Stock Code: 2596

ReaLy Development & Construction Corp.

ReaLy Development & Construction Corp.

Year 2024

Annual Report

Published on May 21, 2025

Available on: http://newmops.tse.com.tw

Company Website: http://realycorp.com.tw

I. The name, position, contact number and email address of the Spokesperson and Deputy Spokesperson

Spokesperson

Name: Chih-Hao Hsu
Title: Special Assistant to the President
Tel: (02)8787-8096Ext.: 312
E-mail: patrickh@realycorp.com.tw

Deputy Spokesperson

Name: Hsiu-Chuan Lin
Title: Associate Financial Manager
Tel: (02)8787-8096 Ext.: 611
E-mail: jenniferl@realycorp.com.tw

II. Address and Telephone Number of Headquarter

Address: No. 69, Sec. 5, Civic Blvd., Songshan Dist., Taipei City
Tel: (02)8787-8096

III. Name, Address, Web Address and Telephone Number of Stock Transfer Agent

Name: Grand Fortune Securities Co. Ltd.
Address: 6F, No.6, Section 1. Zhongxiao West Road Taipei, Taipei City
Web: http://www.gfortune.com.tw
Tel: (02)2371-1658

IV. Name, Agency Name, Address, Website and Telephone Number of Auditors in the Most Recent Year:

Auditors: Accountant Ya-Lin Chen and Jia- JianTang
Agency: KPMG in Taiwan
Address: Taipei 101 Tower, 68F, No.7, Sec. 5, Xinyi Road, Taipei City
Web: www.kpmg.com.tw
Tel: (02)8101-6666

V. Overseas Securities Exchange

Not Applicable

VI. Corporate Website:

http://www.realycorp.com.tw

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1. Letter to Shareholders

Dear Shareholders:

I would like to briefly report the Company's operating performance of the past year, the operating plan of this year, and development strategies for the future and changes in the general environment to all shareholders:

I. FY2024 Business Report:

Driven by Taiwan's stable economic growth, active corporate investment and a persistently low-interest-rate environment, the pre-sale housing market performed strongly between January and August 2024, which pushed the total mortgage volume close to its upper limit. In mid-August, the Central Bank of the Republic of China (CBC) applied moral suasion, urging banks to self-regulate their total mortgage lending. As a result, banks across the country began to scale back their mortgage offerings, leading not only to more conservative loan-to-value ratios but also to an increase in mortgage interest rates. Later, in the second half of September, the seventh round of selective credit control measures was implemented, including the removal of grace periods for second-home mortgages, a reduction in loan-to-value (LTV) ratios, and an increase in banks' required reserve ratio. Following the implementation of these measures, the decline in LTV ratios and the rise in interest rates weakened the public's expectations for continued increases in housing prices. As a result, transaction volumes in the real estate market continued to shrink, and the pace of housing price growth began to slow. Moreover, the proportion of housing loans granted by domestic banks to buyers of non-owner-occupied properties has increased. In recent months, the year-on-year (YoY) growth rates of both residential mortgage lending and construction loans across most banks have declined. These loan restriction order has not only affected consumers but also placed simultaneous controls on land and construction financing, having an even greater impact on small and medium-sized construction companies.

The Company's industrial area verticalization project, "Yongning No. 1," located in the Yuanren Section of Tucheng District, New Taipei City (just north of Exit 1 of MRT Yongning Station), is nearly sold out. The "Linghang No. 1" project, another industrial area verticalization development located in the Zhonggong Section of Zhongli Industrial Park (east of Zhongyuan Road), is in the process of stable sales and market absorption. Furthermore, the Company's residential urban renewal project at the intersection of Section 2 of Xintaiwu Road and Xiufeng Road in Xizhi District, New Taipei City, has received project approval and is currently in the process of applying for a building permit. The project is expected to be launched for sale through an exclusive sales agent by the end of 2025.

(I) Implementation of FY2024 Business Plan:

The operating income of the Company for FY2024 was NTD 813,007 thousand, with a decrease of NTD 99,973 thousand from NTD 912,980 thousand in 2023; and the net profit after tax was 64,669 thousand, with a decrease of NTD 15,290 thousand comparing with 79,959 thousand in 2023. In FY2025, the Company will continue to prudently develop projects while adhering to the principle of maintaining zero housing inventory. We will ensure solid construction quality and provide comprehensive post-sales service, with confidence that our products will continue to earn the trust and favor of our customers.

(II) Execution of Business Budget:

According to the Regulations Governing the Publication of Financial Forecasts of Public Companies, the Company is not required to prepare financial forecasts for year 2024.

(III) Analysis of Receipts, Expenditures and Profitability:

Unit: NTD Thousand

Item		FY2024	FY2023
Receipt and Expenditures	Operating income	813,007	912,980
	Gross margin	164,920	153,344
	Operating net profit	81,482	55,265
	Net profit for the period	64,669	79,959
Profitability	Return on assets (%)	1.32	2.05
	Return on equity (%)	2.70	3.29
	Net profit before tax to paid-in capital (%)	9.67	5.86
	Net profit margin (%)	7.95	8.76
	Operating income	0.67	0.82

Note: Earnings for FY2024 has not yet been decided.

(IV) Research and Development:

1. Planning and Design: Apart from segmenting the market by designing products with innovation and craftsmanship, we are also making our best efforts to rationalize and standardize product designs to reduce construction costs, shorten project timelines, and avoid rework-related waste/
2. Engineering Management and Quality Control: Based on the characteristics of each project, we continuously research and adopt new construction methods while leveraging industry best practices. These efforts are focused on minimizing errors, improving construction quality and efficiency, ensuring timely project completion and handover, reducing material waste, and lowering costs.
3. Market Research and Development: The Company has been conducting in-depth market research to understand regional characteristics and listen to customers' needs. This allows precise control over products under development, helps to determine sales strategies, and aims to achieve the goal of zero sales stock.
4. After-Sales Service: We have been promoting "Mind Share" with an emphasis on customer satisfaction. Meanwhile, we have implemented a customer-first business approach and are continuously enhancing our customer service system to provide fast and professional support.

II. FY2025 Annual Business Plan and Target:

The Company's residential urban renewal project at the intersection of Section 2 of Xintaiwu Road and Xiufeng Road in Xizhi District, New Taipei City, and the factory-building project "Linghang No. 1", located in the Yuanren Section of Tucheng District, New Taipei City (just north of Exit 1 of MRT Yongning Station), are either scheduled to launch or will continue to be marketed. Moreover, the land located at Residential Land 3-2, Yongping, Shilin District, Taipei City, is currently undergoing the application process for an unsafe and old building reconstruction project, with plans to develop a residential building with ground-floor retail space. The Company remains actively engaged in acquiring land in metropolitan areas through joint development or outright purchase, developing projects to meet market demand, and enhancing product competitiveness.

III. The Company's Future Development Strategy

(I) Continue to maintain a strong presence in the mainstream residential market to meet demand and generate company profits. Carefully select investment projects in prime locations to enhance overall development and planning capabilities, and evaluate investment returns to achieve a win-win strategy for both customers and the Company.

(II) Plan to develop old community reconstruction services by integrating the redevelopment of aging communities in prime urban locations through urban renewal or the reconstruction of dangerous and old buildings. Meanwhile, incorporate the concept of a "Smart Networked New City" to build modern, high-tech, multifunctional smart residential communities.

(III) Actively develop the factory-office market in response to the reshoring of Taiwanese businesses and increased investment in domestic production. As demand for factory-office buildings shows a clear upward trend, offering a diversified range of products can meet consumer needs and help mitigate the risks associated with relying on a single product market.

(IV) Expand the leasing market in line with policy guidelines. Collect leasing data during the sales process to attract investors, not only to facilitate smooth product sales but also to generate rental income from the leasing business. This accelerates the achievement of a more flexible business model. Moreover, actively respond to market trends and demand by adopting dynamic pricing strategies to create optimal sales opportunities and maximize company profits.。

IV. The Effect of External Competition, the Legal Environment, and the Overall Business Environment

The domestic economy is still affected by numerous uncertainties, including the divergence in the monetary policy adjustments among major global central banks. This may affect the flow of international capital, intensifying the volatility of global stock and currency markets, which are unfavorable to global economic growth. Moreover, the conflicts between the U.S. and China, as well as between China and Europe, have accelerated the restructuring of the global supply chain, contributing to market fragmentation and the reorganization of global supply chains, leading to economic fragmentation worldwide. Domestic companies' approach for investment diversification and broader deployment across various trade regions may reduce their investments and production activities in Taiwan, which could further weaken the momentum of Taiwan's exports and private investment in the future. On the other hand, mainland China, which is facing insufficient domestic demand as a result of spillover effects from its economic slowdown, may negatively impact other Asian economies (including Taiwan) and others through indirect supply chain channels. Specifically, it may export excess products to other countries in an effort to alleviate the pressure caused by weak domestic demand, thereby intensifying competition in related product markets and creating negative effects on the global economy, trade, and Taiwan's exports. Donald Trump's unpredictable trade policies, which prioritize U.S. interests, could significantly influence global political and economic developments. Changes in international trade and foreign military support may reshape the global political and economic landscape, increasing market turbulence and global trade uncertainty. Furthermore, the ongoing conflicts between Russia and Ukraine, tensions in the Middle East, and the persisting Red Sea crisis may continue to disrupt energy and commodity markets, as well as the global supply chain, creating sustained risks and potentially fueling global inflation.

Looking ahead, intensified extreme weather events, net-zero carbon reduction measures, and global population aging will affect production on the supply. These factors may also contribute to rising inflationary pressures, posing risks to the global economy and increasing volatility in commodity prices. As such, their developments and potential impacts should be closely monitored to enable timely and effective policy responses.

This concludes out business report. We kindly request the continued support and advice of all shareholders.

Wish all shareholders the best.

Sincerely,

Hsu,Teng-Chen, Chairman

Hsu,Teng-Chen, Manager

Lin, Hsiu Chuan, Accounting Head

2. Corporate Governance Report

I. Information on Directors, Supervisors, President, Vice President, Assistant Vice Presidents and the Chiefs of All the Company's Divisions and Branch Units

(I) Directors and Supervisors

1. Background of directors

April 27, 2025

Title	Nationality/ Place of Incorporation	Name	Gender	Date Elected	Term (Years)	Date First Elected	Shareholding when elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remark (s) (Note)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	ROC	Reyea Realty Investment & Advisory Corp.	-	06.21.2023	3 Years	04.24.2001	21,579	21.58%	21,579	21.58%	-	-	-	-	-	-	-	-	-	-
Chairman	ROC	Representative: Teng-Chen Hsu	Male 81~90Y/O	-	-	-	-	-	198	0.20%	-	-	-	-	Master’s Degree, Chinese Studies, Chinese Culture University, Secretary to the Chairman of Taiwan Glass Ind Corp Special Assistant to the Chairman of Fareast Land Development Co., Ltd Chairman of Chiye Construction Co. Ltd. General Manager of Lily Construction Corp.	Chairman and President of the Company and YouZen Construction Chairman of Reyea Realty Investment & Advisory Corp. Appraiser, Macro Real Estate Appraiser Agency Chairman of Grand Sights Investment & Advisory Chairman of Eastunion Development & Construction Chairman of Ti Wang Investment Co., Ltd.	Director	Han-Ru Hsu	Father and Son	Note 2
Director	ROC	HyLin Investment Corp.	-	06.21.2023	3 Years	05.28.2008	12,580	12.58%	12,580	12.58%	-	-	-	-	-	-	-	-	-	-
Director	ROC	Representative: Guo-Hao Shen	Male 81~90Y/O	-	-	-	-	-	103	0.10%	835	0.83%	-	-	Department of Architecture, Feng Chia University Chief Architect, Guo-Hao Shen Architects	Principal Architect of Guo-Hao Shen Architects Chairman of HyLin Investment Corp. Director of YouZen Construction Corp.	-	-	-	-
Director	ROC	Grand Sights Investment & Advisory		06.21.2023	3 Years	06.18.2020	11,232	11.27%	11,232	11.79%	-	-	-	-	-	-	-	-	-	-
Director	ROC	Representative: Han-Ru Hsu	Male 41~50Y/O	-	-	-	-	-	2,036	2.04%	20	0.02%	-	-	Industrial Management Department, Tungnan University of Industrial. Business Manager, ReaLy Development & Construction Corp. Credit Specialist of Makoto Bank	Sales Manager of the Company Supervisor of YouZen Construction Corp. Director of Reyea Realty Investment & Advisory Corp. Director of Grand Sights Investment & Advisory Director of Eastunion Development & Construction	President	Teng-Chen Hsu	Father and Son	-
Independent Director	ROC	Ching-Chyuan Soong	Male 71~80Y/O	06.21.2023	3 Years	08.16.2006	-	-	-	-	-	-	-	-	Master's degree, Graduate School of Land Economics, National Chengchi University Director, Department of Land Administration, Taipei City Government Senior Specialist, Industry Bureau, Ministry of Economic Affairs	None	-	-	-	-
Independent Director	ROC	Ming-Tau Fang	Male 71~80Y/O	06.21.2023	3 Years	08.16.2006	-	-	-	-	-	-	-	-	LL.M., New York University Master of Comparative Laws, George Washington University Passed the Junior Examinations for Fiscal and Tax Administrator in 1974. Specialist in the Third Division of the Securities and Futures Bureau at the Ministry of Finance. Executive Vice President, Taiwan International Securities Co., Ltd. General Manager, Taiwan Branch,.Lehman Brothers Securities	Chief Attorney, Chongfa International Business Law Firm Independent Director, Chi Sheng Pharma & Biotech Co. Ltd.	-	-	-	-
Independent Director	ROC	Wei-Zen Chen	Male 71~80Y/O	06.21.2023	3 Years	06.18.2020	-	-	-	-	-	-	-	-	Ph.D. in Engineering, Graduate School of Industrial Planning, Chinese Culture University Secretary-General of the Executive Yuan Minister of the Interior Top Advisor to Formosa Plastics Enterprises	None	-	-	-	-
Independent Director	ROC	You-Fan Gu	Female 41~50Y/O	06.21.2023	3 Years	06.21.2023									Master’s degree in accounting, National Taiwan Universtiy Auditor, Deloitte Taiwan CPA, Qian Xiang Yao Fan Joint Accountant Firm	CPA, Qian Xiang Yao Fan Joint Accountant Firm Director, Feng Tai International Investment Ltd.	-	-	-	-

Note 1: Currently, apart from Chairman Teng-Chen Hsu and Director Han-Ru Hsu, the other four directors do not concurrently hold any positions as managerial officers or employees.

Note 2: Mr. Teng-Chen Hsu, Chairman of the Company, represents Reyea Realty Investment & Advisory Corp. Co., Ltd., the largest shareholder of ReaLy Development, with no pledge on the shares, which demonstrates his strong commitment to protecting the legal rights and interests of shareholders. Additionally, Mr. Teng-Chen Hsu has extensive experience in the construction industry, devotes himself to his profession, upholds good corporate governance, and is reputable for his integrity. He sets an exceptional example for all employees and is highly respected. With Mr. Teng-Chen Hsu serving as the President, he is best suited to lead the Company and create legal benefits for shareholders. Requiring the Chairman and President positions to be held by different individuals, as stipulated by conventional rules, may be detrimental to the Company and other stakeholders instead.

Note 3: As of December 31, 2024, the Company has 16 employees and 7 directors, averaging approximately 3 employees per director. This current governance structure has been effective, and the Company plans to further increase the number of independent directors in the future.

2. Major shareholders of the institutional shareholders

April 27, 2025

Name of Institutional Shareholders	Major Shareholders
Reyea Realty Investment & Advisory Corp.	Teng-Chen Hsu (45%), Chih-Hao Hsu (25%), Chih Wei Hsu (25%)
HyLin Investment Corp.	Yi Cheng Shen (28%), Yu-Chiao Shen (28%),Yu-Chin Shen (28%)
Grand Sights Investment & Advisory	Reyea Realty (26%), Han-Ru Hsu (20%), Chih-Hao Hsu (20%), Chih Wei Hsu (20%)

3. Major shareholders of the Company's major institutional shareholders: None.

4. Professional qualifications of directors and supervisors and independence of independent directors:

Criteria / Name	Professional Qualifications and Experiences (Note 1)	Independence (Note 2)	Number of Other Public Companies Where the Individual is Concurrently Serving as an Independent Director
Reyea Realty Investment & Advisory Corp. Representative: Teng-Chen Hsu	Master's Degree, Chinese Studies, Chinese Culture University Secretary to the Chairman of Taiwan Glass Ind Corp Special Assistant to the Chairman of Fareast Land Development Co., Ltd Chairman of Chiye Construction Co. Ltd. President of Lily Construction Corp.	None	0
HyLin Investment Corp. Representative: Guo-Hao Shen	Department of Architecture, Feng Chia University Chief Architect, Guo-Hao Shen Architects	None	0
Grand Sights Investment & Advisory Corp Representative: Han-Ru Hsu	Industrial Management Department, Tungnan University of Industrial. Business Manager, ReaLy Development & Construction Corp. Credit Specialist of Makoto Bank	None	0
Ching-Chyuan Soong	Master's degree, Graduate School of Land Economics, National Chengchi University Director, Department of Land Administration, Taipei City Government Director of the Land Administration Office at the Kaohsiung City Government The Land Readjustment Team Leader at the Land Administration Office of the Kaohsiung City Government. Senior Specialist, Industry Bureau, Ministry of Economic Affairs Deputy Engineering Officer of Ret-Ser Engineering Agency at Veterans Affairs Council	In compliance with independence requirements	0
Ming-Tau Fang	LL.M., New York University Master of Comparative Laws, George Washington University` Chief of the First Division, Department of Commerce at the Ministry of Economic Affairs. Specialist in the third group of the Securities and Futures Bureau at the Ministry of Finance. Executive Vice President, Taiwan International Securities Co., Ltd. President, Taiwan Branch,.Lehman Brothers Securities Business Lawyer, Li Mo & Associates Attorneys-at-Law Chief Attorney, Chongfa International Business Law Firm No violation against any provisions under Article 30 of the Company Act	In compliance with independence requirements	2
Wei-Zen Chen	Ph.D. in Engineering, Graduate School of Industrial Planning, Chinese Culture University Administrative Vice Minister at the Ministry of Transportation Deputy Mayor of the Taipei City Government Secretary-General of the Executive Yuan Minister of the Interior Top Advisor to Formosa Plastics Enterprises	In compliance with independence requirements	0
You-Fan Gu	Master's degree in accounting, National Taiwan Universtiy Auditor, Deloitte Taiwan CPA, Qian Xiang Yao Fan Joint Accountant Firm No violation against any provisions under Article 30 of the Company Act	In compliance with independence requirements	0

Note 1: Professional qualifications and experience: Specify the professional qualifications and experience of each director and supervisor. If a member of the Audit Committee, specify their accounting or finance background and work experience. Additionally, specify whether any circumstance under any subparagraph of Article 30 of the Company Act exists with respect to a director or supervisor.

Note 2: Describe the status of independence of each independent director, including but not limited to the following: did they or their spouse or any relative within the second degree serve as a director, supervisor, or employee of the Company or any of its affiliates? Specify the number and ratio of shares of the Company held by the independent director and their spouse and relatives within the second degree (or through nominees); do they serve as a director, supervisor, or employee of any company having a specified relationship with the Company (see Article 3, paragraph 1, subparagraphs 5 to 8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies)? Specify the amount(s) of any pay received by the independent director for any services such as business, legal, financial, or accounting services provided to the Company or any affiliate thereof within the past 2 years.

5. The Diversity and Independence of Board of Directors

(1) Board Diversity

1. The Company fervently advocates and respects the policy of board diversity. To enhance corporate governance and promote the robust development of the Board composition and structure, the Company firmly believes that a diverse approach aids in elevating the overall performance of the Company. The appointment of board members abides by a merit-based principle, considering the specific characteristics of the industry and the vision for company development, while constructing a board with diverse talents and experiences, including expertise in real estate appraisal, construction, land administration, finance, law, aesthetics, etc. Each director possesses their corresponding industry experience and relevant skills, as well as capabilities in operation judgement, business management, leadership and

decision making and crisis management.

2. To fortify the functionality of the Board and achieve the ideal target of corporate governance, Article 20 of the Company's "Corporate Governance Best Practice Principles" explicitly stipulates that the Board as a whole should possess the following abilities: 1. Operation Judgement 2. Accounting and Financial Analysis 3. Business Management 4. Crisis Management 5. Industry Knowledge 6. Global Market Outlook 7. Leadership 8. Decision Making. The current implementation of the Company's Board Diversity Policy is as follows:

Name \ Diversified items		Nationality	Basic composition									Professional Background				Diverse Expertise and Skills					
			Gender	Employee	Age				Length of tenure of Independent Directors			Finance and Accounting	Industry	Laws	Technology	Operation Judgement	Business Management	Leadership	Crisis Management	Industry Knowledge	Global Market Outlook
					31 to 40	41 to 50	71 to 80	81 to 90	Under 3 years	3-9 years	Over 9 years										
Director	Teng-Chen Hsu	ROC	M					✓					✓		✓	✓	✓	✓	✓	✓	✓
Director	Guo-Hao Shen	ROC	M					✓					✓		✓	✓	✓	✓	✓	✓	✓
Director	Han-Ru Hsu	ROC	M	✓		✓							✓		✓	✓	✓	✓	✓	✓	✓
Independent Directors	Ching-Chyuan Soong	ROC	M				✓				✓		✓		✓	✓	✓	✓	✓	✓	✓
Independent Directors	Ming-Tau Fang	ROC	M				✓				✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Independent Directors	Wei-Zen Chen	ROC	M				✓			✓			✓		✓	✓	✓	✓	✓	✓	✓
Independent Directors	You-Fan Gu	ROC	F			✓			✓			✓	✓		✓	✓	✓	✓	✓	✓	✓

3. The current board members of the Company have achieved the requirements of diversity. Nonetheless, to comply with future development needs, the composition of diversity will continue to be examined and the goal of diversity will be continuously enhanced during the re-election. Currently, the tenure of two independent directors exceeds nine years. The future goal remains to ensure that the continuous tenure of independent directors does not exceed nine years and at least one female director's seat is maintained.
4. The number of board seats held by either gender does not reach one-third
The Company currently has one female director, accounting for 14% of the board seats. This is primarily due to the construction industry being traditionally male-dominated, resulting in a predominantly masculine workplace culture. However, the Company values gender equality in board composition and has proactively consulted the Director Talent Database of the Corporate Governance Center. In the future, the Company will make every effort to ensure that the number of board seats held by each gender exceeds one-third, while continuing to retain at least one female director.

(2) Board Independence
The current board of the Company consists of seven members, including four independent directors and one employee director (accounting for 57% and 14% of all board members, respectively), with independent director seats exceeding half. As of the end of Year 2024, all independent directors complied with the regulations of the Securities and Futures Bureau of Financial Supervisory Commission regarding independent directors, and no more than two directors had relatives within the second degree of kinship. There are no violations against provisions in Article 26(3) of the Securities and Exchange Act. For information on the independence of the Company's Board, please refer to “Professional qualifications of directors and supervisors and independence of independent directors” on Page 6 of this Annual Report. For the education, gender, and work experience of each director, please refer to “Background of directors” on Page 4 of this Annual Report.

(II) Information on President, Vice Presidents, Assistant Vice Presidents, Department Heads and Branch Heads

April 27, 2025

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Currently holding positions in other companies	Managerial officers who are Spouses or Within Two Degrees of Kinship			Remark
					Shares (Thousand)	%	**Shares (Thousand)**	%	**Shares (Thousand)**	%			Title	Name	Relation	
President	ROC	Teng-Chen Hsu	Male	.07.01.201	198	0.20%	-	-	-	-	Master's Degree, Chinese Studies, Chinese Culture University, Secretary to the Chairman of Taiwan Glass Ind Corp Special Assistant to the Chairman of Fareast Land Development Co., Ltd Chairman of Chiye Construction Co. Ltd. General Manager of Lily Construction Corp.	Chairman and President of the Company and YouZen Construction Chairman of Reyea Realty Investment & Advisory Corp. Appraiser, Macro Real Estate Appraiser Agency Chairman of Grand Sights Investment & Advisory Chairman of Eastunion Development & Construction Chairman of Ti Wang Investment Co., Ltd.	Special Assistant to President	Chih-Hao Hsu	Father and Son	Note
Special Assistant to President	ROC	Chih-Hao Hsu	Male	07.01.2020	2,501	2.50%	62	0.06%	-	-	Master's degree in accounting, National Taiwan University Auditor, KPMG in Taiwan Special Assistant to the President of Everspring Industry Co., Ltd. Special assistant to the President of YouZen Construction Corp.	Director of YouZen Construction Corp. Supervisor of Reyea Realty Investment & Advisory Corp. Supervisor of Grand Sights Investment & Advisory Corp. Director of Eastunion Development & Construction	President	Teng-Chen Hsu	Father and Son	-
Special Assistant to President	ROC	Guang-Min Chuang	Male	03.01.2012	-	-	8	0.01 %	-	-	BA in International Trade, Tunghai University Certifying Appraiser of Pan Asia Real Estate Appraiser Firm Deputy Director of Minda Real Estate Appraiser Firm Appraiser of Liye Real Estate Appraisers Firm	Certifying Appraiser Liye Real Estate Appraiser Firm	-	-	-	-
Associate Manager of Sales	ROC	Tsz-Wei Bai	Male	08.03.2018	45	0.04 %	-	-	-	-	Diploma, Songshan High School of Agriculture and Industry Vice President of Sales, Taichiao Advertising Co., Ltd. Director of Sales, Leili Construction Co., Ltd. Sales Manager, Liyi Construction Co., Ltd.	Director, Eastunion Development & Construction	-	-	-	-
Associate Manager of Finance	ROC	Hsiu-Chuan Lin	Female	08.03.2018	227	0.23 %	9	0.01 %	-	-	B.B.A, Soochow University Assistant Finance Manager of Liyi Construction Co., Ltd. Deputy Finance Manager, ReaLy Development & Construction Corp.	None	-	-	-	-
Engineering Manager	ROC	Chao-Ming Wu	Male	07.01.2020	5	0.01 %	-	-	-	-	AA in Civil Engineering, Tung Nan Junior College Junior Engineering Manager, Hengkang Engineering Consulting Engineering Manager, Hua Chen Construction Engineering Worksite Director, Yuan Fu Construction Co. Ltd.	Engineering Manager of YouZen Construction Corp.	-	-	-	-
Administration Manager	ROC	Chi-Yuan Liu	Male	04.26.2007	119	0.12 %	31	0.03 %	-	-	National Kangshan Senior High School Adm. Supervisor, Wan Yi Company Salesman, Feishun International Co., Ltd. Special Assistant to the General Manager of Liyi Construction Co., Ltd. Deputy Adm. Manager, ReaLy Development & Construction Corp.	Administration Manager, YouZen Construction Corp.	-	-	-	-
Auditor	ROC	Ching-Yu Yuan	Female	07.24.2006	11	0.01%	-	-	-	-	Department of Accounting, Tamkang University Deputy Audit Manager, KPMG Accounting Firm Senior Audit Specialist, Li Peng Enterprise Co., Ltd Audit Director, E-TEN Information Systems Co., Ltd.	None	-	-	-	-

Note: Mr. Teng-Chen Hsu, Chairman of the Company, represents Reyea Realty Investment & Advisory Corp. Co., Ltd., the largest shareholder of ReaLy Development, with no pledge on the shares, which demonstrates his strong commitment to protecting the legal rights and interests of shareholders. Additionally, Mr. Teng-Chen Hsu has extensive experience in the construction industry, devotes himself to his profession, upholds good corporate governance, and is reputable for his integrity. He sets an exceptional example for all employees and is highly respected. With Mr. Teng-Chen Hsu serving as the President, he is best suited to lead the Company and create legal benefits for shareholders. Requiring the Chairman and President positions to be held by different individuals, as stipulated by conventional rules, may be detrimental to the Company and other stakeholders instead.

As of December 31, 2024, the Company has 16 employees and 7 directors, averaging approximately 3 employees per director. The Company plans to further increase the number of independent directors in the future.

II. Remuneration to Directors, Independent Directors, Supervisors, President, and Vice Presidents during the most recent year

(I) Remuneration of Directors (Including) Independent Directors

Unit: NTD Thousand

Title	Name	Director's Remuneration								Ratio of Total Remuneration (A+B+C+D) to Net Income		Relevant Remuneration Received by Directors Who are Also Employees								Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%)		Remuneration from ventures other than subsidiaries or from the parent company
		Base Compensation (A)		Severance Pay (B)		Directors Compensation(C)		Allowances (D)				Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Employee Compensation (G)						
																The company		All companies in the consolidated financial statements				
		The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	Cash	Stock	Cash	Stock	The company	All companies in the consolidated financial statements	
Chairman	Representative of Reyea Realty Investment & Advisory Corp.: Teng-Chen Hsu	0	0	0	0	122	122	240	240	362 0.54%	362 0.54%	3,110	4,390	0	0	134	0	164	0	3,606 5.38%	4,916 7.34%	None
Director	Representative of HyLin Investment Consultant Co., Ltd.: Guo-Hao Shen	0	0	0	0	121	121	240	240	361 0.54%	361 0.54%	0	0	0	0	0	0	0	0	361 0.54%	361 0.54%	None
Director	Representative of Grand Sights Investment & Advisory Corp.: Han-Ru Hsu	0	0	0	0	121	121	240	240	361 0.54%	361 0.54%	1,382	1,382	70	70	66	0	66	0	1,879 2.81%	1879 2.81%	None
Independent Director	Ching-Chyuan Soong	0	0	0	0	121	121	260	260	381 0.57%	381 0.57%	0	0	0	0	0	0	0	0	381 0.57%	381 0.57%	None
Independent Director	Ming-Tau Fang	0	0	0	0	121	121	260	260	381 0.57%	381 0.57%	0	0	0	0	0	0	0	0	381 0.57%	381 0.57%	None
Independent Director	Wei-Zen Chen	0	0	0	0	121	121	260	260	381 0.57%	381 0.57%									381 0.57%	381 0.57%	None
Independent Director	You-Fan Gu	0	0	0	0	121	121	120	120	381 0.54%	381 0.54%	0	0	0	0	0	0	0	0	361 0.54%	361 0.54%	None

1. Remunerations to independent directors is paid according to the compensation policy, system, and scale, along with such factors as the duties, risks, and time investment into their positions. The director's remuneration of our company includes director's remuneration and transportation reimbursements provided according to the bylaws, with no other remuneration or retirement benefits. The director's remuneration of the Company is paid according to the individual director's (independent director) participation in company operations and their contributions. Under normal circumstances, independent directors provide their opinions on various operational issues (finance, accounting, regulations, business plans, etc.) based on their expertise and experience, and fully discuss to reach a consensus at board meetings. If there are no significant issues in operations, independent directors do not need to invest additional resources. In the event of significant issues which require additional resources for study or expert consultation, their compensation will be raised according to the needs of individual cases. The Company sticks to its main business scope, operates with simple nature, and currently face no significant issues with high operational risks. Hence, independent directors can adequately respond to the operational risks of the Company by investing an appropriate amount of time. Accordingly, this year, according to the year-end dividend policy, independent directors were offered a remuneration of NTD 121 thousand each.
2. Beyond the disclosure in the above table, in 2024, the directors of the Company received zero compensation for services provided to the parent company/all companies within the financial reports/invested businesses (such as serving as consultants who are not employees).

Remuneration Bracket Table

Range of Remuneration	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The Company	Companies in the financial statements I	The Company	Companies in the financial statements J
Below NTD 1,000,000	Teng-Chen Hsu, Guo-Hao Shen, Han-Ru Hsu, Ching-Chyuan Soong, Ming-Tau Fang, Wei-Zen Chen, You-Fan Gu	Teng-Chen Hsu, Guo-Hao Shen, Han-Ru Hsu, Ching-Chyuan Soong, Ming-Tau Fang, Wei-Zen Chen, You-Fan Gu	Guo-Hao Shen, Ching-Chyuan Soong, Ming-Tau Fang, Wei-Zen Chen, You-Fan Gu	Guo-Hao Shen, Ching-Chyuan Soong, Ming-Tau Fang, Wei-Zen Chen, You-Fan Gu
NTD 1,000,000 (included)~NTD 2,000,000 (not included)	-	-	Han-Ru Hsu	Han-Ru Hsu
NTD 2,000,000 (included) ~ NTD 3,500,000 (not included)	-	-	-	-
NTD 3,500,000 (included) ~ NTD 5,000,000 (not included)	-	-	Teng-Chen Hsu	Teng-Chen Hsu
NTD 5,000,000 (included) ~ NTD 10,000,000 (not included)	-	-	-	-
NTD 10,000,000 (included) ~ NTD 15,000,000 (not included)	-	-	-	-
NTD 15,000,000 (included) ~ NTD 30,000,000 (not included)	-	-	-	-
NTD 30,000,000 (included) ~ NTD 50,000,000 (not included)	-	-	-	-
NTD 50,000,000 (included) ~ NTD 100,000,000 (not included)	-	-	-	-
NTD 100,000,000 and above.	-	-	-	-
Total	7	7	7	7

(II) Remuneration of Supervisors: Not Applicable.

(III) Remuneration for President and Vice Presidents

Unit: NTD Thousand

Title	Name	Compensation (A)		Severance Pay (B)		Bonus and Allowance (C)		Employee Compensation (D)				Ratio of total compensation (A+B+C+D) to net income (%)		Remuneration from ventures other than subsidiaries or from the parent company
								The Company		Companies in the financial statements				
		The Company	Companies in the financial statements	The Company	Companies in the financial statements	The Company	Companies in the financial statements	Cash Amount	Stock Amount	Cash Amount	Stock Amount	The Company	Companies in the financial statements	
President	Teng-Chen Hsu	2,044	3,004	0	0	1,066	1,386	134	0	164	0	3,244 4.84%	4,554 6.80%	None

Remuneration Bracket Table

Range of Remuneration	Name of President and Vice Presidents	
	The Company	All Companies in the Financial Report E
Below NTD 1,000,000	-	-
NTD 1,000,000 (included)~NTD 2,000,000 (not included)	-	-
NTD 2,000,000 (included) ~ NTD 3,500,000 (not included)	Teng-Chen Hsu	-
NTD 3,500,000 (included) ~ NTD 5,000,000 (not included)	-	Teng-Chen Hsu
NTD 5,000,000 (included) ~ NTD 10,000,000 (not included)	-	-
NTD 10,000,000 (included) ~ NTD 15,000,000 (not included)	-	-
NTD 15,000,000 (included) ~ NTD 30,000,000 (not included)	-	-
NTD 30,000,000 (included) ~ NTD 50,000,000 (not included)	-	-
NTD 50,000,000 (included) ~ NTD 100,000,000 (not included)	-	-
NTD 100,000,000 and above.	-	-
Total	1	1

(IV) Remuneration to the Five Highest Remunerated Managerial Officers (Chefs)

Unit: NTD Thousand

Title	Name	Compensation (A)		Severance Pay (B)		Bonus and Allowance (C)		Employee Compensation (D)				Ratio of total compensation (A+B+C+D) to net income (%)		Remuneration from ventures other than subsidiaries or from the parent company
								The Company		Companies in the financial statements				
		The Company	Companies in the financial statements	The Company	Companies in the financial statements	The Company	Companies in the financial statements	Cash Amount	Cash Amount	Cash Amount	Cash Amount	The Company	Companies in the financial statements	
President	Teng-Chen Hsu	2,044	3,004	0	0	1,066	1,386	134	0	164	0	3,244 4.84%	4,554 6.80%	None
Associate Manager of Sales	Tsz-Wei Bai	1,362	1,362	83	83	548	548	89	0	89	0	2,082 3.11%	2,082 3.11%	None
Associate Manager of Finance	Hsiu-Chuan Lin	1,122	1,122	70	70	374	374	74	0	74	0	1,640 2.45%	1,640 2.45%	None
Corporate Governance Supervisor	Chih-Hao Hsu	1,008	1,008	63	63	336	336	66	0	66	0	1,473 2.20%	1,473 2.20%	None

Note: The Company only has four managerial officers

(V) Names and status of the managerial officers received distributed employee remuneration

Unit: NTD Thousand, April 27, 2025

Title	Name	Stock Amount	Cash Amount	Total	Ratio of Total Amount to After Tax Net Income (%)
President	Teng-Chen Hsu	0	363	363	0.54%
Associate Manager of Sales	Tsz-Wei Bai				
Associate Manager of Finance	Hsiu-Chuan Lin				
Corporate Governance Supervisor	Chih-Hao Hsu				

(VI) Total remuneration, as a percentage of net income stated in the individual financial reports, as paid by the Company and by each other company included in the consolidated financial statements during the past 2 fiscal years to directors, supervisors, president, and vice presidents, and analyze and describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure.

1. The total remuneration, as a percentage of net income stated, as paid by the Company and by each other company included in the consolidated financial statements during the past 2 fiscal years to directors, supervisors, president, and vice presidents is as follow:

	Ratio of total remuneration to net income	
	2024	2023
Director	3.87%	2.54%
President	6.80%	6.02%

The total remuneration paid in 2024 to the directors and president, as a percentage of net income stated in the individual financial statements, increased compared to 2023. This was primarily due to a decrease of NTD 15,347 thousand in after-tax net income in 2024 compared to the previous year.

2. The remuneration for the Company's Directors executing the company's business is determined by the Board of Directors based on their level of participation and contribution to the Company's operations when there is distributable profit based on the annual financial statements. The remuneration for the Company's President is based on the scope of duties of the position and the contribution to achieving company profitability, taking into account the salary level of similar positions in the industry. The procedure for determining remuneration is based on their level of participation and contribution value to the Company's operations, fully considering the overall business performance of the company, future financial crises, diversified operations, and cost fluctuation risks, in order to provide reasonable compensation.

III. Implementation of Corporate Governance

(I) Operations of the Board of Directors

A total of 6 (A) meetings of the Board of Directors were held in FY2024 as of the publication date of the Annual Report. The attendance of director and supervisor were as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) 【B/A】(Note 2)	Remarks
Chairman	Reyea Realty Investment & Advisory Corp. Representative: Teng-Chen Hsu	6	0	100%	Re-elected Re-Election Date: 06.21.2023
Director	HyLin Investment Corp. Representative: Guo-Hao Shen	6	0	100%	Re-elected Re-Election Date:.06.21.2023
Director	Grand Sights Investment & Advisory Corp Representative: Han-Ru Hsu	6	0	100%	Re-elected Re-Election Date: 06.21.2023
Independent Director	Ching-Chyuan Soong	6	0	100%	Re-elected Re-Election Date: 06.21.2023
Independent Director	Ming-Tau Fang	6	0	100%	Re-elected Re-Election Date: 06.21.2023
Independent Director	Wei-Zen Chen	5	1	83%	Re-elected Re-Election Date: 06.21.2023
Independent Director	You-Fan Gu	6	0	100%	Newly Elected Re-Election Date: 06.21.2023

Note 1: Where directors are corporate entities, the names of institutional shareholders and their representatives are stated.

Note 2: (1) For directors who resign before the end of the fiscal year, their resignation date shall be specified. Their attendance rate (%) should be calculated based on the number of board meetings held during their term of service and the number of meetings they actually attended.

(2) If a re-election of directors takes place before the end of the fiscal year, directors of both the previous and current terms shall be listed. In such cases, the note column shall specify the re-election date and whether the director or supervisor belongs to the previous term, the new term, or both. The actual attendance rate (%) is calculated based on the number of board meetings held and the number of meetings the director actually attended during each director's term.

Other required disclosure:

1. If any of the following circumstances occur, the dates of the meetings, sessions, contents of motion, all independent directors' opinions and the Company's response should be specified:

(1) Matters referred to in Article 14-3 of the Securities and Exchange Act:

Date	Session	Motion
March 6, 2024	The Fourth Meeting of the Ninth term	Appointment of the Company's CPAs for 2024 Amendments to partial clauses of the "Articles of Incorporation" and "Shareholders Meeting Rules" Amendments to partial clauses of the "Board of Directors Meeting Rules" and "Organization Rules of the Audit Committee".
August 7, , 2024	The Sixth Meeting of the Ninth term	Amendments to "Operating Procedures Governing the Preparation and Verification of the Sustainability Report" Amendments to partial clauses of the "Procedures for the Prevention of Insider Trading" and Operating Procedures for the Handling of Material Internal Information".
November 6, 2024	The Seventh Meeting of the Ninth term	Amendments to "Sustainable Information Management Rules".
March 13, 2025	The Eighth Meeting of the Ninth term	Appointment of the Company's CPAs for 2025. Amendments to partial clauses of the "Articles of Incorporation". Amendments to partial clauses of the "Salary Management Measures".

(2) Except for the above-mentioned matters, other matters involving objections or expressed reservations by independent directors that were recorded or stated in writing that require a resolution by the board of directors: None.

2. Directors' avoidance of motions in conflict of interest:

Date	Name	Content	Reasons For Conflicts-of-Interests Recusal	Voting Participation
March 6, 2024	All directors	Director's and Supervisor's remuneration for 2023.	Involving self-interests of directors	Recused from voting in accordance with the law
March 6, 2024	Teng-Chen Hsu	Employee's remuneration and managerial officer's year-end bonus for 2023. Adjustment of managerial compensation	Concurrently serving as the Company's President	Recused from voting in accordance with the law
March 13, 2025	All directors	Director's and Supervisor's remuneration 2024	Involving self-interests of directors	Recused from voting in accordance with the law
March 13, 2025	Teng-Chen Hsu	Employee's remuneration and managerial officer's year-end bonus for 2024.	Concurrently serving as the Company's President	Recused from voting in accordance with the law

3. TWSE/TPEx-listed companies are required to disclose the evaluation cycle and period, scope of evaluation, evaluation method, and evaluation items of the self (or peer) evaluations conducted by the Board of Directors, and to fill out "Implementation Status of Board Evaluations."

Implementation of Board Evaluations

Evaluation cycle	Evaluation period	Scope of evaluation	Evaluation method	Evaluation items	Evaluation results
Once a year	January 1 2024 to December 31, 2024	Board of Directors	Self-evaluation of the Board	(1) The level of involvement in the Company's operations (2) Enhancing the decision-making quality of the Board (3) Composition and structure of the Board (4) The election and continuous training of directors (5) Internal control	The evaluation report was acquired on January 31, 2025, and the results were reported to the Board on March 13, 2025. The self-evaluation of the Board is based on qualitative indicators so there are no scores to measure. Only 2 out of 45 indicators were not achieved, which shows an excellent evaluation result. The self-evaluation of individual directors is also based on qualitative indicators so there are no scores to measure. The overall evaluation result is good.
		Individual Board Member	Self-evaluation of the Board member	(1) The comprehension for the Company's goals and missions (2) Perception of directorial responsibilities (3) The level of involvement in the Company's operations (4) Management and communication of internal relations (5) The expertise and continuous training of directors (6) Internal control	
		Functional Committees	Self-evaluation of the committees	(1) The level of involvement in the Company's operations (2) Perception of responsibilities of the functional committee (3) Enhancement of decision quality of functional committees (4) The composition and member selectin of functional committees (5) Internal control	The evaluation report was obtained on January 31, 2025, and the results were reported to the Board on March 13, 2025. The self-evaluation of the functional committee is based on qualitative indicators, so there are no scores to measure. The overall evaluation result is good

4. Evaluation of the goals to enhance the functions of the Board of Directors in the current year and the most recent year (such as establishing an Audit Committee, improving information transparency, etc.) and their implementation status:
   (1) Strengthening the functions of the Board
      a. The current Board of Directors of the Company were completely re-elected on June 21, 2023. All directors were elected through a candidate nomination system at the shareholders' meeting on June 21, 2023. Apart from Chairman Teng-Chen Hsu and Director Han-Ru Hsu, who are father and son, the remaining five directors do not have spouse or second-degree kinship relationships.
      b. The Company resolved at the shareholders' meeting on May 28, 2008 to incorporate the purchase of directors and supervisors' liability insurance into the Company's Articles of Incorporation. The information on the directors and managerial officers' liability insurance was reported to the Board on August 7, 2024. The details are as follows:

Number	Insured parties	Insurance Company	Insured Amount	Insurance Period	Status
1	All directors and managerial officers	Cathay Century Insurance	84,030,000	06.12.2023~06.12.2024	Renewal
2	All directors and managerial officers	Cathay Century Insurance	84,030,000	06.12.2024~06.12.2025	Renewal

      c. The Company legally established Audit Committee to replace the supervisors on June 18, 2020. The Audit Committee, composed entirely of independent directors, is operating smoothly.
      d. The Board of Directors resolved to establish a Corporate Governance Supervisor on February 23, 2022. The new Corporate Governance Supervisor is Chih-Hao Hsu, the Special Assistant to the President, who will be responsible for corporate governance-related business, including providing the directors with the information they need to carry out their duties, handling matters related to the board meetings and shareholder meetings, and producing minutes for board and shareholder meetings.
   (2) Enhancing transparency
      The Company's financial statements are regularly reviewed and signed by KPMG in Taiwan. All legally required information is correctly and timely completed. A dedicated person is in charge of collecting and disclosing company information, and a spokesperson system has been established to ensure that all material information is timely and properly disclosed.
   (3) Stipulating policies on the diversity of the Board:
      To strengthen the structure of the Board, the Company passed the amendment to the " Guidelines on Election of Directors " at the shareholders' meeting on June 16, 2020, adding relevant provisions on the diversity of the Board.
   (4) Enhancing the expertise of directors:
      In response to the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies" and considering the Company's main business scope, the Company sets the annual training hours for re-elected directors at 6 hours (12 hours for new directors) to enhance their professionalism. In 2024, all directors and corporate governance supervisors of the Company participated in training courses on corporate governance, with a total training time of 54 hours. The training details are as follows:

Title	Name	Date	Organizer	Course Title	Hours
Chairman	Teng-Chen Hsu	February 23, 2024	Corporate Operating and Sustainable Development Association	Special Seminar on Stock Affairs	3
		April 10, 2024	Taiwan Institute of Directors	Steering the Voyage of Corporate Wisdom — Corporate Governance Leading the Way Forward	3
Director	Guo-Hao Shen	February 23, 2024	Corporate Operating and Sustainable Development Association	Special Seminar on Stock Affairs	3
		April 10, 2024	Taiwan Institute of Directors	Steering the Voyage of Corporate Wisdom — Corporate Governance Leading the Way Forward	3
Director	Han-Ru Hsu	February 23, 2024	Corporate Operating and Sustainable Development Association	Special Seminar on Stock Affairs	3
		April 10, 2024	Taiwan Institute of Directors	Steering the Voyage of Corporate Wisdom — Corporate Governance Leading the Way Forward	3

Independent Director	Ching-Chyuan Soong	September 3, 2024	The Institute of Internal Auditors	Reading, Analysis, and Application of Financial Statements	6
Independent Director	Ming-Tau Fang	February 23, 2024	Corporate Operating and Sustainable Development Association	Special Seminar on Stock Affairs	3
		November 6, 2024	Taiwan Institute of Directors	Corporate Management, Risk Management and Internal Control System - The Application of the Three Lines of Defence Model in Corporate Governance	3
Independent Director	Wei-Zen Chen	February 23, 2024	Corporate Operating and Sustainable Development Association	Special Seminar on Stock Affairs	3
		April 26, 2024	Corporate Operating and Sustainable Development Association	The Challenges and Management Mindset of Taiwanese Enterprises in an Era of Turbulence	3
Independent Director	You-Fan Gu	February 23, 2024	Corporate Operating and Sustainable Development Association	Special Seminar on Stock Affairs	3
		April 10, 2024	Taiwan Institute of Directors	Steering the Voyage of Corporate Wisdom — Corporate Governance Leading the Way Forward	3
Corporate Governance Supervisor	Chih-Hao Hsu	February 23, 2024	Corporate Operating and Sustainable Development Association	Special Seminar on Stock Affairs	3
		April 10, 2024	Taiwan Institute of Directors	Steering the Voyage of Corporate Wisdom — Corporate Governance Leading the Way Forward	3
		October 7, 2024	General Chamber of Commerce of the Republic of China	Taishin Net Zero Summit Towards a Low Carbon Future	3
		December 4, 2024	Securities and Futures Institute	Sustainability Development Committee and Chief Sustainability Officer Roundtable	3

(II) Operation of the Audit Committee

1. The Company's Audit Committee was established on June 18, 2020, replacing the original supervisor system. The committee members are all independent directors, with a term of three years, and can be re-elected consecutively. At least one person should possess accounting or financial expertise, and all members elect the convener. In the event that any member does not perform their duties, the Committee is authorized to conduct any appropriate audit and investigation according to the organizational rules. In addition, the Committee has direct contact channels with the Company's internal audit supervisors, certified accountants, and all employees. The operation system is executed in accordance with the Company's "Articles of Associations for Audit Committee".
2. The Audit Committee aims to assist the Board of Directors in supervising the quality and integrity of the Company's execution of accounting, audit, financial reporting processes, and financial controls. The agenda discussed by the Audit Committee include: financial statements, internal control systems, major asset or derivative transactions, significant loans, endorsements or guarantees, matters involving directors' own interests, fundraising or issuance of securities, appointment, discharge or remuneration of certified accountants, and appointment or discharge of financial, accounting or internal audit supervisors.
   (1) Review of Financial Reports
   The Company's annual business report, financial report, and profit distribution proposal are all submitted to the Board for review after being reviewed by the Audit Committee and submitted to the shareholders' ordinary meeting for ratification after being approved by the Board.
   (2) Internal Control System Effectiveness Assessment
   The Company's self-assessment of the internal control system is completed every year by all of the Company's units based on the internal control cycle, and the Audit Committee confirms the effectiveness of the design and implementation of the Company's internal control system, including understanding the effectiveness of the operation, the efficiency of the goal achievement, the reliability, timeliness, transparency of reporting and its compliance with applicable regulations and regulations. Further, the Committee must ensure relevant goals are achieved.
   (3) Appointment and Evaluation of Certified Accountants
   The Audit Committee regularly evaluates the professionalism, independence, and reasonableness of the remuneration of certified accountants at the end of each accounting year. The results of the service evaluation of the certified accountants in 2023 have been reviewed and approved by the Audit Committee and the Board on March 6, 2024. Accountant Ya-Lin Chen and Jia- JianTang of KPMG in Taiwan met the Company's standards for independence and suitability.

The Operation of Audit Committee

A total of 6 (A) Audit Committee meetings were held in FY2023. The attendance of the independent directors was as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) 【B/A】(Note 1)	Remarks
Independent Director	Ming-Tau Fang	6	0	100%	Re-elected Re-Election Date: 06.21.2023
Independent Director	Ching-Chyuan Soong	6	0	100%	Re-elected Re-Election Date: 06.21.2023
Independent Director	Wei-Zen Chen	5	1	83%	Re-elected Re-Election Date: 06.21.2023
Independent Director	You-Fan Gu	6	0	100%	Newly Elected Re-Election Date 06.21.2023

Other required disclosure:

1. If any of the following circumstances occur, the dates of meetings and sessions, contents of motions, independent directors' dissenting opinions, qualified opinions or significant recommendations, resolutions of the Audit Committee, and the Company's responses to the Audit Committee's opinions shall be specified::
   (1) Matters referred to in Article 14-5 of the Securities and Exchange Act:

Date	Session	Motion
March 6, 2024	The Third Meeting of the Second Term	The 2023 Financial Statements. The 2023 "Internal Control System Effectiveness Assessment" and "Statement of Internal Control System". Assessment of the independence and suitability of the Company's Certified Public Accountants. Appointment of the Company's CPAs Amendments to partial clauses of the "Articles of Incorporation" and "Shareholders

		Meeting Rules" Amendments to partial clauses of the "Board of Directors Meeting Rules" and "Organization Rules of the Audit Committee".
May 8, 2024	The Fourth Meeting of the Second Term	The Q1 2024 Financial Statements
August 7, 2024	The Fifth Meeting of the Second Term	The Q2 2024Financial Statements
November 6, 2024	The Sixth Meeting of the Second Term	The Q3 2024 Financial Statements
March 13, 2025	The Seventh Meeting of the Second Term	The 2024 Financial Statements. The 2024 "Internal Control System Effectiveness Assessment" and "Statement of Internal Control System". Assessment of the independence and suitability of the Company's Certified Public Accountants. Appointment of the Company's CPAs Amendments to partial clauses of the "Articles of Incorporation". Amendments to partial clauses of the "Salary Management Measures".
May 7, 2025	The Eighth Meeting of the Second Term	The Q1 2025 Financial Statements

(2) In addition to aforementioned items, other matters which were not approved by the Audit Committee but were approved by two-thirds or more of all directors: None.

2. Independent directors' avoidance of motions in conflict of interest: None.
3. Communications between the independent directors, the Company's chief internal auditor and CPAs.

(1) The communication approach between the independent directors, the Company's chief internal auditor and CPAs
The Company maintains direct communication channels with its independent directors, internal audit managers, and certifying accountants in accordance with the regulations of the competent authorities; it periodically audits the Company's finances, operations, and status, and communicates directly with the management and governance units.

1. The Chief Internal Auditor communicates the result of the audit reports to the members of the Audit Committee periodically. Should the urgency of the matter require it, he/she will instantly inform the members of the Audit Committee. No aforementioned special condition was found during FY2024. The communication channel between the Audit Committee and the Chief Internal Auditor has been functioning well.
2. The certifying accountant of The Company fully communicates with the independent directors in writing or face-to-face about their audit or review scope and findings and attends audit committee and board meetings to provide related opinions. If there are unusual circumstances, they will report to the audit committee members immediately. There were no such unusual circumstances in 2024.

(2) The independent directors and the internal audit managerial officer maintain excellent communication channels and the independent directors have no further suggestions. Summaries of the communication in the year 2024 are as follows:

Date	Communication Method	Motion
March 6, 2024	Board of Directors	The Q4 2023 Audit Report – Audit Deficiencies Summary and Follow-up Report
March 6, 2024	Audit Committee	The 2023 "Internal Control System Effectiveness Assessment" and "Statement of Internal Control System"
May 8, 2024	Board of Directors	The Q1 2024 Audit Report – Audit Deficiencies Summary and Follow-up Report
August 7, 2024	Board of Directors	The Q2 2024 Audit Report – Audit Deficiencies Summary and Follow-up Report
November 6, 2024	Board of Directors	The Q3 2024 Audit Report – Audit Deficiencies Summary and Follow-up Report
March 13, 2025	Board of Directors	The Q4 2024 Audit Report – – Audit Deficiencies Summary and Follow-up Report
March 13, 2025	Audit Committee	The 2024 "Internal Control System Effectiveness Assessment" and "Statement of Internal Control System"
May 7, 2025	Board of Directors	The Q1 2025 Audit Report – Audit Deficiencies Summary and Follow-up Report

Note 1. Where a specific independent director may be relieved from duties before the end of the fiscal year, specify the date of discharge in the "Remark" section. Actual attendance rate (%) was calculated based on the number of board meetings held during each director's term and the number of meetings actually attended by that director.

Note 2. Where a reelection may be held for filling the vacancies of independent directors before the end of the fiscal year, list out both the new and the discharged independent directors, and specify if they are the former independent directors, or newly elected, re-elected and the date of the reelection in the "Remark" section. Actual attendance rate (%) was calculated on the basis of the number of meetings held by the audit committee during each independent director's term and the number of meetings actually attended by that independent director.

(III) Corporate Governance Implementation, Its Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and the Corresponding Reasons:

Evaluation Item	Implementation (Note 1)			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary	
I. Does the Company establish and disclose the Corporate Governance Best-Practice Principles based on "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"?	✓		The Company has established a "Corporate Governance Best Practice Principles" and has also set up an "Investor Relations/Corporate Governance/Key Corporate Rules" section on the Company website to fully disclose the information on its corporate governance.	No material deviation.
II. Shareholding structure & shareholders' rights (I) Does the Company establish an internal operating procedure to deal with shareholders' suggestions, doubts, disputes and litigations, and implement based on the procedure?	✓		The Company has implemented a spokesperson system and designated a dedicated individual to appropriately handle relevant inquiries.	No material deviation.
(II) Does the Company possess the list of its major shareholders as well as the ultimate owners of those shares?	✓		A shareholder roster is maintained to keep track of the major shareholders who have actual control of the Company at all times.	No material deviation.
(III) Does the Company establish and execute the risk management and firewall system within its conglomerate structure?	✓		Transactions with affiliated companies are all conducted in accordance with applicable laws and regulations as well as the Company's internal control system.	No material deviation.
(IV) Does the Company establish internal rules against insiders trading with undisclosed information?	✓		The Company has established the "Insider Trading Prevention Procedures", which includes the "Procedures for Handling Material Internal Information", serving as a behavioral guideline for the Company's directors, managerial official officers, and employees.	No material deviation.
III. Composition and Responsibilities of the Board of Directors (I) Does the Board develop and implement a diversified policy for the composition of its members?	✓		Given the nature of this industry and our vision, the Company has constituted a Board of Directors with a diverse array of talents and experiences, including professionals with backgrounds in real estate appraisal, architecture, land administration, finance, law, and aesthetics.	No material deviation.
(II) Does the Company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?	✓		The Company has set up the Remuneration Committee and an Audit Committee.	No material deviation.
(III) Does the Company establish a standard to measure the performance of the Board and implement it annually, and are performance evaluation results submitted to the Board of Directors and referenced when determining the remuneration of individual directors and nominations for reelection?	✓		The Company has established the Board Performance Evaluation Policies and conducts performance evaluations before the first board meeting every year. The performance evaluation results for 2024 were approved by a resolution of the board meeting on March 13, 2025, and are employed as references for compensation and reappointment.	No material deviation.
(IV) Does the Company regularly evaluate the independence of CPAs?	✓		Following "Integrity, Objectivity and Independence "of Bulletin No.10 of The Norm of Professional Ethics for Certified Public Accountant of the Republic of China", the Company has established a CPAs Independence Evaluation Form and obtained an independence statement issued by a CPA. The Board of Directors assesses the independence of the certifying CPA every year. The independence assessment for 2024 was approved by a resolution of the Board of the Directors on March 13, 2025.	No material deviation.
IV. Does the Company appoint a suitable number of competent personnel and a supervisor responsible for corporate governance matters (including but not limited to providing information for directors and supervisors to perform their functions, assisting directors and supervisors with compliance, handling work related to meetings of the board of directors and the shareholders' meetings, and producing minutes of board meetings and shareholders' meetings)?	✓		The board meeting of the Company on February 23, 2022, approved the appointment of Chih-Hao Hsu as the Corporate Governance Supervisor – Special Assistant to the President.	No material deviation.
V. Does the Company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?	✓		He is responsible for handling corporate governance-related business, including providing directors with the necessary information for executing business, handling matters related to board and shareholder meetings, and producing the minutes of board and shareholder meetings.	No material deviation.
VI. Does the Company appoint a professional shareholder service agency to deal with shareholder affairs?	✓		Stakeholders can promptly obtain the Company's operation information through Market Observation Post System or the Company website. The Company has designated a spokesperson and deputy spokesperson as the external communication channels for the Company.	No material deviation.
VII. Information Disclosure (I) Does the Company have a corporate website to disclose both financial standings	✓		The Company has appointed Grand Fortune Securities Co. Ltd. for matters related to the shareholders' meeting.	No material deviation.

Evaluation Item	Implementation (Note 1)			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary	
and the status of corporate governance?				
(II) Does the Company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)?	✓		The Company have designated a dedicated individual to collect and disclose company information and have implemented a spokesperson system in accordance with regulations. All relevant information is publicly accessible on the Company website. All information which should be publicly available is disclosed on the specified website.	No material deviation.
(III) Does the Company announce and report annual financial statements within two months after the end of each fiscal year, and announce and report Q1, Q2, and Q3 financial statements, as well as monthly operation results, before the prescribed time limit?		✓	Up to now, the Company has always published the annual financial statements, as well as financial statements for Q1, Q2, and Q3, along with monthly operational status reports before the prescribed deadlines	Under prudent assessment.
VIII. Is there any other important information to facilitate a better understanding of the Company's corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?	✓		1. Employee Behavior or Ethical Guidelines The Company has established "Employee Service Regulations" as employee's guide and regulations for duty performance, which are disclosed on the Company's internal public website for all employees' reference at any time. An internal control system and various rules and procedures have been also developed to handle employee rights in accordance with the Labor Standards Act and relevant laws, and a Welfare Committee has been established to extend a plethora of assistance and activities. The Employee Service Regulations Include (1) Code of Conduct, (2) Service Hours, (3) Appointment and Dismissal, (4) Guarantee, (5) Attendance, (6) Leave of Absence, (7) Business Travel, (8) Duty, (9) Overtime, (10) Relocation, (11) Termination, and (12) Rewards and Penalties. 2. Investor Relations In addition to focusing on the core business, the Company is also dedicated to enhancing social responsibility awareness, implementing product quality management to render customers with quality products and incessantly improving customer satisfaction, achieving its goal of sustainable business operation, and in turn giving back to society and investors. We are able to maintain a pleasant interactive relationship with suppliers, customers, financial institutions, or shareholders. For details, please refer to the " Fulfillment of Sustainable Development " in this Annual Report (Pages 18-19). 3. Relationship with Suppliers and the Rights of Stakeholders The Company has established the "Procedures for Financial Operation with Group Enterprises, Specific Companies and Related Parties" to protect the rights and interests of the Company and stakeholders. Moreover, the Company signs procurement contracts with all suppliers to clearly define the cooperation relationship between the buyer and the seller and protect the legal rights of both parties. 4. Training of Directors In addition to the training and study for directors stipulated by regulations, to further promote corporate governance, we also regularly arrange for directors and managerial officers to participate in financial, internal control, legal and business-related training courses on corporate governance. 5. Risk Management Policies and Risk Measurement Standards: Please refer to the " Analysis of Risk Management " in this Annual Report (Page 52). 6. Customer Policy Execution The Company strictly complies with the contracts and relevant regulations signed with clients to ensure the related rights of clients. Post-sale service of products is provided by a dedicated unit to ensure that relevant policies are thoroughly executed. 7. The Company's Purchase of Liability Insurance for Directors The Company amended the Company's Articles of Incorporation to specify in Article 13-2 that the Company may purchase liability insurance for directors and supervisors for the compensation liability that they should bear by law within the scope of their duties during their term of office, following a resolution passed by the Year 2008 Shareholder's Ordinary Meeting. Currently, the Company has purchased the Director and Managerial Officer Liability Insurance for its directors and managerial	No material deviation.

Evaluation Item	Implementation (Note 1)			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary	
			officers in accordance with the Articles of Incorporation to transfer the risk caused by the negligence or misconduct of directors and managerial officers. 8. Financial Transparency Personnel: The following personnel have obtained the relevant licenses specified by the competent authority: R.O.C Certified Public Accountant: Chih-Hao Hsu, Corporate Governance Supervisor and You-Fan Gu, Independent Director. R.O.C Internal Auditor: Chih-Hao Hsu, Corporate Governance Supervisor, and Ching-Yu Yuen, Audit Director.	

IX. Please elaborate on the improvements which have been made in accordance with the results of the Corporate Governance Evaluation System released by the Corporate Governance Center, Taiwan Stock Exchange in the most recent year, and propose priorities and measures for those not yet improved (Companies not among the evaluated companies do no need to fill this field).

The results of the 10th Corporate Governance Evaluation put the Company in the 66%-80% percentile in the TPEx Group with a score of 45.23. Explanations for areas in which we failed to score are as follows:

Improved Areas:

1. Item 1.1: Did the company report at the AGM the remuneration received by directors, including the remuneration policy, the content and amount of individual remuneration?
   →The Company already reported this at the shareholders' meeting held on June 23, 2024. Please refer to Report No. 4 ("Director Remuneration Report for the Fiscal Year 2023") in the Handbook for the Annual Shareholders' Meeting.
2. Item 1.2: Has the company adopted written rules for the procedures for financial and business operations between the company and related parties, the content of which should include procedures for managing transactions such as purchase and sale, acquisition or disposal of assets, etc., and the requirement that material transactions be approved by the board and approved by or reported at the shareholders' meeting?
   →The Company established written rules on July 1, 2012. Please refer to the Company's official website under: Investors > Corporate Governance > Corporate Governance Related Rules > Regulations for Related Party Transactions.
3. Item 1.15: Did the company adopt bylaws prohibiting insiders, including directors and employees, from using information not publicly disclosed in the market to trade securities, with content including (but not limited to) a prohibition against directors trading the company's stock during a blackout period of 30 days before the publication of the company's annual financial report and 15 days before the publication of each quarterly financial report, and were those bylaws and the status of their implementation disclosed on the company's website?
   →The Company established the Procedures for the Prevention of Insider Trading on May 21, 2009. Please refer to the Company's official website under: Investors > Corporate Governance > Corporate Governance Related Rules.
4. Item 1.18: Did the company record in the AGM minutes the important contents of shareholders' questions and the company's replies?
   →The meeting minutes of the shareholders' meeting held on June 26, 2024, include the shareholders' questions and the Company's responses.
5. Item 1.19: Was the company's shareholders' meeting broadcast live online or was an uninterrupted audio and video recording of the entire proceedings uploaded after the shareholders' meeting?
   →After the shareholders' meeting held on June 21, 2023, the Company uploaded the full recording with uninterrupted sound and video. Please refer to the Company's official website under: Investors > Corporate Governance > Shareholders' Rights and Interests > Videos of Shareholders' Meetings.
6. Item 2.13: Did the members of the Remuneration Committee each attend at least two Committee meetings a year, and disclose information such as regarding their periodical reviews of the policies, systems, standards, and structure for the performance assessment and remuneration of the directors and managerial officers?
   →The Company's 2022 Annual Report has already disclosed the operations of the Remuneration Committee (p. 18) and its important resolutions (p. 24). The 2023 Annual Report has disclosed the operations of the Remuneration Committee (p. 19) and its important resolutions (p. 25).
7. Item 2.17: Did the board regularly (at least once a year) refer to the Audit Quality Indicators (AQIs) to review the independence and suitability of the external auditors and fully and accurately disclose the assessment procedures in the annual report?
   →The Company's 2022 Annual Report (p. 23) has already disclosed important resolutions of the Board of Directors, including "Discussion on Proposal 5" (February 23, 2023) and the "Assessment of the CPAs' Independence and Suitability" (based on the AQIs). The 2023 Annual Report (p. 24) disclosed important resolutions, including "Discussion on Proposal 6" (March 6, 2024) and the "Assessment of the CPAs' Independence and Suitability" (based on the AQIs).
8. Item 2.18: Did the company carry out regular annual assessment of the performance of its functional committees (including at least the Audit Committee and Remuneration Committee), and disclose the implementation status and assessment results on the company's website or in its annual report?
   →The Company's 2022 Annual Report already disclosed the implementation of the evaluation of the functional committees (p. 12). The 2023 Annual Report also disclosed the implementation of the evaluation of the functional committees (p. 12).

Evaluation Item	Implementation (Note 1)			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary	

9. Item 3.2: Did the Company disclose material information in English and Chinese at the same time?
→Starting from 2024, the Company will disclose material information in English and Chinese at the same time .
10. Item 3.17: Did the Company website disclose information related to the company's A finances, business and corporate governance?
→The Company's official website was revamped on July 28, 2022. Home/ Investor/ Financial Information, Corporate Governance, Shareholders' Interests and Rights; and Home/ Buy House.
11. Item 4.14: Did the Company disclose on its website or in its annual report the identities, issues of concern to, channels of communication with, and means for responding to, stakeholders that it has identified? [If the Company regularly reported the status of communication with its various stakeholders to the board, one additional point will be added to the total score.]
→The said information has been disclosed in the Company's website/ Investor/ Financial Information/ Stakeholders.
12. Item 4.15: Did the Company disclose on its website or in its annual report its ethical corporate management policy passed by its Board of Directors, expressly prescribing its specific ethical management practices and its programs to prevent unethical conduct, and specify the status of implementation?
→ They have been disclosed in the 'Corporate Website/ Investors/ Corporate Governance/Corporate Governance Relevant Regulations' section.

Not Yet Improved Areas

1. Item 2.2: Did the company adopt a board diversity policy and disclose the specific management objectives as well as the status of implementation of the diversity policy on the company's website and in the annual report?
→ The disclosures are planned to be made in the Company's annual report and on its website.
2. Item 2.21: Did the company's Corporate Secretary serve full-time and exclusively in that capacity and has the company disclosed on its website and in its annual report the scope of the Corporate Secretary's authority and the status of the Corporate Secretary's continuing education?
→ The Company's Special Assistant to the Chairman concurrently serves as the Corporate Governance Officer. The 2022 Annual Report disclosed the Corporate Governance Officer's training activities (p. 13) and scope of responsibilities (p. 15). The 2023 Annual Report also disclosed the Corporate Governance Officer's training activities (p. 13) and scope of responsibilities (p. 15). The Company plans to disclose the Corporate Governance Officer's scope of responsibilities and training activities on the official website.
3. Item 2.24: Has the Company established an information security risk management framework, adopted information security policies and concrete management programs, and invested in resources for information security management? Did it furthermore disclose these on the Company's website or in its annual report? [If the Company has adopted information security system standards ISO27001, CNS27001, or other systems or standards of equal or greater effect, and furthermore has obtained third-party certification, one additional point will be added to the total score.]
→Disclosures are planned to be made in the company's annual report and on its website
4. Item 4.10: Did the company disclose on its website and in its annual report the measures it takes to provide its employees with personal security and a safe working environment and the implementation thereof?
→Disclosures are planned to be made in the company's annual report and on its website.

Note: Regardless of whether the evaluation item is achieved or not, the Company shall state an appropriate explanation.

(IV) Composition, Duties and Operations of the Remuneration Committee:

5. Information on Members of Remuneration Committee

Identity (Condition)	Name	Eligibility and Experience	Independence	Number of Other Public Companies where the Individual is Concurrently Serving as a Remuneration Committee Member
Independent Director	Ching-Chyuan Soong	Note	Note	0
Independent Director	Ming-Tau Fang	Note	Note	2
Independent Director	Wei-Zen Chen	Note	Note	0

Note: For independent directors, please refer to Appendix 1- Background of directors (1) on Page 6 .

2. Information on the operation of the Remuneration Committee
   (1) There are 3 members in the Remuneration Committee.
   (2) The term of office of the current committee members: August 2, 2023 to June 20, 2026, member's eligibilities and attendance

   A total of 3 (A) Remuneration Committee meetings were held in FY2024 and the current year until the publication date of this annual report. The attendance record of the Remuneration Committee members was as follows:

Title	Name	Attendance in Person(B)	By Proxy	Attendance Rate (%) 【B/A】(Note 1)	Remarks
Convener	Ming-Tau Fang	3	0	100%	Re-appointed Re-appointment date: 08.02.2023
Committee Member	Ching-Chyuan Soong	3	0	100%	Re-appointed Re-appointment date: 08.02.2023
Committee Member	Wei-Zen Chen	3	0	100%	Re-appointed Re-appointment date: 08.02.2023
Other required disclosure: 1. If the Board of Directors declines to adopt or modifies a recommendation of the remuneration committee, it should specify the date of the meeting, session, content of the motion, resolution by the Board of Directors, and the Company's response to the remuneration committee's opinion (e.g., the remuneration passed by the Board of Directors exceeds the recommendation of the remuneration committee, the circumstances and cause for the difference shall be specified)。 2. For resolutions of the Remuneration Committee objected to by members or expressed reservations and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified.					

Note: (1) The resignation date shall be specified for any member of the Remuneration Committee who resigns before the end of the fiscal year. The actual attendance rate (%) shall be calculated based on the number of Remuneration Committee meetings held and the number of meetings actually attended during each member's term.

(2) If a re-election of Remuneration Committee members takes place before the end of the fiscal year, members of both the previous and current Remuneration Committees shall be listed. In such cases, the note column shall specify the re-election date and whether each member belongs to the previous term, the new term, or both. The actual attendance rate (%) shall be calculated based on the number of Remuneration Committee meetings held and the number of meetings actually attended during each member's term.

3. Duties of the Remuneration Committee

   The duties of the Remuneration Committee are as follows:
   (1) Proposes the overall remuneration policy and structure of The Company and its subsidiaries.
   (2) Proposes the remuneration of directors and supervisors (including the Chairperson) of The Company and its subsidiaries.
   (3) Proposes the remuneration of managerial officers (including the President) of The Company and its subsidiaries.
   (4) Other matters to be discussed by the Board of Directors.

(V) Fulfillment of Sustainable Development

Fulfillment of Sustainable Development, Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Their Reasons

Evaluation Item	Implementation (Note 1)			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary	
I. Does the Company assess ESG risks associated with its operations based on the principle of materiality, and establish related risk management policies or strategies?		✓	The Company does not maintain a dedicated (or multi-tasking) entity for propelling sustainable growth. The President's Office is tasked with advocating and executing sustainable development and bears the responsibility of reporting to the Board of Directors.	Under prudent assessment.
II. Does the Company establish exclusively (or concurrently) dedicated first-line managers authorized by the board to be in charge of proposing the corporate social responsibility policies and reporting to the board? (Note 2)		✓	The Company has not performed risk assessments in respect of environmental, social, and corporate governance (ESG) issues associated with company operations, nor has it instituted correlated risk management guidelines or strategies.	Under prudent assessment.
III. Environmental issues (I) Does the Company establish proper environmental management systems based on the characteristics of their industries?		✓	The Company is committed to its principal operations and has not instituted a codified environmental management system.	Under prudent assessment.
(II) Does the Company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment?	✓		We collaborate with suppliers on environmentally cognizant and energy-efficient construction methodologies, endorsing the notion of "Green Building" for energy conservation and environmental preservation in new construction instances.	No material deviation.
(III) Does the Company evaluate the potential risks and opportunities in climate change with regard to the present and future of its business, and take appropriate action to counter climate change issues?		✓	The Company has not evaluated the prospective risks and opportunities posed by climate alteration to the Company at present and in the future.	Under prudent assessment.
(IV) Does the Company take inventory of its greenhouse gas emissions, water consumption, and total weight of waste in the last two years, and implement policies on energy efficiency and carbon dioxide reduction, greenhouse gas reduction, water reduction, or waste management?		✓	Albeit the Company has not formulated strategies for energy conservation, carbon reduction, and greenhouse gas diminution, in order to actualize environmental protection initiatives, conserve various resources, the Company propels the environmental protection movement and adheres to pertinent environmental regulations.	Under prudent assessment.
IV. Social issues (I) Does the Company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?		✓	The Company has instituted "Employee Service Regulations " in adherence with the Labor Standards Act and correlated laws and regulations.	No material deviation.
(II) Does the Company have reasonable employee benefit measures (including salaries, leave, and other benefits), and do business performance or results reflect on employee salaries?		✓	Although the Company has established a reasonable salary and compensation policy, it has not combined the employee performance appraisal system with operational performance or results.	Under prudent assessment.
(III) Does the Company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	✓		Engineering safety and health operations are available and handled according to labor safety and health regulations by contract manufacturers as per the contract. Site safety is managed by contract manufacturers in line with labor safety and health regulations.	No material deviation.
(IV) Does the Company provide its employees with career development and training sessions?		✓	The Company has not devised an effective training plan on career capability development for employees.	Under prudent assessment.
(V) Do the Company's products and services comply with relevant laws and international standards in relation to customer health and safety, customer privacy, and marketing and labeling of products and services, and are relevant consumer protection and grievance procedure policies implemented?	✓		The formulation of real estate sales contracts is in accordance with relevant laws and regulations, and after-sales service operations have been established. "Customer satisfaction" is regarded as a business goal. In order to achieve this goal, in addition to paying attention to product quality and actively responding to customer complaints, the Company also prepares a complaint mailbox for customers, consumers, suppliers, etc.	No material deviation.
(VI) Does the Company implement supplier management policies, requiring suppliers to observe relevant regulations on environmental protection, occupational health and safety, or labor and human rights? If so, describe the results?		✓	The contracts with our major suppliers currently do not include issues such as environmental protection, occupational safety and health, or labor rights in accordance with relevant regulations.	Under prudent assessment.
V. Does the Company reference internationally accepted reporting standards or guidelines, and prepare reports that disclose non-financial information of the Company, such as corporate social responsibility reports? Do the reports above obtain assurance from a third-party verification unit?		✓	The Company has not compiled a CSR report.	Under prudent assessment.
VI. Describe the difference, if any, between actual practice and the corporate social responsibility principles, if the Company has implemented such principles based on the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies: ：Under prudent assessment.				
VII. Other useful information for explaining the status of corporate social responsibility practices: 1. The Company is dedicated to its core business, and, in order to promote the environmental protection movement, conserves various types of resources, and complies with various related environmental regulations. The Company operates within a low-pollution industry, and there have been no environmental pollution incidents, but the Company still fulfills its social responsibility to protect the environment.				

Evaluation Item	Implementation (Note 1)			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary	
2. In order to safeguard the rights and interests of shareholders, the Company has established " Insider Trading Prevention Procedures " to avoid improper leakage of information and ensure the consistency and accuracy of the information externally released by the Company. We hope to more effectively establish a corporate governance system of the Board of Directors and enhance supervisory functions. 3. The Company participates in community development and charity activities through business activities, physical donations, corporate volunteer services, or other free professional services. · In 2024, maintenance works continued on the adopted flowerbeds along Zhongyuan Road and Jilin Road in Zhongli Industrial Park. · In 2024, continued the greening project for pedestrian islands on Zhongyuan Road within Zhongli Industrial Park in Zhongli District, Taoyuan City. ·In 2024, completed road maintenance, asphalt repaving, and cleaning of roadside gutters along No. 8 to No. 18, Section 1, Jincheng Road, Tucheng District, New Taipei City. ·In 2024, completed road maintenance and asphalt repaving along No. 49 to No. 61, Zhongyi Road, Tucheng District, New Taipei City. ·In February 2024, a red envelope containing NTD 30,000 was donated to the Genesis Social Welfare Foundation for the year-end party for impoverished individuals. ·In March 2024, collaborated with the Department of Sculpture at National Taiwan University of Arts by signing a scholarship sponsorship contract totaling NTD 1,000,000 over a period of three years. In April 2024, donated scholarships and event sponsorships amounting to NTD 334,000. · In July 2024, sponsored NTD 100,000 for the 2024 High Summer event held at Tamsui Fisherman's Wharf. · In November 2024, sponsored NTD 50,000 for the charity performance "2024 Dance with Love and Peace". · In November 2024, sponsored 200 gifts to support the blood donation activity at Zhongli Industrial Zone. · In February 2025, signed a contract for an industry-academia cooperation plan with Vanung University of Science and Technology. The project is titled "Network Intrusion Detection Model Design", with a duration of 10 months and a total budget of NTD 300,000.				

Note 1：If "Yes" is checked under implementation, please describe the key policies, strategies, and measures and results adopted. If "No" is checked under implementation, please give reasons and describe relevant strategies and measures to be adopted in the future.

Note 2：The materiality principle refers to environmental, social, or corporate governance issues that have a material impact on the investors or other stakeholders of the Company.

(VI) Fulfillment of Ethical Corporate Management:

Fulfillment of Ethical Corporate Management, Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Their Reasons

Evaluation Item	Implementation (Note 1)			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Summary	
I. Establishment of ethical corporate management policies and programs (I) Does the Company have a Board-approved ethical corporate management policy and stated in its regulations and external correspondence the ethical corporate management policy and practices, as well as the active commitment of the Board of Directors and management towards enforcement of such policy?	✓		The Company has set an " Ethical Corporate Management Best Practice Principles", as well as "Ethical Behavior Guidelines for Directors, Supervisors, and Managerial officers". We demand that all directors, supervisors, managerial officers, and employees conduct business in an objective and efficient manner, and not exploit their positions to bring undue benefits to themselves, their spouses or relatives within two degrees of kinship. We urge the legitimate use of company assets, avoiding any opportunity to seek personal or private interests because one's position, and avoiding any competitive behavior within the Company's scope of business for oneself or others.	No material deviation.
(II) Does the Company have mechanisms in place to assess the risk of unethical conduct, and perform regular analysis and assessment of business activities with higher risk of unethical conduct within the scope of business? Does the Company implement programs to prevent unethical conduct based on the above and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies?		✓	While we have yet to establish a program to prevent fraudulent behavior, we have set up an Illegality Reporting System and reinforce the importance of ethical operation during the training of new employees.	Under prudent assessment.
(III) Does the Company provide clearly the operating procedures, code of conduct, disciplinary actions, and appeal procedures in the programs against unethical conduct? Does the Company enforce the programs above effectively and perform regular reviews and amendments?		✓	The Company has not yet established operational procedures to prevent fraudulent activities; however, it has implemented the "Ethical Corporate Management Best Practice Principles", "Ethical Behavior Guidelines for Directors, Supervisors, and Managerial officers" and the ""Insider Trading Prevention Procedures" to manage material internal information, preventing improper disclosure, and ensuring the consistency and accuracy of information disclosed by the Company to the public.	Under prudent assessment.
II. Fulfill operations integrity policy (I) Does the Company evaluate business partners' ethical records and include ethics-related clauses in business contracts?	✓		The Company engages in business activities in a fair and transparent manner, ensuring the confidentiality of business data, and respects the business assets and intellectual property of our clients and partners.	No material deviation.
(II) Does the Company have a unit responsible for ethical corporate management on a full-time basis under the Board of Directors which reports the ethical corporate management policy and programs against unethical conduct		✓	The Company has not set up a dedicated (/ multi-tasking) unit under the Board of Directors to promote business integrity. The implementation and promotion of business integrity is carried out by the President's Office, which also bears an obligation to report to the Board of Directors.	Under prudent assessment.

Evaluation Item	Implementation (Note 1)			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Summary	
regularly (at least once a year) to the Board of Directors while overseeing such operations?				
(III) Does the Company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?		✓	The Company has not established policies to prevent conflicts of interest, but for relevant matters of conflicts of interest, staff can report to their immediate supervisor or directly to the President's Office.	Under prudent assessment.
(IV) Does the Company have effective accounting and internal control systems in place to implement ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit the systems accordingly to prevent unethical conduct, or hire outside accountants to perform the audits?		✓	The Company has established an accounting system and an internal control system. Auditing is carried out in accordance with the annual audit plan, with regular reviews and amendments to its effectiveness. Nonetheless, there has been no audit to prevent fraudulent behavior or commissioning of auditors to conduct audits.	Under prudent assessment.
(V) Does the Company regularly hold internal and external educational trainings on operational integrity?		✓	The Company does not regularly hold internal and external education and training on integrity management.	Under prudent assessment.
III. Operation of the integrity channel (I) Does the Company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up?	✓		The Company has established an "Illegality Reporting System", with the President's Office as its dedicated unit.	No material deviation.
(II) Does the Company have in place standard operating procedures for investigating accusation cases, as well as follow-up actions and relevant post-investigation confidentiality measures?	✓		The Company has established an "Illegality Reporting System", clearly defining the reporting channels and processing procedures.	No material deviation.
(III) Does the Company provide proper whistleblower protection?	✓		The Company has established an "Illegality Reporting System", clearly specifying that, when processing the reporting, it shall be declared in written that the identity of the whistleblower and the reported content shall be kept confidential, and the Company promises to protect the informant from being improperly treated due to the report.	No material deviation.
IV. strengthening information disclosure (I) Does the Company disclose its ethical corporate management policies and the results of its implementation on the Company's website and MOPS?		✓	The Company's website has disclosed the content of its integrity management code and the Company plans to disclose information on the implementation of integrity management on the Company's website in the future.	Under prudent assessment.
V. If the Company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies, please describe any discrepancy between the policies and their implementation: None.				
VI. Other important information to facilitate a better understanding of the Company's ethical corporate management policies (e.g., review and amend its policies): None.				

Note: Regardless of whether the evaluation item is achieved or not, the Company shall state an appropriate explanation.

(VII) Other important information which can enhance the understanding of the Company's governance operations:

1. The Company's Board of Directors has approved the establishment of functional committees such as the Remuneration Committee and Audit Committee and has also approved Mr. Chih-Hao Hsu to serve as the Corporate Governance Supervisor to assist the Board of Directors in the thorough execution of authority.
2. The Company adheres to legal amendments and takes into account environmental changes, timely revising various corporate governance regulations, which serve as a behavioral guideline for directors, managerial officers, and employees. We have established a "Corporate Governance" section on the Company's website to completely disclose corresponding procedures. Moreover, under the philosophy of sustainable business operations, the Company will continue to enhance its corporate governance operation from various perspectives, such as organizational structure, rules and regulations, and execution review.

(VIII) Disclosures Required for the Implementation of the Internal Control System:

1. Statement of Internal Control System

ReaLy Development & Construction Corp.
Statement of Internal Control System

Date: March 13, 2025

The following declaration has been made based on the 2024 self-assessment of the Company's internal control system:

1. The Company is aware that creation, implementation, and maintenance of internal control system are the responsibilities of its Board of Directors and management and has duly established such a system. The purpose of internal control system is to provide reasonable assurances concerning the outcome and efficiency of the Company's operations (including profitability, business performance, and asset security), the reliability, timeliness, and transparency of reported information, and compliance and accomplishment of relevant regulations and goals.
2. There are inherent limitations to even the most well-designed internal control system. As such, an effective internal control system can only reasonably assure the achievement of the three goals mentioned above. Furthermore, changes in the environment and circumstances may all affect the effectiveness of the internal control system. However, the internal control system of the Company features a self-monitoring mechanism that rectifies any deficiencies immediately upon discovery.
3. The Company evaluates the effectiveness of its internal control system design and execution using the criteria outlined in "Regulations Governing the Establishment of Internal Control Systems by Service Enterprises in Securities and Futures Markets" (hereinafter referred to as the "Regulations"). The criteria introduced by the "Regulations" consists of five major elements, each representing a different stage of internal control: 1. Control environment, 2. Risk assessment, 3. Control activities, 4. Information and communication, and 5. Monitoring activities. Each major element is further broken down into several sub-elements. Please refer to the "Regulations" for more details.
4. The Company has adopted the abovementioned criteria to validate the effectiveness of its internal control system design and execution.
5. Based on the assessment result in the preceding paragraph, the Company holds that the design and implementation of the Company's internal control system (including the supervision and management of subsidiaries and the overall implementation of information security) as of December 31, 2024 can provide reasonable assurance regarding the management understands the degree of achievement of operational effectiveness and efficiency objectives; the reporting is reliable, timely, and transparent and complies with applicable rules; and applicable laws, regulations, and bylaws have been complied with.
6. This statement constitutes part of the Company's annual report and prospectus and shall be disclosed to the public. Any illegal misrepresentation or concealment in the public statement above are subject to the legal consequences described in Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
7. This declaration was passed unanimously without objection by all 7 Directors present at the board meeting dated March 13, 2025.

ReaLy Development & Construction Corp.

Chairman: Teng-Chen Hsu (Signature)

President: Teng-Chen Hsu (Signature)

(XI) Important resolutions of shareholders' meeting, the Board of Director's meeting, and the functional committee's meeting in FY 2024 and the current year up to the publication date of the annual report:

1. Important resolutions of the 2024 shareholders' meeting

Date	Important Resolutions	Implementation
June 26, 2024	Ratification items 1. The Company's annual final accounting books and statements for 2023. 2. The Company's 2023 profit distribution plan.	It has been decided that August 5, 2024, will be the ex-dividend date, and cash dividends will be distributed on August 26, 2024.

2. **Important resolutions of the Board of Directors as of 2023 and the publication date of the annual report**

Date	Important Resolutions
Marc 6, 2024	Matters Discussed 1. The 2023 Director Remuneration Plan. 2. The 2023 Employee Remuneration and Year-End Bonus Distribution Plan for Managerial Officers. 3. Salary adjustments for the Company's managerial officers. 4. The 2023 Financial Statements. 5. The 2023 "Internal Control System Effectiveness Assessment" and "Statement of Internal Control System". 6. The evaluation on the independence and suitability of the Company's certified public accountants. 7. Appointment of the Company's CPAs for 2024. 8. Amendments to partial clauses of the "Articles of Incorporation" and "Shareholders Meeting Rules". 9. Amendments to partial clauses of the "Board of Directors Meeting Rules" and "Organization Rules of the Au Committee". 10. The renewal of banks' financing limit. 11. The decision on the date, location and agenda for the 2024 Shareholders' Meeting. 12. Acceptance of shareholders' written proposals.
May 8, 2024	Matters Discussed 1. The 2023 Business Reports. 2. The 2023 Profit Distribution Plan. 3. The Q1 2024 Financial Statements. 4. The Company's application for financing from Cathay United Bank due to operational turnover needs.
August 7, 2024	Matters Discussed 1. The Company's Q2 2024 Financial Statements 2. Addition of the "Operating Procedures Governing the Preparation and Verification of the Sustainability Report" and amendments to the "Procedures for the Prevention of Insider Trading" and "Operating Procedures for the Handling of Material Internal Information." 3. Approval of the Company's audit reports, annual audit plans and the implementation thereof, and the correction of any defects or irregularities discovered in the internal control systems. 4. Due to operating cash flow needs, the Company is required to apply for financing from the Xinya Branch of the First Bank.
November 6, 2024	Matters Discussed 1. The Company's 2024 Remuneration Distribution Plan for Directors, Managerial Officers, and Employees. 2. The Company's 2024 Year-End Bonus Distribution Plan for Managerial Officers. 3. The Company's Q3 2024 Financial Statements 4. Proposal for stablishing the general principles of the Company's pre-approval policy for Non-Assurance Services (NAS). 5. Establishment of the "Sustainable Information Management Rules". 6. The Company's 2025 Business Plan. 7. 2025 Annual Audit Plan.
March 13, 2025	Matters Discussed 1. The Company's 2024 Director Remuneration Plan. 2. The Company's 2024 Employee Remuneration and Year-End Bonus Distribution Plan for Managerial Officers. 3. The Company's 2024 Financial Statements. 4. The 2024 "Internal Control System Effectiveness Assessment" and "Statement of Internal Control System". 5. Evaluation of the Independence and Suitability of the Company's Certified Public Accountant based on Audit Quality Indicators (AQIs). 6. Appointment of the Company's CPAs for 2025. 7. Amendments to partial clauses of the "Articles of Incorporation". 8. Amendments to partial clauses of the "Salary Management Measures". 9. Proposal for Renewal of Bank Financing Limit. 10. Proposal to Set the Date, Venue, and Agenda for the 2025 Annual General Meeting of Shareholders. 11. Acceptance of Shareholders' Written Proposal.
May 7, 2025	Matters Discussed 1. The Company's 2024 Business Report. 2. The Company's 2024 Profit Distribution Plan 3. The Company's 2025 Q1 Financial Statements. 4. The Company's plan to seek guarantees and financing from Yushan Bank to support the working capital needs for the urban-renewal joint development project involving 18 land parcels, including Land No. 1611 in the Xinfeng Section of Xizhi District, New Taipei City.

3. **Important resolutions of the Remuneration Committee as of 2024 and the publication date of the annual report**

Date	Important Resolutions
March 6, 2024	: 1. The 2023 Employee and Director Remuneration Plan. 2. Remuneration distribution to directors for 2023. 3. Employee remuneration and managerial officer's year-end bonus distribution for 2023. 4. The managerial officer's salary adjustment.
November 6, 2024	Matters Discussed 1. The Company's 2024 Remuneration Distribution Plan for Directors, Managerial Officers, and Employees. 2. The Company's 2024 Year-End Bonus Distribution Plan for Managerial Officers.
March 13, 2025	Matters Discussed 1. The Company's 2024 Employee and Director Remuneration Plan. 2. The Company's 2024 Director Remuneration Distribution Plan. 3. The Company's 2024 Employee Remuneration and Year-End Bonus Distribution Plan for Managerial Officers.

4. **Important resolutions of the Audit Committee as of 2024 and the publication date of the annual report**

Date	Important Resolutions
March 6, 2024	1. The 2023 Financial Statement Plan. 2. The 2023 "Internal Control System Effectiveness Assessment" and " Statement of Internal Control System". 3. Evaluation of the Independence and Suitability of the Company's Certified Public Accountant based on Audit Quality Indicators (AQIs). 4 Appointment of the Company's CPAs for 2024. 5. Amendments to partial clauses of the "Articles of Incorporation" and "Shareholders Meeting Rules". 6. Amendments to partial clauses of the "Board of Directors Meeting Rules" and "Organization Rules of the Audit Committee".
May 8, 2024	1. The 2023 Business Reports. 2. The 2023 Profit Distribution Plan. 3. The Q1 2024 Financial Statements.
August 7, 2024	Matters Discussed 1. The Company's Q2 2024 Financial Statements. 2. Establishment of the "Operating Procedures Governing the Preparation and Verification of the Sustainability Report"; and Amendments to the "Procedures for the Prevention of Insider Trading" and "Operating Procedures for the Handling of Internal Material Information". 3. Approval of the Company's audit reports, annual audit plans and the implementation thereof, and the correction of any defects or irregularities discovered in the internal control systems.
November 6, 2024	Matters Discussed 1. The Company's Q3 2024 Financial Statements 2. Proposal for stablishing the general principles of the Company's pre-approval policy for Non-Assurance Services (NAS). 3. Establishment of the "Sustainable Information Management Rules".
March 13, 2025	Matters Discussed 1. The Company's 2024 Financial Statements. 2. The 2024 "Internal Control System Effectiveness Assessment" and "Statement of Internal Control System". 3. Evaluation of the Independence and Suitability of the Company's Certified Public Accountant. 4. Appointment of the Company's CPAs for 2025. 5. Amendments to partial clauses of the "Salary Management Measures".
May 7, 2025	Matters Discussed 1. The Company's 2024 Business Report. 2. The Company's 2024 Profit Distribution Plan 3. The Company's 2025 Q1 Financial Statements.

(X) Major Issues of Record or Written Statements Made by Any Director or Supervisor Dissenting to Important Resolutions Passed by the Board of Directors during FY2024 and the current fiscal year up to the publication date of this Annual Report: None.

IV. Certified Public Accountants' Audit Fee

Information on Certified Public Accountants' Audit Fee

Unit: NTD Thousand

Accounting Firm	Name of CPA	Period Covered by CPA's Audit	Audit Fee	Non-Audit Fee	Total	Remark
KPMG in Taiwan	Ya-Lin Chen	2024	1,714	437	2,151	
	Jia- JianTang					
	Other		0	330	330	

Non-audit Public Fees: NTD 767 Thousand
1.Transfer pricing report: NTD 250 thousand
2. Audit and certification of corporate income tax reporting: NTD 230 Thousand
3. Business tax certification: NTD 100 Thousand
4. Non-supervisor salary survey: NTD 20 thousand
5. Annual report review : NTD 167 thousand.

(I) If change of accounting firm and the audit fee of the changing year is less than previous year, the amount of audit fee respectively and the reason of change shall be disclosed: None.

(II) Any decrease in audit fees by more than 10% compared to the previous year: None.

V. Replacement of CPAs: None.

VI. Where the company's chairman, president, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm, the name and position of the person, and the period during which the position was held, shall be disclosed: None.

VII. Any transfer, pledge, or other change in equity interests by a director, supervisor, managerial officer, or a

shareholder holding more than 10 percent of the company's shares in 2024 and during the current fiscal year up to the date of publication of the annual report

Title	Name	FY2024		As of April 27, 2025	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairman	Reyea Realty Investment & Advisory Corp. Representative: Teng-Chen Hsu	-	-	-	-
Director	HyLin Investment Corp. Representative: Guo-Hao Shen	-	-	-	-
Director	Grand Sights Investment & Advisory Corp Representative: Han-Ru Hsu	-	-	-	-
Independent Director	Ching-Chyuan Soong	-	-	-	-
Independent Director	Ming-Tau Fang	-	-	-	-
Independent Director	Wei-Zen Chen	-	-	-	-
Independent Director	You-Fan Gu				
President	Teng-Chen Hsu	-	-	-	-
Sales Manager	Tsz-Wei Bai	-	-	-	-
Finance Manager	Hsiu-Chuan Lin	-	-	-	-
Corporate Governance Supervisor	Chih-Hao Hsu	-	-	-	-

(II) The counterparty in any transfer of equity interests is a related party: None.

(III) The counterparty in any pledge of equity interests is a related party: None.

VIII. Relationship information, if, among the Company's the 10 largest shareholders, any one is a related party, the spouse, or a relative within the second degree of kinship of another

Inter-relationship information among the 10-largest shareholders

April 27, 2025

Name	Current Shareholding		Spouse's/minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees		Remark
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Reyea Realty Investment & Advisory Corp.	21,578,809	21.58%	-	-	-	-	Han-Ru Hsu Chih-Hao Hsu Grand Sights Investment Zhiguan Investment	Children of the Representative Children of the Representative Representatives are father and son Same as the representative	
Representative of Reyea: Teng-Chen Hsu	198,494	0.20%	-	-	-	-	Han-Ru Hsu Chih-Hao Hsu Grand Sights Investment Zhiguan Investment	Father and son Father and son Representatives are father and son Representative	
HyLin Investment Corp.	12,579,518	12.58%	-	-	-	-	-		
HyLin Representative: Guo-Hao Shen	102,689	0.10%	834,754	0.83%	-	-	Yu-Chen Shen	Father and Daughter	
Grand Sights Investment & Advisory Corp	11,231,679	11.23%	-	-	-	-	Teng-Chen Hsu Chih-Hao Hsu Reyea Realty Zhiguan Investment	Representative is Father Representatives are brothers Representatives are father and son Representatives are father and son	
Representative of Grand Sights: Han-Ru Hsu	2,036,170	2.04%	20,000	0.02%	-	-	Teng-Chen Hsu Chih-Hao Hsu Reyea Realty Zhiguan Investment	Father and Son Brothers Representatives are father and son Representatives are father and son	
Chih-Hao Hsu	2,500,967	2.50%	62,494	0.06%	-	-	Teng-Chen Hsu Han-Ru Hsu Zhiguan Investment	Father and Son Brothers Representatives are father and son	
Zhiguan Investment Co., Ltd.	1,965,062	1.97%	-	-	-	-	Teng-Chen Hsu Han-Ru Hsu Chih-Hao Hsu	Representatives Representatives are father and son Representatives are father and son	
Han-Yu Hsieh	1,358,000	1.36%	-	-	-	-	-	-	
Chi-Chia Chen	1,266,000	1.27%	-	-	-	-	-	-	
Kuang-Hsiu Lin	1,151,696	1.15%	-	-	-	-	-	-	
Po-Jen Hsieh	1,102,000	1.10%	-	-	-	-	-	-	

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

Ratios of Total Shareholding

April 30, 2025

Affiliated Enterprises	Ownership by the Company		Direct or Indirect Ownership by Directors/Supervisors/Managerial officers		Total Ownership	
	Shares	%	Shares	Shares	%	Shares
YouZen Construction Corp.	5,000,000	100.00%	—	—	5,000,000	100.00%
Eastunion Development & Construction	16,560,000	36.36%	7,866,000	17.27%	24,426,000	53.63%

3. Information on Capital Raising Activities

I. Capital and Shares

(I) Source of Capital

1. Source of Shares

Unit: Thousand Shares, NTD Thousand

Month/ Year	Par Value (NTD)	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount	Shares	Amount	Sources of Capital	Capital Increased by Assets Other than Cash	Other
04.2001	10	3,600,000	36,000	3,600,000	36,000	Cash Capital Increase 36,000	–	Note 1
12.2002	10	7,200,000	72,000	7,200,000	72,000	Cash Capital Increase 36,000	–	Note 1
04.2004	10	50,000,000	500,000	31,200,000	312,000	–	Offsetting stock with stock funds 240,000	–
08.2006	10	50,000,000	500,000	35,880,000	358,800	Capitalized Earnings 46,800	–	Jin-Guan-Zheng-Yi-Zhi No.09501320232, dated 07.18.2006
07.2007	15	50,000,000	500,000	39,259,200	392,592	Cash Capital Increase 33,792	–	Jin-Guan-Zheng-Yi-Zhi No.0960034967, dated 07.09.2007
07.2007	10	50,000,000	500,000	45,000,000	450,000	Capitalized Earnings 57,408	–	07.09.2007, Jin-Guan-Zheng-Yi-Zhi No.0960034967, dated
08.2008	10	100,000,000	1,000,000	51,750,000	517,500	Capitalized Earnings 67,500	–	Jin-Guan-Zheng-Yi-Zhi No.0970041329, dated 08.14.2008
04.2009	13	100,000,000	1,000,000	56,750,000	567,500	Cash Capital Increase 50,000	–	Jin-Guan-Zheng-Yi-Zhi No.0980017870, dated 04.29.2009
07.2009	10	100,000,000	1,000,000	68,100,000	681,000	Capitalized Earnings 113,500	–	Jin-Guan-Zheng-Fa-Zhi No. 0980036528, dated 07.21, 2009
07.2012	10	100,000,000	1,000,000	71,505,000	715,050	Capitalized Earnings 34,050	–	MOEA Jin-Guan-Zheng-Fa-Zhi No. 101003135707, dated 16.2012
05.2013	10	100,000,000	1,000,000	72,892,232	728,922	Bond conversion 13,872	–	Approved by MOEA Letter Jing-Shou-Shang-Zi No.~~dated 10201096570, dated 05.23.2013
08.2013	10	100,000,000	1,000,000	75,826,076	758,260	Bond conversion 29,338	–	Approved by MOEA Letter Jing-Shou-Shang-Zi No.~~dated 10201167830, dated 08.16.2013
11.2013	10	100,000,000	1,000,000	76,609,879	766,098	Bond conversion 7,838	–	Approved by MOEA Letter Jing-Shou-Shang-Zi No.~~dated 10201229870 dated 11.11.2013
03.2014	10	100,000,000	1,000,000	82,731,524	827,315	Bond conversion 61,217	–	Approved by MOEA Letter Jing-Shou-Shang-Zi No.~~dated 10301045550, dated 03.19.2014
03.2017	10	100,000,000	1,000,000	84,786,213	847,862	Bond conversion 20,547	–	Approved by MOEA Letter Jing-Shou-Shang-Zi No. 10601031640, dated 03.13.2017
06.2017	10	100,000,000	1,000,000	97,381,229	973,812	Bond conversion 125,950	–	Approved by MOEA Letter Jing-Shou-Shang-Zi No. 10601065720, dated 06.02.2017
09.2018	10	150.000,000	1,500,000	100,000,000	1,000,000	Capitalized Earnings 26,188	–	Approved by MOEA Letter Jing-Shou-Shang-Zi No. 10701117570, dated 09.19.2018

Note 1: The Company was approved to issue stock public offering on September 29 2005, so there is no approval number from the Financial Supervisory Commission.

2. Type of Stock

Share Type	Authorized Capital			Remarks
	Issued Shares	Un-issued Shares	Total Shares	
Registered common shares	100,000,000	50,000,000	150,000,000	–

Shelf Registration: None

(II) List of Major Shareholders

Shareholders with a Stake of 5 Percent or Greater or Ranked in the Top 10 in Shareholding Percentage

April 27, 2025

Shareholding / Major Shareholder	Shareholding	Proportion (%)
Reyea Realty Investment & Advisory Corp.	21,578,809	21.58
HyLin Investment Corp.	12,579,518	12.58
Grand Sights Investment & Advisory Corp.	11,231,679	11.23
Chih-Hao Hsu	2,500,967	2.50
Han-Ru Hsu	2,036,170	2.04
Zhiguan Investment Co., Ltd.	1,965,062	1.97

Han-Yu Hsieh	1,358,000	1.36
Chi-Chia Chen	1,266,000	1.27
Kuang-Hsiu Lin	1,151,696	1.15
Po-Jen Hsieh	1,102,000	1.10

(III) Dividend Policy and Implementation

1. Dividend policies stipulated by Article of Incorporation

In consideration of operation growth, capital needs and the objectives of the financial structure, the Company shall distribute its earnings via cash dividend and stock dividend, where cash dividend shall not be less than 10% of the total distributable earnings.

2. Implementation

The Company's distributable earnings for 2023 amounted to NTD 526,190,660. The Board of Directors of the Company proposed on May 7, 2025 to distribute a cash dividend of NTD 100,000,000, which means a cash dividend of NTD 1 per share.

(IV) Impact of Stock Dividend Distribution to Be Approved by Shareholders' Meeting on Business Performance and EPS:

Year / Item		2025 (Estimated)
Paid-in Capital, Beginning (in NTD Thousand)		1,000,000
Current Dividend	Cash Dividend Per Share	Distribution to be resolved
	Capitalized Earnings Per Dividend Share	
	Shares allotted as Capitalization of Capital Reserve	
Change to Business Performance		Note 1
Hypothetic EPS and Cost/Profit Ratio		Note 1

Note 1: There is no public financial forecast for 2025, so there is no need to disclose forecast for 2025.

(V) Profit-sharing compensation of Employees, Directors and Supervisors

1. The percentages or ranges with respect to employee, director, and supervisor profit-sharing compensation, as set forth in the Company's Articles of Incorporation

When achieving a profit for the year, the Company should set aside not less than one percent for employee compensation and not more than two percent for director remuneration. However, the Company shall reserve a sufficient amount to offset its accumulated losses, if any, before it calculates appropriated amounts based on its remaining balance.

The aforementioned employee remuneration can be distributed by means of stock or cash, and the recipients may include employees of subsidiaries who meet certain criteria.

If the Company reports earnings in its annual financial statements, the Company shall reserve the income taxes to be paid, offset its losses, set aside a legal capital reserve at 10%, then provide or reverse a special capital reserve in accordance with relevant laws or regulations or as requested by the authorities in charge. If any earnings remain, with accumulated undistributed earnings, the Board of Directors shall propose distribution of earnings via stock or cash dividend and submit the proposal to shareholders' meeting for the resolution.

2. The basis for estimating the amount of employee, director, and supervisor compensation, for calculating the number of shares to be distributed as employee compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period

The Company calculates the estimated employee remuneration and director remuneration for 2024 as NTD 848 thousand by multiplying the pretax net profit of the current period by the distribution rate of 1% for employee remuneration and 1% for director remuneration as set forth in the Company's Articles of Incorporation. The estimated employee remuneration and director remuneration for 2023 were both NTD 532 thousand. If the employee remuneration is distributed in the form of stocks, the calculation basis of the number of shares is based on the average price of the day before the Board of Directors' resolution, considering the effect of ex-rights and ex-dividends. If there is a difference between the estimated amount and the actual amount distributed as resolved by the Board of Directors afterwards, it will be regarded as a change in accounting estimates and will be listed as profit or loss in the year the Board of Directors makes the resolution.

3. Information on any approval by the Board of Directors of distribution of profit-sharing compensation

(1) If the amount of employee remuneration and director remuneration distributed in cash or stock differs from the estimated amount recognized in the expense year, the difference, reasons, and responsive measures should be disclosed:

The Company resolved at the Board Meeting on March 13, 2025, to distribute employee cash remuneration, stock remuneration, and director remuneration, for FY 2024, of NTD 848 thousand, 0, and 848 thousand, respectively, which is consistent with the amount of expense recognized in 2023, so there is no difference.

(2) The amount of any employee compensation distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income for the current period and total employee compensation:

The Company did not distribute employee remuneration by stock.

4. The actual distribution of employee, director, and supervisor profit-sharing compensation for the previous

fiscal year (with an indication of the number of shares, monetary amount, and stock price, of the shares distributed), and, if there is any discrepancy between the actual distribution and the recognized employee, director, or supervisor profit-sharing compensation, additionally the discrepancy, cause, and how it is treated.

Profit-Sharing Compensation to Employees and Directors

Unit: NTD

Item		Resolved in the shareholder's meeting on June 26, 2024	Actual distribution	Difference	Reason
Employee profit-sharing compensation	Cash	532,116	532,116	—	
	Stock	0	0	—	
Director profit-sharing compensation		532,116	532,116	—	

(VI) The Company's repurchase of the Company's shares: None。

II. Corporate Bonds (including Overseas Corporate Bonds):

(I) Issuance: None.

(II) Corporate bonds due within one year: None.

(III) Issuance of convertible corporate bonds: None.

III. Preferred Shares: None.

IV. Global Depository Receipts: None.

V. Employee Stock Warrants: None.

VI. Issuance of New Restricted Employee Shares: None.

VII. Status of New Shares Issuance in Connection with Mergers and Acquisitions: None.

VIII. Implementation of Capital Allocation Plans

(I) Financial Plans:

For the period as of the quarter preceding the date of publication of the annual report, with respect to each uncompleted public issue or private placement of securities, and to such issues and placements that were completed in the most recent 3 years but have not yet fully yielded the planned benefits, the annual report shall provide a detailed description of the plan for each such public issue and private placement. Such descriptions shall include any and all changes to the plan, the source of funds and the manner of their utilization, the reason(s) for any changes to the plan, the benefits yielded by the funds before and after any change to the plan, the date on which the change to the plan was reported at a shareholders' meeting, and the date on which such information was uploaded to the information disclosure website specified by the FSC: None.

(II) Implementation: Noe applicable.

4. An Overview of Operations

I. Business Content

(I) Business Scope

1. Main activities of the company include:
   (1) Development and leasing/selling of residential properties and apartment buildings.
   (2) Development and leasing/selling of industrial factories.
   (3) Development of designated professional zones.
   (4) Investment in the construction of public infrastructure.
   (5) Real estate agency and brokerage services.
   (6) Urban renewal and redevelopment.
   (7) Urban renewal project maintenance.
   (8) Apart from licensed operations, engaging in business activities permitted by laws and regulations.
   (9) Civil engineering and construction business.

2. Business Composition: The business revenue of the company is entirely derived from the development, construction, and leasing/selling of residential properties, apartment buildings, and industrial factories through commissioned contractors, accounting for 100% of the company's operating revenue.

3. Current product offerings of the company: Residential properties, commercial spaces, office spaces, and parking spaces, among others.

4. Planned development of new products: In addition to continuing to launch residential apartment buildings or detached villas in Taipei City, New Taipei City, Taoyuan City, and Keelung City, the company plans to develop mixed-use buildings and commercial office buildings in accordance with government policies on aging society and urban verticalization, as well as the development needs of the northern metropolitan area. Furthermore, considering the increasing demand for leisure facilities and real estate among the elderly population, the company is actively exploring the development and operation of leisure industries and retirement homes for senior citizens.

(II) Industry Overview

1. Current Situation and Development of the Industry:

The business operations of the company primarily involve commissioning contractors to construct residential complexes, commercial office buildings, office buildings with factories, and parking spaces for sale or lease. In terms of its business activities, the company operates in the real estate investment industry. The current state of the real estate investment industry is analyzed as follows:

The domestic real estate market has experienced a long period of recovery, although there have been occasional downturns and adjustments. Especially in emerging markets, the decline has been faster than expected, coupled with slow economic recovery in major economies, fluctuations in oil prices, and intensified financial market volatility, resulting in the global economy not reaching previous levels. While there were signs of recovery beginning in 2024, the real estate market continued to maintain stable sales prices despite unstable conditions caused by the U.S.-China trade war, the long-standing chill in cross-strait relations, the government's seventh round of selective credit control measures, changes in local elections and the political climate, and the aftermath of the 2024 presidential election. In 2024, the price negotiation rate in the domestic real estate market gradually decreased, leading to increased prices, transaction volumes, and sales rates. Many emerging areas are exhibiting signs of overheating. For example, while the growth in Taipei City, New Taipei City, and Keelung City is limited due to high volume, Taoyuan, Hsinchu, Taichung, Changhua, Nantou, Tainan, Kaohsiung and Pingtung are demonstrating outstanding performance. Meanwhile, countries around the world have successively expanded lending and implemented economic relief measures, resulting in abundant liquidity. Although interest rates have increased, they have not been enough to curb the sharp rise in stock and housing prices. This has further fueled inflation and created a seemingly prosperous real estate market flooded with capital. However, as the 2024 presidential and parliamentary elections heated up, the central bank launched credit control measures and stricter reviews for "New Youth Housing Loan". These measures have dealt another blow to the real estate market. Furthermore, driven by inflation, labor shortages and supply chain issues, the rising costs of building materials have pushed overall construction costs higher. Meanwhile, many landowners are also reluctant to sell or are raising prices, which has further limited the supply of land and raw materials. Combined with global inflation, these factors have contributed to the continued rise in housing prices.

Regarding the domestic real estate business environment, the market experienced notable fluctuations in 2024, characterized by a unique landscape of strong performance in the first half of the year and a slowdown in the second half. This distinctive trend was shaped by both the robust development of Taiwan's economy and government real estate policies. In 2024, Taiwan's economy performed exceptionally well, where the economic indicators showed continuous improvement starting in January, reaching the "yellow-red" signal light level in April and maintaining that level through October. During this period, economic momentum was even strong enough to reach the "red light" zone, indicating significant growth. According to statistics from the Taiwan Institute of Economic Research (TIER), Taiwan's economic expansion was driven by stable domestic supply and a gradual recovery in foreign trade. These factors helped fuel a booming real estate market in the first half of 2024. Furthermore, although all COVID-19 control measures were lifted and daily life largely returned to normal in 2024, the global economy continued to suffer from the pandemic's lingering effects. In Taiwan, domestic economic growth came under downward pressure, limiting the public's home-buying capacity. Meanwhile, traditional manufacturing and service industries faced challenges, and the number of workers on unpaid leave increased – both factors that further weakened overall consumer purchasing power. At the same time, the New Youth Housing Loan program launched in mid-2023 continued to play a supportive role in stimulating the real estate market. However, starting in August, the proportion of real estate-related loans issued by banks reached record highs, prompting major financial institutions to begin tightening mortgage conditions. The Central Bank also implemented a mortgage reduction directive, requesting banks to comprehensively lower the total amount of housing loans. As a result, banks proactively reduced loan-to-value ratios and raised mortgage interest rates. These measures not only curbed excessive market enthusiasm but also cooled speculative buying activity in the real estate sector. In the second half of September, the Central Bank launched the seventh round of selective credit control measures to further tighten liquidity in the housing market. These actions altered public expectations about future housing price increases and reinforced the market's shift to the landscape of "strong in the first half, subdued in the second half" in 2024. Therefore, tighter mortgage policies and the Central Bank's seventh round of selective credit control measures reshaped the overall landscape of Taiwan's real estate market. If this current market trend continues, the second half of 2024 may experience a contraction in transaction volume, and could potentially lead to a downward revision in real estate prices. However, if the Central Bank's intent with the seventh round of selective credit control measures is merely to curb speculation and halt the unnatural surge in housing prices, then prices are expected to remain stable, and the real estate market will return to fundamentals. As long as genuine demand for owner-occupied housing and long-term property investment persists, the real estate market will continue to receive support. In that case, total transaction volume in the housing market will likely maintain a reasonable level, while housing prices are expected to increase steadily.

In 2025, although the real estate market will continue to be affected to some extent by ongoing factors such as tightened bank mortgage policies and selective credit control measures, the exit of speculative buyers and a return to fundamental demand are expected to make Taiwan's real estate market healthier and more resilient. This shift will also provide positive momentum for related industries and contribute to the nation's overall economic development. Meanwhile, due to price fluctuations, inflation, and labor shortages, a decline in housing prices remains unlikely. Furthermore, with strong demand from end-users and the desire to hedge against the effects of inflation, there is limited room for prices to fall. Supported by this rigid demand, housing prices are unlikely to see significant downward movement despite broader economic pressures. Although instability following Trump's election as U.S. President may directly affect Taiwan's overall economy, it does not necessarily mean that Taiwan's real estate market will enter a downturn in 2025. Looking back at how the Central Bank implemented the seventh round of selective credit control measures in the second half of 2024 to curb real estate speculation, we can see that this move led Taiwan's real estate market to return to fundamental demand. Despite these regulatory efforts, overall transaction volume in the real estate market has remained at a relatively stable level. For example, transaction data from Yung-Ching Realty in November 2024 shows that some homeowners were willing to offer price concessions, which helped stimulate activity and bring transaction volume back up. It is still expected that the total real estate transaction volume in 2024 will show a 10% increase compared to 2023. This suggests that as long as Taiwan's economy continues to develop steadily and demand for owner-occupied housing and long-term property investment remains strong, the real estate market will remain supported. Moreover, with speculation being curbed by the seventh round of selective credit control measures, public expectations of continuously rising housing prices may be adjusted, preventing further unnatural price surges. As a result, a more stable housing price trend is anticipated.

Historical records show that the real estate industry experienced a mixed and uncertain trend in 2020. On the positive side, a 25 basis point interest rate cut in March 2020 brought rates to a historic low. By July of the same year, the Money in Banks (MIB) reached NTD 20.56 trillion, reflecting abundant liquidity. In the Q3 of 2023, over 40% of consumers believed that investing capital in real estate was a favorable option. Following this, the market entered the post-pandemic era, during which conditions shifted abruptly. Inflation became a widespread phenomenon, leading to a challenging economic environment and increased market uncertainty. Despite this, consumers generally regarded real estate as the most effective capital hedging tool. In 2022, although the world was still grappling with COVID-19, our government effectively controlled the pandemic, avoiding major outbreaks, economic recessions, or widespread business shutdowns. In 2020, the real estate market's transaction volume continued to grow, with momentum already on the rise. The land market also saw strong demand, as self-use buyers, construction firms, and life insurance companies entered the market, pushing prices toward historic highs. Overall, in 2023, the domestic real estate market and economic activity were supported by ample capital, ultra-low interest rates, and strong demand for investment and wealth preservation, resulting in increases in both prices and transaction volumes. The growth trend extended into 2024, but momentum weakened after the Central Bank implemented the seventh round of selective credit control measures. This policy shift significantly dampened the real estate market that year. At the start of 2024, the newly elected government had not yet assumed office, and the incoming president and cabinet had yet to articulate clear positions on real estate policy. Meanwhile, the outgoing caretaker administration was internally divided over housing issues, creating a leadership vacuum that contributed to a sharp and somewhat chaotic rise in the real estate market—almost as if there were no regulatory oversight in place. Concurrently, global geopolitical tensions escalated. The Russia-Ukraine war dragged on, the Israel-Hamas conflict intensified, and the Red Sea crisis – along with other international risks – spiraled out of control. These developments drove up petroleum and raw material prices significantly. Amid rising global energy and commodity costs, the government also announced plans to substantially increase electricity rates in April 2024. These challenges impacted not only major industrial sectors but also rippled across nearly all industries, fueling broad inflationary pressure. Moreover, the construction sector faced severe labor shortages and material supply constraints, making rising costs unavoidable. Construction companies were forced to raise prices in order to meet delivery deadlines and avoid breaching contracts. As a result, housing prices could only trend upward to reflect the increased cost burden.

As a result of ongoing mortgage tightening and the Central Bank's selective credit control measures, Taiwan's real estate market may face some pressure in 2025. However, the exit of speculative buyers and a return to fundamental demand are expected to make Taiwan's real estate market healthier and more resilient. This trend is undoubtedly positive for the general public, industry stakeholders, and the nation as a whole.

Regarding the international economic situation, the U.S.-China trade war is likely to persist and become normalized, making it difficult to return to pre-trade war conditions. Going forward, both major powers are expected to continue competing in areas such as tariffs, technology, and finance, potentially escalating trade tensions. Following the change in presidency and ruling party in the U.S. in 2024, President Trump's return to office has resulted in even greater pressure on China, which is likely to accelerate the reshoring of overseas

Taiwanese companies. As a result, the ongoing U.S.-China trade war, global supply chain shifts, and industrial transformation are expected to continue driving demand for commercial and industrial property, such as business-use factories and office buildings, in 2024.

Based on the analysis of the international situation, although President Trump repeatedly boasts about his ability to quickly end the Russia-Ukraine war, there are no signs of it stopping anytime soon. Moreover, the Israel-Hamas conflict erupted in the Gaza Strip in 2024, and unprovoked attacks by Yemen's Houthi group in the Red Sea have further accelerated inflation. In response to these situations, countries worldwide have successively raised interest rates and lowered their forecasts for annual economic growth. Meanwhile, President Trump from the U.S. New Party created a new issue of increasing tariffs based on the "America First Priorities" and "Make America Great Again" philosophy, which not only plunged the global economy into chaos but also fiercely shook the global supply chain, bond market, and petrol prices.

Based on the global macroeconomic outlook, the International Monetary Fund (IMF) proejcts that the global economic growth rate will reach 3.3% in 2025, representing a 0.1 percentage point increase compared to 2024. Meanwhile, global inflation is expected to decline from 5.7% in 2024 to 4.2% in 2025. Despite the resurgence of protectionism following President Trump's inauguration, which has brought renewed inflationary pressures and heightened uncertainty in global economic growth, the U.S. economy has been supported by strong private consumption, achieving an economic growth rate of 2.8% in 2024. In addition, the Trump administration's tax cuts and deregulation policies have helped maintain economic momentum. However, tariff hikes have significantly increased inflation risks. As for Taiwan, the economy experienced moderate growth in 2023, with GDP steadily increasing and reaching its peak in Q4. However, Taiwan's exports, after consecutive months of growth throughout most of 2023, continued to grow for three quarters before dropping to 1.14% in Q4, with an annual average growth rate of 3.03%. The Taiwan Institute of Economic Research forecasts that Taiwan's GDP growth will average 2.91% in 2025.

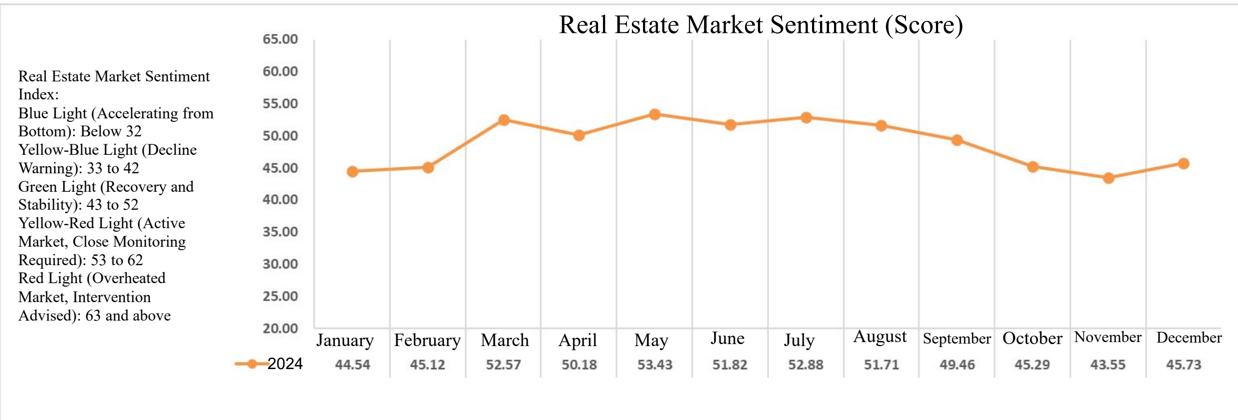
Regarding the overview of the domestic real estate market, following a prosperous period in 2019, both the volume of new project launches and transaction volumes steadily increased, alongside a consistent rise in overall sales rates. However, starting in early 2024, sellers began raising prices persistently to maintain substantial profit margins, leading to a lack of price concessions. At the same time, fluctuations in commodity prices, significant increases in construction costs, shortages of labor and raw materials, and the government's stringent anti-speculation measures caused some construction companies to delay new project launches, resulting in a decline in sales and transaction volumes. Nonetheless, this situation paradoxically stimulated heightened trading activity. In response to the significant domestic and international inflationary pressures driven by the escalating Russia-Ukraine conflict, moderate economic growth, and the stabilization of the real estate market, the government has implemented control measures to manage the credit risks of financial institutions related to real estate, reduced the capital flow into the real estate market, and increased interest rates. Moreover, the Executive Yuan also launched the seventh round of property market control policies and strictly enforced heavy penalties on speculative behavior under the loan repayment regulations. These measures have led to a pattern of strong sales early in 2024 followed by a decline later in the year. Furthermore, in 2023, local governments reached a consensus by starting to impose a vacant housing tax, which is expected to significantly curb real estate speculation. According to the Real Estate Index released by Cathay Real Estate in Q4 of 2023, national real estate prices remained stable while transaction volume increased. Although the number of new project launches declined by 10% - mainly due to the implementation of the Equalization of Land Rights Act and the presidential election - the transaction volume rebounded, driven by economic recovery, improved export performance, and a strong rally in the Taiwan stock market, resulting in a notably heated real estate market. However, following the inauguration of the new government on May 20, 2024, with officials still in the early stages of taking office, the market entered a period of limited policy intervention, leading to a sharp rise in housing prices. Subsequently, as the seventh round of property market control policies took effect, both new project launches and transaction volumes began to converge, and the market entered an adjustment phase in 2025. In 2025, commercial real estate also continues to demonstrate relatively strong performance in the investment market. This strength is primarily driven by growing demand for AI technologies and the export expansion of ITC (information and communication technology) products, which have prompted the manufacturing sector to actively acquire existing factories and expand office spaces. Notably, the trend of manufacturing firms increasing production for self-use, led by the technology industry, has concentrated on newly completed or pre-sale factory-office complexes to upgrade their facilities. Moreover, Taiwanese companies returning from overseas are expected to release approximately NT$40 billion annually during their lock-up period, suggesting a high likelihood of investment flowing into the commercial real estate market. Meanwhile, if the Financial Supervisory Commission (FSC) lowers the minimum required rate of return (RoR) for life insurance companies investing in real estate, it could further stimulate momentum in the commercial real estate investment market. On the other hand, the land market appears relatively weak: although the technology industry's purchases for self-use are evident, the bulk buyers in the land market – real estate developers – have had their decision-making schedules affected due to the Central Bank's regulatory policy effects. Consequently, the overall industry players' land acquisition momentum has slowed. Furthermore, from the government's recent land auction results, although real estate developers still evaluate land in prime locations, they do not intend to chase high prices, indicating that the overall land market has gradually restored rationality. Moreover, the increasing restrictions and tightening of real estate-related loans will lengthen transaction timelines, largely because real estate developers have a greater influence on the land acquisition market. Regarding the performance of key storefront and office leasing markets, there are no outstanding highlights, and the current phase is characterized by consolidation and volatility.

Overall, comparing with the previous year, the real estate market showed relatively strong performance in 2024. However, this is still considered a short-term structural trend, and further developments will require continued observation. In the year, counties and cities across the country performed exceptionally well, with prices both rising and stabilizing. Nevertheless, transaction volumes have shown a polarized trend. According to Cathay Real Estate's quarterly index report, observations of transfer trends in Q4 indicate that current transaction prices remain at or above those earlier peak levels compared to the peak in 2014, despite a slowdown in price growth and a divergence in transaction volumes. Specifically, areas north of Taoyuan and Hsinchu remain relatively subdued, while both central and northern regions have surpassed their previous peaks. However, starting in Q4, signs of a reversal have emerged, with the north seeing steady sales, while the south faces a downturn. Following the inauguration of the new government administration, a series of control measures targeting the real estate market have been, and are expected to continue to be, introduced in response to inflation and as part of anti-speculation efforts, including tighter land and construction financing, interest rate hikes, and amendments to the Average Land Rights Act. Meanwhile, due to uncertainties such as a sharp rise in raw material and construction costs, some construction companies have delayed new project launches. This has clearly led to a contraction in transaction volume, with only limited downward adjustment in real estate prices. As a result, market sentiment remains largely cautious, and this is a trend worth closely monitoring. Nevertheless, these factors will play a critical role in determining whether the residential housing market can continue to grow. Also, the U.S. President’s implementation of new tariff policies has caused disruptions in the global market—another key issue that warrants close attention going forward.

According to statistics from My Housing Magazine, the Real Estate Market Sentiment Score in 2024 has mostly shown a green light (indicating recovery and stability), except for March, May, and July, which displayed a yellow-red light (suggesting an active market requiring close monitoring). As a result, the real estate market’s performance in 2024 was stronger than in 2023, which had remained at a green light throughout the year. Due to the surge in investments in pre-sale housing and new project launches, along with consistently high foot traffic, the government became concerned about the risk of market overheating and subsequently introduced a series of control measures to cool the market. In response, banks across the country aligned with the Central Bank’s interest rate hikes on mortgage loans as part of risk control efforts, while both public and private banks also followed up with additional measures to mitigate mortgage-related risks. Nevertheless, due to ongoing uncertainties such as the sharp rise in raw material and construction costs, some construction companies delayed new project launches, leading to a noticeable contraction in the volume of the new housing market. At the same time, driven by concerns over rising inflation, homebuyers have clearly returned to the market, showing a willingness to purchase properties at reasonable prices. As a result, the domestic real estate market experienced a wave of renewed demand and significant price growth in 2023. That is, apart from some areas requiring short-term observation, the real estate market has stabilized under conditions of reduced supply and steady prices. In 2023, some projects achieved very strong sales within a short period, thanks to good locations, sound planning, and reasonable prices. Continuing the hot sales momentum from the previous year, the domestic real estate market’s volume increased with strong sales in 2024. This continued until the introduction of the seventh round of anti-speculation policies, such as credit control measures, stricter reviews for the "New Youth Housing Loan" and concerns over excessive housing price increases, which resulted in a stagnation of sales volume in Q4, marking a significant shift in the market.

Looking ahead to 2025, the real estate market is expected to experience a tug-of-war between bullish and bearish forces. Supportive factors include the repatriation of Taiwanese businesses, momentum from the AI industry, and TSMC’s factory expansion. On the other hand, headwinds such as stricter reviews for the “New Youth Housing Loan”, continued tightening of bank financing, already high property prices, and a disconnect between price levels and transaction volume may weigh on the market. Additionally, potential shifts in U.S. economic and trade policies (including tariffs and exchange rates), as well as uncertainties surrounding global economic growth and stock market volatility, could further influence market dynamics. Although transaction volumes have generally declined so far, price fluctuations in the real estate market still require further observation. Continuing the trends seen in 2024, the market in 2025 is expected to experience stable prices but contracted transaction volume in the short term. However, due to a sudden weakening in buyer sentiment, the long-term market outlook remains uncertain and warrants close monitoring.

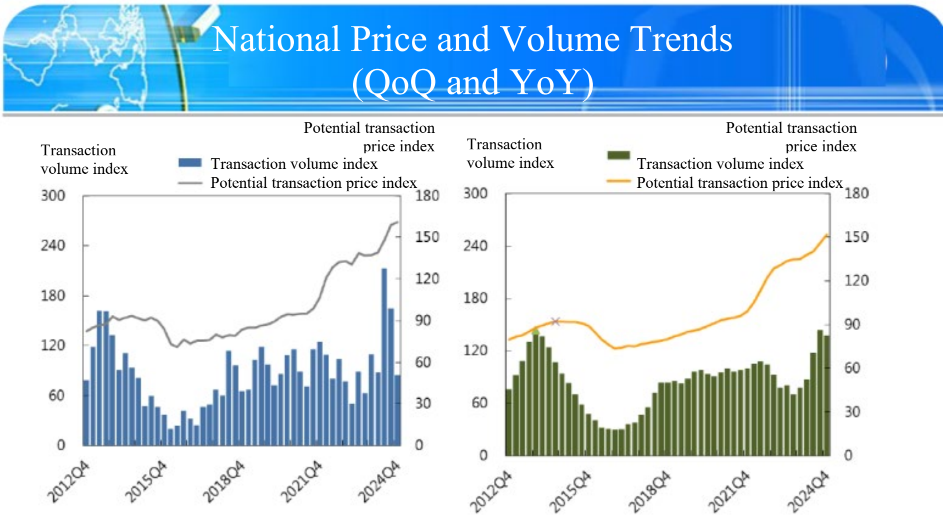
Source: Housing Expo Magazine, Taiwan Economic Research Institute Production and Economic Database, December 2024.



Due to the increase in domestic housing prices and decrease in the exchange rate, Taiwanese people purchasing real estate overseas (e.g., in Southeast Asia, Japan, and even the United States and Europe) has become a trend in recent years. Similarly, limited by the minimum yield rate, the life insurance industry is challenged in finding investment targets in the country and consequently heading to foreign cities due to their high return on investment (ROI). All of these have significantly impacted the domestic real estate industry. Nevertheless, not only has the government been promoting urban renovation and accelerating the reconstruction of dangerous and old buildings, but also the new president is expected to, after assuming office in 2024, provide even more beneficial conditions to attract Taiwanese businessmen who are expected to return to Taiwan due to the

US-China Trade War and the increase in domestic commodity prices. Therefore, teal estate developers and experts commonly hold an optimistic attitude towards the domestic real estate market with the belief that "fighting for a good economy" will become the most important development theme of the real estate market. Affected by inflation and delays in construction projects by construction companies due to rising raw material and labor costs, homebuyers are not deterred by the new government's launch of amendments to the Average Land Rights Act. This has resulted in a significant increase in the launch of construction projects in 2023. With the central bank expected to raise interest rates by 0.5% in 2024, construction companies, despite facing significant price fluctuations and cost increases, continue to see a sustained increase in project launches. Meanwhile, influenced by the international economy, the U.S. economy is recovering, inflationary pressures are expanding, and international hot money is flooding in. The appreciation of the U.S. dollar and the gradual depreciation of the New Taiwan Dollar are causing potential first-time homebuyers and investors to seek suitable residential properties to mitigate potential impacts derived therefrom. Projects that have been promoted with “good branding”, “great location and development potential”, “reasonable price”, “flexible payment terms” and other key attributes can achieve strong sales performance. Properties in some regions have even reached sky-high prices and astonished industry players.

National Price and Volume Trends in Cathay Real Estate (QoQ and YoY)



National price and volume trends (QoQ) **National price and volume trends (YoY)**

From the YoY observation of the trends:

- **The transaction price of this cycle exceeded the peak of the cycle in Q3 2014, resulting in a continuous increase in the price.**
- **The transaction volume of this cycle is approximately 90% of the peak of the cycle in Q4 2013, with a stable development.**

According to the Cathay Real Estate National Real Estate Index, based on observed seasonal trends in 2024, Taiwan’s exports have stabilized and increased, thanks to demand driven by emerging technologies such as AI. As a result, the Central Bank has revised the 2024 economic growth forecast upward to 4.25%, while keeping the policy interest rate unchanged. However, since the Central Bank implemented its seventh round of credit control measures in September, real estate transaction volumes have declined significantly. Concerns about an overheated property market have eased and, therefore, no new control measures have been introduced. Compared to the peak levels in 2014 and 2015, the current transaction prices in all regions have surpassed the previous cycle's highs. Transaction volumes in Taichung, Tainan, and Kaohsiung have also exceeded their previous peaks. Overall, due to ongoing loan restrictions from the Central Bank and stricter reviews of the "New Youth Housing Loan", the pace of real estate price growth has slowed, while transaction volume remains weak. Compared to the previous quarter, the market shows stable prices and declining transaction activity, indicating relatively soft performance. In contrast, during the same quarter last year, prices were rising despite falling volume. Given these mixed signals, further observation of the real estate market is needed.

Overall, in the first quarter of 2025, transaction activity across the six municipalities from north to south differed significantly from the same quarter of the previous year (YoY), where prices increased and volumes decreased. Affected by numerous negative factors (e.g., uncertain economic prospects, the Central Bank raising interest rates, and the launch of the Average Land Rights Act), combined with increased construction costs, construction companies’ delays in projects, and limited increases in housing prices, potential buyers have adopted a wait-and-see attitude. Consequently, transaction volumes have started to slowly increase and prices have continuously risen, pushing the real estate market back to being supported by the demands of customers with needs. Therefore, compared to the previous quarter, both transaction prices and volumes have increased. However, compared to the same quarter of the previous year, prices have increased while volumes have decreased. As prices and volumes have shown different trends, the overall performance of the real estate market requires further observation.

In summary, in terms of residential properties, the real estate market in 2024 still suffered from oversupply, particularly since the number of approved residential building permits reached a historical high over the past 24 years in 2019. Based on this, the residential market's suffering from oversupply between 2022 and 2023 was predictable, while the selling pressure from mortgage grace periods for residential buildings, payments for the consolidated housing and land tax, and handovers of public residences was expected to continue increasing.

The Financial Supervisory Commission's (FSC) strict controls on the banks' mortgage delinquency ratios and the continuous increase in interest rates were expected to cause continuous sales pressures on the real estate market in 2023. Nevertheless, this year's economic growth rate has slightly increased comparing to 2023 and this can benefit people's momentum for purchasing properties for the purpose of value preservation. In the meantime, the government also successively launched various policies themed on urban renewal and reconstruction of dangerous and old buildings, all of which have injected new momentum into the real estate market. For example, by taking Taipei City as an example, the rise in its real estate transaction prices and volumes compared to the previous quarter (QoQ) stands in contrast to its stable prices and decreased volumes compared to the same quarter of the previous year (YoY). This shift can be attributed to the predominant focus of construction projects in the region on urban renewal and the reconstruction of dangerous and old buildings. These projects are primarily situated in prime or construction-themed areas, where prices consistently exceed one million NT dollars per ping. Remarkably, around 60% of the launched projects are priced at NTD 1 million and above per ping. Due to a cautious 'wait-and-see' approach adopted by potential buyers, both the supply and transaction volumes of these properties have seen a significant decline. However, a disparity in price perceptions between buyers and sellers has resulted in relatively minor increases in both prices and volumes for properties in the region. Overall, compared to the same period of the previous year, the region has seen a slight increase in housing prices while transaction volumes have slightly declined, indicating a somewhat weak performance. As for the real estate market of the New Taipei City, its prices and volumes have remained stable compared to the previous quarter. However, when compared to the same quarter of the previous year, its prices have continued to increase while transaction volumes remain low. Most of the projects launched are located in districts such as Sanchong, Banqiao, old Zhonghe, old Yonghe, and Tucheng Redevelopment Area. These projects mainly offer properties priced at NTD 800,000, NTD 900,000 and above. The unit price of new projects in the Tucheng Redevelopment Zone exceeds NTD 600,000 per ping, with high-priced units accounting for more than 60% of all launched units in the area. As a result, projects with more reasonable pricing tend to have better sales performance. Comparing to the same quarter of the previous year, its transaction prices have significantly increased, while transaction volumes have reached their lowest point in the last six years. Overall, unlike the ordinary performance of the real estate market, the region's prices and volumes tend to be weak, requiring further observation.

However, the bottleneck in the global supply chain is expected to persist, especially with the eruption of the Israel–Hamas conflict and the unprovoked attacks by Yemen's Houthi forces in the Red Sea, all occurring before the conclusion of the Russo-Ukrainian War. The escalation of international raw material prices due to these conflicts will further intensify domestic inflationary pressures. With the domestic real estate market already grappling with geopolitical risks, the impending inauguration of a new president, and a significant shift in the Legislative Yuan resulting in reduced incumbency dominance (i.e., the ruling party now holds a minority position), coupled with inflation, rising interest rates, an increase in real estate loan risk weight, and the government's continuous implementation of housing price control policies and the Average Land Rights Act, the real estate market is currently plagued by multiple uncertainties. Furthermore, governments worldwide are injecting money into the economy to stimulate recovery, resulting in ample liquidity in the market. Therefore, despite the increase in housing loan interest rates, inflationary pressure caused by rising raw material prices, combined with the multiple impacts of U.S. tariffs and exchange rates, may prompt people to feel an urgent need to continue purchasing properties as a hedge. Consequently, housing prices have been pushed upward, indicating an upward trend. Given the favorable operating environment in the domestic real estate market, it is expected that the number of domestic real estate transactions in 2024 will exceed the ten-year average, while the annual growth rate has also increased from the low levels of 2020 to mid-levels, with a slight increase in prices.

Due to the overheating of the real estate market and the high concentration of mortgage loans, the Central Bank launched the seventh round of credit controls on September 19, 2024, to curb real estate speculation. Meng-Han Chuang, a real estate market expert and Associate Professor at Tamkang University, stated that relevant data and market conditions show that the Central Bank believes the anti-speculation measures have been gradually effective, where the demand for speculative transactions has decreased and real estate transaction volumes have declined. Therefore, if the Central Bank does not continue to regulate and suppress the market, adjustments to the Central Bank's policies and bank loans will help ease people's expectations of further increases in real estate prices. At present, although the real estate market has entered a peak period of property handovers, recent market prices have not significantly decreased. Hence, the Central Bank will certainly observe carefully before deciding to adjust its policy direction. Regarding the New Youth Housing Loan, it was established with good intentions and has successfully stimulated a wave of home purchases. Chuang pointed out that the Ministry of Finance launched the New Youth Housing Loan on August 1, 2023, with extremely favorable mortgage conditions. However, since this policy was introduced at the peak of real estate prices, some young buyers with insufficient funds rushed to purchase properties, which helped sustain high property prices. Now, as the Central Bank's anti-speculation policies take effect and the real estate market and economy reverse, the New Youth Housing Loan has gradually cooled off and will definitely not fuel housing prices. Moreover, according to the National Economic Confidence Survey Report by Cathay Financial Holding Co., Ltd., published in January this year, the public's expectations for the highs and lows of the Taiwan Stock Exchange Weighted Index (TAIEX) in the first half of this year are as follows: 50.9% of respondents believe that the high point of TAIEX in the first half of the year will be above 24,000; and about 44.2% expect the low point to possibly fall below 20,000. Chuang expressed that, despite the significant difference between these high and low expectations, most people remain generally optimistic about the stock market because current abundant liquidity and low interest rates are considered favorable conditions. Therefore, as long as the Central Bank stops continuously suppressing and regulating the market, the real estate market is expected to achieve a "soft landing" rather than deteriorate into a "hard landing" crisis.

Changes in Pre-Sale Housing Prices in the Six Municipalities in Q1 2025

Housing Market Trends Center, Taiwan Real Estate Group

County/City	Q1 of 2025	Q4 of 2024	Quarterly Increase in Housing Prices	Q1 of 2024	Annual Increase in Housing Prices
Taipei City	121.8	128.8	-5.4%	119.1	2.3%
New Taipei City	72.6	65.0	11.7%	57.4	26.5%
Taoyuan City	38.1	36.2	5.2%	38.9	-2.1%
Taichung City	54.9	53.5	2.6%	45.9	19.6%
Tainana City	35.7	35.2	1.4%	33.7	5.9%
Kaohsiung	41.2	40.3	2.2%	36.7	12.3%

Source: Statistics based on Q1 data and transactions disclosed as of April 22, 2025, on the Actual Price Registration platform of the Ministry of the Interior.

On the other hand, the performance of commercial real estate is still promising. Overall, both the vacancy rate and rental rates in the retail lease market increased in 2024 compared to 2023. For lands facing a high base effect and the potential three-year gap caused by the Taipei City ground lease projects, the land market and transaction volume are expected to grow steadily in 2025, showing an increase in price and sustained transaction volume. According to statistics from Colliers International Taiwan, investments and transactions related to commercial real estate and land sales continue to show clear growth, whereas the retail lease market appears to be in a state of stalled recovery. As for the landlord market in office leasing, it has gradually begun to loosen. Among these trends, commercial real estate investment and trading are influenced by ample capital and the momentum of the AI and semiconductor industries, with most trading targets being purchased for companies' own use. This is especially true for office buildings that can be fully utilized as headquarters' commercial offices or as production facilities serving as R&D bases. Meanwhile, the scale of the land transaction market expanded in 2024. Besides real estate developers continuing to acquire lands for inventory, industrial land prices are rising due to high demand and limited supply. As a result, some developers and enterprises are purchasing old factories to rebuild them, aiming to increase asset value. The favorable conditions in the semiconductor and AI supply chains have also driven transactions of industrial land and assets. Notably, in early December 2024, Taishin Life acquired Radium Life Tech's land in Taoyuan for a total of NTD 5.368 billion, primarily due to strong logistics demand in northern Taiwan. This land will be used to build a multi-story logistics center for long-term leasing, generating stable profits in line with the insurance industry's investment return standards on real estate. In fact, there has been a recent trend among life insurance companies to purchase industrial land and develop logistics centers. The main reason is that building a logistics center on purchased land better meets demand, since it allows for tailored development that aligns with market needs, reduces leasing risks, and yields relatively higher rental income compared to purchasing existing buildings. In 2024, the company's factory-related projects also benefited from favorable market conditions, and the projects launched during this period have all performed well.

	2020	2021	2022	2023	2024
Commercial real estate investment and transaction volume (in billions of NTD)	1,336	1,527	1,252	1,302	1,480
YoY (%)	34.85	14.29	-18.00	3.99	13.67
Land transaction volume (in billions of NTD)	3,050	2,943	1,718	1,129	2,632
YoY (%)	-2.90	-3.51	-41.62	-34.28	133.12

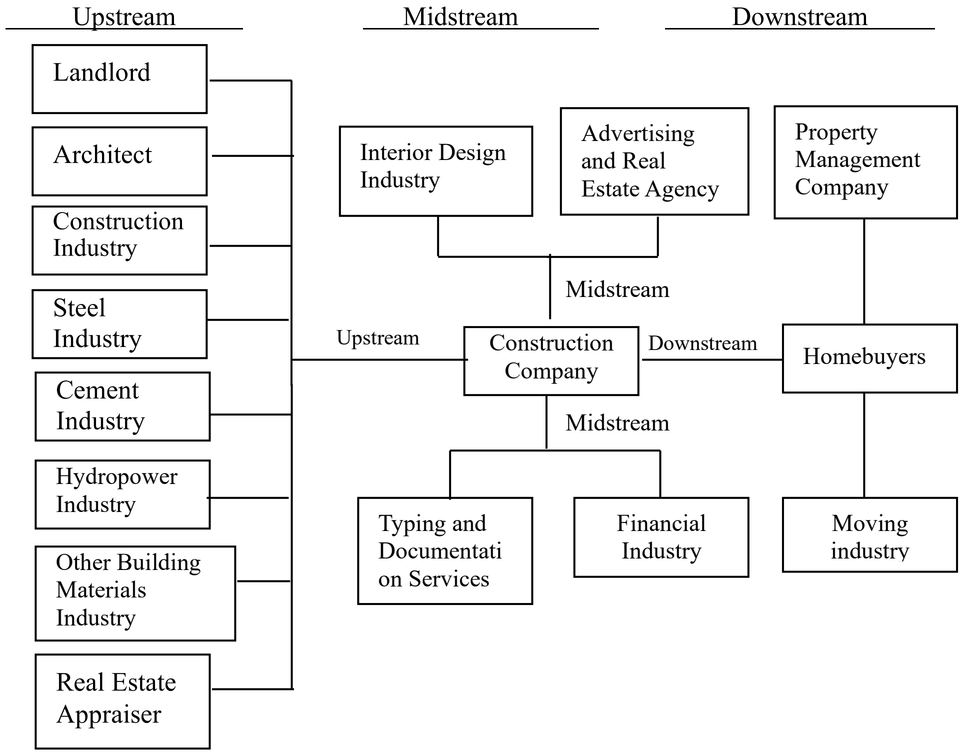
▲Table: Summary of the Recent Commercial Real Estate and Land Investment/Transaction Market
Source: CBRE, organized by Taiwan Industry Economics Services under the Taiwan Institute of Economic Research Industry and Economy Database (January 2025)

2. Industry Upstream, Midstream, and Downstream Relationships：

In the real estate market, the upstream sector primarily consists of land and construction materials. The supply of land comes from private sources through sales or joint development, while state-owned non-public land is acquired through bidding. Additionally, land is obtained through urban renewal processes for redevelopment in older areas. As for construction materials, the availability of certain materials such as sand, gravel, and steel may be limited or imbalanced due to limited resources or insufficient production. There are also environmentally friendly technological building materials that incorporate new components such as nanomaterials through research and development. In summary, during the initial stages of development projects, architects are responsible for housing planning and design, while upstream materials include steel, cement, glass, stone, wood, mechanical and electrical components, hardware, tiles, and other related building material industries, which almost cover all basic materials for daily living. Emphasizing the design of living functions also incorporates facilities such as interior decoration, landscaping, community network construction, and security surveillance systems into an integrated structure.

In the downstream sector of the real estate market, there are mainly sales agents and intermediaries. In the past, there was more business collaboration between the construction investment industry and sales agents. However, in recent times, intermediaries have been actively seeking sales business, providing more diversified choices for developers. The construction industry has a wide range of related industries both upstream and downstream, with the construction industry playing a coordinating and integrating role.

Upstream and downstream industry relationship diagram：



3. Product Development Trends and Competitive Landscape:

The real estate market is characterized by its large scale, regional distribution, and the regional nature of its products. Therefore, the market competition is less adversarial between companies compared to other industries and mostly revolves around competition among regional cases. As homebuyers increasingly value living quality, the planning and utilization of space in individual projects have become important considerations when choosing a property. Construction quality is also crucial for building brand reputation, and customer satisfaction has become a key indicator of a company's competitiveness. Therefore, the development trends of future housing products will focus on refinement, humanization, practicality, ReaLy building practices, and the establishment of construction production records.

In addition to emphasizing land development, our company has spared no effort in enhancing the market competitiveness of our products, shaping product quality and image, and striving to obtain multiple awards to gain recognition from the market and customers

a. Product Differentiation, Segmentation, and Competitiveness

In addition to emphasizing land development, our company pays great attention to product planning, market positioning, and regional characteristics. We align our product offerings with the specific characteristics of each land region, designing appropriate products that integrate human-centric architectural concepts and incorporate concepts such as home networking and AI artificial intelligence. We have been implementing these concepts since our first project in 2002 and have received favorable feedback from customers.

Our sales cases include high-priced projects such as "ReaLy Prime" and "ReaLy Crystal Stack," as well as projects catering to the middle-class demand, such as "ReaLy e23," "ReaLy Heart's Delight," "ReaLy Spring," "ReaLy Expert," "ReaLy Changdang," "ReaLy Rich Spring," "ReaLy East Taipei," "ReaLy Qinghe," "ReaLy Abundance," "ReaLy Wish Villa," "ReaLy Royal Jade," "ReaLy Royal City," "ReaLy Fairyland," "ReaLy East Residence," and "ReaLy Jiukang." Each case is specifically tailored to its regional characteristics, setting unique product attributes and positioning to differentiate them from homogeneous offerings in the market. This approach enhances the competitiveness of our products and enables them to stand out in a highly competitive landscape, catering to the diverse needs of different customers.

Especially in the current uncertain economic situation and volatile pricing, our company launched projects in 2019 that target the needs of young people in the Wen Shan District of Taipei City, such as "ReaLy Fairyland," and a project in Qidu, called "ReaLy East Residence," which caters to the needs of first-time homebuyers. Furthermore, in early 2023, we will introduce a 14-story residential building named "ReaLy Jiukang," located near Muzha Elementary School in the Wen Shan District. The project will offer two-bedroom and three-bedroom units, featuring high standards, high pricing, and top-quality materials, creating an epidemic-resistant residence known as "ReaLy Jiukang." This product aligns perfectly with the post-pandemic needs of customers, local retirees, and young first-time buyers in the area. This is the reason that it has been sold out within a very short time after its launch.

In 2015, as wages continued to rise in China, Taiwanese businesses began to withdraw from the Chinese market and shifted their focus to Southeast Asia or returned to Taiwan. The demand for commercial office and industrial spaces gradually increased. Seizing the opportunity and understanding the trend, our company proactively sought industrial land for the deployment and construction of multi-purpose industrial office buildings. We also expanded our scale by investing in the construction of the three-dimensional industrial office building "Donglian New Century" in the Zhongli Industrial Park. Due to the excellent response and successful completion of this project, we gained confidence and proceeded to launch the "ReaLyfield Zhongshan No.1 Technology Headquarters" in the Tucheng Industrial Zone in 2016, to supplement the company's income during the downturn in the residential market.

In 2019, we continued to meet market demands by introducing the "ReaLyfield Qianlong Industrial Office Zone" in the Longtan Wushulin Industrial Zone, which sold out with a total sales volume of over 1.4 billion yuan. Donglian Development also acquired land in the Taishan Mingzhi Road Section, intending to construct industrial office buildings. It is estimated to build industrial office buildings in 2024. Furthermore, last year, our company commenced construction on "ReaLyfield Shunguang Tianda" on Jincheng Road in the Tucheng District of New Taipei City, and all products were sold out with a pre-sale offering. This industrial office building occupies an area of over 1,000 square meters, consisting of eleven above-ground floors and two basement levels. It is strategically located adjacent to the Yongning MRT Station in the same area, and our company obtained over 3,000 square meters of industrial land, where construction will commence in 2023 to build two multi-story office buildings, comprising seventeen above-ground floors, seven floors, and two basement levels. The height of these buildings will make them a landmark in the Tucheng Yongning area, not only generating revenue but also enhancing the company's image and reputation. Simultaneously, during the same period, we acquired over 3,000 square meters of land on Zhongyuan Road in the Zhongli Industrial Zone, where construction has begun for a twelve-story office building with two basement levels. As a result, our company is recognized in the market as a pioneer and expert in industrial office building planning, and our chairman is referred to as the architect of industrial office buildings

b. Brand Image and Reputation

Although our company has been established for over 23 years, our workforce has significantly increased in a short period of time. We have gained a prominent position in terms of operational scale and reputation among listed companies. In particular, our products have always adhered to the design philosophy of "humanization, practicality, refinement, and marketability." We pride ourselves on launching products that have excellent locations, reasonable prices, and high quality. Over the years, we have received numerous architectural awards, including the 5th FULMO Architecture Award in 2004, the Architectural Golden Lion Award for "ReaLyfield Spring" in 2004, the National Architecture Triple Crown in 2007, the Taiwan Integrity Construction Award in 2007, the National Architecture Golden Lion Award in 2007, the National Architecture Golden Elephant Award in 2007, the Golden Image Award presented by the Chinese Business Science and Technology Economic and Trade Development Association in 2010, and the approval of the Building Development Industry Identification Logo by the Construction and Planning Agency of the Ministry of the Interior on January 1, 2013. Our ranking in the Top 5000 Service Industry Performance of China Credit Information has improved from 146th place in 2008 to 15th place in 2009, as well as being ranked 45th in the construction investment industry. In November, we received the Taiwan Integrity Construction Award, Architectural Golden Elephant Award, and Architectural Golden Lion Award, and also won the Special Jury Award (Golden Lion Award First Prize). In 2017, we achieved the triple crown award of Taiwan Integrity Construction and the National Architecture Golden Award with the case of "ReaLyfield Zhongshan No.1". Furthermore, both "ReaLyfield Dongju" and "ReaLyfield Shunguang Tianda" received the National Architecture Golden Award and the Taiwan Integrity Construction Award in 2019 and 2022, respectively, achieving a triple crown. In 2024, ReaLy Linghang No. 1 also received both the National Architecture Golden Award and the Taiwan Integrity Construction Award, successfully achieving a triple crown as well. These accolades not only boost the confidence of our colleagues but also contribute to our company's brand recognition, visibility in the capital market, customer trust, and ultimately enhance our competitiveness in the real estate industry.

Meanwhile, in recent years, the Company has proactively engaged in business activities, physical donations, corporate volunteer services, and other pro bono professional services. It has also participated in various events organized by charity and social welfare groups, such as adopting roads for asphalt repair, maintaining drainage ditches, upkeep of adopted flowerbeds, greening projects for pedestrian islands, and blood donation drives at Zhongli Industrial Park. Additionally, the Company sponsors the Miners’ Fund, year-end parties for underprivileged individuals, the High Summer event, the charity performance “2024 Dance with Love and Peace,” as well as scholarship programs in collaboration with Taipei National University of the Arts and Vanung University through industry-academia partnerships.

(III) Technological and Research & Development Overview

Our company operates in the real estate development industry, primarily engaged in investing in and constructing residential properties. According to regulations, we are not allowed to engage in construction activities directly. Instead, we subcontract the construction projects to qualified contractors. As a result, our company does not engage in construction activities but focuses on land development, product planning, and design, which differentiates us from traditional manufacturing industries. We do not have a dedicated department for product research and development, and therefore this section does not apply.

(IV) Long-term and Short-term Business Development Plans

1. Short-term Business Development Plans:
   a. Land Development Plan Our company primarily focuses on developing residential and commercial land within the metropolitan area from Hsinchu to Keelung. We prioritize selecting prime locations with convenient transportation access and aim to offer products that meet market demands, including excellent location, reasonable pricing, and high quality.
   b. Business Development Plan Recognizing the risks associated with relying on a single product market, we differentiate our products by incorporating diversified, user-friendly, and refined designs. In addition to continuing to launch residential high-rises and detached houses in northern Taiwan, we also develop investment apartments, factory offices, and commercial office buildings in the metropolitan area of the north. We emphasize providing satisfactory after-sales service to ensure competitiveness.
   c. Construction Management Plan We stay updated with the latest market information and align it with market characteristics and product strategies. We adopt innovative construction methods and materials to enhance construction quality, control project budgets, maintain progress, and meet scheduled delivery dates.
   d. Enhancing Operational Efficiency We implement a responsibility-based management system that emphasizes employee pride and a sense of accomplishment. We emphasize getting things right the first time and strengthen operational efficiency.
   e. Adhering to our consistent approach, we collaborate with reputable sales companies and implement comprehensive marketing strategies to achieve good results during pre-sales periods. We aim to sell all completed units promptly, maintaining our longstanding practice of having no unsold inventory.

2. Long-term Business Development Plans:
   a. Land Development Strategy In recent years, the prices of government-owned land have reached new highs, leading to landowners becoming reluctant to sell and increased operational risks. In addition to adopting a gradual growth model by acquiring development land through direct purchase or joint ventures, we actively seek opportunities to develop old urban areas through urban renewal and rebuilding projects.
   b. Business Development Strategy Regarding residential properties, we respond to the aging population and the increasing popularity of leisure and wellness concepts by timely entering the leisure and wellness real estate market. In addition to continuing to launch products in the metropolitan area of northern Taiwan, we plan to introduce affordable and mass-market products in suburban areas in line with government policies to provide more options for middle- and low-income families, alleviating the burden of high housing prices. Regarding factory offices, we actively attract Taiwanese businesses returning from abroad and seek suitable land for constructing multi-story factory office spaces in northern Taiwan, creating a vibrant tech park that not only generates additional income for the company but also serves as a base for small and medium-sized startups with aspirations.
   c. Engineering Management Strategy We study engineering information management systems and establish comprehensive construction management standards and guidelines, introducing standardized operating procedures.
   d. Brand Development Strategy We create added value for our brand by developing age-friendly and eco-friendly residences. We emphasize integrating digital, technological, safety, non-toxic, environmentally friendly, energy-efficient, and humanistic and literary services to combine our company's brand with high-quality buildings.

II. Market and Production Overview

(I) Market Analysis

1. In recent years, our company has primarily focused on selling housing projects in the northern regions of Taipei, New Taipei City, and Taoyuan. The following are the housing projects we have launched in recent years：

Promotion Year	Region	Project Name	Product Type	Number of Units
2011	Zhongshan District, Taipei City	ReaLy Crystal Pavilion	Residential Building	61
2011	Taoyuan District, Taoyuan City	ReaLy Wish Villa	Detached House	32
2013	Nuannuan District, Keelung City	ReaLy Royal Jade	Residential Building	118
2014	Xizhi District, New Taipei City	ReaLy Royal City	Residential Building	107
2015	Tucheng District, New Taipei City	ReaLy No. 1 Technology Headquarters, Zhongshan	Industrial Factory Office	49
2016	Taoyuan District, Taoyuan City	Donglian New Century	Industrial Factory Office	59
2019	Wenshan District, Taipei City	ReaLy Fairy Trail	Residential Building	39
2019	Qidu District, Keelung City	ReaLy East Residence, Zone A, B, C	Residential Building	158
2019	Longtan District, Taoyuan City	ReaLy Qianlong Factory Office Zone	Industrial Factory Office	63
2022	Tucheng District, New Taipei City	ReaLy Light World	Industrial Factory Office	40
2023	Wenshan District, Taipei City	ReaLy Jiukang	Residential Building	56
2023	Tucheng District, New Taipei	Yongning MRT Station, Exit 1	Industrial Factory Office	142

	City			
2023	Zhongli District, Taoyuan City	Zhongli Industrial Zone, Zhongyuan Road	Industrial Factory Office	158
2024	Taisan District, New Taipei City	Section 1 of Mingzhi Road	Commercial and Industrial Factory Office	82
2025	Shihlin District, Taipei City	Section 6 of Yangping North Road	Residential Building	37
2025	Xizhi District, New Taipei City	At the intersection of Section 1 of Xintai 5th Road and Xiufeng Road	Residential Building	116

Note:

1. The number of households refers to the total number of residential units in each housing project.
2. The "ReaLy Sunlight World" project is located near Exit LG12 of the Tucheng MRT Circular Line. All were sold out in May 2025.
3. "ReaLy Everlasting Health", an approved urban renewal project for dangerous and old buildings, was launched in May 2023. All units were sold out in December 2023, and the beam-raising ceremony took place on November 8, 2024.
4. ReaLy Yongning No. 1 is located at Exit 1 of MRT Yongning Station of Bannan Line. The construction was launched in May 2022. The beam-raising ceremony took place on March 6, 2025 and 96% of products have been sold out.
5. ReaLy Linghang No. 1, located on Zhongyuan Road within the Zhongli Industrial Park, began construction in 2022, and the beam-raising ceremony took place on April 8, 2024. As of now, over 60% of the units have been sold.
6. Located on Mingzhi Road in Taishan, the T-MARK Technology Park, developed by East Union, is expected to open to the public in Q2 of this year.
7. The project at Xiufeng Section, Xizhi District, New Taipei City, is currently in the process of applying for a demolition permit and building license. It is expected to be launched for sale in Q4 2025.
8. The Shezi project, located in Shilin District, Taipei City, is currently in the process of applying for approval as a dangerous and old building renovation project.

2. Market Share：

Since its establishment in 2001, our company has primarily focused on developing housing projects in the northern region of Hsinchu and beyond. We have entrusted construction contractors to build affordable housing as our main business. Due to our continuous engagement in land development and keeping a close eye on market trends to timely introduce new projects, coupled with rigorous construction standards and a commitment to maintaining a well-defined market positioning and reasonable pricing, our sales volume is based on thorough market research rather than pursuing high sales volume or market share. Consequently, even though our sales volume and market share may not be substantial, our overall gross profit margin remains at a considerable level.

In 2014, the "ReaLy Sunlight Palace" project launched in Xizhi area achieved a total sales amount of approximately 1.4 billion, capturing a market share of 13.31%. In 2015, the subsidiary in Zhongli District, Taoyuan City, launched the "Donglian New Century" project with a total sales amount of around 1.3 billion. Additionally, in 2016, we introduced the "ReaLy Sunlight No. 1 Technology Headquarters" project in the Tucheng Industrial Zone of New Taipei City, which achieved a total sales amount of approximately 1.3 billion. These projects are notable for their rare sales of industrial factory buildings within the Zhongli and Tucheng industrial areas.

In April 2019, the "ReaLy Sunlight East Residence" project in Keelung Qidu was launched, with a total sales amount of 1 billion for residential units. It is the largest-scale project in Qidu District, accounting for over 60% of the local market share. In 2020, the "ReaLy Sunlight Qianlong Factory Office Zone" project was built in Longtan District, Taoyuan City, becoming the first multi-story factory office building in the local area. In 2022, the "ReaLy Sunlight World" project, with a sales value exceeding 1 billion, was launched in Tucheng and received significant attention for its product offerings and sales performance. In 2023, the "ReaLy Everlasting Health" project, a 14-story high-end epidemic prevention residential building, was introduced in the Wenshan District of Taipei City. Its construction quality and building materials have set new standards in the area. In the latter half of 2023, we will launch two buildings, one with 17 stories and the other with 7 stories. The 'Yongning No.1' is an industrial office building construction project valued at NTD5 billion, and its sales rate has currently exceeded 80%. In Q2 2024, we will introduce another factory office building on Zhongyuan Road within the Zhongli Industrial Zone of Taoyuan City, with a total sales value exceeding 5 billion. This project is expected to create another sensation in the Taoyuan housing market.

3. Future Supply and Demand Situation and Growth Prospects in the Market：

Following the onset of the heavy tax levy era in the real estate market and the tariff hikes proposed by the new U.S. President, prices of raw materials and inflation have continued to climb. At the same time, escalating geopolitical tensions – such as the Russia-Ukraine war, the Israel-Hamas conflict, the U.S.-China trade war, and China’s ongoing threats toward Taiwan – have reinforced real estate’s appeal as a tool for preserving capital. Consequently, the investment attractiveness of the real estate sector has gradually rebounded. With capital preservation becoming increasingly important, investors have redirected funds from other financial instruments into real estate, intensifying competition in both the market and operating environment. After assuming office in 2024, the new administration launched the seventh round of anti-speculation measures, resulting in a sharp decline in real estate sales. However, given the market's high sensitivity to external factors, even minor disturbances can trigger significant short-term impacts. In April 2025, the U.S. President enacted a new tariff policy, causing considerable exchange rate volatility and prompting the suspension of President Lai’s proposed eighth round of anti-speculation measures. In this context, demand from both investors seeking to hedge against inflation and end users purchasing for self-occupancy is expected to continue driving market development.

GWR http://www.gwt.com.tw

Analysis of the Interrelated Impacts of the Three Major TWD Appreciations on the Economy, Stock Market, and Real Estate Market Over the Past 40 Years

Source: Tung-Jung Li
Chart by: GWR Real Estate Research Department

Item	The 1st Major Appreciations	The 2nd Major Appreciations	The 3rd Major Appreciations	Remarks
USD Exchange Rate	From NTD39.85 to NTD26.89 (+32.5%)	From NTD34.56 to NTD29.46 (+14.75%)	From NTD33.83 to NTD27.69 (+18.14%)	
Economic Growth	Slowed from double digits to an average of about 8%	Approximately 4.7% in average	Approximately 3.3% in average	Negative growth during the financial tsunami
Stock Market Performance	Index from 636 points to 12,682 points"	Index from 5,575.34 points to 9,039.63 points	Index from 8,315.79 points to 14,270.15 points"	Dopped 44% during the financial tsunami
Real Estate Market Performance (Average in Taipei City)	From NTD50,000 to NTD200,000, a fourfold increase	From NTD 230,000 to NTD 550,000, an increase of 1.39 times	From NTD 559,700 to NTD 684,300, an increase of 22.3%	Dropped for two and a half years, then increased for three and a half years.

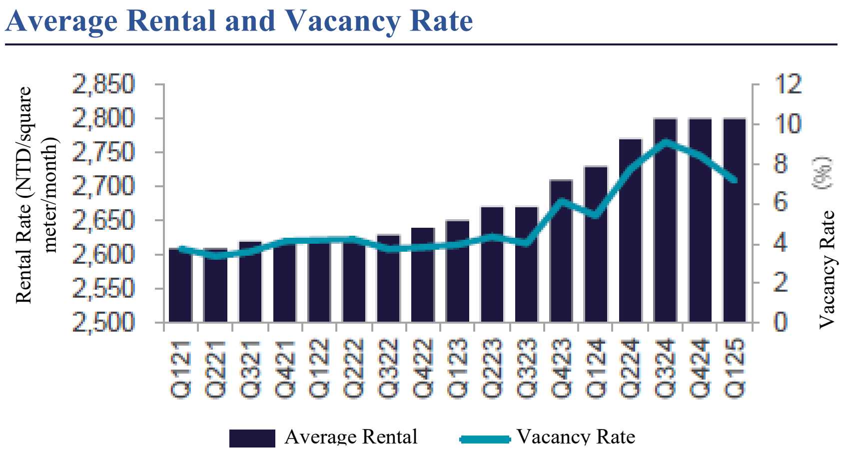
Chart Above: Analysis of the Interrelated Impacts of the Three Major TWD Appreciations on the Economy, Stock Market, and Real Estate Market Over the Past 40 Years

Regarding the office leasing market, Taipei City’s Class A office leasing market welcomed the launch of Yuanta Financial Plaza in Q4 2024, contributing approximately 13,000 ping of new space to be fully used by the Yuanta Group. According to Cushman & Wakefield’s report, the vacancy rate for Taipei City’s Class A office leasing market significantly decreased in Q4 2024, except in Nangang Technology Park. The report indicates that vacancy rates in other regions increased slightly by 8.4% compared to the previous quarter, while overall there was a minor decrease of 9.7%. This trend is mainly due to the completion of new office buildings in the West District and areas around Nanjian East/West Road and Sonjian Road. These new developments have attracted companies previously located in older buildings within commercial districts to relocate, resulting in a significant reduction in vacancy rates. Throughout 2024, the successive completion of office buildings across all districts of Taipei City supported a notable increase in demand for corporate upgrades and self-occupied headquarters, especially among financial and insurance institutions. These projects brought a total of 36,700 ping of newly supplied space, the highest annual addition on record. Meanwhile, due to the increased market supply, vacancy rates in all districts of Taipei City rose slightly in 2024; however, from an overall market perspective, vacancy levels remain relatively low. Asking prices in the office leasing market remained stable throughout the year, and the bargaining margin significantly narrowed, except in Nangang Technology Park. Rental prices remained steady, averaging NTD 2,800 per ping per month, with Xinyi District recording the highest rates, followed by the West District. The economic model and ongoing wave of digital transformation followed by the pandemic era have brought structural changes to work and life, reshaping business operations and workspace needs. Influenced by the declining birth rate, new-generation talents now seek more flexible work options and emphasize the importance of achieving a work-life balance, along with adaptable workplace environments and career development opportunities. Consequently, when selecting office locations, enterprises consider not only transportation accessibility but also elements such as livability, public amenities, flexible space, and AI facilities. Business centers and shared offices are increasingly vital, with customizable and flexible workspace options being highly sought after by customers and emerging as key drivers for future development. Therefore, our company's future project sites and plans must align with these evolving trends.

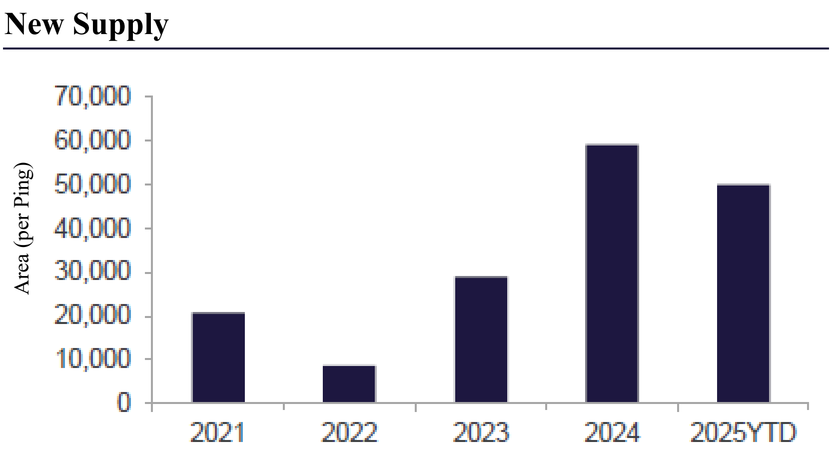
In Q4 2024, Taiwan’s large-scale commercial real estate market remained vibrant, with transaction volumes reaching NTD 30.66 billion. The top two purchases were made by Siliconware Precision Industries Co., Ltd. (SPIL). Other major enterprises also made significant investments in various regions across the country. As most of these properties are leased to well-known corporations, their stable rental returns continue to attract investor interest. For the full year, the total commercial real estate transaction volume reached NTD 147.95 billion, marking the second-highest annual performance in the past decade, just behind the NTD 152.7 billion recorded in 2021. Fueled by the technology sector, self-use transactions accounted for 75% of the market in 2024, clearly making them the primary buyers. In terms of land transactions, the Q4 volume totaled NTD 45 billion, bringing the full-year total to NTD 263.2 billion, which is the highest since 2022. Following strong sales in residential home during the first three quarters of 2024, growing confidence among real estate developers spurred increased land acquisition activity. However, in Q4, government’s anti-speculation measures and tighter credit controls triggered a sudden drop in the transaction volume of residential home. This shift prompted real estate developers to adopt a more cautious approach to new project launches and led the land market to gradually stabilize.

Looking ahead to 2025, the finalized outcome of the U.S. presidential election and the evolving trade policy landscape will impact Taiwan’s economic and trade growth momentum. Driven by the surge in AI applications, the semiconductor industry is poised for continued expansion, sustaining robust market demand. Buyers acquiring real estate for self-use are expected to remain focused on securing high-quality existing properties to support capacity growth. Concurrently, propelled by the thriving high-tech sector, the overall economy is projected to achieve positive growth, offering a stable and solid foundation for real estate investment activities. However, rapid shifts in international political and economic conditions, heightened geopolitical risks, ongoing trade wars, and tariff barriers introduce considerable uncertainty, complicating investment decisions and challenging corporate strategic planning. Consequently, buyers are likely to adopt a more cautious investment stance, while sellers maintain firm pricing expectations. As a result, demand for commercial and industrial office buildings and factories is anticipated to remain conservative in 2025, characterized by stable prices and limited supply. Nevertheless, residual transaction momentum from prior periods is expected to sustain activity in the short term.

Rental Prices and Vacancy Rates for Office Buildings in Taipei City in Q4 2024 (New Taiwan Dollars / per ping / per month)



Future Supply Outlook



Overall, commercial real estate relies on self-use demand to support the market, particularly in the office and industrial sectors. The land market has shown promising performance, with construction companies remaining as the primary buyers. In 2020, land development in Taipei's prime areas was mainly focused on right of superficies, including two major projects: the World Trade Center 3 and Cathay Life Campus. Also, as expected, the life insurance industry actively entered the market: In 2021, the investment market surpassed the milestone of NTD150 billion, showing a growth of 14.3% compared to 2023 and 13.6% compared to 2024, primarily driven by self-use demand. Driven by industry momentum, 75% of the total transaction volume of factories and industrial office buildings was contributed by Siliconware Precision Industries (SPIL) for purchasing facilities throughout the year. Meanwhile, real estate investment trusts (REITs) and the life insurance industry also strategically allocated substantial funds into industrial office buildings, which were then leased out by unit or floor to well-known enterprises for use. Benefiting from the restructuring of the global industrial supply chain driven by the U.S.-China trade war, foreign firms have increased their investments in factory buildings. Taiwan Microsoft Operations Company also acquired a large plot of land in Nankan Industrial Park for the construction of industrial facilities, resulting in significant transactions in factory buildings and industrial plants in recent years, with the total transaction amount reaching a historical high of NTD 1,479.5 billion. Fueled by the wave of AI applications, not only has the e-commerce sector flourished, but the retail industry – both online and offline – has also shown strong demand for warehousing and logistics. These assets offer characteristics of long-term, stable income, making them particularly attractive to institutional investors. The main focus for warehousing investments is on logistics hubs in Taoyuan City and the Hsinchu area.

Overall, the rise in real estate prices in the current market is primarily driven by increasing raw material costs, which stem from geopolitical factors such as the Russia-Ukraine war, the Israel-Hamas conflict, and other regional tensions. These challenges have caused construction companies to slow down new project launches due to high building material costs, labor shortages, and related difficulties. Another key factor is the high purchasing power of technology-sector buyers, who contribute significantly to demand in the real estate market. While factors like U.S. tariffs, tightening global funding, and potential increases in mortgage interest rates exist, they are not expected to materially impact transaction volumes or exert substantial pressure on market prices. Therefore, once the psychological expectation of inflation fades, Taiwan's real estate market is anticipated to see steady price growth alongside continued increases in transaction volumes in 2025.

4. Competitive Niche:

The competitive niche of our company is as follows:

a. Carefully selected and integrated building sites.

Our company possesses keen land development capabilities. Our research and development department regularly collects real estate data to strengthen our land sources and improve the quality of building sites. The acquisition of land by our company can be done through various methods such as buying, selling, dangerous and old building reconstruction, and urban renewal, joint development, and bidding.

We operate through joint development or self-development models. Depending on the considerations of landowners' willingness to sell, integrating landowner opinions, and the scale of funds, some projects are carried out through partial joint development, while others are developed through self-development due to landowner selling intentions or participation in government unit auctions.

b. Understanding market demand and rigorous design planning.

To establish a high-quality brand image in the market, our company focuses on the characteristics of the surrounding environment, customer needs, and relevant building regulations to create the best development plans. After acquiring land, we consult professional architects, refer to market research data, and plan the positioning of the products. We bring together professional architects, designers, and structural engineers to collaboratively design the products, ensuring meticulous planning that meets consumer expectations.

c. Precise operational strategies.

① Stable project promotion: In response to the impact of economic cycles, our company aims to maintain a low debt and zero unsold inventory policy. We promote projects steadily, relying on our own funds, avoiding overleveraging and excessive financial risks that could burden the company and shareholders.

② Selective land acquisition: Our company has always carefully selected land acquisitions, avoiding speculation and excessive expansion of land inventory. This not only reduces the pressure on capital costs but also lowers the financial risk in case of an economic downturn and imbalanced cash flows.

d. Concrete and feasible management systems and efficient decision-making models.

① Joint investment development strategy

By utilizing joint investment construction strategies, we collaborate with large and financially sound peers to jointly invest in land acquisition. This not only reduces the risk of capital investment in construction but also allows us to purchase larger plots of land or obtain more favorable land acquisition conditions and financing quotas through joint funding.

② Joint development strategy

Joint development strategies help reduce the payment of land costs, decrease the accumulation of capital costs, and relatively reduce reliance on bank financing.

③ Non-accumulation of inventory strategy

The real estate market has entered a mature period, where expertise is the best competitive advantage. Through proper planning and construction techniques, we aim to generate reasonable value-added and product differentiation. Therefore, our company will not accumulate land in order to expand operational scale, which would tie up funds and create pressure to promote projects hastily, resulting in significant unsold inventory. We will introduce projects with an appropriate capital scale to ensure smooth sales and avoid accumulating excess inventory.

④ Efficient capital utilization strategy

Our company is sensitive to interest rate fluctuations and proficient in understanding interest rate trends. We borrow and repay timely to reduce interest burden. In the future, we will maintain an appropriate ratio of self-owned funds to mitigate operational risks and adapt to changes in market interest rates, ensuring access to stable and low-interest funding.

e. Excellent management team.

Our company's management team has over 23 years of experience in the construction and investment industry. They possess rich and insightful experience in adapting to product changes, land policies, financial policies, and building regulations. Since the establishment of the company, all project promotions have adhered to a steady operational strategy, unaffected by market fluctuations.

As a construction company, our company is not allowed to engage in construction operations according to the regulations of the Building Act. Therefore, all construction projects are contracted to our subsidiary, Yao Ren Construction. The construction management personnel are stationed at the construction sites to supervise and control the construction quality and progress effectively.

Yao Ren Construction has accumulated years of construction experience and has implemented the following construction methods and new building materials to improve and meet the engineering needs of various projects：

① Diaphragm wall construction method: This method involves constructing a continuous wall with uniform thickness in the ground. It is primarily used for deep foundation excavation to ensure safety during the excavation process and the protection of adjacent buildings due to its high strength, stiffness, uniformity, and waterproofing properties.

② Ground improvement works: If the main soil layers in the project area are weak or soft clay, ground improvement works are carried out using solidification materials to enhance the geological conditions of the development area. This is to cope with the increasing number of high-rise buildings in the Taipei metropolitan area while ensuring the safety of nearby buildings during construction and protecting the newly constructed structures.

③ Implementation of various fire-resistant building materials and updated use of high-performance fire protection equipment to meet the requirements of building safety and automation.

④ Integration and standardization of construction planning and completion procedures to ensure construction quality and enhance the overall construction standards of buildings.

f. Strong brand image and on-demand after-sales service. Emphasis on construction quality:

Upholding the principles of "professionalism, innovation, service, and integrity," we provide cost-effective products and excellent after-sales service. We adopt a cautious and prudent approach to the development of hillside areas to maintain our brand reputation, safeguard consumer rights, and reduce disputes with buyers.

g. Understanding the market and customer preferences, always prepared for the future.

When the market undergoes price adjustments and sluggish sales of residential high-rise buildings, our company promptly adjusts its land acquisition strategy. For example, even before the government proposed initiatives to encourage Taiwanese investors to return and invest, we started launching industrial factories and achieved successful sales. Currently, we actively participate in the government's incentive programs for the development of updated industrial zones, launching new projects accordingly.

5. Factors and strategies related to the advantageous and disadvantageous aspects of the development vision:

(1) Advantageous factors:

a. Real estate remains an important investment tool for domestic residents.

According to statistics from Yung Ching Realty Group, although real estate as an investment tool has not reached its peak level, it still ranks among the top three important investment instruments for Taiwanese people in the fourth quarter of 2021, along with gold, stocks, and futures. This ranking is higher than funds and bonds, foreign currency, overseas real estate, investment-linked insurance policies, and NT dollar deposits, indicating that domestic residents still consider real estate as an important investment tool. This is particularly evident especially in the fluctuation of inflation and commodity prices.

b. Government's strong promotion of urban renewal and accelerated reconstruction of dangerous and old buildings.

Since the government passed the Act Governing the Elimination of Urban Renewal Obstacles in August 2017, followed by the amendment of the Urban Renewal Act in May 2018, and the establishment of the Taiwan Financial Joint Urban Renewal Services Corporation by the eight major state-owned banks and Taiwan Gold Union, as well as the establishment of the National Housing and Urban-Rural Development Center in August 2018, it is expected to stimulate the elimination of old buildings. The industrial zone renewal and three-dimensional development plan was introduced in March 2018, and local governments began promoting it vigorously in 2019. As of 2024, there are still incentives for the volume of dangerous and old buildings, although not as favorable as urban renewal incentives, the reconstruction process is simpler, and the review is faster, which can stimulate the revitalization of small and medium-sized old properties.

d. Incentives for urban renewal contribute to the revitalization of renewal areas.

According to surveys and statistics, the homeownership rate in Taiwan has reached 88%, with over 75% of consumers owning houses built before 1981, which are now considered aged properties with over 40 years of history. These properties no longer meet the current needs of consumers in terms of space utilization, building materials, equipment, and structural safety. Additionally, the 0403 Hualien earthquakes have raised concerns about soil liquefaction and building collapses. Therefore, through urban renewal, the pace of house replacement can be accelerated. The number of consumers waiting to replace their old houses each year does not decrease. This segment represents an important fundamental demand and support for the real estate market.

e. Continued pressure from rising prices:

In 2024, both domestic and international prices experienced a significant increase, leading to the highest inflation in recent years. In the post-pandemic era, countries are releasing large amounts of stimuli to revitalize their economies, which further contributes to inflation. Real estate is considered an important investment to counteract the effects of rising prices.

f. International buyers entering the Taiwanese real estate market:

Taiwan's economy has been performing well under effective government control of the COVID-19 pandemic. Foreign funds have been flowing into Taiwan, making it a hub for cross-strait flows of people and goods. International capital is also being channeled through Taiwan into mainland China, which not only stimulates the Taiwanese real estate market but also has a positive impact on property sales. Additionally, in the post-pandemic era, there will be a surge in revenge travel by tourists, and Taiwan has become their preferred destination. This will not only revive Taiwan's tourism industry but also potentially drive-up prices for commercial office buildings, storefronts, and leisure facilities, benefiting the real estate market.

g. Higher domestic economic growth in 2025:

Having their profits impacted by the US-China trade and tariff war, Taiwanese businesses in China are expected to gradually relocate their industries back to Taiwan. As the economy recovers, 2025 is anticipated to see a significant surge, with many countries also releasing substantial positive incentives, which have positive implications for the housing demand of domestic residents.

h. Opening of new metro lines supporting regional market trends:

Since the opening of the Kaohsiung MRT Red Line's permanent Kaohsiung Station in September 2018, the Taipei MRT Circular Line section from New Taipei Industrial Park to Dapinglin in 2019, the Danhai LRT Green Mountain Line section from Hongshulin to Kanding in December 2018, and the Ankeng Light Rail section of the New Taipei Metro in 2023, the country's rail infrastructure continues to expand. The upcoming launches include the remaining sections of the Greater Taipei Area's "Three Rings and Three Lines" rail construction project, as well as Kaohsiung's Circular LRT Line section from Hamasen Station to Lizihnei Station. Both projects are expected to provide a positive boost to the region's real estate market. In particular, properties near the "Three Rings and Three Lines" in the Taipei area are anticipated to benefit from ongoing development momentum and increased market activity.

i. Influx of hot money:

In 2024, in response to the rise of the new economy, countries around the world introduced a range of stimulus measures to boost economic growth, leading to a significant influx of capital into emerging markets. Meanwhile, Taiwan's stock market also saw strong performance, supported by proactive government efforts and the launch of several economic stimulus initiatives aimed at sustaining development. Despite the short-term order transfer effects caused by the U.S.-China trade war, overall growth remains strong with ample market liquidity. With interest rates still within an acceptable range, idle funds are being directed into the housing market to preserve value and protect against inflation, which is a significant advantage for real estate investment.

j. The new president will have served for one year as of May 20, 2025, and his efforts over the past year have already brought a renewed atmosphere to Taiwan's overall economic development.

(2) Negative Factor：

a. Difficulties in acquiring prime land and rising construction costs hinder real estate development:

Land is a fundamental raw material for construction, and in Taiwan, most of the land is hilly or mountainous, limiting available land for development. Furthermore, developers have been active for many years, resulting in a scarcity of land with development potential. Additionally, the repatriation of Taiwanese businesses requires large plots of land, and landowners are reluctant to sell, leading to a situation where land supply falls short of demand. The government's land auction prices have also repeatedly reached new highs.

Furthermore, following changes in price levels and rising salaries, construction-related costs have remained on an upward trend, with another increase recorded in 2024. Moreover, ongoing shortages of labor and materials are further driving up costs, placing additional pressure on real estate development – particularly in the lower-priced housing segment.

b. Selling pressure from the expiration of mortgage grace periods:

According to statistics from the Yung Ching Realty Group, assuming that approximately 30% of buyers who purchased pre-sale properties in 2014 opted for a three-year mortgage grace period, an estimated 54,700 households saw their grace periods expire between 2019 and 2020. Starting in 2021, the end of these grace periods led to increasing mortgage pressure, triggering a wave of selling activity. In response, the government launched the seventh round of property market control policies in September 2024. Nevertheless, due to inflation over the past two years, and although buyers have extended their observation periods, no significant wave of selling has occurred, resulting in limited room for downward adjustment in housing prices.

c. Slowing number of proxy sales in northern Taiwan, reducing selling pressure:

In 2024, the sale of remaining houses has accelerated the sales cycle. Although the number of new projects has significantly increased in some redevelopment areas, leading to an accumulation of unsold houses, the rising raw material prices and inflation have boosted purchasing momentum. However, as some construction companies still tend to delay construction projects, this has resulted in a decrease in unsold houses in northern Taiwan in 2024, especially in the redevelopment areas in New Taipei City, Taoyuan, and Hsinchu, where less selling pressure was observed.

d. Significant impact from the COVID-19 pandemic:

Since spring 2022, the fourth wave of the COVID-19 pandemic has struck again, and Taiwan has also been hit harder by a new wave, with broader impacts. This will affect the global economy as a whole, and the duration of these effects is expected to be prolonged. In 2023, countries around the world began to reopen, with full reopening by 2024, which has had an increasing impact on Taiwan's real estate market.

e. Five major variables affecting the housing market:
   i. Interest rates: The United States plans to cut interest rates three times in 2025. Taiwan's Central Bank is also taking a wait-and-see approach.
   ii. Capital influx: Can interact with and move in tandem with interest rates.
   iii. Anti-speculation measures: In 2023, the Ministry of the Interior implemented amendments to the Equalization of Land Rights Act, along with the 7th wave of anti-speculation measures, to curb real estate speculation. These actions are expected to influence capital flows between pre-sale properties and existing homes.
   iv. Soaring construction costs: These may lead construction companies to delay future project launches or shift to selling existing homes, which will impact the supply of pre-sale properties.
   v. Inflation: If inflation intensifies and cannot be controlled, it will contribute to rising property prices.

(3) Countermeasures:

a. Carefully Selecting Project Locations
Initially, our company focused on promoting projects in the Taoyuan area. As the company grew, we gradually expanded our project locations to include areas near metropolitan regions such as north of Hsinchu, and Keelung. This expansion aimed to enhance our construction vision, emphasize architectural design, interior decoration, construction quality, and satisfactory customer service. However, we still pay attention to the development potential of areas north of Hsinchu to ensure competitiveness. Simultaneously, when selecting land, we prioritize the perspective of consumers and strive to choose areas close to MRT stations or future MRT development zones with convenient transportation. By deploying ahead of time, we can seize opportunities and establish an unbeatable position.

b. Focus on Construction Safety, Quality, and Product Competitiveness
Our company has always adhered to the business philosophy of "professionalism, innovation, service, and practicality" in our products. In addition to offering well-located properties, reasonable prices, high-quality products, and excellent after-sales service, we gradually implement this philosophy in our daily operations. Over the years, this approach has been recognized by consumers, maintaining excellent sales performance. We also have a team of professional after-sales service personnel ready to assist customers with housing-related issues. It is our consistent policy not to construct mezzanine units, and we adopt a conservative and cautious attitude towards the development of sloping land to safeguard consumer rights and minimize disputes with buyers.

c. Cooperation with Banking Institutions for Financing and Loans
We constantly monitor banking trends and prioritize convenient transportation areas when selecting project locations. This not only facilitates sales but also ensures smooth construction financing and company fund turnover. In the future, customer loans will not encounter issues due to the convenience of transportation. Furthermore, during sales, we choose customers with good credit to facilitate fast bank loan approval without affecting the company's fund management.

d. Product Diversification to Meet Current Market Demands
We understand the risks associated with a single product market, so our product strategy is not static. We will continuously adjust the allocation ratio of residential, commercial, office, and retail properties based on changes in industry and market demand. We will also enter various real estate markets catering to leisure, wellness, or the silver population's needs. Additionally, we will address the challenges posed by an aging population, such as providing customized products or offering smaller units for future smaller households. Our goal is to meet the demands of the general public by delivering environmentally friendly, affordable, and high-quality products.

e. "Zero Inventory" Policy
In response to fluctuations in the real estate market, despite the current upward trend, our company maintains the consistent "zero inventory" policy to avoid stockpiling. This allows us to utilize funds efficiently. Going forward, all projects will adopt a "pre-sale or concurrent construction and sale" strategy to timely seize favorable opportunities and reliable customer sources, while also saving on advertising expenses during the sales period. Since each project we launch undergoes careful evaluation and planning, and we grasp the favorable timing for each launch, the sales performance of both pre-sale and post-completion projects meets expectations.

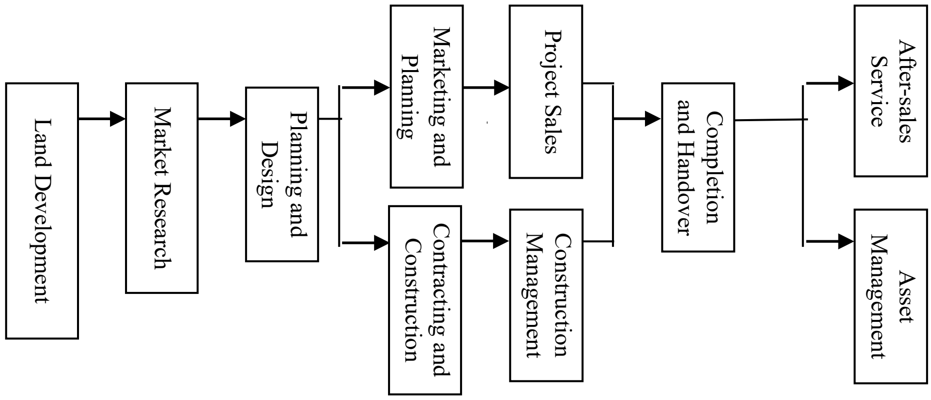
f. Grasping Market and Price Fluctuations
We continuously monitor market changes, keeping track of market trends and price fluctuations. We choose construction sites that avoid significant price decreases and opt for stable locations with potential for appreciation, maintaining an unbeatable competitive advantage.

(II) Significant Uses and Production Processes of Main Products

1. Significant Uses of Main Products：

Main Products	Uses
Residential Apartment Buildings	For residential units, sores/shops, and underground parking facilities.
Commercial and Industrial Office Buildings	For offices, industrial facilities, and underground parking facilities.

2. Production process：



(III) Supply status of main raw materials

1. Land:
   In order to maintain long-term business development, our company continues to develop suitable areas and acquire prime land through government public auctions and urban renewal operations. We do not anticipate any shortage in the supply of land.

2. Construction projects:
   Our Company chooses to collaborate with reliable construction contractors and has established strict project bidding procedures and construction specifications to ensure control over construction progress and quality.

3. Materials:
   Building materials such as reinforcement bars, cement, bricks, and interior equipment are readily available both domestically and internationally, despite price increases during the current year.

(IV) List of major suppliers in the past two fiscal years, with sales or purchases exceeding 10% of the total sales or purchases

1. List of major suppliers：

Unit: Thousand New Taiwan Dollars (NTD)

Project	2023				2024				As of the end of the previous quarter in 2025			
	Name	Amount	Percentage of Annual Net Purchase Amount	Relationship with the Issuer	Name	Amount	Percentage of Annual Net Purchase Amount	Relationship with the Issuer	Name	Amount	Percentage of Annual Net Purchase Amount	Relationship with the Issuer
1	Tung Ho Steel Enterprise	244,816	16.03%	None	Chang Sheng Metal Industry	241,892	13.27%	None	Chang Sheng Metal Industry	83,594	24.39%	None
2	Other	1,282,693	83.97%	—	Other	1,580,325	86.73%	—	Other	259,168	75.61%	—
	Net Purchases	1,527,509	100.00%		Net Purchases	1,822,217	100.00%		Net Purchases	342,762	100.00%	

2. List of Major Sales Customers：

Unit: Thousand New Taiwan Dollars (NTD)

Project	2023				2024				As of the end of the previous quarter in 2025			
	Name	Amount	Percentage of Annual Net Purchase Amount	Relationship with the Issuer	Name	Amount	Percentage of Annual Net Purchase Amount	Relationship with the Issuer	Name	Amount	Percentage of Annual Net Purchase Amount	Relationship with the Issuer
1	Company D	263,514	28.86%	None	Company D	325,878	40.08%	None	Company A	114,200	32.21%	None
2	Other	649,466	71.14%	—	Company E	200,170	24.62%	None	Company B	102,811	28.99%	None
					Other	286,959	35.30%	—	Company C	56,160	15.84%	None
									Company D	75,401	21.26%	None
									Other	6,035	1.70%	—
	Net Purchases	912,980	100.00%		Net Purchases	813,007	100.00%		Net Purchases	354,607	100.00%	

III. The number of employees employed for the 2 most recent fiscal years, and during the current fiscal year up to the date of publication of the annual report, their average years of service, average age, and education levels

Employee headcount	Annual	2023	2024	As of March 31, 2025
	Managers	4	4	4
	Regular Employees	57	50	48
	Total	61	54	52
Average Age		44.32	41.84	41.95
Average Years of Service		8.41	9.73	9.89
Educational Background Distribution Ratio	Doctorate	—	—	—
	Master's Degree	11.47	11.11	11.54
	College/University	78.69	77.78	75.00
	High School	9.84	11.11	13.46
	Below High School	—	—	—

IV. Environmental Expenditure Information

In the most recent fiscal year and up until the printing date of this annual report, losses incurred due to environmental pollution (including compensation and violations of environmental protection regulations resulting from environmental protection inspections) should be disclosed. The disclosure should include the date of penalty, penalty reference number, violated regulatory provisions, nature of the violations, and details of the penalties imposed. The estimated amounts and corresponding measures for current and future occurrences should also be disclosed. If reasonable estimation is not possible, the fact of inability to reasonably estimate should be explained.

As a company engaged in real estate investment and construction business, our construction sites' environmental maintenance and waste disposal are contracted to qualified construction companies. Therefore, our business operations do not generate any pollution incidents.

V. Labor Relations

(I) Employee welfare measures, training and development, retirement systems, and the implementation status of agreements between labor and management, as well as the implementation status of various employee rights protection measures.

1. Employee welfare measures and their implementation status:

Our company places great emphasis on employee welfare to ensure sustainable operations and enhance employee morale. In addition to establishing a Workers' Welfare Committee in accordance with the law and allocating welfare funds on a monthly basis, the committee formulates annual plans and organizes various activities. Currently, our main welfare programs include:

(1) Labor insurance, health insurance, group accident insurance, and hospitalization medical insurance.
(2) In-service education and training.
(3) Bonuses for holidays and leaves.
(4) Employee stock ownership, stock options, and profit sharing.
(5) Employee retirement benefits.
(6) Birthday celebrations and birthday gifts.
(7) Marriage, funeral, and joyous event gifts.
(8) Annal travel activities.
(9) Prizes for holiday raffles.

2. Employee training and development and their implementation status：

(1) Relevant training courses are arranged to meet employees' professional needs. The training expenditure for the fiscal year 2024 was NTD34,72.
(2) External training and development attended by our employees in the fiscal year 2024 are as follows:

Job Title Name	Date	Organizer	Course	Duration (hours)
Associate Manager of Sales Tsz-Wei Bai	June 5, 2024	The Real Estate Development Association of Taipei	Emerging Regulatory Frameworks in the Architecture Industry	2
	June 12, 2024	Taipei Association of Architects	Presale Housing Transaction Laws and Practices	3
	July 23, 2024	Taoyuan Association of Architects	Presale Housing Transaction Laws and Practices	3
	August 8, 2024	Keeung Association of Architect	Legal Framework and Practices of Real Estate Sales Contracts and Sales Management	3
Associate Manager of Finance Hsiu-Chuan Lin	November 14, 2024	Securities and Futures Institute	Corporate Risk from the Perspective of Corporate Governance	6
	November 20, 2024	The Real Estate Development Association of Taipei	Legal Framework and Case Studies on Tax Relief in the Real Estate Industry	3
	December 5, 2024	Securities and Futures Institute (SFI)	Essential Knowledge for Enterprises on Cybersecurity, Personal Data, and Trade Secret Protection	6
	December 25, 2024	KPMG in Taiwan	IFRS 18 Presentation and Disclosure in Financial Statements	15
Corporate Governance Supervisor Chih-Hao Hsu	February 23, 2024	Corporate Operating and Sustainable Development Association	Seminar on Shareholder Services and Stock Affairs	3
	April 10, 2024	Taiwan Institute of Directors	Steering the Course of Corporate Wisdom – Corporate Governance Leading the Way Forward	3
	October 7, 2024	Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	Taishin Net Zero Summit Towards a Low Carbon Future	3
	December 4, 2024	Securities and Futures Institute	Sustainable Development Committee and	3

		(SFI)	Sustainability Officer Roundtable	
	December 31, 2024	Taipei Exchange (TPEx)	Sustainability Report Preparation and Production Function Seminar for Exchange-Listed and OTC-Listed Companies	3

General staff

Department	Date	Organizer	Course	Duration (hours)
President's Office	April 24, 2024	Taipei City Real Estate Appraisal Association	Urban Renewal Equity Allocation and Valuation Strategies	3
	May 17, 2024	Department of Land, Taipei City Government	Urban Renewal Approval, Implementation, and Common Issues	3
	June 5, 2024	The Real Estate Development Association of Taipei	Emerging Regulatory Frameworks in the Architecture Industry	2
	August 2, 2024	Taipei City Real Estate Appraisal Association	Principles of Real Estate Valuation for Urban Renewal and Rights Exchange in Taipei City	2
	November 20, 2024	Taipei City Real Estate Appraisal Association	Principles for Reviewing Rights Exchange Cases and Common Issues	3
	December 27, 2024	The Real Estate Development Association of Taipei	2024 Report on the Most Recent Real Estate Regulations	2
	December 30, 2024	The Real Estate Development Association of Taipei	Recent Amendments to Urban Renewal and Hazardous Building Regulations and Key Interpretations	2
Research and Development Department	June 5, 2024	The Real Estate Development Association of Taipei	Emerging Regulatory Frameworks in the Architecture Industry	2
Engineering Department	January 16, 2024	Taiwan Construction Research Institute	Engineering and Practice of Diaphragm Wall and Soldier Pile Construction	6
	January 19, 2024	Taiwan Construction Research Institute	Operating Procedures and Practices for Five Major Pipeline and Firefighting Inspection Applications	6
	April 3, 2024	Chung Yuan Christian University	Four-Year Refresher Training for Construction Site Supervisors	6
	August 30 – September 1, 2024	Taipei Association of Interior Designers	Interior Renovation Refresher Training	18
Audit Department	February 23, 2024	Corporate Operating and Sustainable Development Association	Seminar on Shareholder Services and Stock Affairs	3
	July 30, 2024	Taipei Exchange (TPEx)	2024 Seminar on Internal Control Systems for Sustainable Information Management	3
	November 14, 2024	Securities and Futures Institute (SFI)	Corporate Risk from the Perspective of Corporate Governance	6
	December 5, 2024	Securities and Futures Institute (SFI)	Essential Knowledge for Enterprises on Cybersecurity, Personal Data, and Trade Secret Protection	6
	December 25, 2024	KPMG in Taiwan	IFRS 18 Presentation and Disclosure in Financial Statements	15

3. Retirement System and its Implementation Status：
   Our company has established an employee retirement policy, and all matters related to employee retirement are handled in accordance with relevant laws and regulations. We have also set up a Labor Retirement Reserve Fund Supervisory Committee to oversee the monthly contribution of 6% of employees' salaries as retirement benefits to their individual retirement accounts, as mandated by law.

4. Agreements between Labor and Management：
   Since its establishment, our company has maintained harmonious labor relations and has not encountered any situations requiring agreements due to labor disputes.

5. Measures for Protecting Employee Rights：
   Our company has established comprehensive rules and regulations that specify employee rights, obligations, and welfare benefits to safeguard employee rights.

(II) Losses Incurred due to Labor Disputes: In the most recent fiscal year and up until the printing date of this annual report, any losses incurred by the company due to labor disputes (including violations of labor standards as indicated by labor inspections) should be disclosed. The disclosure should include the date of penalty, penalty reference number, violated regulatory provisions, nature of the violations, and details of the penalties imposed. The estimated amounts and corresponding measures for current and future occurrences should also be disclosed. If reasonable estimation is not possible, the fact of inability to reasonably estimate should be explained.：

1. Due to our company's emphasis on labor relations, no labor disputes have occurred, and no losses have been incurred as a result of labor disputes.
2. Current and Future Measures to Strengthen Labor Relations:
   (1) Enhancing a sense of a family-like labor-employer relationship.
   (2) Establishing interactive communication and complaint channels: Our company adopts a people-oriented management approach and provides various communication channels, such as suggestion boxes and department meetings, for employees to express their opinions or engage in two-way communication with supervisors at all levels.
   (3) Full compliance with labor laws and regulations and enhancing welfare measures.
   (4) Estimated losses for current and future occurrences: Our company operates based on the principle of rational and harmonious management, and under normal and harmonious labor relations, without any other external variables, there should be no financial losses incurred.

VI. Information Security Management

(I) Information Security Risk Management

In order to implement information security management, our company has established the "Company Information Management Regulations", "Information Business Sustainable Operation Plan", and "Information Security

Inspection Operation Guidelines" to execute information-related tasks. We have also formulated the "Personal Data Protection Management Regulations" to strictly manage the use and security maintenance of data. Measures such as implementing firewalls, employing distributed database storage platforms, controlling personnel access rights and maintaining records are in place to ensure the normal operation of information systems. The President's Office has established information security policies and conducts regular information security awareness campaigns. Information security audits are also conducted annually to reduce information security risks.

(II) Losses Incurred due to Significant Information Security Incidents:

In the most recent fiscal year and up until the printing date of this annual report, any losses incurred and potential impacts resulting from significant information security incidents, along with corresponding measures, should be disclosed. If reasonable estimation is not possible, the fact of inability to reasonably estimate should be explained.：None。

VII. Important Contracts

As of the printing date of this annual report, the parties involved, key contents, restrictive clauses, and contract start and end dates of valid and recently expired sales contracts, technical cooperation contracts, engineering contracts, long-term loan contracts, and other contracts that could significantly affect shareholder equity should be disclosed.：

Contract nature	Parties involved	Contract start and end dates	Main provisions or content	Restrictive clauses or provisions
Construction contract	Yao Ren Construction Co., Ltd.	From the contract signing date of March 10, 2021, the party shall assume full warranty responsibility from the date of complete completion and acceptance.	Beside No. 16, Section 1, Jincheng Road, Tucheng District, New Taipei City ReaLy Construction Permit No. 00112, Tucheng District, New Taipei City Government, 2021	None
Construction contract	Yao Ren Construction Co., Ltd.	From the contract signing date of March 10, 2021, the party shall assume full warranty responsibility from the date of complete completion and acceptance.	Beside No. 16, Section 1, Jincheng Road, Tucheng District, New Taipei City ReaLy Demolition Project, Demolition Permit No. 00047, Tucheng District, New Taipei City Government, 2021	None
Construction contract	Yao Ren Construction Co., Ltd.	From the contract signing date of August 10, 2021, the party shall assume full warranty responsibility from the date of complete completion and acceptance.	Next to No. 192-1, Zhongyuan Road, Zhongli District, Taoyuan City ReaLy Construction Permit No. Hui-Li 01496, Taoyuan City Government, 2021 - Building Construction Project	None
Construction contract	Yao Ren Construction Co., Ltd.	From the contract signing date of November 10, 2021, the party shall assume full warranty responsibility from the date of complete completion and acceptance.	Next to No. 192-1, Zhongyuan Road, Zhongli District, Taoyuan City ReaLy Construction Permit No. Hui-Li 01496, Taoyuan City Government, 2021 - Building Construction Project	None
Construction contract	Yao Ren Construction Co., Ltd.	From the contract signing date of December 10, 2021, the party shall assume full warranty responsibility from the date of complete completion and acceptance.	15 lands including No. 558 of Yuanren Section, Tucheng District, New Taipei City. ReaLy Construction Permit No. 00112, Tucheng District, New Taipei City Government, 2021.	None
Construction contract	Yao Ren Construction Co., Ltd.	From the contract signing date of March 10, 2022, the party shall assume full warranty responsibility from the date of complete completion and acceptance.	No. 1, Lane 110, Jiukang Street, Wenshan District, Taipei City ReaLy Construction Permit No. 0010, Taipei City Government, 2022 - Building Construction Project	None
Construction contract	Yao Ren Construction Co., Ltd.	From the contract signing date of May 1, 2022, the party shall assume full warranty responsibility from the date of complete completion and acceptance.	Beside No. 16, Section 1, Jincheng Road, Tucheng District, New Taipei City ReaLy Construction Permit No. 002023, Tucheng District, New Taipei City Government, 2021 - Overall Construction Project	None
Construction contract	Yao Ren Construction Co., Ltd.	From the contract signing date of August 10, 2022, the party shall assume full warranty responsibility from the date of complete completion and acceptance.	Next to No. 192-1, Zhongyuan Road, Zhongli District, Taoyuan City ReaLy Construction Permit No. Hui-Li 01496, Taoyuan City Government, 2021 - Hypothetical Engineering, Foundation Engineering, and Other Building Construction Projects	None
Construction contract	Yao Ren Construction Co., Ltd.	From the contract signing date of December 6, 2022, the party shall assume full warranty responsibility from the date of complete completion and acceptance.	Next to No. 192-1, Zhongyuan Road, Zhongli District, Taoyuan City ReaLy Construction Permit No. Hui-Li 01496, Taoyuan City Government, 2021 - Overall Construction Project	None
Construction contract	Yao Ren Construction Co., Ltd.	From the contract signing date of January 3, 2023, the party shall assume full warranty responsibility from the date of complete completion and acceptance.	15 lands including No. 558 of Yuanren Section, Tucheng District, New Taipei City. ReaLy Construction Permit No. 00112, Tucheng District, New Taipei City Government, 2021.	None
Construction contract	Yao Ren Construction Co., Ltd.	From the contract signing date of February 1, 2023, the party shall assume full warranty responsibility from the date of complete completion and acceptance.	No. 1, Lane 110, Jiukang Street, Wenshan District, Taipei City ReaLy Construction Permit No. 0010, Taipei City Government, 2022 - Overall Construction Project	None
Construction contract	Yao Ren Construction Co., Ltd.	From the contract signing date of April 1, 2024, the party shall assume full warranty responsibility from the date of complete completion and acceptance.	Land No. 488, Gongjian Section, Qidu District, Keelung City New Construction Project for Area A of ReaLyfield Dongju - Additional Works	None
Construction contract	Yao Ren Construction Co., Ltd.	From the contract signing date of December 6, 2024, the party shall assume full warranty responsibility from the date of complete completion and acceptance.	Next to No. 192-1, Zhongyuan Road, Zhongli District, Taoyuan City ReaLy Construction Permit No. Hui-Li 01496, Taoyuan City Government, 2021 - Building Construction Project	None
Construction contract	Yao Ren Construction Co., Ltd.	From the contract signing date of January 3, 2025, the party shall assume full warranty responsibility from the date of complete completion and acceptance.	Beside No. 16, Section 1, Jincheng Road, Tucheng District, New Taipei City ReaLy Construction Permit No. 00112, Tucheng District, New Taipei City Government, 2021	None
Construction contract	Yao Ren Construction Co., Ltd.	From the contract signing date of January 21, 2025, the party shall assume full warranty responsibility from the date of complete completion and acceptance.	No. 1, Lane 110, Jiukang Street, Wenshan District, Taipei City ReaLy Construction Permit No. 0010, Taipei City Government, 2022 -Additional Works for Structural Electrical and Plumbing Engineering Project	None
Joint investment construction contract	Kuan Yeung Arch Co., Ltd.	After the completion of the case on January 6, 2014.	Land in Yucheng Section, Nangang District, Taipei City	None
Joint investment construction contract	Kuan Yeung Arch Co., Ltd.	After the completion of the case on October 25, 2013.	Land in Muzha Section, Wenshan District, Taipei City	None
Joint investment construction contract	Jinghe Construction Co., Ltd.	After the completion of the case on October 16, 2019.	Land in Zhonggong Section, Zhongli District, Taoyuan City	None
Joint development and allocation contract	Guo Jun	After the completion of the joint construction on May 24, 2007.	The land at No. 685, Nanhai Section 3, Xiaoduan, Taipei City, has a total area of 21.78 ping, with a joint construction ratio of 40% for the builder and 60% for the landowner.	None
〃	Zheng Jun	After the completion of the joint construction on June 8, 2011.	The land at No. 308, Yucheng Section 2, Nangang District, Taipei City, and three other parcels have a total area of 504.80 square meters, with a joint construction ratio of 40% for the builder and 60% for the landowner.	None

〃	Zheng Jun	After the completion of the joint construction on June 14, 2011.	The land at No. 299, Yucheng Section 2, Nangang District, Taipei City, and three other parcels have a total area of 47.22 square meters, with a joint construction ratio of 40% for the builder and 60% for the landowner.	None
〃	Zheng Jun	After the completion of the joint construction on June 14, 2011.	The land at No. 299, Yucheng Section 2, Nangang District, Taipei City, and two other parcels have a total area of 17.23 square meters, with a joint construction ratio of 40% for the builder and 60% for the landowner.	None
〃	Zheng Jun	After the completion of the joint construction on July 25, 2011.	The land at No. 299, Yucheng Section 2, Nangang District, Taipei City, and three other parcels have a total area of 23.61 square meters, with a joint construction ratio of 40% for the builder and 60% for the landowner.	None
〃	Delin Industries Co., Ltd.	After the completion of the joint construction on November 23, 2012.	The land at No. 299, Yucheng Section 2, Nangang District, Taipei City, and two other parcels have a total area of 70.50 square meters, with a joint construction ratio of 40% for the builder and 60% for the landowner.	None
〃	Lian Electric Appliances Co., Ltd.	After the completion of the joint construction on December 12, 2012.	The land at No. 299, Yucheng Section 2, Nangang District, Taipei City, and two other parcels have a total area of 70.50 square meters, with a joint construction ratio of 40% for the builder and 60% for the landowner.	None
〃	Zheng Jun	After the completion of the joint construction on May 23, 2013.	The land at No. 299, Yucheng Section 2, Nangang District, Taipei City, and five other parcels have a total area of 281.30 square meters, with a joint construction ratio of 40% for the builder and 60% for the landowner.	None
〃	Zheng Jun and five others	After the completion of the joint construction on September 3, 2013.	The land at No. 299, Yucheng Section 2, Nangang District, Taipei City, and three other parcels have a total area of 64.46 square meters, with a joint construction ratio of 40% for the builder and 60% for the landowner.	None
〃	Zheng Jun	After the completion of the joint construction on September 3, 2013.	The land at No. 299, Yucheng Section 2, Nangang District, Taipei City, and three other parcels have a total area of 33.12 square meters, with a joint construction ratio of 40% for the builder and 60% for the landowner.	None
〃	Zheng Jun and four others	After the completion of the joint construction on September 3, 2013.	The land at No. 299, Yucheng Section 2, Nangang District, Taipei City, and three other parcels have a total area of 64.46 square meters, with a joint construction ratio of 40% for the builder and 60% for the landowner.	None
〃	Zheng Jun and two others	After the completion of the joint construction on September 19, 2013.	The land at No. 299, Yucheng Section 2, Nangang District, Taipei City, and two other parcels have a total area of 32.90 square meters, with a joint construction ratio of 40% for the builder and 60% for the landowner.	None
〃	Zheng Jun and five others	After the completion of the joint construction on September 26, 2013.	The land at No. 299, Yucheng Section 2, Nangang District, Taipei City, and three other parcels have a total area of 5.92 square meters, with a joint construction ratio of 40% for the builder and 60% for the landowner.	None
〃	CTE CORPOARTION	After the completion of the joint construction on October 31, 2023.	The land at No. 299, Yucheng Section 2, Nangang District, Taipei City, and five other parcels have a total area of 391.20 square meters, with a joint construction ratio of 40% for the builder and 60% for the landowner.	None
〃	Zheng Jun	After the completion of the joint construction on November 3, 2023.	The land at No. 299, Yucheng Section 2, Nangang District, Taipei City, and three other parcels have a total area of 47.33 square meters, with a joint construction ratio of 40% for the builder and 60% for the landowner.	None
〃	Zheng Jun	After the completion of the joint construction on November 3, 2023.	The land at No. 299, Yucheng Section 2, Nangang District, Taipei City, and three other parcels have a total area of 23.74 square meters, with a joint construction ratio of 40% for the builder and 60% for the landowner.	None
〃	Lead Year Enterprise Co., Ltd.	After the completion of the joint construction on December 7, 2023.	The land at No. 310, Yucheng Section 2, Nangang District, Taipei City, and three other parcels have a total area of 250.20 square meters, with a joint construction ratio of 40% for the builder and 60% for the landowner.	None
〃	Wang Jun	After the completion of the joint construction on February 8, 2014.	Land at No. 774, Section 1, Muzha, Wenshan District, Taipei City, with a shared ownership of 40.54 ping. Each ping of land corresponds to a building right of 3.2 pings.	None
〃	Fang Jun	After the completion of the joint construction on March 21, 2014.	Land at No. 1606, Xin Feng Section, Xizhi District, New Taipei City, with a shared ownership of 45.75 square meters. The joint construction ratio is 45% for the builder and 55% for the landowner.	None
〃	Xie Jun	After the completion of the joint construction on March 21, 2014.	Land at No. 1614, Xin Feng Section, Xizhi District, New Taipei City, with a shared ownership of 82 square meters. The joint construction ratio is 45% for the builder and 55% for the landowner.	None
〃	Su Jun	After the completion of the joint construction on March 21, 2014.	Land at No. 1616, Xin Feng Section, Xizhi District, New Taipei City, with a shared ownership of 53 square meters. The joint construction ratio is 45% for the builder and 55% for the landowner.	None
〃	Xie Jun, heir	After the completion of the joint construction on March 21, 2014.	Land at No. 1614, Xin Feng Section, Xizhi District, New Taipei City, with a shared ownership of 82 square meters. The joint construction ratio is 45% for the builder and 55% for the landowner.	None
〃	Chen Jun	After the completion of the joint construction on March 25, 2014.	Two parcels of land at No. 1617, Xin Feng Section, Xizhi District, New Taipei City, with a total shared ownership of 54 square meters. The joint construction ratio is 45% for the builder and 55% for the landowner.	None
〃	Wang Jun	After the completion of the joint construction on March 27, 2014.	Land at No. 1615, Xin Feng Section, Xizhi District, New Taipei City, with a shared ownership of 53.333 square meters. The joint construction ratio is 45% for the builder and 55% for the landowner.	None
〃	Zhan Jun	After the completion of the joint construction on March 30, 2014.	Land at No. 1609, Xin Feng Section, Xizhi District, New Taipei City, with a shared ownership of 94 square meters. The joint construction ratio is 45% for the builder and 55% for the landowner.	None
〃	Zhan Jun	After the completion of the joint construction on March 30, 2014.	Land at No. 1609, Xin Feng Section, Xizhi District, New Taipei City, with a shared ownership of 94 square meters. The joint construction ratio is 45% for the builder and 55% for the landowner.	None
〃	Zhang Jun	After the completion of the joint construction on April 11, 2014.	Two parcels of land at No. 1608, Xin Feng Section, Xizhi District, New Taipei City, with a total shared ownership of 152.333 square meters. The joint construction ratio is 45% for the builder and 55% for the landowner.	None
〃	Zhang Jun	After the completion of the joint construction on April 11, 2014.	Three parcels of land at No. 1607, Xin Feng Section, Xizhi District, New Taipei City, with a total shared ownership of 153.084 square meters. The joint construction ratio is 45% for the builder and 55% for the landowner.	None
〃	Zhang Jun	After the completion of the joint construction on April 16, 2014.	Two parcels of land at No. 1608, Xin Feng Section, Xizhi District, New Taipei City, with a total shared ownership of 105.334 square meters. The joint construction ratio is 45% for the builder and 55% for the landowner.	None
〃	Li Jun	After the completion of the joint construction on April 17, 2014.	Land at No. 1615, Xin Feng Section, Xizhi District, New Taipei City, with a shared ownership of 53.333 square meters. The joint construction ratio is 45% for the builder and 55% for the landowner.	None
〃	Zhou Jun	After the completion of the joint construction on April 24, 2014.	Land at No. 1610, Xin Feng Section, Xizhi District, New Taipei City, with a shared ownership of 187 square meters. The joint construction ratio is 45% for the builder and 55% for the landowner.	None
〃	Que Jun	After the completion of the joint construction on June 27, 2014.	Land at No. 1611, Xin Feng Section, Xizhi District, New Taipei City, with a shared ownership of 177 square meters. The joint construction ratio is 45% for the builder and 55% for the landowner.	None
〃	Huang Jun	After the completion of the joint construction on June 29, 2014.	Land at No. 1607, Xin Feng Section, Xizhi District, New Taipei City, with a shared ownership of 47.75 square meters. The joint construction ratio is 45% for the builder and 55% for the landowner.	None
〃	Chen Jun	After the completion of the joint construction on September 21, 2014.	Land at No. 1607, Xin Feng Section, Xizhi District, New Taipei City, with a shared ownership of 47.75 square meters. The joint construction ratio is 45% for the builder and	None

			55% for the landowner.	
〃	Liao Jun	After the completion of the joint construction on October 15, 2014.	Land at No. 1615, Xin Feng Section, Xizhi District, New Taipei City, with a shared ownership of 16.13 square meters. The joint construction ratio is 45% for the builder and 55% for the landowner.	None
〃	Que Jun	After the completion of the joint construction on December 30, 2015.	Land at No. 1606, Xin Feng Section, Xizhi District, New Taipei City, with a shared ownership of 45.75 square meters. The joint construction ratio is 45% for the builder and 55% for the landowner.	None
〃	Zhou Jun	After the completion of the joint construction on December 31, 2015.	Land at No. 1606, Xin Feng Section, Xizhi District, New Taipei City, with a shared ownership of 45.75 square meters. The joint construction ratio is 45% for the builder and 55% for the landowner.	None
〃	Liao Jun	After the completion of the joint construction on January 7, 2016.	Land at No. 1606, Xin Feng Section, Xizhi District, New Taipei City, with a shared ownership of 45.75 square meters. The joint construction ratio is 45% for the builder and 55% for the landowner.	None
〃	Huang Jun and 4 others.	After the completion of the joint construction on January 7, 2016.	Land at No. 1604, Xin Feng Section, Xizhi District, New Taipei City, with a shared ownership of 170 square meters. The joint construction ratio is 45% for the builder and 55% for the landowner.	None
〃	Chen Jun and 4 others.	After the completion of the joint construction on January 21, 2016.	Land at No. 1602, Xin Feng Section, Xizhi District, New Taipei City, with a shared ownership of 181 square meters. The joint construction ratio is 45% for the builder and 55% for the landowner.	None
〃	Zhang Jun and 30 others.	After the completion of the joint construction on September 27, 2018.	Four parcels of land at No. 558, Yuan Ren Section, Tucheng District, New Taipei City, with a total shared ownership of 11,389.94 square meters. The joint construction ratio is 50% for the builder and 50% for the landowner.	None
〃	Wilex Investment Holding Co., Ltd	After the completion of the joint construction on December 21, 2018.	Land at No. 591, Da An Section, Tucheng District, New Taipei City, with a shared ownership of 1014.34 ping. The joint construction ratio is 50% for the builder and 50% for the landowner.	None
〃	Shun Kuang Co., Ltd.	After the completion of the joint construction on July 11, 2019.	Land at No. 591, Da An Section, Tucheng District, New Taipei City, with a total shared ownership of 1014.34 ping. The joint construction ratio is 50% for the builder and 50% for the landowner.	None
Urban renewal implementation contract	Zheng Jun	Effective from the contract signing date of June 8, 2011, until the date of completion and acceptance of the project, the structural warranty period is 15 years, the waterproof warranty period is 3 years, and the equipment warranty period is 2 years.	Providing reconstructed land: Several parcels of land at No. 308, Yu Cheng Section 2, Nan Gang District, with a total shared ownership of 504.80 square meters. Providing reconstructed buildings: Buildings with the following numbers at Yu Cheng Section 2, Nan Gang District: 003 and 004.	None
Urban renewal planning joint construction contract	Fuda Urban Renewal	Effective from the contract signing date of November 18, 2013, until the completion of the service work items.	Urban renewal project for 10 parcels of land at Yu Cheng Section 2, Nan Gang District, with the land numbers starting from 299.	None
Urban renewal planning joint construction contract	Hung Jie Real Estate Business	Effective from the contract signing date of February 11, 2014, until the completion of the service work items.	Urban renewal project for 12 parcels of land at No. 757-1, Wen Shan Mu Cha Section 1.	None
Urban renewal planning joint construction contract	Fuda Urban Renewal	Effective from the contract signing date of October 1, 2014, until the completion of the service work items.	Urban renewal project for 17 parcels of land at No.1611, Xin Feng District, Xizhi District.	None
Joint construction contract for planning dangerous and old buildings	Hung Jie Real Estate Business	Effective from the contract signing date of February 17, 2024, until the completion of the service work items.	Planning for dangerous and old buildings located on two plots of lands at No. 705, Subsection 4, Yongping Section, Shihlin District.	None

5. Review of Financial Conditions, Financial Performance, and Risk Management

I. Financial Status

Review and Analysis of Financial Status

Unit: NTD Thousand

Year / Item	2024	2023	Difference		Remark
			Amount	%	
Current assets	5,680,752	4,125,549	1,555,203	37.70	Note 1
Real estate, plants and equipment	43,869	45,012	(1,143)	(2.54)	
Other assets	102,542	117,718	(15,176)	(12.89)	
Total assets	5,827,163	4,288,279	1,538,884	35.89	
Current liabilities	3,445,629	1,871,414	1,574,215	84.12	Note 2
Non-current liabilities	0	0	0	-	
Total liabilities	3,445,629	1,871,414	1,574,215	84.12	
Capital stock	1,000,000	1,000,000	0	-	
Capital surplus	189,208	189,208	0	-	
Retained earnings	830,655	863,687	(33,032)	(3.82)	
Non-controlling equities	361,671	363,970	(2,299)	(0.63)	
Total shareholder’s equities	2,381,534	2,416,865	(35,331)	(1.46)	

Material changes are analyzed as follows:

Note 1: Mainly resulted from an increase of NTD 1,073,831 thousand in inventory and an increase of NTD 327,361 thousand in notes and accounts payable.

Note 2: Mainly resulted from an increase of NTD 884,860 thousand in long-term loans due within the operating cycle, an increase of NTD 214,580 thousand in current liabilities from contracts, and an increase of NTD 145,000 thousand in short-term loans.

II. Financial Performance

Review and Analysis of Financial Performance

Unit: NTD Thousand

Year / Item	2024	2023	Difference		
			Amount	%	
Operating income	813,007	912,980	(99,973)	(10.95)	Note 1
Operating Cost	648,087	759,636	(111,549)	(14.68)	
Gross Profit	164,920	153,344	11,576	7.55	
Operating Expenses	83,438	98,079	(14,641)	(14.93)	
Net income from operation	81,482	55,265	26,217	47.44	
Non-operating income and expenses	15,233	3,313	11,920	359.79	Note 2
Net income before tax	96,715	58,578	38,137	65.10	
Income Tax Expense	32,046	(21,381)	53,427	249.88	Note 3
Current net income	64,669	79,959	(15,290)	(19.12)	
Other comprehensive income	0	0	0	-	
Total comprehensive income	64,669	79,959	(15,290)	(19.12)	

(I) Explanations of changes in increase/decrease percentage:
Note 1: The decrease of 10.95% in operating income is due to an increase in gross profit margin from 16.80% to 20.29%.
Note 2: Resulted from an increase of NTD 12,621 thousand in project management fee
Note 3: Tax-exempt income reduced by NTD 44,318 thousand.

(II) Sales Quantity Estimation and Basis: The Company's products include congregate residential housing with parking spaces and industrial office buildings. It is estimated that, in 2025, we will sell 8 units of the "ReaLy Yongning No. 1" (expected to be completed in October 2026) and 37 units of "ReaLy Linghang No. 1" (expected to be completed in October 2025). The estimated sales quantity is based on the Company's management strategy, operational goals and budget, and incorporates reasonable assumptions regarding changes in the overall economic climate and past operational performance.

(III) Potential impacts and response plans for future financial operations: The Company's operating performance is expected to grow steadily along with the stable economic conditions. We are also committed to improving the financial structure, enhancing operational and profitability capabilities, reducing average days of inventory and accounts receivable collection days, and increasing return on equity, return on assets, and net profit margin.

III. Analysis of Cash Flow

(I) Cash Flow Analysis for the Current Year and the improvement plan for illiquidity

Item \ Year	2024	2023	Difference (%)
Cash flow ratio	Note 1	Note 1	–
Cash flow adequacy ratio	Note 1	Note 1	–
Cash reinvestment ratio	Note 1	Note 1	–

Note 1: Negative net cash flows from operating activities will not be included in the calculation.

(II) Cash Flow Analysis for the Coming Year:

Unit: NTD Thousand

Cash, Beginning of Year ①	Estimated Net Cash Flow from Operating Activities②	Estimated Cash Outflow③	Cash Surplus (Deficit) ①+②-③	Leverage of Cash Deficit	
				Investment Plans	Financing Plans
157,105	1,793,570	1,537,194	413,481	—	—

1. Analysis of changes in cash flows for the current year:
   (1) Operating activities: The expected expenditure for projects exceeds the income from the sale of real estate, resulting in a net cash outflow.
   (2) Investing activities: None.
   (3) Financing activities: None.
2. Remedial measures for anticipated cash shortfall and liquidity analysis: None.

IV. The effect upon financial operations of any major capital expenditures during the most recent fiscal year

(I) Major Capital Expenditure Items and Source of Capital: None.

(II) Expected Benefits: None.

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

Reinvestment Analysis Table

Unit: NTD Thousand

Item \ Description	Amount	Policy	Main reasons for gain or loss	Improvement Plan	Other future investment plans
YouZen Construction Corp.	90,000	Based on controlling construction quality and ensuring product reputation	recognized an investment income of NTD 9,165 thousand in the current period.	—	—
Eastunion Development & Construction	120,000	Made a joint investment with professional partners in related fields.	Recognized an investment loss of NTD 1,315 thousand in the current period.	—	—

VI. Analysis of Risk Management

(I) Effects of Changes in Interest Rates, Foreign Exchange Rates and Inflation on Corporate Finance, and Future Response Measures:

1. The primary source of interest rate volatility risk for the Company emerges from its bank financing. The responsive tactic adopted to mitigate this hazard involves establishing enduring alliances with associated financial institutions and carrying out periodic evaluations of prevailing interest rates. In order to circumvent potential risk, the Company adheres to a conservative and meticulous approach, utilizing financial instruments as a defensive mechanism against the potential destabilization caused by interest rate fluctuations.
2. The Company's business activities do not involve foreign currency receipts or payments so the impact of exchange rate fluctuations on its operations is limited.
3. In recent years, the increase in international raw material prices has led to a potential inflationary pressure domestically. Although this has resulted in higher construction costs, the real estate sector has the inherent ability to withstand inflation, coupled with the public's desire to preserve property value and the Company's affordable housing strategy. As a result, the real estate market remains stable, and the Company has not been significantly affected by inflation.

(II) Policies, Main Causes of Gain or Loss and Future Response Measures with Respect to High-risk, High-leveraged Investments, Lending or Endorsement Guarantees, and Derivatives:

1. The Company has not engaged in high-risk or high-leverage investments, lending funds to others, endorsing guarantees, or engaging in derivative transactions.
2. The Corporation has stipulated “Procedures for Acquisition or Disposal of Assets", "Procedures for Lending Funds to Others", "Procedures for Endorsement/Guarantee", and " Procedures for Derivative Transactions" to ensure compliance and risk reduction.

(III) Future Research & Development Projects and Corresponding Budget:

The Corporation is entrenched in the construction industry, with its main investments in building residential, commercial, and office establishments. Given the absence of a designated research and development segment occupied with the advancement and configuration of high-technology commodities, the Company is consequently exempt from incurring expenditures correlated with research and development endeavors.

(IV) Effects of and Response to Changes in Domestic and Foreign Policies and Regulations Relating to Corporate Finance and Sales:

The Company consults and receives evaluations and recommendations from legal and tax experts, regularly monitors vital domestic and international policies and legal changes, promptly plans and implements corresponding measures, and always adheres to applicable laws and principles of sound financial management. As a result, there have been no negative impacts on the Company's financial operations.

(V) Effects of and Response to Changes in Technology (including information and communication safety risks) and the Industry Relating to Corporate Finance and Sales:

1. The Company continuously monitors technological changes and industry trends. In the future, land development can be diversified through various means such as land leasing, land trust, commissioning construction, joint development, participation in urban renewal programs, participation in government-sponsored construction projects, and compliance with agricultural land release policies to secure the necessary land reserves. These initiatives aim to enhance the Company's competitiveness. Currently, there are no significant technological changes or industry trends which have a major impact on the Company's financial operations.
2. To ensure information security, the Company has established " Regulations on Corporate Information Management," "Information Business Continuity Operation Plan," and "Guidelines for Information Security Inspection Operations" to implement information-related work plans. The Company has also implemented " Regulations on Personal Data Protection" to strictly manage data usage and security maintenance. Measures such as firewall implementation, distributed database storage platforms, control over user access and records are in place to maintain the normal operation of information systems. The President's office has established information security policies, conducts periodic information security awareness training, and audits information security annually to reduce information security risks.

(VI) The Impact of Changes in Corporate Image on Corporate Risk Management, and the Company's Response Measures:

With the overarching philosophy of "caring for the environment and fostering community development," our company is committed to sustainable practices, maintaining a strong corporate reputation. There have been no significant alterations to our corporate image in the past fiscal year.

(VII) Expected Benefits from, Risks Relating to and Response to Merger and Acquisition Plans: Not Applicable.

(VIII) Expected Benefits from, Risks Relating to and Response to Factory Expansion Plans: Not Applicable.

(IX) Risks Relating to and Response to Excessive Concentration of Purchasing Sources and Customers:

The Company's main sources of procurement are land and construction projects. Our land sources are diverse, including public auctions, private acquisitions, and joint development. There is no concentrated risk in land procurement. Furthermore, to ensure product quality control, the Company mainly entrusts major construction projects to subsidiaries with Class A construction qualifications. Construction quality and progress are effectively supervised and managed by on-site construction managers. Consequently, there is no concentrated risk in procurement. In addition, the Company does not sell to specific customers, so there is no concentration risk in sales.

(X) Effects of, Risks Relating to and Response to Large Share Transfers or Changes in Shareholdings by Directors, Supervisors, or Shareholders with Shareholdings of over 10%: None.

(XI) Effects of, Risks Relating to and Response to the Changes in Management Rights:

There have been no operational impacts caused by changes in ownership rights.

(XII) Litigation or Non-litigation Matters:

1. The facts in dispute, amount in dispute, commencement date, main parties involved, and current status of any material impact upon shareholders' equity or prices for the Company's securities as a result of any litigation, non-litigious proceeding, or administrative dispute involving the Company which was finalized or remained pending during the current fiscal year up to the publication date of the Annual Report shall be : None.
2. Directors, general manager, substantial responsible person, major shareholders with a stake exceeding ten percent, and subsidiary companies of the Company who have been involved in any significant litigations, non-litigations, or administrative disputes that have been determined by a final judgment in the recent fiscal year or are currently pending, and the outcomes of which may have a significant impact on shareholder rights or securities prices: None.

(XIII) Other Important Risks and Response Measures

To address such issues as severe global climate changes and worsening global warming, the government actively promotes energy-saving and carbon reduction measures and the adoption of various green energy sources to minimize carbon dioxide emissions. The Company is committed to complying with government requirements, enhancing the comfort and healthiness of residential living, reducing the environmental impact of building materials during manufacturing, and upgrading the industry. The Company actively utilizes green building technologies and materials to address climate changes. Measures such as applying for green building certifications and utilizing rooftop solar power equipment are taken. The Company also promotes energy-saving and carbon reduction policies, upgrading equipment and materials, and raising awareness of energy-saving and carbon reduction among employees. By implementing new energy systems and products, the Company contributes to the protection of a carbon-free environment, fulfilling its corporate responsibility to society.

VII. Other Important Matters: None.

6. Special Disclosure

I. Summary of Affiliated Companies

(I) Affiliated enterprise and business report:

1. Organizational chart of affiliated enterprises:

ReaLy Development & Construction Corp.

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Company	YouZen Construction Corp.	Eastunion Development & Construction
Shares	5,000,000	16,560,000
stment Amount	90,000,000	120,000,000
reholding Ratio	100%	36.36%

2. Basic information of each affiliated enterprise:

Unit: NTD Thousand

Company name	Date of establishment	Address	Paid-in Capital	Main business activities or products
YouZen Construction Corp.	March 4, 1993	1F, No.69, Section 5, Civic Boulevard, Taipei City.	50,000	Civil and construction engineering
Eastunion Development & Construction	March 12, 2014	No.69, Section 5, Civic Boulevard, Taipei City.	455,400	Development and leasing/sale of residential and commercial buildings

3. Presumed to have the same shareholder information with a control-and-subordination relationship: None.
4. Business Scope and Their Inter-associations of the Affiliated Companies: a. Construction Industry, b. Construction Constrcting Industry.
5. Directors, supervisors and presidents of affiliated enterprises:

Company name	Position	Name or representative	Shareholding	
			Shares	Ratio
YouZen Construction Corp.	Chairman	ReaLy Development & Construction Corp. Representative: Teng-Chen Hsu	5,000,000 Shares	100.00%
	Director	ReaLy Development & Construction Corp. Representative: Guo-Hao Shen		
	Director	ReaLy Development & Construction Corp. Representative: Chih-Hao Hsu		
	Supervisor	ReaLy Development & Construction Corp. Representative: Han-Ru Hsu		
	President	Teng-Chen Hsu	—	—
Eastunion Development & Construction	Chairman	Grand Sights Investment & Advisory Corp Representative: Teng-Chen Hsu	7,866,000 Shares	17.27%
	Director	ReaLy Development & Construction Corp. Representative: Han-Ru Hsu	16,560,000 Shares	36.36%
	Director	ReaLy Development & Construction Corp. Representative: Tsz-Wei Bai		
	Director	Wen Chi Development and Construction Co., Ltd. Representative: Wen-Chang Liu	8,280,000 Shares	18.18%
	Director	Shen Cheng Construction Co., Ltd. Representative: Rong-Huang Chuang	8,280,000 Shares	18.18%
	Supervisor	Chih-Hao Hsu	—	—

6. Operational Highlights of Affiliated Companies:

Unit: NTD Thousand

Company	Paid-in Capital	Total Assets	Total Liabilities	Stockholders' Equity	Revenues	Operating Profit	Profit (After Tax)	EPS (NTD) (After Tax)
YouZen Construction	50,000	785,676	636,235	149,441	1,607,137	78,213	62,572	12.51
Eastunion Development & Construction	455,400	659,106	90,766	568,340	0	(6,016)	(3,614)	(0.08)

(II) Consolidated financial statements of affiliated enterprises:

1. Consolidated financial statements of affiliated enterprises and consolidated financial reports of the Company and its subsidiaries.

2. Declaration

Declaration

We hereby declare that, for Year 2024 (from January 1, 2024 to December 31, 2024), pursuant to Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises, the companies that are required to be included in the consolidated financial statements of affiliates, are the same as those required to be included in the consolidated financial statements under International Financial Reporting Standards 10 “Consolidated Financial Statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. As a result, Uni-President Enterprises Corp. and subsidiaries are not required to prepare consolidated financial statements of affiliates.

Company: ReaLy Development & Construction Corp.

Chairman: Teng-Chen Hsu

Date: March 13, 2025

(III) The Affiliated Report: None.

II. Private placement of securities in the most recent year and current year up till the publication date of this annual report: None.

III. Other supplementary notes, where applicable: None.

7. Events that have a material impact on shareholders' equity or securities prices

I. In the most recent year and as of the publication date of the annual report, the occurrence of matters specified in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act that have a material impact on equity interests or securities prices: None.

ReaLy Development & Construction Corp.

Chairman: Teng-Chen Hsu