

Stock Code: 2596



ReaLy Development & Construction Corp.

Handbook for FY2023 Annual Shareholder's Meeting

Meeting Method: Physical Shareholders' Meeting

Time: 09:00 a.m., June 21, 2023

**Location: 3F., No. 99, Sec. 5, Civic Blvd., Songshan Dist.,
Taipei City**

(Seminar Room, Puppetry Art Center of Taipei)

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ReaLy Development & Construction Corp.
Agenda of Annual Meeting of Shareholders for FY2023

Convening Method: Physical shareholders' meeting

Time: 9 a.m. on Wednesday, June 21, 2023

Location: 3F., No. 99, Sec. 5, Civic Blvd., Songshan Dist., Taipei City (Seminar Room, Puppetry Art Center of Taipei)

Meeting Procedures:

1. Announce The Number of Shares in Attendance
2. Call the Meeting to Order
3. Chairperson Remarks
4. Management Presentations
 - (1) FY2022 Business Report
 - (2) Audit Committee's Review Report on FY2022 Financial Statements
 - (3) Distribution of Remuneration to Employees and Directors for FY2022
5. Proposals
 - (1) FY2022 Financial Statements
 - (2) The Proposal for Distribution of FY2022 Profits
6. Elections

Full Re-election of the Company's Directors
7. Other Proposals

Release the Prohibition on New Directors and their representatives from Participation in Competitive Business
8. Questions and Motions
9. Adjournment

Management Presentation

1. Report No.1: FY2022 Business Reports
Explanation: FY2022 Business Report is attached as Page 5-6 (Attachment 1).

2. Report No.2: Audit Committee's Review Report on FY2022 Financial Statements
Explanation: FY2022 Audit Committee's Audit Report is attached as Page 7-8 (Attachment 2).

3. Report No.3: Distribution of Remuneration to Employees and Directors for FY2022
Explanation: On February 23, FY2023, the Board of Directors of the Company resolved to approve FY2022 employee remuneration and director remuneration distribution proposal, and, according to Article 20 of the Company's Articles of Association, the employee remuneration of NTD 831,725 and director's remuneration of NTD 831,725 will be paid all in cash.

Proposals

Proposal No.1

Proposed by the Board

Proposal: Adoption of FY2022 Business Report and Financial Statements

Explanation: 1. The Company's FY2022 Financial Statements, including Consolidated Financial Statements and Parent Company Only Financial Statements, were audited and certified by Ming-Hong Huang and Bo-Shu Hang from KPMG Certified Public Accountants. The aforementioned Consolidated and Parent Company Only Financial Statements, as well as Business Report, were reviewed by the Audit Committee with Independent Auditor's Report presented.

2. FY2022 Business Report, Independent Auditors' Audit Report, and the above-mentioned Consolidated and Parent Company Only Financial Statements are attached as Page 5-6 (Attachment 1) and Page 9-24 (Attachment 3) in the Meeting Agenda, respectively.

Resolution:

Proposal No.2

Proposed by the Board

Proposal: Adoption of the Proposal for Distribution of FY2022 Profits

Explanation: 1. Please refer to FY2022 Profit Distribution Table on Page 25 of this Handbook (Attachment 4).

2. It is proposed to appropriate NTD 100,000,000 from allocatable earnings as distributed cash dividend, which means NTD 1 per share will be distributed in cash, rounded-down full NT dollar. Amounts less than one whole NT dollar are rounded-down to the nearest NT dollar. The aggregate unpaid cash dividend resulting from the above rounded-down, will be distributed to shareholders in the descending order of decimal point until the total amount of the approved cash dividend has been fully distributed. After this proposal is resolved in the shareholder's meeting, the Chairman will be authorized to separately decide on the ex-dividend date, the distribution date and other relevant matters.

3. If any amendment thereto is required due to any change of the regulations or any change in the market conditions, the Chairman is authorized to make the required amendments at the Board's sole discretion.

4. If changes in stock capital affects the number of outstanding shares and the dividend distribution rate, it is proposed to fully authorize the Chairman of the Board to conduct and announce responsive procedures.

Resolution:

Election

Proposed by the Board

Proposal: Full Re-election of Directors

- Explanation:
1. The term of directors of the eighth Board will be end on June 17th, 2023. Accordingly, the Company proposes to fully re-elect new Board members at this year's Annual Meeting of Shareholders.
 2. According to Article 13 and 13-1 of Articles of Association, a total of seven directors (including independent directors) shall be elected from the nomination list. The new directors (including independent directors) shall take office after the end of the election meeting for a term of three years, starting from June 21, 2023, to June 20, 2026.
 3. The candidates for directors and independent directors of the Company have been reviewed and approved by the 14th meeting of the 8th Board of Directors. For the relevant information such as their academic qualifications, experiences and shareholdings, and the relevant instructions on independent directors who have served the office for more than three consecutive terms, please refer to Page 26 of this Handbook (Attachment 5).
 4. Respectfully call for election.

Result:

Other proposals

Proposed by the Board

Proposal: Proposal for Release the Prohibition on New Directors and Their Representatives from Participation in Competitive Business. Please proceed to discuss.

- Explanation:
1. According to Article 209-1 of Company Act, “A director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.”
 2. If, the following directors are engaged in the investment or operation of a business entity with a scope of business similar to that of the Company acts as a director or a manager thereof, we request that a motion to waive the noncompetition clauses applicable to the new directors and their representatives be resolved in order to allow him or her to act as a director or the representative of said business entity, provided that such waiver will not infringe upon the interests of the Company.
 3. Details on release of the competition prohibition are as follows:

Job Title and Name	Positions Held in Other Companies
Director, Reyea Realty Investment & Advisory Corp. Representative: Hsu, Teng-Chen	Chairman and General Manager of YouZen Construction Corp. Chairman, Reyea Realty Investment & Advisory Corp. Chairman, Eastunion Development & Construction Corp.
Director, HyLin Investment Corp. Representative: Shen, Guo Hao	Director, YouZen Construction Corp.
Director, Grand Sights Investment & Advisory Corp.	Director, Eastunion Development & Construction Corp.
Director, Grand Sights Investment & Advisory Corp. Representative: Hsu, Han-Ru	Director, Reyea Realty Investment & Advisory Corp. Manager, Eastunion Development & Construction Corp.

Resolution:

Questions and Motions

Adjournment

Business Report

I. FY2023 Business Report:

As the COVID-19 pandemic abated, global economic growth slowed down due to the continuous upward trend of raw material prices and inflation. Central banks of developed countries have successively expressed their intentions to raise interest rates, which have forced emerging market central banks to raise interest rates early. The impact of geopolitical and climate changes still persists, indicating that the world will slide into a long period of instability and insecurity. Although the interest rate increase is in line with expectations and has a limited direct impact on the real estate market, it has led to a temporary wait-and-see attitude among homebuyers, prolonging their purchase decisions. Prior to the passage of the Amendments to The Equalization of Land Rights Act, the real estate market was already constrained by interest rate hikes, inflation, and selective credit controls on real estate. The market cooled down sharply, and transaction volume was greatly affected. Nevertheless, there was no regional sell-off last year. Building material prices remained high, and labor shortages continued, making it difficult for cost-side factors to bring down housing prices. Although the transaction volume decreased in the year 2022, a price decline is not easy to observe. After a year and a half of adjustments, there may be some case-by-case price adjustments, and the real estate market is in a state of "stable prices with a decreasing transaction volume".

The Company successfully launched the sale of reconstructed unsafe and old residential buildings on Jiukang Street, Wenshan District, Taipei City, and the three-dimensional industrial park in Da'an section (west of Da'an Station of MRT Circular Line) in Tucheng District, New Taipei City at the end of the FY2022. Moreover, the three-dimensional industrial zone in Yuanren section of Tucheng District of New Taipei City (north of Exit 1 of Yongning MRT Station) and the middle section of Jhongli Industrial Park (east of Zhongyuan Road) are scheduled to start their consignment sales by the end of FY2023.

(I) Implementation of FY2022 Business Plan:

The net parent-only operating income of the Company for FY2022 was NTD 295,873,000, which is a decrease of NTD 180,120,000 from the NTD 1,475,993,000 net operating income of FY2021. The net profit after tax was NTD 58,255,000, a decrease of NTD 246,459,000 from the net profit after tax of NTD 304,714,000 for FY2021. In FY2022, the Company prudently developed projects while adhering to the principle of zero housing inventory. We built solid construction quality and provided complete post-sales service, believing that our products will incessantly win the favor of customers.

(II) The Company is not required to prepare financial forecasts for FY2022 based on Regulations Governing the Publication of Financial Forecasts of Public Companies.

(III) Analysis of Financial Status and Profitability: Parent-Only Information

		Unit: NTD Thousand	
Item		FY2022	FY2021
Financial Status	Operating income	295,873	1,475,993
	Operating margin	134,910	431,610
	Operating net profit	82,844	315,315
	Net profit for the period	58,255	304,714
Profitability Financial Status	Return on assets (%)	1.94	9.85
	Return on equity (%)	2.75	14.72
	Net profit before tax to paid-in capital (%)	8.15	35.32
	Net profit margin (%)	19.69	20.64
	Operating income	0.58	3.05

Note: Earnings for FY2022 has not yet been decided.

Consolidated Information

		Unit: NTD Thousand	
Item		FY2022	FY2021
Financial Status	Operating income	412,681	1,475,411
	Operating margin	151,989	488,180
	Operating net profit	78,215	348,521
	Net profit for the period	55,024	301,305
Profitability	Return on assets (%)	1.58	8.47
	Return on equity (%)	2.21	12.23
	Net profit before tax to paid-in capital (%)	8.03	35.16
	Net profit margin (%)	13.33	20.42
	EPS (NTD)	0.58	3.05

Note: Earnings for FY2022 has not yet been decided.

(IV) Research and Development:

1. **Planning and Design:** For product design, the Company focused on innovation and exceptional techniques for market segmentation. We aimed to rationalize and standardize our design to minimize construction costs, shorten the construction period, and avoid heavy work waste.
2. **Project and Quality Management:** For product features, we researched new construction methods and referred to industry experience to reduce errors, improve project quality and efficiency, ensure completion and delivery schedules, minimize material consumption, and save costs.
3. **Market Research and Development:** The Company conducted in-depth market research, understood regional characteristics and listened to customer needs to accurately grasp products under development, determine sales strategies and achieve the sales goal of zero inventory.
4. **Post-sales Service:** We advocated Mind Share and valued customer's feelings. realized a customer-oriented business philosophy, strengthened the customer service system, and rendered faster and more professional service quality.

II. FY2023 Annual Business Plan and Target:

The sales of ReaLy Jiukang in Wenshan District, Taipei City, and ReaLy Daylighting Skyfall in Tucheng District of the New Taipei City MRT Circular Line were stable and smooth. The sales of factory buildings on the north side of Exit 1 of Yongning MRT Station in Tucheng District and Chongyuan Road in Jhongli Industrial Park will be launched successively by the end of this year. The Company continues to actively acquire land for development in metropolitan areas through joint construction or buyout, grasp market demand, and strengthen product competitiveness.

III. The Future Strategy of The Company:

- (I) We will continue to penetrate the mainstream residential market to meet market demand, create company profits, prudently select investment projects in prime locations, strengthen overall development and planning capabilities, and evaluate investment benefits to forge a win-win strategy for customers and the Company.
- (II) Our plan is to reconstruct aged residential areas in prime urban locations. We aim to integrate the reconstruction of these areas through urban renewal or the reconstruction of old dangerous housing, while also leveraging new network capital concepts to build modern, high-tech, and multi-functional smart residential buildings.
- (III) We are actively developing the factory-run market to respond to the increasing demand for factory-run buildings from returning mainland Taiwanese businessmen. We are planning to diversify our products to meet consumer demand and reduce the risk of relying on a single product market.
- (IV) To echo the policies and expand our leasing market, we are establishing the leasing database during the sales process. We are also developing investment customer sources to collect rental remuneration and accelerate the achievement of our flexible business goals. Additionally, we are actively monitoring marketing trends and demand, and will adopt flexible price adjustment strategies to create the best sales opportunity and maximize the Company's interests.

IV. The impact of external competitive, regulatory, and business environments on the Company:

The global economy is facing substantial downside risks due to uncertainties such as rising inflation, repeated new COVID-19 outbreaks, and the deadlocked Russia-Ukraine War and the US-China technology war. The slowdown of globalization, or even deglobalization, weakened the economic resilience from globalization shocks, exposing prices to greater volatility. After the economic lockdown was lifted, demand in major economies warmed up significantly, supply chain bottlenecks occurred, and the outbreak of the Russian-Ukrainian war repeatedly pushed up the price of raw materials such as crude oil and grain. The global supply chain bottleneck lasted longer than expected, resulting in insufficient supply, high costs, and the unbalanced commodity market and tight labor market after the epidemic was lifted. While the collapse of the Bank of America had little impact on the Taiwan financial market, it is essential to remain vigilant of systemic risks.

Looking ahead to FY2023, we expect the bottleneck of the global supply chain to gradually ease, resulting in falling international freight rates and raw material prices such as crude oil. However, the international economy may slow down, which could affect Taiwan's export and investment momentum and result in a revised downward economic growth rate. The Equal Title Ordinance amendment passed in January 2023 will narrow the price gap between pre-sale and existing homes, shrink the transaction volume of the luxury residential market, and move funds towards hedging products. All of our developments are situated in regions with impeccable construction and fully-developed functionalities, rendering them highly valuable assets and a prudent choice for mitigating risks.

This concludes our 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

ReaLy Development & Construction Corp.
Audit Committee's Audit Report

The Board of Directors submitted the FY2022 Parent-Only and Consolidated Financial Statements of the Company. The said financial statements were audited by Ming-Hong Huang and Bo-Shu Hang from KPMG Certified Public Accountants. An unqualified opinion audit report is thus hereby presented. The Audit Committee considers the report in conformity with relevant regulations and produced this report in accordance with Article 14-4 of the Securities and Exchange Law and Article 219 of the Company Act for your kind approval.

Submitted to

FY2023 Regular Shareholder's Meeting,
ReaLy Development & Construction Corp.

From
Fang, Ming-Tau
Convenor, Audit Committee

February 23, 2023

ReaLy Development & Construction Corp.
Audit Committee's Audit Report

The Board of Directors submitted the FY2022 Business Report and Proposal to Earning Distribution. The Audit Committee audited these reports and considered them compliant with relevant regulations. Thus, this report is produced in conformity with Article 14-4 of the Securities and Exchange Law and Article 219 of the Company Act for your kind approval,

Submitted to
FY2023 Regular Shareholder's Meeting,
ReaLy Development & Construction Corp.

From
Fang, Ming-Tau
Convenor, Audit Committee

May 3, 2023

Independent Auditors' Report

To the Board of Directors of Realy Development & Construction Corp.:

Opinion

We have audited the consolidated financial statements of Realy Development & Construction Corp. and its subsidiaries (“the Group”), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”), Interpretations developed by the International Financial Reporting Interpretations Committee (“IFRIC”) or the former Standing Interpretations Committee (“SIC”) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Account of Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Revenue recognition

Please refer to note 4(l) and 6(q) of the consolidated financial statements for the accounting policy on revenue recognition and the details of revenue.

Description of key audit matter:

The Group is in the property development industry, and the sale of real estate is susceptible to the effects of general economy, business climate, amendments to tax laws and regulations, as well as demand and supply of real estate. In response to the aforementioned environmental changes, the management has evaluated and set up relevant control procedures in respect of revenue and payment collection; therefore, the appropriateness of revenue recognition for real estate sales has material influences on financial statements. As a result, we have determined revenue recognition to be our key audit matter.

How the matter was addressed in our audit:

Our audit procedures in this area included obtaining understanding of both revenue from selling real estate and the control mechanism of payment collection of the Group, testing the effectiveness of the design and implementation of the internal control system in respect of revenue, and sampling real estate transaction contracts and ownership transfer documents. Additionally, we sampled the transactions during a period of time before and after the balance sheet date, and checked relevant documents, in order to assess the appropriateness of the timings of revenue recognition.

2. Subsequent measurement of inventories

Please refer to note 4(g) “Inventories” for accounting policies for subsequent inventory measurement, note 5 for the uncertainties of accounting estimation and assumption of subsequent inventory measurement, and note 6(d) for disclosure pertaining to inventories.

Description of key audit matter:

The inventories of the Group are measured at the lower of cost and net realizable value. Due to high level of capital input and long payback period of the real estate industry, which is subject to significant political and economic influences, causing the risk that the costs of inventories may exceed their net realized values. Consequently, subsequent measurement of inventories has been considered to be one of the matters of high concern in the audit of the Group's financial statements.

How the matter was addressed in our audit:

Our audit procedures in this area included assessing the reasonableness of the accounting policies for subsequent measurement of inventories, ascertaining whether subsequent measurement of inventories was in conformity with the accounting policies, evaluating the reasonableness of net realizable values of inventories by checking both the selling prices adopted by management and the changes in inventory sales after the balance sheet date, verifying the accuracy of management's subsequent measurement of inventories, and confirming whether related disclosure was appropriate.

Other Matter

Realy Development & Construction Corp. has prepared its parent-company-only financial statements as of and for the years ended December 31, 2022 and 2021, on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, IFRIC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Ming-Hung Huang and Po-Shu Huang.

KPMG

Taipei, Taiwan (Republic of China)

February 23, 2023

Notes to Readers

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

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

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)
REALY DEVELOPMENT & CONSTRUCTION CORP. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

		<u>December 31, 2022</u>		<u>December 31, 2021</u>				<u>December 31, 2022</u>		<u>December 31, 2021</u>	
Assets		Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (note 6(a))	\$ 236,345	7	957,545	27	2100	Short-term borrowings (notes 6(j), 7 and 8)	\$ 240,000	7	120,000	3
1136	Current financial assets at amortized cost, net (note 6(b))	320,550	9	126,550	4	2111	Short-term notes and bills payables (notes 6(k), 7 and 8)	94,944	3	49,967	2
1140	Current contract assets (note 6(q))	8,826	-	-	-	2322	Long-term borrowings, current portion (notes 6(j), 7 and 8)	381,000	10	380,000	11
1170	Accounts receivable, net (note 6(c))	48,208	1	23,350	1	2150	Notes payable	125,053	3	19,137	1
1220	Current tax assets	8,300	-	8,300	-	2161	Notes payable to related parties (note 7)	11,887	-	1,761	-
1320	Inventories (for construction business), net (notes 6(d), 7, 8 and 9)	2,381,551	64	2,030,710	57	2170	Accounts payable	59,734	2	83,161	2
1476	Other current financial assets (notes 6(d), 7 and 8)	345,430	9	118,337	3	2219	Other payables (note 6(r))	50,532	1	47,087	1
1479	Other current assets, others (note 6(e))	137,834	4	8,166	-	2220	Other payables to related parties (note 7)	3,852	-	25,260	1
1480	Current assets recognised as incremental costs to obtain contract with customers (notes 6(i) and 7)	76,050	2	50,829	2	2230	Current tax liabilities	9,406	-	40,009	1
	Total current assets	<u>3,563,094</u>	<u>96</u>	<u>3,323,787</u>	<u>94</u>	2130	Current contract liabilities (notes 6(d) and (q))	253,118	7	222,685	6
	Non-current assets:					2252	Provision (note 6(l))	6,880	-	6,880	-
1600	Property, plant and equipment (notes 6(g) and 8)	46,950	1	48,653	1	2399	Other current liabilities	26,666	1	12,532	-
1760	Investment property, net (notes 6(h) and 8)	53,269	2	53,417	2		Total current liabilities	<u>1,263,072</u>	<u>34</u>	<u>1,008,479</u>	<u>28</u>
1840	Deferred tax assets (note 6(n))	1,376	-	11,652	-		Total liabilities	<u>1,263,072</u>	<u>34</u>	<u>1,008,479</u>	<u>28</u>
1920	Guarantee deposits paid (notes 6(d) and 7)	20,509	1	88,072	3		Equity attributable to owners of parent (note 6(o)):				
1980	Other non-current financial assets (notes 8 and 9)	10,080	-	10,080	-	3110	Ordinary share	1,000,000	27	1,000,000	28
1995	Other non-current assets	4,700	-	4,700	-	3200	Capital surplus	189,208	5	189,208	5
	Total non-current assets	<u>136,884</u>	<u>4</u>	<u>216,574</u>	<u>6</u>	3300	Retained earnings	881,372	24	973,117	28
							Total equity attributable to owners of parent	<u>2,070,580</u>	<u>56</u>	<u>2,162,325</u>	<u>61</u>
						36XX	Non-controlling interests (note 6(f))	366,326	10	369,557	11
							Total equity	<u>2,436,906</u>	<u>66</u>	<u>2,531,882</u>	<u>72</u>
							Total liabilities and equity	<u>\$ 3,699,978</u>	<u>100</u>	<u>\$ 3,540,361</u>	<u>100</u>
	Total assets	<u>\$ 3,699,978</u>	<u>100</u>	<u>3,540,361</u>	<u>100</u>						

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
REALY DEVELOPMENT & CONSTRUCTION CORP. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Share)

		<u>2022</u>		<u>2021</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4000	Operating revenue (note 6(q))	\$ 412,681	100	1,475,411	100
5000	Operating costs (notes 6(l), 7 and 12)	<u>260,692</u>	<u>63</u>	<u>987,231</u>	<u>67</u>
5900	Gross profit from operations	<u>151,989</u>	<u>37</u>	<u>488,180</u>	<u>33</u>
6000	Operating expenses (notes 6(g), (i), (m), (r), 7 and 12):				
6100	Selling expenses	20,772	5	76,047	5
6200	Administrative expenses	<u>53,002</u>	<u>13</u>	<u>63,612</u>	<u>4</u>
	Total operating expenses	<u>73,774</u>	<u>18</u>	<u>139,659</u>	<u>9</u>
6900	Net operating income	<u>78,215</u>	<u>19</u>	<u>348,521</u>	<u>24</u>
7000	Non-operating income and expenses (notes 6(d), (h), (s) and 12):				
7100	Interest income	3,986	1	1,541	-
7010	Other income	946	-	2,237	-
7020	Other gains and losses	(298)	-	(300)	-
7050	Finance costs	<u>(2,551)</u>	<u>(1)</u>	<u>(449)</u>	<u>-</u>
	Total non-operating income and expenses	<u>2,083</u>	<u>-</u>	<u>3,029</u>	<u>-</u>
7900	Profit from continuing operations before tax	80,298	19	351,550	24
7951	Less: Income tax expenses (note 6(n))	<u>25,274</u>	<u>6</u>	<u>50,245</u>	<u>4</u>
	Profit	55,024	13	301,305	20
8300	Other comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
8500	Total comprehensive income	<u>\$ 55,024</u>	<u>13</u>	<u>301,305</u>	<u>20</u>
	Profit (loss), attributable to:				
8610	Owners of parent	\$ 58,255	14	304,714	20
8620	Non-controlling interests	<u>(3,231)</u>	<u>(1)</u>	<u>(3,409)</u>	<u>-</u>
		<u>\$ 55,024</u>	<u>13</u>	<u>301,305</u>	<u>20</u>
	Comprehensive income attributable to:				
8710	Owners of parent	\$ 58,255	14	304,714	20
8720	Non-controlling interests	<u>(3,231)</u>	<u>(1)</u>	<u>(3,409)</u>	<u>-</u>
		<u>\$ 55,024</u>	<u>13</u>	<u>301,305</u>	<u>20</u>
	Earnings per share (NTD) (note 6(p))				
9750	Basic earnings per share	<u>\$ 0.58</u>		<u>3.05</u>	
9850	Diluted earnings per share	<u>\$ 0.58</u>		<u>3.04</u>	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
REALY DEVELOPMENT & CONSTRUCTION CORP. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent							
	Ordinary shares	Capital surplus	Retained earnings			Total equity attributable to owners of parent	Non-controlling interests	Total equity
			Legal reserve	Unappropriated retained earnings	Total retained earnings			
Balance at January 1, 2021	\$ 1,000,000	189,208	245,395	543,008	788,403	1,977,611	416,436	2,394,047
Appropriation and distribution of retained earnings:								
Legal reserve	-	-	14,541	(14,541)	-	-	-	-
Cash dividends	-	-	-	(120,000)	(120,000)	(120,000)	-	(120,000)
Total comprehensive income	-	-	-	304,714	304,714	304,714	(3,409)	301,305
Changes in non-controlling interests	-	-	-	-	-	-	(43,470)	(43,470)
Balance at December 31, 2021	1,000,000	189,208	259,936	713,181	973,117	2,162,325	369,557	2,531,882
Appropriation and distribution of retained earnings:								
Legal reserve	-	-	30,471	(30,471)	-	-	-	-
Cash dividends	-	-	-	(150,000)	(150,000)	(150,000)	-	(150,000)
Total comprehensive income	-	-	-	58,255	58,255	58,255	(3,231)	55,024
Balance at December 31, 2022	<u>\$ 1,000,000</u>	<u>189,208</u>	<u>290,407</u>	<u>590,965</u>	<u>881,372</u>	<u>2,070,580</u>	<u>366,326</u>	<u>2,436,906</u>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
REALY DEVELOPMENT & CONSTRUCTION CORP. AND SUBSIDIARIES

Consolidated Statements of Cash Flows
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	2022	2021
Cash flows from (used in) operating activities:		
Profit before tax	\$ 80,298	351,550
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	2,120	1,976
Interest expense	2,551	449
Interest income	(3,986)	(1,541)
Property, plant and equipment transferred to expenses	36	-
Total adjustments to reconcile profit (loss)	721	884
Changes in operating assets and liabilities:		
Changes in operating assets:		
Contract assets	(8,826)	-
Accounts receivable	(24,858)	15,525
Inventories	(345,749)	636,922
Other current assets	(129,668)	31,617
Other current financial assets	(101,136)	62,862
Guarantee deposits paid	(58,390)	(34,422)
Assets recognised as incremental costs to obtain contract with customers	(25,221)	(10,298)
Total changes in operating assets	(693,848)	702,206
Changes in operating liabilities:		
Contract liabilities	30,433	101,352
Notes payable	105,916	(11,393)
Notes payable to related parties	10,126	1,023
Accounts payable	(23,427)	8,375
Other payables	3,355	10,910
Other payables to related parties	(21,408)	22,588
Provision	-	3,948
Other current liabilities	14,134	7,979
Total changes in operating liabilities	119,129	144,782
Total changes in operating assets and liabilities	(574,719)	846,988
Total adjustments	(573,998)	847,872
Cash inflow (outflow) generated from operations	(493,700)	1,199,422
Interest received	3,982	1,514
Interest paid	(7,576)	(9,014)
Income taxes paid	(45,601)	(80,646)
Net cash flows from (used in) operating activities	(542,895)	1,111,276
Cash flows from (used in) investing activities:		
Acquisition of financial assets at amortized cost	(194,000)	(126,550)
Acquisition of property, plant and equipment	(305)	(2,209)
Decrease in other non-current financial assets	-	3,495
Net cash used in investing activities	(194,305)	(125,264)
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	312,000	250,000
Decrease in short-term borrowings	(192,000)	(270,000)
Increase in short-term notes and bills payable	265,000	80,000
Decrease in short-term notes and bills payable	(220,000)	(30,000)
Proceeds from long-term borrowings	1,000	-
Repayments of long-term borrowings	-	(342,000)
Cash dividends paid	(150,000)	(120,000)
Decrease in non-controlling interests	-	(43,470)
Net cash flows from (used in) financing activities	16,000	(475,470)
Net increase (decrease) in cash and cash equivalents	(721,200)	510,542
Cash and cash equivalents at beginning of period	957,545	447,003
Cash and cash equivalents at end of period	\$ 236,345	957,545

See accompanying notes to consolidated financial statements.

Independent Auditors' Report

To the Board of Directors of ReaLy Development & Construction Corp. :

Opinion

We have audited the financial statements of ReaLy Development & Construction Corp. (“the Company”), which comprise the balance sheets as of December 31, 2022 and 2021, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Account of Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Revenue recognition

Please refer to note 4(k) and 6(o) of the parent company only financial statements for the account policies on revenue recognition and the details of revenue.

Description of key audit matter:

ReaLy Development & Construction Corp. is in the property development industry, and the sale of real estate is susceptible to the effects of general economy, business climate, amendments to tax laws and regulations, as well as demand and supply of real estate. In response to the aforementioned environmental changes, the management has evaluated and set up relevant control procedures in respect of revenue and payment collection; therefore, the appropriateness of revenue recognition for real estate sales has material influences on financial statements. As a result, we have determined revenue recognition to be our key audit matter.

How the matter was addressed in our audit:

Our audit procedures in this area included obtaining understanding of both revenue from selling real estate and the control mechanism of payment collection of ReaLy Development & Construction Corp., testing the effectiveness of the design and implementation of the internal control system in respect of revenue, and sampling real estate transaction contracts and ownership transfer documents. Additionally, we sampled the transactions during a period of time before and after the balance sheet date, and checked relevant documents, in order to assess the appropriateness of the timings of revenue recognition.

2. Subsequent measurement of inventories

Please refer to note 4(f) “Inventories” for accounting policies for subsequent inventory measurement, note 5 for the uncertainties of accounting estimation and assumption of subsequent inventory measurement, and note 6(d) for disclosure pertaining to inventories.

Description of key audit matter:

The inventories of ReaLy Development & Construction Corp. are measured at the lower of cost and net realizable value. Due to high level of capital input and long payback period of the real estate industry, which is subject to significant political and economic influences, causing the risk that the costs of inventories may exceed their net realized values. Consequently, subsequent measurement of inventories has been considered to be one of the matters of high concern in the audit of the Company's financial statements. How the matter was addressed in our audit:

How the matter was addressed in our audit:

Our audit procedures in this area included assessing the reasonableness of the accounting policies for subsequent measurement of inventories, ascertaining whether subsequent measurement of inventories was in conformity with the accounting policies, evaluating the reasonableness of net realizable values of inventories by checking both the selling prices adopted by management and the changes in inventory sales after the balance sheet date, verifying the accuracy of management's subsequent measurement of inventories, and confirming whether related disclosure was appropriate.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on this financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Ming-Hung Huang and Po-Shu Huang.

KPMG

Taipei, Taiwan (Republic of China)
February 23, 2023

Notes to Readers

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

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

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)
REALY DEVELOPMENT & CONSTRUCTION CORP.

Balance Sheets

December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

		<u>December 31, 2022</u>		<u>December 31, 2021</u>				<u>December 31, 2022</u>		<u>December 31, 2021</u>	
Assets		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	Liabilities and Equity		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (note 6(a))	\$ 55,981	2	626,300	20	2100	Short-term borrowings (notes 6(i), 7 and 8)	\$ 200,000	7	120,000	4
1136	Current financial assets at amortised cost, net (note 6(b))	108,850	4	126,550	4	2110	Short-term notes and bills payable (notes 6(j), 7 and 8)	94,944	3	49,967	2
1172	Accounts receivable (note 6(c))	13,260	-	23,350	1	2322	Long-term borrowings, current portion (notes 6(i), 7 and 8)	381,000	12	380,000	12
1320	Inventories (for construction business), net (notes 6(d), 7, 8 and 9)	2,132,759	69	1,738,976	56	2150	Notes payable	7,277	-	452	-
1476	Other current financial assets (notes 6(d), 7 and 8)	344,248	11	117,988	4	2161	Notes payable to related parties (note 7)	30,217	1	31,673	1
1479	Other current assets, others	29,966	1	3,559	-	2170	Accounts payable	4,475	-	33,807	1
1480	Current assets recognised as incremental costs to obtain contract with customers (notes 6(h) and 7)	<u>76,050</u>	<u>2</u>	<u>50,829</u>	<u>2</u>	2181	Accounts payable to related parties (note 7)	55,366	2	-	-
	Total current assets	<u>2,761,114</u>	<u>89</u>	<u>2,687,552</u>	<u>87</u>	2200	Other payables (note 6(p))	28,446	1	29,866	1
Non-current assets:						2220	Other payables to related parties (note 7)	3,852	-	25,260	1
1551	Investments accounted for using equity method (note 6(e))	249,897	8	259,689	8	2230	Current tax liabilities	9,283	-	38,695	1
1600	Property, plant and equipment (notes 6(f) and 8)	47,975	2	49,452	2	2130	Current contract liabilities (notes 6(d) and (o))	178,884	6	222,685	7
1760	Investment property, net (note 6(g))	11,564	-	11,564	-	2399	Other current liabilities, others	<u>26,535</u>	<u>1</u>	<u>11,489</u>	<u>-</u>
1840	Deferred tax assets (note 6(l))	-	-	10,090	-		Total current liabilities	<u>1,020,279</u>	<u>33</u>	<u>943,894</u>	<u>30</u>
1920	Guarantee deposits paid (notes 6(d) and 7)	<u>20,409</u>	<u>1</u>	<u>87,972</u>	<u>3</u>	2645	Non-Current liabilities:				
	Total non-current assets	<u>329,845</u>	<u>11</u>	<u>418,767</u>	<u>13</u>		Guarantee deposits received (note 7)	<u>100</u>	<u>-</u>	<u>100</u>	<u>-</u>
							Total non-current liabilities	<u>100</u>	<u>-</u>	<u>100</u>	<u>-</u>
							Total liabilities	<u>1,020,379</u>	<u>33</u>	<u>943,994</u>	<u>30</u>
							Equity attributable to owners of parent (note 6(m)):				
						3110	Ordinary share	1,000,000	32	1,000,000	32
						3200	Capital surplus	189,208	6	189,208	6
						3300	Retained earnings	<u>881,372</u>	<u>29</u>	<u>973,117</u>	<u>32</u>
							Total equity	<u>2,070,580</u>	<u>67</u>	<u>2,162,325</u>	<u>70</u>
							Total liabilities and equity	<u>\$ 3,090,959</u>	<u>100</u>	<u>\$ 3,106,319</u>	<u>100</u>
	Total assets	<u>\$ 3,090,959</u>	<u>100</u>	<u>3,106,319</u>	<u>100</u>						

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
REALY DEVELOPMENT & CONSTRUCTION CORP.

Statements of Comprehensive Income

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Share)

		2022		2021	
		Amount	%	Amount	%
4000	Operating revenue (notes 6(o) and 7)	\$ 295,873	100	1,475,993	100
5000	Operating costs (note 7)	160,963	54	1,044,383	71
5900	Gross profit from operations	134,910	46	431,610	29
6000	Operating expenses (notes 6(f), (h), (k), (p), 7 and 12):				
6100	Selling expenses	20,772	7	76,047	5
6200	Administrative expenses	31,294	11	40,248	3
	Total operating expenses	52,066	18	116,295	8
6900	Net operating income	82,844	28	315,315	21
7000	Non-operating income and expenses (notes 6(d), (q) and 7):				
7100	Interest income	2,156	1	389	-
7010	Other income	3,438	1	4,928	1
7020	Other gains and losses, net	(11)	-	(7)	-
7050	Finance costs, net	(2,156)	(1)	(389)	-
7375	Share of profit of subsidiaries accounted for using equity method	(4,792)	(1)	32,917	2
	Total non-operating income and expenses	(1,365)	-	37,838	3
7900	Profit from continuing operations before tax	81,479	28	353,153	24
7951	Less: Income tax expenses (note 6(l))	23,224	8	48,439	3
	Profit	58,255	20	304,714	21
8300	Other comprehensive income	-	-	-	-
	Total comprehensive income	\$ 58,255	20	304,714	21
	Basic earnings per share (NTD) (note 6(n))				
	Basic earnings per share	\$ 0.58		3.05	
	Diluted earnings per share	\$ 0.58		3.04	

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
REALY DEVELOPMENT & CONSTRUCTION CORP.

Statements of Changes in Equity

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	Ordinary shares	Capital surplus	Retained earnings			Total equity
			Legal reserve	Unappropriated retained earnings	Total retained earnings	
Balance at January 1, 2021	\$ 1,000,000	189,208	245,395	543,008	788,403	1,977,611
Appropriation and distribution of retained earnings:						
Legal reserve appropriated	-	-	14,541	(14,541)	-	-
Cash dividends of ordinary share	-	-	-	(120,000)	(120,000)	(120,000)
Total comprehensive income	-	-	-	304,714	304,714	304,714
Balance at December 31, 2021	1,000,000	189,208	259,936	713,181	973,117	2,162,325
Appropriation and distribution of retained earnings:						
Legal reserve appropriated	-	-	30,471	(30,471)	-	-
Cash dividends of ordinary share	-	-	-	(150,000)	(150,000)	(150,000)
Total comprehensive income	-	-	-	58,255	58,255	58,255
Balance at December 31, 2022	\$ 1,000,000	189,208	290,407	590,965	881,372	2,070,580

See accompanying notes to parent company only financial statements.

REALY DEVELOPMENT & CONSTRUCTION CORP.

Statements of Cash Flows

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	2022	2021
Cash flows from (used in) operating activities:		
Profit before tax	\$ 81,479	353,153
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	1,610	1,532
Interest expense	2,156	389
Interest income	(2,156)	(389)
Share of loss (profit) of subsidiaries accounted for using equity method	4,792	(32,917)
Total adjustments to reconcile profit (loss)	<u>6,402</u>	<u>(31,385)</u>
Changes in operating assets and liabilities:		
Accounts receivable	10,090	15,525
Inventories	(388,691)	662,691
Other current assets	(26,407)	34,630
Other current financial assets	(100,924)	62,863
Guarantee deposits paid	(57,864)	(34,757)
Assets recognised as incremental costs to obtain contract with customers	(25,221)	(10,298)
Total changes in operating assets	<u>(589,017)</u>	<u>730,654</u>
Changes in operating liabilities:		
Contract liabilities	(43,801)	101,352
Notes payable	6,825	(4,317)
Notes payable to related parties	(1,456)	(13,942)
Accounts payable	(29,332)	8,645
Accounts payable to related parties	55,366	-
Other payables	(1,507)	11,314
Other payables to related parties	(21,408)	22,588
Other current liabilities	15,046	7,457
Total changes in operating liabilities	<u>(20,267)</u>	<u>133,097</u>
Total changes in operating assets and liabilities	<u>(609,284)</u>	<u>863,751</u>
Total adjustments	<u>(602,882)</u>	<u>832,366</u>
Cash inflow (outflow) generated from operations	(521,403)	1,185,519
Interest received	2,247	240
Dividends received	5,000	35,440
Interest paid	(7,184)	(8,950)
Income taxes paid	(42,546)	(54,085)
Net cash flows from (used in) operating activities	<u>(563,886)</u>	<u>1,158,164</u>
Cash flows from (used in) investing activities:		
Acquisition of financial assets at amortized cost	-	(126,550)
Proceeds from disposal of financial assets at amortized cost	17,700	-
Acquisition of property, plant and equipment	(133)	(1,613)
Net cash flows from (used in) investing activities	<u>17,567</u>	<u>(128,163)</u>
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	260,000	245,000
Decrease in short-term borrowings	(180,000)	(255,000)
Increase in short-term notes and bills payable	195,000	50,000
Decrease in short-term notes and bills payable	(150,000)	-
Proceeds from long-term borrowings	1,000	-
Repayments of long-term borrowings	-	(342,000)
Cash dividends paid	(150,000)	(120,000)
Net cash used in financing activities	<u>(24,000)</u>	<u>(422,000)</u>
Net increase (decrease) in cash and cash equivalents	<u>(570,319)</u>	<u>608,001</u>
Cash and cash equivalents at beginning of period	<u>626,300</u>	<u>18,299</u>
Cash and cash equivalents at end of period	<u>\$ 55,981</u>	<u>626,300</u>

ReaLy Development & Construction Corp.

EARNING DISTRIBUTION TABLE

FY2022

Unit: NTD

Item	Amount	
	Subtotal	Total
Beginning undistributed earnings		532,709,631
Plus: Net profit	58,254,655	
Distributable earning		590,964,286
Less		
Provision of statutory earning reserve (10%)	(5,825,466)	
Distributed items:		
Shareholder's bonus – cash (NTD 1 per share)	(100,000,000)	(105,825,466)
Ending undistributed earning		485,138,820

Chairman: Hsu,Teng-Chen

General Manager: Hsu,Teng-Chen

Accounting Head:
Lin, Hsiu Chuan

ReaLy Development & Construction Corp.

Candidates for Directors and Independent Directors (nominated by the Board)

Category	Name	Education Degree	Professional Experience	Shares held
Director	Reyea Realty Investment & Advisory Corp. Representative: Hsu, Teng-Chen	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.	21,578,809
Director	HyLin Investment Corp. Representative: Shen, Guo Hao	Department of Architecture, Feng Chia University	Chief Architect, Guo-Hao Shen Architects	12,579,518
Director	Grand Sights Investment & Advisory Corp. Representative: Hsu, Han-Ru	China Junior College of Industrial and Commercial Management	Business Manager, ReaLy Development & Construction Corp. Credit Specialist of Makoto Bank	11,231,679
Independent Director	Soong, Ching-Chyuan	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	0
Independent Director	Fang, Ming-Tau	LL.M., New York University Master of Comparative Laws, George Washington University	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.	0
Independent Director	Chen, Wei-Zen	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 Independent Director, Accton Technology Corporation Independent Director, of Tekcore Co. Ltd	0
Independent Director	Ku, Yu-fan	Master's Degree, Graduate School of Accounting, National Taiwan University	Auditor, Deloitte & Touche Taiwan Principal Accountant, Chianshiang Yaofan Accounting Firm, Director, Fengtai International Investment Co., Ltd	0

- Note 1. The eligibility requirements for the above nominees have been reviewed and approved by the 14th Meeting of the 8th Board of Directors of the Company on May 3, 2023.
- Note 2. Ching-Chyuan Soong, an Independent Director Candidate, has served as an Independent Director of the Company for more than three consecutive terms (duration: 08/16/2016~06/17/2023). However, considering his expertise in land economics and familiarity with relevant laws and regulations, which are of grave significance to the Company, the Company intends to continue to nominate him as an Independent Director in this election to leverage his professional advice on the supervision of the Board.
- Note 3. Ming-Tau Fang, an Independent Director candidate, has served as an Independent Director of the Company for more than three consecutive terms (duration: 08/16/2016~06/17/2023). However, considering his expertise in finance and laws and familiarity with relevant laws and regulations, which are of grave significance to the Company, the Company intends to continue to nominate him as an Independent Director in this election to leverage his professional advice on the supervision of the Board.

ReaLy Development & Construction Corp.
Rules of Procedure for Shareholders Meetings

Established on April 1, 2004, Ver: 1
 First Amended on January 25, 2006, Ver: 2

- Article 1: The rules of procedures for the Company's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.
- Article 2: The Company may exercise its voting rights in writing or electronically when it convenes a general meeting of shareholders; The method of its exercise shall be compliant with the Company Act and relevant regulations. If the attending shareholder (including the attending representative or proxy entrusted by the shareholder) submits the sign-in card for signing-in. The person who submits the sign-in card shall be considered the listed person (shareholder or proxy) to have attended in person, and the Company shall not bear the responsibility for the determination.
- Article 3: Attendance or voting at shareholders meetings shall be calculated based on numbers of shares.
- Article 4: The venue for a shareholders meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.
- Article 5: If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.
 If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.
- Article 6: The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting. Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.
- Article 7: The Company shall make an audio or video recording throughout the shareholder's meeting and keep the record for at least one year.
- Article 8: The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act. When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.
- Article 9: If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting. The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors. The Chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the Chair declares the meeting adjourned in violation of the rules of procedure, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting. After the meeting is adjourned, the shareholders shall not elect another chairman to resume the meeting at the original location or at another place.
- Article 10: Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.
- Article 11: Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.
- Article 12: When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting. When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.
- Article 13: After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.
- Article 14: When the Chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote.
- Article 15: Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the Chair, provided that all monitoring personnel shall be shareholders of the Company. The results of the voting shall be announced on-site at the meeting, and a record made of the vote.
- Article 16: When a meeting is in progress, the chair may announce a break based on time considerations.
- Article 17: Except as otherwise provided in the Company Act and in the Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders (or proxies). During voting, no objection after consultation by the Chairman shall be deemed to have the same effect as a vote.
- Article 18: When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.
- Article 18: The chair may direct the proctors (or security personnel) to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."
- Article 20: These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be affected in the same manner.

ReaLy Development & Construction Corp.

Articles of Association

Chapter I General Provisions

Article 1: In accordance with the Company Act, the Company is registered as Realty Development & Construction Corp. °

Article 2: The business scope of the Company is stated as follows:

- 0.1 H701010 Housing and Building Development and Rental.
- 0.2 H701020 Industrial Factory Development and Rental.
- 0.3 H701040 Specific Area Development.
- 0.4 H701050 Public Works Construction and Investment.
- 0.5 H704041 Real Estate Consignment Brokerage.
- 0.6 H701080 Urban Renewal Reconstruction.
- 0.7 H701090 Urban Renewal Renovation or Maintenance.
- 0.8 I103060 Management Consulting.
- 0.9 ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3: The Company is headquartered at Taipei City and, when necessary, could set up a subsidiary company at a proper location inside or outside of the country upon the approval by the Board.

Article 4: The Company's announcement method shall be compliant with Article 28 of the Company Act.

Chapter II Shares

Article 5: The Company's total capital is set at NTD 1.5 billion, divided into 150 million shares, each with NTD 10 as its par value. Board of Directors is authorized to issue the unissued shares in tranches.

Article 6: The Corporation may issue shares without printing share certificate(s). If the Corporation decides to print share certificates for shares issued, the transfer and creation of pledge for the shares registered with a centralized securities depository enterprise.
The Company's share-related matters shall be conducted in accordance with Regulations Governing the Administration of Shareholder Services of Public Companies issued by the competent authority.

Article 7: Registration for transfer of shares shall be suspended sixty (60) days immediately before the date of regular meeting of shareholders, and thirty (30) days immediately before the date of any special meeting of shareholders, or within five (5) days before the day on which dividend, bonus, or any other benefit is scheduled to be paid by the Corporation. The period referred to in the preceding paragraph shall be counted from the date of the meeting or the base date.

Chapter III Shareholders' Meetings

Article 8: Shareholders' meeting shall be of the following two kinds. Regular meeting of shareholders shall be held at least once every year and be convened within six months after close of each fiscal year. Special meeting of shareholders shall be held when

necessary.

A shareholders meeting shall, unless otherwise provided for in Company Act, be convened by the Board of Directors.

A regular meeting of shareholders shall be given to each shareholder no later than 30 days prior to the scheduled meeting date. As of Special meeting of shareholders, a meeting notice shall be given to each shareholder and announced no later than 15 days prior to the scheduled meeting date.

Shareholders may also be noticed by an electronic transmission with the consent of the counterparty. Shareholders holding less than 1,000 shares shall be noticed by announcement.

When the Company convenes a regular meeting of shareholders, the authorized shareholders may submit the proposals of the regular meeting of shareholders to the Company in writing, and the corresponding procedures shall be conducted in accordance with the Company Act and relevant regulations.

Article 9: When a shareholder is unable to attend a shareholders' meeting for any reason, he or she shall present a power of attorney distributed by the Company, state the scope of authorization, and entrust a proxy to attend by signature and seal.

The method of entrusting the shareholders to attend shall be handled in accordance with the provisions of the "Provisional Regulations on the Use of Public Companies to Attend Shareholders' Meetings" issued by the competent authority, besides to the provisions of Company Act.

Article 10: Each shareholder of the Company is entitled to one vote per share, unless otherwise provided by applicable law or regulation.

Article 11: Unless otherwise provided by applicable law or regulation, a resolution of the shareholders' meeting shall be adopted by the consent of a majority of the votes represented by those in attendance at the meeting, in person or by proxy, by shareholders who represent a majority of the total issued shares.

Article 11-1: Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the Chairman of the meeting and shall be distributed to all shareholders of the Company within twenty (20) days after the close of the meeting. It shall be kept permanently for the duration of the Company.

The preparation and distribution of the minutes of shareholders' meeting as required in the preceding paragraph may be executed electronically in accordance with Article 183 of the Companies Act.

Article 12: The Chairman shall preside the shareholders' meeting. In case the Chairman is on leave or absent or cannot exercise his power and authority for any cause, the appointment of the deputy should observe the Article 208 of Company Act.

Article 12-1: The Corporation may apply for an approval of ceasing its status as a public company by shareholders' meeting for review and approval. The present Article shall remain unchanged during the Corporation's listing in emerging, OTC, and stock exchange markets.

Chapter IV Directors and Audit Committee

Article 13: The professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence, method of nomination, and other matters for compliance with respect to independent directors shall conform to regulations scribed by the Competent Authority.

- Article 13-1: A candidate to whom the ballots cast represent a prevailing number of votes shall be deemed an independent director and independent director elect.
- Article 13-2: The Company may obtain directors liability insurance with respect to liabilities resulting from exercising their duties during their terms of directorship.
- Article 13-3: If the election methods of directors must be amended, the corresponding procedures shall be conducted in addition to Article 172 of the Company Act and a comparative table of amendments to the methods shall be specified in the reasons for the convocation.
- Article 13-4: In accordance with the provisions of Article 14-4 of the Securities and Exchange Act, the Company sets up an Audit Committee and the Audit Committee shall be composed of the entire number of independent directors. It shall not be fewer than three persons in number, one of whom shall be convener, and at least one of whom shall have accounting or financial expertise.
The exercise of authorities of Audit Committee and other matters to be complied with shall be conducted in accordance with relevant laws and regulations or the Company's rules.

Article 14: The Board of Directors are comprised of directors. The Chairman of the Board of Directors shall be elected among the directors by a majority of attending directors at a meeting attended by at least two-thirds of the directors. The chairman of the board of directors shall represent the Company in external matters.

Article 15: If the Chairman of the board is on leave or cannot perform his duties for some reason, the chairman shall designate a director to act on his behalf in accordance with Article 208 of Company Act.

Article 16: The Board Meetings shall be convened with express reasons and the meeting notice shall be dispatched to each of the Directors seven (7) in advance. Nevertheless, in case of emergency, the said meeting may be convened anytime. The notice may be conducted in the form of writing or by way of e-mail or fax.

Article 17: The remuneration shall always be paid to the Directors, whether the Company generates a profit or a loss, with consideration of their participation in the corporate operation and contribution and the standards of the domestical and foreign industries.

Chapter V: Managers

Article 18: The Company may appoint one General Manager and one to two Vice General Manager(s) and Associate Manager(s). The commissioning, decommissioning and remuneration shall be pursuant to Article 29 of the Company Act.

Chapter VI Accounting

Article 19: The Company shall take the year end of the country calendar as the closing date of the accounting year and the Board of Directors shall prepare: 1) Business Report, 2) Financial Statements; 3) Proposal Concerning the Distribution of Earnings or Covering of Losses and submit them to the regular meeting of shareholders for.

Article 20: 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.

When allocating the earnings, 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.

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.

Chapter VII Miscellaneous Provisions

Article 21: The Company may be a shareholder with limited liability for other companies, and the total amount of reinvestment may not be limited by the amount of reinvestment stipulated in Article 13 of the Company Act.

Article 22: When the Company may endorse a third party due to business needs, its procedures shall be conducted in accordance with the Company's Operational Procedures for Endorsements/Guarantees.

Article 23: In regard to all matters not provided for in these Articles of Incorporation, the Company Law of the Republic of China shall govern.

Article 24: These Articles of Association enacted on April 24, 2001.

The first amendment was made on December 10, 2002.

The second amendment was made on April 1, 2004.

The third amendment was made on April 15, 2004.

The fourth amendment was made on June 17, 2005.

The fifth amendment was made on June 27, 2006.

The sixth amendment was made on May 28, 2008.

The seventh amendment was made on April 17, 2009.

The eighth amendment was made on June 17, 2010.

The ninth amendment was made on June 15, 2014.

The tenth amendment was made on June 24, 2014.

The eleventh amendment was made on June 24, 2016.

The twelfth amendment was made on June 16, 2017.

The thirteenth amendment was made on June 21, 2019.

The fourteenth amendment was made on June 18, 2020.

ReaLy Development & Construction Corp.

Chairman: Hsu, Teng-Chen

ReaLy Development & Construction Corp. Guidelines on Election of Directors

F2-09
Ver: Version 1.5
Established/Amended
on: June 18, 2020

- Article 1: The election of directors of the Company shall be handled in accordance with the provisions of these Guidelines.
- Article 2: Elections of the Company's directors shall be conducted in accordance with these Guidelines.
- Article 3: The qualifications for the independent directors of the Company shall comply with Articles 2, 3, and 4 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies. The election of independent directors of the Company shall comply with Articles 5, 6, 7, 8, and 9 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies and shall be conducted in accordance with Article 24 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.
- Article 3-1: The Company's industrial characteristics and development vision should be considered, and directors with different talents and experience should be included, such as real estate valuation, construction, land economics, finance, law, aesthetics and other professional backgrounds.
- Article 4: Elections of directors at the Company shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act.
- Article 5: The single cumulative voting method shall be used for election of the directors at the Company. Each share will have voting rights in number equal to the directors to be elected and may be cast for a single candidate or split among multiple candidates.
- Article 6: The number of directors will be as specified in the Company's articles of incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.
- Article 7: The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors or supervisors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.
- Article 8: When the election begins, the Chair shall appoint vote monitoring and counting personnel.
- Article 9: The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.
- Article 10: All information shall be appropriately written by each shareholder as required by the provisions set forth in the ballots. Where a candidate is a shareholder, the voters shall remark in the box of candidate on the ballots the name of the candidate and the shareholder code. Where a candidate is not a shareholder, the voters shall on the ballots put the name and ID Card number of the candidate. Where a candidate is a government or judicial (corporate) person the shareholder, the box of candidate on the ballots shall be remarked with name of the government or judicial (corporate) person. Where a candidate is a representative of government or judicial (corporate) person, the names of both the government or judicial (corporate) person and the representative shall be written. In case there are several representatives, the names of all the representatives shall be written additionally and respectively.
- Article 11: A ballot is invalid under any of the following circumstances:
1. The ballot was not prepared by a person with the right to convene.
 2. A blank ballot is placed in the ballot box.
 3. The writing is unclear and indecipherable.
 4. Where the account name or shareholder code by handwriting is inconsistent with the Register (Roster) of Shareholders, if the candidate is a shareholder; where the name or ID Card number by handwriting is inconsistent with the facts upon checking, if the candidate is not a shareholder.
 5. Bearing any words or symbols other than the account name (name) and shareholder account number (ID number) of the candidates.
 6. Where the name of the candidate entered is found the same as another shareholder's name and there is no shareholder code provided for identification.
 7. Two or more candidates are written on the same ballot
- Article 13: The counting of votes shall be monitored by the monitoring personnel, and the results of the vote shall be announced on the spot by the Chairman or emcee.
- Article 14: Matters not stipulated in these Guidelines shall be handled in accordance with the Company Act, the Articles of Association of the Company and other relevant laws and regulations.
- Article 15: These Guidelines, and any amendments hereto, shall be implemented after approval by a shareholders meeting.

Shareholding of All Directors

I. Minimum shares to be held by directors and shareholding in shareholders' rosters:

Position	Shares to be held	Registered shares in the shareholders' roster
Director	8,000,000	45,390,006

II. Shareholding by directors:

Shareholding	Name	Registered shares in the shareholders' roster
Chairman	Reyea Realty Investment & Advisory Corp. Representative: Hsu, Teng-Chen	21,578,809
Director	HyLin Investment Corp. Representative: Shen, Guo Hao	12,579,518
Director	Grand Sights Investment & Advisory Corp. Representative: Hsu, Han-Ru	11,231,679
Independent Director	Soong, Ching-Chyuan	0
Independent Director	Fang, Ming-Tau	0
Independent Director	Chen, Wei-Zen	0

Note 1. The total issued shares of the Company as of April 23, 2023 amounted to 100,000,000 shares.

2. Closing date: April 23, 2023.

The Impact of Stock Dividend Issuance on Business Performance, EPS, and Shareholder Return Rate

Item	Year	FY2023
Paid-in Capital at the beginning of term		NTD 1,000,000,000
Dividend and stock distribution this year	Cash Dividend per share	NTD
	Number of share distributed with earnings converted into capital increase	—
	Number of share per share distributed with capital reserve converted into capital increase	—
Changes in Business Performance	Operating profit	Financial projections for FY2023 are not disclosed and therefore this do not apply.
	Increase (decrease) ratio of business profit compared with the preceding year	
	Net profit after tax	
	Increase (decrease) ratio of net profit after tax compared with the preceding year	
	Earnings per share (with Retrospective Adjustment)	
	Increase (decrease) ratio of earnings per share compared with the preceding year	
	Average annual investment return rate (reciprocal of annual average price-earnings (P/E) ratio)	
Pro forma Earnings Per Share (EPS) and price earnings (P/E) Ratio	In the event that earning converted into capital increase is taken in full for cash dividend in earnings per share (EPS)	Pro forma earnings per share(NTD)
		Pro forma annual average investment return rate
	Supposing the capital reserve was not converted for capital increase	Pro forma earnings per share(NTD)
		Pro forma annual average investment return rate
	Supposing the capital reserve and earning were not converted for capital increase with the total taken for distribution of cash	Pro forma earnings per share(NTD)
		Pro forma annual average investment return rate

Note: Dividend distribution for FY2022 has been approved by the Board of Directors but not resolved in the shareholder's meeting.

Other Matters

Explanations on Shareholders' Proposals and Nominations Acceptance in FY2023 Regular Shareholder's Meeting

1. Pursuant to Articles 172-1 and 192-1 of the Company Act, shareholders holding more than 1% of the total issued shares of the Company may submit in writing to the Company the proposals for the regular shareholder's and nominate directors (including independent directors).
2. The Company announced the acceptance of the proposals and nominations for this regular shareholder's meeting by shareholders on Market Observation Post System, in accordance with the law, from April 14, 2023 to April 24, 2023 (based on the delivery date if by registered mailer) and the Company did not receive any proposals or nominations from shareholders during the period.