Stock Code: 1805

Better Life Group Co., LTD.
and the Subsidiaries

Consolidated Financial Statements and Independent Auditors' Review Report

2023 and 2022 Q3

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

Table of Contents

Independent Auditors' Review Report

To Better Life Group Co., Ltd.,

Introduction

The consolidated balance sheet of Better Life Group Co., LTD. and the subsidiaries as of September 30 in 2023 and 2022, and the consolidated statement of comprehensive income for the periods from July 1 to September 30 in 2023 and 2022, and from January 1 to September 30 in 2023 and 2022, as well as the consolidated statement of changes in equity and consolidated statement of cash flows for the period from January 1 to September 30 in 2023 and 2022, along with the accompanying notes to the consolidated financial statements (including an aggregation of significant accounting policies), have been audited by our auditors. Management is responsible for the preparation and fair presentation of the consolidated financial statement in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope

We conducted our review in accordance with the International Standard on Review Engagements (ISRE) 2410 "Review of Financial Statement". A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Company as at September 30, 2023 and 2022, and its consolidated financial performance from July 1 to September 30, 2023 and 2022 and from January 1 to September 30, 2023 and 2022, and its consolidated cash flows from January 1 to September 30, 2023 and 2022 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission.

Emphasis of matter

As stated in Notes 4 (3) and (5) to the consolidated financial report, Better Life Group Co., Ltd. and its subsidiaries have changed the subsequent measurement of investment property from the cost model to the fair value since January 1, 2023 model, and retroactively restated the consolidated financial report for Q3 of 2022. We did not revise the review conclusion accordingly.

KPMG Taiwan

CPA:

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

November 3, 2023

Notes to Readers

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

The independent auditor's review report and the accompanying consolidated 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' review report and consolidated financial statements, the Chinese version shall prevail.

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

Better Life Group Co., LTD. and the Subsidiaries

Consolidated Balance Sheet

September 30, 2023, December 31, 2022, September 30, 2022 and January 1, 2022

Unit: In Thousand New Taiwan Dollars

		2023.9.30		2022.12.31 (Restated)		2022.9.30 (Restated)		2022.1.1 (Restated)	
	Assets	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current assets:								
1100	Cash and cash equivalents (Note 6(1))	$ 155,248	11	94,705	7	103,737	8	58,289	4
1150	Notes receivable, net (Notes 6(4) and (17))	-	-	6,038	-	1,390	-	5,760	-
1170	Accounts receivable, net (Notes 6(4) and (17))	85	-	656	-	17,791	1	58,156	4
1320	Inventories (for construction industry) (Notes 6(5), 7, 8, and 9)	535,640	38	599,528	42	592,970	41	836,516	54
1410	Prepayments (Notes 6(6), 7, and 9)	74,195	5	67,141	5	59,976	4	61,716	4
1424	Excess business tax paid	20,179	1	21,445	2	20,154	1	25,470	2
1476	Other financial assets - current (Note 8)	77,702	5	56,798	4	63,148	4	29,281	2
1478	Construction deposits paid (Notes 7 and 9)	217,810	16	223,305	16	222,348	15	219,817	14
1480	Incremental cost of obtaining contracts - current (Note 7)	41,212	3	33,850	2	31,661	2	12,069	1
1482	Costs to fulfill contracts, current	8,500	1	8,787	1	10,152	1	2,957	-
		1,130,571	80	1,112,253	79	1,123,327	77	1,310,031	85
	Non-current assets:								
1510	Financial assets measured at fair value through profit or loss – non-current (Notes 6 (2) and (20) and 8)	74,883	5	87,780	6	102,795	7	-	-
1517	Financial assets measured at fair value through other comprehensive income – non-current (Notes 6 (3) and (20))	19,718	1	19,718	1	19,718	1	17,944	1
1600	Property, plant and equipment (Notes 6(7) and 7)	11,238	1	13,417	1	14,292	1	11,266	1
1755	Right-of-use assets (Note 6(9))	23,560	2	28,625	2	30,609	2	34,877	2
1760	Investment properties (Notes 6 (8) and 8)	161,638	11	159,840	11	175,203	12	174,450	11
1780	Intangible assets	31	-	107	-	140	-	163	-
1980	Other financial assets - non-current (Note 7)	2,245	-	2,244	-	2,250	-	1,775	-
		293,313	20	311,731	21	345,007	23	240,475	15
	Total assets	**$ 1,423,884**	**100**	**1,423,984**	**100**	**1,468,334**	**100**	**1,550,506**	**100**

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

Better Life Group Co., LTD. and the Subsidiaries

Consolidated balance sheet (continued)

September 30, 2023, December 31, 2022, September 30, 2022 and January 1, 2022

Unit: In Thousand New Taiwan Dollars

		2023.9.30		2022.12.31 (Restated)		2022.9.30 (Restated)		2022.1.1 (Restated)	
	Liabilities and equity	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current liabilities:								
2100	Short-term borrowings (Note 6(10))	$ 322,292	23	315,782	23	315,782	22	423,053	28
2130	Contract liabilities – current (Notes 6 (17) and 9)	157,879	11	97,290	7	79,655	5	52,776	3
2150	Notes payable (Note 7)	9,182	1	6,561	-	2,414	-	6,100	-
2170	Accounts payable (Note 7)	10,256	1	35,433	2	44,623	3	25,801	2
2200	Other payables	10,724	1	10,250	1	11,114	1	13,923	1
2280	Lease liabilities - current (Notes 6(13) and 7)	6,511	-	6,728	-	5,736	-	5,957	-
2305	Other financial liabilities - current	650	-	711	-	901	-	829	-
2321	Corporate bonds subject to redemption or exercise of sell-back rights within one year or one business cycle (Note 6(12))	291,534	21	-	-	-	-	-	-
2322	Long-term borrowings due within one year or one operating cycle (Note 6(11))	2,000	-	2,000	-	2,000	-	-	-
2399	Other current liabilities - other (Note 9)	17,056	1	15,451	1	10,889	1	27,408	2
		828,084	59	490,206	34	473,114	32	555,847	36
	Non-current liabilities:								
2530	Corporate bonds payable (Note 6 (12))	-	-	284,786	21	282,571	19	276,030	18
2540	Long-term borrowings (Note 6(11))	43,000	3	45,000	3	45,000	3	-	-
2570	Deferred income tax liabilities	25,591	2	25,591	2	25,591	2	25,591	2
2580	Lease liabilities - non-current (Notes 6(13) and 7)	19,308	1	24,132	2	26,062	2	30,900	2
		87,899	6	379,509	28	379,224	26	332,521	22
	Total liabilities	915,983	65	869,715	62	852,338	58	888,368	58
	Equity attributable to owners of the parent (Note 6(3) and (15))								
3110	Common stock	701,858	49	1,002,654	70	1,002,654	68	1,002,654	65
3200	Capital surplus	22,097	2	22,097	2	22,097	2	21,938	1
3310	Legal reserve	4,320	-	4,320	-	4,320	-	4,320	-
3350	Undistributed earnings (or deficit to be compensated)	(209,589)	(15)	(463,984)	(33)	(402,385)	(27)	(350,406)	(23)
3400	Other equity interests	(10,785)	(1)	(10,818)	(1)	(10,690)	(1)	(16,368)	(1)
	Total equity	507,901	35	554,269	38	615,996	42	662,138	42
	Total liabilities and equity	$ 1,423,884	100	1,423,984	100	1,468,334	100	1,550,506	100

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

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

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

Better Life Group Co., LTD. and the Subsidiaries
Consolidated Statements of Comprehensive Income
July 1 to September 30, 2023 and 2022, and January 1 to September 30 in 2023 and 2022

Unit: In Thousand New Taiwan Dollars

		July–September 2023		July–September 2022		January–September 2023		January–September 2022	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	**Operating income (Note 6 (17))**	$ 63,347	100	126,721	100	144,028	100	346,953	100
5000	**Operating costs (Notes 6 (5) and 7)**	62,320	98	124,131	98	143,042	99	332,628	96
	Gross profit	1,027	2	2,590	2	986	1	14,325	4
6000	**Operating expenses (Notes 6 (13) and 7):**								
6100	Selling expenses	1,545	2	10,459	8	5,736	4	26,544	8
6200	General and administrative expenses	11,379	18	10,933	8	33,242	23	32,770	9
6450	Expected credit impairment gain (Note 6 (4))	-	-	(409)	-	-	-	(409)	-
		12,924	20	20,983	16	38,978	27	58,905	17
6900	**Operating losses**	(11,897)	(18)	(18,393)	(14)	(37,992)	(26)	(44,580)	(13)
	Non-operating Income and expenses (Notes 6 (13), (19) and 7):								
7100	Interest income	1,278	2	963	1	4,025	2	2,570	1
7010	Other income	15,485	24	1,850	1	19,561	14	4,039	1
7020	Other gains and losses	214	-	8,085	6	(12,876)	(9)	8,085	2
7050	Financial costs	(4,991)	(8)	(4,564)	(4)	(14,666)	(10)	(13,639)	(4)
	Total non-operating income and expenses	11,986	18	6,334	4	(3,956)	(3)	1,055	-
7900	**Net profit (loss) before income tax**	89	-	(12,059)	(10)	(41,948)	(29)	(43,525)	(13)
7950	**Less: income taxes (Note 6 (14))**	1,614	3	1,247	1	4,453	3	5,531	2
8200	**Net loss for the period**	(1,525)	(3)	(13,306)	(11)	(46,401)	(32)	(49,056)	(15)
8300	**Other comprehensive income (Note 6 (15))**								
8310	**Items that will not be reclassified subsequently to profit or loss**								
8316	Unrealized gains or losses on equity instrument investments at fair value through other comprehensive income	-	-	-	-	-	-	2,510	1
8349	Less: Income tax related to items not reclassified	-	-	-	-	-	-	-	-
	Total items that will not be reclassified subsequently to profit or loss	-	-	-	-	-	-	2,510	1
8360	**Items that may subsequently be reclassified to profit or loss**								
8361	Exchange difference on translation of financial statements of foreign operations	269	-	58	-	33	-	245	-
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	269	-	58	-	33	-	245	-
8300	**Other comprehensive income for the current period**	269	-	58	-	33	-	2,755	1
	Total comprehensive income for the current period	$ (1,256)	(3)	(13,248)	(11)	(46,368)	(32)	(46,301)	(14)
	Net income attributable to								
8610	Owners of the parent	$ (1,525)	(3)	(13,306)	(11)	(46,401)	(32)	(49,056)	(15)
	Other comprehensive income attributable to:								
8710	Owners of the parent	$ (1,256)	(3)	(13,248)	(11)	(46,368)	(32)	(46,301)	(14)
	Loss per share (Note 6 (16))								
9750	**Basic loss per share (NTD)**	$	(0.02)		(0.19)		(0.66)		(0.70)
9850	**Diluted loss per share (NTD)**	$	(0.02)		(0.19)		(0.66)		(0.70)

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

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

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

Better Life Group Co., LTD. and the Subsidiaries

Consolidated Statement of Changes in Equity

January 1 to September 30, 2023 and 2022

Unit: In Thousand New Taiwan Dollars

	Equity attributable to owners of the parent							
	Share capital		Retained earnings		Other equity items			
	Common stock	Capital surplus	Legal reserve	Undistributed earnings	Exchange differences in translation of foreign financial statements	Unrealized gain (loss) on financial assets at fair value through other comprehensive income	Equity attributable to owners of the parent	Total equity
Balance on January 1, 2022	$ 1,002,654	21,938	4,320	(416,218)	14	(16,382)	596,326	596,326
Effect of retrospective application and retrospective restatement	-	-	-	65,812	-	-	65,812	65,812
Equity at beginning of period after adjustments	1,002,654	21,938	4,320	(350,406)	14	(16,382)	662,138	662,138
Net loss for the period	-	-	-	(49,056)	-	-	(49,056)	(49,056)
Other comprehensive income for the current period	-	-	-	-	245	2,510	2,755	2,755
Total comprehensive income for the current period	-	-	-	(49,056)	245	2,510	(46,301)	(46,301)
Changes in other capital surplus	-	159	-	-	-	-	159	159
Disposal of equity instrument at fair value through other comprehensive income	-	-	-	(2,923)	-	2,923	-	-
Balance on September 30, 2022	**$ 1,002,654**	**22,097**	**4,320**	**(402,385)**	**259**	**(10,949)**	**615,996**	**615,996**
Balance on January 1, 2023 after restatement	$ 1,002,654	22,097	4,320	(463,984)	131	(10,949)	554,269	554,269
Net loss for the period	-	-	-	(46,401)	-	-	(46,401)	(46,401)
Other comprehensive income for the current period	-	-	-	-	33	-	33	33
Total comprehensive income for the current period	-	-	-	(46,401)	33	-	(46,368)	(46,368)
Reduction in capital to offset losses	(300,796)	-	-	300,796	-	-	-	-
Balance as of September 30, 2023	**$ 701,858**	**22,097**	**4,320**	**(209,589)**	**164**	**(10,949)**	**507,901**	**507,901**

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

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

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

Better Life Group Co., LTD. and the Subsidiaries
Consolidated Statement of Cash Flows
January 1 to September 30, 2023 and 2022

Unit: In Thousand New Taiwan Dollars

	January–September 2023	January–September 2022
Cash flow from operating activities:		
Net loss before tax for the current period	$ (41,948)	(43,525)
Adjustments:		
Income and expenses		
Depreciation expense	7,284	7,308
Amortization expense	76	107
Expected credit impairment gain	-	(409)
Net loss (gain) on financial assets (liabilities) at fair value through profit or loss	12,897	(8,085)
Interest expense	14,666	13,639
Interest income	(4,025)	(2,570)
Dividend income	(1,294)	(294)
Total income and expenses	29,604	9,696
Changes in assets/liabilities related to operating activities:		
Net change in assets related to operating activities:		
Financial assets at fair value through profit or loss	-	(94,710)
Notes receivable	6,038	4,370
Accounts receivable	571	40,776
Inventories	66,996	245,661
Prepayments	(5,788)	7,056
Construction deposits paid	5,495	(2,531)
Other financial assets	(17,996)	(36,392)
Incremental cost of obtaining contracts	(7,362)	(19,592)
Costs to fulfill contracts	287	(7,195)
Total net change in assets related to operating activities	48,241	137,443
Net change in liabilities related to operating activities:		
Contract liabilities	60,589	26,879
Notes payable	2,621	(3,686)
Accounts payable	(25,178)	18,802
Other payables	512	(2,673)
Non-current liabilities	1,605	(16,528)
Other financial liabilities	(62)	47
Total net change in liabilities related to operating activities	40,087	22,841
Total net change in assets and liabilities related to operating activities	88,328	160,284
Total adjustments	117,932	169,980
Cash inflow from operations	75,984	126,455
Interest received	4,025	2,570
Dividend received	1,294	294
Interest paid	(11,065)	(9,355)
Income tax paid	(4,453)	(5,531)
Net cash inflow from operating activities	65,785	114,433

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

Better Life Group Co., LTD. and the Subsidiaries

Consolidated statement of cash flows (continued)

January 1 to September 30, 2023 and 2022

Unit: NTD thousands

	January–September 2023	January–September 2022
Cash flow from investing activities:		
Financial assets (payment returned due to capital reduction) at fair value through other comprehensive income - non-current	-	736
Acquisition of property, plant and equipment	-	(4,910)
Increase in refundable deposits	-	(464)
Acquisition of intangible assets	-	(84)
Acquisition of investment property	(1,798)	(753)
Other financial assets	(2,908)	2,531
Net cash outflow from investment activities	(4,706)	(2,944)
Cash flow from financing activities:		
Increase (decrease) in short-term borrowings	6,510	(107,271)
New long-term borrowings	-	47,000
Repayment of long-term borrowings	(2,000)	-
Lease principal repaid	(5,071)	(5,953)
Other financing activities	-	159
Net cash outflow from financing activities	(561)	(66,065)
Effect of exchange rate changes on cash and cash equivalents	25	24
Increase in cash and cash equivalents in the current period	60,543	45,448
Balance of cash and cash equivalents at the beginning of the period	94,705	58,289
Balance of cash and cash equivalents at the end of the period	**$ 155,248**	**103,737**

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

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

Better Life Group Co., LTD. and the Subsidiaries
Notes to Consolidated Financial Statements
2023 and 2022 Q3
(NTD thousands unless otherwise specified)

I. Organization and Operations

Better Life Group Co., Ltd. (the "Company") was established on June 30, 1978 after approved by the Ministry of Economic Affairs. Its registered address is 4F, No. 303, Xinhu 1st Road, Neihu District, Taipei City. In October 1989, its stock was approved for being listed on the Taiwan Stock Exchange for trading. The Company's original name was Kaiju Co., Ltd. and it was renamed Better Life Group Co., Ltd. as approved by the shareholders' meeting on June 26, 2009, referenced Letter Shou-Shang No. 09801153160 from the Ministry of Economic Affairs on July 24.

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

II. The Authorization of Financial Statements

The Board of Directors authorized and issued this consolidated financial report on November 3, 2023.

III. Application of New and Revised International Financial Reporting Standards

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

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

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

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

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

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

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

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

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

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

·Amendments to IFRS 10 and IAS 28, "Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture"

·IFRS 17, "Insurance Contracts" and Amendments to IFRS 17

·IAS 21, "Lack of Exchangeability"

IV. Summary of Significant Accounting Policies

(I) Statement of compliance

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

Except the following descriptions, the significant accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended 31, 2022. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2022.

(II) Basis of consolidation

1. Subsidiaries included in the consolidated financial statements

Subsidiaries included in these consolidated financial statements:

			%		
Investor	**Name of the subsidiary**	**Nature of business**	**2023.9.30**	**2022.12.31**	**2022.9.30**
The Company	Better Life Green Energy Technology Co., Ltd.	Solar energy applications	100%	100%	100%
The Company	Better Life Real Estate Co., Ltd.	Marketing agency for the sale of real estate	100%	100%	100%
The Company	Better Life Jinxia (Xiamen) Tourism Management Service Co.,Ltd.	Tourism management service and real estate leasing	100%	100%	100%
The Company	Better Life Group Travel Service Co., Ltd.	Travel agency	100%	100%	100%

2. Subsidiaries not included in consolidated financial statements: none

(III) Investment property

The board of directors resolved a decision on March 16, 2023 to change the accounting policy for subsequent measurement of investment property from a cost model to a fair value model. Please refer to Note 4 (5) for details on the changes in accounting policies.

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.

(IV) Income taxes

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

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

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

(V) Reasons and effects of accounting changes

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

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

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

2022.9.30 Consolidated balance sheet	**Carrying Amount Before Restatement**	**Impact of Change in Accounting Policy**	**Restated Carrying Amount**
Investment property	$ 83,800	91,403	175,203
Deferred income tax liabilities	-	25,591	25,591
Retained earnings	(468,197)	65,812	(402,385)

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

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

When preparing these consolidated financial statements according to the Regulations Governing the Preparation of Financial Reports and IAS 34, “Interim Financial Reporting”, endorsed and issued into effect by the Financial Supervisory Commission, management must make judgments, estimates and assumptions. Such judgments, estimates and assumptions have influence on the adoption of accounting policies and the reported numbers of assets, liabilities, Income and expenses. Actual results may differ from estimates.

Regarding the preparation of the consolidated financial statements, significant judgments made by the management when adopting the accounting policies of the consolidated company and the main sources of estimated uncertainty are consistent with Note 5 of the consolidated financial statements of 2022.

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 to illustrate the effects that have ensued due to economic uncertainties:

*Fair value of investment property

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

Valuation process

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

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

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

Transfer policy between levels

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

Further information on assumptions adopted to measure fair value

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

(I) Note 6 (8) Investment properties
(II) Note 6 (20) Financial instruments

VI. Summary of Significant Accounting Items

Except the following descriptions, there is no material discrepancy between the explanation of the significant accounting items in the consolidated financial statements and those in the consolidated financial statement for the year ended December 31, 2022. For the related information, please refer to note 6 of the consolidated financial statements for the year ended December 31, 2022.

(I) Cash and cash equivalents

	2023.9.30	2022.12.31	2022.9.30
Cash on hand	$ 192	192	358
Demand deposit	155,040	94,495	103,361
Checking deposit	16	18	18
	$ 155,248	94,705	103,737

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

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

	2023.9.30	2022.12.31	2022.9.30
Financial assets at fair value through profit or loss:			
TWSE/TPEx listed stocks	$ 74,883	87,780	102,795

1. The consolidated company participated in Falcon Machine Tools Co., Ltd.'s public offering to acquire 5.01% of its shares, or a total of 3,850,000 shares, in August 2022 in the amount of NT$94,710 thousand, and the transfer of shares was completed on August 19, 2022.
2. Note 8 contains information pertaining to the pledging of financial assets assessed at fair value through profit or loss by the consolidated company as of September 30, 2023, December 31, 2022, and September 30, 2022, respectively.

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

	2023.9.30	2022.12.31	2022.9.30
Equity instrument at fair value through other comprehensive income:			
Domestic unlisted stock - Eastern Electronics Co., Ltd.	$ 5,715	5,715	5,715
Domestic unlisted stock - Shin Kong Real Estate Management Co., Ltd.	1,890	1,890	1,890
Foreign unlisted stock - World Join International Ltd.	12,113	12,113	12,113
Total	$ 19,718	19,718	19,718

1. The consolidated company holds the equity instruments as a long-term strategic investment, not for trading purposes. Hence, these instruments have been designated at fair value through other comprehensive income.

2. Tech Alliance Corp. and Technology Associates Corporation invested by the consolidated company were dissolved and liquidated per resolution rendered by the annual shareholders meeting on November 9, 2021. Meanwhile, May 24, 2022 was set as the date of completion of the liquidation and distribution of residual property. As a result, the stock payments, NT$410 thousand and NT$326 thousand, were returned to the consolidated company, and the consolidated company received 391,000 shares allocated from Eastern Electronics Co., Ltd. The fair value of said liquidated and derecognized financial assets was measured as NT$6,451 thousand based on the cash and stocks as allocated. The accumulated liquidation losses totaled NT$2,923 thousand. Therefore, the liquidation losses have been transferred from other equity interests to retained earnings.
3. Please refer to Note 6(20) for market risk information.
4. None of the consolidated company's financial assets abovementioned has been pledged as collateral.

(IV) Notes and accounts receivable

	2023.9.30	2022.12.31	2022.9.30
Notes receivable - from operations	$ -	6,038	1,390
Accounts receivable at amortized cost	8,365	8,936	26,071
Less: Allowance for losses	(8,280)	(8,280)	(8,280)
	$ 85	**6,694**	**19,181**

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

	2023.9.30		
	Carrying amounts of notes and accounts receivable	**Weighted average expected credit loss rate**	**Allowance for lifetime expected credit losses**
Not past due	$ 85	-	-
Overdue for more than 360 days	8,280	100%	8,280
	$ 8,365		**8,280**

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

	2022.9.30		
	Carrying amounts of notes and accounts receivable	**Weighted average expected credit loss rate**	**Allowance for lifetime expected credit losses**
Not past due	$ 19,181	-	-
Overdue for more than 360 days	8,280	100%	8,280
	$ 27,461		**8,280**

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

	January–September 2023	January–September 2022
Opening balance	$ 8,280	8,689
Impairment loss reversed	-	(409)
Ending balance	$ 8,280	8,280

None of the consolidated company's notes receivable and accounts receivables was pledged for collateral as of September 30, 2023, December 31, 2022, and September 30, 2022.

(V) Inventories

	2023.9.30	2022.12.31	2022.9.30
Construction business:			
Buildings and land held for sale	$ 173,392	311,027	323,543
Construction in progress	362,248	288,501	269,427
	$ 535,640	599,528	592,970
Inventory expected to be recovered after more than 12 months	$ 153,404	288,501	304,424

Cost of goods sold is detailed below:

	July–September 2023	July–September 2022	January–September 2023	January–September 2022
Buildings and land held for sale reclassified after sold	$ 65,298	127,111	142,543	315,267
Gain from price recovery of inventory	(4,908)	(4,784)	(4,908)	-
Cost related to real estate agency services	-	-	-	7,157
Others	1,930	1,804	5,407	10,204
	$ 62,320	124,131	143,042	332,628

1. Please refer to Note 6 (19) for the interest capitalization of the consolidated company.
2. For the consolidated company's inventory pledged for collateral as of September 30, 2023, December 31, 2022, and September 30, 2022. Please refer to Note 8.

(VI) Prepayments

	2023.9.30	2022.12.31	2022.9.30
Construction business - Sample house interior design cost	$ 2,000	8,124	1,885
Construction business - Pre-construction development costs	68,222	57,249	56,061
Others	3,973	1,768	2,030
	$ 74,195	67,141	59,976

(VII) Property, plant and equipment

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

	Land	Leasehold improvements	Other equipment	Total
Cost or deemed cost:				
Balance on January 1, 2023	$ 5,382	18,483	243	24,108
Write off	-	-	(38)	(38)
Effects of changes in foreign exchange rates	-	22	-	22
Balance on September 30, 2023	**$ 5,382**	**18,505**	**205**	**24,092**
Balance on January 1, 2022	$ 5,382	13,376	243	19,001
Increase	-	4,910	-	4,910
Effects of changes in foreign exchange rates	-	397	-	397
Balance on September 30, 2022	**$ 5,382**	**18,683**	**243**	**24,308**
Depreciation and impairment losses:				
Balance on January 1, 2023	$ 5,382	5,194	115	10,691
Depreciation during the year	-	2,142	51	2,193
Write off	-	-	(38)	(38)
Effects of changes in foreign exchange rates	-	8	-	8
Balance on September 30, 2023	**$ 5,382**	**7,344**	**128**	**12,854**
Balance on January 1, 2022	$ 5,382	2,306	47	7,735
Depreciation during the year	-	2,141	51	2,192
Effects of changes in foreign exchange rates	-	89	-	89
Balance on September 30, 2022	**$ 5,382**	**4,536**	**98**	**10,016**
Book value:				
January 1, 2023	**$ -**	**13,289**	**128**	**13,417**
September 30, 2023	**$ -**	**11,161**	**77**	**11,238**
January 31, 2022	**$ -**	**11,070**	**196**	**11,266**
September 30, 2022	**$ -**	**14,147**	**145**	**14,292**

None of the consolidating company's PP&E was pledged for collateral as of September 30, 2023, December 31, 2022, and September 30, 2022.

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

(VIII) Investment property

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

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

		Land and improvements
Book value:		
Balance on January 1, 2023 after restatement	$	159,840
Addition		1,798
Balance on September 30, 2023	**$**	**161,638**
Balance on January 1, 2023 after restatement	$	174,450
Addition		753
Balance on September 30, 2022 (after restatement)	**$**	**175,203**

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

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

1. December 31, 2022

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

2. January 1,2022

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

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

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

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

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

(2) Estimation of discount rate

The discount rate is determined by the risk premium method, which takes into account factors such as banks' time deposit interest rates, the government's bond interest rates, risks of real estate investments, currency changes and trends of price changes in real properties to select the investment rate of return for general financial instruments, adjusted by the differences in the investment instruments and individual characteristics of the properties. The discount rate is based on Chunghwa Post's two-year postal time deposit variable rate plus excess-3 interest rate of 2.22%, and takes into account the property's income, liquidity, risk, value appreciation and the degree of difficulty in terms of management. The risk premium was added on December 31 and January 1, 2022, respectively, to determine the discount rates of 3.595% and 2.97%, respectively.

(3) Estimation of ending disposal value

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

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

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

3. The fair value of investment properties of the consolidated company did not differ significantly between September 30, 2023, and September 30, 2022, in comparison to December 31, 2022, and January 1.
4. Please refer to Note 8 for the pledged on the consolidated company's investment properties as collateral.
5. Ownership transfer and acquisition of certain agricultural land is only possible after the change of land use according to law. Hence, some land was registered under personal names. An authorization agreement and a trust contrast have been signed with the nominee account holder for the land registration. The land will be transferred to the consolidated company at the right time.

(IX) Right-of-use assets

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

	Housing and Construction	Transportation equipment	Office equipment	Total
Cost of right-of-use assets:				
Balance on January 1, 2023	$ 42,056	1,360	225	43,641
Reduce	-	(253)	-	(253)
Effects of changes in foreign exchange rates	46	-	-	46
Balance on September 30, 2023	$ 42,102	1,107	225	43,434
Balance on January 1, 2022	$ 41,637	1,106	225	42,968
Increase	-	254	-	254
Effects of changes in foreign exchange rates	845	-	-	845
Balance on September 30, 2022	$ 42,482	1,360	225	44,067

		Housing and Construction	Transportation equipment	Office equipment	Total
Depreciation and impairment losses of right-of-use assets:					
Balance on January 1, 2023	$	13,923	913	180	15,016
Depreciation		4,687	370	34	5,091
Reduce		-	(253)	-	(253)
Effects of changes in foreign exchange rates		20	-	-	20
Balance on September 30, 2023	**$**	**18,630**	**1,030**	**214**	**19,874**
Balance on January 1, 2022	$	7,571	383	137	8,091
Depreciation		4,685	397	34	5,116
Effects of changes in foreign exchange rates		251	-	-	251
Balance on September 30, 2022	**$**	**12,507**	**780**	**171**	**13,458**
Book value:					
January 1, 2023	**$**	**28,133**	**447**	**45**	**28,625**
September 30, 2023	**$**	**23,472**	**77**	**11**	**23,560**
January 31, 2022	**$**	**34,066**	**723**	**88**	**34,877**
September 30, 2022	**$**	**29,975**	**580**	**54**	**30,609**

(X) Short-term borrowings

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

		2023.9.30	2022.12.31	2022.9.30
Secured bank borrowings	**$**	**322,292**	**315,782**	**315,782**
Facilities not yet drawn	**$**	**273,414**	**352,028**	**352,029**
Interest rate range		**2.63%~3.08%**	**2.51%~2.94%**	**2.33%~2.73%**

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

(XI) Long-term loans

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

		2023.9.30	2022.12.31	2022.9.30
Secured bank loan: Due in August 2025	$	45,000	47,000	47,000
Less: Current portion		(2,000)	(2,000)	(2,000)
Total	**$**	**43,000**	**45,000**	**45,000**
Facilities not yet drawn	**$**	**-**	**-**	**-**
Interest rate range		**2.19%~2.41%**	**2.03%~2.19%**	**2.03%**

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

(XII) Corporate bonds payable

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

	2023.9.30	2022.12.31	2022.9.30
Amount of ordinary corporate bonds issued	$ 300,000	300,000	300,000
Unamortized balance of discounted corporate bonds payable	(8,466)	(15,214)	(17,429)
Cumulative amount of redemption	-	-	-
Cumulative amount of conversion	-	-	-
Less: Portion due within one year or one operating cycle	(291,534)	-	-
Balance of corporate bonds payable at the end of the period	**$ -**	**284,786**	**282,571**

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

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

The primary rights and obligations of the company's secured convertible bonds outstanding are as follows:

Item	The first issue of secured convertible corporate bonds in 2021
Total issue amount	NT$300,000,000
Issue date	2021.9.24
Issue period	2021.9.24~2024.9.24
Coupon rate	0%
Trustee	Land Bank of Taiwan Co., Ltd.
Repayment method	Unless the bondholders apply for conversion into the Company's ordinary shares as per the Company's conversion method, or the Company redeems them in advance as per the conversion method, or securities firms buy back and cancel them, the Company will redeem the bonds in cash in a lump sum upon maturity.
Redemption method	From the day following the full three months after the issue of the convertible corporate bonds (December 25, 2021) to 40 days before the end of the issue period (August 15, 2024), if the closing price of the Company's ordinary shares exceeds the current conversion price by 30% or higher for 30 consecutive business days, or when the balance of the outstanding convertible corporate bonds is lower than 10% of the initial total issue amount, the Company may redeem the bonds in advance.
Conversion method	Conversion period From the day following the full three months after the issue date of the convertible corporate bonds (December 25, 2021) to the maturity date (September 24, 2024), the bondholders shall convert the bonds into the Company's ordinary shares as per the conversion method.
Conversion price	NT$22.6

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

(XIII) Lease liabilities

The consolidated company's lease liabilities are as follows:

	2023.9.30	2022.12.31	2022.9.30
Current	$ 6,511	6,728	5,736
Non-current	$ 19,308	24,132	26,062

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

The amounts recognized in profit or loss are as follows:

	July–September 2023	July–September 2022	January–September 2023	January–September 2022
Interest expense on lease liabilities	$ 267	322	824	1,003
Gains from sublease of right-of-use assets	$ 1,718	2,256	4,650	6,003
Expense on short-term leases	$ 76	131	349	795

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

	January–September 2023	January–September 2022
Total cash outflow from leases	$ 6,244	7,751

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

Part of the aforesaid lease agreements are accompanied with the option of lease extensions. Such rights are only exercisable by the consolidated company, not by lessors. When it is not reasonably certain that an option to extend the lease term will be exercised, payments related to the period covered by the option are not included in the lease liabilities.

(XIV) Income taxes

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

	July–September 2023	July–September 2022	January–September 2023	January–September 2022
Current income tax expense				
Land value increment tax	$ 1,614	1,247	4,453	5,531

2. Income tax assessments

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

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

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

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

(XV) Capital and other equity

Except as described below, there were no material changes in the consolidating company's capital and other equity from January 1 to September 30, 2023 and 2022. Please refer to Note 6(15) of the 2022 consolidated financial statements for the relevant information.

1. Issue of ordinary shares

The following are the fluctuations in the number of outstanding shares of the company between January 1, 2023, and September 30, 2022:

	Common share	
(in thousand)	**January–September 2023**	**January–September 2022**
Number of outstanding shares issued as of January 1	100,265	100,265
Less: Reduction in capital to offset losses	(30,079)	-
Number of outstanding shares issued as of September 30	**70,186**	**100,265**

On June 21, 2023, the Company's general shareholders' meeting passed a resolution to conduct capital increase in cash through a private placement to increase its working capital and enhance future development and authorized the Board of Directors, within a scope of not more than 30,000,000 shares, to conduct capital increase in cash by issuing ordinary shares in one or two tranches through private placement within one year after the resolution was adopted by the shareholders' meeting. Furthermore, the general shareholders' meeting dated June 30, 2022 resolved that the amount of capital increase in cash through a private placement which has not yet been executed would not be executed any longer.

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

Additionally, on August 9, 2023, the Company adopted a resolution in the Board of Directors to increase cash capital by 30,000 thousand shares of common stock, priced provisionally between NT$12 and NT$13 per share. This case has been granted approval and entered into force after its submission to the Financial Supervisory Commission.

2. Capital surplus

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

		2023.9.30	**2022.12.31**	**2022.9.30**
Gain on disposal of assets	$	110	110	110
Stock options - issue of convertible corporate bonds		21,828	21,828	21,828
Others		159	159	159
	$	**22,097**	**22,097**	**22,097**

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

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

3. Retained earnings

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

(1) Legal reserve

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

(2) Earnings distribution

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

4. Other interests (net of tax)

	Exchange difference on translation of financial statements of foreign operations	Unrealized valuation profit or loss from financial assets measured at fair value through other comprehensive income	Total
Balance on January 1, 2023	$ 131	(10,949)	(10,818)
Exchange differences in translation of net assets of foreign operations	33	-	33
Balance on September 30, 2023	$ 164	(10,949)	(10,785)

	Exchange difference on translation of financial statements of foreign operations	Unrealized valuation profit or loss from financial assets measured at fair value through other comprehensive income	Total
Balance on January 1, 2022	$ 14	(16,382)	(16,368)
Exchange differences in translation of net assets of foreign operations	245	-	245
Unrealized profit or loss from financial assets measured at fair value through other comprehensive income	-	2,510	2,510
Disposal of equity instrument at fair value through other comprehensive income	-	2,923	2,923
Balance on September 30, 2022	$ 259	(10,949)	(10,690)

(XVI) Loss per share

1. Basic loss per share

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

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

	July–September 2023	July–September 2022	January–September 2023	January–September 2022
Net loss attributable to equity holders of the Company's ordinary shares for the current period	$ (1,525)	(13,306)	(46,401)	(49,056)

(2) Weighted average number of outstanding ordinary shares

	July–September 2023	July–September 2022	January–September 2023	January–September 2022
Weighted average number of outstanding ordinary shares	70,186	70,186	70,186	70,186
Basic loss per share (NTD)	$ (0.02)	(0.19)	(0.66)	(0.70)

2. Diluted loss per share

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

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

	July–September 2023	July–September 2022	January–September 2023	January–September 2022
Net loss attributable to equity holders of the Company's ordinary shares (basic)	$ (1,525)	(13,306)	(46,401)	(49,056)
Interest expense on convertible corporate bonds	(Note1)	(Note1)	(Note1)	(Note1)
Net loss attributable to equity holders of the Company's ordinary shares (diluted)	$ (1,525)	(13,306)	(46,401)	(49,056)

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

	July–September 2023	July–September 2022	January–September 2023	January–September 2022
Weighted average number of outstanding ordinary shares (basic)	70,186	70,186	70,186	70,186
Effect of conversion of convertible corporate bonds	(Note1)	(Note1)	(Note1)	(Note1)
Weighted average number of outstanding ordinary shares (diluted)	70,186	70,186	70,186	70,186
Diluted loss per share (NTD)	$ (0.02)	(0.19)	(0.66)	(0.70)

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

Note 2: The impact of the reduction of capital to offset losses has been retrospectively adjusted in the calculation of loss per share; the reduction of capital base date is July , 2023.

(XVII) Income from contracts with customers

1. Details of revenue

The consolidated company's income breakdown is as follows:

	July–September 2023	July–September 2022	January–September 2023	January–September 2022
Revenue from customer contracts recognized	$ 61,500	124,336	138,990	340,562
Rental Income (Note)	1,847	2,385	5,038	6,391
	$ 63,347	126,721	144,028	346,953

Note: International Financial Reporting Standards No. 16 is applicable to the consolidated company's rental Income from January 1 to September 30, 2023 and 2022.

2. Details of revenue

	July–September 2023	July–September 2022	January–September 2023	January–September 2022
Main region/market:				
Taiwan	$ 61,500	124,336	138,990	340,562
Main product/service line:				
Housing and land sales	$ 61,500	124,328	138,990	317,353
Service income	-	8	-	23,209
	$ 61,500	124,336	138,990	340,562
Contract type:				
Fixed-price contract	$ 61,500	124,336	138,990	340,562
Time point of revenue recognition				
Transfer of goods or services at a certain time point	$ 61,500	124,336	138,990	340,562

3. Contract balance

	2023.9.30	2022.12.31	2022.9.30
Notes receivable	$ -	6,038	1,390
Accounts receivable	8,365	8,936	26,071
Less: Allowance for losses	(8,280)	(8,280)	(8,280)
	$ 85	6,694	19,181
Contract liability－housing and land sales	$ 150,879	90,290	72,655
Contract liability－prepaid Income	7,000	7,000	7,000
Total	$ 157,879	97,290	79,655

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

The opening balances of contract liabilities on January 1, 2023 and 2022 were recognized in income in the amounts of NT$13,920 and NT$34,203 thousand for January 1 to September 30, 2023 and 2022, respectively.

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

(XVIII) 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 had pre-tax losses from January 1 to September 30, 2023 and 2022; therefore, there is no need to estimate remuneration to the employees and directors.

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

(XIX) Non-operating Income and expenses

1. Interest income

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

	July–September 2023	July–September 2022	January–September 2023	January–September 2022
Interest on bank deposits	$ 1	-	409	29
Imputed interest on security deposits	4	2	11	6
Guarantee deposits paid	1,273	961	3,605	2,531
Other interest income	-	-	-	4
	$ 1,278	**963**	**4,025**	**2,570**

2. Other income

The consolidated company's other Income are detailed below:

	July–September 2023	July–September 2022	January–September 2023	January–September 2022
Management fees income	$ 928	1,238	2,786	2,786
Dividend income	294	294	1,294	294
Other income	14,263	318	15,481	959
	$ 15,485	**1,850**	**19,561**	**4,039**

3. Other gains and losses

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

	July–September 2023	July–September 2022	January–September 2023	January–September 2022
Foreign currency exchange gain	$ 21	-	21	-
Net gains (losses) on financial assets measured at fair value through profit or loss	193	8,085	(12,897)	8,085
	$ 214	**8,085**	**(12,876)**	**8,085**

4. Financial costs

The consolidated company's financial costs are detailed below:

	July–September 2023	July–September 2022	January–September 2023	January–September 2022
Interest on bank borrowings	$ 2,618	1,891	7,489	5,415
Interest on lease liabilities	267	322	824	1,003
Financial costs	905	984	2,713	2,795
Discounted and amortized convertible corporate bonds	2,267	2,197	6,748	6,541
Less: Capitalized interest	(1,066)	(830)	(3,108)	(2,115)
	$ 4,991	**4,564**	**14,666**	**13,639**
Capitalized interest rate	**2.63%~3.08%**	**2.10%~2.42%**	**2.38%~3.08%**	**1.85%~2.42%**

(XX) Financial instruments

Except as described below, there is no significant change in the consolidated company's financial instruments and the exposure to credit risk, liquidity risk and market risk caused by financial instruments. Please refer to Note 6 (20) of the 2022 consolidated financial statements for related information.

1. Credit risk

(1) Maximum exposure to credit risk

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

(2) Credit concentration risk

No significant difference. Please refer to Note 6 (20) of the 2022 consolidated financial statements for relevant information.

(3) Credit risk of receivables and debt securities

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

Other financial assets measured at amortized cost include other receivables (other financial assets – current). All the aforesaid financial risks have low credit risks and hence the loss allowance is measured with the 12-month expected credit loss. (Please refer to Note 4 (7) of the 2022 consolidated financial statements for how the consolidated company determines low credit risks.)

2. Liquidity risk

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

	Carrying amount	Contractual cash flows	Within 6 months	6–12 months	1–2 years	2–5 years	More than 5 years
September 30, 2023							
Non-derivative financial liabilities							
Floating-rate instruments	$ 367,292	381,521	6,215	96,206	279,100	-	-
Fixed-rate instruments	291,534	300,000	-	300,000	-	-	-
Non-interest bearing liabilities	30,812	30,812	30,812	-	-	-	-
Lease liabilities	25,819	27,886	3,742	3,654	7,309	13,181	-
	$ 715,457	**740,219**	**40,769**	**399,860**	**286,409**	**13,181**	**-**
December 31, 2022							
Non-derivative financial liabilities							
Floating-rate instruments	$ 362,782	373,575	5,861	229,485	94,649	43,580	-
Fixed-rate instruments	284,786	300,000	-	-	300,000	-	-
Non-interest bearing liabilities	52,955	52,955	52,955	-	-	-	-
Lease liabilities	30,860	33,748	3,931	3,863	7,302	18,652	-
	$ 731,383	**760,278**	**62,747**	**233,348**	**401,951**	**62,232**	**-**
September 30, 2022							
Non-derivative financial liabilities							
Floating-rate instruments	$ 362,782	374,065	5,260	230,127	94,878	43,800	-
Fixed-rate instruments	282,571	300,000	-	-	300,000	-	-
Non-interest bearing liabilities	59,052	59,052	59,052	-	-	-	-
Lease liabilities	31,798	35,030	2,924	3,952	7,460	19,547	1,147
	$ 736,203	**768,147**	**67,236**	**234,079**	**402,338**	**63,347**	**1,147**

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

3. Interest rate risk

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

The sensitivity analysis below is based on the exposure of derivative and non-derivative instruments to interest rate risk at the balance sheet date. For floating-rate liabilities, the analysis is based on an assumption that the amount of a liability outstanding at the balance sheet date is outstanding throughout the year. The consolidated company's internal reporting to management regarding interest rates is based on 1% increase or decrease. It also represents the management's assessment of the possible and reasonable range of changes in interest rates.

All other variables being equal, any 1% increase (decrease) in interest rates would result in a decrease (increase) by NT$1,148 thousand and NT$1,480 thousand in the consolidated company's earnings before tax from January 1 to September 30, 2023 and 2022, respectively. This would be primarily due to the consolidated company's loan at variable interest rates.

4. Information on fair value

(1) Types and fair values of financial instruments

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

	2023.9.30				
		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	$ 74,883	74,883	-	-	74,883
Financial assets at fair value through other comprehensive income					
Domestic and foreign unlisted stocks	$ 19,718	-	-	19,718	19,718

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

	2022.9.30				
		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	$ 102,795	102,795	-	-	102,795
Financial assets at fair value through other comprehensive income					
Domestic and foreign unlisted stocks	$ 19,718	-	-	19,718	19,718

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

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

(2.1) Financial assets and liabilities at amortized cost

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

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

(3.1) Non-derivative financial instruments

When a financial instrument is quoted in an active market, the quoted price in the active market is the fair value. Market prices of liquid securities on major exchanges and the prices published by the trading center of central government bonds are the basis for fair values of equity instruments listed on TWSE/TPEx and fixed income instruments with active markets and open quotes.

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

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

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

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

(4) Transfer between Levels 1 and 2: None

(5) Details of changes in Level 3

	At fair value through other comprehensive income
	Equity instruments without quoted prices
January 1, 2023	$ 19,718
September 30, 2023	$ 19,718
January 31, 2022	$ 17,944
Recognized in other comprehensive income	2,510
Stocks allocated due to liquidation of investee	5,715
Liquidation	(6,451)
September 30, 2022	$ 19,718

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

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

Most of the fair values classified as level 3 by the consolidated company only contain single, material and unobservable inputs. Only the equity instruments without an active market depend on multiple material and unobservable inputs. Significant unobservable inputs for investments in equity instruments with no active market are independent of each other and therefore do not correlate.

Quantitative information on significant unobservable inputs is listed as follows:

Item	Valuation technique	Significant unobservable input	Significant unobservable input and relations with fair value
Financial assets at FVTOCI – investments in equity instruments without active markets	Asset method	·Marketability Discount (32.30% for 2023.9.30, 2022.12.31, and 2022.9.30) ·Non-controlling interest Discount (6.45% for 2023.9.30, 2022.12.31, and 2022.9.30)	·The higher the liquidity discount, the lower the fair value ·The higher the non-controlling interest discount, the lower the fair value

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

The consolidated company's fair value measurements of financial instruments are reasonable. However, the use of different valuation models or parameters may result in different valuation outcomes. For financial instruments classified as Level 3, if the valuation parameters change, the effect on the current profit or loss or other comprehensive income is as follows:

	Input	Up/down movements	Changes in fair value reflected in other comprehensive income: Favorable change	Changes in fair value reflected in other comprehensive income: Unfavorable change
September 30, 2023				
Financial assets at fair value through other comprehensive income				
Investment in equity instruments without active markets	Non-controlling interest discount	+10%	-	(2,108)
	Non-controlling interest discount	-10%	2,108	-
	Liquidity discount	+10%	-	(2,913)
	Liquidity discount	-10%	2,913	-

	Input	Up/down movements	Changes in fair value reflected in other comprehensive income - Favorable change	Changes in fair value reflected in other comprehensive income - Unfavorable change
December 31, 2022				
Financial assets at fair value through other comprehensive income				
Investment in equity instruments without active markets	Non-controlling interest discount	+10%	-	(2,108)
	Non-controlling interest discount	-10%	2,108	-
	Liquidity discount	+10%	-	(2,913)
	Liquidity discount	-10%	2,913	-
September 30, 2022				
Financial assets at fair value through other comprehensive income				
Investment in equity instruments without active markets	Non-controlling interest discount	+10%	-	(2,108)
	Non-controlling interest discount	-10%	2,108	-
	Liquidity discount	+10%	-	(2,913)
	Liquidity discount	-10%	2,913	-

The favorable and unfavorable movements referred to by the consolidated company indicate the volatility of fair values. Fair values are calculated with valuation techniques with different levels of unobservable inputs. If the fair value of a financial instrument is affected by more than one input, the above table only reflects the effect of changes in a single input without taking into account the correlation and variability between the inputs

(XXI) Financial risk management

There were no significant changes between the consolidated company's financial risk management objectives and policies and those disclosed in Note 6 (21) of the 2022 Consolidated Financial Statements.

(XXII) Capital management

The consolidated company's capital management objectives, policies and procedures are consistent with those disclosed in the 2022 consolidated financial statements, and there are no significant changes between the aggregated quantitative information of the capital management items and those disclosed in the 2022 consolidated financial statements. Please refer to Note 6 (22) of the 2022 consolidated financial statements for relevant information.

(XXIII) Financing activities with non-cash transactions

The financing activities with non-cash transactions of the consolidated company for the period from January 1 to September 30 of the year 2023 and 2022 are as follows:

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

	2023.1.1	Cash flows	Non-cash movement: Exchange rate change	Non-cash movement: Others	2023.9.30
Short-term borrowings	$ 315,782	6,510	-	-	322,292
Long -term borrowings	47,000	(2,000)	-	-	45,000
Corporate bonds payable	284,786	-	-	(Note 1) 6,748	291,534
Lease liabilities	30,860	(5,071)	30	-	25,819
Total amount of liabilities from financing activities	**$ 678,428**	**(561)**	**30**	**6,748**	**684,645**

			Non-cash movement		
	2022.1.1	Cash flows	Exchange rate change	Others	2022.9.30
Short-term borrowings	$ 423,053	(107,271)	-	-	315,782
Long -term borrowings	-	47,000	-	-	47,000
Corporate bonds payable	276,030	-	-	(Note 1) 6,541	282,571
Lease liabilities	36,857	(5,953)	640	(Note 2) 254	31,798
Total amount of liabilities from financing activities	$ 735,940	(66,224)	640	6,795	677,151

Note 1: Discounted and amortized convertible corporate bonds

Note 2: New lease liabilities arising from the period.

VII. Related Party Transactions

(I) Name of related party and relations

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

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

(II) Significant transactions with related parties

1. Purchase of goods from related parties

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

	July–September 2023	July–September 2022	January–September 2023	January–September 2022
Puyuan Advertising Co., Ltd.	$ -	-	-	6,500
Pucheng Construction Co., Ltd.	24,200	18,615	66,074	50,923
Belongs to other related parties	786	786	2,357	786
	$ 24,986	19,401	68,431	58,209

The consolidated company’s purchase prices from related parties are based on price comparisons and negotiations from both parties and payments according to contract terms and conditions. The construction contracts that the consolidated company has executed with related parties as of September 30, 2023, December 31, 2022, and September 30, 2022, respectively, are detailed in Note 9.

2. Payables to related parties

Account	Related party category	2023.9.30	2022.12.31	2022.9.30
Notes payable	Pucheng Construction Co., Ltd.	$ 9,182	6,561	2,414
Accounts payable	Pucheng Construction Co., Ltd.	761	8,536	5,375
Accounts payable	Puquan Advertising Co., Ltd.	3,134	12,014	21,793
Accounts payable	Puyuan Advertising Co., Ltd.	-	5,193	5,169
Accounts payable	Belongs to other related parties	-	847	798
		$ 13,077	33,151	35,549

3. Leases

The consolidated company rented from the related party, Puxu Advertising, in the headquarter office building in November 2021 by signing a five-year lease contract in reference to rentals for offices in the neighborhood area. Interest expenses recognized during the period from July 1 to September 30 and from January 1 to September 30 of the years 2023 and 2022 were NT$40 thousand, NT$53 thousand, NT$129 thousand, and NT$167 thousand, respectively. As of September 30, 2023, December 31, 2022, and September 30, 2022, the lease liabilities amounted to NT$7,948 thousand, NT$9,805 thousand, and NT$9,756 thousand, respectively. In addition, the guarantee deposits paid due to the above leases as of September 30, 2023, December 31, 2022, and September 30, 2022 were all NT$463 thousand.

4. Others

(1) The consolidated company signed real estate agency contracts with Puqun Advertising Co., Ltd. and Puyuan Advertising Co., Ltd. for marketing of development projects from July 1 to September 30, 2023 and 2022 and from January 1 to September 30, 2023 and 2022. The agency service fees were recognized as an operating expense for NT$880 thousand, NT$2,812 thousand, NT$2,391 thousand, and NT$7,140 thousand, respectively. The incremental cost for contract acquisitions recognized on September 30, 2023, December 31, 2022, and September 30, 2022 was NT$41,212 thousand, NT$33,850 thousand, and NT$31,661 thousand respectively.

(2) The consolidated company obtained from Pucheng Construction Co., Ltd. a guarantee check of NT$28,612 thousand for the deposit received as of September 30, 2023, December 31, 2022, and September 30, 2022 for construction and engineering works.

(3) The consolidated company provided the related party Chang Chun-Kuei with interest subsidies of NT$5,957 thousand, NT$3,261 thousand and NT$2,414 thousand (recognized in prepayments), a guarantee deposits paid of NT$24,500 thousand and NT$24,500 thousand and guarantee notes submitted of NT$24,500 thousand and NT$24,500 thousand, respectively, as of September 30, 2023 and December 31 and September 30, 2022, for the joint development and separate sale of the project on the land at Guishan Hwa-Ya. In addition, it engaged in a joint investment in this construction project with Puyuan Development Co., Ltd. and Pushi Construction Co., Ltd.

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

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

(III) Transactions with key management personnel

Key management personnel's remuneration includes:

	July–September 2023	July–September 2022	January–September 2023	January–September 2022
Short-term employee benefits	$ 2,367	2,457	7,282	7,372

VIII. Assets Pledged

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

Name of asset	Asset pledged as collateral	2023.9.30	2022.12.31	2022.9.30
Inventory – construction industry	Short-term borrowings and short-term notes payable	$ 535,640	599,528	592,970
Other financial assets - current	Reserve account	5,314	2,406	3,359
Other financial assets - current	Trust account	53,817	52,104	58,721
Investment property	Corporate bonds payable	161,638	159,840	175,203
Financial assets at fair value through profit or loss - non-current	Long -term borrowings	74,883	87,780	102,795
		$ 831,292	901,658	933,048

IX. Significant Contingent Liabilities and Unrecognized Commitments

(I) Significant unrecognized commitments:

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

	2023.9.30	2022.12.31	2022.9.30
Signed contracts			
Housing and land sales	$ 805,290	756,113	605,104
Contracts on solar installations and change of land use and relevant development projects	17,500	17,500	17,500
Proceeds received			
Housing and land sales	150,879	90,290	72,655
Contracts on solar installations and change of land use and relevant development projects	13,250	13,250	13,250

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

Payables not yet priced as per contract	2023.9.30	2022.12.31	2022.9.30
Non-related party	$ 20,250	19,206	19,872
Related party	156,115	204,362	222,169
	$ 176,365	223,568	242,041

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

Project name or land lot	Joint construction method	Joint construction deposits paid (construction deposits paid) 2023.9.30	2022.12.31	2022.9.30
Xinyi Section, Xinyi District	Joint investment in construction and joint construction and allocation of housing units	$ 193,310	198,805	197,848
Hwa-Ya Section, Guishan District	Joint investment in construction and joint construction and separate sale	24,500	24,500	24,500
Zhongshan Section, Zhongshan District	Joint investment in construction and joint construction and allocation of housing units	-	-	-
Meiren Section, Songshan District	Joint investment in construction and joint construction and allocation of housing units	-	-	-
Shitan Section, Neihu District	Joint investment in construction and joint construction and allocation of housing units	-	-	-
		$ 217,810	223,305	222,348

4. The consolidated company provided guarantee checks for NT$24,500 thousand for the refundable deposits as of September 30, 2023, December 31, 2022, and September 30, 2022 for business requirements.
5. The consolidated company leased a parcel of land in Miaoli to a non-related party on November 25, 2021 to install a solar power system. As per the contract, the consolidated company will charge a special business commission fee of NT$36,000,000 when the project is completed and will charge a monthly rent at the agreed rate.
6. The consolidated company paid a net amount of NT$48,509 thousand and recognized this as prepayment as of September 30, 2023, December 31, 2022 and September 30, 2022, respectively, for authorizing third parties in the integration and disposal of projects under development as well as other relevant matters.

X. Major Disaster Loss: None.

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

XII. Others

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

Function / Nature	July–September 2023 Classified as operating costs	July–September 2023 Classified as operating expenses	July–September 2023 Total	July–September 2022 Classified as operating costs	July–September 2022 Classified as operating expenses	July–September 2022 Total
Employee benefit expenses						
Salary and wages	-	6,231	6,231	-	5,811	5,811
Labor and health insurance	-	391	391	-	395	395
Pension	-	280	280	-	292	292
Directors’ remuneration	-	900	900	-	990	990
Other employee benefit expenses	-	248	248	-	262	262
Depreciation expense	1,413	1,040	2,453	1,381	1,066	2,447
Amortization expense	-	11	11	-	25	25

Nature / By function	January–September 2023 Classified as operating costs	January–September 2023 Classified as operating expenses	January–September 2023 Total	January–September 2022 Classified as operating costs	January–September 2022 Classified as operating expenses	January–September 2022 Total
Employee benefit expenses						
Salary and wages	-	18,179	18,179	-	17,829	17,829
Labor and health insurance	-	1,220	1,220	-	1,211	1,211
Pension	-	837	837	-	865	865
Directors' remuneration	-	2,880	2,880	-	2,970	2,970
Other employee benefit expenses	-	647	647	-	738	738
Depreciation expense	4,113	3,171	7,284	4,110	3,198	7,308
Amortization expense	-	76	76	-	107	107

(II) Seasonality of operation.

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

XIII. Additional Disclosures

(I) Information on significant transactions

The material transactions to be disclosed by the consolidated company from January 1, 2023 to September 30, 2023 according to the Regulations Governing the Preparation of Financial Reports by Securities Issuers are as follows:

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

Unit: In Thousand New Taiwan Dollars

No.	Endorsing/ Guarantor Company Name	Endorsed/Guaranteed party: Company name	Endorsed/Guaranteed party: Relations	Guarantee Limit for a Single Enterprise	Maximum Endorsed Guarantee Balance for the Period	Endorsed 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 Limit	Endorsement/ guarantee form parent to subsidiary	Endorsement/ guarantee form subsidiary to parent	Endorsement /guarantee related to Mainland China
0	The Company	Yunpeng Construction Co.,Ltd.	5	507,901	388,800	388,800	294,235	-	76.55%	1,015,802	N	N	N
0	The Company	Tianyi Construction Co.,Ltd.	5	507,901	453,600	453,600	314,567	-	89.31%	1,015,802	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	5,715	0.58%	5,715	
The Company	Stock - Nexcell Battery Co., Ltd.	-	〃	200,000	-	0.20%	-	
The Company	Stock - YAMAY INTERNATIONAL DEVELOPMENT CORP.	-	〃	15	-	- %	-	
The Company	Stock - World Join International Ltd.	-	〃	547,103	12,113	7.50%	12,113	
The Company	Stock -Shin Kong Real Estate Management Co., Ltd.	-	〃	550,000	1,890	1.67%	1,890	
The Company	Stock - Falcon Machine Tools Co., Ltd.	-	Financial assets at fair value through profit or loss -non-current	3,850,000	74,883	5.01%	74,883	Pledge

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

No.	Name of the counterparty	Counterparty	Relationship with the Counterparty	Transactions in Q3 of 2023			
				Category	Amount	Transaction terms and conditions	As % of total revenues or total assets
0	The Company	Better Life Real Estate Co., Ltd.	1	Operating expenses	5,717	Comparable to the industry level	3.97%
0	The Company	Better Life Green Energy Technology Co., Ltd.	1	Accounts payable	6,400	Comparable to the industry level	0.45%
1	Better Life Real Estate Co., Ltd.	The Company	2	Other income	608	Comparable to the industry level	0.42%
2	Better Life Green Energy Technology Co., Ltd.	The Company	2	Other receivables	6,400	Comparable to the industry level	0.45%

Note 1: indication by numbers
1.0: the parent company
2. Subsidies numbered from 1

Note 2: indication of the relations with counterparties
1. Parent company to a subsidiary
2. Subsidiary to the parent company

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

3. Subsidiary to a subsidiary

Note 3: offset for the preparation of consolidated financial statements

(II) Information on investees:

The consolidated company's investees (excluding the investees in China) from January 1 to September 30, 2023 were as follows:

Unit: In Thousand New Taiwan Dollars

Investor	Investee	Region	Principal business	Initial investment amount		Holdings at the end of period			Profit or loss on investee for the current period	Profit or loss recognized for the current period	Remarks
				End of the current period	Last year	Number of shares	Percentage	Carrying amount			
The Company	Better Life Green Energy Technology Co., Ltd.	Taiwan	Solar energy applications	91,000	91,000	9,100,000	100.00%	9,205	(298)	(298)	Subsidiaries
The Company	Bao Lai Real Estate Co., Ltd.	Taiwan	Marketing agency for the sale of real estate	80,000	110,000	8,000,000	100.00%	14,521	284	5,391	Subsidiaries
The Company	Better Life Group Travel Service Co., Ltd.	Taiwan	Travel agency	9,000	9,000	-	100.00%	1,716	(14)	(14)	Subsidiaries

Note: offset for the preparation of consolidated financial statements.

(III) Information on investments in mainland China

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

Unit: NT$ Thousand / Foreign Currency Thousand

Investee	Principal business	Paid-in capital	Investment method	Cumulative investment remitted from Taiwan at the beginning of period	Cumulative amount of investment remitted or recovered in current period		Cumulative outward remittance from Taiwan at the end of current period	Profit or loss on investee for the current period	Shareholding in direct or indirect investment	Profit or loss recognized for the current period	End of period book value of investments	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	37,111 (USD8,975)	(Note 1)	33,884 (Note 2) (USD1,050)	3,227 (Note 2) (USD100)	-	37,111 (Note 2) (USD8,975)	(3,317) (RMB752)	100.00%	(3,317) (Note 3) (RMB(752))	6,661 (RMB1,509)	-

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

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

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

Note 4: offset for the preparation of consolidated financial statements

2. Maximum investment amount in mainland China:

Company name	Cumulative outward remittance for investment in mainland China at the end of current period	Investment amount authorized by Investment Commission, MOEA	Maximum investment amount stipulated by Investment Commission, MOEA
The Company	37,111 (USD8,975)	292,850 (USD9,075)	304,741 (Note 5)

Note 5: Calculation of the limit: The equity value for the specified period, divided by 60%, amounts to NT$ 507,901 thousand x 60% = (total: NT$ 304,741 thousand).

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

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

(IV) Information on major shareholders:

Unit: Shares

Shares / Name of major shareholder	Number of shares held	Shareholding
Puquan Advertising Co., Ltd.	11,928,800	11.89%
Sant Law International Corporation	8,626,910	8.60%
Tsai, Hung-Chien	8,458,744	8.43%
Liao, Heng-I	7,409,000	7.38%
Chunxin Construction Co., Ltd.	5,419,000	5.40%

XIV. Information on Operating Segments

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

	July–September 2023				
	Construction Department	Real Estate Agency Department	Other departments	Adjustment and Elimination	Total
Income					
Income from external customers	$ 61,629	-	1,718	-	63,347
Inter-department Income	28	-	180	(208)	-
Total income	$ 61,657	-	1,898	(208)	63,347
Earnings before tax of reporting segments	$ 89	19	(1,453)	1,434	89

	July–September 2022				
	Construction Department	Real Estate Agency Department	Other departments	Adjustment and Elimination	Total
Income					
Income from external customers	$ 124,457	8	2,256	-	126,721
Inter-department Income	26	2,777	180	(2,983)	-
Total income	$ 124,483	2,785	2,436	(2,983)	126,721
Earnings before tax of reporting segments	$ (12,059)	(3,664)	(276)	3,940	(12,059)

	January–September 2023				
	Construction Department	Real Estate Agency Department	Other departments	Adjustment and Elimination	Total
Income					
Income from external customers	$ 139,378	-	4,650	-	144,028
Inter-department Income	85	4	540	(629)	-
Total income	$ 139,463	4	5,190	(629)	144,028
Earnings before tax of reporting segments	$ (41,948)	284	(3,629)	3,345	(41,948)

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

	January–September 2022				
	Construction Department	Real Estate Agency Department	Other departments	Adjustment and Elimination	Total
Income					
Income from external customers	$ 317,741	18,209	11,003	-	346,953
Inter-department Income	72	13,853	540	(14,465)	-
Total income	**$ 317,813**	**32,062**	**11,543**	**(14,465)**	**346,953**
Earnings before tax of reporting segments	**$ (43,525)**	**7,210**	**(1,651)**	**(5,559)**	**(43,525)**