

Stock Code: 2596



ReaLy Development & Construction Corp.

Handbook for FY2024 Annual Shareholder's Meeting

Meeting Method : Physical Shareholders' Meeting

Time : 09:00 a.m., June 26, 2024

**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 FY2024

Convening Method: Physical shareholders' meeting

Time: 9 a.m. on Wednesday, June 26, 2024

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) FY2023 Business Report
 - (2) Audit Committee's Review Report on FY2023 Financial Statements
 - (3) Distribution of Remuneration to Employees and Directors for FY2023
 - (4) Report on Director's Remuneration for FY 2023
5. Proposals
 - (1) FY2023 Financial Statements
 - (2) The Proposal for Distribution of FY2023 Profits
6. Discussions
 - (1) To amend certain articles of the "Articles of Incorporation"
 - (2) To amend certain articles of the "Rules of Procedure for Shareholder's Meetings"
7. Questions and Motions
8. Adjournment

Management Presentation

1. Report No.1: FY2023 Business Reports
Explanation: FY2023 Business Report is attached as Page 5-6 (Attachment 1).
2. Report No.2: Audit Committee's Review Report on FY2023 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 FY2023
Explanation: On March 6, FY2023, the Board of Directors of the Company resolved to approve FY2023 employee remuneration and director remuneration distribution proposal, and, according to Article 20 of the Company's Articles of Association, the employee remuneration of NTD 532,116 and director's remuneration of NTD 532,116 will be paid all in cash.
4. Report No.3: Director Remuneration Report for the Fiscal Year 2023
Explanation:1. The company's Director remuneration policy, standards, and structure are positively correlated with operational performance and future risks. The correlation between responsibilities, risks, time commitment, and remuneration amounts is delineated as follows :
 - (1) The remuneration for the company's Directors is zero.
 - (2) The distribution of remuneration for company Directors is governed by Article 20 of the company's Articles of Association, with Director remuneration not exceeding two percent of the profits for the fiscal year.
 - (3) The company evaluates and reviews the responsibilities, risks, time commitments, and other factors undertaken by Directors according to performance assessment methods. The review of overall remuneration policy, related payment standards, and systems is primarily based on the company's overall operating conditions. The remuneration standards are determined based on operational performance and contribution to enhance the overall effectiveness of the board of directors and the management team.
2. The breakdown of individual Director remuneration is provided as Page 9 (Attachment 3).

Proposals

Proposal No.1

Proposed by the Board

Proposal: Adoption of FY2023 Business Report and Financial Statements

Explanation:

1. The Company's FY2023 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. FY2023 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 10-25 (Attachment 4) in the Meeting Agenda, respectively.

Resolution:

Proposal No.2

Proposed by the Board

Proposal: Adoption of the Proposal for Distribution of FY2023 Profits

Explanation:

1. Please refer to FY2023 Profit Distribution Table on Page 26 of this Handbook (Attachment 5).
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:

Discussions

Proposal No.1

Proposed by the Board

Proposal: To amend certain articles of the "Articles of Incorporation"

Explanation: In accordance with relevant legal amendments, it is proposed to revise certain articles of the 'Articles of Incorporation'. For the revised articles, please refer to the comparative table in pages 27 of this manual (Attachment 6).

Resolution:

Proposal No.2

Proposed by the Board

Proposal: To amend certain articles of the "Rules of Procedure for Shareholder's Meetings"

Explanation: In accordance with relevant legal amendments, it is proposed to revise certain articles of the 'Rules of Procedure for Shareholder's Meetings'. For the amended articles, please refer to the comparative table on page 28-29 of this manual (Attachment 7)..

Resolution:

Questions and Motions

Adjournment

Business Report

I. FY2023 Business Report:

Due to geopolitical risks such as the Russo-Ukrainian War, the Israel-Palestine conflict, and the Red Sea crisis, the prices of oil and raw materials continue to rise globally. The prices of crude oil and metals are continuously increasing, leading to escalating energy and construction costs. In order to deliver projects on schedule and avoid contractual disputes arising from delayed delivery, we must expedite construction and procurement efforts. The average unit construction cost has risen by over 50%. Additionally, factors such as tightening financial policies, amendments to the Non-self-use House Tax, gradual interest rate hikes, and rising material costs have caused financially unstable developers to temporarily withdraw from the market.

The company's projects, including the Jiukang Street redevelopment project in Wenshan District, Taipei City, and the industrial area redevelopment project in Datong Section (Circular Line Pitang Station), Tu-cheng District, New Taipei City, were successfully sold out last year. The industrial area redevelopment project in Yongning Section (north side of Yongning Station Exit 1) in Tu-cheng District, New Taipei City, has been steadily selling and being disposed of since its launch in the fourth quarter of last year. The industrial area redevelopment project in Zhongli Industrial Zone (east side of Zhongyuan Road) in Zhongli is scheduled to be commissioned for sale in the second quarter of 2024.

(I) Implementation of FY2023 Business Plan:

The net parent-only operating income of the Company for FY2023 was NTD 623,950,000, an increase of NTD 328,077,000 compared to the net operating income of NTD 295,873,000 in FY2022. The after-tax net profit was NTD 82,315,000, an increase of NTD 24,060,000 compared to the after-tax net profit of NTD 58,255,000 in FY2022. In FY2023, 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 FY2023 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		FY2023	FY2022
Financial Status	Operating income	623,950	295,873
	Operating margin	116,328	134,910
	Operating net profit	40,855	82,844
	Net profit for the period	82,315	58,255
Profitability Financial Status	Return on assets (%)	2.47	1.94
	Return on equity (%)	3.99	2.75
	Net profit before tax to paid-in capital (%)	5.21	8.15
	Net profit margin (%)	13.19	19.69
	Operating income	0.82	0.58

Note: Earnings for FY2023 has not yet been decided.

Consolidated Information

Unit: NTD Thousand

Item		FY2023	FY2022
Financial Status	Operating income	912,980	412,681
	Operating margin	153,344	151,989
	Operating net profit	55,265	78,215
	Net profit for the period	79,959	55,024
Profitability Financial Status	Return on assets (%)	2.05	1.58
	Return on equity (%)	3.29	2.21
	Net profit before tax to paid-in capital (%)	5.86	8.03
	Net profit margin (%)	8.76	13.33
	Operating income	0.82	0.58

Note: Earnings for FY2023 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. FY2024 Annual Business Plan and Target:

The Company will continue to publicly or continuously sell office buildings such as Yongning No.1 on the north side of Exit 1 of Yongning Station in Tu-cheng District, New Taipei City, and Leading No.1 on Zhongyuan Road in Zhongli Industrial Zone. Additionally, earlier this year, the Company acquired land in Yongping Section 3 in Shilin District, Taipei City, and plans to introduce projects incentivized by the reconstruction of urban unsafe and old buildings, featuring mixed-use buildings with shops and residential units. 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 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 comprehensive assessment score of Taiwan's economic countermeasures signal has gradually risen from 10 points in February 2023 to 27 points in January 2024, shifting the indicator from a blue light to a green light. Although the export signal has shifted from red to green, indicators such as production, investment, sales, and finance have all increased compared to before. Moreover, leading and coincident indicators continue to rise, indicating that the domestic economy is maintaining its recovery trend. Looking ahead to this year, as inventory adjustments near completion and global commodity demand is expected to gradually recover, coupled with the ongoing promotion of emerging technologies such as high-performance computing and artificial intelligence, this will bolster our country's export momentum. In terms of investment, companies are continuing to invest in research and development and process improvement to maintain their competitive advantage, and enterprises are also investing in digital and net-zero transformations. Additionally, the government's increased investment in public infrastructure projects will further boost investment. On the consumption front, the stable domestic job market, increases in basic wages, and the government's continuous optimization of the income tax system, along with various measures to reduce burdens, will increase disposable income for the public. Coupled with the wealth effect of the rising stock market, consumer momentum is expected to be sustained. Most major domestic and foreign institutions predict that our country's economic growth rate for this year will exceed 3%. However, attention must still be paid to the direction of major countries' monetary policies and economic downside risks such as the US-China technology dispute and geopolitical tensions.

The issue of global warming and energy conservation and carbon reduction accompanies the assessment of various countries' approaches and policies to achieve net-zero buildings internationally. Currently, our country's efforts to reduce carbon emissions in buildings are scattered among the twelve key strategies of the National Development Council, focusing on the "Net-Zero Green Living" and "Energy Conservation" strategies, including promoting passive energy-saving buildings, energy-saving equipment, carbon storage in building materials, promoting green labels, and improving the energy efficiency of home appliances. As of the second quarter of 2023, according to statistics from the Ministry of the Interior's real estate information platform, there are 9.12 million residential units in our country, with an average age of 33 years, and the proportion of buildings over 30 years old is as high as 53.3%. Especially in Taipei City, the proportion of buildings over 30 years old is even higher at 72%. Due to the higher average age of most Taiwanese houses, these older buildings may have relatively weaker seismic and disaster resistance capabilities due to the more lenient standards at the time of construction. The government needs to consider how to improve these old buildings to enhance their seismic resistance while simultaneously improving their carbon reduction, energy efficiency, and climate adaptive resilience to cope with increasingly severe climate and environmental risks. Our company has actively cooperated with policies over the years and is committed to the renewal and reconstruction of old buildings.

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 FY2023 Parent-Only and Consolidated Financial Statements of the Company. The said financial statements were audited by CHEN, YA-LIN and TANG, CHIA-CHIEN 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

FY2024 Regular Shareholder's Meeting,
ReaLy Development & Construction Corp.

From
Fang, Ming-Tau
Convenor, Audit Committee

March 6, 2024

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

The Board of Directors submitted the FY2023 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
FY2024 Regular Shareholder's Meeting,
ReaLy Development & Construction Corp.

From
Fang, Ming-Tau
Convenor, Audit Committee

May 8, 2024

Director's remuneration for FY 2023

Unit: NTD Thousand

Shareholding	Name	Director's remuneration								Proportions of Total Amounts and Net Income after Tax for Items A, B, C, and D		Compensation received by employees holding additional positions								Proportions of Total Amounts and Net Income after Tax for Items A, B, C, D, E, F, and G		Compensation received from investments outside of subsidiary companies or from the parent company
		Remuneration (A)		Retirement Pension (B)		Director's Remuneration (C)		Operating Expenses (D)				Employee Compensation, Bonuses, and Special Allowances (E)		Retirement Pension (F)		Employee Remuneration (G)						
		The company	All companies within the financial report	The company	All companies within the financial report	The company	All companies within the financial report	The company	All companies within the financial report	The company	All companies within the financial report	The company	All companies within the financial report	The company		All companies within the financial report		The company	All companies within the financial report			
Chairman	Reyea Realty Investment & Advisory Corp. Representative: Hsu, Teng-Chen	0	0	0	0	76	76	240	240	316 0.38%	316 0.38%	3,639	4,863	0	0	81	0	96	0	4,036 4.90%	5,275 6.41%	N/A
Director	HyLin Investment Corp. Representative: Shen, Guo Hao	0	0	0	0	76	76	240	240	316 0.38%	316 0.38%	0	0	0	0	0	0	0	0	316 0.38%	316 0.38%	N/A
Director	Grand Sights Investment & Advisory Corp. Representative: Hsu, Han-Ru	0	0	0	0	76	76	240	240	316 0.38%	316 0.38%	1,348	1,348	58	58	40	0	40	0	1,762 2.14%	1,762 2.14%	N/A
Independent Director	Soong, Ching-Chyuan	0	0	0	0	76	76	240	240	316 0.38%	316 0.38%	0	0	0	0	0	0	0	0	316 0.38%	316 0.38%	N/A
Independent Director	Fang, Ming-Tau	0	0	0	0	76	76	240	240	316 0.38%	316 0.38%	0	0	0	0	0	0	0	0	316 0.38%	316 0.38%	N/A
Independent Director	Chen, Wei-Zen	0	0	0	0	76	76	240	240	316 0.38%	316 0.38%	0	0	0	0	0	0	0	0	316 0.38%	316 0.38%	N/A
Independent Director	Ku, Yu-fan	0	0	0	0	76	76	120	120	196 0.24%	196 0.24%	0	0	0	0	0	0	0	0	196 0.24%	196 0.24%	N/A



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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, 2023 and 2022, 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, 2023 and 2022, 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 Financial Statement Audit and Attestation Engagements of 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, 2023 and 2022, 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 Chen, Ya-Ling and Tang, Chia-Chien.

KPMG

Taipei, Taiwan (Republic of China)

March 6, 2024

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, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

Assets		December 31, 2023		December 31, 2022		Liabilities and Equity		December 31, 2023		December 31, 2022	
		Amount	%	Amount	%			Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (note 6(a))	\$ 254,951	6	236,345	7	2100	Short-term borrowings (notes 6(j), 7 and 8)	\$ 150,000	4	240,000	7
1136	Current financial assets at amortised cost, net (note 6(b))	187,100	4	320,550	9	2111	Short-term notes and bills payable (notes 6(k), 7 and 8)	29,867	1	94,944	3
1140	Current contract assets (note 6(q))	2,572	-	8,826	-	2322	Long-term borrowings, current portion (notes 6(j), 7 and 8)	856,400	20	381,000	10
1170	Notes and accounts receivable, net (note 6(c))	69,243	2	48,208	1	2150	Notes payable	106,642	2	125,053	3
1320	Inventories (for construction business), net (notes 6(d), 7, 8 and 9)	3,084,312	72	2,381,551	64	2161	Notes payable to related parties (note 7)	3,823	-	11,887	-
1476	Other current financial assets (notes 6(d), 7 and 8)	177,623	4	345,430	9	2170	Accounts payable	116,776	3	59,734	2
1479	Other current assets (note 6(e))	155,597	4	146,134	4	2219	Other payables (note 6(r))	42,041	1	50,532	1
1480	Current assets recognized as incremental costs to obtain contract with customers (notes 6(i) and 7)	194,151	4	76,050	2	2220	Other payables to related parties (note 7)	87,086	2	3,852	-
	Total current assets	<u>4,125,549</u>	<u>96</u>	<u>3,563,094</u>	<u>96</u>	2230	Current tax liabilities	8,788	-	9,406	-
Non-current assets:						2130	Current contract liabilities (notes 6(d) and (q))	458,967	11	253,118	7
1600	Property, plant and equipment (notes 6(g) and 8)	45,012	1	46,950	1	2252	Provision (note 6(l))	6,880	-	6,880	-
1760	Investment property, net (notes 6(h) and 8)	52,004	1	53,269	2	2399	Other current liabilities	4,144	-	26,666	1
1840	Deferred tax assets (note 6(n))	36,369	1	1,376	-		Total current liabilities	<u>1,871,414</u>	<u>44</u>	<u>1,263,072</u>	<u>34</u>
1920	Guarantee deposits paid (notes 6(d) and 7)	24,645	1	20,509	1		Total liabilities	<u>1,871,414</u>	<u>44</u>	<u>1,263,072</u>	<u>34</u>
1980	Other non-current financial assets (notes 8 and 9)	-	-	10,080	-	Equity attributable to owners of parent (note 6(o)):					
1995	Other non-current assets	4,700	-	4,700	-	3110	Ordinary share	1,000,000	24	1,000,000	27
	Total non-current assets	<u>162,730</u>	<u>4</u>	<u>136,884</u>	<u>4</u>	3200	Capital surplus	189,208	4	189,208	5
						3300	Retained earnings	863,687	20	881,372	24
							Total equity attributable to owners of parent	<u>2,052,895</u>	<u>48</u>	<u>2,070,580</u>	<u>56</u>
						36XX	Non-controlling interests (note 6(f))	363,970	8	366,326	10
							Total equity	<u>2,416,865</u>	<u>56</u>	<u>2,436,906</u>	<u>66</u>
							Total liabilities and equity	<u>\$ 4,288,279</u>	<u>100</u>	<u>\$ 3,699,978</u>	<u>100</u>
	Total assets	<u>\$ 4,288,279</u>	<u>100</u>	<u>3,699,978</u>	<u>100</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 Comprehensive Income

For the years ended December 31, 2023 and 2022

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

		<u>2023</u>		<u>2022</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4000	Operating revenue (note 6(q))	\$ 912,980	100	412,681	100
5000	Operating costs (notes 6(l), 7 and 12)	<u>759,636</u>	<u>83</u>	<u>260,692</u>	<u>63</u>
5900	Gross profit from operations	<u>153,344</u>	<u>17</u>	<u>151,989</u>	<u>37</u>
6000	Operating expenses (notes 6(g), (i), (m), (r), 7 and 12):				
6100	Selling expenses	43,776	5	20,772	5
6200	Administrative expenses	<u>54,303</u>	<u>6</u>	<u>53,002</u>	<u>13</u>
	Total operating expenses	<u>98,079</u>	<u>11</u>	<u>73,774</u>	<u>18</u>
6900	Net operating income	<u>55,265</u>	<u>6</u>	<u>78,215</u>	<u>19</u>
7000	Non-operating income and expenses (notes 6(d), (h), (s) and 12):				
7100	Interest income	4,499	-	3,986	1
7010	Other income	1,075	-	946	-
7020	Other gains and losses	305	-	(298)	-
7050	Finance costs	<u>(2,566)</u>	<u>-</u>	<u>(2,551)</u>	<u>(1)</u>
	Total non-operating income and expenses	<u>3,313</u>	<u>-</u>	<u>2,083</u>	<u>-</u>
7900	Profit from continuing operations before tax	58,578	6	80,298	19
7951	Less: Income tax (benefit) expenses (note 6(n))	<u>(21,381)</u>	<u>(3)</u>	<u>25,274</u>	<u>6</u>
	Profit	79,959	9	55,024	13
8300	Other comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
8500	Total comprehensive income	<u>\$ 79,959</u>	<u>9</u>	<u>55,024</u>	<u>13</u>
	Profit (loss), attributable to:				
8610	Owners of parent	\$ 82,315	9	58,255	14
8620	Non-controlling interests	<u>(2,356)</u>	<u>-</u>	<u>(3,231)</u>	<u>(1)</u>
		<u>\$ 79,959</u>	<u>9</u>	<u>55,024</u>	<u>13</u>
	Comprehensive income attributable to:				
8710	Owners of parent	\$ 82,315	9	58,255	14
8720	Non-controlling interests	<u>(2,356)</u>	<u>-</u>	<u>(3,231)</u>	<u>(1)</u>
		<u>\$ 79,959</u>	<u>9</u>	<u>55,024</u>	<u>13</u>
	Earnings per share (NTD) (note 6(p))				
9750	Basic earnings per share	<u>\$ 0.82</u>		<u>0.58</u>	
9850	Diluted earnings per share	<u>\$ 0.82</u>		<u>0.58</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, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent							Non-controlling interests	Total equity
	Ordinary shares	Capital surplus	Retained earnings			Total equity attributable to owners of parent			
			Legal reserve	Unappropriated retained earnings	Total retained earnings				
Balance at January 1, 2022	\$ 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	1,000,000	189,208	290,407	590,965	881,372	2,070,580	366,326	2,436,906	
Appropriation and distribution of retained earnings:									
Legal reserve	-	-	5,825	(5,825)	-	-	-	-	
Cash dividends	-	-	-	(100,000)	(100,000)	(100,000)	-	(100,000)	
Total comprehensive income	-	-	-	82,315	82,315	82,315	(2,356)	79,959	
Balance at December 31, 2023	<u>\$ 1,000,000</u>	<u>189,208</u>	<u>296,232</u>	<u>567,455</u>	<u>863,687</u>	<u>2,052,895</u>	<u>363,970</u>	<u>2,416,865</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, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	<u>2023</u>	<u>2022</u>
Cash flows from (used in) operating activities:		
Profit before tax	\$ 58,578	80,298
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	2,086	2,120
Financial cost	2,566	2,551
Interest income	(4,499)	(3,986)
Gain on disposal of investment properties	(602)	-
Property, plant and equipment transferred to expenses	-	36
Total adjustments to reconcile profit (loss)	<u>(449)</u>	<u>721</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Contract assets	6,254	(8,826)
Accounts receivable	(21,035)	(24,858)
Inventories	(685,912)	(345,749)
Other current assets	(17,601)	(129,668)
Other current financial assets	119,628	(101,136)
Guarantee deposits paid	43,959	(58,390)
Assets recognised as incremental costs to obtain contract with customers	(118,101)	(25,221)
Total changes in operating assets	<u>(672,808)</u>	<u>(693,848)</u>
Changes in operating liabilities:		
Contract liabilities	205,849	30,433
Notes payable	(18,411)	105,916
Notes payable to related parties	(8,064)	10,126
Accounts payable	57,042	(23,427)
Other payables	(8,802)	3,355
Other payables to related parties	83,234	(21,408)
Other current liabilities	(22,522)	14,134
Total changes in operating liabilities	<u>288,326</u>	<u>119,129</u>
Total changes in operating assets and liabilities	<u>(384,482)</u>	<u>(574,719)</u>
Total adjustments	<u>(384,931)</u>	<u>(573,998)</u>
Cash outflow generated from operations	(326,353)	(493,700)
Interest received	4,583	3,982
Interest paid	(19,181)	(7,576)
Income taxes paid	(6,092)	(45,601)
Net cash used in operating activities	<u>(347,043)</u>	<u>(542,895)</u>
Cash flows from (used in) investing activities:		
Acquisition of financial assets at amortized cost	-	(194,000)
Proceeds from disposal of financial assets at amortised cost	133,450	-
Acquisition of property, plant and equipment	-	(305)
Proceeds from disposal of investment properties	1,719	-
Other non-current financial assets	10,080	-
Net cash flows from (used in) investing activities	<u>145,249</u>	<u>(194,305)</u>
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	692,000	312,000
Decrease in short-term borrowings	(782,000)	(192,000)
Increase in short-term notes and bills payable	230,000	265,000
Decrease in short-term notes and bills payable	(295,000)	(220,000)
Proceeds from long-term borrowings	475,400	1,000
Cash dividends paid	(100,000)	(150,000)
Net cash flows from financing activities	<u>220,400</u>	<u>16,000</u>
Net increase (decrease) in cash and cash equivalents	18,606	(721,200)
Cash and cash equivalents at beginning of period	236,345	957,545
Cash and cash equivalents at end of period	<u>\$ 254,951</u>	<u>236,345</u>

See accompanying notes to consolidated financial statements.



安侯建業聯合會計師事務所

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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, 2023 and 2022, 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 material 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, 2023 and 2022, 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 Financial Statements Audit and Attestation Engagements of 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:

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 Chen, Ya-Ling and Tang, Chia-Chien.

KPMG

Taipei, Taiwan (Republic of China)

March 6, 2024

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, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

Assets		December 31, 2023		December 31, 2022		Liabilities and Equity		December 31, 2023		December 31, 2022	
		Amount	%	Amount	%			Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (note 6(a))	\$ 157,105	4	55,981	2	2100	Short-term borrowings (notes 6(i), 7 and 8)	\$ 130,000	4	200,000	7
1136	Current financial assets at amortized cost, net (note 6(b))	-	-	108,850	4	2110	Short-term notes and bills payable (notes 6(j), 7 and 8)	-	-	94,944	3
1172	Accounts receivable and notes receivable (note 6(c))	45,010	1	13,260	-	2322	Long-term borrowings, current portion (notes 6(i), 7 and 8)	856,400	23	381,000	12
1210	Other receivables—related parties (note 7)	9	-	-	-	2150	Notes payable	235	-	7,277	-
1320	Inventories (for construction business), net (notes 6(d), 7, 8 and 9)	2,684,615	73	2,132,759	69	2161	Notes payable to related parties (note 7)	45,134	1	30,217	1
1476	Other current financial assets (notes 6(d), 7 and 8)	176,094	5	344,248	11	2170	Accounts payable	6,463	-	4,475	-
1479	Other current assets, others	61,981	2	29,966	1	2181	Accounts payable to related parties (note 7)	46,667	1	55,366	2
1480	Current assets recognized as incremental costs to obtain contract with customers (notes 6(h) and 7)	194,151	5	76,050	2	2200	Other payables (note 6(p))	19,401	1	28,446	1
	Total current assets	<u>3,318,965</u>	<u>90</u>	<u>2,761,114</u>	<u>89</u>	2220	Other payables to related parties (note 7)	87,086	2	3,852	-
	Non-current assets:					2230	Current tax liabilities	-	-	9,283	-
1551	Investments accounted for using equity method (note 6(e))	252,396	7	249,897	8	2130	Current contract liabilities (notes 6(d) and (o))	441,190	12	178,884	6
1600	Property, plant and equipment (notes 6(f) and 8)	46,392	1	47,975	2	2399	Other current liabilities, others	3,284	-	26,535	1
1760	Investment property, net (note 6(g))	11,564	-	11,564	-		Total current liabilities	<u>1,635,860</u>	<u>44</u>	<u>1,020,279</u>	<u>33</u>
1840	Deferred tax assets (note 6(l))	34,993	1	-	-		Non-Current liabilities:				
1920	Guarantee deposits paid (notes 6(d) and 7)	24,545	1	20,409	1	2645	Guarantee deposits received (note 7)	100	-	100	-
	Total non-current assets	<u>369,890</u>	<u>10</u>	<u>329,845</u>	<u>11</u>		Total non-current liabilities	<u>100</u>	<u>-</u>	<u>100</u>	<u>-</u>
							Total liabilities	<u>1,635,960</u>	<u>44</u>	<u>1,020,379</u>	<u>33</u>
							Equity attributable to owners of parent (note 6(m)):				
						3110	Ordinary share	1,000,000	27	1,000,000	32
						3200	Capital surplus	189,208	5	189,208	6
						3300	Retained earnings	863,687	24	881,372	29
							Total equity	<u>2,052,895</u>	<u>56</u>	<u>2,070,580</u>	<u>67</u>
							Total liabilities and equity	<u>\$ 3,688,855</u>	<u>100</u>	<u>\$ 3,090,959</u>	<u>100</u>
	Total assets	<u>\$ 3,688,855</u>	<u>100</u>	<u>3,090,959</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, 2023 and 2022

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

		<u>2023</u>		<u>2022</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4000	Operating revenue (notes 6(o) and 7)	\$ 623,950	100	295,873	100
5000	Operating costs (note 7)	<u>507,622</u>	<u>81</u>	<u>160,963</u>	<u>54</u>
5900	Gross profit from operations	<u>116,328</u>	<u>19</u>	<u>134,910</u>	<u>46</u>
6000	Operating expenses (notes 6(f), (h), (k), (p), 7 and 12):				
6100	Selling expenses	43,718	7	20,772	7
6200	Administrative expenses	<u>31,755</u>	<u>5</u>	<u>31,294</u>	<u>11</u>
	Total operating expenses	<u>75,473</u>	<u>12</u>	<u>52,066</u>	<u>18</u>
6900	Net operating income	<u>40,855</u>	<u>7</u>	<u>82,844</u>	<u>28</u>
7000	Non-operating income and expenses (notes 6(d), (q) and 7):				
7100	Interest income	1,617	-	2,156	1
7010	Other income	3,776	1	3,438	1
7020	Other gains and losses	(5)	-	(11)	-
7050	Finance costs	(1,617)	-	(2,156)	(1)
7375	Share of profit (loss) of subsidiaries accounted for using equity method	<u>7,499</u>	<u>1</u>	<u>(4,792)</u>	<u>(1)</u>
	Total non-operating income and expenses	<u>11,270</u>	<u>2</u>	<u>(1,365)</u>	<u>-</u>
7900	Profit from continuing operations before tax	52,125	9	81,479	28
7951	Less: Income tax (benefit) expenses (note 6(l))	<u>(30,190)</u>	<u>(4)</u>	<u>23,224</u>	<u>8</u>
	Profit	<u>82,315</u>	<u>13</u>	<u>58,255</u>	<u>20</u>
8300	Other comprehensive income	-	-	-	-
	Total comprehensive income	<u>\$ 82,315</u>	<u>13</u>	<u>58,255</u>	<u>20</u>
	Basic earnings per share (NTD) (note 6(n))				
	Basic earnings per share	<u>\$ 0.82</u>		<u>0.58</u>	
	Diluted earnings per share	<u>\$ 0.82</u>		<u>0.58</u>	

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, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	Ordinary shares	Capital surplus	Legal reserve	Retained earnings Unappropriated retained earnings	Total retained earnings	Total equity
Balance at January 1, 2022	\$ 1,000,000	189,208	259,936	713,181	973,117	2,162,325
Appropriation and distribution of retained earnings:						
Legal reserve	-	-	30,471	(30,471)	-	-
Cash dividends	-	-	-	(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
Appropriation and distribution of retained earnings:						
Legal reserve	-	-	5,825	(5,825)	-	-
Cash dividends	-	-	-	(100,000)	(100,000)	(100,000)
Total comprehensive income	-	-	-	82,315	82,315	82,315
Balance at December 31, 2023	<u>\$ 1,000,000</u>	<u>189,208</u>	<u>296,232</u>	<u>567,455</u>	<u>863,687</u>	<u>2,052,895</u>

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 Cash Flows****For the years ended December 31, 2023 and 2022****(Expressed in Thousands of New Taiwan Dollars)**

	<u>2023</u>	<u>2022</u>
Cash flows from (used in) operating activities:		
Profit before tax	\$ 52,125	81,479
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	1,583	1,610
Interest expense	1,617	2,156
Interest income	(1,617)	(2,156)
Share of loss (profit) of subsidiaries accounted for using equity method	(7,499)	4,792
Total adjustments to reconcile profit (loss)	<u>(5,916)</u>	<u>6,402</u>
Changes in operating assets and liabilities:		
Accounts receivable and notes receivable	(31,750)	10,090
Other receivables from related parties	(9)	-
Inventories	(535,007)	(388,691)
Other current assets	(31,871)	(26,407)
Other current financial assets	119,416	(100,924)
Guarantee deposits paid	44,545	(57,864)
Assets recognised as incremental costs to obtain contract with customers	(118,101)	(25,221)
Total changes in operating assets	<u>(552,777)</u>	<u>(589,017)</u>
Changes in operating liabilities:		
Contract liabilities	262,306	(43,801)
Notes payable	(7,042)	6,825
Notes payable to related parties	14,917	(1,456)
Accounts payable	1,988	(29,332)
Accounts payable to related parties	(8,699)	55,366
Other payables	(9,346)	(1,507)
Other payables to related parties	83,234	(21,408)
Other current liabilities	(23,251)	15,046
Total changes in operating liabilities	<u>314,107</u>	<u>(20,267)</u>
Total changes in operating assets and liabilities	<u>(238,670)</u>	<u>(609,284)</u>
Total adjustments	<u>(244,586)</u>	<u>(602,882)</u>
Cash outflow generated from operations	(192,461)	(521,403)
Interest received	1,675	2,247
Dividends received	5,000	5,000
Interest paid	(18,110)	(7,184)
Income taxes paid	(14,230)	(42,546)
Net cash used in operating activities	<u>(218,126)</u>	<u>(563,886)</u>
Cash flows from (used in) investing activities:		
Proceeds from disposal of financial assets at amortized cost	108,850	17,700
Acquisition of property, plant and equipment	-	(133)
Net cash flows from investing activities	<u>108,850</u>	<u>17,567</u>
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	600,000	260,000
Decrease in short-term borrowings	(670,000)	(180,000)
Increase in short-term notes and bills payable	110,000	195,000
Decrease in short-term notes and bills payable	(205,000)	(150,000)
Proceeds from long-term borrowings	475,400	1,000
Cash dividends paid	(100,000)	(150,000)
Net cash flows from (used in) financing activities	<u>210,400</u>	<u>(24,000)</u>
Net increase (decrease) in cash and cash equivalents	101,124	(570,319)
Cash and cash equivalents at beginning of period	55,981	626,300
Cash and cash equivalents at end of period	<u>\$ 157,105</u>	<u>55,981</u>

See accompanying notes to parent company only financial statements.

ReaLy Development & Construction Corp.
EARNING DISTRIBUTION TABLE
FY2023

Unit: NTD

Item	Amount	
	Subtotal	Total
Beginning undistributed earnings		485,138,820
Plus: Net profit	82,316,170	
Distributable earning		567,454,990
Less		
Provision of statutory earning reserve (10%)	(8,231,617)	
Distributed items:		
Shareholder's bonus – cash (NTD 1 per share)	(100,000,000)	(108,231,617)
Ending undistributed earning		459,223,373

Chairman:
Hsu, Teng-Chen

General Manager:
Hsu, Teng-Chen

Accounting Head:
Lin, Hsiu Chuan

ReaLy Development & Construction Corp.
Comparison between Original and Amendments to Articles of Incorporation

Article	Proposed amendment	Current content	Comment
	Chapter III Shareholders' Meetings	Chapter III Shareholders' Meetings	
Article 8	<p>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.</p> <p>A shareholders meeting shall, unless otherwise provided for in Company Act, be convened by the Board of Directors.</p> <p><u>The shareholders' meeting of the Company may be held by video conference or other means announced by the central competent authority.</u></p> <p><u>The conditions, operating procedures, and other matters to be complied with for conducting video conferences at shareholder meetings shall be governed by the regulations of the relevant securities authorities.</u></p> <p>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.</p> <p>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.</p> <p>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.</p>	<p>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.</p> <p>A shareholders meeting shall, unless otherwise provided for in Company Act, be convened by the Board of Directors.</p> <p>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.</p> <p>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.</p> <p>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.</p>	In accordance with the newly added Article 172-2 of the Company Act
Article 24	<p>These Articles of Association enacted on April 24, 2001.</p> <p>The first amendment was made on December 10, 2002.</p> <p>The second amendment was made on April 1, 2004.</p> <p>The third amendment was made on April 15, 2004.</p> <p>The fourth amendment was made on June 17, 2005.</p> <p>The fifth amendment was made on June 27, 2006.</p> <p>The sixth amendment was made on May 28, 2008.</p> <p>The seventh amendment was made on April 17, 2009.</p> <p>The eighth amendment was made on June 17, 2010.</p> <p>The ninth amendment was made on June 15, 2014.</p> <p>The tenth amendment was made on June 24, 2014.</p> <p>The eleventh amendment was made on June 24, 2016.</p> <p>The twelfth amendment was made on June 16, 2017.</p> <p>The thirteenth amendment was made on June 21, 2019.</p> <p>The fourteenth amendment was made on June 18, 2020.</p> <p><u>The fifteenth amendment was made on June 26, 2024</u></p>	<p>These Articles of Association enacted on April 24, 2001.</p> <p>The first amendment was made on December 10, 2002.</p> <p>The second amendment was made on April 1, 2004.</p> <p>The third amendment was made on April 15, 2004.</p> <p>The fourth amendment was made on June 17, 2005.</p> <p>The fifth amendment was made on June 27, 2006.</p> <p>The sixth amendment was made on May 28, 2008.</p> <p>The seventh amendment was made on April 17, 2009.</p> <p>The eighth amendment was made on June 17, 2010.</p> <p>The ninth amendment was made on June 15, 2014.</p> <p>The tenth amendment was made on June 24, 2014.</p> <p>The eleventh amendment was made on June 24, 2016.</p> <p>The twelfth amendment was made on June 16, 2017.</p> <p>The thirteenth amendment was made on June 21, 2019.</p> <p>The fourteenth amendment was made on June 18, 2020.</p>	Add amendment date

Comparison Table for Rules of Procedures for Shareholders' Meeting

Proposed amendment (Ver: 1.2)	Current content (Ver: 1.1)	Comment
<p>Article 1 The proceedings of the shareholders' meeting shall be conducted in accordance with these regulations, unless otherwise stipulated by laws or <u>articles of association.</u></p>	<p>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.</p>	Amendment per ordinances
<p>Article 2 The attending shareholders shall pay a sign-in card to sign in on their behalf. <u>If a shareholders' meeting is held via video conference, shareholders who wish to attend by video should register with the Company two days before the shareholders' meeting.</u></p>	<p>Article 2 <u>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.</u></p>	Amendment per ordinances
<p>Article 3 Attendance or voting at shareholders meetings shall be calculated based on numbers of shares. <u>The number of shares present shall be calculated based on the number of shares reported in the sign-in book or on the attendance card and video conference platform, and the number of shares for which the voting rights are exercised by written or electronic means.</u></p>	<p>Article 3 Attendance or voting at shareholders meetings shall be calculated based on numbers of shares.</p>	Amendment per ordinances
<p>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. <u>When the Company holds a video shareholders' meeting, the Company shall not be restricted from holding the aforementioned meeting.</u></p>	<p>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.</p>	Amendment per ordinances
<p>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. <u>If a shareholders' meeting is held by video conference, the Company shall keep records of the shareholders' registration, registration, attendance, questions, voting, and the Company's vote counting results, and shall continuously and uninterruptedly record and video tape the entire video conference.</u> <u>The Company shall keep the aforementioned information and audio recordings for the duration of their existence and shall provide the audio recordings to the person to whom the video conference is entrusted for retention.</u></p>	<p>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.</p>	Amendment per ordinances
<p>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. <u>If less than one-third of the total number of issued shares are still not present after the second adjournment, the chairman shall declare the meeting adjourned. If a shareholders' meeting is held by video conference, the Company shall also announce the flow of the meeting on the video conference platform of the shareholders' meeting.</u> 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. <u>; make a bogus resolution and notify the shareholders of the bogus resolution to reconvene the shareholders' meeting within one month. If a shareholders' meeting is held via video conference, shareholders who wish to attend by video shall re-register with the Company by Article 2.</u> 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.</p>	<p>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.</p>	Amendment per ordinances
<p>Article 11 Each shareholder shall not speak more than twice on the same motion without the consent of the chairman, and each time shall not exceed five minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech. <u>If the shareholders' meeting is conducted via video conference, shareholders participating through video may submit questions via text on the video conference platform after the chairman announces the meeting and before the meeting is adjourned. The number of questions for each motion shall not exceed two, and each question shall be limited to 200 words, without applying the preceding paragraph, Article 10, and</u></p>	<p>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.</p>	Amendment per ordinances

Proposed amendment (Ver: 1.2)	Current content (Ver: 1.1)	Comment
<p><u>Article 12.</u></p> <p><u>Article 16</u> When a meeting is in progress, the chair may announce a break based on time considerations. <u>In the event of an unavoidable situation, the chairman may decide to temporarily suspend the meeting and announce the time of resumption of the meeting as appropriate.</u> <u>If the meeting venue cannot be used until the agenda of the shareholders' meeting is concluded (including temporary motions), the shareholders' meeting may resolve to find another venue to continue the meeting.</u></p>	<p>Article 16 When a meeting is in progress, the chair may announce a break based on time considerations.</p>	<p>Amendment per ordinances</p>
<p><u>Article 20</u> When the Company convenes a shareholders' meeting by video conference, the shareholders participating by video shall vote on each motion and election motion through the video conference platform after the chairman announces the opening of the meeting, and shall complete the voting before the chairman announces the closing of the voting, and any delay shall be deemed as abstention. <u>If the shareholders' meeting is convened by video conference, the chairman shall announce the close of the voting and announce the voting and election results for a one-time vote count.</u> When the Company convenes a video-assisted shareholders' meeting, shareholders who have registered to attend the shareholders' meeting by video by Article 2 and wish to attend the physical shareholders' meeting in person shall deregister in the same manner as they registered two days before the shareholders' meeting; if they deregister after that time, they may attend the shareholders' meeting by video only. <u>If a person exercises his or her voting rights in writing or electronically without revoking his or her intention and participates in a shareholders' meeting by video, he or she may not exercise his or her voting rights on the original motion or propose amendments to the original motion or exercise his or her voting rights on amendments to the original motion, except for a temporary motion.</u></p>	<p>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.</p>	<p>Propose a new article and adjust the original Article 20 to become Article 24</p>
<p><u>Article 21</u> If a shareholders' meeting is held by video conference, the Company shall disclose the voting results of each motion and election results on the video conference platform.</p>		<p>New article</p>
<p><u>Article 22</u> If a shareholders' meeting is convened by video conference, and if, before the adjournment of the meeting by the chairman, there is an impediment to participation on the video conference platform or by video for 30 minutes or more due to a natural disaster, event, or other force majeure, the date of the meeting shall be postponed or rescheduled within five days, without the provisions of Article 182 of the Company Act being applicable. <u>In the event of an adjournment or renewal of a meeting, shareholders who have not registered to participate in the original shareholders' meeting by video shall not participate in the adjourned or renewed meeting.</u> If a shareholder who has registered to attend the original shareholders' meeting by video and has completed reporting to the meeting by the provisions of the first paragraph is not present at the postponed or adjourned meeting, the number of shares present at the original shareholders' meeting and the voting rights and election rights exercised shall be counted as the total number of shares, voting rights and election rights of the shareholders present at the postponed or adjourned meeting. By the first provision, if the shareholders' meeting is adjourned or reconvened, there is no need to discuss and resolve again the motions for which voting and counting have been completed and the voting results or the election lists of directors and supervisors have been announced. <u>If the Company convenes a video-assisted shareholders' meeting and the second paragraph cannot be renewed, if, after deducting the number of shares present at the shareholders' meeting by video, the total number of shares present still reaches the legal quota for the shareholders' meeting, the shareholders' meeting shall continue without any adjournment or renewal of the meeting by the first paragraph.</u> <u>If a meeting should be continued, the number of shares attended by shareholders participating in the meeting by way of the video shall be counted as the total number of shares of shareholders present but shall be deemed to be abstained from all motions at that meeting.</u></p>		<p>New article</p>
<p><u>Article 23</u> When the Company holds a video shareholders' meeting, the Company shall provide appropriate alternative measures for shareholders who have difficulty attending the shareholders' meeting by video.</p>		<p>New article</p>
<p><u>Article 24</u> This rule shall come into effect upon approval by the shareholders' meeting, and any amendments shall also follow the same procedure.</p>		<p>Propose a new article and adjust the original Article 20 to become Article 24</p>

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 domestic 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.
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.

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
Independent Director	Ku, Yu-fan	0

Note 1. The total issued shares of the Company as of April 28, 2024 amounted to 100,000,000 shares.

2. Closing date: April 28, 2024

Other Matters

Explanations on Shareholders' Proposals and Nominations Acceptance in FY2024 Regular Shareholder's Meeting

1. Pursuant to Articles 172-1 of the Company Act, shareholders holding more than one percent of the total issued shares of the company may submit proposals for the shareholder's regular meeting in writing to the company.
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 19, 2024 to April 29, 2024 (based on the delivery date if by registered mailer) and the Company did not receive any proposals or nominations from shareholders during the period.