income and expenses. Actual results may differ from estimates.

Management of the consolidated company continues to review the estimates and basic assumptions, which are consistent with the risk management and climate-related commitments of the consolidated company. Changes in the estimated value are deferred and recognized in the period of change and the affected future period.

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

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

(I) Inventory

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

(II) Fair value of investment property

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

Valuation process

The Company's accounting policies and disclosures include the adoption of fair value to measure its financial and non-financial assets and liabilities. Among them, the Finance Department is responsible for reviewing all significant fair value measurements (including Level 3 fair value) and reporting directly to the Chief Financial Officer. The team regularly reviews significant unobservable inputs and adjustments. If an input used to measure fair value is based on external third-party information (such as a broker or pricing service institution), the valuation team will assess the evidence provided by the third party in support of the input to confirm that the valuation and its fair value level are aligned with the requirements of IFRS.

The Company adopts observable inputs in the market wherever possible when measuring its assets and liabilities. The fair value levels are based on the inputs used in the valuation techniques and are classified as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: Inputs that are not based on observable inputs (unobservable inputs) for the asset or liability.

Transfer policy between levels

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

Further information on assumptions adopted to measure fair value

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

(I) Note 6(9), Investment property

(II) Note 6(22) Financial instruments

VI. Summary of Significant Accounting Items

(I) Cash and cash equivalents

		2024.12.31	2023.12.31
Cash on hand	$	142	142
Demand deposit		220,456	160,305
Checking deposit		2	2
Time deposits		348,000	-
Cash equivalents		100,000	-
Cash and cash equivalents listed in the statements of cash flows	$	668,600	160,449

1. Cash equivalents refer to bond investments that are readily convertible into cash within three months from the date of acquisition, with an insignificant risk of changes in value, and are highly liquid.
2. Please refer to Note 6(22) for interest rate risks and the sensitivity analysis of the Company’s financial assets and liabilities.

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

		2024.12.31	2023.12.31
Financial assets at fair value through profit or loss:			
Non-derivative financial assets			
TWSE/TPEx listed stocks	$	424	73,343

1. Please refer to Note 6(22) for market risk information.
2. In 2024, the financial assets measured at fair value through profit or loss were not used as long-term loans and financing collateral. On December 31, 2023, please refer to Note 8 for the Company's financial assets measured at fair value through profit or loss pledged as collateral.

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

		2024.12.31	2023.12.31
Equity instrument at fair value through other comprehensive income:			
Domestic unlisted stock - Eastern Electronics Co., Ltd.	$	6,011	5,715
Domestic unlisted stock - Shin Kong Real Estate Management Co., Ltd.		3,256	1,890
Foreign unlisted stock - World Join International Ltd.		13,273	12,113
Total	$	22,540	19,718

1. These equity instrument investments held by the Company are for long-term strategic investment and are not held for trading purposes, so they have been designated as measured at fair value through other comprehensive income.
2. Please refer to Note 6(22) for market risk information.
3. The Company’s above financial assets have not been pledged as collateral.

(IV) Notes and accounts receivable

	2024.12.31	2023.12.31
Notes receivable - from operations	$ 100,868	452
Accounts receivable at amortized cost	37,212	-
	$ 138,080	452

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

	2024.12.31		
	Carrying amounts of notes and accounts receivable	**Weighted average expected credit loss rate**	**Allowance for lifetime expected credit losses**
Not past due	$ 138,080	-	-

	2023.12.31		
	Carrying amounts of notes and accounts receivable	**Weighted average expected credit loss rate**	**Allowance for lifetime expected credit losses**
Not past due	$ 452	-	-

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

	2024	2023
Opening balance	$ -	4,212
The irrecoverable amount written off in the current year	-	(4,212)
Ending balance	$ -	-

None of the Company’s notes receivable and accounts receivables was pledged for collateral as of December 31, 2024 and 2023.

(V) Inventories

	2024.12.31	2023.12.31
Construction business:		
Buildings and land held for sale	$ 220,115	173,392
Construction in progress	175,444	383,810
Land held for construction site	277,499	50,148
Prepayment for land	41,848	-
	$ 714,906	607,350
Inventory expected to be recovered after more than 12 months	$ 319,347	207,848

The details of operating costs are as follows:

		2024	2023
Buildings and land held for sale reclassified after sold	$	326,988	142,543
Gain from price recovery of inventory		-	(4,908)
	$	326,988	137,635

1. Please refer to Note 6(21) for the interest capitalization of the Company.
2. Please refer to Note 8 for the Company's pledges on inventory as collateral as of December 31, 2024 and 2023.

(VI) Prepayments

		2024.12.31	2023.12.31
Construction business - Pre-construction development costs	$	203,602	28,011
Others		2,050	2,070
	$	205,652	30,081

(VII) Investment using the equity method

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

		2024.12.31	2023.12.31
Subsidiaries	$	25,963	30,485

1. Please refer to the 2024 consolidated financial statements for information on subsidiaries.
2. As of December 31, 2024 and 2023, the Company's investments using the equity method were not pledged as collateral.

(VIII)Property, plant and equipment

The details of the changes in cost, depreciation, and impairment losses of the Company's property, plant and equipment in 2024 and 2023 are as follows:

		Land	Leasehold improvements	Other equipment	Total
Cost or deemed cost:					
Balance on January 1, 2024	$	5,382	4,910	205	10,497
Addition		-	-	518	518
Balance on December 31, 2024	$	5,382	4,910	723	11,015
Balance as at December 31, 2023 (i.e. opening balance)	$	5,382	4,910	205	10,497
Depreciation and impairment losses:					
Balance on January 1, 2024	$	5,382	1,964	145	7,491
Depreciation for the current period		-	982	121	1,103
Balance on December 31, 2024	$	5,382	2,946	266	8,594

	Land		Leasehold improvements	Other equipment	Total
Balance on January 1, 2023	$	5,382	982	77	6,441
Depreciation for the current period		-	982	68	1,050
Balance on December 31, 2023	**$**	**5,382**	**1,964**	**145**	**7,491**
Book value:					
December 31, 2024	**$**	**-**	**1,964**	**457**	**2,421**
December 31, 2023	**$**	**-**	**2,946**	**60**	**3,006**
January 1, 2023	**$**	**-**	**3,928**	**128**	**4,056**

As of December 31, 2024 and 2023, none of the Company's property, plant and equipment was provided as collateral.

(IX) Investment property

Investment property includes land leased out by the Company to lessees under operating leases. The initial period of the leased investment property is 24 years. At the end of a lease term, the Company will negotiate subsequent lease terms with a lessee.

The change in the Company’s investment properties is as follows:

		Land and improvements
Cost or deemed cost:		
Balance on January 1, 2024	$	177,140
Addition		26,275
Net loss due to fair value adjustment		(3,305)
Balance on December 31, 2024	**$**	**200,110**
Balance on January 1, 2023 after restatement	$	159,840
Addition		14,685
Net gain due to fair value adjustment		2,615
Balance on December 31, 2023	**$**	**177,140**
Carrying amount:		
December 31, 2024	**$**	**200,110**
December 31, 2023	**$**	**177,140**
January 1, 2023	**$**	**159,840**

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

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

1. Land in Toufen City, Miaoli County

Property	Important contract terms
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	December 31, 2024 3.845% December 31, 2023: 3.720%
External or in-house appraisal	External appraisal
Appraisal company	DTZ Cushman & Wakefield Real Estate Appraiser Office
Name of appraiser	Chun-Chun Hu, Chang-Da Yang
Date of appraisal	December 31, 2024
Fair value of external appraisal	December 31, 2024 $200,110 December 31, 2023 $177,140

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

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

During the construction period, the income is based on the rent specified in the contract. During the operation period, we apply to Taiwan Power Corporation for the installed capacity of 10MW on the appraised property, based on the average annual power generation of 1,218 kWh from power generation equipment in Miaoli County in 2024, and the average bulk purchase rate at NT$3.743/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 "2024 Renewable Energy Electricity Bulk Purchase Rate and the Calculation Formula", and the rate is for the bulk purchase for 20 years, so there is no increase in electricity price.

(2) Estimation of discount rate

The discount rate is determined by the risk premium method, which takes into account factors such as banks' time deposit interest rates, the government's bond interest rates, risks of real estate investments, currency changes and trends of price changes in real properties to select the investment rate of return for general financial instruments, adjusted by the differences in the investment instruments and individual characteristics of the properties. The discount rate is based on Chunghwa Post's two-year postal time deposit variable rate plus excess-3 interest rate on December 31, 2024 and 2023, of 2.470% and 2.345%, respectively, and takes into account the property's income, liquidity, risk December 31, 2024 and degree of difficulty in terms of management. The risk premium was added to determine the discount rates of 3.845% and 3.720%, respectively.

(3) Estimation of ending disposal value

The income price for the disposal of property at the end of the period was NTD 7,224 thousand/year and NTD 8,101 thousand/year on December 31, 2024 and 2023, respectively. The calculation of the disposal price of property at the end of the period was NTD 347,660 thousand and NTD 337,624 thousand, respectively.

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

Fair value valuation technique	Significant unobservable input	Relationship between significant unobservable input and fair value evaluation
The discounted cash flow analysis (DCF) using the income approach is adopted to evaluate the contractual rent provided by the consolidated company. Discounted cash flow analysis using the income approach: Refers to the method of estimating the price of the appraised property by summing up the net income of each period and ending value of future discounted cash flow after discounting at an appropriate discount rate. The method is applicable to valuation of real properties for investment purpose.	• Risk-adjusted discount rate 2024.12. 31: 3.845% 2023.12.31: 3.720%	The estimated fair value would increase (or decrease) if: • The risk-adjusted discount rate decreases (increases).

2. Please refer to Note 8 for details of the Company's investment property pledged as collateral.
3. Ownership transfer and acquisition of certain agricultural land is only possible after the change of land use according to law. Hence, some land was registered under personal names. At present, the protection measures, including an entrustment contract and a trust deed have been signed with said individual, and the land parcel will be transferred to the Company at an appropriate time.

(X) Right-of-use assets

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

	Buildings	Transportation equipment	Office equipment	Total
Cost of right-of-use assets:				
Balance on January 1, 2024	$ 13,198	-	-	13,198
Addition	42	728	-	770
Decrease	-	(366)	-	(366)
Balance on December 31, 2024	$ 13,240	362	-	13,602
Balance on January 1, 2023	$ 13,198	1,361	225	14,784
Decrease	-	(1,361)	(225)	(1,586)
Balance on December 31, 2023	$ 13,198	-	-	13,198

		Buildings	Transportation equipment	Office equipment	Total
Depreciation and impairment losses of right-of-use assets:					
Balance on January 1, 2024	$	5,740	-	-	5,740
Depreciation		2,647	61	-	2,708
Decrease		-	(46)	-	(46)
Balance on December 31, 2024	$	8,387	15	-	8,402
Balance on January 1, 2023	$	3,100	914	180	4,194
Depreciation		2,640	447	45	3,132
Decrease		-	(1,361)	(225)	(1,586)
Balance on December 31, 2023	$	5,740	-	-	5,740
Book value:					
December 31, 2024	$	4,853	347	-	5,200
December 31, 2023	$	7,458	-	-	7,458
January 1, 2023	$	10,098	447	45	10,590

(XI) Short-term notes payable

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

	2024.12.31			
	Guarantee or acceptance institution	Interest rate range (%)		Amount
Commercial papers payable	Bills Company	2.94%~3.10%	$	258,000
Less: Discounted short-term notes payable				(1,794)
Total			$	256,206

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

(XII) Short-term borrowings

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

		2024.12.31	2023.12.31
Secured bank borrowings	$	258,200	90,000
Unsecured bank borrowings		72,780	-
Total	$	330,980	90,000
Facilities not yet drawn	$	50,720	273,414
Interest rate range		2.63%~3.15%	2.63%

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

(XIII) Long -term borrowings

The Company's long-term borrowings are as follows:

	2024.12.31	2023.12.31
Secured bank loan- Due in August 2025	$ -	45,000
Less: Current portion	-	(2,000)
Total	**$ -**	**43,000**
Facilities not yet drawn	**$ -**	**-**
Interest rate range	**-**	**2.41%**

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

(XVI) Corporate bonds payable

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

	2024.12.31	2023.12.31
Amount of ordinary corporate bonds issued	$ 300,000	300,000
Unamortized balance of discounted corporate bonds payable	-	(6,181)
Cumulative amount of redemption	(200,000)	-
Cumulative amount of conversion	(100,000)	-
Less: Portion due within one year or one operating cycle	-	(293,819)
Balance of corporate bonds payable at the end of the period	**$ -**	**-**

Equity components — conversion rights (under capital reserve — subscription rights): Please refer to Note 6(17).

Interest expenses: Please refer to Note 6(21) for details.

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

Item	The first issue of secured convertible corporate bonds in 2021
Total issue amount	NT$300,000,000
Issue date	2021.9.24
Issue period	2021.9.24-2024.9.24
Coupon rate	0%
Trustee	Land Bank of Taiwan Co., Ltd.
Repayment method	Unless the bondholders apply for conversion into the Company's ordinary shares as per the Company's conversion method, or the Company redeems them in advance as per the conversion method, or securities firms buy back and cancel them, the Company will redeem the bonds in cash in a lump sum upon maturity.
Redemption method	From the day following the full three months after the issue of the convertible corporate bonds (December 25, 2021) to 40 days before the end of the issue period (August 15, 2024), if the closing price of the Company's ordinary shares exceeds the current conversion price by 30% or higher for 30 consecutive business days, or when the balance of the outstanding convertible corporate bonds is lower than 10% of the initial total issue amount, the Company may redeem the bonds in advance.
Conversion method	Conversion period From the day following the full three months after the issue date of the convertible corporate bonds (December 25, 2021) to the maturity date (September 24, 2024), the bondholders shall convert the bonds into the Company's ordinary shares as per the conversion method.
Conversion price	NT$20.9

1. The first secured convertible corporate bonds issued by the Company in 2021 have expired and were delisted from the Taipei Exchange on September 24, 2024. As of the maturity date, a total of NT$100,000 thousand were converted. Please refer to Note 6(17) for details of the conversion. The remaining unconverted corporate bonds of NT$200,000 thousand were redeemed in accordance with the regulations and were paid on October 7, 2024.
2. Note 8 contains information regarding the collateralization of assets by the Company in order to secure corporate bonds.

(XV) Lease liabilities

The Company's lease liabilities are as follows:

		2024.12.31	2023.12.31
Current	$	2,913	2,661
Non-current	$	2,464	5,002

Please refer to Note 6 (21) Financial Instruments for maturity analysis.

The amounts recognized in profit or loss are as follows:

		2024	2023
Interest expense on lease liabilities	$	121	177
Expense on short-term leases	$	365	470

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

		2024	2023
Total cash outflow from leases	$	3,213	3,752

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

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

(XVI) Income taxes

1. Income tax expense

The Company's income tax expenses for 2024 and 2023 are detailed as follows:

		2024	2023
Current income tax expense			
Income tax for profit-making enterprises	$	10,313	4,453
Deferred tax expense			
Occurrence and reversal of temporary difference		(111)	1,513
Income tax expense	$	10,202	5,966

The adjustments of the Company's income tax expenses and earnings before tax for 2024 and 2023 are as follows:

	2024	2023
Net loss before tax	$ 311,158	(104,150)
Income tax calculated at the domestic tax rate where the Company is located	62,231	(20,830)
Land value increment tax	-	4,453
Book-tax difference	(24,037)	2,885
Tax-exempt income	3,794	(318)
Book-tax difference in capitalized interest	384	149
Recognize unrecognized taxation losses in prior periods	(39,681)	-
Current tax losses on unrecognized deferred tax assets	-	18,968
Changes in unrecognized temporary differences	(2,802)	659
Basic income tax amount	10,313	-
Total	$ 10,202	5,966

2. Deferred tax assets

Unrecognized deferred tax assets

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

	2024.12.31	2023.12.31
Deductible temporary differences	$ 1,660	3,890
Tax loss	39,886	104,910
	$ 41,546	108,800

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

As of December 31, 2024, the deadlines for using the tax losses that the Company has not recognized in deferred tax assets are as follows:

Year of loss	Losses not yet used	Last valid year
Approved amount in 2016	$ 9,016	2026
Approved amount in 2018	80,915	2028
Approved amount in 2019	48,108	2029
Approved amount in 2020	40,580	2030
Approved amount in 2021	16,412	2031
Approved amount in 2022	4,400	2032
	$ 199,431	

(2) Recognized deferred income tax liabilities

The changes in the deferred income tax liabilities in 2024 and 2023 are as follows:

		Reserve for land increment tax
Deferred income tax liabilities：		
Balance on January 1, 2024	$	27,104
Debit income statement		(111)
Balance on December 31, 2024	$	26,993
Balance on January 1, 2023	$	25,591
Income statement		1,513
Balance on December 31, 2023	$	27,104

3. The Company’s business income tax filings have been approved by the tax authority up to the year of 2022.

(XVII) Capital and other interests

The total amount of the Company's authorized capital as of December 31, 2024 and 2023 was both NT$6,750,000 thousand, divided into 675,000 thousand shares in both years, with a par value of NT$10 per share. The paid-in capital amounted to NT$1,049,705 thousand and NT$1,001,858 thousand, respectively. All proceeds from issued shares had been collected.

1. Issue of ordinary shares

The following are the reconciliation in the number of outstanding shares of the company in 2024 and 2023:

	Common stock	
(in thousands)	**2024**	**2023**
Number of outstanding shares issued as of January 1	100,186	100,265
Add: Capital increase in cash	-	30,000
Convertible corporate bond conversion	4,785	-
Less: Reduction in capital to offset losses	-	(30,079)
Number of outstanding shares issued as of December 31	104,971	100,186

In 2024, the Company issued 4,785 thousand new shares with a par value due to the excercise of conversion rights by holders of convertible corporate bonds, amounting to NT$47,847 thousand, and has completed the required legal registration procedures.

On May 3, 2024, the shareholders' meeting resolved to conduct a private cash issue for working capital and future development. The Board of Directors is authorized to issue shares within one year from the date of the resolution within 50,000 thousand shares cash capital increase of common shares through one or two private placements. Furthermore, the shareholders’ meeting dated June 21, 2023 resolved that the amount of capital increase in cash through a private placement which has not yet been executed would not be executed any longer.

The Company's Board of Directors resolved on October 8, 2024 to issue 30,000 thousand common shares for cash capital increase and reserved 10% of the shares for employee share options. The price per share is NT$14. The total amount of paid-in capital is NT$420,000 thousand. All the shares have been fully paid in and the capital increase record date is set on February 14, 2025. The relevant statutory procedures are still in progress.

New shares issued for cash capital increase are reserved for subscription by employees in accordance with Article 267 of the Company Act. According to IFRS 2, “share-based payment”, the Company measured the fair value of equity instruments given at the date of grant and recognized NT$4,103 as salary expense and capital surplus at the grant date in 2024.

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

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

2. Capital surplus

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

	2024.12.31	2023.12.31
Common stock premium	$ 30,000	30,000
Gain on disposal of assets	110	110
Stock options - issue of convertible corporate bonds	-	21,828
Expiration of stock options	14,552	-
Employee share options	4,103	-
Convertible corporate bond conversion premium	59,429	-
Others	159	159
	$ 108,353	52,097

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

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:

①For 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.

②For 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 shareholders' meeting of the Company reached resolution on the 2023 and 2022 proposal for compensation of losses on May 3, 2024 and June 21, 2023.

4. Other interests (net of tax)

		Exchange difference on translation of financial statements of foreign operations	Unrealized gain (loss) on financial assets at fair value through other comprehensive income	Total
Balance on January 1, 2024	$	12	(10,949)	(10,937)
Share of exchange difference on translation from subsidiaries using the equity method		49	-	49
Unrealized profit or loss from financial assets measured at fair value through other comprehensive income		-	2,822	2,822
Balance on December 31, 2024	$	61	(8,127)	(8,066)
Balance on January 1, 2023	$	131	(10,949)	(10,818)
Share of exchange difference on translation from subsidiaries using the equity method		(119)	-	(119)
Balance on December 31, 2023	$	12	(10,949)	(10,937)

(XVIII) Earnings (losses) per share

1. Basic earnings (losses) per share

The Company's basic earnings (loss) per share in 2024 and 2023 were calculated based on the profit attributable to the equity holders of the Company's common shares and the weighted average number of outstanding common shares. The relevant numbers) are as follows:

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

	2024	2023
Net profit (loss) for the period attributable to equity holders of the Company's ordinary shares	$ 300,956	(110,116)

(2) Weighted average number of outstanding ordinary shares

	2024	2023
Common shares issued as of January 1	100,186	71,186
Effect of conversion of convertible corporate bonds	1,478	-
Weighted average number of outstanding ordinary shares	101,664	71,186
Basic earnings (losses) per share (NTD)	$ 2.96	(1.55)

2. Diluted earnings (losses) per share

The Company's diluted earnings (loss) per share in 2024 and 2023 were calculated based on the profit attributable to the equity holders of the Company's ordinary shares and the weighted average number of outstanding ordinary shares), adjusted for the effect of all potential dilutive ordinary shares. The relevant numbers) are as follows:

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

	2024	2023
Net profit (loss) (basic) attributable to equity holders of Company's ordinary shares	$ 300,956	(110,116)
Interest expense on convertible corporate bonds	4,945	(Note)
Net profit (loss) (diluted) attributable to equity holders of Company's ordinary shares	$ 305,901	(110,116)

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

	2024	2023
Weighted average number of outstanding ordinary shares (basic)	101,664	71,186
Effect of conversion of convertible corporate bonds	10,483	(Note)
Impact of employee remuneration	91	-
Impact of employee stock options	45	-
Weighted average number of outstanding ordinary shares (diluted)	112,283	71,186
Diluted earnings (losses) per share (NTD)	$ 2.72	(1.55)

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

(XIX) Income from contracts with customers

1. Details of revenue

		2024	2023
Revenue from customer contracts recognized	$	620,479	138,990
Rental Income (Note)		797	631
	$	621,276	139,621

Note: The rent income from the Company's lease is applicable to IFRS 16.

2. Details of revenue

		2024	2023
Main region/market:			
Taiwan	$	620,479	138,990
Main product/service line:			
Product sales (sales of property)	$	620,479	138,990
Contract type:			
Fixed-price contract	$	620,479	138,990
Time point of revenue recognition:			
Goods and services transferred at a point in time	$	620,479	138,990

3. Contract balance

		2024.12.31	2023.12.31	2023.1.1
Notes receivable	$	100,868	452	5,490
Accounts receivable		37,212	-	4,383
Less: Allowance for losses		-	-	(4,212)
	$	138,080	452	5,661
Contract liabilities -Sales of property	$	93,019	226,922	90,290

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

The balance of contract liabilities at the beginning of the period on January 1, 2024 and 2023 was recognized as income in 2024 and 2023 for an amount of NT$174,177 thousand and NT$13,920 thousand, respectively.

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

(XX) Remunerations to employees and directors

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

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

The Company's estimated employee remuneration for 2024 was NT$1,577 thousand, and the estimated director remuneration is NT$0. The amount was based on the pre-tax net profit of the period before deducting employee remuneration and director remuneration, deducted by accumulated losses, and multiplied by the distribution ratio of employee remuneration and director remuneration as set forth in the Company's Articles of Incorporation, and recognized as operating expenses for the year. If the actual distribution amount differs from the estimated amount in the following year, it will be treated as a change in accounting estimate and the difference will be recognized as gains and losses for the following year.

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.

(XXI) Non-operating income and expenses

1. Interest income

The details of the Company's interest income for 2024 and 2023 are as follows:

		2024	2023
Interest income			
Interest on bank deposits	$	1,991	896
Imputed interest on security deposits		8	15
Guarantee deposits paid		4,490	5,017
Other interest income		156	-
	$	**6,645**	**5,928**

2. Other income

The details of the Company's other consolidated III for 2024 and 2023 are as follows:

		2024	2023
Management fees income	$	5,004	3,714
Dividend income		245	1,294
Others		66	16,018
	$	**5,315**	**21,026**

3. Other gains and losses

The details of the Company's other gains and losses for 2024 and 2023 are as follows:

		2024	2023
(Loss) gain on foreign currency exchange	$	(2)	3
Gain on lease modifications		9	-
Net gains (losses) on financial assets measured at fair value through profit or loss		120,421	(14,437)
Gain (loss) on change in fair value of investment property - investment property		(3,305)	2,615
Others (Note 9)		-	(48,509)
	$	**117,123**	**(60,328)**

4. Financial costs

The details of the Company's financial costs for 2024 and 2023 are as follows:

		2024	2023
Interest expense			
Interest on bank borrowings	$	7,533	10,327
Interest on lease liabilities		121	177
Financial costs		4,087	3,600
Discounted and amortized convertible corporate bonds		6,181	9,033
Less: Capitalized interest		(2,447)	(4,220)
	$	15,475	18,917
Capitalized interest rate		2.63%~2.76%	2.38%~3.08%

(XXII) Financial instruments

1. Credit risk

(1) Maximum exposure to credit risk

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

(2) Credit concentration risk

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

(3) Credit risk of receivables and debt securities

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

Other financial assets measured at amortized cost include other receivables (other financial assets – current). All the aforesaid financial risks have low credit risks and hence the loss allowance is measured with the 12-month expected credit loss. (Please refer to Note 4 (6) for how the Company determines low credit risks.)

2. Liquidity risk

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

		Carrying amount	Contractual cash flow	Within 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
December 31, 2024								
Non-derivative financial liabilities								
Floating-rate instruments	$	330,980	352,865	134,225	2,924	93,989	10,107	111,620
Fixed-rate instruments		256,206	263,815	21,950	241,865	-	-	-
Non-interest bearing liabilities		154,343	154,343	154,343	-	-	-	-
Lease liabilities		5,377	5,458	1,491	1,491	2,476	-	-
	$	746,906	776,481	312,009	246,280	96,465	10,107	111,620
December 31, 2023								
Non-derivative financial liabilities								
Floating-rate instruments	$	135,000	138,273	2,715	91,920	43,638	-	-
Fixed-rate instruments		293,819	300,000	-	300,000	-	-	-
Non-interest bearing liabilities		42,032	42,032	42,032	-	-	-	-
Lease liabilities		7,663	7,853	1,390	1,390	2,779	2,294	-
	$	478,514	488,158	46,137	393,310	46,417	2,294	-

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

3. Interest rate analysis

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

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

All other variables being equal, any 1% increase (decrease) in interest rates would result in a decrease (increase) by NT$807 thousand and NT$1,417 thousand in the consolidated company's earnings before tax for 2024 and 2023,. This would be primarily due to the consolidation of company loans in variable interest rates.

4. Other price risks

If the price of equity securities changes on the reporting date (the same basis is adopted for the analysis of the two periods with an assumption that other factors remain unchanged), the impact on the comprehensive income items is as follows:

	2024		2023	
Security price on the reporting date	**Other comprehensive income after tax**	**Income before tax**	**Other comprehensive income after tax**	**Income before tax**
Up by 5%	$ 1,127	21	986	3,667
Down by 5%	$ (1,127)	(21)	(986)	(3,667)

5. Information on fair value

(1) Types and fair values of financial instruments

The Company measures recurring fair values of the financial assets at fair value through profit or loss and at fair value through other comprehensive income. The carrying amounts and fair values of various types of financial assets and financial liabilities (including fair value level information, but the carrying amounts of financial instruments not measured by fair value is a reasonable approximation of fair value, and the fair values of lease liabilities, as per regulations, are not required to be disclosed) are listed below:

	2024.12.31				
		Fair value			
	Carrying amount	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss					
Non-derivative financial assets at fair value through profit or loss	$ 424	424	-	-	424
Financial assets at fair value through other comprehensive income					
Domestic and foreign unlisted stocks	$ 22,540	-	-	22,540	22,540

	2023.12.31				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Non-derivative financial assets at fair value through profit or loss	$ 73,343	73,343	-	-	73,343
Financial assets at fair value through other comprehensive income					
Domestic and foreign unlisted stocks	$ 19,718	-	-	19,718	19,718

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

The methods and assumptions adopted by the Company to estimate instruments not at fair value are as follows:

(2.1) Financial assets and liabilities at amortized cost

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

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

(3.1) Non-derivative financial instruments

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

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

If there is an active market for financial instruments held by the Company, their fair values are determined with reference to the quoted prices in the market.

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

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

(4) Transfer between Levels 1 and 2: None

(5) Details of changes in Level 3

	At fair value through other comprehensive income
	Equity instruments without quoted prices
January 1, 2024	$ 19,718
Recognized in other comprehensive income	2,822
December 31, 2024	$ 22,540
January 1, 2023	$ 19,718
December 31, 2023	$ 19,718

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

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

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

Quantitative information on significant unobservable inputs is listed as follows:

Item	Valuation technique	Significant unobservable input	Significant unobservable input and relations with fair value
Financial assets at FVTOCI – investments in equity instruments without active markets	Comparable Listed Company Act	• Discount for liquidity (30.00% on 2024.12.31 and 2023.12.31) • Net market value multiplier (2.53% and 1.61% on December 31, 2024 and 2023, respectively)	• The higher the liquidity discount, the lower the fair value • The higher the multiplier, the higher the fair value.
Financial assets at FVTOCI – investments in equity instruments without active markets	Asset method	• Discount for liquidity (30.00% on 2024.12.31 and 2023.12.31) • Discount on non-controlling interests (6.63% on December 31, 2024 and 2023)	• The higher the liquidity discount, the lower the fair value • The higher the non-controlling interest discount, the lower the fair value

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

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

	Input	Up/down movements	Changes in fair value reflected in other comprehensive income	
			Favorable change	Unfavorable change
December 31, 2024				
Financial assets at fair value through other comprehensive income				
Investment in equity instruments without active markets	Non-controlling interest discount	±10%	1,770	(1,770)
	Liquidity discount	±10%	3,220	(3,220)
	Book-to-market multiplier	±10%	601	(601)
December 31, 2023				
Financial assets at fair value through other comprehensive income				
Investment in equity instruments without active markets	Non-controlling interest discount	±10%	1,500	(1,500)
	Liquidity discount	±10%	2,817	(2,817)
	Book-to-market multiplier	±10%	572	(572)

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

(XXIII) Financial risk management

1. Summary

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

(1) Credit risk

(2) Liquidity risk

(3) Market risk

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

2. Risk management framework

The Board of Directors is responsible for establishing and supervising the Company’s risk management structure at its discretion. The Board of Directors has fully delegated the management to be responsible for the development and management of the Company's risk management policy, and it shall regularly report on the operations to the Board of Directors.

The formulation of the Company's risk management policy aims to identify and analyze the risks faced by the Company, set appropriate risk limits and control, and monitor risks and observance of risk limits. The risk management policy and system are regularly reviewed to reflect changes in market conditions and the Company's operations. The Company develops a disciplined and constructive control environment through training, management guidelines, and operating procedures, enabling all employees to understand their roles and responsibilities.

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

3. Credit risk

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

(1) Accounts receivable and other receivables

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

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

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

(2) Investment

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

(3) Guarantee

As of the end of 2024 and 2023, the Company and other co-builders, in joint investment in construction projects or joint construction projects, provide endorsements and guarantees to each other. Please refer to Note 13 for details of such endorsements and guarantees.

4. Liquidity risk

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

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

5. Market risk

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

(1) Exchange rate risk

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

(2) Interest rate risk

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

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

(XXIV) Capital management

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

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

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

The Company’s capital management strategy in 2024 was largely consistent with 2023: maintenance of consolidated III to capital ratio to ensure financing at a reasonable cost.

The debt-to-equity ratios as of December 31, 2024 and 2023 are as follows:

	2024.12.31	**2023.12.31**
Total liabilities	$ 883,633	743,268
Less: Cash and cash equivalents	(668,600)	(160,449)
Net liability	215,033	582,819
Total equity	1,181,964	774,034
Adjusted capital	**$ 1,396,997**	**1,356,853**
Debt-to-equity ratio	**15.39%**	**42.95%**

The change in the Company's debt-to-capital ratio on December 31, 2024 was mainly due to the completion of construction projects, which increased cash and cash equivalents and equity, resulting in a decrease in the debt capital ratio from the same period of last year.

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

The Company's non-cash transactions and investments and financing activities in 2024 and 2023 are as follows:

1. Please refer to Note 6(10) for details of the right-of-use assets obtained through leases.
2. The reconciliation of liabilities from financing activities is as follows:

	2024.1.1	Cash flows	Non-cash movement Others	2024.12.31
Short-term borrowings	$ 90,000	240,980	-	330,980
Short-term notes payable	-	253,961	(Note 1) 2,245	256,206
Long -term borrowings	45,000	(45,000)	-	-
Corporate bonds payable	293,819	(200,000)	(Note 2) (93,819)	-
Lease liabilities	7,663	(2,727)	(Note 3) 441	5,377
Total amount of liabilities from financing activities	$ 436,482	247,214	(91,133)	592,563

	2023.1.1	Cash flows	Non-cash movement Others	2023.12.31
Short-term borrowings	$ 315,782	(225,782)	-	90,000
Long -term borrowings	47,000	(2,000)	-	45,000
Corporate bonds payable	284,786	-	(Note 2) 9,033	293,819
Lease liabilities	10,768	(3,105)	-	7,663
Total amount of liabilities from financing activities	$ 658,336	(230,887)	9,033	436,482

Note 1: It is the discounted amortized short-term notes payable.

Note 2: Discount amortization and conversion of convertible corporate bonds

Note 3: The net amount of new and terminated lease liabilities.

VII. Related Party Transactions

(I) Name of related party and relations

During the periods covered by the standalone financial statements, the Company’s subsidiaries and other related parties with transactions with the Company are as follows:

Name of related party	Relations with the Company
Better Life Green Energy Technology Co., Ltd.	Subsidiary of the Company
Better Life Real Estate Co., Ltd.	Subsidiary of the Company
Better Life Jinxia (Xiamen) Tourism Management Service Co., Ltd.	Subsidiary of the Company
Better Life Group Travel Service Co., Ltd.	Subsidiary of the Company
Puyuan Development Co., Ltd.	A supervisor at the company is a member of the key management personnel of the Company
Puyuan Advertising Co., Ltd.	A director at the company is a member of the key management personnel of the Company
Puqun Advertising Co., Ltd.	A director at the company is a member of the key management personnel of the Company

Name of related party	Relations with the Company
Puyuan Construction Co., Ltd.	A director at the company is a member of the key management personnel of the Company
Puxu Advertising Co., Ltd.	A director at the company is a member of the key management personnel of the Company
Pushi Construction Co., Ltd.	A director at the company is a member of the key management personnel of the Company
Puquan Advertising Co., Ltd.	A director at the Company
Chang Chun-Kuei	A director at the Company
Pucheng Construction Co., Ltd.	Substantive related party

(II) Significant transactions with related parties

1. Purchase of goods from related parties

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

	Purchases	
	2024	2023
Pucheng Construction Co., Ltd.	$ 96,867	84,802
Puyuan Development Co., Ltd.	226,690	-
Belongs to other related parties	3,207	3,143
	$ 326,764	87,945

The price of a project outsourced by the Company to a related party is determined through price comparison and negotiation between both parties, and the payment is made as per the agreed payment terms. Please refer to Note 9 for the engineering contracts entered Three the Company and related parties as of December 31, 2024 and 2023.

2. Payables to related parties

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

Account	Related party category	2024.12.31	2023.12.31
Notes payable	Pucheng Construction Co., Ltd.	$ 540	9,507
Accounts payable	Pucheng Construction Co., Ltd.	36,824	1,223
Accounts payable	Puquan Advertising Co., Ltd.	5,116	3,291
Accounts payable	Puyuan Development Co., Ltd.	-	1,180
Accounts payable	Belongs to other related parties	-	1,657
Other payables	Subsidiary Better Life Green Energy Technology Co., Ltd.	11,075	8,459
Other payables	Belongs to other related parties	2,668	-
		$ 56,223	25,317

3. Leases

(1) Lease-out

The Company leased an office to its subsidiary in 2024 and 2023 and signed a two-year lease contract as per the rental market in nearby areas. The rental income in 2024 and 2023 was both NT$114 thousand.

(2) Lease-in

The Company rented from the related party, Puxu Advertising, in the headquarter office building in November 2021 by signing a five-year lease contract in reference to rentals for offices in the neighborhood area. The interest expenses recognized for 2024 and 2023 were NT$112 and NT$164 thousand, respectively. As of December 31, 2024 and 2023, the balances of lease liabilities were NT$4,786 thousand and NT$7,322 thousand, respectively In addition, the guarantee deposits paid due to the above leases as of December 31, 2024 and 2023 were both NT$463 thousand.

4. Others

(1) The subsidiary, Better Life Real Estate Co., Ltd., conducted a capital reduction of 3,000 thousand shares in cash in February 2023, and returned NT$30,000 thousand to the Company.

(2) The Company signed an marketing agency contract with its subsidiary Better Life Real Estate Co., Ltd. for the sale of the Kang ChiaoAsahi Villa project. The Company paid the subsidiary for the agency sales service fee in 2023, and the operating expenses were booked as NT$8,396 thousand.

(3) The consolidated company signed real estate agency contracts with Puqun Advertising Co., Ltd., Puyuan Advertising Co., Ltd., and Puquan Advertising Co., Ltd. for marketing of development projects as of December 31, 2024 and 2023. The agency service fees were recognized as an operating expense for NT$36,460 thousand and NT$0, respectively. The incremental cost of obtaining the contract recognized was NT$9,868 thousand and NT$41,212 thousand, respectively.

(4) The Company obtained from Pucheng Construction Co., Ltd. a guarantee check of NT$28,612 thousand as of December 31, 2024 and 2023 for construction 2023 works.

(5) The Company provided the related party Chang Chun-Kuei with interest subsidies of NT$16,116 thousand and NT$9,272 thousand (recognized in prepayments), and refundable guarantee deposits and notes were both NT$24,500 thousand as of December 31, 2024 and 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.

(6) The Company and Puyuan Construction Co., Ltd. jointly invested in a construction project in the Mei-Ren section, Songshan District, and jointly integrated and developed an urban renewal project in the Shitan section, Neihu District. In addition, the Company cooperated with Puyuan Development Co., Ltd. to build the Zhongli Civil Sports Center Section in Zhongli District.

(7) The company and its subsidiary, Better Life Green Energy Technology Co., Ltd., signed a solar power management contract in 2021. It is agreed that the Company has to pay a monthly management service fee of NT$60,000 to the subsidiary and the necessary costs, that cannot be borne by the subsidiary from the remuneration collected from a third party, for the construction of a solar power zone in a solar power project till a development permit is obtained and the category of land use is changed. As of December 31, 2024 and 2023, NT$26,275 thousand and NT$12,887 thousand were paid and accounted for as investment property; accounts payable were estimated to be NT$11,075 thousand and NT$8,459 thousand, respectively.

(III) Transactions with key management personnel

Key management personnel’s remuneration includes:

	2024	2023
Short-term employee benefits	$ 9,968	9,644
Share-based payment	1,170	-
	$ 11,138	9,644

VIII. Assets Pledged

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

Name of asset	Asset pledged as collateral	2024.12.31	2023.12.31
Inventories -Construction industry	Short-term borrowings and short-term notes payable	$ 673,058	557,202
Other financial assets-current	Reserve account	-	3,913
Other financial assets-current	Trust account	29,836	112,459
Investment property	Corporate bonds and short-term notes payable	200,110	177,140
Financial assets at fair value through profit or loss -non-current	Long -term borrowings	-	73,343
		$ 903,004	924,057

IX. Significant Contingent Liabilities and Unrecognized Commitments

(I) Significant unrecognized commitments:

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

	2024.12.31	2023.12.31
Total contract price	$ 219,174	805,290
Advance receipts	$ 93,019	226,922

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

Payables not yet priced as per contract	2024.12.31	2023.12.31
Non-related party	$ 247	3,708
Related party	$ 20,600	136,601

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

		Joint construction deposits paid (construction deposits paid)	
Project name or land lot	Joint construction method	2024.12.31	2023.12.31
Xinyi Section, Xinyi District	Joint investment in construction and joint construction and allocation of housing units	$ 5,149	194,582
Hwa Ya Section, Guishan District	Joint investment in construction and joint construction and separate sale	24,500	24,500
Zhongshan Section, Zhongshan District	Joint investment in construction and joint construction and allocation of housing units	-	-
Meiren Section, Songshan District	Joint investment in construction and joint construction and allocation of housing units	-	-
Shitan Section, Neihu District	Joint investment in construction and joint construction and allocation of housing units	-	-
Zhongli Central Transportation Section	Joint investment and construction	-	-
Linyi Section, Linkou District	Joint construction and allocation of housing units	10,000	-
Xinzhoumei Section, Beitou District	Joint investment in construction and joint construction and allocation of housing units	-	-
		$ 39,649	219,082

4. On December 31, 2024 and 2023, the refundable deposits paid by the Company due to business needs were NT$44,500 thousand and NT$24,500 thousand, respectively.
5. The Company leased a parcel of land in Miaoli to a non-related party on November 25, 2021 to install a solar power system. As per the contract, the Company will charge a special business commission fee of NT$36,000 thousand when the project is completed and will charge a monthly rent at the agreed rate.
6. The Company, for ongoing development projects, has authorized a third party to handle the integration and disposal of. The net amount paid was NT$48,509 thousand In December 2023, the Company evaluated the termination of the development and transferred the aforementioned investment of NT$48,509 thousand into loss, under other gains and losses.

X. Major Disaster Loss: None.

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

XII. Others

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

By function / By nature	2024			2023		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefit expenses						
Salary and wages	-	27,694	27,694	-	21,361	21,361
Labor and health insurance	-	1,722	1,722	-	1,552	1,552
Pension	-	993	993	-	837	837
Directors' remuneration	-	3,600	3,600	-	3,780	3,780
Other employee benefit expenses	-	1,408	1,408	-	685	685
Depreciation expense	-	3,811	3,811	-	4,182	4,182
Amortization expense	-	21	21	-	86	86

Additional information on the Company's number of employees and employee benefit expenses for 2024 and 2023 is as follows:

	2024	2023
Number of employees	28	28
Number of directors who do not serve as employees concurrently	8	9
Average employee benefit expenses	$ 1,591	1,286
Average employee salary and wages	$ 1,385	1,124
Average adjustment to employee salary and wages	23.22%	(2.94)%
Supervisors' remuneration	$ -	-

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

(I) The Company's remuneration policy for directors is that when directors perform their duties at the Company, the Company may pay them remuneration when either making a profit or suffering a loss. Please refer to Note 6(20) for the rules of the remuneration to directors.

(II) The employees' salary and remuneration is determined based on their regular performance evaluation results, which serve as the basis for the amounts of their salaries, bonuses, and annual salary adjustments or promotions. Please refer to Note 6(20) for the rules of the remuneration to employees.

Notes to Parent Company Only Financial Statements of Better Life Group Co., Ltd. (Continued)

XIII. Additional Disclosures

(I) Information on significant transactions

In 2024, the relevant information on significant transactions that the Company shall disclose in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers is as follows:

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

Unit: In Thousand New Taiwan Dollars

No.	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	1,181,964	388,800	388,800	158,735	-	32.89%	2,363,928	N	N	N
0	The Company	Tianyi Construction Co., Ltd.	5	1,181,964	453,600	453,600	-	-	38.38%	2,363,928	N	N	N

Note 1: The Company is coded “0”.

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

(1) Companies with business dealings.

(2) A company in which the Company directly or indirectly holds more than 50% of the voting shares.

(3) A company directly or indirectly holds more than 50% of the voting shares of the Company.

(4) A company in which the Company directly or indirectly holds more than 90% of the voting shares.

(5) Companies that need to purchase insurance for each other in the same industry or as co-builders in accordance with contractual provisions based on the needs for contracting construction projects.

(6) A company that is endorsed and guaranteed by all shareholders of the Company based on their ownership percentage due to a joint investment relationship.

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

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

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

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

Unit: In Thousand New Taiwan Dollars

Holding company	Type and name of securities	Relations with holding company	Account	End of period				Remarks
				Number of shares	Carrying amount	Shareholding	Fair value	
The Company	Stock - Eastern Electronics Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	390,921	6,011	0.58 %	6,011	
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	13,273	7.50 %	13,273	
The Company	Stock -Shin Kong Real Estate Management Co., Ltd.	-	〃	550,000	3,256	1.67 %	3,256	

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 - Falcon Machine Tools Co., Ltd.	-	Financial assets at fair value through profit or loss -non-current	12,720	424	0.01 %	424	

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:

Unit: In Thousand New Taiwan Dollars

Companies acquiring of property	Name of property	Date of occurrence	Amount of transaction	Status of payment	Transaction counterparty	Relations	The transaction counterpart is a related party, and the previous transfer details are as follows				Basis for price determination	Purpose of acquisition and status of use	Other agreed matters
							Owner	Relations with the issuer	Transfer date	Amount			
The Company	Land	2024.3.14	226,690	226,690	Puyuan Development Co.,Ltd.	Related party	Taoyuan City Government	Non-related party	2023.7.26	222,884	Appraisal report	Land held for construction site	

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:

Unit: In Thousand New Taiwan Dollars

Companies of purchasing (selling)	Name of counterparty	Relations	Transaction status				The conditions of the transaction differ from standard transactions as follows, along with the reasons		Notes/Accounts receivable (payable)		Remarks
			Purchase (sales) of goods	Amount	Percentage in total purchase (sales)	Credit period	Unit price	Credit period	Balance	Percentage of total notes and accounts receivable (payable)	
The Company	Puyuan Development Co.,Ltd.	Related party	Purchases	226,690	40.46 %	-	-		-	-%	

8. Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: None.
9. Trading in derivative instruments: None.

(II) Information on investees:

Information on the Company's investees in 2024 is as follows (excluding the investees in mainland China):

Unit: In Thousand New Taiwan Dollars

name of the investment company	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%	8,690	(439)	(439)	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%	14,328	(178)	(178)	Subsidiaries
The Company	Better Life Group Travel Service Co., Ltd.	Taiwan	Travel agency	9,000	9,000	-	100.00%	1,700	(15)	(15)	Subsidiaries

(III) Information on investments in mainland China

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

Unit: In Thousand New Taiwan Dollars

Name of the investee in mainland China	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 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	3,998 (USD1,220)	(Note 1)	37,703 (Note 2) (USD1,150)	2,295 (Note 2) (USD70)	-	39,998 (Note 2) (USD1,220)	(6,215) (RMB(1,412))	100.00%	(6,215) (Note 3) (RMB(1,412))	1,245 (RMB278)	-

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

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

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

2. Maximum investment amount in mainland China:

Company name	Cumulative outward remittance for investment in mainland China at the end of current period	Investment amount authorized by Investment Commission, MOEA	Maximum investment amount stipulated by Investment Commission, MOEA
The Company	39,998 (USD1,220)	300,802 (USD9,175)	709,178 (Note 4)

Note 4: Maximum amount: Net worth of equity for current period × 60% = NT$1,181,964 thousand × 60% = NT$709,178 thousand.

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

(IV) Information on major shareholders:

Unit: Shares

Shares Name of major shareholder	Number of shares held	Shareholding
Puquan Advertising Co., Ltd.	21,147,872	20.39%
NOON GLORY MANAGEMENT & TRADING CO., LTD.	8,586,318	8.17%
Sant Law International Corporation	6,043,983	5.75%

XIV. Information on Operating Segments

Please refer to the 2024 consolidated financial statements for information on subsidiaries.

Better Life Group Co., Ltd.

Statement of Cash and Cash Equivalents

December 31, 2024

Unit: In Thousand New Taiwan Dollars

Please refer to Note 6(1) for relevant information.

Statement of Notes Receivable

Item	Summary	Amount
Company A	Proceeds from sales of property and land	$ 79,064
Natural person B	Cash compensation under Joint construction agreement	10,498
Company C	Cash compensation under Joint construction agreement	9,006
Other (all less than 5%)		2,300
		$ 100,868

Statement of Inventories

Item	Summary	Amount	Net realizable value	Remark (pledge)
Buildings and land held for sale	Qingpu Better Life Garden	$ 34,997		Short-term notes payable
Buildings and land held for sale	Kang ChiaoAsahi Villa	146,003		Bank borrowings
Buildings and land held for sale	Song Yong	46,723		None
Construction in progress	Pauian Pau-Garden	175,444		Bank borrowings
Land held for construction site	Zhongshan Section, Zhongshan	50,418		Bank borrowings
Land held for construction site	Zhongli Central Transportation Section	227,081		Bank borrowings
Prepayment for land	Xinzhoumei Section, Beitou	41,848		None
Less: Allowance for inventory valuation losses		(7,608)		
Total		$ 714,906	779,147	

Better Life Group Co., Ltd.

Statement of Prepayments

December 31, 2024

Unit: In Thousand New Taiwan Dollars

Item	Amount	Remark
Zhongli Central Transportation Section	$ 36,685	Transfer of development rights fee
Xinzhoumei Section, Beitou	81,869	Transfer of development rights fee
Hwa Ya Section, Taoyuan	70,267	Planning and design fees and other related expenses
Others	16,831	Those who did not reach 5% or more of the balance
	$ 205,652	

Statement of Movement in Investment Property

Please refer to Note 6(9) for relevant information.

Better Life Group Co., Ltd.

Statement of Movement in Investment Under Equity Method

January 1 to December 31, 2024

Unit: In Thousand New Taiwan Dollars

Name	Opening balance		Increase in current period		Decrease in current period		Ending balance			Market price or net worth of equity		Collateral or pledge	Remarks
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Shareholding	Amount	Unit price (NTD)	Total price		
Better Life Green Energy Technology Co., Ltd.	9,100,000	$ 9,129	-	-	-	(439)	9,100,000	100.00%	8,690	0.95	8,690	None	
Better Life Real Estate Co., Ltd.	8,000,000	14,506	-	-	-	(178)	8,000,000	100.00%	14,328	1.79	14,328	None	
Better Life Group Travel Service Co., Ltd.	-	1,715	-	-	-	(15)	-	100.00%	1,700	-	1,700	None	
Better Life Jinxia (Xiamen) Tourism Management Service Co., Ltd.	-	5,135	-	2,276	-	(6,166)	-	100.00%	1,245	-	1,245	None	
		$ 30,485		2,276		(6,798)			25,963		25,963		

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

Name of investee	Income (loss) on investment recognized under the equity method	Exchange difference on translation of financial statements of foreign operations	New in current period	Total
Better Life Green Energy Technology Co., Ltd.	$ (439)	-	-	(439)
Better Life Real Estate Co., Ltd.	(178)	-	-	(178)
Better Life Group Travel Service Co., Ltd.	(15)	-	-	(15)
Better Life Jinxia (Xiamen) Tourism Management Service Co., Ltd.	(6,215)	49	2,276	(3,890)
	$ (6,847)	49	2,276	(4,522)

Better Life Group Co., Ltd.

Statement of Short-Term Borrowings

December 31, 2024

Unit: In Thousand New Taiwan Dollars

Type of borrowings	Lender	Ending balance	Contract period	Interest rate range	Financing facility	Mortgage or collateral	Remarks
Unsecured bank borrowings	Financial institution B	$ 50,000	2024.05.29~2025.05.28	3.12%~3.15%	50,000	None	
〃	Financial institution C	22,780	2024.08.05~2030.02.05	3.07%~3.11%	23,000	None	
Secured bank borrowings	Financial institution A	139,700	2024.05.07~2026.03.01	2.63%~2.81%	167,700	Construction in progress and buildings and land held for sale	
〃	Financial institution B	30,000	2024.05.14~2025.05.28	2.85%~2.91%	30,000	Land held for construction site	
〃	Financial institution C	88,500	2024.07.31~2030.01.31	2.96%~3.01%	111,000	Land held for construction site	
	Total	$ 330,980			381,700		

Statement of Short-term Notes Payable

Item	Guarantee or acceptance institution	Contract period	Interest rate range	Amount			Mortgage or collateral
				Issue amount	Discount of short-term bills payable not yet amortized	Carrying amount	
Commercial papers payable	Bills Company A	2024.09.30-2025.09.30	3.10%	$ 240,000	(1,737)	238,263	Investment property
〃	Bills Company B	2024.05.13-2025.05.12	2.94%	18,000	(57)	17,943	Buildings and land held for sale
				$ 258,000	(1,794)	256,206	

Better Life Group Co., Ltd.

Statement of Contract Liabilities

December 31, 2024

Unit: In Thousand New Taiwan Dollars

Item	Summary	Amount
Proceeds from sales of property and land	Pauian Pau-Garden project	$ 65,180
Proceeds from sales of property and land	Cash compensation under Joint construction agreement	27,839
		$ 93,019

Statement of Accounts Payable

Customer name	Summary	Amount	Remark
Non-related party			
Company A	Transfer of development rights fee	$ 41,785	
Company B	Construction payment	8,128	
Others		6,101	Those who did not reach 5% or more of the balance
		56,014	
Related party			
Pucheng Construction Co., Ltd.	Construction payment	36,824	
Puquan Advertising Co., Ltd.	Sales expense of real estate	5,116	
Others		892	Those who did not reach 5% or more of the balance
		42,832	
		$ 98,846	

Better Life Group Co., Ltd.

Statement of Operating Income

January 1 to December 31, 2024

Please refer to Note 6(19) for relevant information.

Statement of Operating Costs

Please refer to Note 6(5) for relevant information.

Statement of Operating Expenses

Item	Selling expenses	General and administrative expenses	Remark
Salary and wages (including directors' remuneration and pensions)	$ 8	32,279	
Commission expense	22,284	-	
Depreciation	-	3,811	
Advertisement	18,228	60	
Other expenses	1,759	11,462	Note
Total	$ 42,279	47,612	

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

Statement of Non-Operating Income and Expenses

Please refer to Note 6(21) for relevant information.