

Sinyi Realty Inc.

2026 Enterprise Value Enhancement Plan

The business operations of the Company and its subsidiaries (collectively, the "Consolidated Company") primarily cover three major domains:

- **Real Estate Brokerage Business:** In the Real Estate Brokerage Business, the Company provides diversified real estate brokerage services, including the sale, purchase, and lease of second-hand residential properties, offices, factories, land, and parking spaces. It also encompasses full-batch agency sales for pre-sale homes, unsold housing inventory, and newly completed properties.
- **Development Business:** In the Development Business, operations include the development, rental, and sale of residential properties and buildings, as well as the development, rental, and sale of industrial factories. In recent years, it has actively expanded into public infrastructure development to increase the scale and depth of development. Simultaneously, it has developed a "Turnkey Service" business model that assists landowners with tailored, integrated development plans backed by a developer-grade professional team.
- **Tourism and Hospitality Business:** Based on "housing" as a fundamental necessity of life, the Company has extended its footprint into the Tourism and Hospitality Business. It is currently making full efforts to promote the construction of a high-end hotel, with plans to integrate the overall development of Mengalum Island to maximize tourism benefits.

In FY2025, consolidated revenue reached NT\$11.46 billion, of which the Real Estate Brokerage Business contributed NT\$9.23 billion, accounting for 81%. The remaining revenue came from the Development Business, where revenue is recognized primarily upon property delivery. In FY2025, Sinyi Development recognized NT\$2.15 billion in revenue due to property handovers for the "Jiapi" project. The Tourism and Hospitality Business is expected to generate operational revenue only after the hotel opens at the end of 2027.

Current Status Analysis

A summary and detailed analysis of key indicators of concern to the capital markets are provided below:

Indicator	FY2025	FY2024	FY2023
Weighted Average Cost of Capital (WACC) (%)	3.71%	3.68%	3.07%
Total Shareholder Return (TSR) (%)	-14.63%	1.17%	15.8%
Return on Total Assets (ROA) (%)	1.25%	6.15%	5.83%
Return on Equity (ROE) (%)	1.62%	13.63%	14.39%
Earnings Per Share (EPS) (NT\$)	0.28	2.42	2.39

Return on Invested Capital (ROIC) (%)	0.63%	3.40%	3.97%
Price-to-Book Ratio (P/B ratio) (Times)	1.30	1.53	1.76
Price-to-Earnings Ratio (P/E ratio) (Times)	56.75	10.83	13.93

Capital Cost Analysis

The Company's real estate brokerage business is operated under a directly managed store model, where headquarters directly controls all operational decisions and management across stores. Operating costs for individual stores are relatively higher, making rapid scale expansion more challenging compared to franchised stores and potentially affecting economies of scale; however, the profit contribution per store significantly outperforms franchised operations. The subsidiary Development and Tourism/Hospitality businesses are capital-intensive industries and follow a steady, non-aggressive operational cadence.

As of the end of FY2025, the Consolidated Company's capital structure comprised 42% equity and 58% debt. Factors affecting debt and equity financing costs include real estate market policies, macroeconomic conditions, demographic changes, corporate credit ratings, and operational risks. In early 2026, Taiwan Ratings Corporation maintained the Company's long-term credit rating outlook at twA.

Through Weighted Average Cost of Capital (WACC) analysis, the Consolidated Company can evaluate capital efficiency, investment project appropriateness, and enterprise value rationality. The Consolidated Company's WACC stands at 3.71%:

$$\text{WACC} = (E/V) \times Re + (D/V) \times Rd \times (1 - Tc) = 0.9497 \times 3.81\% + 0.0503 \times 1.76\% = 3.618\% + 0.089\% = 3.71\%$$

Thanks to a good credit rating, overall capital costs remain low. Under a sound financial structure, this has a positive impact on enterprise value and shareholder returns. Industry peers of the Consolidated Company are non-publicly listed and mostly operating as franchises, making comparable market information less accessible. However, as the market leader in domestic real estate brokerage, the Consolidated Company possesses extremely high brand awareness and strong consumer trust, allowing its directly managed business model to generate synergies and deliver superior operational performance.

Both interest rate and exchange rate fluctuations affect the company's WACC. Changes in these factors remain relatively controllable for the Consolidated Company, which manages risk through natural hedging, active communication with bank trading desks, and deepening bank relationships to mitigate potential WACC volatility risks. Regarding inflation, as real estate is widely viewed among ethnic Chinese communities as an inflation hedge, the impact of inflation on the Consolidated Company is limited or even beneficial.

Total Shareholder Return (TSR) Analysis

The Company's cash dividends (based on payment date) over the past three years (2023 to 2025) were NT\$1.2, NT\$1.6, and NT\$1.8 per share, respectively, with TSR standing at 15.8%, 1.17%, and -14.63%, reflecting a reduction in brokerage service revenues and profitability. The Consolidated Company's 3-year TSR averaged approximately 0%, indicating that total shareholder returns were primarily supported by cash dividends. However, stock price performance failed to synchronously reflect the growth in the company's intrinsic value, resulting in capital gains being offset by dividend yield losses. Therefore, the key to enhancing enterprise value in the future will shift from merely maintaining dividend policy to strengthening growth capabilities and improving return on capital, driving a rebound in market valuation.

Profitability Analysis

Return on Total Assets (ROA) & Return on Equity (ROE)

In FY2025, consolidated ROA was 1.25% (down from 6.15% in FY2024), and consolidated ROE was 1.62% (down from 13.63% in FY2024). Net profit after tax was NT\$219 million, lower than NT\$1.807 billion in FY2024, reflecting lower overall asset utilization efficiency compared to FY2024. This was mainly driven by the Central Bank's 7th wave of selective credit control measures, which led to a over 50% drop in secondhand housing transaction volumes across Taiwan, alongside the downturn in mainland China's property market that caused slower-than-expected sales and unrealized valuation losses for the "Shanshui Jiating" project in Wuxi, resulting in a marked drop in overall profitability.

Earnings Per Share (EPS)

EPS for FY2025 was NT\$0.28, down from NT\$2.42 in FY2024. Revenue scale declined compared to the previous year, causing profitability to drop significantly. Although the "Jiabin" project contributed NT\$440 million in gross profit, the persistent weakness in mainland China's housing market resulted in slower sales and an unrealized impairment loss of NT\$490 million for the Wuxi "Shanshui Jiating" project. Following the Central Bank's 7th wave of selective credit controls, market uncertainty increased. The Company must actively capture owner-occupier demand, leverage its brand advantage, act as a loan advisory consultant for buyers, and mitigate buyer risk to improve transaction conversion rates.

Return on Invested Capital (ROIC)

Calculated on a consolidated entity basis, ROIC for 2023 through 2025 was 3.97%, 3.40%, and 0.63%, respectively. In FY2023, ROIC exceeded WACC; in FY2024, ROIC was slightly below WACC; and in FY2025, ROIC fell significantly below WACC, indicating that capital utilization during the period failed to generate sufficient returns, resulting in a decline in value-creation capacity. The reasons for the low ROIC include capital allocations to the Development and Tourism/Hospitality businesses, where most projects are currently in construction or development stages and have not yet generated

corresponding operating income. This increased invested capital while operational returns have yet to materialize, further depressing ROIC levels.

Market Valuation Analysis

Valuation Level Analysis

The Consolidated Company's Price-to-Book (P/B) ratio over the past three years (2023 to 2025) was 1.76, 1.53, and 1.30, respectively, remaining above 1.0. Meanwhile, the Price-to-Earnings (P/E) ratio ranged between 13.93, 10.83, and 56.75. Beyond indicating that market valuation of future growth and earnings stability remains relatively conservative, it is notable that despite poor profitability in FY2025, the stock price found support around NT\$20, causing the recent P/E ratio to rise markedly.

Furthermore, the Company's cash dividend yield maintained a level of 3% to 6%, offering good shareholder return levels. However, due to a prolonged lack of significant stock price growth momentum, capital gain attractiveness remains limited. Implementing effective re-growth profit strategies, revitalizing assets, and enhancing capital efficiency could win a re-evaluation of reasonable corporate value from the market. Compared to real estate stocks or large-scale service providers with similar property assets and stable cash flows, the market valuation is slightly lower, indicating that capital markets have not fully priced in the potential value of its cross-border footprint and underlying assets.

Robust Net Assets & High-Value Holdings

The Consolidated Company maintains overall net asset stability and holds multiple high-value land and development assets, including:

- Sinyi Headquarters Building and select company-owned store locations;
- Commercial shopping facility held by Sinyi Development under the "Jiapi Project" and joint MRT development projects, offering mid-to-long-term revaluation potential;
- The "Shanshui Jiating" project in Wuxi, China, which presents opportunities to realize partial revenues as local real estate markets recover;
- Construction of the InterContinental Sabah Resort, scheduled to open by late 2027, which will contribute long-term tourism and operational asset income.

Potential Growth Assessment

Potential growth drivers for the Consolidated Company rest on three main pillars:

- **Digital Transformation & Tech Empowerment:** Utilizing AI for price forecasting, automated buyer-seller matching, and online-to-offline integrated service workflows to boost transaction efficiency, reduce manual labor costs, increase agent productivity, and drive operating profit growth.
- **Regional & Product Line Expansion:** Expanding beyond traditional brokerage into emerging services such as urban renewal, dangerous/old building reconstruction, and overseas property sales agency, while investing in PropTech to broaden operating boundaries. Although the Japan

brokerage business is modest in scale, it positions the company well to capture asset appreciation opportunities driven by JPY depreciation. Coupled with Japan's stable political and economic landscape, it will serve as a key business unit for future group expansion.

- **Asset & Capital Allocation Optimization:** Appropriately activating or restructuring self-use or investment properties based on market conditions to raise Return on Assets (ROA) and strengthen connections between core operations and capital markets.

Under a long-term stable residential housing trend and government policy support for owner-occupied housing, the Consolidated Company possesses robust development potential and operational agility.

For other business units, progress on Sinyi Development's projects (such as "Jiaxue" and MRT joint developments) is becoming clearer, paving the way for revenue recognition or project launches in coming years to boost construction/development income and asset returns. Re-launching sales for Wuxi's "Shanshui Jiating" project has generated stronger momentum. The InterContinental Sabah Resort's opening at the end of 2027 will transition it into an operational, rental-income-generating asset, creating a stable cash flow source and connecting tourism real estate channels with Taiwan's core business.

Balance Sheet Review

The Company conducts regular annual balance sheet reviews and submits quarterly financial report analyses – covering liquidity ratios and debt ratios – to the Board of Directors to ensure asset structures support mid-to-long-term operational and investment needs. As of the end of FY2025, the current ratio stood at 305% (compared to 272% at end-FY2024), and the debt ratio was 58% (compared to 57% at end-FY2024), demonstrating a sound financial structure. Financial investments such as holdings in E.SUN Financial Holding and Orix, as well as various assets, are evaluated regularly to optimize capital utilization efficiency and generate long-term value.

Corporate Governance Analysis

Board Structure, Independence, and Diversity

The Board consists of 7 directors. Originally, 4 were independent directors (exceeding half of the total seats). Following the resignation of 1 independent director for personal reasons in January 2026, there are currently 3 independent directors. The Company plans to elect 1 female independent director at the May 2026 Shareholders' Meeting, which will restore independent directors to 4 seats and bring female director representation to 4 seats (both exceeding half of the Board). The Board possesses diverse expertise across law, finance, human resources, marketing, and digital technology.

Information Transparency

The Board convened 11 times during FY2025, immediately disclosing major resolutions following each meeting. To ensure investors receive comprehensive, timely enterprise information, the Company:

- Uploads financial and business information to the Market Observation Post System (MOPS) ahead of statutory deadlines and updates the Investor Relations website promptly.
- Hosts annual Shareholders' Meetings and quarterly investor conferences to maintain continuous engagement.

Risk and Competition Assessment

- **Macroeconomic Analysis:** Although Taiwan's economy remains influenced by geopolitics and global economic shifts, domestic fundamentals remain solid with steady consumption growth. As low-interest environments tighten, the real estate market shows regional correction trends. Short-term trading volume appears muted, but long-term owner-occupier demand remains unchanged, particularly in Greater Taipei, Taichung, and Kaohsiung. Continued selective credit controls, hoarding taxes, and rental management regulations will curb speculative investment, steering the market back to owner-occupiers and requiring brokerages to adjust customer engagement strategies and market segmentation.

For subsidiaries, China's property market undergoes policy adjustments and deleveraging. Short-term pressures persist, but policy easing or local market stabilization offers mid-to-long-term growth potential directly affecting Jiu Xin Properties. In Japan, gentle economic recovery, low interest rates, and JPY depreciation enhance property attractiveness, while post-pandemic tourism recovery boosts overseas real estate demand, benefiting Sinyi Japan. Tourism in Sabah is recovering rapidly; backed by rich natural resources, the InterContinental Sabah completion will serve as a pillar for cash flow and overseas brand exposure.

- **Industry Competition Analysis:** Taiwan's brokerage market is highly fragmented, with most players operating locally or as franchises. Low entry barriers create intense competition, making price and service differentiation crucial. The Consolidated Company maintains competitive advantages in brand recognition, training, IT systems, and ESG sustainability while operating directly managed stores to guarantee service quality.

Digital adoption accelerates industry turnover. Startup platforms emphasizing "low commissions" or "self-service matching" challenge traditional brokerage models. The Consolidated Company must advance data applications and technology differentiation to preserve market leadership.

For subsidiaries, developer competition is fierce, and land acquisition is increasingly difficult. Cost control and product differentiation are vital. Sinyi Development can enhance development efficiency and market value contribution through MRT joint developments and urban renewal projects. In Japan's specialized brokerage market, cross-border client needs require localized expertise; Sinyi Japan differentiates itself through integrated Taiwan-Japan teams and localized services. In the hospitality sector, competing with international brands requires partnerships (such as IHG) and operational management excellence to secure occupancy and yields.

Policies and Plans

Guided by an operational philosophy that balances the interests of six key stakeholder groups — customers, employees, shareholders, suppliers, society, and the environment — the Company does not seek short-term shareholder profit maximization as its sole objective. The Company believes that elevating service quality, empowering talent, deepening partnerships, and practicing sustainability build a solid operational foundation that eventually translates into sustained enterprise value and shareholder returns.

In FY2025, credit control policies and development project impairment losses reduced EPS from NT\$2.42 in FY2024 to NT\$0.28, dampening growth expectations and stock performance. Despite maintaining a stable dividend policy, TSR trended downward. As TSR relies heavily on dividend payouts without stock price growth momentum from operational expansion, future efforts will systematically enhance shareholder returns across Earnings Growth, Capital Allocation, and Market Communication.

Short-Term Enhancement Plan

To strengthen corporate competitiveness and respond to digital transformation, the Company's short-term plan focuses on Talent Optimization and Technological Innovation:

Talent Optimization: Building a Resilient Organization

- **Dream Realization Action Plan:** Managers guide employees to turn personal dreams into actionable customer service steps.
- **Compensation & Benefits Optimization:** Adjusting compensation structures and introducing performance-oriented rewards to enhance internal cohesion and market competitiveness.
- **Career Development & Training:** Establishing tiered competency training courses and digital learning platforms alongside rotation schemes to facilitate knowledge sharing.
- **Employer Branding:** Strengthening corporate culture communication, social media outreach, and campus partnerships to attract top talent.
- **"Sinyi Double 7 Rising Stars" Recruitment Plan:** Launched on March 16, 2026, targeting new real estate sales hires to adapt to shifting generational values and talent competition.

Technological Innovation: Enhancing Operational Efficiency and Service Quality

- **AI Tool Integration:** Implementing online customer service, intelligent task dispatch, neighborhood search engines, and one-click item clearing systems to streamline manual labor and boost accuracy.
- **Mobile Platform Upgrades:** Optimizing internal apps and mobile systems for real-time data access, remote collaboration, and rapid client responsiveness.
- **Data-Driven Management Decisions:** Enhancing BI dashboard capabilities for real-time monitoring and data-driven manager assessments.
- **Process Streamlining & Automation:** Deploying RPA for repetitive administrative processes and providing Gemini AI Pro tools to improve operational efficiency and consistency.

- **Project Management Recruitment:** Hiring local construction, engineering, and regulatory coordination specialists to bridge execution and cultural gaps for Taiwan teams operating overseas.

Capital Efficiency & Allocation Enhancement

The Company will introduce rigorous investment assessment mechanisms, setting clear Internal Rate of Return (IRR) thresholds for development projects and capital expenditures. Regular performance reviews will allow resource reallocation when necessary, preventing capital over-concentration in low-return or high-risk projects and maximizing capital efficiency.

Mid-to-Long-Term Enhancement Plan

For growth strategy, the Company will prioritize strengthening digital capabilities in its brokerage business, using data analytics and AI to enhance customer lifetime value and transaction efficiency, maintaining high ROIC in its core operations. Simultaneously, the Company will systematically expand real estate development capabilities by building local professional teams and project management frameworks to minimize development risks and raise success rates. Capital will be prioritized for high-return opportunities (e.g., brokerage digitization, overseas expansion), followed by carefully evaluated development projects, and lastly, shareholder distributions.

Sinyi Group's long-term growth hinges on talent pipeline development. Long term, the Group will cultivate professional talent pools and implement job rotation systems to prepare executive succession pipelines. Cross-border talent recruitment is also critical; rotating Taiwanese architectural, legal, and construction staff to Malaysia for local projects builds a cross-border rotation framework for tourism real estate expansions. For hotel operations, the Company will collaborate with IHG on pre-opening preparations, setting up governance mechanisms covering technical specifications, brand standards, timelines, and quality oversight to ensure seamless brand integration and budget control.

Guided by the 2030 vision to "Create a Sustainable Good Life through Business Ethics and Become the Most Admired Service Enterprise," the Company aims to care for colleagues, serve clients, enhance shareholder returns, protect the environment, and give back to society while partnering with suppliers to foster transparent, responsible cooperation. Through these efforts, the Company aspires to fulfill its sustainability mission and serve as a trusted corporate role model.

Communication and Tracking

Investor Relations and Communication

Through the "Enterprise Value Enhancement Plan Section" on MOPS, the Company discloses comprehensive analysis regarding financial performance and future strategies. Quarterly investor conferences and annual Shareholders' Meetings maintain continuous dialogue, helping investors understand company strategy, capital allocation logic, and value-creation pathways to enhance

market trust and transparency. Financial data and value plans are reviewed annually and adjusted according to market dynamics to ensure sustainable growth.

Information Disclosure and Value Communication

Future disclosures will transition from "compliance-oriented" to "value-oriented". In addition to reporting TSR, ROIC, WACC, and market valuation metrics, disclosures will highlight underlying growth drivers so investors understand the factors behind metric changes and their impacts on enterprise value.

Periodic Board Supervision

The Board of Directors will review this Enterprise Value Enhancement Plan at least once annually to assess implementation results against target benchmarks, analyze variances, and roll out strategy updates based on market conditions. Adjustments and execution progress will be continuously disclosed to ensure complete understanding among the Board and external stakeholders.

The progress of this plan was reported to the Board of Directors on April 28, 2026.