Sinyi Realty In.
Enterprise Value Enhancement Plan

The company's operations mainly cover three business segments:

First, in the **real estate brokerage business**, we provide a diverse range of real estate brokerage services, including the purchase, sale, and rental of pre-owned residential properties, offices, factories, land, and parking spaces. This also includes agency services for bulk pre-sale houses, remaining units, and newly completed residences.

Second, in the **development business**, our operations encompass residential and building development, leasing and sales, as well as industrial factory development and leasing. In recent years, we have actively expanded into **public infrastructure projects**, enlarging both the scale and depth of our development initiatives.

Finally, based on the premise that "housing" is a fundamental human need, the company has extended its portfolio into the **tourism business**, currently focusing on high-end hotel construction, with plans to integrate development with the entire Huan Tan Island project, aiming to maximize tourism benefits.

In FY2024, consolidated revenue reached NT$12.782 billion, of which NT$12.66 billion (99%) was contributed by the real estate brokerage business, while the remaining revenue was generated from development projects. The tourism business is expected to open its first hotel in 2027.

I. Current Status Analysis

(A) Cost Analysis

The company operates its real estate brokerage business through **directly managed stores**, with all operational decisions and management centrally controlled by the head office. This results in relatively high operating costs at individual branches, making scale expansion more difficult and potentially limiting economies of scale.

As of December 31, 2024, the company's capital structure consisted of **43.1% equity and 56.9% debt**. The company's **weighted average cost of capital (WACC)** is 6.9% (calculated as 13.63% cost of equity × equity ratio + 2.2% cost of debt × debt ratio × (1–20% tax rate)). Due to strong creditworthiness, the overall cost of capital remains low. Even though cash flow is closely linked to the housing market, the company's

stable financial structure positively supports enterprise value and shareholder returns.

(B) Profitability and Market Evaluation

1. **Return on Assets (ROA):** increased by 5.5% YoY.
   Return on Equity (ROE): decreased by 5.8% YoY. Although net profit after tax slightly improved compared with last year, the efficiency of asset utilization has slightly improved, while equity growth outpaced earnings growth, causing ROE to decline. This reflects that the company retained more earnings while maintaining a stable financial structure.
2. **Net Profit Margin:** decreased by 2.7% YoY. Improvement can be achieved through cost control and revenue growth strategies.
3. **Earnings Per Share (EPS):** increased by 1.3% YoY. Despite revenue contraction, reduced performance bonuses resulted in slightly higher EPS. In light of market uncertainties since the Trump administration, the company aims to actively capture owner-occupied demand, emphasizing brand advantages and serving as a loan advisory for buyers to reduce their risks and enhance transaction conversion.
4. **Credit Rating:** According to Taiwan Ratings' 2025 report, market momentum remains uncertain; however, Taiwan Ratings believes that the domestic real estate brokerage business will maintain satisfactory operational performance in the next 12 months. Although development projects in Taiwan and Malaysia over the next one to two years may increase capital expenditures and borrowing, the company's core business stability provides sufficient financial buffer for credit ratings.

(C) Corporate Governance Analysis

1. **Board Structure and Independence:**
   The company's board consists of 7 members, including 2 female directors and 4 independent directors, accounting for 57% of total board seats, exceeding half. Only 2 directors have spousal or second-degree kinship relations. Directors possess rich experience and expertise in law, finance, marketing, and digital technology. With a majority of external directors overseeing the company, the board's independence and governance quality are ensured.
2. **Board Effectiveness:**
   The board and its functional committees conduct **annual internal self-assessments** to ensure effective proceedings. Key evaluation areas include:

- **Board performance evaluation:** participation in company operations, quality of decision-making, board composition and structure, director appointments and continuous education, internal control, and ESG promotion.
- **Individual director evaluation:** understanding of company objectives, role awareness, participation in operations, internal relationships and communication, professional competence, ongoing training, and internal control.
- **Functional committee evaluation:** participation in operations, decision-making quality, committee composition, role awareness, and internal control.

Additionally, an **external performance evaluation** is conducted every three years. The most recent evaluation, reported to the board on December 27, 2023, was performed by the Taiwan Corporate Governance Association. This on-site assessment reviewed 8 key aspects, including board composition, guidance, authorization, supervision, communication, internal control and risk management, self-discipline, and other factors, providing professional and objective recommendations for board optimization.

3. **Information Transparency:**
   The board held **9 meetings in FY2024**, with important resolutions promptly disclosed after each meeting. To ensure investors receive comprehensive and timely corporate information:
   - Financial and operational information is disclosed on the **Market Observation Post System (MOPS)** ahead of statutory deadlines and regularly updated on the company's **investor relations website**.
   - The company holds **annual shareholder meetings** and **quarterly investor conferences** to maintain interaction with investors.

II. Policies and Plans

(A) Short-Term Enhancement Plan

To strengthen competitiveness and respond to digital transformation, the company has formulated a **short-term enhancement plan** focusing on **"talent optimization"** and **"technological innovation"**, laying a solid foundation for medium- and long-term growth.

1. **Talent Optimization: Building a Resilient Organization**

    - **Enhance employer brand and attractiveness:** Strengthen corporate culture communication and value proposition, leveraging social media and campus partnerships to attract high-potential professionals.
    - **Optimize compensation and benefits:** Review and adjust the current salary structure, introducing performance-based incentives to increase both internal loyalty and external competitiveness.
    - **Strengthen career development and training:** Establish tiered training programs and digital learning platforms, combined with rotation systems, to promote vertical and horizontal knowledge sharing within the organization.
2. **Technological Innovation: Improving Operational Efficiency and Service Quality**
    - **AI implementation:** Deploy AI tools such as online customer service and intelligent assignment systems to reduce manual workload and improve accuracy.
    - **Upgrade mobile operation platforms:** Enhance existing apps and internal mobile systems to enable real-time information access, remote collaboration, and rapid customer response.
    - **Data-driven management decisions:** Strengthen BI (Business Intelligence) tools to build dashboards and real-time monitoring systems for data-driven managerial decisions.
    - **Process simplification and automation:** Introduce RPA (Robotic Process Automation) for repetitive administrative tasks, improving consistency and efficiency.

(B) Medium- to Long-Term Enhancement Plan

With the **2030 vision** of "Co-creating a sustainable and ethical lifestyle, becoming the most respected service company," the company aims to:

- Care for employees
- Serve customers
- Enhance shareholder returns
- Protect the environment
- Contribute to society

Additionally, the company collaborates with suppliers to establish **honest, transparent, and responsible partnerships**, driving positive social and environmental impact and realizing its corporate sustainability mission.

III. Communication and Monitoring

(A) Investor Relations and Communication

Through the **"Enterprise Value Enhancement Plan" section on MOPS**, the company discloses comprehensive financial and operational analyses, as well as future strategies. Shareholder engagement continues through **quarterly investor conferences and annual shareholder meetings**, ensuring investors understand the company's development strategies. Financial data and the enterprise value plan are reviewed annually, with adjustments made according to market changes to sustain business growth and continuity.

(B) Board Oversight

The progress of the plan was reported to the board on **July, 2025.** Going forward, the plan will be continuously updated based on market conditions, with ongoing disclosure of adjustments and execution progress, ensuring that both the board and external stakeholders fully understand the company's enterprise value enhancement strategies and results.