

2019 Sinyi's corporate governance performance status

Evaluation Items	Facts of performance
	Description of Summary
I. Does the Company specify and disclose the corporate governance best practice principles in accordance with the "Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies"?	The Board of Directors of the Company approved the "Corporate Governance Practices Rules", Chapter III: Enhancing the Function of Board of Directors - Section 1: Structure of Board of Directors - Article 20, of Sinyi Realty Inc. in the Board meeting of August 2000 with the newest revision approved in January, 2019, to refine the corporate government system, solidify supervision functions and strengthen the management performance. The Company also periodically reviews the actualization status of the corporate governance and makes improvement accordingly; there has been no major discrepancy status in its execution up to present. The said Rules are also disclosed in the exclusive zone of "Corporate Governance" in the investor relations website of the Company. (http://www.Sinyi.com.tw/info/company.php)
II. Corporate Equity Structure and Shareholders' Equity	
(I) Does the Company specify internal operation procedures to dispose recommendations, doubts, disputes and lawsuit matters of shareholders, and implement in accordance with such procedures?	The Company specified investor relations disposition procedures, and dispose shareholder's recommendations, doubts, disputes and lawsuit matters in accordance with such procedures, and periodically reviews the actualization status in accordance with such procedures and improves accordingly; there has been no major discrepancy status in its execution up to present.
(II) Does the Company master the major shareholders in actual control of the Company and the name list of the final controllers of such major shareholders?	The Company keeps close contacts with the major shareholders, and most of the major shareholders directly participate in the operation of the Company; the Company also discloses the shareholding status of the major shareholders in actual control of the Company and the final controllers of such major shareholders in accordance with regulations.
(III) Does the Company establish and execute the risk control and firewall mechanism with the affiliated enterprises?	The operation and finance of the Company and the affiliated enterprises are all operated independently. Besides, such related operation rules as "Rules Governing Transactions with Group Enterprises, Specific Parties and Related Parties" and "Rules Governing Subsidiary Company Supervision Management", etc. are specified, to specify the financial business transactions with the affiliated enterprises and matters required to be supervised.

(IV) Does the Company establish internal specifications to prohibit the internal parties of the Company from trading securities by taking advantage of the non-opened information in market?	The Company establishes the Internal Major Information Disposition Procedures, to specify the prohibition of internal parties from trading securities by taking advantage of the non-opened information in market, and periodically engages in education publicity to the internal parties.
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III. Organization and Functions of Board of Directors

(I) Does the Board of Directors prepare diversified guidelines in response to the organization of members and actualize the execution?	<p>The Company's corporate governance guidelines state that the members of the board of directors shall have the knowledge, skills and qualifications necessary for the performance of their duties. The composition of the board of directors shall be considered to be diversified, and the internal directors of the Company shall not be more than one-third. At the same time, the type of business operations and development needs, including but not limited to the following two major aspects:</p> <ol style="list-style-type: none"> 1. Basic backgrounds and conditions values: gender, age, nationality and culture. 2. Professional knowledge and skills: professional background (such as law, accounting, industry related knowledge, finance, marketing or technology), professional skills and industry experience. <p>In order to achieve the ideal goal of corporate governance, the board of directors should have the following capabilities: (1) operational judgment ability; (2) accounting and financial analysis ability; (3) management ability; (4) crisis processing capacity; (5) industry knowledge; (6) the comprehensive of international market; (7) leadership; (8) decision-making ability.</p>
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Director	Diversified core ability	Gender	Expertise and skills					Fact in conformity in capabilities								
			Law	Accounting	Industry	Finance	Marketing	Technology	Management ability	Leadership	Industry knowledge	Talent education	Performance evaluation	Accounting and finance	Law	Environmental protection
Hsueh Chien-Ping		M		✓	✓	✓	✓		✓	✓	✓	✓	✓	✓		
Chou Wang Mei-Wen		F			✓	✓			✓	✓	✓	✓				
Chou Chun-Chi		M	✓		✓	✓			✓	✓	✓	✓			✓	✓
Hong San-Xiong		M	✓			✓			✓	✓		✓	✓		✓	
Jhan Hong-Chih		M		✓		✓	✓	✓	✓		✓	✓	✓			

Yen Lou-Yu	M		✓	✓	✓		✓	✓	✓	✓	✓	✓	✓		
Li Yi-Li (Note)	F		✓		✓			✓	✓		✓	✓	✓		

Note: Independent Director Li Yi-Li was newly elected into the office on 5/24/2019.

The Company used to have 7 directors (including 1 female director). In order to increase the diversity and youth of the members in the board of directors, "in the 13th session of the board of directors, there should include at least 2 female directors and should have at least 1 director below 50 of age" as the goal to strive to choose suitable candidates. In 2019, through the full scale re-election of the board of directors, Ms. Li Yi-Li, who was under 50 of age, was elected as an independent director of the Company to achieve the aforementioned goals. With the innovative young thinking of Ms. Li Yi-Li as an independent director and years of her hands-on experiences in rigorous risk management and practice in foreign banks, the board of directors was significantly enhanced in diversity. Those four independent directors include Mr. Yan Lou-Yu, Mr. Hong San-Xiong, Mr. Jhan Hong-Chih and Ms. Li Yi-Li, who are professionals with extensive experience and expertise in corporate management, law, finance, accounting and business operations. In addition to their promising professionalism, where the independent directors account for more than half of the total seats, the Company could virtually ensure the objectivity and independence of deliberations of issues. In response to the Company's business development, the Company shall aim at the "directors with backgrounds and hands-on experiences accumulated in real property development oriented industries or recreational tourism industry in the Board of Directors of the 14th Session".

The number of independent directors of the Company currently exceeds 1/2 of the total number of director seats, including two female in the board of directors, accounting for 29% of the total number of director seats.

The age and gender of board of directors members:

Age range		Gender	
Over 30 and below 50 (inclusive)	Over 50	Male	Female
1	6	5	2

(II) The Company, besides establishing Remuneration Committee and Audit Committee in accordance with laws, also voluntarily establishes other committees

The Company has established the Nomination Committee. It was to be established agreed by the resolution of the board of directors on October 27, 2017. And the Charter of Nomination Committee is adopted. The Committee is composed of five directors selected by the board of directors from among themselves; a majority, four of the Committee members are independent directors while the other one is Mr. Chou Chun-Chi, the another director of the Company;

with similar functions?	Committees	Audit Committee	Compensation Committee	Nomination Committee
	Director			
	Hong San-Xiong	✓	✓(Chairperson)	✓
	Jhan Hong-Chih	✓	✓	✓
	Yen Lou-Yu	✓(Chairperson)	✓	✓(Chairperson)
	Li Yi-Li	✓	✓	✓
	Chou Chun-Chi	-	-	✓
	<p>The Committee shall convene at least once a year, and the Committee shall exercise the due care of a good administrator to faithfully perform the following duties and shall submit its proposals to the board for discussion:</p> <ol style="list-style-type: none"> (1) Laying down the standards of independence and a diversified background covering the expertise, skills, experience, gender, etc. of members of the board, supervisors and senior executives, and finding, reviewing, and nominating candidates for directors, supervisors, and senior executives based on such standards. (2) Establishing and developing the organizational structure of the board and each committee, and evaluating the performance of the board, each committee, and each director and senior executive and the independence of the independent directors. (3) Establishing and reviewing on a regular basis programs for director continuing education and the succession plans of directors and authorized chief officers.. (4) Establishing and amending corporate governance guidelines of the Company. <p>Related rules and the evaluation are revealed in the investor relations website of the Company. (http://mops.twse.com.tw/mops/web/t100sb03_1)</p>			
(III) Does the Company establish performance rules and evaluation methods of the Board of Directors, and periodically engages in performance evaluation every year?	<p>The Company has established “Regulations on Performance Evaluation of the Board of Directors” at the end of 2015 and the Company will issue self-evaluation questionnaire to all board members from 2015. By means of performing the performance evaluation of the Board of Directors periodically every year, by requesting each director to complete evaluation for previous year in such aspects as the operation, culture, internal/external relationship operation, self-evaluation in terms of the Board of Directors, for the conference unit/department of the Board of Directors to collect and compile them and report such in the board meeting and propose the direction of further improvement and apply them to the remuneration of individual directors and use them as a reference for nominations for renewal.</p> <p>In the questionnaire, the part 【Summary and description of BOD overall self-evaluation】 covers five aspects which described on page 3-41. After the questionnaires are fully recovered, the latest report of the board of directors will be submitted and suggestions for improvement will be proposed for the areas that can be</p>			

strengthened.

The performance self-Assessment of the Company's board of directors for 2019 was conducted by the deliberative unit issuing questionnaires and recycling and doing statistics and then was reported to the board of directors and its functional committees on December 30, 2019. As to the aspects of "diversification of directors' advanced courses" and "whether there are formal or informal channels to receive stakeholders' views", the deliberative unit is required to propose action plans for improvement. After deliberative unit's reporting to the Board of Directors, the recommendations and improvement actions have been posted on the Company's website: http://www.sinyi.com.tw/info/i_1_2_directors.php.

The "Procedures of Performance Evaluation of Directors" which stated the Board of Directors shall conduct self-evaluation at least once a year and shall engage an external independent professional institution or a panel of external experts and scholars to conduct triennial performance evaluation of the Board of Directors. Internal and external board performance evaluations shall be completed before the first board meeting held in the following year.

The latest performance evaluation of directors for year 2017 had just engaged a panel of external experts to conduct. The performance evaluation of the board and its functional committees was conducted by an external independent institution, Consultant Service Department of KPMG Taiwan of which Department Head is Beryl Lin, and was measured in different dimensions. After interviewing with the chairman, directors and independent directors, conveners of functional committees and deliberative units at the time, the evaluation report was reported to the board on January 25, 2018.

1. Assessment methods: combined with questionnaires, data analysis and interviews, the questionnaire includes the board effectiveness self-assessment and the director's self-assessment, which were all completed by all directors, data analysis by the Company to provide relevant data and by the evaluation unit to collect public information after the collection of public information, and finally by the evaluation unit and the director to conduct a one-on-one interview to learn more about the directors of the board and members of the board of directors views and recommendations.
2. The 2017 performance evaluation of the Company's board of directors reveals **【Summary and description of BOD overall self-evaluation】** with 9 dimensions by 89 questions: (1) Constitution of an effective board, (2) Effective operation of board, (3) Professional development and training, (4) Corporate foresighting, (5) Performing duties, (6) Management of management level, (7) Creation of culture of the Company, (8) Communication with the stakeholders, (9) Performance evaluation; while in the other part **【Summary and description of self-evaluation of individual director of the Company's BOD】** reveals six evaluations by 27 questions: (1) The grasp of the Company's targets and missions, (2) Identification of the director's obligation, (3) The BOD members' profession and continuous advanced studies, (4) Performance of duties,

	<p>(5) Participation into the Company's operation, (6) Internal relationship management and communication.</p> <p>3. Rating: "Need for significant improvement" (1 point), "need to improve" (2 points), "general" (3 points), good (4 points) and "excellent" (5 points): excellent: in line with the better practice of international governance. / Good: in line with domestic governance better practice. /Normal: in accordance with domestic regulations or general standards. / Need to improve: not in compliance with the statute or general standard severance, but the situation is not serious. / Need for significant improvement: with severe deficiencies.</p> <p>The results were assessed as "board effectiveness" and "board member effectiveness" with average scores of 4.4 and 4.7 points respectively, ranging from "good" to "excellent".</p> <p>The improvement goals of the external evaluation mentioned above were as follows:</p> <ol style="list-style-type: none"> 1. To nominate a new young or female Board member candidate who could be familar with the property industry. 2. To plan for the based on the current Sinyi's strategy for purpose of utmost function. 3. To incease the Board members' participation in process of the satragy and material decision making. Such as to arrgange a seminar or invite the independent director to the internal important meeting. <p>We took this evaluation result as the reference to improve the board effiency, and have elected a youg female independent director which constitutes 2 female Board members, i.e. 29% of director seats. When planning annual director's refresher courses, we shall take into account the operational needs of the Company, and consult the practical needs of directors, and draw up a plan for the annual director's refresher courses, which will be implemented after the approval of the Nomination Committee and the Board of Directors.</p> <p>Related rules and the evaluation are revealed in the investor relationship website of the Company. (http://www.Sinyi.com.tw/info/i_1_2_directors.php)</p>
(IV) Does the Company periodically evaluate the independence of the certified public accountant?	<p>The Company evaluate the independence in the certified public accountant (CPA) at least once a year when the Company re-engages CPA each year,</p> <ol style="list-style-type: none"> (1) The Finance Department evaluates if such accountant conforms to the related regulations of independence and competency by the "Accountant Competency, Independence Evaluation Checklist" listing the independence evaluation items with reference with the Article 47 of Certified Public Accountant Act and No. 10 of the Bulletin of Norm of Professional Ethics for Certified Public Accountant "Integrity, Objectivity and Independence". (2) The Finance Department obtains the independence statement of the CPA intended to be appointed. (3) The Finance Division submitted the evaluation result to the Audit Committee and the Board of Directors for discussion, to serve as the reference of appointing the accountant. <p>The latest yearly "Accountant Competency, Independence Evaluation Checklist" have been reported to the</p>

	Company BOD on February 25, 2019 and February 27, 2020. The 2019 yearly result was shown on page 3-116.
<p>IV. Does the Company have dedicated (or non-dedicated) divisions or personnel responsible for corporate governance issues (including but not limited to the preparation for the materials required for directors and supervisors, convening of the meetings for directors and shareholders according to relevant laws and regulations, registration of companies and changes to registration details, compilation of meeting minutes for board meetings and shareholders' meetings)?</p>	<p>1. Mr. Chen, Chih-Huan, senior manager of Finance Department of the Company, with the CPA license of R.O.C. and more than 9 years experiences of financial management in public limited company is the specialist to be responsible for corporate governance issues with 1-2 staff to cope with corporate governance affairs. The duty of the specialist is the convener to deal with the corporate governance affairs which include :</p> <ol style="list-style-type: none"> (1) Prepare for the materials required for directors, and provide hard copies of meetings to the directors; (2) Notify board members as a matter of time once the release of a material information; (3) Provide monthly internal business chiefmeeting information and quarterly industry trends to independent directors and regularly pass the Company's relevant forums information for their participation; (4) Arrange and deal with the schedule of of convening the board meetings and shareholders' meetings; (5) Make meeting records for the board meetings and function-committee meetings after the end of meetings twenty days; (6) Assist for the directors to compliance related laws and regulations; (7) Assist for the inauguration and lessons of the directors and arrange the inspection activities to the material operatiog units and subsidiaries for the directors; (8) Assist the Board and each functional committes to take a self-eveualtion each year and external eveualtion each three year; (9) Supervise and enhance the actual corporate governance issues; (10) Convene investor conferences; (11) Treat the investors and reply the queries asked by them and announce the results of corporate governance issues; <p>2. The business promotion situation as below are reported to the board related to the corporate governance issues, and already reported the business promotion situation for 2018 and schedule for 2019 to the board in April, 2019. The business promotion situation for the year 2019 is as follows:</p> <ol style="list-style-type: none"> (1) In order to ensure that the members of the board are informed of the Company's major information immediately, the Company immediately informs the board members after issuing major messages; (2) Conduct 6 hours training courses for board members at the Company; (3) Purchase the liabilities insurance of the Company for its directors and managers, and the most recent insurance for all directors is with an insured amount of US\$3,000, and a period of insurance of 07/15/2019~07/15/2020; (4) Assist to arrange to convene meetings for the communications between independent directors, Certified Public Accountants and the internal audit head from time to time. The meeting was convened once in the year of 2019 to implement the internal control system. A summary of the communication is available

	<p>on the Company's website and please refer to page 3-25 for the relevant content are recorded in the meeting records;</p> <p>(5) In 2019, the meetings were held by 3 times individually: in March, May, and the early November. Meanwhile the meeting records were all displayed on the Company's website for investors to replay. (http://www.Sinyi.com.tw/info/i_4_1_news.php). Information on the latest issue of the Law can also be found at the MOPS website.</p> <p>(6) To ensure the implementation of the ethical practice, the Company's "Ethical Corporate Management Best Practice Principles" stipulates that at least once a year, the Company shall report to the board of directors on the implementation of the plan to promote integrity management. The head of Corporate Ethics Office have reported to the BOD on December 30, 2019 in representative of "TEM Committee" (Corporate Ethics Promotion Committee);</p> <p>(7) Assist Remuneration Committee to set-up and review the policy of senior officers' compensation. In addition to regularly reviewing the relevant bonus schemes for senior officers, the Remuneration Committee includes the design of the system for the assessment of bonuses for long-term value contributions.</p> <p>(8) Complete the recording of board of directors and its functional committee for the year ended December 31, 2019, as well as the deliberations of the shareholders' meeting.</p> <p>(9) Complete the 2019 self-performance evaluation board of directors its functional committee.</p> <p>3. Internal promotion regarding Cooperate Governance</p> <p>(1) Finance Department would express our conduct in aspect of Cooperate Governance in the major occasion, which make them understood the concept and importance of Cooperate Governance.</p> <p>(2) We strive for a "zero violation" policy for the insider trading. In addition to the regular notice to require the insider to disclosure their changes in the shareholding, the Finance Department would share information of updated regulation and violation case with the insider. Furthermore, the Finance Department will regularly host the internal training for the trading issue.</p> <p>(3) The Company at least once a year promotes to the current insiders for the "prevention of insider trading management measures" and related laws and regulations of the education. Within one month of taking office, the new insider sought to complete the relevant online education courses, which included the definition of material internal information, the usual confidential assignment, and the reasons for the formation of insider and short-term transactions, the identification process and examples, and placed the course briefing and audio-visual files in the internal staff system, and strengthen the promotion at the seminar of the Department level in March and October, 2019.</p> <p>4. Status of Advanced Study of Chief Cooperate Governance Officer: In order to advance corporate governance, the Company voluntarily advanced in April 2019 to proposed and approved by the Board of Directors to appoint Mr. Chen Chih-Huan, the senior manager of Finance</p>
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Department as the Company's chief corporate governance officer. The cooperate governance officer shall at least take 18 hours training as required by the competent authority at the first when taking on the duty, and 12 hours on-going training per each year. The main work of the chief corporate governance officer in 2019 and the quarter ended March 31, 2020 as listed in 1) mentioned above.

Title/ Name	Date of Advanced Study		Organizer	Name of Program	Hour
	From	To			
Chen Chih-Huan	08/07/2019	08/07/2019	Taiwan Corporate Governance Association	The theoretical basis and innovation of Activity Value Management (AVM) and its practical application to enterprise management decision-making exchanges	3
	09/11/2019	09/11/2019	Taiwan Securities Association	Corporate Strategy and Key Performance Indicators	3
	10/18/2019	10/18/2019	Taiwan Corporate Governance Association	Succession plan, the company's key affair conducted by the Nomination Committee	3
	12/13/2019	12/13/2019	Taiwan Corporate Governance Association	International trends and case sharing on executive compensation governance	3
	02/18/2020	02/18/2020	Taiwan Corporate Governance Association	The function and task of corporate governance personnel under the blueprint of corporate governance	3
	03/27/2020	03/27/2020	Taiwan Corporate Governance Association	Industry 4.0 and how enterprises lead innovation transformation	3

<p>V. Does the Company establish communication channel of the stakeholders (including but not limited to shareholders, employees, customers, supplier, etc.), and establish an exclusive zone of the stakeholders in the Company's website, and properly respond the important issues of corporate social responsibility concerned by the stakeholders?</p>	<p>The Company builds a "stakeholders zone" on its official website and discloses on it the way of appeals for stakeholders. (http://www.sinyi.com.tw/about/stakeholder.php) The Company establishes "Rules Governing the Recommendations and Appeal of the Stakeholders to the Audit Committee" and provides an Audit Committee appeal and recommendation mailbox in the Company's website, to facilitate a commendable communication channel for the stakeholders and independent directors of the Company. The Company reported to the Board of Directors on the communication with stakeholders on December 30, 2019 and disclosed it on the Company's website. (https://www.sinyi.com.tw/investors/investors-ch-csr_csr)</p>
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Stakeholder	Main focus	Corporate communication and response channel	Response strategy and measures
Customers	<ul style="list-style-type: none"> ● Service Quality and Innovation. ● Customer Private Protection 	<ul style="list-style-type: none"> ● Contact: Customer hotline: (0800) 211922 ● Sinyi Realty/Sinyi Realty Home & Lifestyle Services/Sinyi's Corporate Sustainability website; Fans groups for Sinyi Realty/ Sinyi Realty Home & Lifestyle Services; Sinyi bimonthly journal; Customer outreach; Customer feedback channels 	<ul style="list-style-type: none"> ● The Company carried out the buyer care project five months after hand-over process of the subject Real Estate. ● The Customer Service Department of the Company, on a regular basis, proactively checks and confirms the implementation of various customer policies and accepts customer complaints and processing, assists front-line business colleagues in handling customer grievance cases, and has a toll-free phone and online customer service center to respond to customer needs and problems immediately, and jointly propose innovative service proposals with the Strategy and R & D Center.
Colleagues	<ul style="list-style-type: none"> ● Career development planning, payroll & welfare Career Planning ● Workplace Health and Safety 	<ul style="list-style-type: none"> ● Contact: 02-2755-7666 #8150 Human Resources Department, Senior Manager: Mr. Chang ● Internal meetings, internal communication platforms, letterbox for employees, department service hotline, labor relations meetings, EAP support to colleagues, Sexual Harassment Prevention Hotline 1234, feedback on training curricula, internal questionnaire surveys 	<ul style="list-style-type: none"> ● Talent development to increase the success rate for new hires to pass the probation period. ● Health/childbirth grant/flexible welfare /travel/clubs/annual leaves/peer support/birthday, wedding and funeral grants/retirement, etc. The information of employee benefits are shown on the Company's website and page 6-24~6-27 . (http://www.sinyi.com.tw/info/i_5_1_csr.php) ● The information about safety and health of work environment are shown on page 6-30-6-32. ● For more details regarding human right management policies and the concrete programs, please refer to the Company's website.
Shareholders	<ul style="list-style-type: none"> ● Market Image ● Corporate Governance ● Operation Performance ● Labor Relations ● Regulation Compliance 	<ul style="list-style-type: none"> ● Contact: 02-2755-7666 #2677 Finance Division, Manager: Mr. Chu ● Shareholders' meetings, online analysts' meetings, annual reports, webpages for investor relations, mailbox for complaints to Audit Committee and stakeholders' relations 	<ul style="list-style-type: none"> ● The third online Institutional Investor Conference in 2019 ● Release of quarterly and annually financials before the statutory deadlines ● In addition to the disclosure on Market Observation Post System and Sinyi's official website, the announcement of major events may be accompanied with press releases or press conferences if necessary. ● Upon the receipt of written questions from investors, IR officers usually reply. A summary of all the questions from investors

					<p>and responses from IR is forwarded to the board.</p> <ul style="list-style-type: none"> ● Management seeks to enhance the effectiveness of the board with timely delivery of information, convening of meetings and arrangement of directors' visits.
		Society	<ul style="list-style-type: none"> ● Enterprise External Operation; ● Enterprise's Society Impact. 	<ul style="list-style-type: none"> ● Contact: Charity Promotion Group, Manager: Ms. Huang ● We are one project/Sinyi Academy website; Sinyi's Facebook group pages; seminars for industry professionals, academics and government officials; public hearings on laws and regulations; policy talks; workshops on real estate taxations; Sinyi's recruitment site, hot line and mailbox; press conferences 	<ul style="list-style-type: none"> ● Ongoing use of the London Benchmarking Group (LBG) to carry out systematic analyses which pass the LBG verification. ● We continue our efforts with communities into unity in the pursuit of social welfare. ● Here at the Sinyi Public Welfare Foundation we have co-welfare pool of ideas for the elderly aging people, and have accumulated more than 2,000 good ideas so far to support nearly 40 communities to promote active aging programs. ● Under the Community Union Policy, we have accumulated 2,376 communities to help realize the dreams, set up a series of documentary channels in the community, and build a database of socially produced films every year. ● Sinyi Academy focuses on corporate ethics and conducts a series of 90 lectures including six major series, i.e., human life, community care, environmental care, living space and happy family along with a New Year Concert. ● Served as society gathering site, we acquired a certification for "AED Safe Place" and "Excellent Breastfeeding Room" ● Please see Page 4-1 for the further information.
		Environment	<ul style="list-style-type: none"> ● Water resource management ● Greenhouse gas emission ● Green services 	<ul style="list-style-type: none"> ● Contact: 02-2755-7666 #8153 Chief Strategy Head Office, Executive manager, Ms Chen ● Green procurement, Sinyi Corporate Sustainability mailbox and webpages .Sinyi's Corporate Sustainability website. 	<ul style="list-style-type: none"> ● Prime strategies <ul style="list-style-type: none"> - Low-carbon services <ul style="list-style-type: none"> ✓ Management over carbon footprints -Ecology-oriented benefits <ul style="list-style-type: none"> ✓ Greenhouse gas management ✓ Water resource management ✓ Energy & environment management ✓ Waste management ● Implementation effectiveness <ul style="list-style-type: none"> - Low-carbon services <ul style="list-style-type: none"> ✓ Pass in ISO14067 service footprint verification for 2018 ✓ Label of Environmental Protection Administration, the Executive Yuan and carbon-minimization label for 2018 - Ecology-oriented benefits

					<ul style="list-style-type: none"> ✓ Passed PAS2060 carbon neutrality (2018) verification and reached 8 zero-carbon emission stores ✓ Through organizational verification (2018) <ul style="list-style-type: none"> ■ ISO14064-1 Greenhouse gas verification ■ ISO14046 Water footprint verification ■ ISO50001 Energy management system verification ■ ISO14001 Environmental management system verification ■ ISO20121 Event sustainable management verification ● Environmental reduction performance in 2019 (Base year in 2018) which is in the process of verification of 2019 <ul style="list-style-type: none"> - Carbon footprint per service reduced by 22.8% - Per person electricity consumption decreased by 13.35% - Reduction on electricity consumption by 1.51% - Reduction on per person water consumption by 8.88% - Reduction on single service case paper by 40.21% 	
		Suppliers	<ul style="list-style-type: none"> ● Green Procurement ● Procurement ethics 	<ul style="list-style-type: none"> ● Contact: 02-2755-7666 #8154 Chief Strategy Head Office, Project Administrator, Ms Shen ● Hold the meeting with Supplier 	<ul style="list-style-type: none"> ● 100% on commitment signed by suppliers in the sustainability terms. ● In 2019, a total of 232 suppliers out of the total of 257 implemented thoroughly inspection verification, at a rate of 90.27% inspection rate and 100% in pass rate. ● Those key suppliers performed 649 on-site audits. ● In 2019, in the first enforcement of Corporate Social Responsibility (CSR), a total of 65 copies were retrieved and provided for deepening sustainability supply chain management. ● The Company spent NT\$35,140 of green procurement expenditure in 2019. 	
VI. Does the Company appoint a professional stock affair handling agency to process the affairs of shareholders' meeting?	The Company appoints Capital Securities Corporation to process the related affairs of shareholders' meeting.					

VII. Transparent Information Disclosure	
1. Does the Company set up a website to disclose the financial business and the corporate governance information?	The Company discloses the related finance, business and stock affair information of the Company in the investor relations website of the Company's website, and an exclusive zone of corporate governance is provided to describe the related statutes system and execution status (http://www.Sinyi.com.tw/info/company.php).
2. Does the Company adopt other information disclosure methods (such as setting up an English website, designating exclusive personnel to be in charge of the corporate information collection and disclosure, actualizing the speaker system, institutional investor conference process placement in the Company's website, etc.)?	<ol style="list-style-type: none"> 1. The Company sets up an English website of investor relations and provides comprehensive financial information the same as Chinese website of investor relations, to facilitate foreign investors to acquire the same information as domestic investors, and further upgrade the international visibility and information transparency. (http://www.Sinyi.com.tw/info/company-en.php) 2. The Company's website (www.Sinyi.com.tw) is operated by such departments as finance, public affair, and business research office, etc., in charge of collecting related information for exclusive personnel to be in charge of processing such related matters as disclosing, etc. the Company also provides a speaker system which the spokesperson and deputy spokesperson are responsible for the make external statements and clarifications. The Company has the online conference with investors and the conferences were held in March, May, and November in 2019. Related information including the content of presentation and the online recording file are provided in the investor relations website of the Company. (http://www.Sinyi.com.tw/info/company.php)
3. Does the company announce and report annual financial statements within two months after the end of each fiscal year, and announce and report Q1, Q2, and Q3 financial statements, as well as monthly operation results, before the prescribed time limit?	<ol style="list-style-type: none"> 1. The Company has announced its reviewed quarterly financial statements within one month after the end of the quarter (the statutory time limit: within 45 days) and announced its audited annual financial statements no later than the end of February next year. (The statutory time limit: no later than the end of March next year). 2. The Company declares the operating situation of the previous month not later than the 10th of each month.
VIII. Does the Company have other available important	<ol style="list-style-type: none"> 1. Employee Interests and Employee Concern: The Company towards its internal colleagues, besides providing related interests, also provides professional

<p>information helpful to understand the corporate governance and performance status (including but not limited to employee interests, employee concern, investor relationship, supplier relationship, rights of stakeholders, advanced study status of directors and supervisors, execution status of risk management policy and risk measurement standard, execution status of client policy, the status of purchasing liability insurance of the Company for its directors and supervisors, etc.)?</p>	<p>consultant service to its colleagues and family members. In response to individual demands, such consultancy services concerning work career, family paternity, emotion between two genders, physical/mental stress, law, finance and medical issues, etc. are provided, to assist each colleague to possess balanced work and life. As to the external parties, through such organization or group as Sinyi Cultural Foundation, Sinyi Charity Organization, Sinyi Volunteer, etc., the Company encourages colleagues to actively participate in public social welfare activity services, to feed back the community. The Company also provides employees a good communication channel, to assist them to engage in bilateral communication with the management and directors. In addition, the Company also holds an organization recognition investigation and supervisor leadership style questionnaire investigation each year, so as to explore the aspects for further improvement, and increase the interaction opportunities between the managerial level and colleagues.</p> <p>2. Investor Relations: The initial principle of solidifying the corporate governance mechanism is to protect the shareholders equity and treat all shareholders in a fair manner. the Company has adopted some measures as below:</p> <p>(1) Adjusting the date and time of annual shareholders' meeting. The Company avoids convening its annual shareholders' meeting at hot date. The annual shareholder's meeting is held before end of May. In addition, the starting time of the meeting will be adjusted to 9: 30 AM for the sake of convince of the shareholders attending the meeting from far away.</p> <p>(2) Providing English business and financial information: The Company issued English financial statements from 2010, announced Chinese and English material information at the same time from 2011, built the English website of investors in 2014 and provided shareholders with English annual report and shareholders' meeting handbook from 2015.</p> <p>(3) From 2012, at the time of a vote, for each proposal, the chairperson first announces the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. Election of directors has been conducted in accordance with the candidate nomination system.</p> <p>(4) Since 2009, the Company provides shareholders to exercise voting rights in electronic manner for the annual meeting of shareholders, as one of the few leading domestic TWSE/GSTM-listed companies in using shareholders' meeting communication voting platform.</p> <p>(5) Upon convening a shareholders' meeting, it also makes efforts to avoid presenting an extraordinary motion proposal, to maintain the interests of the shareholders using the e-communication voting system. The minutes of shareholders' meeting are also displayed in the Company's website.</p> <p>3. Supplier Relationship: (1) The purchase personnel of the Company would jointly with the purchase requisition unit/department</p>
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	<p>from time to time engage in evaluation on service quality, delivery schedule, and price of a supplier, and in accordance with the evaluation result establish a qualified supplier database.</p> <p>(2) Concerning the suppliers with outstanding result, a price negotiation and tendering would be provided in priority, to ensure quality and reduce the purchase cost of the Company.</p> <p>(3) In order to actualize the protection of human rights, it would also extend to the suppliers in close transactions with the Company, by taking initiative to invite them to sign a human right contract, to respect the basic labor human right protection of their employees.</p> <p>(4) The Company also established the “Ethical Guideline Governing the Purchase Work of Sinyi Group and Its Affiliated enterprises”, requesting the personnel involving in purchase of each unit/department to faithfully observe the said Guideline. In addition, “Normal Operation Behavior Specification of Sinyi Conglomerate” is also newly established, by issuing notes to the qualified suppliers to sign and faithfully observe the said specification, in order to seek for the supplier partners recognizing faithful operation.</p> <p>4. Rights of Stakeholders: The Company through judgment deems the major stakeholders to be clients, colleagues, shareholders, society, natural environment and suppliers; as concurrent consideration and balance of the interests of the stakeholders has always been the objective of the Company, during internal proposals and discussions of major issues, it is required to engage in evaluation vs. the impacts on the major stakeholders, to ensure the interests balance of the stakeholders. Besides, the Company also provides Audit Committee appeal and recommendations mailbox in the Company’s website, to facilitate the stakeholders of the Company a channel to reflect their comments to the independent directors, to maintain their interests. The related descriptions in detail are shown in page 3-56, the description of the general status of fulfilling the corporate social responsibility.</p> <p>5. Advanced Study Status of Directors: The Company’s independent directors and directors already fulfilled at least 6 hours each of the 2019 advanced study program for directors while details are revealed as below:</p>
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Title/ Name	Date of Advanced Study		Organizer	Name of Program	Hour	Whether the advanced study conforms to regulations (Note 1)
	From	To				
Legal representative of Sinyi Co., Ltd.: Chueh Chien-Ping, Chairperson	08/07/2019	08/07/2019	Taiwan Corporate Governance Association	Theoretical basis and innovation of activity value management (AVM) and its practical application to enterprise management decisions	3	Yes
	12/13/2019	12/13/2019		International Trends and Case Studies of Senior Executive Compensation Governance	3	Yes
Legal representative of Sinyi Co., Ltd.: Chou Wang Mei-Wen, Vice Chairperson	08/07/2019	08/07/2019	Taiwan Corporate Governance Association	Theoretical basis and innovation of activity value management (AVM) and its practical application to enterprise management decisions	3	Yes
	12/13/2019	12/13/2019		International Trends and Case Studies of Senior Executive Compensation Governance	3	Yes
Chou Chun-Chi, Director	08/07/2019	08/07/2019	Taiwan Corporate Governance Association	Theoretical basis and innovation of activity value management (AVM) and its practical application to enterprise management decisions	3	Yes
	12/13/2019	12/13/2019		International Trends and Case Studies of Senior Executive Compensation Governance	3	Yes
Hong San-Xiong Independent Director	04/15/2019	04/15/2019	Taiwan Securities Association	The countermeasures of Enterprises in the Global Anti-Tax-Avoidance Trend.	3	Yes
	03/07/2019	03/07/2019	Securities and Futures Institute	Discussion on Money Laundering Prevention and Legal Compliance	3	Yes
Jhan Hong-Chih Independent Director	08/07/2019	08/07/2019	Taiwan Corporate Governance Association	Theoretical basis and innovation of activity value management (AVM) and its practical application to enterprise management decisions	3	Yes

	12/13/2019	12/13/2019		International Trends and Case Studies of Senior Executive Compensation Governance	3	Yes
Yen Lou-Yu Independent Director	05/08/2019	05/08/2019	Taiwan Corporate Governance Association	Development and Analysis of Electronic Payment	3	Yes
	08/07/2019	08/07/2019		Theoretical basis and innovation of activity value management (AVM) and its practical application to enterprise management decisions	3	Yes
	08/13/2019	08/13/2019		Future development trends of AI and IOT	3	Yes
Li Yi-Li Independent Director	08/07/2019	08/07/2019	Taiwan Corporate Governance Association	Theoretical basis and innovation of activity value management (AVM) and its practical application to enterprise management decisions	3	Yes
	12/13/2019	12/13/2019		International Trends and Case Studies of Senior Executive Compensation Governance	3	Yes
Note : Indicates if it conforms to the required number of hours of advanced study, scope of advanced study, system of advanced study, arrangement of advanced study and information disclosure specified in the "Key Points of Promoting Advanced Study for Directors and Supervisors of TWSE/GTSM-listed Companies".						

6. Status of Advanced Study of Managers:

Title/ Name	Date of Advanced Study		Organizer	Name of Program	Hour
	From	To			
Chief Accountant Lin Chiu- Chin	11/14/2019	11/15/2019	Accounting Research and Development Foundation	Continuing education program of principal accounting officers of issuers, securities firms, and securities exchanges	12

As to the status of advanced study of corporate governance officer, please refer to page 3-55.

7. Execution status of risk management policy and risk measurement standard:

The Company already establishes risk management policy and procedures, and periodically reviews the

	<p>execution status of risk management; please refer to page 8-5.</p> <p>8. Establishment of the disposition procedures governing internal major messages: In order to establish a commendable internal major information disposition and disclosure mechanism of the Company, avoid improper information disclosures, and ensure conformity and correctness of the information released by the Company to external parties, the Company already in accordance with the guideline examples proclaimed by the competent authorities establishes the “Internal Major Information Disposition Procedures” of the Company, and performs publicity to its employees, managers and directors in due time, to avoid them from violating laws or insider trading matters.</p> <p>9. Execution status of client policy: Besides setting up a telephone and network online client service center to respond to the requirements and questions of clients at all times, in order to strengthen the high concern level of client service, the “Client Service Department” takes initiative in performing non-scheduled checks and confirmations of the execution status of client policies, accepting the complaints and dispositions of clients, and assisting the first-line business colleagues in handling client complaint cases, by self-assuring it as an internal “Consumers’ Foundation” of the Company, to duly perform the work of maintaining client’s interests. Besides, Client Service Department also, through the satisfaction level investigation mechanism and various audit systems, continues to improve and better the service quality of the Company. Client Service Department provides a 24-hour online client service system which was granted the award of “The Best Client Service Center” in the “Grand Assessment of 2014 Taiwan Service” conducted by “Commercial Times”. In 2017, we adjusted the satisfaction survey method. From the same year onwards, it also added two new satisfaction visits to the buyer's customer five months after the completion of the transaction because of our care about the customer's housing situation. Subsequent, we may assist the customer in resolving any problem they met for the house purchased at our soonest. We expect to improve industrial service standards with more stringent standards and more attentive services.</p> <p>10. Status of purchasing liability insurance of the Company for its directors: The Company already purchases liability insurance for its all directors, as the total insurance amount is US\$3,000 thousand and the insurance coverage period starts from July 15, 2019 to July 15, 2020.</p> <p>11. Our company participates for the 5th time in the corporate governance system evaluation held by Taiwan Corporate Governance Association and passed the corporate governance evaluation of the advanced version of CG6008 in January 2014 (from CG6006 on, the validity of this certificate shall last two consecutive years). We continue to review and improve our corporate governance practices by following the corporate governance evaluation metrics designed by the Taiwan Stock Exchange Corporation. In 2018, we did not commission any professional institutes to assess our corporate governance system or take part in the corporate governance system evaluation held by Taiwan Corporate Governance Association.</p>
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12. Board of Directors members and key management succession planning

(1) Selections of the members to the Board of Directors seats

Here at Sinyi Realty Inc., we started the perspective of corporate governance and entrepreneurial heritage quite many years ago. We introduced an independent director system as early as 2004. We set up the Audit Committee in 2007, established the Remuneration Committee in 2009. In 2013, the number of Sinyi's independent directors was four, in excess of half of the total number of board of directors seats at seven (7). In very early years, we set the sound system that the tenure of office of independent directors should not exceed nine (9) years in maximum to prevent potential damage to the independence. Furthermore, the Nomination Committee was established in 2017 to help the Sinyi Group in checking and verifying the professional backgrounds of the director nominees (such as law, accounting, industry related knowledge, finance, marketing or technology) as well as professional expertise (e.g. operational judgment ability; accounting and financial analysis ability; management ability; crisis processing capacity; industry knowledge; the comprehensive of international market; leadership; decision-making ability). That Committee further helps us check and verify the qualification requirements for senior executives in their promotion. Many practices had been virtually carried out by Sinyi Group before requirements by the government authorities. Through such sound practice, we have significantly optimized performance of the Board of Directors.

In addition to professional backgrounds and professional expertise, the Company's board of directors members should further possess expertise required by the Company business planning and business undertakings. To help the Board of Directors members enhance the professionalism and continuous improvement, given the scope beyond the professional capabilities of the directors to choose and cover such professional courses in finance, risk management, business, commerce, legal affairs, accounting, corporate social responsibility or internal control systems related to the nature of the company's business undertakings, we arrange and required each and every Board of Directors member to receive and complete at least six (6) hours of refresher and advanced study every year. Thanks to such sound planning and system, all board of directors members well keep themselves abreast of the up-to-date know-how required for the industry.

Here at Sinyi Group, we launched the chairperson succession plan quite many years ago, cultivating the Company's internal senior executives to enter the Board of Directors and familiarize them with the operation of the board of directors. Besides, routinely, we have tried to expand their participation in the operating units of the Group, and experience in job rotation, assignment, and the like. Finally, after the full re-election of the Board of Directors members in May 2019, exactly in the same month, Chairperson Chou Chun-Chi successfully handed over his chairmanship to Mr. Hsueh Chien-Ping, the former General

	<p>Manager and Vice Chairperson of the Company. Former Chairperson Chou Chun-Chi, who is the very founder of Sinyi Group, currently serves as the Company's director.</p> <p>(2)Succession planning for key management</p> <p>Here in the Group, as we always stress, the senior executives shall possess certain professional skills. Moreover, they must, in their words and deeds, exactly be consistent with the faithful Sinyi concept of "doing whatever they should do, fulfilling whatever they say" and further put such concept into faithful enforcement. With the development of their ideas and the practice from the heart, they call for long-term cultivation and implementation. The Company has more than 10 senior executives who are responsible for the relevant business operation within the organization. Further through the sound work rotation and assignment systems, one-on-one experience teaching and coaching guidance modes, business management concept seminars and symposiums, and TEM committee meetings, they deepen the awareness and cultivation of the Sinyi philosophy. Through such sound but complicated process, we have elaborately cultivated capable candidates in order to select important members of the succession echelon. In 2006, among the senior executives, we selected General Manager Hsueh Chien-Ping to serve as the Chief Executive Officer (CEO) of the Group platform business while at the same time; we handed over the post of General Manager of the Company to Mr. Liu Yuan-Chih, the former Deputy General Manager of Home Services. Mr. Hsueh Chien-Ping, CEO of the Group's Platform, has served as Chairperson of the Company since May 2019.</p>
<p>IX. Please state the improvements made up to date according to the corporate governance assessment of the most recent years by Corporate Governance Center of the Taiwan Stock Exchange Corporation and propose the proprieties and measures for areas not yet addressed: In 2019, we were ranked as the top 5% of the listed companies among 868 evaluated listed companies in the 5th year of corporate governance assessment by the Taiwan Stock Exchange. This was the 5th time we received this recognition (only 13 listed companies achieved the record). During the 5th year of the assessment, we failed to score as below:</p> <ol style="list-style-type: none"> 1. General-type questions: <ol style="list-style-type: none"> (1) Having not entered the contract with employees as a group. (2) Having not conducted voluntary disclosure of financial forecasts. 2. Extra premium questions: <ol style="list-style-type: none"> (1) Neither each gender of the directors is more than 1/4, nor there at least one female independent director. (2) Having not been voluntary participation in other corporate governance evaluations and hence certifications. <p>The Company has increase one female independent director which constitutes 2 female directors among the 7 directors at the BOD.</p>	