

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

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

**Q1 2023 and 2022**

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## **Independent Auditors' Review Report**

To Better Life Group Co., Ltd.,

### **Introduction**

We have reviewed the accompanying consolidated balance sheets of Better Life Group Co., Ltd. and its subsidiaries as of March 31, 2023 and 2022, the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the three months then ended and the related notes to the consolidated financial statements, including a summary of significant accounting policies. 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 March 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the three months then ended March 31, 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 model since January 1, 2023, and retroactively restated the consolidated financial report for Q1 2022. We did not revise the review conclusion accordingly.

KPMG Taiwan

PAN JIUN MING  
CPA:  
CHEN TZUNG JE

Competent Security Authority Approval      Jin-Guan-Zheng-VI No. 1110333933  
Document No.      : Jin-Guan-Zheng-VI No. 1000011652  
May 11, 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)**  
**Reviewed only, not audited in accordance with the Auditing Standards as of March 31,**  
**2023 and 2022**

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

**Consolidated Balance Sheet**

**March 31 2023, and December 31, March 31 and January 1, 2022**

**Unit: In Thousand New Taiwan Dollars**

| Assets                                                                                                               | 2023.3.31           |            | 2022.12.31<br>(Restated) |            | 2022.3.31<br>(Restated) |            | 2022.1.1<br>(Restated) |            |
|----------------------------------------------------------------------------------------------------------------------|---------------------|------------|--------------------------|------------|-------------------------|------------|------------------------|------------|
|                                                                                                                      | Amount              | %          | Amount                   | %          | Amount                  | %          | Amount                 | %          |
| <b>Current assets:</b>                                                                                               |                     |            |                          |            |                         |            |                        |            |
| 1100 Cash and cash equivalents (Note 6(1))                                                                           | \$ 81,967           | 6          | 94,705                   | 7          | 108,618                 | 8          | 58,289                 | 4          |
| 1150 Notes receivable, net (Notes 6(4) and (17))                                                                     | -                   | -          | 6,038                    | -          | 1,416                   | -          | 5,760                  | -          |
| 1170 Accounts receivable, net (Notes 6(4) and (17))                                                                  | 229                 | -          | 656                      | -          | 43,362                  | 3          | 58,156                 | 4          |
| 1320 Inventories (for construction industry) (Notes 6(5), 7, 8, and 9)                                               | 615,149             | 44         | 599,528                  | 42         | 667,802                 | 48         | 836,516                | 54         |
| 1410 Pre-payments (Notes 6(6), 7 and 9)                                                                              | 76,075              | 5          | 67,141                   | 5          | 63,095                  | 4          | 61,716                 | 4          |
| 1424 Excess business tax paid                                                                                        | 21,302              | 1          | 21,445                   | 2          | 22,641                  | 2          | 25,470                 | 2          |
| 1476 Other financial assets - current (Note 8)                                                                       | 77,336              | 5          | 56,798                   | 4          | 14,925                  | 1          | 29,281                 | 2          |
| 1478 Construction deposits paid (Notes 7 and 9)                                                                      | 224,456             | 16         | 223,305                  | 16         | 220,593                 | 16         | 219,817                | 14         |
| 1480 Incremental cost of obtaining contracts - current (Note 7)                                                      | 33,242              | 2          | 33,850                   | 2          | 9,868                   | 1          | 12,069                 | 1          |
| 1482 Costs to fulfill contracts, current                                                                             | 8,787               | 1          | 8,787                    | 1          | 6,399                   | -          | 2,957                  | -          |
|                                                                                                                      | <u>1,138,543</u>    | <u>80</u>  | <u>1,112,253</u>         | <u>79</u>  | <u>1,158,719</u>        | <u>83</u>  | <u>1,310,031</u>       | <u>85</u>  |
| <b>Non-current assets:</b>                                                                                           |                     |            |                          |            |                         |            |                        |            |
| 1510 Financial assets measured at fair value through profit or loss – non-current (Notes 6 (2) and (20) and 8)       | 71,995              | 5          | 87,780                   | 6          | -                       | -          | -                      | -          |
| 1517 Financial assets measured at fair value through other comprehensive income – non-current (Notes 6 (3) and (20)) | 19,718              | 1          | 19,718                   | 1          | 17,944                  | 1          | 17,944                 | 1          |
| 1600 Property, plant and equipment (Notes 6(7) and (7))                                                              | 12,732              | 1          | 13,417                   | 1          | 15,848                  | 1          | 11,266                 | 1          |
| 1755 Right-of-use assets (Note 6(9))                                                                                 | 27,009              | 2          | 28,625                   | 2          | 34,201                  | 2          | 34,877                 | 2          |
| 1760 Investment properties (Notes 6 (8) and 8)                                                                       | 161,638             | 11         | 159,840                  | 11         | 174,450                 | 13         | 174,450                | 11         |
| 1780 Intangible assets                                                                                               | 75                  | -          | 107                      | -          | 119                     | -          | 163                    | -          |
| 1980 Other financial assets - non-current (Note 7)                                                                   | 2,246               | -          | 2,244                    | -          | 2,287                   | -          | 1,775                  | -          |
|                                                                                                                      | <u>295,413</u>      | <u>20</u>  | <u>311,731</u>           | <u>21</u>  | <u>244,849</u>          | <u>17</u>  | <u>240,475</u>         | <u>15</u>  |
| <b>Total assets</b>                                                                                                  | <b>\$ 1,433,956</b> | <b>100</b> | <b>1,423,984</b>         | <b>100</b> | <b>1,403,568</b>        | <b>100</b> | <b>1,550,506</b>       | <b>100</b> |

**(English Translation of Consolidated Balance Sheets Originally Issued in Chinese)**  
**Reviewed only, not audited in accordance with the Auditing Standards as of March 31,**  
**2023 and 2022**

**Better Life Group Co., LTD. and the Subsidiaries**  
**Consolidated Balance Sheet (continued)**  
**March 31 2023, and December 31, March 31 and January 1, 2022**  
**Unit: In Thousand New Taiwan Dollars**

| Liabilities and equity                                           |                                                                              | 2023.3.31           |            | 2022.12.31<br>(Restated) |            | 2022.3.31<br>(Restated) |            | 2022.1.1<br>(Restated) |            |
|------------------------------------------------------------------|------------------------------------------------------------------------------|---------------------|------------|--------------------------|------------|-------------------------|------------|------------------------|------------|
|                                                                  |                                                                              | Amount              | %          | Amount                   | %          | Amount                  | %          | Amount                 | %          |
| <b>Current liabilities:</b>                                      |                                                                              |                     |            |                          |            |                         |            |                        |            |
| 2100                                                             | Short-term borrowings (Note 6(10))                                           | \$ 315,782          | 22         | 315,782                  | 23         | 336,493                 | 24         | 423,053                | 28         |
| 2130                                                             | Contract liabilities – current (Notes 6 (17) and (9))                        | 157,047             | 11         | 97,290                   | 7          | 22,573                  | 2          | 52,776                 | 3          |
| 2150                                                             | Notes payable (Note 7)                                                       | 4,200               | -          | 6,561                    | -          | 1,996                   | -          | 6,100                  | -          |
| 2170                                                             | Accounts payable (Note 7)                                                    | 12,728              | 1          | 35,433                   | 2          | 21,123                  | 2          | 25,801                 | 2          |
| 2200                                                             | Other payables                                                               | 12,359              | 1          | 10,250                   | 1          | 11,299                  | 1          | 13,923                 | 1          |
| 2280                                                             | Lease liabilities - current (Notes 6(13) and (7))                            | 5,999               | -          | 6,728                    | -          | 5,870                   | -          | 5,957                  | -          |
| 2305                                                             | Other financial liabilities - current                                        | 597                 | -          | 711                      | -          | 777                     | -          | 829                    | -          |
| 2322                                                             | Long-term borrowings due within one year or one operating cycle (Note 6(11)) | 2,000               | -          | 2,000                    | -          | -                       | -          | -                      | -          |
| 2399                                                             | Other current liabilities - other (Note 9)                                   | 20,371              | 1          | 15,451                   | 1          | 28,981                  | 2          | 27,408                 | 2          |
|                                                                  |                                                                              | 531,083             | 36         | 490,206                  | 34         | 429,112                 | 31         | 555,847                | 36         |
| <b>Non-current liabilities:</b>                                  |                                                                              |                     |            |                          |            |                         |            |                        |            |
| 2530                                                             | Corporate bonds payable (Note 6 (12))                                        | 287,018             | 20         | 284,786                  | 21         | 278,194                 | 20         | 276,030                | 18         |
| 2540                                                             | Long-term borrowings (Note 6(11))                                            | 44,000              | 3          | 45,000                   | 3          | -                       | -          | -                      | -          |
| 2570                                                             | Deferred income tax liability (Note 6 (13) and (7))                          | 25,591              | 2          | 25,591                   | 2          | 25,591                  | 2          | 25,591                 | 2          |
| 2580                                                             | Lease liabilities -- Non-current                                             | 22,617              | 2          | 24,132                   | 2          | 29,414                  | 2          | 30,900                 | 2          |
|                                                                  |                                                                              | 379,226             | 27         | 379,509                  | 28         | 333,199                 | 24         | 332,521                | 22         |
|                                                                  | <b>Total liabilities</b>                                                     | 910,309             | 63         | 869,715                  | 62         | 762,311                 | 55         | 888,368                | 58         |
| <b>Equity attributable to owners of the parent (Note 6 (15))</b> |                                                                              |                     |            |                          |            |                         |            |                        |            |
| 3110                                                             | Common stock                                                                 | 1,002,654           | 70         | 1,002,654                | 70         | 1,002,654               | 70         | 1,002,654              | 65         |
| 3200                                                             | Capital surplus                                                              | 22,097              | 2          | 22,097                   | 2          | 21,938                  | 2          | 21,938                 | 1          |
| 3310                                                             | Legal reserve                                                                | 4,320               | -          | 4,320                    | -          | 4,320                   | -          | 4,320                  | -          |
| 3350                                                             | Undistributed earnings (or deficit to be compensated)                        | (494,640)           | (34)       | (463,984)                | (33)       | (371,613)               | (26)       | (350,406)              | (23)       |
| 3400                                                             | Other equity interests                                                       | (10,784)            | (1)        | (10,818)                 | (1)        | (16,042)                | (1)        | (16,368)               | (1)        |
|                                                                  | <b>Total equity</b>                                                          | 523,647             | 37         | 554,269                  | 38         | 641,257                 | 45         | 662,138                | 42         |
|                                                                  | <b>Total liabilities and equity</b>                                          | <u>\$ 1,433,956</u> | <u>100</u> | <u>1,423,984</u>         | <u>100</u> | <u>1,403,568</u>        | <u>100</u> | <u>1,550,506</u>       | <u>100</u> |

**(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)**  
**Reviewed only, not audited in accordance with the generally accepted auditing standards**

**Better Life Group Co., LTD. and the Subsidiaries**  
**Consolidated Statements of Comprehensive Income**  
**For the three months ended March 31, 2023 and 2022**

**Unit: NTD thousands**

|      |                                                                                  | January to March of<br>2023 |                | January to March<br>of 2022 |             |
|------|----------------------------------------------------------------------------------|-----------------------------|----------------|-----------------------------|-------------|
|      |                                                                                  | Amount                      | %              | Amount                      | %           |
| 4000 | <b>Operating Revenues (Note 6 (17))</b>                                          | \$ 1,709                    | 100            | 198,401                     | 100         |
| 5000 | <b>Operating costs (Notes 6 (5) and 7)</b>                                       | 1,775                       | 104            | 190,054                     | 96          |
|      | <b>Gross profit (loss)</b>                                                       | (66)                        | (4)            | 8,347                       | 4           |
| 6000 | <b>Operating expenses (Notes 6 (13) and 7):</b>                                  |                             |                |                             |             |
| 6100 | Selling expenses                                                                 | 1,680                       | 98             | 11,625                      | 6           |
| 6200 | General and administrative expenses                                              | 11,366                      | 666            | 11,234                      | 6           |
|      |                                                                                  | 13,046                      | 764            | 22,859                      | 12          |
| 6900 | <b>Operating losses</b>                                                          | (13,112)                    | (768)          | (14,512)                    | (8)         |
|      | <b>Non-operating Income and expenses (Notes 6 (13), (19) and 7):</b>             |                             |                |                             |             |
| 7100 | Interest income                                                                  | 1,154                       | 68             | 782                         | -           |
| 7010 | Other income                                                                     | 1,889                       | 111            | 1,224                       | 1           |
| 7020 | Other gains and losses                                                           | (15,785)                    | (924)          | -                           | -           |
| 7050 | Financial costs                                                                  | (4,802)                     | (281)          | (5,287)                     | (2)         |
|      | <b>Total non-operating income and expenses</b>                                   | (17,544)                    | (1,026)        | (3,281)                     | (1)         |
| 7900 | <b>Net loss before tax</b>                                                       | (30,656)                    | (1,794)        | (17,793)                    | (9)         |
| 7950 | <b>Less: income taxes (Note 6 (14))</b>                                          | -                           | -              | 3,414                       | 2           |
| 8200 | <b>Net loss for the period</b>                                                   | (30,656)                    | (1,794)        | (21,207)                    | (11)        |
| 8300 | <b>Other comprehensive income (Note 6 (15))</b>                                  |                             |                |                             |             |
| 8360 | <b>Items that may subsequently be reclassified to profit or loss</b>             |                             |                |                             |             |
| 8361 | Exchange difference on translation of financial statements of foreign operations | 34                          | 2              | 326                         | -           |
| 8399 | Less: Income tax related to items that may be reclassified to profit or loss     | -                           | -              | -                           | -           |
|      | <b>Total items that may subsequently be reclassified to profit or loss</b>       | 34                          | 2              | 326                         | -           |
| 8300 | <b>Other comprehensive income for the current period</b>                         | 34                          | 2              | 326                         | -           |
|      | <b>Total comprehensive income for the current period</b>                         | <u>\$ (30,622)</u>          | <u>(1,792)</u> | <u>(20,881)</u>             | <u>(11)</u> |
|      | <b>Net income attributable to</b>                                                |                             |                |                             |             |
| 8610 | Owners of the parent                                                             | <u>\$ (30,656)</u>          | <u>(1,794)</u> | <u>(21,207)</u>             | <u>(11)</u> |
|      | <b>Other comprehensive income attributable to:</b>                               |                             |                |                             |             |
| 8710 | Owners of the parent                                                             | <u>\$ (30,622)</u>          | <u>(1,792)</u> | <u>(20,881)</u>             | <u>(11)</u> |
|      | <b>Loss per share (Note 6 (16))</b>                                              |                             |                |                             |             |
| 9750 | <b>Basic loss per share (NTD)</b>                                                | <u>\$ (0.31)</u>            |                | <u>(0.21)</u>               |             |
| 9850 | <b>Diluted loss per share (NTD)</b>                                              | <u>\$ (0.31)</u>            |                | <u>(0.21)</u>               |             |

**(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)**

**Reviewed only, not audited in accordance with the generally accepted auditing standards**

**Better Life Group Co., LTD. and the Subsidiaries  
Consolidated Statement of Changes in Equity  
For the three months ended March 31, 2023 and 2022**

**Unit: In Thousand New Taiwan Dollars**

|                                                   | Equity attributable to owners of the parent |                    |                   |                           |                                                         |                                                                                                                |              | Total equity<br>attributable to<br>shareholders<br>of the parent<br>company<br>Total equity | Total equity |
|---------------------------------------------------|---------------------------------------------|--------------------|-------------------|---------------------------|---------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|--------------|---------------------------------------------------------------------------------------------|--------------|
|                                                   | Share capital                               |                    | Retained earnings |                           | Other equity items                                      |                                                                                                                |              |                                                                                             |              |
|                                                   | Common share<br>capital                     | Capital<br>surplus | Legal reserve     | Undistributed<br>earnings | Exchange<br>differences<br>arising on<br>translation of | Unrealized gains or<br>losses on financial<br>assets at fair value<br>through other<br>comprehensive<br>income | Total equity |                                                                                             |              |
|                                                   |                                             |                    |                   |                           | foreign<br>operations                                   |                                                                                                                |              |                                                                                             |              |
| Balance on January 1, 2022                        | \$ 1,002,654                                | 21,938             | 4,320             | (416,218)                 | 14                                                      | (16,382)                                                                                                       | 596,326      | 596,326                                                                                     |              |
| Effects of retrospective restatements             | -                                           | -                  | -                 | 65,812                    | -                                                       | -                                                                                                              | 65,812       | 65,812                                                                                      |              |
| Balance on January 1, 2022 after restatement      | 1,002,654                                   | 21,938             | 4,320             | (350,406)                 | 14                                                      | (16,382)                                                                                                       | 662,138      | 662,138                                                                                     |              |
| Net loss for the period                           | -                                           | -                  | -                 | (21,207)                  | -                                                       | -                                                                                                              | (21,207)     | (21,207)                                                                                    |              |
| Other comprehensive income for the current period | -                                           | -                  | -                 | -                         | 326                                                     | -                                                                                                              | 326          | 326                                                                                         |              |
| Total comprehensive income for the current period | -                                           | -                  | -                 | (21,207)                  | 326                                                     | -                                                                                                              | (20,881)     | (20,881)                                                                                    |              |
| Balance on March 31, 2022 after restatement       | \$ 1,002,654                                | 21,938             | 4,320             | (371,613)                 | 340                                                     | (16,382)                                                                                                       | 641,257      | 641,257                                                                                     |              |
| 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                           | -                                           | -                  | -                 | (30,656)                  | -                                                       | -                                                                                                              | (30,656)     | (30,656)                                                                                    |              |
| Other comprehensive income for the current period | -                                           | -                  | -                 | -                         | 34                                                      | -                                                                                                              | 34           | 34                                                                                          |              |
| Total comprehensive income for the current period | -                                           | -                  | -                 | (30,656)                  | 34                                                      | -                                                                                                              | (30,622)     | (30,622)                                                                                    |              |
| Balance on March 31, 2023                         | \$ 1,002,654                                | 22,097             | 4,320             | (494,640)                 | 165                                                     | (10,949)                                                                                                       | 523,647      | 523,647                                                                                     |              |

**(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)**  
**Reviewed only, not audited in accordance with the generally accepted auditing standards**

**Better Life Group Co., LTD. and the Subsidiaries**  
**Consolidated Statement of Cash Flows**  
**For the three months ended March 31, 2023 and 2022**

**Unit: NTD thousands**

|                                                                                       | <b>January to<br/>March of 2023</b> | <b>January to<br/>March of 2022</b> |
|---------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| <b>Cash flow from operating activities:</b>                                           |                                     |                                     |
| <b>Net loss before tax for the current period</b>                                     | \$ (30,656)                         | (17,793)                            |
| <b>Adjustments:</b>                                                                   |                                     |                                     |
| Income and expenses                                                                   |                                     |                                     |
| Depreciation expense                                                                  | 2,440                               | 2,440                               |
| Amortization expense                                                                  | 32                                  | 44                                  |
| Net loss on financial assets and liabilities at fair value through<br>profit or loss  | 15,785                              | -                                   |
| Interest expense                                                                      | 4,802                               | 5,287                               |
| Interest income                                                                       | (1,154)                             | (782)                               |
| Total income and expenses                                                             | 21,905                              | 6,989                               |
| <b>Changes in assets/liabilities related to operating activities:</b>                 |                                     |                                     |
| <b>Net change in assets related to operating activities:</b>                          |                                     |                                     |
| Notes receivable                                                                      | 6,038                               | 4,344                               |
| Accounts receivable                                                                   | 427                                 | 14,795                              |
| Inventories                                                                           | (14,631)                            | 169,300                             |
| Pre-payments                                                                          | (8,791)                             | 1,450                               |
| Other financial assets                                                                | (21,688)                            | 13,588                              |
| Construction deposits paid                                                            | (1,151)                             | (776)                               |
| Incremental cost of obtaining contracts                                               | 608                                 | 2,201                               |
| Costs to fulfill contracts                                                            | -                                   | (3,442)                             |
| Total net change in assets related to operating activities                            | (39,188)                            | 201,460                             |
| <b>Net change in liabilities related to operating activities:</b>                     |                                     |                                     |
| Contract liabilities                                                                  | 59,757                              | (30,203)                            |
| Notes payable                                                                         | (2,361)                             | (4,104)                             |
| Accounts payable                                                                      | (22,707)                            | (4,708)                             |
| Other payables                                                                        | 946                                 | (2,490)                             |
| Non-current liabilities                                                               | 4,919                               | 1,563                               |
| Other financial liabilities - current                                                 | (117)                               | (81)                                |
| Total net change in liabilities related to operating activities                       | 40,437                              | (40,023)                            |
| <b>Total net change in assets and liabilities related to operating<br/>activities</b> | 1,249                               | 161,437                             |
| <b>Total adjustments</b>                                                              | 23,154                              | 168,426                             |
| <b>Cash generated from (used in) operating activities</b>                             | (7,502)                             | 150,633                             |
| Interest received                                                                     | 1,154                               | 782                                 |
| Interest paid                                                                         | (3,599)                             | (3,851)                             |
| Income tax paid                                                                       | -                                   | (3,414)                             |
| <b>Net cash flow generated from (used in) operating activities</b>                    | (9,947)                             | 144,150                             |

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

**Reviewed only, not audited in accordance with the generally accepted auditing standards**

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

**Consolidated statement of cash flow (continued)**

**For the three months ended March 31, 2023 and 2022**

**Unit: NTD thousands**

|                                                                        | <b><u>January to<br/>March of 2023</u></b> | <b><u>January to<br/>March of 2022</u></b> |
|------------------------------------------------------------------------|--------------------------------------------|--------------------------------------------|
| <b>Cash flow from investing activities:</b>                            |                                            |                                            |
| Acquisition of property, plant and equipment                           | -                                          | (4,910)                                    |
| Acquisition of investment property                                     | (598)                                      | -                                          |
| Other financial assets                                                 | 1,151                                      | 278                                        |
| <b>Net cash inflows (outflows) from investing activities</b>           | <b>553</b>                                 | <b>(4,632)</b>                             |
| <b>Cash flow from financing activities:</b>                            |                                            |                                            |
| Decrease in short-term borrowings                                      | -                                          | (86,560)                                   |
| Repayment of long-term borrowings                                      | (1,000)                                    | -                                          |
| Lease principal repaid                                                 | (2,347)                                    | (2,664)                                    |
| <b>Net cash used in financing activities</b>                           | <b>(3,347)</b>                             | <b>(89,224)</b>                            |
| Effect of exchange rate changes on cash and cash equivalents           | 3                                          | 35                                         |
| Increase (decrease) in cash and cash equivalents in the current period | (12,738)                                   | 50,329                                     |
| 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          | <b><u>\$ 81,967</u></b>                    | <b><u>108,618</u></b>                      |

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

**Chairman: Chung, Hsi-Chi    Manager: Lin, Jui-Shan**

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

**Reviewed only, not audited in accordance with the generally accepted auditing standards**  
**Better Life Group Co., LTD. and the Subsidiaries**  
**Notes to Consolidated Financial Statements**  
**Q1 2023 and 2022**  
**(NTD thousands unless otherwise specified)**

**I. Organization and Operations**

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

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

**II. The Authorization of Financial Statements**

These consolidated financial statements were approved and published by the board of directors on May 11, 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”

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

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

| <b>New and revised standards</b>                                              | <b>Major revisions</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>Effective date announced by IASB</b> |
|-------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|
| Amendments to IAS 1 (Classification of Liabilities as Current or Non-current) | As per the existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement for at least 12 months after the reporting date. In the amendments, the requirement for a right to be unconditional has been removed, and instead now IASB requires that a right to defer settlement must exist at the reporting date and have substance. The amendments also clarify how a company classifies a liability that can be settled in its own equity instruments (such as convertible corporate bonds). | January 1, 2024                         |

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

| New and revised standards                                    | Major revisions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Effective date announced by IASB |
|--------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|
| Amendments to IAS 1 “Non-current Liabilities with Covenants” | After certain aspects of the 2020 amendments to IAS 1 were reconsidered, the new amendments reconfirmed that only covenants with which a company must comply on or before the balance sheet date affect the classification of a liability as current or non-current.<br>Covenants with which the company must comply after the balance sheet date ( <i>i.e.</i> , future covenants) do not affect a liability’s classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the balance sheet date. | January 1, 2024                  |

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

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

- Amendments to IFRS 10 and IAS 28, “Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture”
- IFRS 17, “Insurance Contracts” and Amendments to IFRS 17
- Amendments to IFRS 16, “Lease Liability in a Sale and Leaseback”

#### **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.

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

(II) Basis of consolidation

1. Subsidiaries included in the consolidated financial statements

Subsidiaries included in these consolidated financial statements:

| Company name | Name of the subsidiary                                           | Nature of business                                 | Ownership in the investee % |            |           |
|--------------|------------------------------------------------------------------|----------------------------------------------------|-----------------------------|------------|-----------|
|              |                                                                  |                                                    | 2023.3.31                   | 2022.12.31 | 2022.3.31 |
| The Company  | Better Life Green Energy Technology Co., Ltd.                    | Solar energy applications                          | 100%                        | 100%       | 100%      |
| The Company  | Bao Lai 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.

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

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:

|                                                  | <b>Before<br/>restatement<br/>Carrying<br/>amount</b> | <b>Impact of<br/>changes in<br/>accounting<br/>policies</b> | <b>Restated<br/>Carrying<br/>amount</b> |
|--------------------------------------------------|-------------------------------------------------------|-------------------------------------------------------------|-----------------------------------------|
| <b>2022.1.1 Balance Sheets</b>                   |                                                       |                                                             |                                         |
| Investment property                              | \$ 83,047                                             | 91,403                                                      | 174,450                                 |
| Deferred income tax liabilities                  | -                                                     | 25,591                                                      | 25,591                                  |
| Retained earnings                                | (416,218)                                             | 65,812                                                      | (350,406)                               |
| <b>2022.3.31 Consolidated<br/>Balance Sheet</b>  |                                                       |                                                             |                                         |
| Investment property                              | \$ 83,047                                             | 91,403                                                      | 174,450                                 |
| Deferred income tax liabilities                  | -                                                     | 25,591                                                      | 25,591                                  |
| Retained earnings                                | (437,425)                                             | 65,812                                                      | (371,613)                               |
| <b>2022.12.31 Consolidated<br/>Balance Sheet</b> |                                                       |                                                             |                                         |
| 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 uncertainties in the following assumptions and estimates with significant risks of causing the carrying amount of assets and liabilities to be adjusted significantly in the next fiscal year and the impact of the COVID-19 pandemic has been reflected. The relevant information is as follows:

·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.

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

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 inputs used in the valuation techniques and are classified as follows:

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

**Transfer policy between levels**

If there is a transfer event or situation between the levels of fair value, the 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 for 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

|                  | <u>2023.3.31</u> | <u>2022.12.31</u> | <u>2022.3.31</u> |
|------------------|------------------|-------------------|------------------|
| Cash on hand     | \$ 192           | 192               | 372              |
| Demand deposit   | 81,757           | 94,495            | 108,216          |
| Checking deposit | 18               | 18                | 30               |
|                  | <u>\$ 81,967</u> | <u>94,705</u>     | <u>108,618</u>   |

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

|                                                        | <u>2023.3.31</u> | <u>2022.12.31</u> | <u>2022.3.31</u> |
|--------------------------------------------------------|------------------|-------------------|------------------|
| Financial assets at fair value through profit or loss: |                  |                   |                  |
| TWSE/TPEX-listed stocks                                | <u>\$ 71,995</u> | <u>87,780</u>     | <u>-</u>         |

Please refer to Note 8 for details of the financial assets at fair value through profit or loss, which were pledged by the consolidated company as collateral as of March 31, 2023 and December 31 and March 31, 2022.

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

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

|                                                                      | 2023.3.31        | 2022.12.31    | 2022.3.31     |
|----------------------------------------------------------------------|------------------|---------------|---------------|
| Equity instrument at fair value through other comprehensive income:  |                  |               |               |
| Domestic unlisted stock - Eastern Electronics Co., Ltd.              | \$ 5,715         | 5,715         | -             |
| Domestic unlisted stock - Technology Associates Corporation          | -                | -             | 3,667         |
| Domestic unlisted stock - Tech Alliance Corp.                        | -                | -             | 274           |
| 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        |
| <b>Total</b>                                                         | <b>\$ 19,718</b> | <b>19,718</b> | <b>17,944</b> |

1. The consolidated company holds the equity instruments as a long-term strategic investment, not for trading purposes. Hence, these instruments have been designated at fair value through other comprehensive income.
2. Please refer to Note 6 (20) for market risk information.
3. None of the consolidated company's financial assets abovementioned has been pledged as collateral.

(IV) Notes and accounts receivable

|                                       | 2023.3.31     | 2022.12.31   | 2022.3.31     |
|---------------------------------------|---------------|--------------|---------------|
| Notes receivable - from operations    | \$ -          | 6,038        | 1,416         |
| Accounts receivable at amortized cost | 8,509         | 8,936        | 52,051        |
| Less: Allowance for losses            | (8,280)       | (8,280)      | (8,689)       |
|                                       | <b>\$ 229</b> | <b>6,694</b> | <b>44,778</b> |

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:

|                                | 2023.3.31                                         |                                            |
|--------------------------------|---------------------------------------------------|--------------------------------------------|
|                                | Carrying amounts of notes and accounts receivable | Weighted average expected credit loss rate |
| Not past due                   | \$ 229                                            | -                                          |
| Overdue for more than 360 days | 8,280                                             | 100%                                       |
|                                | <b>\$ 8,509</b>                                   | <b>8,280</b>                               |

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

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

  

|                                | <b>2022.3.31</b>                                                         |                                                                   |                                                                  |
|--------------------------------|--------------------------------------------------------------------------|-------------------------------------------------------------------|------------------------------------------------------------------|
|                                | <b>Carrying<br/>amounts of<br/>notes and<br/>accounts<br/>receivable</b> | <b>Weighted<br/>average<br/>expected<br/>credit loss<br/>rate</b> | <b>Allowance for<br/>lifetime<br/>expected<br/>credit losses</b> |
| Not past due                   | \$ 44,778                                                                | -                                                                 | -                                                                |
| Overdue for more than 360 days | 8,689                                                                    | 100%                                                              | 8,689                                                            |
|                                | <b><u>\$ 53,467</u></b>                                                  |                                                                   | <b><u>8,689</u></b>                                              |

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

|                                  | <b>January to<br/>March of 2023</b> | <b>January to<br/>March of 2022</b> |
|----------------------------------|-------------------------------------|-------------------------------------|
| Opening balance (ending balance) | <b><u>\$ 8,280</u></b>              | <b><u>8,689</u></b>                 |

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

(V) Inventories

|                                                              | <b>2023.3.31</b>         | <b>2022.12.31</b>     | <b>2022.3.31</b>      |
|--------------------------------------------------------------|--------------------------|-----------------------|-----------------------|
| Construction business:                                       |                          |                       |                       |
| Buildings and land held for sale                             | \$ 311,027               | 311,027               | 436,384               |
| Construction in progress                                     | 304,122                  | 288,501               | 231,418               |
|                                                              | <b><u>\$ 615,149</u></b> | <b><u>599,528</u></b> | <b><u>667,802</u></b> |
| Inventory expected to be recovered after more than 12 months | <b><u>\$ 304,122</u></b> | <b><u>288,501</u></b> | <b><u>400,197</u></b> |

Cost of goods sold is detailed below:

|                                                          | <b>January to<br/>March of 2023</b> | <b>January to<br/>March of 2022</b> |
|----------------------------------------------------------|-------------------------------------|-------------------------------------|
| Buildings and land held for sale reclassified after sold | \$ -                                | 186,236                             |
| Cost related to real estate agency services              | -                                   | 2,111                               |
| Others                                                   | 1,775                               | 1,707                               |
|                                                          | <b><u>\$ 1,775</u></b>              | <b><u>190,054</u></b>               |

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

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

(VI) Pre-payments

|                                                            | 2023.3.31        | 2022.12.31    | 2022.3.31     |
|------------------------------------------------------------|------------------|---------------|---------------|
| Construction business - Sample house interior design cost  | \$ 12,932        | 8,124         | 9,543         |
| Construction business - Pre-construction development costs | 58,341           | 57,249        | 52,441        |
| Others                                                     | 4,802            | 1,768         | 1,111         |
|                                                            | <u>\$ 76,075</u> | <u>67,141</u> | <u>63,095</u> |

(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 | Constructi on work in progress | Total         |
|----------------------------------------------|-----------------|------------------------|-----------------|--------------------------------|---------------|
| Cost or deemed cost:                         |                 |                        |                 |                                |               |
| Balance on January 1, 2023                   | \$ 5,382        | 18,483                 | 243             | -                              | 24,108        |
| Effects of changes in foreign exchange rates | -               | 71                     | -               | -                              | 71            |
| Balance on March 31, 2023                    | <u>\$ 5,382</u> | <u>18,554</u>          | <u>243</u>      | -                              | <u>24,179</u> |
| Balance on January 1, 2022                   | \$ 5,382        | 13,376                 | 243             | -                              | 19,001        |
| Addition                                     | -               | 4,910                  | -               | -                              | 4,910         |
| Effects of changes in foreign exchange rates | -               | 499                    | -               | -                              | 499           |
| Balance on March 31, 2022                    | <u>\$ 5,382</u> | <u>18,785</u>          | <u>243</u>      | -                              | <u>24,410</u> |
| Depreciation and impairment losses:          |                 |                        |                 |                                |               |
| Balance on January 1, 2023                   | \$ 5,382        | 5,194                  | 115             | -                              | 10,691        |
| Depreciation                                 | -               | 715                    | 17              | -                              | 732           |
| Effects of changes in foreign exchange rates | -               | 24                     | -               | -                              | 24            |
| Balance on March 31, 2023                    | <u>\$ 5,382</u> | <u>5,933</u>           | <u>132</u>      | -                              | <u>11,447</u> |
| Balance on January 1, 2022                   | \$ 5,382        | 2,306                  | 47              | -                              | 7,735         |
| Depreciation                                 | -               | 715                    | 17              | -                              | 732           |
| Effects of changes in foreign exchange rates | -               | 95                     | -               | -                              | 95            |
| Balance on March 31, 2022                    | <u>\$ 5,382</u> | <u>3,116</u>           | <u>64</u>       | -                              | <u>8,562</u>  |
| Book value:                                  |                 |                        |                 |                                |               |
| January 1, 2023                              | <u>\$ -</u>     | <u>13,289</u>          | <u>128</u>      | -                              | <u>13,417</u> |
| March 31, 2023                               | <u>\$ -</u>     | <u>12,621</u>          | <u>111</u>      | -                              | <u>12,732</u> |
| January 31, 2022                             | <u>\$ -</u>     | <u>11,070</u>          | <u>196</u>      | -                              | <u>11,266</u> |
| March 31, 2022                               | <u>\$ -</u>     | <u>15,669</u>          | <u>179</u>      | -                              | <u>15,848</u> |

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

|                                              | <b><u>Land and improvements</u></b> |
|----------------------------------------------|-------------------------------------|
| Book value:                                  |                                     |
| Balance on January 1, 2023 after restatement | \$ 159,840                          |
| Addition                                     | <u>1,798</u>                        |
| Balance on March 31, 2023                    | <b><u>\$ 161,638</u></b>            |
| Balance on January 1, 2022 after restatement | <b><u>\$ 174,450</u></b>            |
| Balance on March 31, 2022 after restatement  | <b><u>\$ 174,450</u></b>            |

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 reconciliation between the opening and ending carrying amounts in Level 3, please see the table 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

| <b><u>Property</u></b>           | <b><u>Land in Toufen City in Miaoli County</u></b>                                                                                                                                                                                                 |
|----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Important contract terms         | 1. Rent:<br>Construction period: NT\$500 thousand/year<br>Operation period (1 to 10 years): 2% of the total electricity sales revenue<br>Operation period (11 to 20 years): 6% of the total electricity sales revenue<br>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 and 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                                                                                                                                                                                                                                          |

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

**2. January 1, 2022**

| <u>Property</u>                  | <u>Land in Toufen City in Miaoli County</u>                                                                                                                                                                           |
|----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Important contract terms         | 1. Rent:<br>Construction period: NT\$500 thousand/year<br>Operation period (1 to 10 years): 2% of the total electricity sales revenue<br>Operation period (11 to 20 years): 6% of the total electricity sales revenue |
| Current status                   | 2. Lease period: 24 years<br>Development in progress                                                                                                                                                                  |
| Discount rate                    | 2.97%                                                                                                                                                                                                                 |
| External or in-house appraisal   | External appraisal                                                                                                                                                                                                    |
| Appraisal company                | DTZ Cushman and 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 inflow and cash outflow in each period in the future are based on the principles of the contract related to the signing of the lease above, and the relevant information is as follows:

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

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

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

(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.

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

(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                                            | Interrelationships between significant unobservable inputs and fair value measurements                               |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|
| 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<br>2022.12.31: 3.595%<br>2022.1.1: 2.97% | The estimated fair value would increase (or decrease) if:<br>*The risk-adjusted discount rate decreases (increases). |

3. There is no significant difference between the fair value of the investment properties of the consolidated company on March 31, 2023 and that on December 31 and January 1, 2022.

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:

|                                              | Houses and buildings | Transportation equipment | Office equipment | Total         |
|----------------------------------------------|----------------------|--------------------------|------------------|---------------|
| Cost of right-of-use assets:                 |                      |                          |                  |               |
| Balance on January 1, 2023                   | \$ 42,056            | 1,360                    | 225              | 43,641        |
| Effects of changes in foreign exchange rates | 150                  | -                        | -                | 150           |
| Balance on March 31, 2023                    | <u>\$ 42,206</u>     | <u>1,360</u>             | <u>225</u>       | <u>43,791</u> |
| Balance on January 1, 2022                   | \$ 41,637            | 1,106                    | 225              | 42,968        |
| Addition                                     | -                    | 254                      | -                | 254           |
| Effects of changes in foreign exchange rates | 1,060                | -                        | -                | 1,060         |
| Balance on March 31, 2022                    | <u>\$ 42,697</u>     | <u>1,360</u>             | <u>225</u>       | <u>44,282</u> |

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

|                                                            | <b>Houses<br/>and buildings</b> | <b>Transportation<br/>equipment</b> | <b>Office<br/>equipment</b> | <b>Total</b>         |
|------------------------------------------------------------|---------------------------------|-------------------------------------|-----------------------------|----------------------|
| Depreciation and impairment losses of right-of-use assets: |                                 |                                     |                             |                      |
| Balance on January 1, 2023                                 | \$ 13,923                       | 913                                 | 180                         | 15,016               |
| Depreciation                                               | 1,565                           | 132                                 | 11                          | 1,708                |
| Effects of changes in foreign exchange rates               | <u>58</u>                       | <u>-</u>                            | <u>-</u>                    | <u>58</u>            |
| Balance on March 31, 2023                                  | <u><b>\$ 15,546</b></u>         | <u><b>1,045</b></u>                 | <u><b>191</b></u>           | <u><b>16,782</b></u> |
| Balance on January 1, 2022                                 | \$ 7,571                        | 383                                 | 137                         | 8,091                |
| Depreciation                                               | 1,565                           | 132                                 | 11                          | 1,708                |
| Effects of changes in foreign exchange rates               | <u>282</u>                      | <u>-</u>                            | <u>-</u>                    | <u>282</u>           |
| Balance on March 31, 2022                                  | <u><b>\$ 9,418</b></u>          | <u><b>515</b></u>                   | <u><b>148</b></u>           | <u><b>10,081</b></u> |
| Book value:                                                |                                 |                                     |                             |                      |
| January 1, 2023                                            | <u><b>\$ 28,133</b></u>         | <u><b>447</b></u>                   | <u><b>45</b></u>            | <u><b>28,625</b></u> |
| March 31, 2023                                             | <u><b>\$ 26,660</b></u>         | <u><b>315</b></u>                   | <u><b>34</b></u>            | <u><b>27,009</b></u> |
| January 1, 2022                                            | <u><b>\$ 34,066</b></u>         | <u><b>723</b></u>                   | <u><b>88</b></u>            | <u><b>34,877</b></u> |
| March 31, 2022                                             | <u><b>\$ 33,279</b></u>         | <u><b>845</b></u>                   | <u><b>77</b></u>            | <u><b>34,201</b></u> |

(X) Short-term borrowings

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

|                          | <b>2023.3.31</b>          | <b>2022.12.31</b>         | <b>2022.3.31</b>          |
|--------------------------|---------------------------|---------------------------|---------------------------|
| Secured bank borrowings  | <u><b>\$ 315,782</b></u>  | <u><b>315,782</b></u>     | <u><b>336,493</b></u>     |
| Facilities not yet drawn | <u><b>\$ 352,028</b></u>  | <u><b>352,028</b></u>     | <u><b>367,737</b></u>     |
| Interest rate range      | <u><b>2.63%~3.08%</b></u> | <u><b>2.51%~2.94%</b></u> | <u><b>1.91%~2.36%</b></u> |

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:

|                                       | <b>2023.3.31</b>          | <b>2022.12.31</b>         |
|---------------------------------------|---------------------------|---------------------------|
| Secured bank loan: due in August 2025 | \$ 46,000                 | 47,000                    |
| Less: Current portion                 | <u>(2,000)</u>            | <u>(2,000)</u>            |
| Total                                 | <u><b>\$ 44,000</b></u>   | <u><b>45,000</b></u>      |
| Facilities not yet drawn              | <u><b>\$ -</b></u>        | <u><b>-</b></u>           |
| Interest rate range                   | <u><b>2.19%~2.29%</b></u> | <u><b>2.03%~2.19%</b></u> |

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

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

(XII) Corporate bonds payable

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

|                                                             | <b>2023.3.31</b>         | <b>2022.12.31</b>     | <b>2022.3.31</b>      |
|-------------------------------------------------------------|--------------------------|-----------------------|-----------------------|
| Amount of ordinary corporate bonds issued                   | \$ 300,000               | 300,000               | 300,000               |
| Unamortized balance of discounted corporate bonds payable   | (12,982)                 | (15,214)              | (21,806)              |
| Cumulative amount of redemption                             | -                        | -                     | -                     |
| Cumulative amount of conversion                             | -                        | -                     | -                     |
| Balance of corporate bonds payable at the end of the period | <u><u>\$ 287,018</u></u> | <u><u>284,786</u></u> | <u><u>278,194</u></u> |

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

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

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

| <b>Item</b>        | <b>The first issue of secured convertible corporate bonds in 2021</b>                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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 buy back through securities firms 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<br>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 per the conversion method.                                                                                                                                                                                                          |
| Conversion price   | NT\$15.8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

(XIII) Lease liabilities

The consolidated company's lease liabilities are as follows:

|             | <b>2023.3.31</b>        | <b>2022.12.31</b>    | <b>2022.3.31</b>     |
|-------------|-------------------------|----------------------|----------------------|
| Current     | <u><u>\$ 5,999</u></u>  | <u><u>6,728</u></u>  | <u><u>5,870</u></u>  |
| Non-current | <u><u>\$ 22,617</u></u> | <u><u>24,132</u></u> | <u><u>29,414</u></u> |

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

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

The amounts recognized in profit or loss are as follows:

|                                             | <b>January to<br/>March of 2023</b> | <b>January to<br/>March of 2022</b> |
|---------------------------------------------|-------------------------------------|-------------------------------------|
| Interest expense on lease liabilities       | <u>\$ 291</u>                       | <u>350</u>                          |
| Gains from sub-lease of right-of-use assets | <u>\$ 1,580</u>                     | <u>1,746</u>                        |
| Expense on short-term leases                | <u>\$ 103</u>                       | <u>359</u>                          |

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

|                                | <b>January to<br/>March of 2023</b> | <b>January to<br/>March of 2022</b> |
|--------------------------------|-------------------------------------|-------------------------------------|
| Total cash outflow from leases | <u>\$ 2,741</u>                     | <u>3,373</u>                        |

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 eight 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:

|                            | <b>January to<br/>March of 2023</b> | <b>January to<br/>March of 2022</b> |
|----------------------------|-------------------------------------|-------------------------------------|
| Current income tax expense |                                     |                                     |
| Land value increment tax   | <u>\$ -</u>                         | <u>3,414</u>                        |

2. Income tax assessments

(1) The Company's business income taxes were assessed by the tax authority up to the year 2020.

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

| <u>Assessment years</u> | <u>Company name</u>                           |
|-------------------------|-----------------------------------------------|
| 2020                    | Better Life Green Energy Technology Co., Ltd. |
| 2020                    | Bao Lai Real Estate Co., Ltd.                 |
| 2020                    | 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 2021.

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

(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 March 31, 2023 and 2022. Please refer to Note 6 (15) of the 2022 consolidated financial statements for the relevant information.

1. Issue of ordinary shares

On June 30, 2022, the Company's shareholders' meeting passed a resolution to conduct capital increase in cash through a private placement to increase its working capital and enhance future development and authorized the Board of Directors, within a scope of not more than 30,000,000 shares, to conduct capital increase in cash by issuing ordinary shares in one or two tranches through private placement within one year after the resolution was adopted by the shareholders' meeting.

2. Capital surplus

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

|                                                      | <u>2023.3.31</u> | <u>2022.12.31</u> | <u>2022.3.31</u> |
|------------------------------------------------------|------------------|-------------------|------------------|
| Gain on disposal of assets                           | \$ 110           | 110               | 110              |
| Stock options - issue of convertible corporate bonds | 21,828           | 21,828            | 21,828           |
| Others                                               | 159              | 159               | -                |
|                                                      | <u>\$ 22,097</u> | <u>22,097</u>     | <u>21,938</u>    |

Pursuant to the Company Act, the Company shall issue new shares or pay out cash in proportion to the existing shareholders' shares from the realized capital surplus after the capital surplus is used to compensate for the deficit first. The realized capital surplus referred to in the preceding paragraph includes the premium from the shares issued over 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 for each calendar year.

The Company recalled the 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 first be 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 operating 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 board proposed the 2022 loss appropriation at the meeting held on March 16, 2023, and the 2021 loss appropriation was resolved at the annual general meeting of shareholders held on June 30, 2022.

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

4. Other interests (net of tax)

|                                                                         | Exchange<br>differences<br>arising on<br>translation of<br>foreign<br>operations | Unrealized gains or<br>losses on financial<br>assets at fair value<br>through other<br>comprehensive<br>income | Total           |
|-------------------------------------------------------------------------|----------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|-----------------|
| Balance on January 1, 2023                                              | \$ 131                                                                           | (10,949)                                                                                                       | (10,818)        |
| Exchange differences in translation of net assets of foreign operations | 34                                                                               | -                                                                                                              | 34              |
| Balance on March 31, 2023                                               | <u>\$ 165</u>                                                                    | <u>(10,949)</u>                                                                                                | <u>(10,784)</u> |
| Balance on January 1, 2022                                              | \$ 14                                                                            | (16,382)                                                                                                       | (16,368)        |
| Exchange differences in translation of net assets of foreign operations | 326                                                                              | -                                                                                                              | 326             |
| Balance on March 31, 2022                                               | <u>\$ 340</u>                                                                    | <u>(16,382)</u>                                                                                                | <u>(16,042)</u> |

(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

|                                                                                                 | January to<br>March of 2023 | January to<br>March of 2022 |
|-------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| Net loss attributable to equity holders of the Company's ordinary shares for the current period | <u>\$ (30,656)</u>          | <u>(21,207)</u>             |

(2) Weighted average number of outstanding ordinary shares

|                                                        | January to<br>March of 2023 | January to<br>March of 2022 |
|--------------------------------------------------------|-----------------------------|-----------------------------|
| Weighted average number of outstanding ordinary shares | <u>100,265</u>              | <u>100,265</u>              |
| Basic loss per share (NTD)                             | <u>\$ (0.31)</u>            | <u>(0.21)</u>               |

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)

|                                                                                    | January to<br>March of 2023 | January to<br>March of 2022 |
|------------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| Net loss attributable to equity holders of the Company's ordinary shares (basic)   | \$ (30,656)                 | (21,207)                    |
| Interest expense on convertible corporate bonds                                    | (Note)                      | (Note)                      |
| Net loss attributable to equity holders of the Company's ordinary shares (diluted) | <u>\$ (30,656)</u>          | <u>(21,207)</u>             |

**Notes to the consolidated financial statements of Better Life Group Co., LTD. and the Subsidiaries**  
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(2) Weighted average number of outstanding ordinary shares (diluted)

|                                                                  | <b>January to<br/>March of 2023</b> | <b>January to<br/>March of 2022</b> |
|------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| Weighted average number of outstanding ordinary shares (basic)   | 100,265                             | 100,265                             |
| Effect of conversion of convertible corporate bonds              | (Note)                              | (Note)                              |
| Weighted average number of outstanding ordinary shares (diluted) | <b>100,265</b>                      | <b>100,265</b>                      |
| Diluted loss per share (NTD)                                     | <b>\$ (0.31)</b>                    | <b>(0.21)</b>                       |

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

(XVII) Income from contracts with customers

1. Details of revenue

The consolidated company's income breakdown is as follows:

|                                            | <b>January to<br/>March of 2023</b> | <b>January to<br/>March of 2022</b> |
|--------------------------------------------|-------------------------------------|-------------------------------------|
| Revenue from customer contracts recognized | \$ -                                | 196,526                             |
| Rental Income (Note)                       | 1,709                               | 1,875                               |
|                                            | <b>\$ 1,709</b>                     | <b>198,401</b>                      |

Note: International Financial Reporting Standards No. 16 is applicable to the consolidating company's rental Income from January to March of 2023 and 2022.

2. Details of revenue

|                                                       | <b>January to<br/>March of 2023</b> | <b>January to<br/>March of 2022</b> |
|-------------------------------------------------------|-------------------------------------|-------------------------------------|
| Main region/market:                                   |                                     |                                     |
| Taiwan                                                | \$ -                                | <b>196,526</b>                      |
| Main product/service line:                            |                                     |                                     |
| Housing and land sales                                | \$ -                                | 191,150                             |
| Service income                                        | -                                   | 5,376                               |
|                                                       | <b>\$ -</b>                         | <b>196,526</b>                      |
| Contract type:                                        |                                     |                                     |
| Fixed-price contract                                  | \$ -                                | <b>196,526</b>                      |
| Time point of revenue recognition:                    |                                     |                                     |
| Transfer of goods or services at a certain time point | \$ -                                | <b>196,526</b>                      |

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

3. Contract balance

|                                             | <u>2023.3.31</u>         | <u>2022.12.31</u>    | <u>2022.3.31</u>     |
|---------------------------------------------|--------------------------|----------------------|----------------------|
| Notes receivable                            | \$ -                     | 6,038                | 1,416                |
| Accounts receivable                         | 8,509                    | 8,936                | 52,051               |
| Less: Allowance for losses                  | <u>(8,280)</u>           | <u>(8,280)</u>       | <u>(8,689)</u>       |
|                                             | <u><b>\$ 229</b></u>     | <u><b>6,694</b></u>  | <u><b>44,778</b></u> |
| Contract liability — housing and land sales | \$ 150,047               | 90,290               | 18,573               |
| Contract liability — pre-paid income        | <u>7,000</u>             | <u>7,000</u>         | <u>4,000</u>         |
| Total                                       | <u><b>\$ 157,047</b></u> | <u><b>97,290</b></u> | <u><b>22,573</b></u> |

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

The opening balances of contract liabilities on January 1, 2023 and 2022 were recognized in income in the amounts of NT\$0 and NT\$30,203 thousand, from January to March of 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 March 31, 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:

|                                       | <u>January to<br/>March of 2023</u> | <u>January to<br/>March of 2022</u> |
|---------------------------------------|-------------------------------------|-------------------------------------|
| Interest on bank deposits             | \$ -                                | 1                                   |
| Imputed interest on security deposits | 3                                   | 2                                   |
| Guarantee deposits paid               | 1,151                               | 776                                 |
| Other interest income                 | <u>-</u>                            | <u>3</u>                            |
|                                       | <u><b>\$ 1,154</b></u>              | <u><b>782</b></u>                   |

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

2. Other income

The consolidated company's other Income are detailed below:

|                        | <b>January to<br/>March of 2023</b> | <b>January to<br/>March of 2022</b> |
|------------------------|-------------------------------------|-------------------------------------|
| Management fees income | \$ 929                              | 929                                 |
| Other income           | 960                                 | 295                                 |
|                        | <b>\$ 1,889</b>                     | <b>1,224</b>                        |

3. Other gains and losses

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

|                                                                   | <b>January to<br/>March of 2023</b> | <b>January to<br/>March of 2022</b> |
|-------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| Net loss on financial assets at fair value through profit or loss | \$ (15,785)                         | -                                   |

4. Financial costs

The consolidated company's financial costs are detailed below:

|                                                      | <b>January to<br/>March of 2023</b> | <b>January to<br/>March of 2022</b> |
|------------------------------------------------------|-------------------------------------|-------------------------------------|
| Interest on bank borrowings                          | \$ 2,365                            | 1,854                               |
| Interest on lease liabilities                        | 291                                 | 350                                 |
| Financial costs                                      | 904                                 | 1,505                               |
| Discounted and amortized convertible corporate bonds | 2,232                               | 2,164                               |
| Less: Capitalized interest                           | (990)                               | (586)                               |
|                                                      | <b>\$ 4,802</b>                     | <b>5,287</b>                        |
| Capitalized interest rate                            | <b>2.19%~2.95%</b>                  | <b>1.85%~2.01%</b>                  |

(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.

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

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<br>amount | Contractual<br>Cash flows | Within 6<br>months | 6–12<br>months | 1–2 years      | 2–5 years      | More than<br>5 years |
|--------------------------------------|--------------------|---------------------------|--------------------|----------------|----------------|----------------|----------------------|
| <b>March 31, 2023</b>                |                    |                           |                    |                |                |                |                      |
| Non-derivative financial liabilities |                    |                           |                    |                |                |                |                      |
| Floating-rate instruments            | \$ 361,782         | 370,463                   | 231,227            | 2,695          | 94,175         | 42,366         | -                    |
| Fixed-rate instruments               | 287,018            | 300,000                   | -                  | -              | 300,000        | -              | -                    |
| Non-interest bearing liabilities     | 29,884             | 29,884                    | 29,884             | -              | -              | -              | -                    |
| Lease liabilities                    | 28,616             | 31,224                    | 3,254              | 3,754          | 7,325          | 16,891         | -                    |
|                                      | <u>\$ 707,300</u>  | <u>731,571</u>            | <u>264,365</u>     | <u>6,449</u>   | <u>401,500</u> | <u>59,257</u>  | <u>-</u>             |
| <b>December 31, 2022</b>             |                    |                           |                    |                |                |                |                      |
| 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         | -                    |
|                                      | <u>\$ 731,383</u>  | <u>760,278</u>            | <u>62,747</u>      | <u>233,348</u> | <u>401,951</u> | <u>62,232</u>  | <u>-</u>             |
| <b>March 31, 2022</b>                |                    |                           |                    |                |                |                |                      |
| Non-derivative financial liabilities |                    |                           |                    |                |                |                |                      |
| Floating-rate instruments            | \$ 336,493         | 347,056                   | 44,273             | 2,979          | 208,859        | 90,945         | -                    |
| Fixed-rate instruments               | 278,194            | 300,000                   | -                  | -              | -              | 300,000        | -                    |
| Non-interest bearing liabilities     | 35,195             | 35,195                    | 35,195             | -              | -              | -              | -                    |
| Lease liabilities                    | 35,284             | 39,200                    | 3,158              | 3,996          | 7,762          | 20,817         | 3,467                |
|                                      | <u>\$ 685,166</u>  | <u>721,451</u>            | <u>82,626</u>      | <u>6,975</u>   | <u>216,621</u> | <u>411,762</u> | <u>3,467</u>         |

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

**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\$511 thousand and NT\$537 thousand in the consolidating company's earnings before tax from January 1 to March 31, 2023 and 2022, respectively. This would be primarily due to the consolidation of company loans in variable interest rates.

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

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.)

|                                                                      | 2023.3.31          |            |         |         |        |
|----------------------------------------------------------------------|--------------------|------------|---------|---------|--------|
|                                                                      | Carrying<br>amount | Fair value |         |         |        |
|                                                                      |                    | 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 | \$ 71,995          | 71,995     | -       | -       | 71,995 |
| Financial assets at fair value through other comprehensive income    |                    |            |         |         |        |
| Domestic and foreign unlisted stocks                                 | \$ 19,718          | -          | -       | 19,718  | 19,718 |
|                                                                      |                    |            |         |         |        |
|                                                                      | 2022.12.31         |            |         |         |        |
|                                                                      | Carrying<br>amount | Fair value |         |         |        |
|                                                                      |                    | 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 |
|                                                                      |                    |            |         |         |        |
|                                                                      | 2022.3.31          |            |         |         |        |
|                                                                      | Carrying<br>amount | Fair value |         |         |        |
|                                                                      |                    | Level 1    | Level 2 | Level 3 | Total  |
| Financial assets at fair value through other comprehensive income    |                    |            |         |         |        |
| Domestic and foreign unlisted stocks                                 | \$ 17,944          | -          | -       | 17,944  | 17,944 |

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

(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:

(3.1) Financial assets and liabilities at amortized cost

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

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

(4.1) Non-derivative financial instruments

When a financial instrument is quoted in an active market, the quoted price in the active market is the fair value. 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 the 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

|                 | <b>Unquoted equity<br/>instruments measured at<br/>fair value through other<br/>comprehensive income</b> |
|-----------------|----------------------------------------------------------------------------------------------------------|
| January 1, 2023 | <u>\$ 19,718</u>                                                                                         |
| March 31, 2023  | <u>\$ 19,718</u>                                                                                         |
| January 1, 2022 | <u>\$ 17,944</u>                                                                                         |
| March 31, 2022  | <u>\$ 17,944</u>                                                                                         |

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

(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 inputs                                                                                                                                                    | Relationship between significant unobservable inputs and fair value input                                                                              |
|---------------------------------------------------------------------------------------|---------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| Financial assets at FVTOCI – investments in equity instruments without active markets | Asset method        | <p>* Discount on liquidity (32.30% on 2023.3.31 and 2022.12.31 and 2022.3.31)</p> <p>* Discount on non-controlling interests (6.45% on 2023.3.31 and 2022.12.31 and 2022.3.31)</p> | <p>·The higher the liquidity discount, the lower the fair value</p> <p>·The higher the non-controlling interest discount, the lower the fair value</p> |

(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:

|                                                                   |                                   | Increase or decrease | Changes in fair value reflected in other comprehensive income |                    |
|-------------------------------------------------------------------|-----------------------------------|----------------------|---------------------------------------------------------------|--------------------|
|                                                                   |                                   | Change               | Favorable change                                              | Unfavorable change |
| <b>March 31, 2023</b>                                             |                                   |                      |                                                               |                    |
| 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                                                         | -                  |
| <b>December 31, 2022</b>                                          |                                   |                      |                                                               |                    |
| 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                                                         | -                  |
| <b>March 31, 2022</b>                                             |                                   |                      |                                                               |                    |
| Financial assets at fair value through other comprehensive income |                                   |                      |                                                               |                    |
| Investment in equity instruments without active markets           | Non-controlling interest discount | +10%                 | -                                                             | (1,870)            |
|                                                                   | Non-controlling interest discount | -10%                 | 1,870                                                         | -                  |
|                                                                   | Liquidity discount                | +10%                 | -                                                             | (2,583)            |
|                                                                   | Liquidity discount                | -10%                 | 2,583                                                         | -                  |

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

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

(21) Financial risk management

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

(22) 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.

(23) Financing activities with non-cash transactions

The consolidating company's financing activities through non-cash transactions from January 1 to March 31, 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:

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

|                                                          | <b>2022.1.1</b>   | <b>Cash<br/>flows</b> | <b>Non-cash movement</b>            |                   | <b>2022.3.31</b> |
|----------------------------------------------------------|-------------------|-----------------------|-------------------------------------|-------------------|------------------|
|                                                          |                   |                       | <b>Exchange<br/>rate<br/>change</b> | <b>Others</b>     |                  |
| Short-term borrowings                                    | \$ 423,053        | (86,560)              | -                                   | -                 | 336,493          |
| Corporate bonds payable                                  | 276,030           | -                     | -                                   | (Note 1)<br>2,164 | 278,194          |
| Lease liabilities                                        | 36,857            | (2,664)               | 837                                 | (Note 2) 254      | 35,284           |
| Total amount of liabilities<br>from financing activities | <b>\$ 735,940</b> | <b>(89,224)</b>       | <b>837</b>                          | <b>2,418</b>      | <b>649,971</b>   |

Note 1: Discounted and amortized convertible corporate bonds

Note 2: New lease liabilities arising from the period.

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

**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:

| <b>Name of related party</b>   | <b>Relation with the consolidated company</b>                                        |
|--------------------------------|--------------------------------------------------------------------------------------|
| 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                                                            |
| Pucheng Construction Co., Ltd. | Substantive related party                                                            |
| Chang, Chun-Kuei               | First degree relative with the Company's director                                    |

(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:

|                                  | <b>January to<br/>March of 2023</b> | <b>January to<br/>March of 2022</b> |
|----------------------------------|-------------------------------------|-------------------------------------|
| Puyuan Advertising Co., Ltd.     | \$ -                                | 1,920                               |
| Pucheng Construction Co., Ltd.   | 13,739                              | 16,835                              |
| Belongs to other related parties | 786                                 | -                                   |
|                                  | <b>\$ 14,525</b>                    | <b>18,755</b>                       |

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

2. Payables to related parties

| <b>Account</b>   | <b>Related party category</b>    | <b>March 31, 2023</b> | <b>December 31,<br/>2022</b> | <b>March 31,<br/>2022</b> |
|------------------|----------------------------------|-----------------------|------------------------------|---------------------------|
| Notes payable    | Pucheng Construction Co., Ltd.   | \$ 4,200              | 6,561                        | 1,996                     |
| Accounts payable | Pucheng Construction Co., Ltd.   | 826                   | 8,536                        | 5,936                     |
| Accounts payable | Puquan Advertising Co., Ltd.     | 2,098                 | 12,014                       | -                         |
| Accounts payable | Puyuan Advertising Co., Ltd.     | 2,379                 | 5,193                        | 6,180                     |
| Accounts payable | Belongs to other related parties | 1,054                 | 847                          | -                         |
|                  |                                  | <b>\$ 10,557</b>      | <b>33,151</b>                | <b>14,112</b>             |

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

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 with reference to rentals for offices in the neighborhood area. The interest expenses recognized from January 1 to March 31, 2023 and 2022 were NT\$46,000 thousand and NT\$59,000 thousand, respectively. As of March 31, 2023, December 31, 2022 and March 31, 2022, the balance of lease liabilities was NT\$8,528 thousand, NT\$9,805 thousand and NT\$10,973 thousand, respectively. In addition, the guarantee deposits paid due to the above leases as of March 31, 2023, December 31, 2022, and March 31, 2022 were all NT\$463 thousand.

4. Others

- (1) The consolidating company signed real estate agency contracts with Pu-Qun Advertising, Pu-Yuan Advertising and Pu-Quan Advertising for marketing of development projects from January 1 to March 31 of 2023 and 2022. The agency service fees were recognized as an operating expense for NT\$0 and NT\$4,285 thousand, respectively. The incremental cost for contract acquisitions recognized on March 31, 2023, December 31, 2022, and March 31, 2022 was NT\$33,242 thousand, NT\$33,850 thousand and NT\$9,868 thousand, respectively.
- (2) The consolidating company obtained from Pu-Chen Construction a guarantee check of NT\$28,612 thousand as of March 31, 2023, December 31, 2022, and March 31, 2022 for construction and engineering works.
- (3) The consolidated company provided the related party Chang Chun-Kuei with interest subsidies of NT\$4,315 thousand, NT\$3,261 thousand and NT\$0 (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 March 31, 2023 and December 31 and March 31, 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:

|                              | <u>January to<br/>March of 2023</u> | <u>January to<br/>March of 2022</u> |
|------------------------------|-------------------------------------|-------------------------------------|
| Short-term employee benefits | <u>\$ 2,459</u>                     | <u>2,459</u>                        |

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

**VIII. Assets Pledged**

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

| <b>Name of asset</b>                                                | <b>Asset pledged as collateral</b>                 | <b>2023.3.31</b>  | <b>2022.12.31</b> | <b>2022.3.31</b> |
|---------------------------------------------------------------------|----------------------------------------------------|-------------------|-------------------|------------------|
| Inventory – construction industry                                   | Short-term borrowings and short-term notes payable | \$ 615,149        | 599,528           | 667,802          |
| Other financial assets - current                                    | Reserve account                                    | 1,255             | 2,406             | 5,114            |
| Other financial assets - current                                    | Trust account                                      | 74,567            | 52,104            | 8,510            |
| Investment property                                                 | Corporate bonds payable                            | 161,638           | 159,840           | 174,450          |
| Financial assets at fair value through profit or loss - non-current | Long -term borrowings                              | 71,995            | 87,780            | -                |
|                                                                     |                                                    | <b>\$ 924,604</b> | <b>901,658</b>    | <b>855,876</b>   |

**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:

|                                                                                           | <b>2023.3.31</b> | <b>2022.12.31</b> | <b>2022.3.31</b> |
|-------------------------------------------------------------------------------------------|------------------|-------------------|------------------|
| <b>Signed contracts</b>                                                                   |                  |                   |                  |
| Housing and land sales                                                                    | \$ 756,113       | 756,113           | 191,335          |
| Contracts on solar installations and change of land use and relevant development projects | 17,500           | 17,500            | 15,000           |
| <b>Proceeds received</b>                                                                  |                  |                   |                  |
| Housing and land sales                                                                    | 150,047          | 90,290            | 18,573           |
| Contracts on solar installations and change of land use and relevant development projects | 13,250           | 13,250            | 4,000            |

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

| <b>Payables not yet priced per contract</b> | <b>2023.3.31</b>  | <b>2022.12.31</b> | <b>2022.3.31</b> |
|---------------------------------------------|-------------------|-------------------|------------------|
| Non-related party                           | \$ 20,305         | 19,206            | 33,614           |
| <b>Related party</b>                        | <b>189,837</b>    | <b>204,362</b>    | <b>224,047</b>   |
|                                             | <b>\$ 210,142</b> | <b>223,568</b>    | <b>257,661</b>   |

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

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<br>(construction deposits paid) |                |                |
|---------------------------------------|-----------------------------------------------------------------------------------------|------------------------------------------------------------------|----------------|----------------|
|                                       |                                                                                         | 2023.3.31                                                        | 2022.12.31     | 2022.3.31      |
| Xinyi Section, Xinyi District         | Joint investment in construction and joint construction and allocation of housing units | \$ 199,956                                                       | 198,805        | 196,093        |
| 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, Neihs District        | Urban renewal project                                                                   | -                                                                | -              | -              |
|                                       |                                                                                         | <u>\$ 224,456</u>                                                | <u>223,305</u> | <u>220,593</u> |

4. The consolidating company provided guarantee checks for NT\$24,500 thousand as of March 31, 2023, December 31, 2022, and March 31, 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. 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 upon rate.

6. The consolidated company paid a net amount of NT\$48,509 thousand and recognized this as prepayment as of March 31, 2023, December 31, 2022 and March 31, 2022, respectively, for authorizing third parties in the integration and disposal of projects under development as well as other relevant matters. The advance receipts were NT\$0, NT\$0 and NT\$20,000 thousand, which were recognized under other current liabilities.

**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:

| By nature                       | January to March of 2023 |                    |       | January to March of 2022 |                    |       |
|---------------------------------|--------------------------|--------------------|-------|--------------------------|--------------------|-------|
| By function                     | Operating costs          | Operating expenses | Total | Operating costs          | Operating expenses | Total |
| Employee benefit expenses       |                          |                    |       |                          |                    |       |
| Salary and wages                | -                        | 6,375              | 6,375 | -                        | 6,203              | 6,203 |
| Labor and health insurance      | -                        | 447                | 447   | -                        | 422                | 422   |
| Pension                         | -                        | 280                | 280   | -                        | 283                | 283   |
| Directors' remuneration         | -                        | 990                | 990   | -                        | 990                | 990   |
| Other employee benefit expenses | -                        | 187                | 187   | -                        | 277                | 277   |
| Depreciation expense            | 1,374                    | 1,066              | 2,440 | 1,375                    | 1,065              | 2,440 |
| Amortization expense            | -                        | 32                 | 32    | -                        | 44                 | 44    |

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

(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**

(1) Information on significant transactions

The material transactions to be disclosed by the consolidating company from January 1, 2023 to March 31, 2023 according to the Regulations Governing the Preparation of Financial Reports by Securities Issuers are as follows:

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

Unit: In Thousand New Taiwan Dollars

| Code | Company name | Endorsed/Guaranteed party      |           | Limit on endorsements/guarantees provided for a single party | Maximum balance of the period | Ending balance of endorsement guarantee | Actual amount drawn down | Amount of endorsements/guarantees secured with collateral | Percentage of accumulated endorsement/guarantee amount to net asset value of the endorser/guarantor company | Ceiling on total amount of endorsements/guarantees provided | Provision of endorsements/guarantees by parent company to subsidiary | Provision of endorsements/guarantees by subsidiary to parent company | Provision of endorsements/guarantees to the party in China |
|------|--------------|--------------------------------|-----------|--------------------------------------------------------------|-------------------------------|-----------------------------------------|--------------------------|-----------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|----------------------------------------------------------------------|----------------------------------------------------------------------|------------------------------------------------------------|
|      |              | Company name                   | Relations |                                                              |                               |                                         |                          |                                                           |                                                                                                             |                                                             |                                                                      |                                                                      |                                                            |
| 0    | The Company  | Yunpeng Construction Co., Ltd. | 5         | 523,647                                                      | 388,800                       | 388,800                                 | 253,878                  | -                                                         | 74.25%                                                                                                      | 1,047,294                                                   | N                                                                    | N                                                                    | N                                                          |
| 0    | The Company  | Tianyi Construction Co., Ltd.  | 5         | 523,647                                                      | 453,600                       | 453,600                                 | 296,190                  | -                                                         | 86.62%                                                                                                      | 1,047,294                                                   | 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 per the contracts; mutual endorsements and guarantees are required for contracting of construction projects per the 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 do not apply.

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

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

Unit: In Thousand New Taiwan Dollars

| Company name of the shareholding | Type and name of securities                       | Relationship with securities issuer | 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 - Nexcell Battery Co., Ltd.                 | -                                   | "                                                                               | 15               | -               | - %          | -          |         |
| The Company                      | Stock - World Join International Ltd.             | -                                   | "                                                                               | 547,103          | 12,113          | 7.50 %       | 12,113     |         |
| The Company                      | Stock -Shin Kong Real Estate Management Co., Ltd. | -                                   | "                                                                               | 500,000          | 1,890           | 1.67 %       | 1,890      |         |
| The Company                      | Stock - Falcon Machine Tools Co., Ltd.            | -                                   | Financial assets at fair value through profit or loss -non-current              | 3,850,000        | 71,995          | 5.01 %       | 71,995     | 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:

| Code | Name of the counterparty                      | Counterparty                                  | Relationship between transaction company | Transactions in First Quarter of 2023   |        |                                  |                                        |
|------|-----------------------------------------------|-----------------------------------------------|------------------------------------------|-----------------------------------------|--------|----------------------------------|----------------------------------------|
|      |                                               |                                               |                                          | Item                                    | Amount | Transaction terms and conditions | As % of total revenues or total assets |
| 0    | The Company                                   | Better Life Real Estate Co., Ltd.             | 1                                        | Incremental cost of obtaining contracts | 6,003  | Comparable to the industry level | 0.42%                                  |
| 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 | 35.58%                                 |
| 1    | 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. Subsidiaries numbered from 1

Note 2: indication of the relations with counterparties

1. Parent company to a subsidiary

2. Subsidiary to the parent company

3. Subsidiary to a subsidiary

Note 3: offset for the preparation of consolidated financial statements

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

(2) Information on investees:

The consolidating company's investees (excluding the investees in China) from January 1 to March 31, 2023 were as follows:

Unit: In Thousand New Taiwan Dollars

| Investor<br>name | Investee<br>name                              | Location | Main business<br>activities                  | Initial investment<br>amount    |           | Holdings at the end of period |            |                    | Investee<br>Profit(loss)<br>for the period | Investment income<br>recognized by the<br>Company for the<br>current period | Remarks      |
|------------------|-----------------------------------------------|----------|----------------------------------------------|---------------------------------|-----------|-------------------------------|------------|--------------------|--------------------------------------------|-----------------------------------------------------------------------------|--------------|
|                  |                                               |          |                                              | End of the<br>current<br>period | Last year | Number of<br>shares           | Percentage | Carrying<br>amount |                                            |                                                                             |              |
| The Company      | Better Life Green Energy Technology Co., Ltd. | Taiwan   | Solar energy applications                    | 91,000                          | 91,000    | 9,100,000                     | 100.00%    | 9,373              | (130)                                      | (130)                                                                       | Subsidiaries |
| The Company      | Better Life Real Estate Co., Ltd.             | Taiwan   | Marketing agency for the sale of real estate | 110,000                         | 110,000   | 11,000,000                    | 100.00%    | 38,799             | 278                                        | (330)                                                                       | Subsidiaries |
| The Company      | Better Life Group Travel Service Co., Ltd.    | Taiwan   | Travel agency                                | 9,000                           | 9,000     | -                             | 100.00%    | 1,724              | (6)                                        | (6)                                                                         | Subsidiaries |

Note: offset for the preparation of consolidated financial statements

(3) Information on investments in mainland China

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

Unit: In Thousand New Taiwan Dollars

| Investee in<br>China<br><br>Company name                         | Main business<br>activities<br><br>Item            | Paid-in<br>Capital<br><br>Capital | Investment | Accumulated<br>amount of<br>remittance<br>from Taiwan<br>to China at<br>the beginning<br>of the period | Amount remitted<br>from Taiwan to<br>China/Amount<br>remitted to Taiwan<br>for the period |             | Accumulated<br>amount of<br>remittance<br>from Taiwan<br>to China at<br>the end of the<br>period | Net profit<br>(loss) of the<br>investee for<br>the current<br>period<br><br>Profit(loss)<br>for the period | Ownership<br>held by the<br>Company<br>(direct or<br>indirect) | Investment<br>income<br>recognized by<br>the Company for<br>the current<br>period | Carrying<br>amount as of<br>the end of the<br>period | Accumulated<br>amount of<br>investment<br>income<br>remitted<br>back to<br>Taiwan |
|------------------------------------------------------------------|----------------------------------------------------|-----------------------------------|------------|--------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|-------------|--------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|-----------------------------------------------------------------------------------|------------------------------------------------------|-----------------------------------------------------------------------------------|
|                                                                  |                                                    |                                   |            |                                                                                                        | Outward<br>remitted                                                                       | Repatriated |                                                                                                  |                                                                                                            |                                                                |                                                                                   |                                                      |                                                                                   |
| Better Life Jinxia (Xiamen) Tourism Management Service Co., Ltd. | Tourism management service and real estate leasing | 31,973 (USD1,050)                 | (Note 1)   | 31,973 (Note 2) (USD1,050)                                                                             | -                                                                                         | -           | 31,973 (Note 2) (USD1,050)                                                                       | (820) (RMB186)                                                                                             | 100.00%                                                        | (820) (Note 3) (RMB186)                                                           | 6,051 (RMB1,365)                                     | -                                                                                 |

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 | Accumulated amount of remittance<br>from Taiwan to China as of the end<br>of the period | Investment amount authorized<br>by Investment Commission,<br>MOEA | Ceiling on investments in China<br>imposed by the Investment<br>Commission of MOEA |
|--------------|-----------------------------------------------------------------------------------------|-------------------------------------------------------------------|------------------------------------------------------------------------------------|
| The Company  | 31,973<br>(USD1,050)                                                                    | 273,289<br>(USD8,975)                                             | 314,188<br>(Note 5)                                                                |

Note 5: Maximum amount: Net worth of equity for current period × 60% = NT\$523,647 thousand × 60% = NT\$314,188 thousand.

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

(4) Information on major shareholders:

Unit: Shares

| Name of major shareholder          | Shares | Number of shares<br>held | Shareholdings |
|------------------------------------|--------|--------------------------|---------------|
| Puquan Advertising Co., Ltd.       |        | 9,067,200                | 9.04%         |
| Sant Law International Corporation |        | 8,626,910                | 8.60%         |
| Tsai, Hung-Chien                   |        | 8,458,744                | 8.43%         |
| Liao, Heng-I                       |        | 6,923,000                | 6.90%         |

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

**XIV. Information on Operating Segments**

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

|                                           | January to March of 2023 |                             |                 |                            | Total           |
|-------------------------------------------|--------------------------|-----------------------------|-----------------|----------------------------|-----------------|
|                                           | Construction Department  | Real estate agency services | Others segments | Adjustments and write-offs |                 |
| Income                                    |                          |                             |                 |                            |                 |
| Income from external customers            | \$ 129                   | -                           | 1,580           | -                          | 1,709           |
| Inter-department Income                   | 29                       | -                           | 180             | (209)                      | -               |
| Total income                              | <u>\$ 158</u>            | <u>-</u>                    | <u>1,760</u>    | <u>(209)</u>               | <u>1,709</u>    |
| Earnings before tax of reporting segments | <u>\$ (30,656)</u>       | <u>278</u>                  | <u>(956)</u>    | <u>678</u>                 | <u>(30,656)</u> |

|                                           | January to March of 2022 |                             |               |                            | Total           |
|-------------------------------------------|--------------------------|-----------------------------|---------------|----------------------------|-----------------|
|                                           | Construction segment     | Real estate agency services | Other segment | Adjustments and write-offs |                 |
| Income                                    |                          |                             |               |                            |                 |
| Income from external customers            | \$ 191,279               | 5,376                       | 1,746         | -                          | 198,401         |
| Inter-department Income                   | 23                       | 5,843                       | 180           | (6,046)                    | -               |
| Total income                              | <u>\$ 191,302</u>        | <u>11,219</u>               | <u>1,926</u>  | <u>(6,046)</u>             | <u>198,401</u>  |
| Earnings before tax of reporting segments | <u>\$ (17,793)</u>       | <u>3,674</u>                | <u>(841)</u>  | <u>(2,833)</u>             | <u>(17,793)</u> |